



Hong Kong Jewellery Holding Limited
香港珠寶控股有限公司

(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 : 8048

2015
Annual Report 年報

Characteristics of The Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of Hong Kong Jewellery Holding Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, there are no other matters the omission of which would make any statement herein or this report misleading.

香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)市場之特性

創業板的定位，乃為相比起其他在聯交所上市的公司帶有較高投資風險的公司提供一個上市的市場。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。創業板之較高風險及其他特性，表示創業板較適合專業及其他老練投資者。

由於創業板上市公司新興的性質所然，在創業板買賣之證券可能會較於聯交所主板買賣的證券承受較大之市場波動風險，同時無法保證在創業板買賣的證券會有高流通量的市場。

香港交易及結算所有限公司及聯交所對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部份內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告乃遵照香港聯合交易所有限公司創業板證券上市規則(「創業板上市規則」)的規定而提供有關香港珠寶控股有限公司(「本公司」)之資料。本公司之董事(「董事」)願就本報告所載資料共同及個別承擔全部責任。董事在作出一切合理查詢後，確認就其所知及所信，本報告所載資料在各重要方面均屬準確完備，沒有誤導或欺詐成分，本報告無遺漏任何事項，足以令致本報告或其所載任何陳述產生誤導。

CONTENTS

目錄

- 3** CORPORATE INFORMATION
公司資料
- 5** FINANCIAL SUMMARY
財務概要
- 6** CHAIRMAN'S STATEMENT
主席報告
- 8** MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論及分析
- 12** CORPORATE GOVERNANCE REPORT
企業管治報告
- 21** DIRECTORS' REPORT
董事會報告
- 34** PROFILE OF DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理人員履歷
- 38** INDEPENDENT AUDITORS' REPORT
獨立核數師報告
- 40** CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
綜合損益及其他全面收益表
- 41** CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表
- 43** CONSOLIDATED STATEMENT OF CASH FLOWS
綜合現金流量表
- 45** CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
綜合權益變動表
- 46** NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

CORPORATE INFORMATION

公司資料

EXECUTIVE DIRECTORS

Mr. CHONG Yu Ping (Appointed on 17 February 2016)
Ms. LI Xia
Mr. LIN Di (Resigned on 30 October 2015)
Mr. CHEN Yin

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LAM Tin Faat
Ms. LU Haina
Ms. NA Xin

COMPLIANCE OFFICER

Ms. CHEUNG Yuet Wah, Eva (Resigned on 30 June 2015)
Mr. ZHAO Zhipeng (Appointed on 30 June 2015)

COMPANY SECRETARY

Ms. CHEUNG Yuet Wah, Eva (Resigned on 30 June 2015)
Mr. ZHAO Zhipeng (Appointed on 30 June 2015)

AUTHORISED REPRESENTATIVES

Ms. LI Xia
Ms. CHEUNG Yuet Wah, Eva (Resigned on 30 June 2015)
Mr. ZHAO Zhipeng (Appointed on 30 June 2015)

BERMUDA RESIDENT REPRESENTATIVES

Codan Services Limited

AUDIT COMMITTEE

Mr. LAM Tin Faat (Chairman)
Ms. LU Haina
Ms. NA Xin

REMUNERATION COMMITTEE

Mr. LAM Tin Faat (Chairman)
Ms. LI Xia
Ms. NA Xin

NOMINATION COMMITTEE

Mr. LAM Tin Faat (Chairman)
Ms. LI Xia
Ms. NA Xin

執行董事

莊儒平先生 (於二零一六年二月十七日獲委任)
李霞女士
林迪先生 (於二零一五年十月三十日辭任)
陳寅先生

獨立非執行董事

林天發先生
陸海娜女士
那昕女士

監察主任

張月華女士 (於二零一五年六月三十日辭任)
趙志鵬先生 (於二零一五年六月三十日獲委任)

公司秘書

張月華女士 (於二零一五年六月三十日辭任)
趙志鵬先生 (於二零一五年六月三十日獲委任)

法定代表

李霞女士
張月華女士 (於二零一五年六月三十日辭任)
趙志鵬先生 (於二零一五年六月三十日獲委任)

駐百慕達代表

Codan Services Limited

審核委員會

林天發先生 (主席)
陸海娜女士
那昕女士

薪酬委員會

林天發先生 (主席)
李霞女士
那昕女士

提名委員會

林天發先生 (主席)
李霞女士
那昕女士

CORPORATE INFORMATION

公司資料

AUDITORS

Grant Thornton Hong Kong Limited
Certified Public Accountants
Level 12
28 Hennessy Road
Wanchai, Hong Kong

PRINCIPAL BANKER

The Hongkong and Shanghai Banking
Corporation Limited
The Bank of East Asia, Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rm A & B, 17/F
Fortune House
61 Connaught Road Central
Hong Kong

WEBSITE ADDRESS

www.hkjewelry.net

核數師

致同(香港)會計師事務所有限公司
執業會計師
香港灣仔
軒尼詩道28號
12樓

主要往來銀行

香港上海滙豐銀行有限公司
東亞銀行有限公司

主要股份過戶登記處

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

香港股份過戶登記分處

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

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

總辦事處及香港主要營業地點

香港
干諾道中61號
福興大廈
17樓A及B室

網址

www.hkjewelry.net

FINANCIAL SUMMARY

財務概要

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

		2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
RESULTS	業績					
Revenue	收入	512,900	350,880	579,380	499,375	174,741
Profit/(Loss) before income tax	扣除所得稅前 溢利/(虧損)	2,590	36,462	(14,723)	(26,611)	(32,991)
Income tax expense	所得稅開支	(219)	(1,361)	(1,447)	(559)	(1,566)
Profit/(Loss) for the year	年內溢利/(虧損)	2,371	35,101	(16,170)	(27,170)	(34,557)
ASSETS AND LIABILITIES	資產與負債					
Total assets	資產總額	193,798	391,238	358,012	274,874	196,023
Total liabilities	負債總額	(77,428)	(239,280)	(165,745)	(111,082)	(71,966)
Total equity	股權總額	116,370	151,958	192,267	163,792	124,057

CHAIRMAN'S STATEMENT 主席報告

Dear Shareholders:

On behalf of the Board of Directors (the "Board") of Hong Kong Jewellery Holding Limited (the "Company"), it is my pleasure to present the 2015 Annual Report of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2015.

The year of 2015 was challenging to all participants of jewellery market. Uncertainties of international economies, volatility of stock markets and gold prices were disturbing the growth of the market. China, being the biggest consumer market of gold, was hit by weak economic sentiments of the western countries and also slowdown of domestic economy. Intense competition of the jewellery retail market put weights on new market players especially in the third- to fourth tier cities of China. Although a recovery of gold demand was seen in the second half year of 2015, sales improvements were mainly from gold bars and coins which had their investment values. The full year demand of gold jewellery still ended up with a 3% contraction compared with 2014.

The Group believes that development of a brand of jewellery demands long-term investment and commitment of the management. While a slowdown of economy could be negative for the demand of gold jewellery, perceived economic risks brought by further tightening of interest rates of the United States could lift gold demand and prices from risk-averse investors on the other hand. Gold jewellery which has its charm of being a luxury consumer good and a tool of investment can resume growth when the sentiments improve and consumers have a better assessment of economic outlooks.


The Group commits to forge  HK Jewellery into the word-class brand and a representative brand of China. While further expansion of existing jewellery retail business by franchise remains the core business strategy, the Group will also explore opportunities through investments and business development in the jewellery industry and other markets as appropriate to improve long-term profitability and return to the shareholders.

各位股東：

本人謹代表香港珠寶控股有限公司(「本公司」)董事會(「董事會」)，欣然呈報本公司及其附屬公司(以下統稱「本集團」)截至二零一五年十二月三十一日止年度的二零一五年年報。

對珠寶營運商而言，二零一五年充滿挑戰。全球經濟前景不明，股市及金價波動，拖累市場增長步伐。中國作為最大黃金消費市場，受西方經濟低迷及國內增長放緩雙重衝擊。珠寶零售市場競爭激烈，令新參與市場的商家承受巨大壓力，情況在中國三四線城市尤其明顯。雖然二零一五年下半年黃金需求有所回升，但主要體現在具投資價值的金條及金幣，全年黃金珠寶需求仍較二零一四年減少3%。

本集團深信珠寶品牌的發展要求長期的投入與經營。一方面經濟增長放緩或會削弱黃金珠寶需求，另一方面鑑於美國利率持續收緊帶來的預期經濟風險，黃金有望獲得避險投資者青睞，進而帶動黃金需求及金價走高。由於黃金珠寶既為奢侈消費品，同時極具投資價值，一旦經濟氛圍好轉，消費者對經濟前景有較清晰判斷，黃金珠寶的需求將隨著回升。

本集團致力將  香港珠寶打造為世界頂尖品牌，並成為中國的具代表性品牌。在秉持透過特許加盟商持續擴展現有珠寶零售業務的核心業務策略的同時，本集團將透過於珠寶行業及其他市場的投資及業務發展，把握機會提升企業長期盈利及為股東創造價值。

CHAIRMAN'S STATEMENT 主席報告

APPRECIATION

On behalf of all Board members, I would like to take this opportunity to express my gratitude to the Shareholders and business partners of the Group for their continued supports and trust during the past years, and my most sincere appreciation to the Directors, management and staff at all levels for their dedication, hard works and contributions to the Group.

Chong Yu Ping
Chairman

Hong Kong
21 March 2016

鳴謝

本人謹藉此機會代表全體董事會成員，對股東及本集團業務夥伴過往的恒久支持及信任致以感謝，並對董事、管理人員及各級員工專心致志、勤勉工作及為本集團作出的貢獻，致以最真誠的謝意。

莊儒平
主席

香港
二零一六年三月二十一日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL PERFORMANCE

For the year ended 31 December 2015, the Group's loss attributable to the owners of the Company amounted to HK\$28,467,000 (2014: HK\$27,019,000).

The Group's revenue for the year ended 31 December 2015 amounted to HK\$174,741,000 (2014: HK\$499,375,000).

The sales of gold and jewellery products and franchise income contributed to HK\$35,240,000 of the Group's revenue during the year (2014: HK\$70,153,000). The sales of enterprise software products dropped by 43% to HK\$74,203,000 (2014: HK\$129,538,000). Revenue on systems integration business decreased by 95% to HK\$13,633,000 (2014: HK\$259,211,000) while revenue on professional services business increased by 28% to HK\$51,665,000 (2014: HK\$40,473,000).

OPERATION REVIEW

The year of 2015 remained a challenge to the jewellery retailers in China. Uncertainties of international economies, volatility of the stock markets, falling gold prices and slowing down of the domestic economy of China were disturbing the jewellery market.

As reported by the National Bureau of Statistics of China, GDP for full year of 2015 expanded by 6.9%, lower than the 7.3% in 2014 and the growth rate was the weakest in 25 years. The slowdown of the Chinese economy contributed to weaker manufacturing and exports, though the services and goods consumption still reported growth.

The gold market was clearly hit by worsened consumer sentiment in the first half of 2015. In the third quarter of 2015, a marked pick up of the gold market was seen when gold jewellery, bars and coins became more affordable to consumers. Although improvements in sales performance continued in the fourth quarter of 2015, the full year demand of gold jewellery ended up with a decrease of approximately 3% from 807.2 tonnes to 783.5 tonnes.

財務表現

截至二零一五年十二月三十一日止年度，本公司擁有人應佔本集團之虧損為28,467,000港元(二零一四年：27,019,000港元)。

本集團截至二零一五年十二月三十一日止年度的收入為174,741,000港元(二零一四年：499,375,000港元)。

本年內，本集團收入中黃金珠寶產品銷售及特許加盟收入為35,240,000港元(二零一四年：70,153,000港元)。企業軟件產品的銷售額下跌43%至74,203,000港元(二零一四年：129,538,000港元)。系統集成業務收入減少95%至13,633,000港元(二零一四年：259,211,000港元)，而專業服務業務收入增加28%至51,665,000港元(二零一四年：40,473,000港元)。

業務回顧

對於中國珠寶零售市場而言，二零一五年充滿挑戰。全球經濟前景不明，股市波動及金價下跌，加上國內經濟增長放緩，拖累珠寶市場發展。

根據中國國家統計局公佈的數據，二零一五年全年GDP增幅為6.9%，低於二零一四年的7.3%，創下二十五年來的最低增幅。儘管服務業及商品消費仍錄得增長，但製造業及出口走軟，導致中國經濟增長放緩。

二零一五年上半年低迷的消費氛圍衝擊着黃金市場。至二零一五年第三季度，隨著黃金珠寶、金條及金幣價格相宜吸引消費者再度入市，黃金市場有明顯回暖跡象。儘管二零一五年第四季度銷售表現持續改善，但全年黃金珠寶需求最終由807.2噸下降約3%至783.5噸。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group's jewellery business relied on sales performance and investment of the retailers in China through franchise of the Group's brand. The slowdown of economic growth had intensified competition in the gold jewellery industry such that the impacts on the retailers in the third- and fourth-tier cities in China were more apparent. In 2015, the turnover of the jewellery segment decreased by 50% to HK\$35,240,000 from HK\$70,153,000 in 2014 mainly due to the contraction of gold jewellery demand.

The IT Products and Services segment of the Group was also adversely affected by the slowdown of the Chinese economy. Due to adding uncertainties of the domestic economy and the sudden crash in the stock market in the third quarter of 2015, major banks and finance institutions which were targeted by the business segment had reduced their IT spending significantly. On the other hand, competitions for skilled staff in the market remained intense and the costs to implement solutions and to deliver services to customers increased substantially. As a result, the business segment reported a bigger loss for 2015.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2015, the Group remained in a strong financial position with bank balances and cash of HK\$33,563,000 (2014: HK\$86,872,000).

The Group monitored its capital structure using the gearing ratio which is net debt divided by total equity. For this purpose, the Group defined net debt as debt, which comprises long-term and short-term borrowings, less cash and cash equivalents. Total equity comprised equity attributable to owners of the Company and non-controlling interests stated in the consolidated statement of financial position. The gearing ratio is not presented, as the net debt was zero. (2014: zero).

CAPITAL STRUCTURE

As at 31 December 2015, the Group's issued shares were 1,188,460,000 shares (2014: 1,188,460,000 shares).

INVESTMENT

As at 31 December 2015, the Group had no investment in the equity securities listed in Hong Kong (2014: HK\$26,945,000).

本集團珠寶業務依賴透過特許加盟本集團品牌的中國零售商的投資和銷售表現。經濟增長放緩加劇黃金珠寶行業的競爭，這對中國三四線城市零售商的打擊尤為明顯。於二零一五年，珠寶分部的營業額由二零一四年的70,153,000港元下降50%至35,240,000港元，主要由於黃金珠寶需求縮減所致。

中國經濟增長放緩，亦對本集團資訊科技產品及服務業務造成衝擊。國內經濟不確定因素增加，加上二零一五年第三季股市急挫，該業務主要面向的大型銀行及金融機構大幅削減資訊科技開支。另一方面，業內熟練專業人員競爭依然激烈，為客戶實施解決方案及提供服務的成本大大增加。因此，該業務報告二零一五年的虧損情況加重。

流動資金及財務資源

本集團之財務狀況維持穩健，於二零一五年十二月三十一日持有銀行存款及現金33,563,000港元（二零一四年：86,872,000港元）。

本集團按淨負債除以股權總額計算負債比率，以此監控其資本結構。本集團將淨負債定義為負債（包含長期與短期借貸）扣除現金及現金等價物。股權總額由綜合財務狀況表中所列示之本公司擁有人應佔股權及非控股權益組成。由於淨負債為零（二零一四年：零），並無呈列負債比率。

資本結構

於二零一五年十二月三十一日，本集團已發行股份為1,188,460,000股（二零一四年：1,188,460,000股）。

投資

於二零一五年十二月三十一日，本集團並無投資於香港上市之股本證券（二零一四年：26,945,000港元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

SEGMENTAL PERFORMANCE

For the year ended 31 December 2015, the turnover of the Jewellery Product segment and the IT Products and Services segments amounted to HK\$35,240,000 (2014: HK\$70,153,000) and HK\$139,501,000 (2014: HK\$429,222,000) respectively.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2015, the number of employees of the Group was 435 (2014: 574). Remuneration is determined by reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions.

FUTURE PROSPECTS

The Group's jewellery business relied on gold jewellery demand which was largely correlated to the expectations of gold prices and trends. While a slowdown of economy could be negative for the demand for gold jewellery and investments, perceived economic risks brought by a further tightening of interest rates of the United States or global crisis could raise gold demand and prices from international risk-averse investors.

The Management believed that the Group's jewellery business would be recovering in 2016. A forceful rebound in gold prices of approximately 10% in the beginning of 2016 had induced good demand of gold jewellery in China. Although it would be difficult to make a prediction of gold prices in mid- to long-term, the management believed that gold jewellery, in light of its investment element, could regain its importance after multi-year corrections.

Extending the brand  H.K. JEWELRY from the Group's core operations in Shenzhen to other first-and second-tier cities and all major provincial capital cities in China by franchise remains the Group's strategy for developing its sales and marketing network. To enhance competitiveness, the group will continue to explore opportunities along supply chain of the industry through investments and business development as appropriate.

分部表現

截至二零一五年十二月三十一日止年度，珠寶產品業務及資訊科技產品及服務業務之營業額分別為35,240,000港元(二零一四年:70,153,000港元)及139,501,000港元(二零一四年:429,222,000港元)。


僱員及薪酬政策

於二零一五年十二月三十一日，本集團僱員人數為435人(二零一四年:574人)。有關薪酬乃經參考市場水平以及個別僱員之表現、資歷及經驗後釐定。本集團將按個人表現向員工發放年終花紅，作為彼等貢獻之嘉許及獎勵。

未來展望

本集團的珠寶業務依賴黃金珠寶需求，而有關需求與金價預期及金融走勢息息相關。經濟增長放緩或會削弱黃金珠寶投資需求，但美國利率進一步收緊或全球危機帶來的經濟風險，可望刺激國際避險投資者的黃金需求，進而帶動金價向上。

管理層相信，二零一六年本集團珠寶業務有望好轉。二零一六年伊始，金價強勁反彈約10%，帶動中國黃金珠寶需求上升。儘管難以預測金價中長期走勢，管理層相信，經過多年調整後，黃金珠寶有望憑藉其投資價值再度走俏。

本集團將秉承透過特許加盟店將香港珠寶品牌由深圳擴展至其他一二線城市及中國所有主要省府城市的策略發展其銷售營銷網絡。本集團亦會繼續透過投資及業務發展(如適用)尋求行業供應鏈業務的機會，以增強競爭優勢。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On product portfolio, while gold, platinum, karat gold jewellery and diamond ornaments remains the main products, other product groups such as emerald, ruby and sapphire, pearl and other varieties will be further developed to cater the needs of different consumers in the domestic markets.

For the IT Products and Services segment, effective cost controls and market exploration will be the focus of the management in the foreseeable future. The management has started certain organizational efforts for relieving the segment's dependency on the high cost personnel that include outsources of some loss-making operations. The management believes that these efforts can help to reduce the negative impact of high personnel cost to the Group in the longer term.

Overall, the Group will continue to vigorously promote the development strategy of **H.K. JEWELRY** while efforts will be made to reduce reliance on the IT Products and Services segment. With effective internal management and adhering to the usual good practice, the management commits to optimize the existing business structure and aggressively seek for new opportunities.

在產品組合方面，黃金、鉑金、K金首飾及鑽石飾品仍然作為主銷產品，並會因應國內地區市場不同消費者的需求而適當地配搭推廣其它類別產品如翡翠、紅藍寶石、珍珠等。

對於資訊科技產品及服務業務，近期內管理層將專注有效控制成本及開拓市場。管理層已著手透過調整組織結構，降低對高成本人員的依賴，其中包括將外包部分虧損業務。管理層相信這將有助在較長期內減輕高人員成本對本集團的不利影響。

總體而言，在減輕對資訊科技產品及服務業務的依賴的同時，本集團將持續積極推動**H.K. JEWELRY**香港珠寶品牌戰略。配合有效的內部管理，管理層將秉承過去，繼續對集團現有業務結構進行優化，同時會積極尋求新良機。

CORPORATE GOVERNANCE REPORT

企業管治報告

(1) CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good corporate governance practices and procedures. The Directors believe that sound and reasonable corporate governance practices are essential for the growth of the Company and for safeguarding the shareholders' interests and the Company's assets.

The Company's code of corporate governance practices was adopted with reference to the code provisions of the Corporate Governance Code (the "Code Provisions") contained in Appendix 15 of the GEM Listing Rules. There is no deviation from the relevant Code Provisions as at 31 December 2015.

(2) BOARD OF DIRECTORS

The Board is responsible for overseeing the strategic directions, management, business and financial performance of the Group.

The Board has delegated the day-to-day operational responsibilities of the Group's business to the executive management team under the leadership of Chairman and Chief Executive Officer and various Board committees.

Board Composition

The Board currently comprises the following members:

Executive Directors:

Mr. CHONG Yu Ping (*Appointed on 17 February 2016*)

Ms. LI Xia

Mr. LIN Di (*Resigned on 30 October 2015*)

Mr. CHEN Yin

Independent Non-executive Directors:

Mr. LAM Tin Faat

Ms. LU Haina

Ms. NA Xin

(1) 企業管治常規

本公司致力設立良好之企業管治常規及程序。董事相信，可靠而合理之企業管治常規對本公司增長以及保障股東利益及本公司資產極為重要。

本公司採納之企業管治常規守則，乃參考創業板上市規則附錄十五所載之企業管治守則之守則條文(「守則條文」)而釐定。於二零一五年十二月三十一日，並無偏離相關守則條文。

(2) 董事會

董事會負責督導本集團之策略方向、管理、業務及財務表現。

董事會已透過主席與行政總裁及各董事委員會之領導將本集團業務之日常營運責任交予執行管理團隊。

董事會成員

董事會目前由以下成員組成：

執行董事：

莊儒平先生(於二零一六年二月十七日獲委任)

李霞女士

林迪先生(於二零一五年十月三十日辭任)

陳寅先生

獨立非執行董事：

林天發先生

陸海娜女士

那昕女士

CORPORATE GOVERNANCE REPORT

企業管治報告

(2) BOARD OF DIRECTORS (Continued)

Board Meeting

The Board meets at least four times a year to review financial and operating performance and discuss the Group's direction and strategy. Details of the attendance of the Board of Directors are as follows:

		17 Mar 2015 二零一五年 三月十七日	8 May 2015 二零一五年 五月八日	11 Aug 2015 二零一五年 八月十一日	11 Nov 2015 二零一五年 十一月十一日	30 Dec 2015 二零一五年 十二月三十日
Mr. CHONG Yu Ping#	莊儒平先生#	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Ms. LI Xia	李霞女士	✓	✓	✓	✓	✓
Mr. LIN Di*	林迪先生*	✓	✓	✓	N/A 不適用	N/A 不適用
Mr. CHEN Yin	陳寅先生	✓	✓	✓	✓	✓
Mr. LAM Tin Faat	林天發先生	✓	✓	✓	✓	✓
Ms. LU Haina	陸海娜女士	✓	✓	✓	×	✓
Ms. NA Xin	那昕女士	✓	✓	✓	✓	✓

Appointed on 17 February 2016

* Resigned on 30 October 2015

Directors are given notice of regular Board meetings of at least 14 days in advance. The Directors will receive details of agenda with comprehensive reports on the management's strategic plans, updates by business unit heads on their lines of business, financial objectives, plans and actions at least 3 days before a Board meeting.

All Directors have access to the Company Secretary who is responsible for ensuring that Board procedures are complied with and advises the Board on corporate governance and compliance matters.

The executive Directors meet every two weeks to review company business pipeline, receivables, and business unit performance. Senior Management meets with Business Unit Management every week to review project status, and business unit issues.

The Company has undertaken several meetings, first with Senior Management, second with the audit committee, and subsequently with the Board, to discuss and review the Group's practice on corporate governance and make specific checks on the Group's compliance via a compliance matrix in accordance to the criteria set forth by the GEM Listing Rule.

(2) 董事會(續)

董事會會議

董事會每年最少舉行四次會議，以檢討財務及營運表現，並且商討本集團之方向及策略。董事會出席會議之詳情如下：

		17 Mar 2015 二零一五年 三月十七日	8 May 2015 二零一五年 五月八日	11 Aug 2015 二零一五年 八月十一日	11 Nov 2015 二零一五年 十一月十一日	30 Dec 2015 二零一五年 十二月三十日
Mr. CHONG Yu Ping#	莊儒平先生#	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Ms. LI Xia	李霞女士	✓	✓	✓	✓	✓
Mr. LIN Di*	林迪先生*	✓	✓	✓	N/A 不適用	N/A 不適用
Mr. CHEN Yin	陳寅先生	✓	✓	✓	✓	✓
Mr. LAM Tin Faat	林天發先生	✓	✓	✓	✓	✓
Ms. LU Haina	陸海娜女士	✓	✓	✓	×	✓
Ms. NA Xin	那昕女士	✓	✓	✓	✓	✓

於二零一六年二月十七日獲委任

* 於二零一五年十月三十日辭任

董事於定期董事會會議舉行前最少14天獲得通知，董事將於董事會會議舉行前最少3天收到會議議程，以及有關管理層策略性計劃之周詳報告、業務單位主管就彼等之業務提供之更新資料、財務目標、計劃及行動。

全體董事均可獲得公司秘書協助，公司秘書負責確保董事會之程序符合企業管治及監察事宜，並就此向董事會提供意見。

執行董事每兩星期舉行一次會議，以檢視公司洽談中的銷售機會、應收款項及業務單位表現。高級管理層每星期與業務單位主管舉行一次會議，以檢視項目進度及業務單位事項。

本公司之高級管理層、審核委員會及董事會已先後舉行會議，以商討及檢視本集團之企業管治實務，以及透過根據創業板上規則所載標準為監察基礎，就本集團之表現作出特定檢視。

CORPORATE GOVERNANCE REPORT

企業管治報告

(2) BOARD OF DIRECTORS (Continued)

Independence of Directors

All the directors do not have any financial, business, family or other material/relevant relationship with each other.

The Company confirmed that annual confirmations of independence were received from each of the Company's independent non-executive Directors pursuant to Rule 5.09 of the GEM Listing Rules and all independent non-executive directors are considered to be independent.

Directors' Training

Directors must keep abreast of their collective responsibilities. Every new appointed director should receive induction and subsequent briefing and professional development.

Pursuant to Code A.6.5 of the Code Provisions (which is effective from 1 April 2012), Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. During the period, all Directors have participated in appropriate continuous professional development activities by way of reading materials relevant to the Company's business or to the Directors' duties and responsibilities, including but not limited to the changes in respect of the new Hong Kong Companies Ordinance (Cap.622) and latest developments in connected transactions under the GEM Listing Rules.

Mr. Lam Tin Faat, as the chairman of the Audit Committee, Remuneration Committee and Nomination Committee also attended a number of seminars/courses in relation to continuous professional developments organized by The Hong Kong Institute of Certified Public Accountants during the year in 2015.

Directors' Liability Insurance

Appropriate liability insurance, the coverage of which is reviewed annually, has been arranged to indemnify the Directors' risk exposure arising out of corporate activities.

(2) 董事會(續)

董事獨立性

全體董事彼此之間並無任何財務、業務、家族或其他實質／相關聯繫。

本公司確認，已遵照創業板上市規則第5.09條，接獲本公司各獨立非執行董事之獨立性年度確認書，因此所有獨立非執行董事均被視為獨立人士。

董事培訓

全體董事必須清楚彼等之整體責任。任何新任董事將獲提供入職介紹，隨後會獲提供簡介及專業發展計劃。

根據守則條文第A.6.5條(自二零一二年四月一日起生效)，董事須參與持續專業發展，以發展及更新其知識及技能。此舉可確保彼等繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。期內，全體董事透過閱讀與本公司業務或董事職責相關的資料，包括但不限於新香港公司條例(第622章)的變動及創業板上市規則項下關連交易的最新發展，參與合適的持續專業發展活動。

審核委員會、薪酬委員會及提名委員會主席林天發先生於二零一五年亦出席一系列由香港會計師公會組織之持續專業發展相關研討會／課程。

董事責任保險

本公司已為董事安排適當責任保險，為彼等因公司業務而面對之風險提供賠償保障，並每年審閱其承保範圍。

CORPORATE GOVERNANCE REPORT

企業管治報告

(3) CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to Code A.2.1 of the Code Provisions, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual, so that there is a clear division of responsibilities between the management of the Board and the day-to-day management of the Company's business to ensure a balance of power and authority.

During the year ended 31 December 2015, the Company was in compliance with the aforesaid Code Provisions, except for the following deviation as described below:

Mr. Lin Di ("Mr. Lin") resigned as the Chief Executive Officer with effect from 30 March 2015 and following his resignation, Ms. Li Xia ("Ms. Li"), the Chairman at the time, was appointed as the Chief Executive Officer.

Being aware of the said deviation from Code A.2.1 of the Code Provisions, but in view of the current rapid development of the Group, the Board believes that with the support of the management team, vesting the roles of both Chairman and the Chief Executive Officer in the same person would facilitate the execution of the Group's business strategies and boost effectiveness of its operation. In addition, under the supervision by the Board, which comprised of two executive Directors, including Ms. Li, and three independent non-executive Directors during the year ended 31 December 2015, the interests of the Shareholders and Stakeholders was adequately and fairly represented.

The Company has sought to re-comply with Code A.2.1 of the Code Provisions with its best endeavours by identifying and appointing a suitable and qualified candidate to the position of the Chief Executive Officer. Having considered Ms. Li's experiences in the industry, the Company considers it to be more suitable and to the best interests of the Company for Ms. Li to remain as the Chief Executive Officer. Ms. Li resigned as the Chairman of the Board on 17 February 2016 and Mr. Chong Yu Ping was appointed as the Chairman of the Board on 17 February 2016. Such was in line with the requirement under the Code A.2.1 of the Code Provisions and demonstrated a clear division of the responsibilities between Chairman and the Chief Executive Officer.

(3) 主席與行政總裁

根據守則條文第A.2.1條，主席與行政總裁之職能須分開，且不應由同一人士出任，使董事會管理與本公司日常業務管理之職責清楚劃分，以確保權力和授權之平衡。

於截至二零一五年十二月三十一日止年度，本公司遵守上述守則條文，惟下述偏離事項除外：

林迪先生（「林先生」）自二零一五年三月三十日起辭任行政總裁，而於其辭任後，本公司當時之主席李霞女士（「李女士」）獲委任為行政總裁。

董事會注意出現上述偏離守則條文第A.2.1條之情形，但鑑於本集團現行發展之迅速，董事會認為在管理團隊之協助下，由同一人士兼任主席及行政總裁將有助執行本集團業務策略及提高營運效率。此外，於截至二零一五年十二月三十一日止年度，董事會內共有兩名執行董事（包括李女士）及三名獨立非執行董事，使股東及利益持分者權益可在董事會監督下獲得充分及公平代表。

本公司已盡力另擇合適及合資格人選擔任行政總裁一職，以尋求重新遵守守則條文第A.2.1條。鑑於李女士於業內之經驗，本公司認為由李女士繼續擔任行政總裁更為合適且符合本公司最佳利益。李女士於二零一六年二月十七日辭任董事會主席，而莊儒平先生於二零一六年二月十七日獲委任為董事會主席。此乃符合守則條文第A.2.1條之要求，清晰區分主席與行政總裁的不同職責。

CORPORATE GOVERNANCE REPORT

企業管治報告

(4) AUDIT COMMITTEE

The Audit Committee was established on 11 August 2000. The Audit Committee's principal duties are to review and supervise the financial reporting process and internal control procedures of the Group.

The revised terms of reference of Audit Committee in accordance with Code C.3.3 of the Code Provisions of the GEM Listing Rules was adopted on the Board Meeting held on 21 March 2012.

The members of Audit Committee is currently comprised Mr. Lam Tin Faat, Ms. Lu Haina and Ms. Na Xin, all of whom are independent non-executive Directors. Mr. Lam Tin Faat is the chairman of the Audit Committee.

The Audit Committee meets four times a year to review with senior management and at least twice a year with the Company's auditors for the Company's audit findings, accounting policies and standards, changes of accounting rules (if any), compliance with listing rules, internal and audit control, and budget and cash flow forecast.

The Group's unaudited quarterly and interim results and audited annual results during the year ended 31 December 2015 have been reviewed by the Audit Committee, who is of the opinion that such statements comply with the applicable accounting standards and that adequate disclosures have been made.

Details of the attendance of members at Audit Committee meeting are as follows:

		17 Mar 2015 二零一五年 三月十七日	8 May 2015 二零一五年 五月八日	11 Aug 2015 二零一五年 八月十一日	11 Nov 2015 二零一五年 十一月十一日
Mr. LAM Tin Faat	林天發先生	✓	✓	✓	✓
Ms. LU Haina	陸海娜女士	✓	×	✓	✓
Ms. NA Xin	那昕女士	✓	✓	✓	✓

(4) 審核委員會

審核委員會已於二零零零年八月十一日成立。審核委員會之主要工作為檢討與監督本集團之財務報告流程以及內部監控程序。

遵從創業板上市規則守則條文第C.3.3條的審核委員會經修訂職權範圍已於二零一二年三月二十一日舉行的董事會會議上獲採納。

審核委員會現由三位獨立非執行董事林天發先生、陸海娜女士及那昕女士所組成。林天發先生為審核委員會之主席。

審核委員會與高級管理層每年舉行四次會議，並與本公司核數師每年最少舉行兩次會議，就本公司之審核事宜、會計政策及準則、會計規則變動(如有)、遵守上市規則事務、內部及審核監控，預算及現金流量預算進行審閱。

審核委員會已審閱本集團截至二零一五年十二月三十一日止年度內之未經審核季度及中期業績及經審核年度業績，審核委員會認為該等報表已遵從適用之會計準則，並已作出充分披露。

審核委員會成員出席會議之詳情如下：

CORPORATE GOVERNANCE REPORT

企業管治報告

(5) REMUNERATION COMMITTEE

The Remuneration Committee was established on 10 May 2005. The Remuneration Committee is to make recommendations to the Board on the Company's policy and structure for all directors and senior management's remuneration.

The revised terms of reference of Remuneration Committee in accordance with Code B.1.2 of the Code Provisions of the GEM Listing Rules was adopted on the Board meeting held on 21 March 2012.

The members of Remuneration Committee is currently comprised Mr. Lam Tin Faat and Ms. Na Xin, both are independent non-executive Directors, and Ms. Li Xia who is an executive Director, Mr. Lam Tin Faat is the chairman of the Remuneration Committee.

The Remuneration Committee should hold at least one regular meeting in a year. During the year under review, the members of Remuneration Committee, Mr. Lam Tin Faat, Ms. Li Xia and Ms. Na Xin attended the Remuneration Committee Meeting on 30 December 2015.

(6) NOMINATION COMMITTEE

The Nomination Committee was established on 21 March 2012. The Nomination Committee is to assist Board of Directors of the Company to deal with matters in relation to appointment of members of the Board.

The written terms of reference of Nomination Committee in accordance with Code A.5.2 of the Code Provisions of the GEM Listing Rules was adopted on the Board meeting held on 21 March 2012.

The members of Nomination Committee is currently comprised Mr. Lam Tin Faat and Ms. Na Xin, both are independent non-executive Directors, and Ms. Li Xia who is an executive Director, Mr. Lam Tin Faat is the chairman of the Nomination Committee.

The Nomination Committee should hold at least one regular meeting in a year. During the year under review, the members of Nomination Committee, Mr. Lam Tin Faat, Ms. Li Xia and Ms. Na Xin attended the Nomination Committee Meeting on 30 December 2015.

(5) 薪酬委員會

薪酬委員會已於二零零五年五月十日成立。薪酬委員會乃就本公司全體董事及高級管理人員之薪酬政策及架構向董事會提供建議。

遵從創業板上市規則守則條文第B.1.2條的薪酬委員會經修訂職權範圍已於二零一二年三月二十一日舉行之董事會會議上獲採納。

薪酬委員會現由獨立非執行董事林天發先生及那昕女士，以及執行董事李霞女士所組成。林天發先生為薪酬委員會主席。

薪酬委員會應每年舉行至少一次定期會議。回顧年度內，薪酬委員會成員林天發先生、李霞女士及那昕女士於二零一五年十二月三十日出席薪酬委員會會議。

(6) 提名委員會

提名委員會已於二零一二年三月二十一日成立。提名委員會乃協助本公司董事會處理有關委任董事會成員之事宜。

遵從創業板上市規則守則條文第A.5.2條的提名委員會書面職權範圍已於二零一二年三月二十一日舉行之董事會會議上獲採納。

提名委員會現由獨立非執行董事林天發先生及那昕女士，以及執行董事李霞女士所組成。林天發先生為提名委員會主席。

提名委員會應每年舉行至少一次定期會議。回顧年度內，提名委員會成員林天發先生、李霞女士及那昕女士於二零一五年十二月三十日出席提名委員會會議。

CORPORATE GOVERNANCE REPORT

企業管治報告

(7) COMPANY SECRETARY

All Directors have access to the advice and services of the Company Secretary. Our current Company Secretary is Mr. Zhao Zhipeng, appointed on 30 June 2015, is responsible for facilitating the process of implementing the Board's decision, as well as communications between Board members and the management team, and advising the Board and its committees on all governance matters. Ms. Cheung Yuet Wah, Eva resigned on 30 June 2015.

The biographical details of Ms. Cheung Yuet Wah, Eva and Mr. Zhao Zhipeng are set out on page 37 of this annual report.

(8) COMPLIANCE OF CODE FOR DIRECTORS' SECURITIES TRANSACTION

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirms that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by the Directors adopted by the Company throughout the twelve months ended 31 December 2015.

(7) 公司秘書

所有董事均可向公司秘書諮詢意見及獲得服務。現任公司秘書為趙志鵬先生，於二零一五年六月三十日獲委任，負責促進落實董事會決策，以及董事會成員之間及董事會成員與管理層團隊之間的溝通，並就所有管治事宜向董事會及其轄下委員會提供意見。張月華女士已於二零一五年六月三十日辭任。

張月華女士及趙志鵬先生之履歷詳情載於本年報第37頁。

(8) 董事進行證券交易遵守守則

本公司已就董事進行之證券交易採納一項條款不低於創業板上市規則第5.48至5.67條所載規定買賣準則之操守守則。經向全體董事作出特定查詢後，本公司全體董事確認於截至二零一五年十二月三十一日止十二個月期間一直遵守規定買賣準則，以及由本公司所採納有關董事進行證券交易之操守守則。

CORPORATE GOVERNANCE REPORT

企業管治報告

(9) AUDITORS' REMUNERATION

For the year ended 31 December 2015, the remuneration for the provision of audit and non-audit services by the Auditors to the Group is as follows:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Fees breakdown by accounting firms			
費用按會計師行劃分			
Grant Thornton*	致同會計師事務所*		
Annual audit services	年度核數服務	758	1,000
Non-audit services	非核數服務	-	5
		758	1,005
Other professional CPA firms	其他專業執業會計師行		
Annual audit services	年度核數服務	229	168
Total	總計	987	1,173

* Grant Thornton (including Grant Thornton and Grant Thornton Hong Kong Limited, hereinafter referred to as "Grant Thornton").

(9) 核數師酬金

截至二零一五年十二月三十一日止年度，本公司的核數師向本集團提供核數及非核數服務的酬金如下：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Fees breakdown by accounting firms			
費用按會計師行劃分			
Grant Thornton*	致同會計師事務所*		
Annual audit services	年度核數服務	758	1,000
Non-audit services	非核數服務	-	5
		758	1,005
Other professional CPA firms	其他專業執業會計師行		
Annual audit services	年度核數服務	229	168
Total	總計	987	1,173

* 致同會計師事務所(包括致同會計師事務所(特殊普通合伙)及致同(香港)會計師事務所有限公司，以下稱「致同會計師事務所」)。

(10) INTERNAL CONTROLS

The Board recognises that a sound and effective internal control system will contribute to the effectiveness and efficiency of operations, the reliability of financial reporting and the Group's compliance with applicable laws and regulations.

Management team of the Company has established the Group's Internal Control Policies and Guidance for monitoring the internal control system.

(10) 內部監控

董事會確認，一個健全及有效的內部監控制度將提高營運的效能和效率，增加財務報告的可靠性，使本集團更嚴格遵守現行法例及規例。

本公司管理層團隊已就監察內部監控制度制定本集團之內部監控政策及指引。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board has delegated to the management team of the Company the implementation of such internal control systems as well as the review of relevant financial, operational and compliance controls and risk management procedures. Qualified personnel and individual business unit heads of the Group maintain and monitor the compliance of these internal control systems and procedures on an ongoing basis and report variances to senior management.

Based on the assessment and review made by the Board and senior management on the effectiveness of the internal control system, the Audit Committee is satisfied that:

- the internal controls and accounting systems of the Group are designed to provide reasonable assurance as to material assets of the Group are protected, business risks attributable to the Group are identified and monitored, material transactions are executed in accordance with management's authorisation and the accounts are reliable for publication; and
- there is an ongoing process in place for identifying, evaluating and managing the significant risks faced by the Group.

(11) COMMUNICATION WITH SHAREHOLDERS

The rights of shareholders and the procedure for demanding a poll on resolutions at general meetings are contained in the Company's Bye-laws. Pursuant to which and subject to the GEM Listing Rules, the voting of shareholders at a general meeting must be taken by poll. In addition, an announcement on the poll vote results will be made by the Company following the relevant general meeting.

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board.

The Company also communicates with its shareholders by way of keeping them informed of the Company's development through annual reports, interim reports, quarterly reports, announcements and circulars issued by the Company from time to time.

董事會授權本公司管理層團隊推行該等內部監控制度之執行工作，並檢討有關財務、營運與監察控制及風險管理之程序。本集團的合資格人士及個別業務單位主管負責維持及持續監督符合該等內部監控制度及程序，並向高級管理層報告任何變動。

基於董事會及高級管理層就內部監控制度的效能所作出之評估及檢閱，審核委員會接納以下兩項：

- 本集團之內部監控及會計制度旨在合理保證本集團重大資產得到保障、本集團業務風險受到識別及監督、重大交易根據管理層授權而執行，以及賬目可靠地作刊行；及
- 可提供持續識別、評估及管理本集團所面對之重大風險之程序。

(11) 與股東的溝通

股東之權利及於股東大會要求按股數投票表決之程序，均載於本公司之公司細則內。據此及遵照創業板上市規則，股東於週年大會上之任何投票必須按股數表決方式進行。此外，於有關股東大會結束後，本公司將會就按股數投票表決之結果發出公佈。

本公司股東大會提供機會給股東與董事會展開溝通。

本公司亦透過不時刊發之年度報告、中期報告、季度報告、公告及通函，令股東及時了解本公司動向，藉此與股東進行溝通。

DIRECTORS' REPORT

董事會報告

The Directors have pleasure in submitting their report and audited financial statements for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its principal subsidiaries are set out in note 15 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2015 and the state of affairs of the Group and the Company at that date are set out in the financial statements on pages 40 to 140. The Directors do not recommend payment of any dividend.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2015 is set out in the "Financial Summary", "Chairman's Statement" and "Management Discussion and Analysis" on pages 5, pages 6 to 7 and pages 8 to 11 respectively of this annual report.

The Group is committed to enhancing governance, promoting employee benefits and development, protecting the environment and giving back to society in order to fulfill social responsibility and achieve sustainable growth. The Group has complied with the relevant laws and regulations that have significant impact on the operations of the Group.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five years is set out on page 5 of the annual report.

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in note 31 to the financial statements.

RESERVES

Details of the movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 45 and note 32 to the financial statements respectively.

董事會欣然提呈截至二零一五年十二月三十一日止年度之董事會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載於財務報表附註15。

業績及分派

本集團截至二零一五年十二月三十一日止年度之業績及本集團與本公司於上述日期之財政狀況，載於第40頁至第140頁之財務報表。董事不建議派發股息。

業務回顧

本集團截至二零一五年十二月三十一日止年度之業務回顧分別載於本年報第5頁、第6至7頁及第8至11頁之「財務概要」、「主席報告」及「管理層討論及分析」等節。

本集團致力提升管治、促進僱員福利與發展、保護環境及回饋社會，從而履行社會責任並實現可持續增長。本集團已遵守對本集團營運構成重大影響之相關法律及法規。

財務概要

本集團於過往五年之業績及資產負債概要載於年報第5頁。

股本

本公司股本之變動詳情載於財務報表附註31。

儲備

年內本集團及本公司儲備之變動詳情分別載於第45頁之綜合權益變動表及財務報表附註32。

DIRECTORS' REPORT

董事會報告

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group are set out in note 14 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.

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

During the year ended 31 December 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS

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

Executive Directors:

Mr. CHONG Yu Ping (*Chairman*)

(*appointed on 17 February 2016*)

Ms. LI Xia (*Chief Executive Officer*)

Mr. Lin Di (*resigned on 30 October 2015*)

Mr. CHEN Yin

Independent non-executive Directors:

Mr. LAM Tin Faat

Ms. LU Haina

Ms. NA Xin

Pursuant Article 83(2) of the Bye-laws of the Company, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board. Any Director so appointed by the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. Pursuant to Article 84(2), any Director appointed pursuant to Article 83(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

物業、廠房及設備

本集團物業、廠房及設備之變動詳情載於財務報表附註14。

優先購買權

本公司之公司細則或百慕達法律均無有關優先購買權之規定，致令本公司須按比例向現有股東提呈發售新股。

購買、出售或贖回本公司上市證券

截至二零一五年十二月三十一日止年度內，本公司及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。

董事

年內及直至本報告日期任職之本公司之董事如下：

執行董事：

莊儒平先生(主席)

(於二零一六年二月十七日獲委任)

李霞女士(行政總裁)

林迪先生(於二零一五年十月三十日辭任)

陳寅先生

獨立非執行董事：

林天發先生

陸海娜女士

那昕女士

根據本公司之公司細則第83(2)條，董事應有權不時及隨時委任任何人士為董事，以填補董事會臨時空缺。以此方式獲董事會委任之任何董事之任期直至本公司下屆股東週年大會為止，屆時其應符合資格於該大會上膺選連任。根據第84(2)條，董事會根據第83(2)條委任的任何董事在釐定輪值退任的特定董事或董事數目時不應考慮在內。

DIRECTORS' REPORT

董事會報告

Pursuant to Article 84 of the Bye-laws of the Company, at each annual general meeting one-third of the Directors for the time being (or, if their number is not three or a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that notwithstanding anything herein, every Director shall be subject to retirement at least once every three years. Mr. Chong Yu Ping, Ms. Li Xia and Ms. Na Xin will retire by rotation at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and Senior Management are set out on pages 34 to 37.

DIRECTOR'S SERVICE CONTRACTS

The Company entered into a service contract with Mr. Chong Yu Ping for an initial term of three year from 17 February 2016 and shall be subject to retirement by rotation and re-election at annual general meetings of the Company and in accordance with the Bye-Laws of the Company.

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

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

At 31 December 2015, the interests and short positions of the Directors and the chief executives of the Company and their associates in the shares, underlying shares or debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Rule 5.46 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules"), were as follows:

根據本公司之公司細則第84條，於每屆股東週年大會上，當時在任之三分之一董事(或如董事人數並非三或三之倍數，則為最接近但不少於三分之一之數目)須輪值告退，但儘管本文有任何規定，董事須至少每三年退任一次。莊儒平先生、李霞女士及那昕女士將於應屆股東週年大會上輪值告退，彼等符合資格且願意膺選連任。

董事及高級管理人員履歷

董事及高級管理人員履歷載於第34頁至第37頁。

董事之服務合約

本公司已與莊儒平先生訂立服務合約，自二零一六年二月十七日起初步為期一年，其後可自動續約一年，惟須根據本公司的公司細則於本公司股東週年大會上輪席退任及膺選連任。

擬於應屆股東週年大會上接受重選之董事概無與本公司或其任何附屬公司訂有於一年內不支付賠償(法定賠償除外)而不可終止之未屆滿服務合約。

董事及主要行政人員於本公司之股份、相關股份及債券中持有之權益及淡倉

於二零一五年十二月三十一日，根據本公司遵照證券及期貨條例(「證券及期貨條例」)第352條規定存置之登記冊所載，或根據香港聯合交易所有限公司(「聯交所」)創業板證券上市規則(「創業板上市規則」)第5.46條給予本公司及聯交所之通知，本公司董事及主要行政人員及彼等之聯繫人士於本公司及其相聯法團之股份、相關股份或債券中持有之權益及淡倉如下：

DIRECTORS' REPORT

董事會報告

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

(Continued)

董事及主要行政人員於本公司之股份、相關股份及債券中持有之權益及淡倉(續)

Long positions in the ordinary shares of HK\$0.10 each of the Company

於本公司每股面值0.10港元普通股之好倉

Number of ordinary shares held 持有普通股數目

Name of Director 董事姓名	Beneficial Owner 實益擁有人	Held by family 由家族持有	Held by controlled corporation 由受控公司持有	Total 總計	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
Mr. CHONG Yu Ping 莊儒平先生 (appointed on 17 February 2016) (於二零一六年二月十七日獲委任)	-	-	312,606,140 (Note 1) (附註1)	312,606,140	26.30%
Ms. LI Xia 李霞女士	-	-	312,606,140 (Note 1) (附註1)	312,606,140	26.30%
Mr. CHEN Yin 陳寅先生	-	-	110,303,827 (Note 2) (附註2)	110,303,827	9.28%

Notes:

附註：

(1) These shares were held by Sino Eminent Limited. Sino Eminent Limited, a company incorporated in the British Virgin Islands, is owned as to 25% by Ocean Expert Investments Limited and 75% by Shenzhen Yihua Jewelry Co., Ltd ("Shenzhen Yihua"), a company incorporated in the PRC which is held as to 80% by Mr. Chong Yu Ping. Accordingly, Mr. Chong Yu Ping is deemed to be interested in 312,606,140 shares held by Sino Eminent Limited by virtue of Sino Eminent Limited being controlled by Mr. Chong Yu Ping through his shareholding in Shenzhen Yihua. Ocean Expert Investments Limited is a limited company incorporated in the British Virgin Islands which is wholly owned by Ms. Li Xia. Ms. Li Xia is deemed to be interested in 312,606,140 shares held by Sino Eminent Limited by virtue of Sino Eminent Limited being controlled by Ms. Li Xia through her shareholding in Ocean Expert Investments Limited and through her acting as the sole director of Sino Eminent Limited.

(1) 該等股份由在英屬處女群島註冊成立之華成有限公司持有，該公司由海通投資有限公司及深圳市藝華珠寶首飾股份有限公司(「深圳藝華」)分別持有25%及75%股權。深圳藝華為於中國註冊成立的公司，由莊儒平先生持有80%股權。由於華成有限公司由莊儒平先生通過持有深圳藝華股權所控制，故莊儒平先生被視為於華成有限公司持有之312,606,140股股份中擁有權益。海通投資有限公司為於英屬處女群島註冊成立的有限公司，由李霞女士全資持有。由於華成有限公司由李霞女士通過持有海通投資有限公司股權及作為華成有限公司的唯一董事所控制，故李霞女士被視為於華成有限公司持有之312,606,140股股份中擁有權益。

(2) These shares were held by Flourish Zone Limited, a company incorporated in the British Virgin Islands which is wholly-owned by Mr. Chen Yin.

(2) 該等股份由在英屬處女群島註冊成立並由陳寅先生全資擁有的盛域有限公司持有。

Save as disclosed above, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 31 December 2015.

除已於上文披露外，於二零一五年十二月三十一日，董事或彼等之聯繫人士概無於本公司或其任何相聯法團之任何股份、相關股份或債券中擁有任何權益或淡倉。

DIRECTORS' REPORT

董事會報告

SUBSTANTIAL SHAREHOLDERS

At 31 December 2015, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company.

主要股東

於二零一五年十二月三十一日，據本公司遵照證券及期貨條例第336條存置之主要股東名冊所載，下列股東已知會本公司於本公司已發行股本中擁有相關權益及淡倉。

Name of Shareholder	Notes	Number of issued ordinary shares held	Percentage of the issued share capital of the Company	
股東姓名／名稱	附註	持有已發行普通股數目	佔本公司已發行股本百分比	
Sino Eminent Limited	華成有限公司	1	312,606,140	26.30%
Shenzhen Yihua Jewelry Co., Ltd	深圳市藝華珠寶首飾股份有限公司	1	312,606,140	26.30%
Ocean Expert Investments Limited	海通投資有限公司	1	312,606,140	26.30%
Ms. LI Xia	李霞女士	1	312,606,140	26.30%
Mr. CHONG Yu Ping	莊儒平先生	1	312,606,140	26.30%
Confluence Holdings Limited	匯原控股有限公司	2	91,034,166	7.65%
Mr. LIN Di	林迪先生	2	91,034,166	7.65%
CK Hutchison Holdings Limited	長江和記實業有限公司	3	143,233,151	12.05%
Flourish Zone Limited	盛域有限公司	4	110,303,827	9.28%
Mr. CHEN Yin	陳寅先生	4	110,303,827	9.28%
Alps Mountain Agent Limited	Alps Mountain Agent Limited	3	71,969,151	6.06%
iBusiness Corporation Limited	匯網集團有限公司	3	67,264,000	5.66%

Notes:

附註：

(1) These shares have been disclosed as Directors' interests held by controlled corporation in the paragraph headed "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company".

(1) 該等股份已在「董事及主要行政人員於本公司之股份、相關股份及債券中持有之權益及淡倉」一段披露為由受控公司持有的董事權益。

DIRECTORS' REPORT

董事會報告

SUBSTANTIAL SHAREHOLDERS (Continued)

- (2) Confluence Holdings Limited is a company incorporated in the British Virgin Islands and wholly-owned by Mr. Lin Di. Accordingly, Mr. Lin Di is deemed to be interested in the 91,034,166 shares interested by Confluence Holdings Limited.
- (3) CK Hutchison Holdings Limited ("CK Hutchison") is entitled to exercise or control the exercise of one-third or more of the voting power at the general meetings of Alps Mountain Agent Limited ("Alps") and iBusiness Corporation Limited ("iBusiness"). Accordingly, CK Hutchison is deemed to be interested in 143,233,151 shares of the Company of which 71,969,151 shares are held by Alps and 67,264,000 shares are held by iBusiness under the SFO.
- (4) Flourish Zone Limited is a company incorporated in the British Virgin Islands and wholly-owned by Mr. Chen Yin. Accordingly, Mr. Chen Yin is deemed to be interested in the 110,303,827 shares interested by Flourish Zone Limited.

Save as disclosed above, the Company has not been notified of any other interests or short positions in the issued share capital of the Company at 31 December 2015.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate turnover attributable to the Group's five largest customers was approximately 13.35% of the Group's total turnover and the Group's largest customer accounted for approximately 6.08% of the Group's turnover.

The aggregate purchases during the year attributable to the Group's five largest suppliers was approximately 38.47% of the Group's total purchases and the Group's largest supplier accounted for approximately 18.38% of the Group's total purchases.

At no time during the year, the Directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital) had any interest in these major suppliers or customers.

主要股東(續)

- (2) 匯原控股有限公司為於英屬處女群島註冊成立之公司並由林迪先生全資持有。因此，林迪先生被視為於匯原控股有限公司擁有權益之91,034,166股股份中擁有權益。
- (3) 長江和記實業有限公司(「長和」)於Alps Mountain Agent Limited (「Alps」)及匯網集團有限公司(「匯網」)擁有在其股東大會上行使或控制行使三分之一以上投票權。因此，根據證券及期貨條例長和和匯網被視為於本公司143,233,151股股份(其中71,969,151股由Alps持有，67,264,000股由匯網持有)中擁有權益。
- (4) 盛域有限公司為於英屬處女群島註冊成立之公司並由陳寅先生全資持有。因此，陳寅先生被視為於盛域有限公司擁有權益之110,303,827股股份中擁有權益。

除已於上文所披露外，並無任何人士知會本公司於二零一五年十二月三十一日持有本公司已發行股本之任何其他權益或淡倉。

主要客戶及供應商

年內，來自本集團首五大客戶之營業額合共佔本集團總營業額約13.35%，而來自本集團最大客戶之營業額佔本集團營業額約6.08%。

年內，向本集團首五大供應商作出之採購額合共佔本集團總採購額約38.47%，而向本集團最大供應商作出之採購額佔本集團總採購額約18.38%。

年內，董事、彼等之聯繫人士或任何股東(據董事所知擁有本公司股本5%以上者)未曾擁有此等供應商或客戶之任何權益。

DIRECTORS' REPORT 董事會報告

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed above, at no time during the year was the Company, its holding company, or any of its subsidiaries a party to any arrangement that enables the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTINUING CONNECTED TRANSACTIONS

The Group's continuing connected transactions are mainly transactions in respect of the sales of gold and jewellery and purchase of showcases for the brand **HK** H.K. JEWELRY that are made with companies in which certain Directors have interests, such transactions constituted continuing connected transactions (the "Continuing Connected Transactions") under the GEM Listing Rules.

In contemplating the Master Agreement I, Master Agreement II, Master Agreement III and Master Agreement IV, all dated 18 September 2013 and entered into by Golden HK Jewellery (Shenzhen) Company Limited* ("Golden HK Jewellery"), a wholly owned subsidiary of the Company, would be expired by 31 December 2015, Golden HK Jewellery entered into the New Master Agreement I, New Master Agreement II, New Master Agreement III and New Master Agreement IV with Hangzhou Baidi Jewellery Company Limited* ("Baidi Jewellery"), Shenzhen City Zhong Chuang Union Investment Company Limited* ("Zhong Chuang"), Shenzhen Didi Jewellery Packaging Company Limited* ("Didi Packaging") and Hangzhou Didi Commercial Showcases Company Limited* ("Didi Showcases"), respectively on 30 December 2015, to continue the aforementioned continuing connected transactions for a further term of three years ending 31 December 2018.

On 31 December 2015, Shenzhen Yihua Jewellery Company Limited* ("Shenzhen Yihua"), a substantial shareholder of the Company, and Golden HK Jewellery entered into the framework leasing agreement (the "Framework Leasing Agreement"), pursuant to which Shenzhen Yihua as the lessor has agreed to lease the office premises owned by Shenzhen Yihua to Golden HK Jewellery as the lessee for the purpose of Golden HK Jewellery conducting its daily operation.

購買股份或債券之安排

除已於上文披露外，年內本公司、其控股公司或其任何附屬公司概無訂立任何安排致使董事可透過購買本公司或任何其他法團之股份或債券而獲得利益。

董事於持續關連交易之利益

本集團之持續關連交易主要為與若干董事擁有權益之公司就銷售黃金珠寶產品及購買**HK**香港珠寶品牌之展櫃而作出之交易，根據創業板上市規則構成持續關連交易(「持續關連交易」)。

鑑於總協議I、總協議II、總協議III及總協議IV(日期均為二零一三年九月十八日，由本公司全資附屬公司金香港珠寶(深圳)有限公司(「金香港珠寶」)訂立、於二零一五年十二月三十一日屆滿)，金香港珠寶分別與杭州百迪珠寶有限公司(「百迪珠寶」)、深圳市中創聯合投資有限公司(「中創」)、深圳迪迪首飾包裝有限公司(「迪迪包裝」)及杭州迪迪商業展具有限公司(「迪迪展具」)於二零一五年十二月三十日訂立新總協議I、新總協議II、新總協議III及新總協議IV，以將上述持續關連交易續期三年至二零一八年十二月三十一日。

於二零一五年十二月三十一日，本公司主要股東深圳市藝華珠寶首飾股份有限公司(「深圳藝華」)與金香港珠寶訂立框架租賃協議(「框架租賃協議」)，據此，深圳藝華(作為出租人)同意出租其擁有之寫字樓物業予金香港珠寶(作為承租人)用於日常運營。

* For identification purpose only

* 僅供識別

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN CONTINUING CONNECTED TRANSACTIONS (Continued) 董事於持續關連交易之利益(續)



Transactions		交易		
Name of counterparties	Nature of transactions	(a) Date of Agreement (b) Terms (a) 協議日期 (b) 期限	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
交易方名稱	交易性質			
(I) Hangzhou Baidi Jewellery Company Limited ("Baidi Jewellery") (Note 2) 杭州百迪珠寶有限公司(「百迪珠寶」) (附註2)	Sales of gold and jewellery products 銷售黃金珠寶產品	Master Agreement I (a) 18 September 2013 (b) 18 September 2013 – 31 December 2015 總協議I (a) 二零一三年九月十八日 (b) 二零一三年九月十八日至二零一五年十二月三十一日 New Master Agreement I (a) 30 December 2015 (b) 1 January 2016 – 31 December 2018 新總協議I (a) 二零一五年十二月三十日 (b) 二零一六年一月一日至二零一八年十二月三十一日	–	4,852
(II) Shenzhen City Zhong Chuang Union Investment Company Limited ("Zhong Chuang") (Note 1) 深圳市中創聯合投資有限公司 (「中創」)(附註1)	Sales of gold and jewellery products 銷售黃金珠寶產品	Master Agreement II (a) 18 September 2013 (b) 18 September 2013 – 31 December 2015 總協議II (a) 二零一三年九月十八日 (b) 二零一三年九月十八日至二零一五年十二月三十一日 New Master Agreement II (a) 30 December 2015 (b) 1 January 2016 – 31 December 2018 新總協議II (a) 二零一五年十二月三十日 (b) 二零一六年一月一日至二零一八年十二月三十一日	1,217	341

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN CONTINUING CONNECTED TRANSACTIONS 董事於持續關連交易之利益(續)

(Continued)

Name of counterparties	Nature of transactions	(a) Date of Agreement (b) Terms (a) 協議日期 (b) 期限	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
(III) Shenzhen Didi Jewellery Packaging Company Limited ("Didi Packaging") (Note 2) 深圳迪迪首飾包裝有限公司 (「迪迪包裝」)(附註2)	Purchase of packaging materials for the jewellery products 購買珠寶產品之包裝材料	Master Agreement III (a) 18 September 2013 (b) 18 September 2013 – 31 December 2015 總協議III (a) 二零一三年九月十八日 (b) 二零一三年九月十八日至二零一五年十二月三十一日 New Master Agreement III (a) 30 December 2015 (b) 1 January 2016 – 31 December 2018 新總協議III (a) 二零一五年十二月三十日 (b) 二零一六年一月一日至二零一八年十二月三十一日	282	699
(IV) Hangzhou Didi Commercial Showcases Company Limited ("Didi Showcases") (Note 2) 杭州迪迪商業展具有限公司(「迪迪展具」)(附註2)	Purchase of showcases for the brand  H.K. JEWELRY 購買  香港珠寶品牌之展櫃	Master Agreement IV (a) 18 September 2013 (b) 18 September 2013 – 31 December 2015 總協議IV (a) 二零一三年九月十八日 (b) 二零一三年九月十八日至二零一五年十二月三十一日 New Master Agreement IV (a) 30 December 2015 (b) 1 January 2016 – 31 December 2018 新總協議IV (a) 二零一五年十二月三十日 (b) 二零一六年一月一日至二零一八年十二月三十一日	326	844

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN CONTINUING CONNECTED TRANSACTIONS (Continued) 董事於持續關連交易之利益(續)

Name of counterparties 交易方名稱	Nature of transactions 交易性質	(a) Date of Agreement (b) Terms (a) 協議日期 (b) 期限	2015	2014
			二零一五年 HK\$'000 千港元	二零一四年 HK\$'000 千港元
(V) Shenzhen Yihua Jewellery Company Limited ("Shenzhen Yihua") (Note 3) 深圳市藝華珠寶首飾股份有限公司 (「深圳藝華」)(附註3)	Operating lease charges on land and building 土地及樓宇經營租賃費用	Framework Leasing Agreement (a) 31 December 2015 (b) 1 January 2015 – 31 December 2017 框架租賃協議 (a) 二零一五年十二月三十一日 (b) 二零一五年一月一日至二零一七年十二月三十一日	1,674	–

Relationship between Connected Parties

Notes:

- (1) Zhong Chuang is owned as to 81% by the brother of Ms. Li Xia. Accordingly, Zhong Chuang is an associate of Ms. Li Xia, and hence a connected person of the Company under Chapter 20 of the GEM Listing Rules.
- (2) Baidi Jewellery, Didi Packaging and Didi Showcases is respectively owned as to 90%, 65% and 80% by Hangzhou Didi Investment Joint Stock Company Limited, which in turn is owned as to 10% and 90% by Mr. Lin Di and his father respectively. Therefore, each of Baidi Jewellery, Didi Packaging and Didi Showcases is an associate of Mr. Lin Di, and hence a connected person of the Company under Chapter 20 of the GEM Listing Rules. Mr. Lin Di resigned as an executive Director on 30 October 2015.
- (3) Shenzhen Yihua is a substantial shareholder of the Company holding approximately 26.30% of the issued share capital of the Company as at 31 December 2015 and is owned as to 80% by Mr. Chong Yu Ping. Mr. Chong Yu Ping was appointed as an executive Director on 17 February 2016.

與關連方之關係

附註：

- (1) 中創由李霞女士之胞兄持有81%權益。因此，中創為李霞女士之聯繫人，故根據創業板上市規則第二十章，其為本公司之關連人士。
- (2) 百迪珠寶、迪迪包裝及迪迪展具分別由杭州迪迪投資股份有限公司擁有90%、65%及80%權益，而杭州迪迪投資股份有限公司則由林迪先生及其父分別擁有10%及90%權益。因此，百迪珠寶、迪迪包裝及迪迪展具均為林迪先生之聯繫人，故根據創業板上市規則第二十章，其為本公司之關連人士。林迪先生於二零一五年十月三十日辭任執行董事。
- (3) 深圳藝華為本公司之主要股東，持有本公司於二零一五年十二月三十一日已發行股本約26.30%，並由莊儒平先生持有80%股權。莊儒平先生於二零一六年二月十七日獲委任為執行董事。

DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS IN CONTINUING CONNECTED TRANSACTIONS *(Continued)*

董事於持續關連交易之利益(續)

Relationship between Connected Parties *(Continued)*

與關連方之關係(續)

Therefore, transactions under Master Agreement (I) to (IV) and the New Master Agreement (I) to (IV) above constitute Continuing Connected Transactions of this Company under Chapter 20 of the GEM Listing Rules.

因此，根據創業板上市規則第二十章，上述總協議(I)至(IV)及新總協議(I)至(IV)項下之交易構成本公司之持續關連交易。

The Master Agreement (I) to (IV) expired on 31 December 2015 and the above Continuing Connected Transactions under the New Master Agreement (I) to (IV) and the Framework Leasing Agreement are subject to various annual cap amounts disclosed in the Company's announcement dated 30 December 2015. Capitalised terms used in this section shall have the same meanings as those defined in the above announcement unless specified otherwise.

總協議(I)至(IV)於二零一五年十二月三十一日到期及誠如本公司於二零一五年十二月三十日之公告所披露，上述新總協議(I)至(IV)及框架租賃協議項下持續關連交易各自訂有年度上限。除另有說明外，本節所用詞彙與上述公告所界定者具有相同涵義。

Opinion of the Independent Non-executive Directors

獨立非執行董事之意見

All the Continuing Connected Transactions above have been reviewed by the Company's independent non-executive Directors who have confirmed that: (i) the terms and conditions of each of the Continuing Connected Transactions are on normal commercial terms that are fair and reasonable so far as the independent shareholders are concerned; (ii) the respective proposed annual caps for the Continuing Connected Transactions for the three years ending 31 December 2018 are fair and reasonable so far as the independent shareholders are concerned; and (iii) the Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group and in the interest of the Company and the shareholders as a whole.

本公司獨立非執行董事已審閱上文列載的所有持續關連交易並確認：(i)各持續關連交易之條款及條件乃按一般商業條款訂立，就獨立股東而言實屬公平合理；(ii)截至二零一八年十二月三十一日止三個年度各自之持續關連交易建議年度上限，就獨立股東而言乃屬公平合理；及(iii)持續關連交易乃於本集團一般及日常業務過程進行，符合本公司及股東之整體利益。

DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS IN CONTINUING CONNECTED TRANSACTIONS *(Continued)*

董事於持續關連交易之利益(續)

Opinion of the Auditors

核數師之意見

The Company's Auditors were engaged to report on the Group's Continuing Connected Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Auditors have issued an unqualified letter containing their findings and conclusions in respect of the Continuing Connected Transactions disclosed by the Group above in accordance with Chapter 20 of the GEM Listing Rules. The Auditors have reported to the Directors that the above Continuing Connected Transactions: (1) have received the approval of the Board; (2) are in accordance with the pricing policies of the Company; (3) have been carried out in accordance with the relevant provisions of the agreements governing the transactions; and (4) have not exceeded the relevant annual caps.

本公司核數師受託根據香港鑒證業務準則第3000號「歷史財務資料審核或審閱以外之鑒證工作」並參考香港會計師公會頒佈之實務說明第740號「關於香港上市規則項下持續關連交易之核數師函件」就本集團之持續關連交易作出匯報。核數師已出具無保留意見函件，當中列載其對本集團根據創業板上市規則第二十章所披露上述持續關連交易之發現及總結。就上述持續關連交易，核數師已向董事報告：(1)已取得董事會批准；(2)符合本公司價格政策；(3)乃根據交易規管協議之相關條文而進行；及(4)並無超出相關年度上限。

DIRECTORS' INTERESTS IN COMPETING BUSINESS

董事於競爭性業務之權益

At 31 December 2015, none of the Directors, the management shareholders or their respective associates (as defined in the GEM Listing Rules) had an interest in a business which causes or may cause significant competition with the business of the Group.

於二零一五年十二月三十一日，董事、管理層股東或彼等各自之聯繫人士(定義見創業板上市規則)概無於足以或可能與本集團業務構成重大競爭之業務中擁有任何權益。

CONFIRMATION OF INDEPENDENCE

獨立性確認書

All the Directors do not have any financial, business, family or other material/relevant relationship with each other.

全體董事彼此之間並無任何財務、業務、家族或其他實質／相關聯繫。

The Company confirmed that annual confirmations of independence were received from each of the Company's independent non-executive Directors pursuant to Rule 5.09 of the GEM Listing Rules and all Independent Non-executive Directors are considered to be independent.

本公司確認，已遵照創業板上市規則第5.09條，接獲本公司各獨立非執行董事之獨立性年度確認書，因此所有獨立非執行董事均被視為獨立人士。

DIRECTORS' REPORT

董事會報告

AUDIT COMMITTEE

The Company established an Audit Committee on 11 August 2000 with written terms of reference in accordance with Rules 5.28 to 5.29 of the GEM Listing Rules. The Audit Committee currently comprise three members – Mr. Lam Tin Faat, Ms. Lu Haina and Ms. Na Xin, all of whom are Independent Non-executive Directors. Mr. Lam Tin Faat is the chairman of the Audit Committee. The Audit Committee's principal duties are to review and supervise the financial reporting process and internal control procedures of the Group. The Audit Committee met on a quarterly basis during the year ended 31 December 2015.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this annual report.

CORPORATE GOVERNANCE

The Company is committed to the establishment of good corporate governance. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 12 to 20.

AUDITORS

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

On behalf of the Board

Mr. CHONG Yu Ping
Chairman

Hong Kong
21 March 2016

審核委員會

根據創業板上市規則第5.28條至第5.29條之規定，本公司已於二零零零年八月十一日成立審核委員會，並以書面制定其職權範圍。審核委員會現由三位獨立非執行董事林天發先生、陸海娜女士及那昕女士所組成。林天發先生為審核委員會之主席。審核委員會之主要工作為檢討與監督本集團之財務報告流程以及內部監控程序。截至二零一五年十二月三十一日止年度內，審核委員會已按季度舉行會議。

足夠公眾持股量

根據本公司公眾可取得資料及據董事所知，於本年報日期，本公司已發行股本總數至少25%由公眾持有。

企業管治

本公司致力設立良好之企業管治。有關本公司採納之企業管治常規詳情載於第12頁至第20頁之企業管治報告內。

核數師

應屆股東週年大會上將提呈有關重新委聘致同(香港)會計師事務所有限公司為本公司核數師之決議案。

代表董事會

莊儒平先生
主席

香港
二零一六年三月二十一日

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員履歷

EXECUTIVE DIRECTORS

Mr. CHONG Yu Ping, also known as Mr. Zhuang Ruping (Age 50)

Chairman

Mr. Chong is the Chairman of the Company, who is responsible for leading the work of the Board and setting operation direction and investment strategies for the Company. Mr. Chong has over 20 years of relevant experience in the jewellery and investment industry. Prior to joining the Company, Mr. Chong has been appointed as the general manager and executive director of a private company, Shenzhen Yihua Jewellery Limited* (深圳市藝華珠寶首飾有限公司) and from 2011 to present, he is the director and legal representative of Shenzhen Yihua, a company which is a substantial shareholder of the Company as disclosed under the section headed "Substantial Shareholders" in the Directors' Report included herein. Mr. Chong was appointed as an executive Director and as the Chairman of the Company on 17 February 2016.

Ms. LI Xia (Age 42)

Chief Executive Officer

Ms. Li is the Chief Executive Officer of the Company, who is responsible for the corporate planning and business development of the Company. Ms. Li served in Shanghai Shengqiu Investment Development Limited*, and was appointed as executive vice president with her experience and strength in jewellery industry. Ms. Li was responsible for administration and human resource management, marketing operations and brand promotion. With her leadership, the company achieved a healthy growth. At the same time, Ms. Li also served as the special-commissioned jewellery operating adviser for Baidi Jewellery to lead the company to achieve excellent results, which made her the veteran in the jewellery business. Ms. Li graduated from Central Luzon State University, Republic of the Philippines with a degree of Bachelor of Science in Business Administration. Ms. Li has been an executive Director of the Group since 3 July 2012. During the year ended 31 December 2015, Ms. Li was the Chairman of the Company and held the position as the Chief Executive Officer following the resignation of Mr. Lin as described below. Ms. Li was redesignated as the Chief Executive officer on 17 February 2016.

執行董事

莊儒平先生(50歲)

主席

莊先生為本公司的主席，負責領導董事會工作、設定本公司的業務方向並制定本公司的投資策略。莊先生於珠寶及投資行業擁有逾20年相關經驗。於加入本公司前，莊先生擔任私人公司深圳市藝華珠寶首飾有限公司的總經理兼執行董事，且自二零一一年起至今，彼為深圳藝華(誠如本年報所載董事會報告「主要股東」一節所披露，該公司為本公司的主要股東)的董事兼法人代表。莊先生於二零一六年二月十七日獲委任為本公司的執行董事兼主席。

李霞女士(42歲)

行政總裁

李女士為本公司的行政總裁，負責本公司的企業策劃及業務拓展工作。李女士曾受聘於上海盛久投資發展有限公司，鑒於其於珠寶行業的經驗和優勢，被公司任命為常務副總，負責公司的行政人事、市場營運、品牌推廣，使該公司得以健康向上發展；於此同時還兼任百迪珠寶的特聘珠寶營運顧問，帶領公司取得優異業績，堪稱珠寶業資深人士。李女士於菲律賓中呂宋國立大學取得工商管理學士學位。李女士於二零一二年七月三日獲委任為本集團執行董事。於截至二零一五年十二月三十一日止年度，李女士為本公司主席，同時在林先生辭任(如下文所述)後兼任行政總裁一職，並於二零一六年二月十七日調任為行政總裁。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員履歷

EXECUTIVE DIRECTORS *(Continued)*

Mr. LIN Di (Age 29)

Mr. Lin graduated from Central Luzon State University, Republic of the Philippines with a degree of Bachelor of Science in Business Administration. Prior to joining the Company, Mr. Lin held important positions in Hangzhou Didi Investment Co., Limited*, Baidi Jewellery and Hangzhou Didi Lighting Electronics Limited ("Didi Lighting"). When serving as the Brand Development Manager and the jewellery Chief Operating Officer for Baidi Jewellery, Mr. Lin promoted the company into the large well-known shopping malls in Jiaxing, Wuxi, Hangzhou, Ningbo, Suzhou and Huzhou in the short term, and achieved excellent results. During the period of working for Didi Lighting, Mr. Lin led a team in jewellery light source design. The LED light designed by his team quickly took a leap into the jewellery market, becoming an irreplaceable light source for high-end branded jewellery counters. Mr. Lin was also invited by Didi Showcases to design the jewellery counters and light sources, presenting a perfect combination of LED lights and jewellery counters. Mr. Lin was appointed as an Executive Director of the Group on 3 July 2012 and resigned as the Chief Executive Officer on 30 March 2015 and as an executive Director on 30 October 2015.

Mr. CHEN Yin (Age 34)

Mr. Chen is an entrepreneur in the Mainland China, who held senior positions in various private companies principally engaged in luxury goods trading business. Mr. Chen obtained the Diploma of Graduate Gemologist, Diploma of Diamonds and Diploma of Colored Stones from the Gemological Institute of America ("GIA"). Mr. Chen has been as an Executive Director of the Group since 3 July 2012.

執行董事(續)

林迪先生(29歲)

林先生於菲律賓中呂宋國立大學取得工商管理學士學位。加入本公司前，林先生曾於杭州迪迪投資股份有限公司、百迪珠寶及杭州迪迪照明電子有限公司(「迪迪照明」)擔任要職。林先生分別受聘於百迪珠寶品牌拓展部經理及珠寶營運總監期間，使公司在短期內快速進駐嘉興、無錫、杭州、寧波、蘇州及湖州等大型著名商場，取得優異業績。林先生在迪迪照明任職期間，帶領團隊進行珠寶光源設計，其設計的LED燈迅速打入珠寶市場，成為高端名店珠寶專櫃不可替代的光源，林先生亦被迪迪展具邀請進行珠寶專櫃及光源設計，將LED燈與珠寶展櫃完美結合。林先生於二零一二年七月三日獲委任為本集團執行董事，並分別於二零一五年三月三十日及二零一五年十月三十日辭任行政總裁及執行董事職務。

陳寅先生(34歲)

陳先生為中國內地之企業家，彼曾於多間主要從事奢侈品貿易業務之私人公司出任高級職位。陳先生考獲美國寶石學院(「GIA」)頒發的研究寶石學家文憑、鑽石文憑及有色寶石文憑。陳先生於二零一二年七月三日獲委任為本集團執行董事。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LAM Tin Faat (Age 40)

Mr. Lam holds a bachelor degree of business administration from The Chinese University of Hong Kong. He has more than 10 years of experience in financial audit, accounting and financial management. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in the United Kingdom and a member of the Institute of Chartered Accountants in England and Wales. Mr. Lam is also the sole proprietor of TF Lam & Company, a CPA practice in Hong Kong, and a director of Top Team Secretary Limited. Mr. Lam has been an independent non-executive Director of the Group since 3 July 2012.

Ms. LU Haina (Age 37)

Ms. Lu possesses over 8 years of experience in education in relation to jewellery design. From 2005 to 2010, Ms. Lu taught at the school of jewellery of Guangzhou Panyu Polytechnic. Since 2010, Ms. Lu has been teaching at Guangzhou International Economics College. Ms. Lu graduated from Sun Yat-Sen University with a bachelor degree in arts and design and is a holder of a jewellery designer certificate verified by All-China Federation of Industry & Commerce. Ms. Lu has been an independent non-executive Director of the Group since 3 July 2012.

Ms. NA Xin (Age 35)

Ms. Na was the chief operating officer of 深圳市九華彩珠寶首飾有限公司 (Shenzhen Jiuha Cai Jewellery Co., Ltd), a company specialized in qualified jewellery trading business from 2008 to 2012. She was an assistant to chief executive officer for Little Sheep North America (Vancouver) Branch (小肥羊北美(溫哥華)分公司) from 2012 to 2013. Ms. Na completed her Bachelor's degree in English in the School of Humanities and Social Science of Beijing Jiaotong University (formerly known as the Northern Jiaotong University) in 2003. Ms. Na has been an independent non-executive Director of the Group since 1 December 2014.

獨立非執行董事

林天發先生(40歲)

林先生於香港中文大學獲取工商管理學學士學位。彼於財務核數、會計及財務管理方面積逾十年經驗。彼為香港會計師公會及英國特許公認會計師公會之資深會員，同時亦為英格蘭及威爾斯特許會計師公會會員。林先生亦為香港執業會計師林天發會計師行之獨資經營者及濶誠秘書有限公司之董事。林先生於二零一二年七月三日獲委任為本集團獨立非執行董事。

陸海娜女士(37歲)

陸女士於珠寶設計教學方面擁有逾八年豐富經驗。於二零零五年至二零一零年期間，陸女士於廣州番禺職業技術學院珠寶學院任教。自二零一零年起，陸女士一直於廣州涉外經濟職業技術學院任教。陸女士於中山大學獲得藝術設計專業學士學位，並持有獲中華全國工商業聯合會認證之首飾設計師證書。陸女士於二零一二年七月三日獲委任為本集團獨立非執行董事。

那昕女士(35歲)

那女士曾於二零零八年至二零一二年擔任深圳市九華彩珠寶首飾有限公司(專門從事合資格珠寶貿易業務的公司)的營運總監。彼曾於二零一二年至二零一三年擔任小肥羊北美(溫哥華)分公司的行政總裁助理。那女士於二零零三年完成北京交通大學(前稱北方交通大學)人文社會科學院英語學士學位。那女士於二零一四年十二月一日獲委任為本集團獨立非執行董事。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員履歷

SENIOR MANAGEMENT

Ms. CHEUNG Yuet Wah, Eva (Age 37)

Ms. Cheung was appointed as the authorised representative, compliance officer and company secretary of the Company on 18 August 2014 and resigned on 30 June 2015. She was awarded the Common Professional Examination Certificate of England and Wales by the Manchester Metropolitan University external program in 2008 and was awarded her Postgraduate Certificate in Laws by The University of Hong Kong in 2009. She was awarded the Master of Laws in WTO Law by the City University of Hong Kong in 2006. She also holds an Honours of Bachelor of Science degree awarded by the University of Toronto in 2001.

Mr. ZHAO Zhipeng (Age 33)

Authorised Representative, Compliance Officer and Company Secretary

Mr. Zhao was appointed as the authorised representative, compliance officer and company secretary of the Company on 30 June 2015. Mr. Zhao is currently a registered solicitor of the High Court of Hong Kong. He holds the Bachelor degree of laws (PRC Law) awarded by The East China University of Political Science and Law. He was awarded the Master of Laws in Common Law by The Chinese University of Hong Kong in 2007 and the Juris Doctor degree by the City University of Hong Kong in 2009 respectively. Further, in 2011, Mr. Zhao was awarded the Postgraduate Certificate in Laws by the City University of Hong Kong.

Dr. CHU Junying (Age 53)

Legal Consultant

Dr. Chu received a doctorate degree from Yunnan University. She served as a lecturer in university for 29 years. She became a qualified lawyer in 1994. She specialises in civil and commercial law and is familiar with the legal matters before and after listing. She worked as a legal consultant in various large-scale enterprises in Mainland China and is currently served as the Company's legal consultant.

高級管理人員

張月華女士(37歲)

張女士於二零一四年八月十八日獲委任為本公司授權代表、監察主任及公司秘書、並於二零一五年六月三十日辭任。彼於二零零八年獲曼徹斯特城市大學外展課程頒發英國法律專業共同試證書，並於二零零九年獲香港大學頒發法學專業證書。張女士於二零零六年獲得香港城市大學頒發的世界貿易組織法法律碩士學位，並於二零零一年獲得加拿大多倫多大學理學榮譽學士學位。

趙志鵬先生(33歲)

授權代表、監察主任及公司秘書

趙先生已於二零一五年六月三十日獲委任為本公司授權代表、監察主任及公司秘書。趙先生目前為香港高等法院註冊律師。彼持有華東政法大學頒發的法學學士學位(中國法)，分別於二零零七年獲香港中文大學頒發普通法法學碩士學位，及於二零零九年獲香港城市大學頒發法律博士學位。後於二零一一年，趙先生獲香港城市大學頒發法學專業證書。

褚俊英博士(53歲)

法律顧問

褚博士於雲南大學獲取博士學位。在大學任教二十九年，於一九九四年獲取律師資格，擅長民商事法律實務，熟悉公司上市前後的法律事項，曾在中國內地擔任多家大型企業的法律顧問。現為本公司法律顧問。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



**To the members of Hong Kong Jewellery Holding Limited
(incorporated in Bermuda with limited liability)**

We have audited the consolidated financial statements of Hong Kong Jewellery Holding Limited (the "Company") and its subsidiaries set out on pages 40 to 140, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

**致香港珠寶控股有限公司全體股東
(於百慕達註冊成立之有限公司)**

本核數師(以下簡稱「我們」)已審核載於第40頁至第140頁之香港珠寶控股有限公司(「貴公司」)及其附屬公司的綜合財務報表，此綜合財務報表包括於二零一五年十二月三十一日之綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他解釋資料。

董事就綜合財務報表須承擔的責任

貴公司董事須負責遵照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綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

我們的責任是根據我們的審核工作的結果，根據百慕達一九八一年公司法第90條對該等綜合財務報表作出意見，並僅向全體股東報告。除此以外，本報告概不可用作其他用途。我們概不就本報告的內容向任何其他人士負責或承擔任何責任。

我們乃按照香港會計師公會頒佈的香港核數準則進行審核工作。該等準則要求我們遵守道德規範，並計劃及進行審核工作，以合理保證此等綜合財務報表是否不存在任何重大錯誤陳述。

INDEPENDENT AUDITORS' REPORT 獨立核數師報告

AUDITORS' RESPONSIBILITY (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 December 2015, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Grant Thornton Hong Kong Limited

Certified Public Accountants
Level 12
28 Hennessy Road
Wanchai
Hong Kong

21 March 2016

Chiu Wing Ning
Practising Certificate No.: P04920

核數師的責任(續)

審核涉及執行情序以取得與綜合財務報表所載金額及披露事項有關的審核憑證。所選用之程序視乎核數師的判斷，包括評估綜合財務報表是否存在因欺詐或錯誤而引起之重大錯誤陳述的風險。在作出該等風險評估時，核數師考慮與該公司編製及真實公平地呈列綜合財務報表有關的內部監控，以制定適當審核程序，但並非為就公司的內部監控之效能表達意見。審核工作亦包括評估董事所採用的會計政策是否恰當及所作的會計估計的合理性，以及評估綜合財務報表的整體呈列方式。

我們相信，我們所取得的審核憑證是充分及適當的，可為我們的審核意見提供基礎。

意見

我們認為，綜合財務報表已根據香港財務報告準則真實及公平地反映 貴公司及其附屬公司於二零一五年十二月三十一日的財務狀況及彼等截至該日止年度的財務表現及現金流量，並已按照香港公司條例的披露規定妥善編製。

致同(香港)會計師事務所有限公司

執業會計師
香港
灣仔
軒尼詩道28號
12樓

二零一六年三月二十一日

趙永寧
執業證書編號：P04920

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 2015 截至二零一五年十二月三十一日止年度

	Note	2015	2014
	附註	二零一五年 HK\$'000 千港元	二零一四年 HK\$'000 千港元
Revenue	收入	174,741	499,375
Other income	其他收益	5,353	6,427
Change in inventories	存貨變動	15,571	(86,830)
Purchase of goods	購買貨品	(61,668)	(223,747)
Professional fee	專業費用	(19,239)	(21,712)
Employee benefits expense	僱員福利開支	(111,456)	(156,810)
Depreciation and amortisation	折舊及攤銷	(3,675)	(4,776)
Other expenses	其他開支	(30,760)	(38,161)
Finance costs	財務費用	(368)	(377)
Share of result of an associate	應佔一間聯營公司業績	(1,490)	–
Loss before income tax	扣除所得稅前虧損	(32,991)	(26,611)
Income tax expense	所得稅開支	(1,566)	(559)
Loss for the year	年內虧損	(34,557)	(27,170)
Other comprehensive expense for the year, after tax*	年內其他全面開支，已扣除稅項*		
Items that will be reclassified subsequently to profit or loss:	其後將會重新分類至損益表之項目：		
Exchange loss on translation of financial statements of foreign operations	換算海外業務財務報表的匯兌虧損	(5,178)	(1,305)
Total comprehensive expense for the year	年內全面開支總額	(39,735)	(28,475)
Loss for the year attributable to:	應佔年內虧損：		
Owners of the Company	本公司擁有人	(28,467)	(27,019)
Non-controlling interests	非控股權益	(6,090)	(151)
		(34,557)	(27,170)
Total comprehensive expense attributable to:	應佔全面開支總額：		
Owners of the Company	本公司擁有人	(33,559)	(28,276)
Non-controlling interests	非控股權益	(6,176)	(199)
		(39,735)	(28,475)
Loss per share for loss attributable to owners of the Company during the year	本公司擁有人年內應佔每股虧損		
– Basic and diluted	– 基本及攤薄	(2.40 HK cents港仙)	(2.27 HK cents港仙)

* There is no tax effect on the component of other comprehensive expense for the years ended 31 December 2015 and 2014.

* 截至二零一五年及二零一四年十二月三十一日止各年度對其他全面開支的組成部份並沒有產生稅項影響。

The notes on pages 46 to 140 are an integral part of these consolidated financial statements.

第46頁至第140頁的附註構成此等綜合財務報表的一部份。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

as at 31 December 2015 於二零一五年十二月三十一日

	Note 附註	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	14	6,562	10,795
Interest in an associate	16	40,051	–
Available-for-sale financial assets	17	–	–
Goodwill	18	–	–
Development costs	19	–	–
Deferred tax assets	29	–	1,307
		46,613	12,102
Current assets			
Inventories	20	43,906	28,335
Amounts due from customers for contract work	21	25,842	44,440
Trade receivables	22	23,686	49,594
Other receivables, deposits and prepayments	23	22,413	26,586
Financial assets at fair value through profit or loss	24	–	26,945
Bank balances and cash	25	33,563	86,872
		149,410	262,772
Current liabilities			
Trade payables	26	24,404	32,536
Other payables and accrued charges	27	29,885	58,117
Borrowings	28	4,098	3,964
Amounts due to customers for contract work	21	3,277	10,165
Amounts due to directors	30	9,552	5,355
Tax payables		750	945
		71,966	111,082
Net current assets		77,444	151,690
Total assets less current liabilities		124,057	163,792
Net assets		124,057	163,792

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

as at 31 December 2015 於二零一五年十二月三十一日

		Note	2015	2014
		附註	二零一五年	二零一四年
			HK\$'000	HK\$'000
			千港元	千港元
EQUITY	股權			
Share capital	股本	31	118,846	118,846
Reserves	儲備	32	6,776	40,335
Equity attributable to owners of the Company	本公司擁有人應佔股權		125,622	159,181
Non-controlling interests	非控股權益		(1,565)	4,611
Total equity	股權總額		124,057	163,792

Li Xia
Director

李霞
董事

Chong Yu Ping
Director

莊儒平
董事

The notes on pages 46 to 140 are an integral part of these consolidated financial statements.

第46頁至第140頁的附註構成此等綜合財務報表的一部份。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

	Note 附註	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Cash flows from operating activities			
Loss before income tax		(32,991)	(26,611)
Adjustments for:			
Depreciation		3,675	3,966
Amortisation of development costs		–	810
Reversal of provision for impairment of trade receivables		–	(4)
Net (gain)/loss on disposal/written off of property, plant and equipment		(2)	2,768
Fair value gain on financial assets at fair value through profit or loss		(1,477)	(260)
Interest expenses		368	377
Written down of inventories		647	–
Dividend income		(507)	(1,332)
Interest income		(1,184)	(1,478)
Loss on disposal of a subsidiary	35	258	–
Share of result of an associate		1,490	–
Currency translation adjustment		(2,524)	(357)
Operating loss before working capital changes		(32,247)	(22,121)
(Increase)/Decrease in inventories		(17,567)	86,830
Decrease/(Increase) in amounts due from customers for contract work		13,081	(3,046)
Decrease/(Increase) in trade receivables		17,113	(13,700)
Decrease in other receivables, deposits and prepayments		2,100	25,350
Decrease/(Increase) in financial assets at fair value through profit or loss		131	(83)
Decrease in trade payables		(5,710)	(17,893)
(Decrease)/Increase in other payables and accrued charges		(3,205)	11,153
(Decrease)/Increase in amounts due to customers for contract work		(2,912)	802
Cash (used in)/generated from operations		(29,216)	67,292
Income tax paid		(501)	(110)
Net cash (used in)/from operating activities		(29,717)	67,182

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

	Note 附註	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Cash flows from investing activities			
Advance to an associate		(3,195)	–
Purchase of property, plant and equipment		(889)	(3,218)
Proceeds from disposal of property, plant and equipment		7	15
Net cash outflow on disposal of a subsidiary			
	35	(22,508)	–
Dividend received		507	1,332
Interest received		220	504
<i>Net cash used in investing activities</i>		(25,858)	(1,367)
Cash flows from financing activities			
Repayment of other borrowings		–	(52,324)
Increase in amounts due to directors		4,197	5,355
Repayment of amounts due to directors		–	(2,540)
<i>Net cash from/(used in) financing activities</i>		4,197	(49,509)
Net (decrease)/increase in cash and cash equivalents		(51,378)	16,306
Cash and cash equivalents at 1 January		86,872	71,355
Effect on foreign exchange rate changes, on cash held		(1,931)	(789)
Cash and cash equivalents at 31 December, represented by bank balances and cash		33,563	86,872

The notes on pages 46 to 140 are an integral part of these consolidated financial statements.

第46頁至第140頁的附註構成此等綜合財務報表的一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

		Equity attributable to owners of the Company 本公司擁有人應佔股權				Total 總額 HK\$'000 千港元	Non- controlling interests 非控股權益 HK\$'000 千港元	Total equity 股權總額 HK\$'000 千港元
		Share capital 股本 HK\$'000 千港元	Share premium* 股份溢價* HK\$'000 千港元	Exchange reserve* 外匯儲備* HK\$'000 千港元	Accumulated losses* 累計虧損* HK\$'000 千港元			
Balance at 1 January 2014	於二零一四年一月一日的結餘	118,846	220,438	7,675	(159,502)	187,457	4,810	192,267
Loss for the year	年內虧損	-	-	-	(27,019)	(27,019)	(151)	(27,170)
Other comprehensive expense	其他全面支出							
Exchange loss on translation of financial statements of foreign operations	換算海外業務財務報表的匯兌虧損	-	-	(1,257)	-	(1,257)	(48)	(1,305)
Total comprehensive expense for the year	年內全面開支總額	-	-	(1,257)	(27,019)	(28,276)	(199)	(28,475)
Balance at 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日及二零一五年一月一日的結餘	118,846	220,438	6,418	(186,521)	159,181	4,611	163,792
Loss for the year	年內虧損	-	-	-	(28,467)	(28,467)	(6,090)	(34,557)
Other comprehensive expense	其他全面支出							
Exchange loss on translation of financial statements of foreign operations	換算海外業務財務報表的匯兌虧損	-	-	(5,092)	-	(5,092)	(86)	(5,178)
Total comprehensive expense for the year	年內全面開支總額	-	-	(5,092)	(28,467)	(33,559)	(6,176)	(39,735)
Balance at 31 December 2015	於二零一五年十二月三十一日的結餘	118,846	220,438	1,326	(214,988)	125,622	(1,565)	124,057

* These reserves accounts comprise the Group's reserves of HK\$6,776,000 (2014: HK\$40,335,000) in the consolidated statement of financial position.

* 該等儲備賬構成綜合財務狀況表內本集團儲備為6,776,000港元(二零一四年: 40,335,000港元)。

The notes on pages 46 to 140 are an integral part of these consolidated financial statements.

第46頁至第140頁的附註構成此等綜合財務報表的一部份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

1. GENERAL INFORMATION

Hong Kong Jewellery Holding Limited (the “Company”) is incorporated in Bermuda as an exempted company with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and, its principal place of business is Hong Kong. The Company’s shares are listed on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited.

The Company, an investment holding company, and its subsidiaries (together the “Group”) are principally engaged in the development, sale and implementation of enterprise software and the provision of systems integration and professional services, design and sales of gold and jewellery products and investment holding. The Group’s operations are based in Hong Kong and the People’s Republic of China (the “PRC”).

The financial statements for the year ended 31 December 2015 were approved for issue by the board of directors on 21 March 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

1. 一般資料

香港珠寶控股有限公司(「本公司」)乃一間於百慕達註冊成立之獲豁免有限公司，其註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda，而主要營業地點為香港。本公司股份在香港聯合交易所有限公司創業板(「創業板」)上市。

本公司(一間投資控股公司)及其附屬公司(統稱「本集團」)主要從事企業軟件開發、銷售及實施，提供系統集成及專業服務，設計及銷售黃金珠寶產品，以及投資控股。本集團之營運基地為香港及中華人民共和國(「中國」)。

截至二零一五年十二月三十一日止年度之財務報表已經由董事會於二零一六年三月二十一日批准刊發。

2. 主要會計政策概要

2.1 編製基準

該等年度綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)(包括所有適用之個別香港財務報告準則、香港會計準則及詮釋)及香港公認會計準則編製。

財務報表亦符合香港公司條例之適用披露規定，並包括香港聯合交易所有限公司創業板證券上市規則(「創業板上市規則」)之適用披露規定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

The amendments to the GEM Listing Rules relating to financial information with reference to the requirements of Part 9 “Accounts and Audit” of the Hong Kong Companies Ordinance (Cap. 622) came into effect for the first time during the current financial year and the main impact is on the presentation and disclosure of certain information in these consolidated financial statements.

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

The financial statements have been prepared on the historical cost basis, except for financial instruments classified as available-for-sale financial assets and financial assets at fair value through profit or loss which are stated at fair values. The measurement bases are fully described in the accounting policies below.

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

2. 主要會計政策概要(續)

2.1 編製基準(續)

《創業板上市規則》有關財務資料之修訂乃參照香港公司條例(第622章)第9部「賬目及審計」之規定，並已於本財政年度首次生效，主要影響乃有關該等綜合財務報表內若干資料之呈列及披露。

編製該等綜合財務報表所採用之主要會計政策概述如下。除另有註明外，該等政策已於所有呈報年度內貫徹應用。採納新訂立或經修訂香港財務報告準則及其對本集團財務報表的影響(如有)於附註3披露。

財務報表乃按歷史成本基準編製，惟分類作可供出售金融資產及按公允價值計入損益表之金融資產的金融工具，則按公允價值呈列。計量基礎詳述於以下會計政策。

謹請注意，編製財務報表時須作出會計估計及假設。雖然此等估計乃按管理層對現存事件及行動之最佳理解及判斷而作出，惟實際結果最終可能有別於該等估計。涉及高度判斷或複雜性、或其假設及估計對綜合財務報表而言有重大影響之範疇已於附註4披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

Subsidiaries are all entities (including special purpose 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 over the entity, only substantive rights relating to the entity (held by the Group and others) are considered.

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

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

2. 主要會計政策概要(續)

2.2 綜合之基準

綜合財務報表包括本公司及其附屬公司截至每年十二月三十一日止之財務報表。

附屬公司為本集團所控制之所有實體(包括特別用途實體)。倘本集團因參與一家實體之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，則對該實體擁有控制權。於評估本集團是否對該實體擁有控制權時，僅考慮(由本集團及其他方所持有)與該實體相關之實質權利。

自本集團獲得控制權之日起至其不再控制附屬公司之日止，本集團將該附屬公司之收益及開支計入綜合財務報表。

集團內公司間之交易、結餘及未變現之交易收益及虧損會於編製綜合財務報表時予以對銷。倘集團內公司間資產出售之未變現虧損於綜合賬目時撥回，相關資產亦會從本集團角度進行減值測試。附屬公司財務報表之呈報數額在必要時已予調整，確保與本集團採納之會計政策一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation (Continued)

Non-controlling interests represent the equity on a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company.

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

2. 主要會計政策概要(續)

2.2 綜合之基準(續)

非控股權益指非由本公司直接或間接應佔附屬公司的權益，而本集團未與該等權益的持有人協定任何附加條款，以使本集團整體上對該等權益產生符合金融負債定義的合約責任。就每項業務合併而言，本集團可選擇以公允價值或按其分佔附屬公司可識別資產淨值的份額計量任何非控股權益。

非控股權益在綜合財務狀況表的股權中呈列，且獨立於本公司擁有人應佔股權。非控股權益應佔本集團業績於綜合損益及其他全面收益表賬面呈列，作為年內溢利或虧損總額及全面收入總額在非控股權益與本公司擁有人之間的分配結果。

本集團於附屬公司之權益變動倘無導致失去控制權，則按權益交易入賬，並於綜合權益內對控股權益金額進行調整以反映相關權益之變動，但不會對商譽進行調整，同時也不會確認損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation (Continued)

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

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. Cost includes directly attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the end of the reporting period. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

2. 主要會計政策概要(續)

2.2 綜合之基準(續)

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

於本公司之財務狀況表中，附屬公司按成本減去減值虧損列賬，除非該附屬公司為持作待售或包括於出售組別內。成本包括直接應佔的投資成本。附屬公司之業績由本公司按呈報期末之已收及應收股息列賬。所有股息(無論是從被投資方收購前或收購後的溢利中獲取)均在本公司損益表確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Business combination

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value on the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

2. 主要會計政策概要(續)

2.3 業務合併

收購附屬公司及業務採用收購法入賬。於業務合併中轉撥的代價按公允價值計量，而公允價值按本集團所轉讓的資產、本集團向被收購方前股東承擔的負債及本集團用作交換被收購方的控制權所發行之股權於收購日之公允價值總和計算。有關收購的成本於產生時確認於損益表中。

於業務合併中收購的可識別資產及承擔的負債及或然負債乃於收購日初步按其公允價值計量。

商譽乃以已轉撥的代價、任何非控股權益於被收購方中所佔金額及收購方過往於被收購方所持股權的公允價值(如有)之總和，超出所收購的可識別資產及所承擔的負債於收購日的淨值之數額計量。倘經過評估後，所收購的可識別資產與所承擔的負債於收購日的淨額高於已轉撥的代價、非控股權益於被收購方中所佔金額及收購方過往於被收購方所持股權的公允價值(如有)之總和，則超出的數額即時於損益表中確認為議價收購收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Associates

An associate is an entity over which the Group has significant influence, which is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

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

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

2. 主要會計政策概要(續)

2.4 聯營公司

聯營公司指本集團對該實體之管理有重大影響力，即有參與被投資方財務及經營決策之權力，但並非控制或共同控制該等政策。

在綜合財務報表中於一間聯營公司之投資初步按成本確認，其後採用權益法入賬。收購成本超過本集團應佔聯營公司於收購當日確認可識別資產、負債及或然負債之公允淨值之任何數額乃確認為商譽。商譽計入投資賬面值，並作為投資一部分作出減值評估。收購成本乃按交換當日所給予資產、所產生或承擔之負債及本集團發行之股本工具之公允價值總額，加投資直接應佔之任何成本計算。重新評估後，本集團應佔可識別資產、負債及或然負債之公允淨值超過收購成本之任何數額，則會即時於損益確認，以釐定本集團於收購投資期間應佔聯營公司之溢利或虧損。

按照權益法，本集團於聯營公司之權益按成本列賬，並就本集團應佔聯營公司於收購後之資產淨值之變動減任何已識別減值虧損作出調整，惟分類為持有作出售(或計入分類為持有作出售之出售組合)則除外。年內損益包括本集團年內應佔聯營公司收購後之稅後業績，包括有關年內已確認於聯營公司之投資之任何減值虧損。年內本集團之其他全面收益包括其應佔之年內聯營公司之其他全面收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Associates (Continued)

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

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

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

2. 主要會計政策概要(續)

2.4 聯營公司(續)

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Associates (Continued)

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

2.5 Foreign currency translation

The financial statements are presented in Hong Kong Dollars (HK\$), which is also the functional currency of the Company.

2. 主要會計政策概要(續)

2.4 聯營公司(續)

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

2.5 外幣換算

該等財務報表以港元呈列，而港元亦為本公司之功能貨幣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Foreign currency translation (Continued)

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

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

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

2. 主要會計政策概要(續)

2.5 外幣換算(續)

於綜合實體之個別財務報表內，外幣交易按交易當日之匯率換算為個別實體之功能貨幣。於呈報日期，以外幣計值的貨幣資產及負債均按呈報期末的適用匯率換算。因結算該等交易及重新換算於呈報期末的貨幣資產及負債而產生的匯兌盈虧在損益表確認。

按公允價值入賬且以外幣結算之非貨幣項目，乃按釐定公允價值當日之適用匯率換算。以外幣及按歷史成本計算之非貨幣項目不進行重新換算。

於綜合財務報表內，所有原以本集團呈報貨幣以外貨幣呈列之海外業務的個別財務報表，均已折算為港元。資產及負債已按呈報日期之收市匯率換算為港元。收入及開支已按交易當日之匯率，或呈報期之平均匯率換算為港元，惟前提是匯率並無重大波動。因此而產生之任何差額均於其他全面收益確認，並於股權內之外匯儲備獨立累計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Foreign currency translation (Continued)

Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 have been treated as assets and liabilities of the foreign operation and translated into HK\$ at the closing rates. Goodwill arising on the acquisitions of foreign operations before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or joint ventures not involving a change of accounting basis), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2. 主要會計政策概要(續)

2.5 外幣換算(續)

於二零零五年一月一日或以後收購海外業務而產生的商譽和公允價值調整已視作海外業務的資產和負債處理並按照收市匯率換算成港元。但於二零零五年一月一日之前收購海外業務而產生的商譽，按照收購海外業務當日的通行匯率換算。

於出售海外業務(即出售本集團於海外業務的全部權益，或涉及失去對包含海外業務的附屬公司之控制權，或失去對包含海外業務的聯營公司之重大影響力的出售)時，所有就本集團應佔的業務已累計的匯兌差額會重新分類為損益。先前歸屬於非控股權益的任何匯兌差額會被剔除確認，但不會被重新分類為損益。

倘出售擁有海外業務的附屬公司的部份權益(即並無失去控制權)，則應佔累計匯兌差額的份額會重新歸類為非控股權益，及不會於損益表內確認。對於其他部份權益出售(如聯營公司或合營企業，即不涉及會計基準變動)，應佔累計匯兌差額的份額會重新分類為損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (note 2.19). The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

Leasehold improvements	20 to 33 $\frac{1}{3}$ %
Computer and office equipment	10 to 50%
Furniture and fixtures	20 to 25%
Motor vehicles	25 to 30%

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

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

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

2. 主要會計政策概要(續)

2.6 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及累計減值虧損列賬(附註2.19)。物業、廠房及設備項目之成本包括其購入價及將資產運抵工作環境及地點作其擬定用途所涉之任何直接成本。

物業、廠房及設備之折舊乃按其估計可使用年期撇銷其成本減其剩餘價值，以直線法撥備，所按年率如下：

租賃物業裝修	20至33 $\frac{1}{3}$ %
電腦及辦公室設備	10至50%
傢俬及裝置	20至25%
汽車	25至30%

資產的剩餘價值、折舊方法及可使用年期於各呈報期末予以檢討，並於適當時作出調整。

廢棄或出售產生之收益或虧損，按銷售所得款項與資產賬面值之差額釐定，並於損益表內確認。

其後成本僅會於與該項目有關的未來經濟效益可能流入本集團，並且該項目的成本能可靠計算的情況下計入資產的賬面值，或確認為一項獨立資產(倘適用)。已更換零件的賬面值會被剔除確認。所有其他成本，例如維修保養費用，則於成本產生的財政期間計入損益表。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 2.19).

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of gain or loss on disposal. Goodwill relating to business combinations prior to 1 January 2001 continues to be held in reserves and will be charged to the retained profits at the time when the business to which the goodwill relates is disposed of or when a cash-generating unit to which goodwill relates becomes impaired.

2. 主要會計政策概要(續)

2.7 商譽

業務合併所產生的商譽乃於取得控制權(收購日)當日確認為資產。商譽乃以已轉撥代價的公允價值、任何非控股權益於被收購方中所佔金額，及收購方過往於被收購方所持股權的公允價值(如有)之總和，超出本集團於被收購方的可識別資產及負債於收購日的公允價值淨額的權益之數額計量。

經過評估後，倘本集團於被收購方可識別資產淨值的公允價值的權益高於已轉撥的代價、非控股權益於被收購方中所佔金額，及收購方過往於被收購方所持股權的公允價值(如有)之總和，則超出的數額即時於損益表中確認為議價收購收益。

商譽按成本減累計減值虧損列賬。商譽分配至現金產生單位，並於每年作出減值測試(見附註2.19)。

其後出售附屬公司時，釐定出售損益時會計入已撥充資本之商譽的應佔金額。於二零零一年一月一日前與業務合併有關的商譽繼續保留於儲備內，並將於出售與商譽有關的業務之時或當與商譽有關的現金產生單位出現減值時在保留溢利中扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Development costs

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

- (i) demonstration of technical feasibility of the prospective product for internal use or sale;
- (ii) there is an intention to complete the intangible asset and use or sell it;
- (iii) the Group's ability to use or sell the intangible asset is demonstrated;
- (iv) the intangible asset will generate probable economic benefits through internal use or sale;
- (v) sufficient technical, financial and other resources are available for completion; and
- (vi) the expenditure attributable to the intangible asset can be reliably measured.

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

All other development costs are expensed as incurred.

2. 主要會計政策概要(續)

2.8 開發成本

與研究活動有關的成本於產生時於損益表支銷。開發活動的直接應佔成本在符合下列確認條件的情況下乃確認為無形資產：

- (i) 展示潛在產品之技術於內部使用或銷售上屬可行；
- (ii) 有完成此無形資產及可供使用或銷售之意圖；
- (iii) 本集團展示有能力使用或銷售此無形資產；
- (iv) 此無形資產將可透過內部使用或銷售帶來經濟利益；
- (v) 具備充足技術、財政及其他資源以助完成項目；及
- (vi) 此無形資產所屬之開支能可靠地計量。

直接成本包括開發活動產生的僱員成本，連同適當部份之相關間接成本。符合上述確認條件的開發內部研發軟件、產品或專門知識的成本乃確認為無形資產，並須按與收購無形資產的其後相同計量方法計量。

所有其他開發成本於產生時支銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Development costs (Continued)

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

Capitalised development costs	3 years
-------------------------------	---------

The assets' amortisation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Intangible assets are tested for impairment as described below in note 2.19.

2.9 Financial assets

The Group's accounting policies for financial assets other than interest in subsidiaries are set out below.

Financial assets are classified into the following categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Available-for-sale financial assets

2. 主要會計政策概要(續)

2.8 開發成本(續)

於初步確認開發成本後，具有限可使用年期之無形資產乃按成本減累計攤銷及任何累計減值虧損列賬。具有限可使用年期的無形資產乃以直線法於其估計可使用年期計提攤銷，並於無形資產可供使用時開始攤銷。下列可使用年期會予以應用：

已資本化的開發成本	3年
-----------	----

資產的攤銷方法及可使用年期會於各呈報期末予以檢討及在適用情況下予以調整。

如下文附註2.19所述，無形資產會進行減值測試。

2.9 金融資產

本集團就除於附屬公司之權益以外之金融資產之會計政策載於下文。

金融資產可分為以下類別：

- 按公允價值計入損益表之金融資產
- 借款及應收款項
- 可供出售金融資產

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

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

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets other than at fair value through profit or loss are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, an impairment loss is determined and recognised based on the classification of the financial asset.

(i) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading.

2. 主要會計政策概要(續)

2.9 金融資產(續)

管理層視乎收購金融資產之目的，於初步確認時將其金融資產分類，並於許可及適當情況下，於各呈報日期重新評估其分類。

所有金融資產僅於本集團訂立工具之合約條款時確認。按常規方式購買之金融資產則於交易日確認。金融資產於初步確認時按公允價值計算，而並非按公允價值計入損益表之投資，則加上直接應佔交易成本計算。

當收取投資現金流量之權利屆滿或已轉讓及所有權之絕大部份風險和回報已轉移時，則剔除確認金融資產。

不論有否出現減值之客觀憑證，於各呈報日期均須檢討金融資產，惟按公允價值計入損益表之金融資產除外。倘存有任何該等憑證，則按金融資產之分類釐定及確認減值虧損。

(ii) *按公允價值計入損益表之金融資產*

按公允價值計入損益表之金融資產包括持作買賣之金融資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

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

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term, or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking.

Subsequent to initial recognition, the financial assets are measured at fair value with changes in fair value recognised in profit or loss. Fair value is determined by reference to active market transactions. The fair value gain or loss does not include any dividend or interest earned on these financial assets. Dividend and interest income is recognised in accordance with the Group's policies in note 2.17 to these consolidated financial statements.

(ii) *Loans and receivables*

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

2. 主要會計政策概要(續)

2.9 金融資產(續)

(i) *按公允價值計入損益表之金融資產(續)*

金融資產之購買目的如屬於短期內出售，或其屬於集體管理之已識別金融工具組合一部份，而證據顯示近期有短期獲利模式，則分類為持作買賣金融資產。

初步確認後，此類別之金融資產乃按公允價值計量，其公允價值變動於損益表確認。公允價值乃參考活躍市場交易釐定。此等公允價值收益或虧損不包括所賺取之任何股息或利息。股息及利息收益根據本綜合財務報表附註2.17所列之本集團政策確認。

(ii) *借款及應收款項*

借款及應收款項指無活躍市場報價，且具有固定或預訂付款之非衍生金融資產。借款及應收款項其後按以實際利率法計算之攤銷成本減任何減值虧損計量。攤銷成本已計及收購時任何折讓或溢價，並包括屬實際利率及交易成本一部份之費用。利息於損益表中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

(iii) Available-for-sale financial assets

Non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets are classified as available-for-sale financial assets.

All financial assets within this category are subsequently measured at fair value. Gain or loss arising from a change in the fair value excluding any dividend and interest income is recognised in other comprehensive income and accumulated separately in the investment revaluation reserve in equity, except for impairment losses (see the policy below) and foreign exchange gains and losses on monetary assets, until the financial asset is derecognised, at which time the cumulative gain or loss is reclassified from equity to profit or loss. Interest calculated using the effective interest method is recognised in profit or loss.

The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

For available-for-sale investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at the end of each reporting period subsequent to initial recognition.

2. 主要會計政策概要(續)

2.9 金融資產(續)

(iii) 可供出售金融資產

不符合列入任何其他金融資產類別之非衍生金融資產，乃分類為可供出售金融資產。

所有該類別之金融資產其後按公允價值計量。公允價值變動所產生之收益或虧損(不包括任何股息及利息收益)，除貨幣資產之減值虧損(見下文政策)及外匯收益及虧損外，於其他全面收益確認，並於股權內之投資重估儲備獨立累計，直至該金融資產被撤銷確認之時終止，此時，累計收益或虧損將於自股權重新分類為損益。利用實際利率法計算之利息於損益表中確認。

以外幣計值之可供出售貨幣資產之公允價值以有關外幣釐定，並以呈報期末之現貨匯價換算。因資產攤銷成本變動以致換算差額產生之公允價值變動在損益表確認，而其他變動則在其他全面收益確認。

可供出售之股本證券投資如無在活躍市場報價，而其公允價值不能可靠計量，以及所掛鈎之衍生工具須透過交付該等無報價股本工具之方式結算，則於初步確認後之各呈報期末按成本值減任何已識別減值虧損計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

Impairment of financial assets

At the end of each reporting period, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment.

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

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

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

2. 主要會計政策概要(續)

2.9 金融資產(續)

金融資產之減值

於各呈報期末，除按公允價值計入損益表的金融資產外，其他金融資產均需進行檢討，以釐定是否出現任何客觀之減值憑證。

個別金融資產減值之客觀憑證包括就本集團所知涉及以下一項或多項虧損事項之可觀察數據：

- 債務人出現重大財政困難；
- 違反合約，如不支付或拖欠利息或本金；
- 債務人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境有重大改變而對債務人有不利影響；
- 因出現財政困難導致該金融資產失去活躍市場能力；及
- 股本工具投資之公允價值大幅或長期下跌至低於其成本。

一組金融資產出現之虧損事項顯示該組金融資產之估計未來現金流量出現可計量之減少之可觀察數據。該可觀察數據包括但不限於組別內債務人之還款狀況，以及與組別內資產拖欠情況有關之國家或地方經濟狀況之不利變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

Impairment of financial assets (Continued)

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

(i) *Financial assets carried at amortised cost*

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

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

2. 主要會計政策概要(續)

2.9 金融資產(續)

金融資產之減值(續)

若出現任何該等證據，則按以下方式計量及確認減值虧損：

(i) *按攤銷成本列賬之金融資產*

倘有客觀證據顯示按攤銷成本列賬之借款及應收款項出現減值虧損，則減值虧損按該金融資產賬面值與以其原實際利率(即首次確認時計算之實際利率)貼現之估計未來現金流量(不包括尚未產生之未來信貸虧損)現值之差額計算。減值虧損於減值期間於損益表中確認。

倘若其後減值虧損金額減少，而有關減幅可客觀地與確認減值後發生之事件聯繫，則需撥回過往確認之減值虧損，惟於撥回減值當日，不得導致金融資產賬面值超過未被確認減值之原本應計之攤銷成本。撥回金額於撥回發生期間在損益表中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) Available-for-sale financial assets

When a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income and accumulated in equity and there is objective evidence that the asset is impaired, an amount is removed from equity and recognised in profit or loss as an impairment loss. That amount is measured as the difference between the asset's 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.

Reversals in respect of investment in equity instruments classified as available-for-sale and stated at fair value are not recognised in the profit or loss. The subsequent increase in fair value is recognised in other comprehensive income.

(iii) Financial assets carried at cost

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

2. 主要會計政策概要(續)

2.9 金融資產(續)

金融資產之減值(續)

(ii) 可供出售金融資產

當可供出售金融資產公允價值減少並已於其他全面收益內確認及於股權累計，及有客觀證據顯示該資產出現減值時，其金額需自股權中移除，並於損益表中確認為減值虧損。該金額按該資產之收購成本(扣除任何本金償還及攤銷)與現有公允價值之差額，減該資產先前已於損益表中確認之任何減值虧損計量。

就歸類為可供出售及按公允價值列賬之股本工具投資之撥回並不在損益表中確認。日後公允價值之增加將在其他全面收益中確認。

(iii) 以成本列值之金融資產

減值虧損之金額按金融資產之賬面值與估計未來現金流量按同類金融資產之現行市場回報率貼現之現值之差額計量。減值虧損金額於減值發期間於損益表中確認且於往後期間不會撥回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

Impairment of financial assets (Continued)

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

Impairment losses recognised in an interim period in respect of available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of an annual period, or in a subsequent period, the increase is recognised in other comprehensive income.

2.10 Inventories

Inventories, which comprise merchandise held for resale, raw materials and finished goods, are carried at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition, is determined using the first in, first out method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and applicable selling expenses.

2. 主要會計政策概要(續)

2.9 金融資產(續)

金融資產之減值(續)

金融資產(如不屬按公允價值計入損益表之金融資產及按攤銷成本列賬之應收貿易賬款)之減值虧損乃直接與相關資產撇銷。若應收貿易賬款被認為有可能但並非不能收回，則屬應收款項呆賬之減值虧損記入撥備賬。若本集團相信應收貿易賬款之可收回性極低，則被認為不可收回之金額乃直接自應收貿易賬款撇銷，並撥回就該應收款項記入撥備賬之任何金額。先前計入撥備賬之金額如在其後收回，則從撥備賬撥回。撥備賬之其他變動及其後收回先前已撇銷之金額，均直接在損益表確認。

於中期就按成本列賬之可供出售股本證券及無報價股本證券確認之減值虧損，不得於往後期間撥回。因此，倘可供出售股本證券之公允價值於餘下年度期間或其後期間增加，有關增加乃於其他全面收益確認。

2.10 存貨

存貨包括轉售之商品、原材料及製成品，以成本與可變現淨值兩者中之較低者列賬。成本包括所有購貨成本及(如適用)將存貨運抵現時地點及達至現時環境所產生之其他成本，採用先進先出法釐定。可變現淨值為日常業務過程中之估計銷售價減除產品之估計完工成本及相關銷售成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and demand deposits with banks.

2.12 Financial liabilities

The Group's financial liabilities mainly include trade and other payables, amounts due to directors and other borrowings. They are included in line items in the consolidated statement of financial position as trade payables, other payables and accrued charges, amounts due to directors and borrowings under current liabilities.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs (see note 2.21).

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

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

Borrowings

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

2. 主要會計政策概要(續)

2.11 現金及現金等價物

現金及現金等價物包括銀行存款及現金以及銀行活期存款。

2.12 金融負債

本集團之金融負債主要包括應付貿易賬款及其他應付款項、應付董事款項及其他借貸。該等項目在綜合財務狀況表內之流動負債下列為應付貿易賬款、其他應付款項及預提費用、應付董事款項及借貸。

金融負債在本集團成為金融工具合約條文的訂約方時確認。所有與利息相關之支出均根據本集團之會計政策就借貸成本確認(見附註2.21)。

金融負債乃於有關負債承擔被解除或註銷或屆滿時終止確認。

當現有金融負債為同一貸款人以另一金融負債替代，而該項負債之條款與原有負債存在顯著差異，或現有負債之條款經大幅修訂時，該替代或修訂被視為終止確認原有負債及確認新負債，而各賬面值之差額於損益表內確認。

借貸

借貸最初按公允價值扣除交易成本確認。其後借貸按攤銷成本列賬；所得款項(扣除交易成本)與贖回價值之間之任何差額於借貸期內使用實際利率法於損益表內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial liabilities (Continued)

Borrowings (Continued)

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

Trade and other payables

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

2.13 Financial guarantees issued

A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the 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. 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 if and when it becomes probable that the holder of the guarantee will call upon the Group under the guarantee and the amount of that claim on the Group is expected to exceed the current carrying amount, i.e. the amount initially recognised less accumulated amortisation, where appropriate.

2. 主要會計政策概要(續)

2.12 金融負債(續)

借貸(續)

除非本集團擁有無條件權利延遲至呈報期末後至少12個月支付負債，否則借貸歸類為流動負債。

應付貿易賬款及其他應付款項

應付貿易賬款及其他應付款項初步按公允價值確認，其後則使用實際利率法按攤銷成本計量。

2.13 已發出之財務擔保

財務擔保合約乃指簽發人(或擔保人)須因指定債務人未能按照債務工具之條款償還到期債務致使持有人蒙受損失時，向持有人償付指定款項之合約。

當本集團發出一份財務擔保時，該擔保的公允價值在初始被確認為應付貿易賬款及其他應付款項內之遞延收入。因發出財務擔保後收取或可收取之代價，將按照本集團應用於該資產類別的政策入賬。當沒有收到或可收代價時，任何在初步確認為遞延收入之數額，即以支出於損益表內列賬。

初始列賬為遞延收入之擔保數額按擔保年期於損益表內攤銷為所發出的財務擔保收入。此外，如擔保持有人可能向本集團行使該擔保及預期將會對本集團之索償超出現時之賬面值(即初始列賬數額扣減累計攤銷)(如適用)，則確認撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Leases

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

(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.

(ii) Operating lease charges as the lessee

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

2. 主要會計政策概要(續)

2.14 租賃

倘本集團決定於協定期限內將特定資產使用權出讓以換取一筆或一連串付款之安排，包括一項交易或一連串交易之該項安排屬於或包含一項租賃。該項決定乃基於安排內容之實質評估而作出，而不論該項安排是否採取租賃之法律形式。

(i) 租予本集團之資產之分類

對於本集團以租賃持有的資產，倘租賃使所有權的絕大部份風險及回報轉移至本集團，有關資產歸類為以融資租賃持有；倘租賃不會使所有權的絕大部份風險及回報轉移至本集團，則歸類為經營租賃。

(ii) 作為承租人之經營租賃支出

如本集團有權使用經營租賃持有之資產，則根據租賃期內作出之付款，以直線法於租賃期內在損益表中列支；惟其他基準能更清楚地反映租賃資產所產生之收益模式除外。租賃所涉及之租金優惠均在損益表中確認為淨租賃款項總額之組成部份。或然租金(如有)於產生之會計期間內自損益表扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation 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.

All provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

2.16 Share capital

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

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

2.17 Revenue recognition

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

2. 主要會計政策概要(續)

2.15 撥備

若本集團目前因過往發生之事件承擔責任(法定或推定)，並可能須流出經濟利益以履行責任，而責任金額能作出可靠估計，則確認撥備。若貨幣時值重大，則撥備按預期履行責任支出之現值列賬。

所有撥備均於各呈報期末檢討，並予調整以反映現時之最佳估計。

2.16 股本

普通股乃分類為股權。股本以已發行股份面值釐定。

與發行股份相關的任何交易成本均自股份溢價內扣減(扣除任何相關所得稅優惠)，惟有關優惠須為股權交易直接應佔之遞增成本。

2.17 收入確認

收入包括就銷售貨品及提供服務及其他人士使用本集團產生利息的資產、版權及股息而已收或應收代價(扣除佣金及折扣)之公允價值。如經濟效益可能流入本集團，而收入及成本(如適用)能可靠計量，則收入作如下確認：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Revenue recognition (Continued)

Jewellery Products

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

Franchise income in respect of the use of the Group's brand is recognised on an accrual basis over the terms of the relevant franchise agreements.

IT Products and Services

In circumstances where the contract price can be allocated on a reasonable basis to the elements of resale of hardware and software products, sales of software licences and development of customised software, revenue is recognised as described below:

- (a) Revenue from resale of complementary hardware and software products is recognised when the goods are delivered and title has been passed;
- (b) Revenue from sales of software licences is recognised upon delivery of the software products to the customer when there are no post-delivery obligations;
- (c) Revenue from the development of customised software is recognised by reference to the stage of completion of the customisation work (including post-delivery service support) at the end of the reporting period, as measured by reference to services performed to date as a percentage of total services to be performed in relation to the design and prescribed services as agreed with customers to be rendered in different phases.

2. 主要會計政策概要(續)

2.17 收入確認(續)

珠寶產品

銷售黃金珠寶產品於所有權之絕大部份風險及回報已轉移至客戶時確認。有關情況通常指貨品已付運且客戶已接納貨品時。

有關使用本集團品牌之特許加盟收入於相關特許加盟協議之期限按應計基準確認。

資訊科技產品及服務

若合約價可以合理基準以轉售軟、硬件產品、銷售軟件授權使用證及開發自訂軟件等內容分配，則收入按以下方法確認：

- (a) 轉售配套軟硬件產品收入於交付貨物及所有權轉移時確認；
- (b) 軟件授權使用證銷售之收入在交付軟件予客戶且無任何交付後責任時確認；
- (c) 開發客戶自訂軟件之收入乃參考自訂工作之完成階段（包括交付後提供服務支援）於呈報期末確認，並參考迄今所提供之服務相對按與客戶協定將於不同階段提供之設計及指定服務所提供之服務總計之百分比計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Revenue recognition (Continued)

IT Products and Services (Continued)

Where the contract price cannot be allocated into individual elements of the sales of enterprise software products and custom development, revenue from sales of enterprise software products and custom development is recognised by reference to the stage of completion of the sales of enterprise software products and custom development (including post-delivery service support) at the end of the reporting period, as measured by reference to the costs incurred to date as compared to the total costs to be incurred under the transaction.

Maintenance service income is recognised on a straight-line basis over the terms of the relevant maintenance service contracts. Where maintenance service income is not separately invoiced, it is unbundled from licence fees and deferred and recognised on a straight-line basis over the period of the relevant maintenance service contracts.

Systems integration income and professional services income are recognised when the services are provided

Other income

Consultancy and management fee income in respect of technical support, consultancy services and management services are recognised in the period when services are rendered.

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

Dividend income is recognised when the right to receive payment is established.

2. 主要會計政策概要(續)

2.17 收入確認(續)

資訊科技產品及服務(續)

倘合約價未能以銷售企業軟件產品及開發自訂軟件等相應內容分配，則來自銷售企業軟件產品及自訂產品開發之收入，乃按呈報期末銷售企業軟件及自訂產品開發(包括交付後服務支援)之完成階段確認，並參考迄今所產生之成本相對交易將產生之總成本計算。

保養服務收益以直線法按相關保養服務合約期限確認。倘保養服務收益並非獨立開具發票，則不會計算授權使用證費用，惟按有關保養服務合約年期以直線法遞延及確認收益。

系統集成之收益及專業服務之收益於提供服務時確認。

其他收益

有關技術支援、顧問服務以及管理服務之顧問及管理費收益於服務提供期間確認。

利息收益採用實際利率法按時間比例基準確認。

股息收益於收取款項之權利確立時確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Contract for services

Contract revenue on the rendering of services comprises the agreed contract amount. Costs of rendering services comprise labour and other costs of personnel directly engaged in providing the services and attributable overheads.

Revenue from the rendering of services is recognised based on the percentage of completion of the transaction, provided that the revenue, the costs incurred and the estimated costs to completion can be measured reliably. The percentage of completion is established by reference to the estimated stage of completion (see note 2.17).

Provision is made for foreseeable losses as soon as they are anticipated by management.

Where estimated value of work performed exceeds progress billings, the surplus is treated as an amount due from contract customers for contract work.

Where progress billings exceed estimated value of work performed, the surplus is treated as an amount due to contract customers for contract work.

2.19 Impairment of non-financial assets

The following assets are subject to impairment testing:

- Goodwill arising on acquisition of a subsidiary;
- Development costs;
- Property, plant and equipment; and
- The Company's interests in subsidiaries

2. 主要會計政策概要(續)

2.18 服務合約

提供服務之合約收入為協定合約金額。提供服務之成本包括提供服務直接產生之勞工成本及其他人員成本及相關間接成本。

提供服務之收入按交易完工百分比確認，惟收入及所產生之成本及達致完成之估計成本須能可靠計量。完工百分比乃參考估計完成階段設定(見附註2.17)。

倘管理層預料出現可預見虧損，則即時就此計提撥備。

若估計已進行工程價值高於進度賬單金額，則多出部份作為應收客戶合約工程款項處理。

若進度賬單金額高於估計已進行工程價值，則多出部份作為應付客戶合約工程款項處理。

2.19 非金融資產減值

下列資產須進行減值測試：

- 收購附屬公司所產生之商譽；
- 發展成本；
- 物業、廠房及設備；及
- 本公司於附屬公司之權益

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Impairment of non-financial assets (Continued)

Goodwill and development costs with indefinite useful lives or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment.

2. 主要會計政策概要(續)

2.19 非金融資產減值(續)

商譽及開發成本如無限定可使用年期或尚未可以使用，則不論是否出現任何減值跡象，均須最少每年進行減值測試。所有其他資產於有跡象顯示無法收回賬面值時進行減值測試。

減值虧損乃按資產賬面值超過其可收回金額之差額，即時確認為開支。可收回金額為反映市況之公允價值減出售成本與使用價值較高者計算。評估使用價值時，估計未來現金流量時採用稅前折現率折現至其現值，以反映現時市場對貨幣時值及有關資產特有風險之評估。

就評估減值而言，倘不產生現金流入之資產大部份獨立於其他資產，其可收回金額則按可獨立產生現金流入的最小資產組合(即現金產生單位)釐定。因此，部份資產個別進行減值測試，另有部份則按現金產生單位測試。具體而言，商譽分配至該等預期可受惠於相關業務合併所帶來協同效應的現金產生單位，即集團內為內部管理目的監控商譽之最小單位，且並不大於經營分部。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Impairment of non-financial assets (Continued)

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

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

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

2.20 Employee benefits

Retirement benefits

Retirement benefits to employees are provided through defined contribution plans.

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

2. 主要會計政策概要(續)

2.19 非金融資產減值(續)

就已分配商譽之現金產生單位確認之減值虧損，初步計入商譽之賬面值。除資產賬面值將不會調減至低於其個別公允價值減出售成本或使用價值(如可釐定)外，任何剩餘減值虧損按比例自該現金產生單位之其他資產扣除。

商譽減值虧損不會於其後期間撥回。至於其他資產，倘用於釐定資產可收回金額之估計出現有利變動時，減值虧損將予以撥回，但撥回額不得超過如先前不確認減值，並計提折舊或攤銷得出之賬面值。

於中期期間就商譽確認之減值虧損不會在其後期間撥回。縱使在中期相關之財政年度完結時評估減值，此時即使不用確認虧損或確認較少虧損，亦不會撥回減值虧損。

2.20 僱員福利

退休福利

本集團透過定額供款計劃向僱員提供退休福利。

本集團按照強制性公積金條例，為其所有合資格參與界定供款之退休福利計劃(「強積金計劃」)的僱員設立強積金計劃。供款乃按僱員基本薪金之百分比計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Employee benefits (Continued)

Retirement benefits (Continued)

The employees of the Group's subsidiaries which operate in the PRC, Malaysia and Singapore are required to participate in the central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of their payroll costs to the central pension scheme.

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

Short-term employee benefits

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

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

2.21 Borrowing costs

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

2. 主要會計政策概要(續)

2.20 僱員福利(續)

退休福利(續)

本集團於中國、馬來西亞及新加坡營運之附屬公司旗下僱員須參與由有關地方市政府營運之中央退休金計劃。該等附屬公司須按薪金成本若干百分比對退休計劃供款。

於僱員在年內提供服務時，供款乃於損益表確認為開支。本集團根據此等計劃之責任僅限於應付之固定百分比供款。

短期僱員福利

僱員之年假於僱員有權享用時確認，並已就僱員截至呈報期末按照其所提供服務而預計應取得的年假而作計提。

不能累積之帶薪假(如病假及產假期)，於休假時方可確認。

2.21 借貸成本

就收購、建造或生產任何合資格資產而產生之借貸成本(扣除就特別借貸的暫時投資所賺取的任何投資收益)，於資產完成及達致其擬定用途所需期間內撥充資本。合資格資產是指需要頗長時間方可達致其擬定用途或出售的資產。其他借貸成本於產生時支銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Borrowing costs (Continued)

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

2.22 Accounting for income taxes

Income tax comprises current tax and deferred tax.

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

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

2. 主要會計政策概要(續)

2.21 借貸成本(續)

當資產產生開支、借貸成本產生和使資產投入擬定用途或銷售所必須的準備工作進行期間，借貸成本乃撥充資本作為合資格資產成本的部分。當使合資格資產投入擬定用途或銷售所必須的絕大部份準備工作完成時，借貸成本會停止資本化。

2.22 所得稅之會計方法

所得稅包括即期及遞延稅項。

即期所得稅資產及／或負債包括本期或過往呈報期間(且於呈報期末尚未支付)，向稅務當局繳納稅款之責任或來自稅務當局之索償，乃根據年內應課稅溢利，按有關財政期間之適用稅率及稅務法例計算。即期稅項資產或負債之所有變動均列入損益表的稅項開支。

遞延稅項乃按於呈報期末資產及負債於財務報表之賬面值與其各自之稅基的暫時差額以負債法計算。遞延稅務負債一般就所有應課稅暫時差額確認入賬。倘可能出現應課稅溢利(包括現有應課稅暫時差額)用作抵銷可扣減暫時差額、未動用稅項虧損及未動用稅項抵免，則就所有可扣減暫時差額、可結轉之可動用稅項虧損以及其他未動用稅項抵免確認為遞延稅項資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Accounting for income taxes (Continued)

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

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

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

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

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

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

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

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

2. 主要會計政策概要(續)

2.22 所得稅之會計方法(續)

倘商譽或初步確認(業務合併除外)某項交易中的資產及負債產生之暫時差額對應課稅及會計損益並無影響，則不會確認遞延稅項資產及負債。

於附屬公司之投資所產生的應課稅暫時差額須確認為遞延稅項負債，惟本集團可控制暫時差額之撥回及不會在短期內撥回之暫時差額則除外。

遞延稅項不予貼現，並按預期應用於償還負債或變現資產期間之稅率計算，惟稅率於呈報期末須為已頒佈或實際上已頒佈。

遞延稅項資產或負債之變動乃於損益表中確認，倘與於其他全面收益或股權直接扣除或計入之項目有關，則遞延稅項資產或負債之變動於其他全面收益或直接於股權中確認。

即期稅項資產及即期稅項負債僅在以下情況下方會以淨額呈列：

- (a) 本集團依法有強制執行權可以將已確認金額對銷；及
- (b) 有意按淨額基準結算或同時變現資產及結清負債。

本集團僅在以下情況下方會以淨額呈列遞延稅項資產及遞延稅項負債：

- (a) 該實體依法有強制執行權可以將即期稅項資產與即期稅項負債對銷；及

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Accounting for income taxes (Continued)

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

2.23 Segment reporting

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

The Group has identified the following reportable segments:

- Jewellery Products: design and sales of gold and jewellery products
- IT Products and Services: provision of information technology services and sales of products, including enterprise software products, systems integration and professional services

2. 主要會計政策概要(續)

2.22 所得稅之會計方法(續)

- (b) 遞延稅項資產與遞延稅項負債與同一課稅機關就以下任何一項徵收之所得稅有關：
- (i) 同一應課稅實體；或
 - (ii) 有意於各段未來期間（而預期在有關期間內將結清或收回大額的遞延稅項負債或資產）以淨額基準結算即期稅項負債與資產或同時變現資產及結清負債的不同應課稅實體。

2.23 分部呈報

本集團定期向執行董事報告內部財務資料，以供彼等就本集團業務組成部份的資源分配作決定，以及供彼等檢討該等組成部份的表現，而本集團則根據該等資料劃分經營分部及編製分部資料。向執行董事報告之內部財務資料的業務組成部份，乃依照本集團之主要產品及服務類別釐定。

本集團已識別出下列可呈報分部：

- 珠寶產品：設計及銷售黃金珠寶產品
- 資訊科技產品及服務：提供資訊科技服務及銷售產品，包括企業軟件產品、系統集成及專業服務

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Segment reporting (Continued)

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

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

Segment assets include all assets but corporate assets which are not directly attributable to the business activities of any operating segment and are not allocated to a segment.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment.

No asymmetrical allocations have been applied to reportable segments.

2. 主要會計政策概要(續)

2.23 分部呈報(續)

由於各產品及服務類別所需資源及市場方針不同，故各經營分部乃個別管理。所有分部間轉讓乃按公平價格進行。

根據香港財務報告準則第8號經營分部，本集團用作呈報分部業績的計量政策與其根據香港財務報告準則編製的財務報表所用者相同，惟非直接歸屬於任何經營分部之業務活動的企業收入及開支，於計算經營分部之經營業績時並不包括在內。

分部資產包括所有資產，惟並非直接歸屬於任何經營分部之業務活動的企業資產不會分配至任何分部。

分部負債不包括並非直接歸屬於任何經營分部之業務活動的企業負債，不會分配予任何分部。

對可呈報分部並無非對稱分配。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Related parties

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

- (a) the party is a person, or a close member of that person's family and if that person:
 - (i) has control or joint control over 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.
- (b) the party is an entity and if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (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;

2. 主要會計政策概要(續)

2.24 關聯方

就該等綜合財務報表而言，倘符合以下情況，以下人士則被視為與本集團有關聯：

- (a) 倘符合以下情況，即該人士或該人士之近親家庭成員與本集團有關聯：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司主要管理層成員。
- (b) 倘符合下列任何條件，即該實體與本集團有關聯：
 - (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聯）；
 - (ii) 一實體為另一實體之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) 兩實體均為同一第三方之合營企業；
 - (iv) 一實體為第三方實體之合營企業而另一實體則為該第三方實體之聯營公司；
 - (v) 該實體為本集團或與本集團有關聯之實體就僱員福利設立之離職後僱員福利計劃；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Related parties (Continued)

- (b) the party is an entity and if any of the following conditions applies: (Continued)
- (vi) The entity is controlled or jointly controlled by a person identified in (a); or
- (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).

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.

3. ADOPTION OF NEW OR AMENDED HKFRSs

New and amended HKFRSs that are effective for annual periods beginning or after 1 January 2015

In the current year, the Group has applied for the first time the following amendments to HKFRSs issued by the HKICPA, which are effective for the Group's financial statements for the annual period beginning on 1 January 2015:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle

2. 主要會計政策概要(續)

2.24 關聯方(續)

- (b) 倘符合下列任何條件，即該實體與本集團有關聯：(續)
- (vi) 該實體受(a)所識別人士控制或共同控制；或
- (vii) (a)(i)所識別人士對該實體有重大影響力或屬該實體(或該實體之母公司)之主要管理層成員。

該某人士之近親家庭成員指彼等與該實體交易時預期可影響該人士或受該人士影響之家庭成員。

3. 採納新訂立或經修訂香港財務報告準則

於二零一五年一月一日或其後開始之年度期間生效之新訂立及經修訂香港財務報告準則

於本年度，本集團首次應用以下由香港會計師公會頒佈、適用於本集團於二零一五年一月一日開始之年度期間的財務報表及對香港財務報告準則之修訂：

香港會計準則第19號之修訂	界定福利計劃：僱員供款
香港財務報告準則之修訂	二零一零年至二零一二年週期香港財務報告準則之年度改進
香港財務報告準則之修訂	二零一一年至二零一三年週期香港財務報告準則之年度改進

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

3. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

New and amended HKFRSs that are effective for annual periods beginning or after 1 January 2015 (Continued)

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

Amendments to HKAS 19: Defined Benefit Plans: Employee Contributions

The amendments clarify the requirements of HKAS 19 relating to contributions from employees or third parties and introduce a practical expedient such that contributions that are independent of the number of years of service may be treated as a reduction of service cost in the period in which the related service is rendered.

The amendments do not have any impact on the Group as the Group does not operate a defined benefit plan. The Group has applied the practical expedient as its accounting policy. This treatment is consistent with the Group's previous practice before the amendments. Therefore, the initial application of the amendments has no effect on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2010-2012 and 2011-2013 Cycles

The amendments contained in these two cycles of annual improvements set out amendments to a number of HKFRSs. Other than those that are relevant to the Group, the adoption of these amendments has no material impact on the Group's consolidated financial results or positions.

3. 採納新訂立或經修訂香港財務報告準則(續)

於二零一五年一月一日或其後開始之年度期間生效之新訂立及經修訂香港財務報告準則(續)

除下文所述外，採納香港財務報告準則之修訂對本期間及過往期間之業績及財務狀況的編製及呈列方法並無重大影響。

香港會計準則第19號之修訂：界定福利計劃：僱員供款

該等修訂澄清香港會計準則第19號關於僱員或第三方供款之規定，並引入一項可行權宜方法，即並非以服務年資而定之供款可於相關服務提供期間入賬記作服務成本之扣減。

由於本集團並無設立界定福利計劃，該等修訂並無對本集團造成任何影響。本集團已應用上述可行權宜方法作為其會計政策。有關會計處理與本集團於該等修訂前之先前作法一致。因此，首次應用該等修訂並無對本集團之綜合財務報表造成影響。

二零一零年至二零一二年及二零一一年至二零一三年週期香港財務報告準則之年度改進

此兩個週期年度改進所含修訂載有對多項香港財務報告準則之修訂。除與本集團有關者外，採納該等修訂概無對本集團之綜合財務業績或財務狀況造成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

3. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

New and amended HKFRSs that are effective for annual periods beginning or after 1 January 2015 (Continued)

Annual Improvements to HKFRSs 2010-2012 and 2011-2013 Cycles (Continued)

Amendments to HKAS 8 “Operating Segments” require disclosures of the judgements made in identifying the reportable segment when operating segments have been aggregated and clarifies that reconciliation between the total reporting segments’ assets and the entity’s assets is required only if the segment assets are regularly reported to the chief operating decision maker. The amendments have had no significant impact on the Group.

Amendments to HKAS 24 “Related Party Disclosures” amends the definition of a ‘related party’ to include ‘management entities’ that provide key management personnel services to the reporting entity, requires the disclosure of the amounts recognised as a service fee to a separate management entity for the provision of the key management personnel services and provides a relief so that disclosure of components of the compensation to key management personnel where is paid via a management entity is not required. The amendments do not have any impact on the Group’s related party disclosures as the Group did not pay any service fee to a separate management entity for the provision of the key management personnel services.

3. 採納新訂立或經修訂香港財務報告準則(續)

於二零一五年一月一日或其後開始之年度期間生效之新訂立及經修訂香港財務報告準則(續)

二零一零年至二零一二年及二零一一年至二零一三年週期香港財務報告準則之年度改進(續)

香港會計準則第8號「經營分部」之修訂規定於經營分部合併計算時，辨別可呈報分部時所作判斷作出披露，並釐清呈報分部資產總額與實體資產之對賬，僅在定期向主要經營決策者呈報分部資產時方需提供。該等修訂對本集團並無造成重大影響。

香港會計準則第24號「關聯方披露」之修訂對「關聯方」之定義作出修訂以包含為呈報實體提供主要管理人員服務之「管理實體」，規定對確認為就提供主要管理人員服務向另一家管理實體所支付服務費之金額作出披露，並載有寬免規定，從而毋須就透過管理實體向主要管理人員支付之薪酬結構作出披露。由於本集團並無就提供主要管理人員服務向另一家管理實體支付任何服務費，故該等修訂並無對本集團之關聯方披露造成任何影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

3. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

Issued but not yet effective HKFRSs

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

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The directors are currently assessing the impact of these HKFRSs but are not yet in the position to state whether they would have any material impact on the Group's financial statements.

Information on these new pronouncements that are expected to be relevant to the Group's financial statements is provided below:

	Effective for accounting periods beginning on or after
Annual Improvements to HKFRSs 2012-2014 Cycle	1 January 2016
Amendments to HKAS 1 Disclosure Initiative	1 January 2016
HKFRS 9 Financial Instruments	1 January 2018
HKFRS 15 Revenue from Contracts with Customers	1 January 2018

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

3. 採納新訂立或經修訂香港財務報告準則(續)

已公佈但未生效之香港財務報告準則

於授權刊發此等綜合財務報表當日，若干新訂立及經修訂香港財務報告準則經已頒佈但尚未生效，且並無被本集團提早採納。

董事預期，所有已公佈之項目，將於公佈生效日期後開始的首段期間在本集團會計政策內採用。董事現正評估此等香港財務報告準則之影響，但現階段未能闡明此等香港財務報告準則會否對本集團之財務報表構成任何重大影響。

預期與本集團之財務報表相關之新規定所涉及之資料載述於下文。

	於下列日期或之後開始之會計期間生效
二零一二年至二零一四年週期香港財務報告準則之年度改進	二零一六年一月一日
香港會計準則第1號之修訂披露計劃	二零一六年一月一日
香港財務報告準則第9號金融工具	二零一八年一月一日
香港財務報告準則第15號來自客戶合約之收入	二零一八年一月一日

4. 重要會計估計及判斷

估計及判斷會根據過往經驗及其他因素(包括在現時環境下，對未來事件作出合理之預期)持續進行評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4. 重要會計估計及判斷(續)

4.1 Critical accounting estimates and assumptions

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

Impairment of property, plant and equipment

If circumstances indicate that the net book value of a long lived asset may not be recoverable, the asset may be considered "impaired" and an impairment loss may be recognised in accordance with HKAS 36 Impairment of Assets. The carrying amounts of long lived assets are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to the recoverable amount. The recoverable amount is the higher of its fair value less costs of disposal and its value in use. It is difficult to precisely estimate fair value less cost of disposal because quoted market prices for the Group's assets are not readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant estimation relating to the level of sales volume, selling prices and the amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of sales volume, selling prices and the amount of operating costs. As at 31 December 2015, the carrying amount of property, plant and equipment was HK\$6,562,000 (2014: HK\$10,795,000).

4.1 重要會計估計及假設

本集團就未來作出估計及假設。根據其定義，由此得出之會計估計將甚少與相關實際結果等同。下文論述具有對下一財政年度內之資產及負債之賬面值造成重大調整之重大風險的有關估計及假設：

物業、廠房及設備之減值

倘情況顯示長期資產之賬面淨值可能無法收回，有關資產則可能會視為「減值」，並須根據香港會計準則第36號資產減值確認減值虧損。長期資產之賬面值會定期審閱，以評估可收回金額是否下跌至低於賬面值。當事項或環境變動顯示資產之記錄賬面值可能無法收回時，有關資產便會進行減值測試。如果出現下跌跡象，賬面值便會減至可收回金額。可收回金額乃以其公允價值減出售成本與使用價值兩者中之較高者計算。由於本集團難以獲得資產之公開市價，因此難以準確地估計公允價值減出售成本。在釐定使用價值時，該資產所產生之預計現金流量會貼現至其現值，因而需要對銷量水平、售價及經營成本等作出重大估計。本集團在釐定可收回金額之合理概約數額時會採用所有可取得之資料，包括根據合理及有依據之假設所作出之估計以及銷量、售價及經營成本之預測。於二零一五年十二月三十一日，物業、廠房及設備之賬面值為6,562,000港元(二零一四年：10,795,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

Allowance for bad and doubtful debts

The provisioning policy for bad and doubtful debts of the Group is based on the evaluation of collectability and ageing analysis of trade and other receivables. A considerable amount of estimation and judgement is required in assessing the ultimate realisation of these receivables, including their current creditworthiness, past collection history and financial condition. If the financial conditions of these parties were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance will be required. As at 31 December 2015, the carrying amount of trade receivables was HK\$23,686,000 (2014: HK\$49,594,000).

Net realisable value of inventories

Net realisable value of inventories of jewellery products is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to severe industry cycle. Written down of inventories amounted to HK\$647,000 (2014: HK\$Nil) was provided for the year ended 31 December 2015. Management reassesses these estimates at the end of each reporting period. As at 31 December 2015, the carrying amount of inventories was HK\$43,906,000 (2014: HK\$28,335,000).

4. 重要會計估計及判斷(續)

4.1 重要會計估計及假設(續)

呆壞賬撥備

本集團之呆壞賬撥備政策是根據應收貿易賬款及其他應收款項之可收回能力與賬齡分析而作出。在評估此等應收款項之最終變現時，須作出不少估計和判斷，包括各欠款人目前信譽、過往還款記錄以及財務狀況。倘有關人士之財政狀況將會轉壞，導致其還款能力減損，便須作出額外撥備。於二零一五年十二月三十一日，應收貿易賬款之賬面值為23,686,000港元(二零一四年：49,594,000港元)。

存貨之可變現淨值

珠寶產品之存貨之可變現淨值為日常業務過程中的估計售價減估計完工成本及銷售開支。該等估計乃根據現行市況以及製造及銷售類同性質產品之歷史經驗而作出，並會因客戶喜好之變化及競爭對手因應嚴峻行業週期所採取之行動而出現重大變動。截至二零一五年十二月三十一日止年度，存貨之撇減為647,000港元(二零一四年：零港元)。管理層於各呈報期末重估該等估計。於二零一五年十二月三十一日，存貨之賬面值為43,906,000港元(二零一四年：28,335,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

Deferred tax

At 31 December 2015, deferred tax assets of HK\$Nil (2014: HK\$168,000) in relation to unused tax losses have been recognised in the Group's consolidated statement of financial position. No deferred tax asset has been recognised in respect of the remaining tax losses of HK\$87,397,000 (2014: HK\$71,026,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less or more than expected, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in the profit or loss for the period in which such a reversal or further recognition takes place.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. At 31 December 2015, temporary differences relating to the undistributed profits of subsidiaries amounted to HK\$1,899,000 (2014: HK\$6,082,000). Deferred tax liabilities have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future. As at 31 December 2015, the carrying amount of deferred tax assets was HK\$Nil (2014: HK\$1,307,000) (see note 29).

4. 重要會計估計及判斷(續)

4.1 重要會計估計及假設(續)

遞延稅項

於二零一五年十二月三十一日，有關未動用稅項虧損之遞延稅項資產為零港元(二零一四年：168,000港元)已於本集團之綜合財務狀況表中確認。由於無法預測未來之溢利來源，故此並無就餘下之稅項虧損87,397,000港元(二零一四年：71,026,000港元)確認遞延稅項資產。遞延稅項資產之可變現能力主要取決於日後是否有足夠之未來溢利或應課稅暫時差額。倘若所產生之實際未來溢利少於或多於預期數額，則可能出現遞延稅項資產之重大撥回或進一步確認，並會於進行有關撥回或進一步確認之期間確認於損益表。

與若干暫時差額及稅項虧損有關之遞延所得稅資產於管理層認為未來應課稅溢利可用作抵銷暫時差額或稅項虧損時予以確認。於二零一五年十二月三十一日，附屬公司未分派溢利之暫時差額為1,899,000港元(二零一四年：6,082,000港元)。本公司並未就分派該等保留溢利而應付之稅項確認遞延稅項負債，乃因本公司控制該等附屬公司之股息政策，且經決定於可見未來該等溢利很可能不會獲分派。於二零一五年十二月三十一日，遞延稅項資產之賬面值為零港元(二零一四年：1,307,000港元)(見附註29)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.2 Critical judgements in applying the entity's accounting policies

Development activities

Careful judgment by the Company's management is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgments are based on the best information available at the end of each reporting period. In addition, all internal activities related to the development of new software, products or knowhow are continuously monitored by the Company's management.

5. REVENUE AND TURNOVER

The Group's principal activities are disclosed in note 1 to these consolidated financial statements. Turnover of the Group is the revenue from these activities.

Revenue from external customers from the Group's principal activities recognised during the year is as follows:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Sales of gold and jewellery products	黃金珠寶產品銷售	34,700	69,435
Franchise income	特許加盟收入	540	718
Enterprise software products	企業軟件產品	74,203	129,538
Systems integration	系統集成	13,633	259,211
Professional services	專業服務	51,665	40,473
Total revenue	總收入	174,741	499,375

4. 重要會計估計及判斷(續)

4.2 應用實體之會計政策時之重要判斷

開發活動

本公司管理層在決定開發成本是否符合確認的規定時必須作出謹慎判斷，因為任何產品開發的經濟成就乃屬未知之數，於確認之時或會受未來技術問題所限制。判斷乃以各呈報期末可供使用的最佳資料為基準。此外，本公司管理層持續監察所有有關開發新軟件、產品或專門知識的內部活動。

5. 收入及營業額

本集團之主要業務在綜合財務報表附註1披露。本集團之營業額為來自該等業務之收入。

年內已確認來自本集團主要業務之外部客戶之收入如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

6. SEGMENT INFORMATION

The executive directors, being the chief operating decision maker, have identified the Group's two products and service lines as operating segments as further described in note 2.23.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

6. 分部資料

按附註2.23之進一步論述，執行董事（即主要營運決策者）已識別出本集團兩項產品及服務類別作為經營分部。

該等經營分部乃根據經調整分部之經營業績而監控及作出策略決定。

		2015 二零一五年		
		Jewellery Products 珠寶產品 HK\$'000 千港元	IT Products and Services 資訊科技 產品及服務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Revenue	收入			
- From external customers	—來自外部客戶	35,240	139,501	174,741
Reportable segment revenue	可呈報分部收入	35,240	139,501	174,741
Reportable segment loss before income tax	扣除所得稅前可呈報分部虧損	(12,269)	(20,722)	(32,991)
Interest income	利息收益	21	1,163	1,184
Depreciation	折舊	(1,583)	(2,092)	(3,675)
Net gain on disposal of property, plant and equipment	出售物業、廠房及設備之淨收益	-	2	2
Fair value gain on financial assets at fair value through profit or loss	按公允價值計入損益表之金融資產之公允價值收益	-	1,477	1,477
Finance costs	財務費用	-	(368)	(368)
Written down of inventories	存貨之撇減	(647)	-	(647)
Share of result of an associate	應佔一間聯營公司業績	-	(1,490)	(1,490)
Reportable segment assets	可呈報分部資產	292,045	128,932	420,977
Additions to non-current segment assets (other than financial instruments and deferred tax assets) during the year	年內添置分部非流動資產（金融工具及遞延稅項資產除外）	77	812	889
Reportable segment liabilities	可呈報分部負債	18,267	278,653	296,920

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

6. SEGMENT INFORMATION (Continued)

6. 分部資料(續)

		2014 二零一四年		Total
		Jewellery Products	IT Products and Services	
		珠寶產品	資訊科技 產品及服務	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Revenue	收入			
- From external customers	—來自外部客戶	70,153	429,222	499,375
Reportable segment revenue	可呈報分部收入	70,153	429,222	499,375
Reportable segment loss before income tax	扣除所得稅前可呈報分部虧損	(14,079)	(12,532)	(26,611)
Interest income	利息收益	19	1,459	1,478
Depreciation and amortisation of non-financial assets	非金融資產之折舊及攤銷	(1,534)	(3,242)	(4,776)
Net loss on disposal/written off of property, plant and equipment	出售/撇銷物業、廠房及設備之淨虧損	(2,768)	-	(2,768)
Fair value gain on financial assets at fair value through profit or loss	按公允價值計入損益表之金融資產之公允價值收益	-	260	260
Reversal of provision for impairment of trade receivables	應收貿易賬款減值撥備之撥回	-	4	4
Finance costs	財務費用	-	(377)	(377)
Reportable segment assets	可呈報分部資產	305,019	194,809	499,828
Additions to non-current segment assets (other than financial instruments and deferred tax assets) during the year	年內添置分部非流動資產(金融工具及遞延稅項資產除外)	1,301	1,917	3,218
Reportable segment liabilities	可呈報分部負債	15,377	320,659	336,036

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

6. SEGMENT INFORMATION (Continued)

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Reportable segment assets	可呈報分部資產	420,977	499,828
Elimination of inter-segment receivables	對銷分部間應收款項	(224,954)	(224,954)
Group assets	本集團之資產	196,023	274,874
Reportable segment liabilities	可呈報分部負債	296,920	336,036
Elimination of inter-segment payables	對銷分部間應付款項	(224,954)	(224,954)
Group liabilities	本集團之負債	71,966	111,082

The Group's revenue from external customers and its non-current assets (other than financial instruments and deferred tax assets) are divided into the following geographical areas:

Place of domicile of customer/location of assets

		Revenue from external customers 來自外部客戶之收入		Non-current assets 非流動資產	
		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 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
Hong Kong	香港	56,347	120,230	40,075	812
PRC and Taiwan	中國及台灣	108,211	368,124	6,523	9,911
South East Asia	東南亞	10,183	11,021	15	72
		174,741	499,375	46,613	10,795

During 2015, none of the Group's customers contributed 10% or more of the Group's total revenue.

During 2014, HK\$221,099,000 or 44.28% of the Group's revenue depended on a single customer in the PRC and Taiwan segment. At 31 December 2014, 16.97% of the Group's trade receivables was due from this customer.

6. 分部資料(續)

本集團之經營分部呈列之總額與財務報表所呈列之本集團主要財務數據之對賬如下:

本集團之來自外部客戶收入及其非流動資產(金融工具及遞延稅項資產除外)乃按下列地區劃分:

客戶主體所在地/資產所在地

於二零一五年，本集團概無客戶佔本集團總收入的10%或以上。

於二零一四年，本集團收入中之221,099,000港元或44.28%乃倚賴中國及台灣分部之單一客戶。於二零一四年十二月三十一日，本集團應收該客戶之應收貿易賬款佔全部的16.97%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

7. OTHER INCOME

7. 其他收益

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Other revenue	其他收入		
Interest income	利息收益	1,184	1,478
Dividend income from listed equity securities	上市股本證券之股息收益	507	1,332
Consultancy and management fee income	顧問及管理費收益	1,968	3,113
Others	其他	215	240
		3,874	6,163
Other net income	其他收益淨額		
Fair value gain on financial assets at fair value through profit or loss	按公允價值計入損益表之金融資產之公允價值收益	1,477	260
Net gain on disposal of property, plant and equipment	出售物業、廠房及設備之淨收益	2	-
Reversal of provision for impairment of trade receivables	應收貿易賬款減值撥備之撥回	-	4
		1,479	264
		5,353	6,427

8. FINANCE COSTS

8. 財務費用

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Interest charges on:	利息支出：		
Other interest expense, wholly repayable within five years	其他利息支出，須於五年內全數償還	368	377

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

9. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/
(crediting):

9. 扣除所得稅前虧損

扣除所得稅前虧損已扣減/(計入):

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Cost of inventories sold	存貨銷售成本	46,097	310,577
Cost of services rendered*	提供服務成本*	104,021	142,155
Depreciation	折舊	3,675	3,966
Amortisation of development cost	開發成本之攤銷	-	810
Auditors' remuneration	核數師酬金	987	1,173
Written down of inventories	存貨之撇減	647	-
Net (gain)/loss on disposal/written off of property, plant and equipment	出售/撇銷物業、廠房及 設備之淨(收益)/虧損	(2)	2,768
Fair value gain on financial assets at fair value through profit or loss	按公允價值計入損益表之金融 資產之公允價值收益	(1,477)	(260)
Reversal of provision for impairment of trade receivables	應收貿易賬款減值撥備之 撥回	-	(4)
Loss on disposal of a subsidiary (note 35)	出售一間附屬公司之虧損 (附註35)	258	-
Net exchange loss	匯兌淨虧損	362	564
Operating lease charges on land and buildings	有關土地及樓宇之經營 租賃支出	7,786	10,719

* Cost of services rendered includes HK\$84,783,000 (2014: HK\$120,443,000) relating to staff costs, which amount is also included in the total amounts disclosed in note 12.

* 提供服務成本包括員工成本84,783,000港元(二零一四年: 120,443,000港元), 該金額亦計入附註12所披露之總金額內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

10. INCOME TAX EXPENSE

Hong Kong profits tax has not been provided for the year as the companies within the Group had no estimated assessable profit in Hong Kong (2014: HK\$Nil). Pursuant to the income tax rules and regulations of the PRC, the companies comprising the Group in the PRC are liable to PRC enterprise income tax at a rate of 25% during the years ended 31 December 2015 and 2014. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates prevailing in the countries in which the Group operates.

10. 所得稅開支

由於本集團旗下公司於香港並無估計應課稅溢利，故並無就本年度計提香港利得稅（二零一四年：零港元）。根據中國之所得稅規則及條例，本集團旗下中國成員公司於截至二零一五年及二零一四年十二月三十一日止年度須按稅率25%繳納中國企業所得稅。海外溢利的稅項乃根據年內估計應課稅溢利按本集團經營業務的國家的現行稅率計算。

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Current tax	即期稅項		
– Overseas	– 海外		
Current year	本年度	420	559
Deferred tax	遞延稅項		
Current year (note 29)	本年度(附註29)	1,146	–
Total income tax expense	所得稅開支總額	1,566	559

Reconciliation between tax expense and accounting loss at applicable tax rates:

按適用稅率就稅項開支及會計虧損進行對賬：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Loss before income tax	扣除所得稅前虧損	(32,991)	(26,611)
Tax at the Hong Kong profits tax rate of 16.5% (2014: 16.5%)	按香港利得稅稅率16.5% (二零一四年：16.5%) 計算之稅項	(5,444)	(4,391)
Tax effect of non-taxable revenue	毋須課稅收入之稅項影響	(459)	(230)
Tax effect of non-deductible expenses	不可扣減開支之稅項影響	2,663	2,865
Tax effect of unrecognised temporary differences	未確認暫時差額之稅項影響	481	121
Tax effect of unrecognised tax losses	未確認稅項虧損之稅項影響	5,538	3,118
Derecognition of deferred tax assets	遞延稅項資產終止確認	1,146	–
Utilisation of previously unrecognised tax losses	使用先前未確認稅項虧損	(435)	–
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區營運之附屬公司不同稅率之影響	(1,924)	(901)
Others	其他	–	(23)
Income tax expense	所得稅開支	1,566	559

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

11. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the loss attributable to owners of the Company of HK\$28,467,000 (2014: HK\$27,019,000) and the weighted average number of ordinary shares of approximately 1,188,460,000 (2014: 1,188,460,000) in issue during the year.

Diluted loss per share for the years ended 31 December 2015 and 2014 equate the basic loss per share as there is no potential dilutive ordinary share in existence during the year.

11. 每股虧損

每股基本及攤薄虧損乃按本公司擁有人應佔虧損28,467,000港元(二零一四年: 27,019,000港元)及約1,188,460,000股(二零一四年: 1,188,460,000股)年內已發行普通股股份之加權平均數計算。

由於截至二零一五年及二零一四年十二月三十一日止年度內並無潛在可攤薄之普通股，故每股攤薄虧損相等於每股基本虧損。

12. EMPLOYEE BENEFITS EXPENSE (including directors' emoluments)

12. 僱員福利開支(包括董事薪酬)

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Wages, salaries and other benefits	工資、薪金及其他福利	99,995	142,970
Pension costs – defined contribution plans	退休金成本一定額供款計劃	11,461	13,840
		111,456	156,810

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

13. DIRECTORS', CHIEF EXECUTIVE'S AND SENIOR MANAGEMENT'S EMOLUMENTS

13.1 Directors' and chief executive's emoluments

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

13. 董事、主要行政人員及高級管理人員薪酬

13.1 董事及主要行政人員薪酬

董事及主要行政人員薪酬乃根據創業板上市規則、香港公司條例第383(1)條及公司(披露董事利益資料)規例第2部披露如下：

	Note	Directors' Fees	Salaries and allowances	Contributions to defined contribution plan	Total
	附註	董事袍金 HK\$'000 千港元	薪金及津貼 HK\$'000 千港元	定額供款 計劃供款 HK\$'000 千港元	總額 HK\$'000 千港元
2015					
Executive directors:					
Ms. Li Xia	(a)	-	600	18	618
Mr. Lin Di	(b)	-	400	15	415
Mr. Chen Yin		-	456	18	474
Independent non-executive directors:					
Mr. Lam Tin Faat		-	180	-	180
Ms. Lu Haina		-	120	-	120
Ms. Na Xin		-	120	-	120
		-	1,876	51	1,927
2014					
Executive directors:					
Ms. Li Xia		-	580	24	604
Mr. Lin Di	(b)	-	440	10	450
Mr. Chen Yin		-	420	23	443
Mr. Yip Tin Hung	(c)	-	100	-	100
Independent non-executive directors:					
Mr. Lam Tin Faat		-	180	-	180
Ms. Lu Haina		-	120	-	120
Mr. Fu Ping Man	(d)	-	100	-	100
Ms. Na Xin	(e)	-	20	-	20
		-	1,960	57	2,017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

13. DIRECTORS', CHIEF EXECUTIVE'S AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

13.1 Directors' and chief executive's emoluments (Continued)

Notes:

- (a) Ms. Li Xia was appointed as the chief executive of the Company on 30 March 2015 and her emoluments disclosed above include those for services rendered by her as the chief executive.
- (b) Mr. Lin Di was also the chief executive of the Company from 1 January 2014 to 30 March 2015 and his emoluments disclosed above include those for services rendered by him as the chief executive. He resigned as the chief executive on 30 March 2015 and resigned as an executive director on 30 October 2015.
- (c) Mr. Yip Tin Hung resigned as an executive director on 18 August 2014.
- (d) Mr. Fu Ping Man resigned as an independent non-executive director on 1 December 2014.
- (e) Ms. Na Xin was appointed as an independent non-executive director on 1 December 2014.

No emoluments were paid by the Group to any directors as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2014: HK\$Nil).

There were no arrangements under which a director waived or agreed to waive any remuneration during the year (2014: HK\$Nil).

13. 董事、主要行政人員及高級管理人員薪酬(續)

13.1 董事及主要行政人員薪酬(續)

附註：

- (a) 李霞女士於二零一五年三月三十日獲委任為本公司行政總裁，故上文披露之薪酬計及其作為行政總裁提供服務之薪酬。
- (b) 林迪先生於二零一四年一月一日至二零一五年三月三十一日期間亦為本公司之行政總裁，故上文披露之薪酬計及其作為行政總裁提供服務之薪酬。彼於二零一五年三月三十日辭任行政總裁，並於二零一五年十月三十日辭任執行董事。
- (c) 葉天雄先生於二零一四年八月十八日辭任執行董事。
- (d) 傅炳文先生於二零一四年十二月一日辭任獨立非執行董事。
- (e) 那昕女士於二零一四年十二月一日獲委任為獨立非執行董事。

年內，本集團並無向任何董事支付薪酬作為加入本集團或加入本集團後之獎勵或作為離職補償(二零一四年：零港元)。

年內並無董事放棄或同意放棄任何薪酬之安排(二零一四年：零港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

13. DIRECTORS', CHIEF EXECUTIVE'S AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

13.2 Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included two (2014: none) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three (2014: five) individuals during the year are as follows:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Salaries and allowances and benefit-in-kind	薪金、津貼及實物利益	1,915	7,033
Contributions to defined contribution plan	定額供款計劃供款	23	84
		1,938	7,117

The emoluments fell within the following bands:

		Number of individuals 員工人數	
		2015 二零一五年	2014 二零一四年
Emolument band	薪酬範圍		
HK\$Nil to HK\$500,000	零港元至500,000港元	1	–
HK\$500,001 to HK\$1,000,000	500,001港元至1,000,000港元	2	–
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	–	4
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	–	1

13. 董事、主要行政人員及高級管理人員薪酬(續)

13.2 五名最高薪酬人士

年內，本集團五名最高薪酬人士包括兩名(二零一四年：零名)董事，其薪酬已在上述分析中反映。年內應付餘下三名(二零一四年：五名)最高薪酬人士之薪酬如下：

薪酬介於以下範圍：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Computer and office equipment 電腦及辦公室設備 HK\$'000 千港元	Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2014	於二零一四年一月一日					
Cost	成本	7,570	30,959	6,427	1,351	46,307
Accumulated depreciation and impairment losses	累計折舊及減值虧損	(4,562)	(24,733)	(1,814)	(745)	(31,854)
Net book amount	賬面淨值	3,008	6,226	4,613	606	14,453
Year ended 31 December 2014	截至二零一四年十二月三十一日止年度					
Opening net book amount	年初賬面淨值	3,008	6,226	4,613	606	14,453
Exchange differences	匯兌差額	(25)	(31)	(66)	(5)	(127)
Additions	添置	-	1,974	1,244	-	3,218
Disposals/written off	出售/註銷	(2,768)	(15)	-	-	(2,783)
Depreciation	折舊	(93)	(2,552)	(1,130)	(191)	(3,966)
Closing net book amount	年末賬面淨值	122	5,602	4,661	410	10,795
At 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日及二零一五年一月一日					
Cost	成本	4,405	32,390	7,589	1,344	45,728
Accumulated depreciation and impairment losses	累計折舊及減值虧損	(4,283)	(26,788)	(2,928)	(934)	(34,933)
Net book amount	賬面淨值	122	5,602	4,661	410	10,795
Year ended 31 December 2015	截至二零一五年十二月三十一日止年度					
Opening net book amount	年初賬面淨值	122	5,602	4,661	410	10,795
Exchange differences	匯兌差額	(7)	(189)	(215)	(15)	(426)
Additions	添置	-	359	75	455	889
Disposals/written off	出售/註銷	-	(2)	(3)	-	(5)
Disposal of a subsidiary (note 35)	出售一間附屬公司(附註35)	-	(606)	(1)	(409)	(1,016)
Depreciation	折舊	(88)	(2,209)	(1,167)	(211)	(3,675)
Closing net book amount	年末賬面淨值	27	2,955	3,350	230	6,562
At 31 December 2015	於二零一五年十二月三十一日					
Cost	成本	2,846	27,238	6,465	766	37,315
Accumulated depreciation and impairment losses	累計折舊及減值虧損	(2,819)	(24,283)	(3,115)	(536)	(30,753)
Net book amount	賬面淨值	27	2,955	3,350	230	6,562

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

15. INTERESTS IN SUBSIDIARIES

Particulars of the principal subsidiaries at 31 December 2015 are as follows:

15. 於附屬公司之權益

於二零一五年十二月三十一日，主要附屬公司之詳情如下：

Name of subsidiary	Place of incorporation/ registration	Place of operations	Particulars of issued and paid up capital/ registered capital	Percentage of issued and paid up capital/ registered capital held by the Company	Principal activities
附屬公司名稱	註冊/成立地點	營業地點	已發行及繳足股本/ 註冊資本詳情	本公司持有已發行及繳足股本/ 註冊資本之百分比	主要業務
Excel (BVI) Limited	British Virgin Islands*	Hong Kong	5,000 shares of US\$1 each	100%#	Investment holding
	英屬處女群島*	香港	5,000股每股面值1美元之股份		投資控股
Excel China Investment (BVI) Limited	British Virgin Islands*	Hong Kong	5,000 shares of US\$1 each	100%	Investment holding
志鴻中國投資有限公司	英屬處女群島*	香港	5,000股每股面值1美元之股份		投資控股
Excel Consulting and Solutions Sdn. Bhd.	Malaysia*	Malaysia	100,000 shares of Malaysian Ringgit ("MYR") 1 each	100%	Development of computer software and provision of sale and marketing services
	馬來西亞*	馬來西亞	100,000股每股面值馬來西亞幣(「馬幣」)1元之股份		開發電腦軟件及提供銷售及市場推廣服務
Excel Global IT Services Holdings Limited	British Virgin Islands*	Hong Kong	500,000 shares of US\$1 each	100%	Investment holding
	英屬處女群島*	香港	500,000股每股面值1美元之股份		投資控股
Excel Global IT Services (HK) Limited	Hong Kong*	Hong Kong	10,000 shares	100%	Provision of professional services
志鴻六維科技(香港)有限公司	香港*	香港	10,000股股份		提供專業服務
Excel Investment China Limited	Hong Kong*	Hong Kong	1,000 shares	100%	Investment holding
志鴻投資中國有限公司	香港*	香港	1,000股股份		投資控股
Excel International Limited	Hong Kong*	Hong Kong	10,000 shares	100%	Inactive
	香港*	香港	10,000股股份		暫無營業

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

15. INTERESTS IN SUBSIDIARIES

(Continued)

15. 於附屬公司之權益(續)

Name of subsidiary	Place of incorporation/ registration	Place of operations	Particulars of issued and paid up capital/ registered capital	Percentage of issued and paid up capital/ registered capital held by the Company	Principal activities
附屬公司名稱	註冊/成立地點	營業地點	已發行及繳足股本/註冊資本詳情	本公司持有已發行及繳足股本/註冊資本之百分比	主要業務
Excel SSL Investment Limited 志鴻松山湖投資有限公司	Hong Kong* 香港*	Hong Kong 香港	1,000 shares 1,000股股份	100%	Investment holding 投資控股
Excel System Limited	British Virgin Islands* 英屬處女群島*	Hong Kong 香港	100 shares of US\$1 each 100股每股面值 1美元之股份	65%	Inactive 暫無營業
Excel Technology International (BVI) Limited	British Virgin Islands* 英屬處女群島*	Hong Kong 香港	1 share of US\$1 1股面值 1美元之股份	100%	Investment holding 投資控股
Excelink Development Corporation 志鴻發展有限公司	British Virgin Islands* 英屬處女群島*	Hong Kong 香港	10,000 shares of US\$1 each 10,000股每股面值 1美元之股份	100%	Investment holding 投資控股
Excelink Technology Pte Ltd.	Singapore* 新加坡*	Singapore 新加坡	Singapore Dollar ("S\$") 893,022 新加坡元 (「新加坡元」)893,022元	100%	Development of computer software and provision of sale and marketing services 開發電腦軟件及提供 銷售及市場推廣服務
Hong Kong Jewellery Co., Limited 香港珠寶有限公司	Hong Kong* 香港*	Hong Kong 香港	1 share 1股股份	100%	Investment holding 投資控股

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

15. INTERESTS IN SUBSIDIARIES

(Continued)

15. 於附屬公司之權益(續)

Name of subsidiary	Place of incorporation/ registration	Place of operations	Particulars of issued and paid up capital/ registered capital 已發行及 繳足股本/ 註冊資本詳情	Percentage of issued and paid up capital/ registered capital held by the Company 本公司持有已發行 及繳足股本/ 註冊資本之百分比	Principal activities
附屬公司名稱	註冊/成立地點	營業地點			主要業務
HR21 Holdings Limited	British Virgin Islands* 英屬處女群島*	Hong Kong 香港	50,000 shares of US\$1 each 50,000股每股面值 1美元之股份	93%	Investment holding 投資控股
HR21 Limited	Hong Kong* 香港*	Hong Kong 香港	2 shares 2股股份	93%	Development of computer software and provision of maintenance services 開發電腦軟件及 提供保養服務
i21 Limited	Hong Kong* 香港*	Hong Kong 香港	14,000 shares 14,000股股份	80.1%	Inactive 暫無營業
Infostar Ltd.	British Virgin Islands* 英屬處女群島*	Hong Kong 香港	1 share of US\$1 1股面值 1美元之股份	100%	Investment holding 投資控股
World Sky International Limited 世天國際有限公司	British Virgin Islands* 英屬處女群島*	Hong Kong 香港	1 share of US\$1 1股面值 1美元之股份	100%#	Investment holding 投資控股
Wise Success Ltd.	British Virgin Islands* 英屬處女群島*	Hong Kong 香港	5,000 shares of US\$1 each 5,000股每股面值 1美元之股份	100%	Investment holding 投資控股

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

15. INTERESTS IN SUBSIDIARIES

(Continued)

15. 於附屬公司之權益(續)

Name of subsidiary	Place of incorporation/ registration	Place of operations	Particulars of issued and paid up capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Percentage of issued and paid up capital/ registered capital held by the Company 本公司持有已發行及繳足股本/ 註冊資本之百分比	Principal activities
附屬公司名稱	註冊/成立地點	營業地點	註冊資本詳情	註冊資本之百分比	主要業務
北京志鴻英華科技有限公司	PRC***	PRC	US\$2,200,000	65%	Systems integration, development of computer software and provision of maintenance services
	中國***	中國	2,200,000美元		系統集成、開發電腦軟件及提供保養服務
金香港珠寶(深圳)有限公司	PRC**	PRC	HK\$87,000,000	100%	Design and sales of gold and jewellery products
	中國**	中國	87,000,000港元		設計及銷售黃金珠寶產品
深圳志鴻聯匯計算機系統有限公司	PRC***	PRC	Renminbi ("RMB") 6,000,000	66%	Development of computer software and provision of maintenance services
	中國***	中國	人民幣(「人民幣」) 6,000,000元		開發電腦軟件及提供保養服務
志鴻軟件(深圳)有限公司	PRC**	PRC	HK\$3,000,000	100%	Development of computer software and provision of maintenance services
	中國**	中國	3,000,000港元		開發電腦軟件及提供保養服務
志鴻六維軟件科技(上海)有限公司	PRC**	PRC	US\$1,025,000	100%	Provision of professional services and systems integration
	中國**	中國	1,025,000美元		提供專業服務及系統集成

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

15. INTERESTS IN SUBSIDIARIES

(Continued)

15. 於附屬公司之權益(續)

Name of subsidiary	Place of incorporation/ registration	Place of operations	Particulars of issued and paid up capital/ registered capital	Percentage of issued and paid up capital/ registered capital held by the Company	Principal activities
附屬公司名稱	註冊/成立地點	營業地點	已發行及繳足股本/註冊資本詳情	本公司持有已發行及繳足股本/註冊資本之百分比	主要業務
志鴻六維科技(杭州)有限公司	PRC**	PRC	US\$70,000	100%	Provision of professional services
	中國**	中國	70,000美元		提供專業服務
新川資訊科技股份有限公司	Taiwan*	Taiwan	New Taiwan Dollar ("NT\$") 11,913,620	100%	Provision of professional services
	台灣*	台灣	11,913,620新台幣 (「新台幣」)		提供專業服務
東莞志鴻國際金融科技孵化中心有限公司	PRC**	PRC	RMB10,000,000	100%	Development of computer software and provision of maintenance services
	中國**	中國	人民幣10,000,000元		開發電腦軟件及提供保養服務
#	Issued capital held directly by the Company		#	本公司直接持有已發行股本	
*	Limited liability company		*	有限公司	
**	Wholly-owned foreign enterprise		**	外商獨資企業	
***	Sino-foreign equity joint venture enterprise		***	中外合資股份企業	

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in a list of excessive length.

上表列示之本公司附屬公司，乃董事認為均對本集團年內業績有主要影響或構成本集團淨資產之重要部份。董事認為列出其他附屬公司資料將使篇幅過於冗長。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

15. INTERESTS IN SUBSIDIARIES

(Continued)

The following table lists out the information relating to i21 Limited, HR21 Limited and 北京志鴻英華科技有限公司, the subsidiaries of the Group, which have material non-controlling interests ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination.

15. 於附屬公司之權益(續)

下表載列本集團附屬公司i21 Limited、HR21 Limited及北京志鴻英華科技有限公司之相關資料，該等公司擁有重大非控股權益(「非控股權益」)。下表所載財務資料概要乃未進行公司間對銷之金額。

		2015			2014		
		二零一五年			二零一四年		
		i21	HR21	北京志鴻	i21	HR21	北京志鴻
		Limited	Limited	英華科技	Limited	Limited	英華科技
		HK\$'000	HK\$'000	有限公司	HK\$'000	HK\$'000	有限公司
		千港元	千港元	千港元	千港元	千港元	千港元
NCI percentage	非控股權益百分比	19.9%	7%	35%	19.9%	7%	35%
Current assets	流動資產	819	15,925	35,646	816	13,377	65,592
Non-current assets	非流動資產	-	44	1,641	-	75	4,352
Current liabilities	流動負債	(42,985)	(16,617)	(33,316)	(42,972)	(14,688)	(47,927)
Net (liabilities)/assets	(負債)/資產淨值	(42,166)	(648)	3,971	(42,156)	(1,236)	22,017
Carrying amount of NCI	非控股權益之賬面值	(2,147)	409	1,391	(2,145)	368	7,707
Revenue	收入	-	6,898	25,208	-	5,703	277,495
(Loss)/Profit for the year	年內(虧損)/溢利	(10)	588	(18,046)	(8)	(1,051)	91
Total comprehensive (expense)/income	全面(開支)/收入總額	(10)	588	(18,046)	(8)	(1,051)	91
(Loss)/Profit allocated to NCI	分配至非控股權益						
	之(虧損)/溢利	(2)	41	(6,316)	(2)	(73)	32
Dividend paid to NCI	已付非控股權益股息	-	-	-	-	-	-
Cash flows from/(used in)	經營活動所產生/(動用)						
operating activities	之現金流量	2	211	2,202	3	(584)	53,376
Cash flows used in investing activities	投資活動所動用之現金流量	-	(9)	-	-	-	-
Cash flows used in financing activities	融資活動所動用之現金流量	-	-	-	-	-	(52,324)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

16. INTEREST IN AN ASSOCIATE

16. 於一間聯營公司之權益

		2015 二零一五年 HK\$'000 千港元
Deemed cost (note 35)	視作成本(附註35)	5,131
Share of post-acquisition losses and other comprehensive expense	應佔收購後之虧損及其他全面支出	(1,490)
Share of net assets	應佔資產淨值	3,641
Amount due from an associate	應收一間聯營公司款項	36,410
		40,051

The amount due from an associate is unsecured, interest-free and is not repayable within one year.

應收聯營公司款項為無抵押、不計息，且一年內毋須償還。

Particulars of the Group's unlisted associate at 31 December 2015 are as follows:

本集團於二零一五年十二月三十一日之非上市聯營公司之詳情如下：

Name of associate 聯營公司名稱	Country/place of incorporation and operations 註冊成立及經營國家/地點	Percentage of nominal value of issued ordinary share capital held indirectly by the Company 本公司間接持有已發行普通股本面值之百分比 2015 二零一五年	Principal activities 主要業務
Excel Technology International (Hong Kong) Limited	Hong Kong	50%	Development of computer software, systems integration and the provision of maintenance services
志鴻科技國際(香港)有限公司	香港	50%	開發電腦軟件及系統集成以及提供保養服務

Excel Technology International (Hong Kong) Limited ("Excel HK") is a strategic partner for the Group's growth in the development of computer software and the provision of systems integration, professional services and maintenance services through its expertise. Excel HK was a wholly owned subsidiary of the Group's subsidiary prior to completion of the subscription on 27 May 2015 which resulted in the Group's shareholding in Excel HK reduced to 50% and the Group ceased its control over Excel HK. As such, Excel HK became an associate of the Group and is accounted for using the equity method in these consolidated financial statements with effect from 27 May 2015. Details of the deemed disposal of the Group's interest in Excel HK are set out in note 35.

志鴻科技國際(香港)有限公司(「志鴻香港」)為本集團之戰略合作夥伴，憑藉其專業知識，在開發電腦軟件以及提供系統集成、專業服務及保養服務方面為本集團帶來增長。志鴻香港於二零一五年五月二十七日認購事項完成前為本集團附屬公司的全資附屬公司，認購事項導致本集團於志鴻香港之持股減少至50%，故本集團失去對志鴻香港之控制權。因此，志鴻香港自二零一五年五月二十七日起成為本集團之聯營公司，並採用權益法於該等綜合財務報表入賬。有關視作出售本集團於志鴻香港權益之詳情載於附註35。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

16. INTEREST IN AN ASSOCIATE (Continued)

Summarised financial information of the Group's associate, Excel HK, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

16. 於一間聯營公司之權益(續)

本集團聯營公司志鴻香港之財務資料摘要(並就會計政策之任何差異作出調整)及與綜合財務報表所載賬面值之對賬披露如下:

		2015 二零一五年 HK\$'000 千港元
Non-current assets	非流動資產	1,254
Current assets	流動資產	74,272
Current liabilities	流動負債	(68,244)
Net assets	資產淨值	7,282
		Period from 27 May 2015 (date of reclassification as an associate) to 31 December 2015 二零一五年五月二十七日 (重新分類為聯營公司之日) 至二零一五年 十二月三十一日止期間 HK\$'000 千港元
Revenue	收益	71,413
Loss and total comprehensive expense	虧損及全面開支總額	(2,980)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

16. INTEREST IN AN ASSOCIATE (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interests in Excel HK recognised in the consolidated financial statements:

		2015 二零一五年 HK\$'000 千港元
Net assets of Excel HK	志鴻香港資產淨值	7,282
Proportion of the Group's ownership interest in Excel HK	本集團於志鴻香港所有權權益之百分比	50%
The Group's ownership interest in Excel HK	本集團於志鴻香港之所有權權益	3,641
Amount due from Excel HK	應收志鴻香港款項	36,410
Carrying amount of the Group's interest in Excel HK	本集團於志鴻香港權益之賬面值	40,051

The details of the financial guarantee given by the Group to Excel HK are disclosed in note 36.

16. 於一間聯營公司之權益(續)

上述概要財務資料與於綜合財務報表確認之於志鴻香港權益賬面值之對賬：

本集團向志鴻香港提供的財務擔保詳情於附註36披露。

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Unlisted private equity fund	非上市私人股票基金
Fair value	公允價值
Less: provision for impairment	減：減值撥備
Unlisted equity investments	非上市股本投資
Cost	成本
Less: provision for impairment	減：減值撥備
Total available-for-sale financial assets	可供出售金融資產總額

17. 可供出售金融資產

	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
	2,543	2,543
	(2,543)	(2,543)
	-	-
	3,900	3,900
	(3,900)	(3,900)
	-	-
	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

18. GOODWILL

The net carrying amount of goodwill can be analysed as follows:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
At the beginning and the end of year	於年初及年末		
Gross carrying amount	總賬面值	15,853	15,853
Accumulated impairment	累計減值	(15,853)	(15,853)
		-	-

18. 商譽

商譽賬面淨值之分析如下：

19. DEVELOPMENT COSTS

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
At 1 January	於一月一日		
Cost	成本	37,376	37,376
Accumulated amortisation	累計攤銷	(37,376)	(36,566)
Net book amount	賬面淨值	-	810
Year ended 31 December	截至十二月三十一日止年度		
Opening net book amount	年初賬面淨值	-	810
Amortisation charge	攤銷費用	-	(810)
Written off	撇銷	-	-
Closing net book amount	年末賬面淨值	-	-
At 31 December	於十二月三十一日		
Cost	成本	7,052	37,376
Accumulated amortisation	累計攤銷	(7,052)	(37,376)
Net book amount	賬面淨值	-	-

19. 開發成本

The development costs represented all direct costs incurred in the development of enterprise software products. The amortisation charge for the year ended 31 December 2014 was included in "depreciation and amortisation" in the consolidated statement of profit or loss and other comprehensive income.

開發成本指開發企業軟件產品所產生之所有直接成本。於截至二零一四年十二月三十一日止年度內之攤銷費用已包括於綜合損益及其他全面收益表中之「折舊及攤銷」內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

20. INVENTORIES

20. 存貨

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Jewellery Products	珠寶產品		
Raw materials	原材料	999	1,664
Work in progress	在製品	35	533
Finished goods	製成品	42,872	26,049
		43,906	28,246
IT Products and Services	資訊科技產品及服務		
Finished goods	製成品	-	89
Total	總計	43,906	28,335

Written down of inventories amounted to HK\$647,000 (2014: HK\$Nil) was provided for the year ended 31 December 2015.

截至二零一五年十二月三十一日止年度，存貨之撇減為647,000港元(二零一四年：零港元)。

21. AMOUNTS DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORK

Amounts due from customers for contract work represent the excess of the value of work performed over the amount of billing issued to customers.

Amounts due to customers for contract work represents the excess of billing over the value of work performed and the amounts received from customers before the related services have been rendered.

21. 應收／(應付)客戶合約工程款項

應收客戶合約工程款項指已進行工程價值高於已向客戶發出之賬單金額之差額。

應付客戶合約工程款項指賬單金額高於已進行工程價值，及提供相關服務前已收客戶之金額之差額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

21. AMOUNTS DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORK (Continued)

21. 應收／(應付)客戶合約工程款項(續)

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Contracts in progress at the end of the reporting period:	於呈報期末之進行中合約：		
Estimated contract costs plus recognised profits less recognised losses	估計合約成本加已確認溢利減已確認虧損	79,099	168,717
Less: progress billings	減：進度賬單金額	(56,534)	(134,442)
		22,565	34,275
Analysed for reporting purposes as:	匯報分析：		
Amounts due from customers for contract work	應收客戶合約工程款項	25,842	44,440
Amounts due to customers for contract work	應付客戶合約工程款項	(3,277)	(10,165)
		22,565	34,275

All the amounts included in amounts due are expected to be billed and recovered/(credited) to the profit or loss within one year.

計入應收／應付之所有金額，預期將於一年內發出賬單及收回／(計入)損益表。

22. TRADE RECEIVABLES

22. 應收貿易賬款

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Trade receivables	應收貿易賬款		
From third parties	第三方	23,441	47,171
From a related party	一名關聯方	425	2,610
		23,866	49,781
Less: provision for impairment of receivables	減：應收款項減值撥備	(180)	(187)
		23,686	49,594

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

22. TRADE RECEIVABLES (Continued)

Trade receivables from third parties for IT products and services are due within 14 days to 60 days from the date of billing. Trade receivable from a related party is non-interest bearing, unsecured and repayable on demand. Debtors with balances that are more than 90 days overdue are requested to settle all outstanding balances before any further credit is granted.

The Group's sales of gold and jewellery products comprised mainly cash sales and credit card sales to retail customers and credit sales to franchisees are due within 0 – 60 days from the date of billing. The directors of the Group considered that the fair values of trade receivables are not materially different from their carrying amounts because these balances have short maturity periods at their inception. All trade receivables are expected to be recovered within one year.

Based on the invoice dates (or date of revenue recognition if earlier), the ageing analysis of the trade receivables, net of provision of impairment, was as follows:

0 – 30 days	0 – 30日
31 – 60 days	31 – 60日
61 – 90 days	61 – 90日
Over 90 days	超過90日

At the end of the reporting period, the Group reviews receivables for evidence of impairment on both an individual and collective basis. The amount of impairment loss of impaired receivables, if any, is recognised based on the credit history of the customer, whether the customer is experiencing financial difficulties and was in default or delinquency of payments, and current market conditions.

22. 應收貿易賬款(續)

資訊科技產品及服務之應收第三方之貿易賬款於發單日起計十四日至六十日內到期。應收一名關聯方之貿易賬款為免息、無抵押及須按要求償還。逾期超過九十日之應收貿易賬款結餘應在償還全部未償還結餘後方可再授出進一步信貸。

本集團之黃金珠寶產品銷售主要包括向零售客戶之現金銷售及信用卡銷售，以及向特許加盟商之信貸銷售，信貸期自發單日起零至六十日內到期。本集團董事認為因此等款項為短期賬款，故應收貿易賬款之公允價值與其賬面值並無重大差異。所有應收貿易賬款預期將於一年內收回。

根據發票日期(或收入確認日期(倘較早))，應收貿易賬款(已扣除減值撥備)之賬齡分析如下：

	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
0 – 30 days	16,570	35,130
31 – 60 days	3,860	7,983
61 – 90 days	1,910	564
Over 90 days	1,346	5,917
	23,686	49,594

於呈報期末，本集團會對應收款項作個別及整體檢討，以確定是否有減值憑證。減值之應收款項(如有)之減值虧損金額，根據客戶之信用記錄(如客戶是否正面對財政困難及曾否拖欠或未能如期付款)及市場現況確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

22. TRADE RECEIVABLES (Continued)

The movement in the provision for impairment of trade receivables is as follows:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Balance at the beginning of the year	於年初之餘額	187	191
Reversal of provision for impairment losses	減值虧損撥備之撥回	-	(4)
Exchange differences	匯兌差額	(7)	-
Balance at the end of the year	於年末之餘額	180	187

The ageing analysis of the Group's trade receivables based on due date is as follows:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Neither past due nor impaired	未逾期亦無減值	16,683	35,564
1 – 90 days past due	逾期1 – 90日	6,285	8,509
Over 90 days past due	逾期超過90日	718	5,521
		23,686	49,594

As at 31 December 2015, trade receivables that were neither past due nor impaired related to a large number of diversified customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related to a large number of diversified customers that had a good track record of credit with the Group. Based on past credit history, management believe that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group did not hold any collateral in respect of trade receivables past due but not impaired.

22. 應收貿易賬款(續)

應收貿易賬款減值撥備之變動如下：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Balance at the beginning of the year	於年初之餘額	187	191
Reversal of provision for impairment losses	減值虧損撥備之撥回	-	(4)
Exchange differences	匯兌差額	(7)	-
Balance at the end of the year	於年末之餘額	180	187

按到期日，本集團應收貿易賬款之賬齡分析如下：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Neither past due nor impaired	未逾期亦無減值	16,683	35,564
1 – 90 days past due	逾期1 – 90日	6,285	8,509
Over 90 days past due	逾期超過90日	718	5,521
		23,686	49,594

於二零一五年十二月三十一日，未逾期亦無減值之應收貿易賬款，乃涉及多名近期無欠款記錄之不同層面之客戶。

已逾期但無減值之應收貿易賬款，涉及多名於本集團有良好信貸記錄之不同層面之客戶。根據過往之信貸記錄，管理層相信無必要就此等結餘計提減值撥備，原因是信貸質素並無重大變化，且結餘仍被視為可全數收回。本集團並無就已逾期但無減值之應收貿易賬款持有任何抵押品。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

23. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

23. 其他應收款項、按金及預付款項

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Other receivables	其他應收款項	5,969	2,894
Deposits	按金	722	2,108
Amount due from an investee company	應收投資公司款項	10,073	9,687
Prepayments	預付款項	5,649	11,897
		22,413	26,586

The amount due from an investee company of HK\$7,705,000 (2014: HK\$8,159,000), which is unsecured, interest bearing at 12% per annum and, repayable within 1 year from the end of the reporting period. During the year ended 31 December 2015, the Group accrued interest income of HK\$2,368,000 (2014: HK\$1,528,000) for the amount due from an investee company.

The directors of the Group considered that the fair values of other receivables, deposits and amount due from an investee company are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

At 31 December 2015 and 2014, the Group has not determined any other receivables as individually impaired and no specific allowance for doubtful debts was recognised.

應收投資公司款項7,705,000港元(二零一四年: 8,159,000港元)為無抵押、按年利率12%計息, 且須於自呈報期末起一年內償還。於截至二零一五年十二月三十一日止年度, 本集團就應收投資公司之款項預提利息收益2,368,000港元(二零一四年: 1,528,000港元)。

本集團董事認為因為此等款項為短期賬款, 故其他應收款項、按金及應收投資公司款項之公允價值與其賬面值並無重大差異。

於二零一五年及二零一四年十二月三十一日, 本集團並未釐定任何須作個別減值之其他應收款項, 且並無確認作出特殊呆賬撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

24. 按公允價值計入損益表之金融資產

	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Listed equity securities at fair value held for trading: 按公允價值持有買賣之上市股本證券：		
Equity securities listed in Hong Kong 香港上市之股本證券	-	26,945

The Group's investments in listed equity securities as at 31 December 2014 had been disposed of through deemed disposal of the Group's interest in Excel HK as detailed in note 35. The fair value of the Group's investments in listed equity securities as at 31 December 2014 has been determined by reference to their quoted bid prices (Level 1) as at 31 December 2014.

本集團於二零一四年十二月三十一日透過視作出售將本集團於志鴻香港之權益出售，詳情請參閱附註35。本集團於二零一四年十二月三十一日於上市股本證券之投資之公允價值已參考其於二零一四年十二月三十一日之報價(第一層次)釐定。

25. CASH AND CASH EQUIVALENTS

25. 現金及現金等價物

	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Bank balances and cash 銀行存款及現金	33,563	86,872

Included in bank balances and cash of the Group is HK\$17,014,000 (2014: HK\$33,321,000) of bank balances denominated in RMB placed with banks in the PRC and bear interest at an effective interest rate of approximately 0.60% (2014: 0.39%) per annum. RMB is not a freely convertible currency. Under the Mainland China's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

本集團之銀行存款及現金包括17,014,000港元(二零一四年：33,321,000港元)為存放於中國境內銀行以人民幣計值，按實際年利率約0.60%(二零一四年：0.39%)計息之銀行存款。人民幣為不可自由兌換貨幣。根據中國內地之外匯兌換管理條例及結匯、售匯及付匯條例規定，本集團可獲准透過獲認可進行外匯兌換業務之銀行將人民幣兌換為外幣。

Included in bank balances and cash of the Group is HK\$1,543,000 (2014: HK\$2,284,000) of bank balances denominated in MYR placed with banks in Malaysia and bear interest at an effective interest rate of approximately 0.07% (2014: 1.59%) per annum. In Malaysia, the Group is permitted to exchange MYR into foreign currencies.

本集團之銀行存款及現金包括1,543,000港元(二零一四年：2,284,000港元)為存放於馬來西亞境內銀行以馬幣計值，按實際年利率約0.07%(二零一四年：1.59%)計息之銀行存款。本集團獲准於馬來西亞境內將馬幣兌換為外幣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

25. CASH AND CASH EQUIVALENTS

(Continued)

The directors of the Group considered that the fair value of the short term bank deposits is not materially different from their carrying amount because of the short maturity period at their inception.

26. TRADE PAYABLES

The Group was granted by its third parties suppliers credit periods ranging from 30 days to 60 days. Based on the invoice dates, the ageing analysis of the trade payables were as follows:

0 – 30 days	0 – 30日
31 – 60 days	31 – 60日
61 – 90 days	61 – 90日
Over 90 days	超過90日

All amounts are short term and hence the carrying values of trade payables are considered to be a reasonable approximation of its fair value.

27. OTHER PAYABLES AND ACCRUED CHARGES

Deferred income for maintenance services	保養服務之遞延收入
Deposits from customers and franchisees	來自客戶及特許加盟商之按金
Other payables	其他應付款項
Accrued charges	預提費用

All amounts are short term and hence the carrying values of other payables and accrued charges are considered to be a reasonable approximation of its fair value.

25. 現金及現金等價物(續)

本集團董事認為短期銀行存款之公允價值與其賬面值並無重大差異，原因在於其自開始起計到期日較短。

26. 應付貿易賬款

第三方供應商給予本集團之信貸期介乎三十日至六十日。根據發票日期，應付貿易賬款之賬齡分析如下：

	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
0 – 30 days	11,815	1,381
31 – 60 days	–	200
61 – 90 days	–	–
Over 90 days	12,589	30,955
	24,404	32,536

所有金額屬短期性質，故認為應付貿易賬款之賬面值為其公允價值之合理約數。

27. 其他應付款項及預提費用

	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Deferred income for maintenance services	10,405	21,039
Deposits from customers and franchisees	2,343	5,348
Other payables	3,563	7,728
Accrued charges	13,574	24,002
	29,885	58,117

所有金額屬短期性質，故認為其他應付款項及預提費用之賬面值為其公允價值之合理約數。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

28. BORROWINGS

Other borrowings from a third party 來自一名第三方的其他借貸

The loans borrowed from a third party is unsecured, interest bearing at 12% (2014: 12%) per annum and repayable within 1 year from the end of the reporting period. The carrying amounts of the amounts due approximate their fair values.

28. 借貸

	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Other borrowings from a third party	4,098	3,964

來自一名第三方之貸款為無抵押、按年利率12% (二零一四年：12%) 計息及須自呈報期末起計一年內償還。該等款項之賬面值與其公允價值相若。

29. DEFERRED TAXATION

Deferred taxation is calculated on temporary differences under the liability method using a principal taxation rate of 16.5% (2014: 16.5%) for Hong Kong entities and 25% (2014: 25%) on the PRC entities in the Group at the end of the reporting period.

The movement during the year in the deferred tax assets recognised in the consolidated statement of financial position is as follows:

29. 遞延稅項

遞延稅項乃於呈報期末根據負債法就本集團之香港及中國實體分別就暫時差額按主要稅率16.5% (二零一四年：16.5%) 及25% (二零一四年：25%) 計算。

年內於綜合財務狀況表確認之遞延稅項資產變動如下：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
At 1 January	於一月一日	(1,307)	(1,317)
Exchange differences	匯兌差額	67	10
Disposal of a subsidiary (note 35)	出售一間附屬公司(附註35)	94	-
Recognised in profit or loss (note 10)	已於損益表內確認(附註10)	1,146	-
At 31 December	於十二月三十一日	-	(1,307)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

29. DEFERRED TAXATION (Continued)

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

Deferred tax liabilities

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元
At 1 January 2014	於二零一四年一月一日	83
Recognised in profit or loss	已於損益表內確認	(9)
At 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日 及二零一五年一月一日	74
Disposal of a subsidiary	出售一間附屬公司	(74)
At 31 December 2015	於二零一五年十二月三十一日	—

Deferred tax assets

		Tax losses 稅項虧損 HK\$'000 千港元	Provisions 撥備 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2014	於二零一四年一月一日	(177)	(1,223)	(1,400)
Exchange differences	匯兌差額	—	10	10
Recognised in profit or loss	已於損益表內確認	9	—	9
At 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日 及二零一五年一月一日	(168)	(1,213)	(1,381)
Exchange differences	匯兌差額	—	67	67
Disposal of a subsidiary	出售一間附屬公司	168	—	168
Recognised in profit or loss	已於損益表內確認	—	1,146	1,146
At 31 December 2015	於二零一五年十二月三十一日	—	—	—

29. 遞延稅項(續)

年內，遞延稅項資產及負債(在同一稅項司法權區內抵銷結餘前)之變動如下：

遞延稅項負債

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元
於二零一四年一月一日		83
已於損益表內確認		(9)
於二零一四年十二月三十一日 及二零一五年一月一日		74
出售一間附屬公司		(74)
於二零一五年十二月三十一日		—

遞延稅項資產

		Tax losses 稅項虧損 HK\$'000 千港元	Provisions 撥備 HK\$'000 千港元	Total 總額 HK\$'000 千港元
於二零一四年一月一日		(177)	(1,223)	(1,400)
匯兌差額		—	10	10
已於損益表內確認		9	—	9
於二零一四年十二月三十一日 及二零一五年一月一日		(168)	(1,213)	(1,381)
匯兌差額		—	67	67
出售一間附屬公司		168	—	168
已於損益表內確認		—	1,146	1,146
於二零一五年十二月三十一日		—	—	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

29. DEFERRED TAXATION (Continued)

For the purpose of the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset in accordance with HKAS 12 Income Taxes issued by the HKICPA. The amounts recognised in the consolidated statement of financial position are as follows:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	–	(1,381)
Deferred tax liabilities	遞延稅項負債	–	74
Net deferred tax assets recognised in the consolidated statement of financial position	已確認於綜合財務狀況表之遞延稅項資產淨額	–	(1,307)

Unrecognised deferred tax liabilities

At 31 December 2015, temporary differences relating to the undistributed profits of subsidiaries amounted to HK\$1,899,000 (2014: HK\$6,082,000). Deferred tax liabilities have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

29. 遞延稅項(續)

就綜合財務狀況表而言，若干遞延稅項資產及負債已根據香港會計師公會所頒佈之香港會計準則第12號所得稅予以抵銷。在綜合財務狀況表確認之金額如下：

未確認遞延稅項負債

於二零一五年十二月三十一日，附屬公司未分派溢利之暫時差額為1,899,000港元（二零一四年：6,082,000港元）。本公司並未就分派該等保留溢利而應付之稅項確認遞延稅項負債，乃因本公司控制該等附屬公司之股息政策，且決定於可見之未來該等溢利很可能不會獲分派。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

29. DEFERRED TAXATION (Continued)

Unrecognised deferred tax assets

At 31 December 2015, the Group had unused tax losses of approximately HK\$87,397,000 (2014: HK\$72,044,000) to carry forward against future taxable income. A deferred tax asset has been recognised in respect of the tax losses of approximately HK\$Nil (2014: HK\$1,018,000) of such losses. No deferred tax asset has been recognised in respect of the remaining losses of approximately HK\$87,397,000 (2014: HK\$71,026,000) due to the unpredictability of future profit streams.

These tax losses do not expire under current legislation except losses of approximately HK\$40,736,000 (2014: HK\$23,885,000) which will expire as follows:

Year of expiry:	屆滿年期：
2015	二零一五年
2016	二零一六年
2017	二零一七年
2018	二零一八年
2019	二零一九年
2020	二零二零年

29. 遞延稅項(續)

未確認之遞延稅項資產

於二零一五年十二月三十一日，本集團有未動用稅項虧損約87,397,000港元(二零一四年：72,044,000港元)承轉至抵銷未來應課稅收入。已就該等虧損中的稅項虧損約零港元(二零一四年：1,018,000港元)確認遞延稅項資產。由於無法確定未來溢利來源，因此概無就剩餘虧損約87,397,000港元(二零一四年：71,026,000港元)確認遞延稅項資產。

此等稅項虧損根據現時法律並無屆滿，惟虧損約40,736,000港元(二零一四年：23,885,000港元)將根據下列期間屆滿：

2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
–	835
2,349	2,487
2,771	2,933
7,079	7,496
6,798	10,134
21,739	–
40,736	23,885

30. AMOUNTS DUE TO DIRECTORS

The amounts due are unsecured, interest-free and repayable on demand. The carrying amount of the amounts due approximates its fair value.

30. 應付董事款項

該等款項為無抵押、免息並須按要求償還。該等款項之賬面值與其公允價值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

31. SHARE CAPITAL

31. 股本

		2015 二零一五年		2014 二零一四年	
		Number of shares 股份數目	HK\$'000 千港元	Number of shares 股份數目	HK\$'000 千港元
Authorised:	法定：				
Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股				
At 1 January and 31 December	於一月一日及 十二月三十一日	5,000,000,000	500,000	5,000,000,000	500,000
Issued and fully paid:	已發行及繳足：				
At 1 January and 31 December	於一月一日及 十二月三十一日	1,188,460,000	118,846	1,188,460,000	118,846

The holder 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.

普通股持有人有權收取不時宣派之股息，且有權於本公司會議上就每股股份投一票。所有普通股對本公司之剩餘資產享有同等地位。

32. RESERVES

32. 儲備

(a) Nature and purpose of reserves

(i) Share premium

The share premium represents the difference between nominal value of the shares issued by the Group and the amount of the consideration. The application of the share premium account is governed by section 40 of the Bermuda Companies Act.

(ii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements that have functional currency other than HK\$. The reserve is dealt with in accordance with the accounting policies set out in note 2.5.

(a) 儲備之性質及目的

(i) 股份溢價

股份溢價指本集團所發行股份之面值與代價金額之間之差額。股份溢價賬之運用受百慕達公司法第40條監管。

(ii) 外匯儲備

外匯儲備包括因換算其功能貨幣為非港元之財務報表而產生之所有外匯差額。該儲備根據附註2.5所載會計政策處理。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

32. RESERVES (Continued)

b) Distributability of reserve

The payment of future dividends will be determined by the Group's owners. The payment of the dividends will depend upon the future earnings, capital requirement, financial conditions and general business conditions of the Group.

As of 31 December 2015 and 2014, there was no reserve available for distribution to the owners of the Group.

32. 儲備(續)

(b) 可供分派儲備

未來股息之支付由本集團擁有人決定。股息之支付將取決於本集團日後之盈利、資本需求、財務狀況及整體營業狀況。

截至二零一五年及二零一四年十二月三十一日，並無可供分派予本集團擁有人之儲備。

33. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases in respect of land and buildings which are payable by the Group are as follows:

33. 經營租賃承擔

於呈報期末，本集團根據不可撤銷之經營租賃就土地及建築物將要承擔之最低租金付款於以下期間支付：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四 HK\$'000 千港元
Within one year	一年內	5,028	8,829
In the second to fifth years	第二至第五年	2,155	12,972
		7,183	21,801

The Group leases the land and buildings under operating leases. The leases run for an initial period of one to three (2014: one to four) years, with an option to renew the lease and renegotiated the terms at the expiry dates or at dates as mutually agreed between the Group and respective landlords. None of the leases include contingent rentals.

本集團根據經營租約租賃土地及建築物。租約之初步租賃期為一年至三年(二零一四年：一年至四年)，附有選擇權於約滿日期或本集團與有關業主共同協定之日期續訂租約及重新議訂條款。租約概不包括或然租金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

34. CONNECTED AND RELATED PARTY TRANSACTIONS 34. 關連方及關聯方交易

34.1 Connected and related party transactions

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the year, the Group had the following material transactions with connected and/or related parties:

34.1 關連方及關聯方交易

除了該等綜合財務報表其他部份所披露交易／資料外，年內本集團亦與關連方及／或關聯方進行以下重大交易：

Connected and/or related parties 關連方及／或關聯方	Nature of transactions 交易性質	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Companies in which directors of the Company have interests 本公司董事擁有權益之公司			
- Hangzhou Baidi Jewellery Company Limited* ("Baidi Jewellery") (notes a, e) 杭州百迪珠寶有限公司(「百迪珠寶」)(附註a、e)	Sales of gold and jewellery products 銷售黃金珠寶產品	-	4,852
- Shenzhen City Zhong Chuang Union Investment Company Limited* ("Zhong Chuang") (notes b, e) 深圳市中創聯合投資有限公司(「中創」)(附註b、e)	Sales of gold and jewellery products 銷售黃金珠寶產品	1,217	341
- Shenzhen Didi Jewellery Packaging Company Limited* ("Didi Packaging") (notes a, e) 深圳迪迪首飾包裝有限公司(「迪迪包裝」)(附註a、e)	Purchase of packaging materials for the brand H.K. JEWELRY 購買香港珠寶品牌之包裝材料	282	699
- Hangzhou Didi Commercial Showcases Company Limited* ("Didi Showcases") (notes a, e) 杭州迪迪商業展具有限公司(「迪迪展具」)(附註a、e)	Purchase of showcases for the brand H.K. JEWELRY 購買香港珠寶品牌之展櫃	326	844
- Shenzhen Yihua Jewellery Company Limited ("Shenzhen Yihua") (notes c, e) 深圳市藝華珠寶首飾股份有限公司(「深圳藝華」)(附註c、e)	Operating lease charges on land and building 土地及樓宇經營租賃費用	1,674	-
Associate 聯營公司			
- Excel Technology International (Hong Kong) Limited ("Excel HK") (notes d, e) 志鴻科技國際(香港)有限公司(「志鴻香港」)(附註d、e)	Professional fee received 已收專業費用	16,737	-
	Professional fee paid 已付專業費用	4,331	-
	Purchase of complementary hardware and software 購買配套硬件及軟件	1,905	-
	Administrative expenses reimbursements (Net paid) 行政開支補償(已付淨額)	350	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

34. CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

34. 關連方及關聯方交易(續)

34.1 Connected and related party transactions (Continued)

Notes:

- (a) Baidi Jewellery, Didi Packaging and Didi Showcases are owned as to 90%, 65% and 80% respectively by Hangzhou Didi Investment Joint Stock Company Limited* (杭州迪迪投資股份有限公司), which in turn is owned as to 10% and 90% by Mr. Lin Di and his father, respectively. Mr. Lin Di resigned as an executive director of the Company on 30 October 2015.
- (b) Zhong Chuang is owned as to 81% by the brother of Ms. Li Xia (a director of the Company).
- (c) Shenzhen Yihua is a substantial shareholder of the Company holding approximately 26.30% of the issued share capital of the Company as at 31 December 2015.
- (d) Excel HK has become an associate since 27 May 2015 and is ultimately 50% owned by Ms. Zee Chan Mei Chu, Peggy, a director of the Company's subsidiaries.
- (e) The above related party transactions also constitute continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules. The disclosures required by Chapter 20 of the GEM Listing Rules are provided in the Directors' Report.

Sales to or purchases from the connected and/or related parties stated above were conducted in the Group's normal course of business and at mutually agreed prices and terms.

* The English names of the PRC companies are translation of their respective Chinese names included for information only and are not their official names.

34.1 關連方及關聯方交易(續)

附註：

- (a) 百迪珠寶、迪迪包裝及迪迪展具分別由杭州迪迪投資股份有限公司持有90%、65%及80%權益，而杭州迪迪投資股份有限公司由林迪先生及其父分別持有10%及90%之權益。林迪先生已於二零一五年十月三十日辭任本公司執行董事。
- (b) 中創由李霞女士(本公司董事之一)之胞兄持有81%權益。
- (c) 深圳藝華為本公司之主要股東，持有本公司於二零一五年十二月三十一日已發行股本約26.30%。
- (d) 志鴻香港自二零一五年五月二十七日起成為聯營公司，並由本公司附屬公司董事徐陳美珠女士最終擁有50%權益。
- (e) 上述關聯方交易亦構成持續關連交易(定義見創業板上市規則第二十章)。創業板上市規則第二十章規定之披露載於董事會報告。

與上述關連方及／或關聯方進行之買賣均於本集團日常業務過程中按雙方同意之價格及條款進行。

* 該等中國公司之英文名稱乃直譯自其中文名稱，僅供參考，並非其正式名稱。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

34. CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

34.1 Connected and related party transactions (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the year, the Group had the following material outstanding balances with connected and/or related parties.

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Companies controlled by controlling shareholders	由控股股東所控制的公司		
Trade receivables	應收貿易賬款	425	2,610

34.2 Key management personnel remuneration

Key management personnel of the Group are members of the board of directors, as well as certain senior management personnel. Included in staff costs are key management personnel remuneration which includes the following expenses:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	3,791	6,610
Post-employment benefits	離職後福利	74	107
		3,865	6,717

34.1 關連方及關聯方交易(續)

除了該等綜合財務報表其他部份所披露交易／資料外，年內本集團與關連方及／或關聯方之重大未償還結餘如下。

34.2 主要管理人員酬金

本集團主要管理人員為董事會成員及若干高級管理人員。員工成本包括主要管理人員酬金，其中包括下列開支：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

35. LOSS OF CONTROL OF A SUBSIDIARY

On 27 May 2015, the Group, Excel HK, a wholly-owned subsidiary of the Company's subsidiary and a company wholly owned by Ms. Zee Chan Mei Chu Peggy, a director of the Company's subsidiary and a connected person of the Company at the subsidiary level (the "Subscriber"), entered into a subscription agreement, pursuant to which Excel HK agreed to allot and issue 1,000 shares and the Subscriber agreed to subscribe the shares at a price subsequently adjusted to HK\$4,872,889 and was paid by the Subscriber in July 2015.

Upon completion of the subscription on 27 May 2015, each of Excel BVI and the Subscriber owned 50% of the issued share capital of Excel HK. The Group considered that they did not have control over Excel HK after the subscription. As such, the subscription resulted in Excel HK ceasing to be a subsidiary of the Group. Excel HK became an associate of the Group with effect from 27 May 2015 and have accounted for in the consolidated financial statements using the equity method. The fair value of the equity interest retained by the Group on the date when the control was lost is recognized as deemed cost of acquisition of interest in an associate.

35. 失去對一間附屬公司之控制權

於二零一五年五月二十七日，本集團、志鴻香港(本公司附屬公司之全資附屬公司)與一間由本公司附屬公司董事及本公司於附屬公司層面之關連人士徐陳美珠女士全資擁有之公司(「認購人」)訂立認購協議，據此，志鴻香港同意配發及發行1,000股股份，而認購人同意以其後調整為4,872,889港元之價格認購該等股份。有關代價已由認購人於二零一五年七月支付。

於二零一五年五月二十七日完成認購事項後，Excel BVI及認購人各自擁有志鴻香港之50%已發行股本。本集團認為於認購事項後，彼等並無對志鴻香港擁有控制權。因此，認購事項導致志鴻香港不再為本集團之附屬公司。自二零一五年五月二十七日起，志鴻香港成為本集團之聯營公司，並採用權益法計入綜合財務報表。在失去控制權當日，本集團所保留之股權之公允價值確認為收購於一間聯營公司之權益之視作成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

35. LOSS OF CONTROL OF A SUBSIDIARY (Continued)

35. 失去對一間附屬公司之控制權 (續)

		HK\$'000 千港元
Aggregated net assets disposed of:	合計出售資產淨值：	
Property, plant and equipment	物業、廠房及設備	1,016
Deferred tax assets	遞延稅項資產	94
Inventories	存貨	1,349
Amounts due from customers for contract work	應收客戶合約工程款項	5,517
Trade receivables	應收貿易賬款	8,795
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	2,459
Financial assets at fair value through profit or loss	按公允價值計入損益表之金融資產	28,291
Bank balances and cash	銀行存款及現金	22,508
Trade payables	應付貿易賬款	(2,422)
Other payables and accrued charges	其他應付款項及預提費用	(25,027)
Amount due to the Group	應付本集團款項	(33,215)
Amounts due to customers for contract work	應付客戶合約工程款項	(3,976)
		<u>5,389</u>
Loss on disposal of a subsidiary:	出售一間附屬公司之虧損：	
Fair value of the equity interest retained in Excel HK	於志鴻香港保留股權之公允價值	5,131
Net assets disposed of	出售之資產淨值	(5,389)
		<u>(258)</u>
Net cash outflow arising on disposal:	出售產生之現金流出淨額：	
Cash and cash equivalents disposed of	出售之現金及現金等價物	<u>(22,508)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

36. FINANCIAL GUARANTEE CONTRACTS

At the end of reporting period, the Group had given corporate guarantee to a third party and Excel HK in respect of all monies owed by and/or the obligations and liabilities of the Excel HK due to a third party under a service contract to the extent of HK\$8,500,000 (2014: HK\$600,000). At the end of reporting period, no provision for the Group's obligation under the guarantee contract has been made as there was no amounts due by Excel HK to the third party at the end of the reporting period and the directors considered that it was not probable that the service obligations by Excel HK would not be met. The fair value of the guarantee at initial recognition is immaterial.

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group actively and regularly reviews and manages its financial risk and takes actions to mitigate such risk. The Group adopts conservative strategies on its risk management and seeks to limit the Group's exposure to these risks to a minimum. The board of directors reviews and agrees policies for managing each of these risks.

There has been no change to the type of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

36. 財務擔保合約

於呈報期末，本公司已就志鴻香港根據一份服務合約而應付予一名第三方之所有欠款及／或責任及負債，向該名第三方及志鴻香港發出金額上限為8,500,000港元(二零一四年：600,000港元)之公司擔保。於呈報期末，由於志鴻香港於呈報期末並無款項結欠該名第三方，且各董事認為志鴻香港不可能無法履行有關服務責任，故並無就本集團根據該份擔保合約之責任作出撥備。該擔保之公允價值於初次確認時並不重大。

37. 財務風險管理及金融工具公允價值

本集團因於其日常業務過程中及於其投資活動中使用金融工具而承擔財務風險。財務風險包括市場風險(包括外匯風險、利率風險及其他價格風險)、信貸風險及流動性風險。

本集團積極地定期檢討及管理其財務風險，並採取行動減低有關風險。本集團在風險管理方面採取較為保守策略，並致力將本集團承受之此等風險減至最低。董事會檢討及同意管理各項有關風險之政策。

本集團所涉及金融工具風險之種類及其管理及計量有關風險之方法均無變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

37. 財務風險管理及金融工具公允價值(續)

37.1 Categories of financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and financial liabilities:

37.1 金融資產及負債之類別

財務狀況表所呈列之賬面值涉及以下類別之金融資產及金融負債：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Financial assets	金融資產		
Available-for-sale financial assets	可供出售金融資產		
– Unlisted private equity fund, at fair value	– 非上市私人股票基金，按公允價值	–	–
Financial assets at fair value through profit or loss	按公允價值計入損益表之金融資產		
– Listed equity securities held for trading	– 持作買賣之上市股本證券	–	26,945
Loans and receivables	借款及應收款項		
– Trade receivables	– 應收貿易賬款	23,686	49,594
– Other receivables and deposits	– 其他應收款項及按金	16,764	14,689
– Bank balances and cash	– 銀行存款及現金	33,563	86,872
		74,013	178,100
Financial liabilities	金融負債		
Financial liabilities measured at amortised cost	按攤銷成本計量之金融負債		
– Trade payables	– 應付貿易賬款	24,404	32,536
– Other payables and accrued charges	– 其他應付款項及預提費用	19,480	37,078
– Amounts due to directors	– 應付董事款項	9,552	5,355
– Borrowings	– 借貸	4,098	3,964
		57,534	78,933

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

37.2 Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. It is the Group's policy for each operating entity to operate in local currencies as far as possible to minimise currency risks. The Group's exposure to foreign currency risk arise from its overseas sales and purchases, which are primarily denominated in United States Dollar ("US\$"), Renminbi ("RMB"), Singapore Dollar ("S\$") and Japanese Yen ("JPY"). These are not the functional currencies of certain Group entities to which these transactions relate.

The following table details of the Group's exposure at the end of the reporting period to foreign currency risk arising from recognised assets and liabilities denominated in a currency other than the functional currency of the entity to which they relate are shown below:

		US\$ 美元 HK\$'000 千港元	RMB 人民幣 HK\$'000 千港元	S\$ 新加坡元 HK\$'000 千港元	JPY 日圓 HK\$'000 千港元
At 31 December 2015	於二零一五年十二月三十一日				
Bank balances and cash	銀行存款及現金	811	115	–	268
Borrowings	借貸	–	(4,098)	–	–
Overall net exposure	全面風險淨額	811	(3,983)	–	268
At 31 December 2014	於二零一四年十二月三十一日				
Financial assets at fair value through profit or loss	按公允價值計入損益表之金融資產	17,180	–	–	–
Trade receivables	應收貿易賬款	1,254	–	–	–
Bank balances and cash	銀行存款及現金	8,812	13,575	148	421
Borrowings	借貸	–	(3,964)	–	–
Overall net exposure	全面風險淨額	27,246	9,611	148	421

The Group is mainly exposed to the effects of fluctuation in RMB, S\$ and JPY.

37. 財務風險管理及金融工具公允價值(續)

37.2 外匯風險

外匯風險指因匯率變動而導致金融工具之公允價值或其未來現金流量出現波動之風險。本集團就各個經營實體採取之政策為以當地貨幣經營，盡可能減低外匯風險。本集團承受之外匯風險源自其主要以美元(「美元」)、人民幣(「人民幣」)、新加坡元(「新加坡元」)及日圓(「日圓」)計值之海外銷售及採購。此等貨幣並非涉及此等交易之若干集團實體之功能貨幣。

下表詳述於呈報期末本集團因以相關實體功能貨幣以外之貨幣計值之已確認資產及負債而承受之外匯風險詳情：

本集團主要承受人民幣、新加坡元及日圓之波動影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

37.2 Foreign currency risk (Continued)

The HK\$ is pegged to US\$ and the amounts denominated in US\$ is considered to be insignificant.

The following table illustrates the sensitivity of the Group's loss after income tax for the year and equity in regards to an appreciation/depreciation in HK\$ against RMB, S\$ and JPY. These rates are the rates used when reporting foreign currency risk internally to key management personnel and represents management's best assessment of the possible change in foreign exchange rates.

37. 財務風險管理及金融工具公允價值(續)

37.2 外匯風險(續)

由於港元與美元掛鈎，而以美元計值之金額並不重大。

下表說明年內本集團扣除所得稅後虧損及權益對港元兌人民幣、新加坡元及日圓升值／貶值之敏感度。該等匯率乃內部向主要管理人員呈報外匯風險時採用之匯率，為管理層對匯率可能變動之最佳估計。

		Increase/ (Decrease) in foreign exchange rate 匯率上升/ (下降) %	Effect on loss after income tax 對扣除所得稅後 虧損之影響 HK\$'000 千港元	Effect on component of equity 對股權部份 之影響 HK\$'000 千港元
2015	二零一五年			
RMB	人民幣	3%	119	(119)
		(3%)	(119)	119
JPY	日圓	5%	(13)	13
		(5%)	13	(13)
2014	二零一四年			
RMB	人民幣	3%	(288)	288
		(3%)	288	(288)
S\$	新加坡元	3%	(4)	4
		(3%)	4	(4)
JPY	日圓	5%	(21)	21
		(5%)	21	(21)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nevertheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk.

年內之外匯風險取決於海外交易量。然而，上述分析被認為可反映本集團所承受之外幣風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

37.3 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Group's interest rate risk arises primarily from bank balances, amount due from an investee company and borrowings. Borrowings bearing fixed rates through the contractual terms of the borrowings. The Group's amount due from an investee company is also stated at fixed rate through the contractual terms. The exposure to interest rates for the Group's short-term bank deposits is considered immaterial. The Group therefore does not have significant exposure to interest rate risk at the end of the reporting period nor in comparative periods.

37.4 Other price risk

Other price risk relates to the risk that the fair values of equity securities will fluctuate because of changes in market prices (other than changes in interest rates and foreign exchange rates).

At 31 December 2014, the Group is exposed to change in market prices in respect of its investments in listed equity securities classified as financial assets at fair value through profit or loss. To manage its market price risk arising from these investments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the decision made by the board of directors.

During the year, the Group's investments in listed equity securities as at 31 December 2014 had been disposed of through deemed disposal of the Group's interest in Excel HK as detailed in note 35. Accordingly, the Group is not exposed to significant other price risk at 31 December 2015.

37. 財務風險管理及金融工具公允價值(續)

37.3 利率風險

利率風險指金融工具之公允價值或現金流量因市場利率轉變而出現波動之風險。本集團的利率風險主要來自銀行存款、應收投資公司款項及借貸。借貸透過訂立借貸之合約條款支付固定利息。本集團應收投資公司款項亦透過訂立合約條款按固定利率入賬。本集團短期銀行存款所承受之利率風險並不重大。故本集團於呈報期末或比較期間並無重大利率風險。

37.4 其他價格風險

其他價格風險指股本證券公允價值因市場價格變動(利率與外幣匯率變動除外)而波動有關之風險。

於二零一四年十二月三十一日，本集團須承受其於分類為按公允價值計入損益表之金融資產之上市股本證券投資之市場價格變動風險。為管理因此等投資而產生之市場價格風險，本集團將其組合分散。組合之分散方式乃由董事會作出決定。

年內，本集團於二零一四年十二月三十一日於上市股本證券之投資已透過視作出售本集團於志鴻香港之權益出售，詳情請參閱附註35。因此，本集團於二零一五年十二月三十一日並無承受重大其他價格風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

37.4 Other price risk (Continued)

The sensitivity analyses below have been determined based on the exposure to equity price risks as at 31 December 2014.

37. 財務風險管理及金融工具公允價值(續)

37.4 其他價格風險(續)

下列敏感度分析，根據於二零一四年十二月三十一日之股本價格風險而釐定。

		2014 二零一四年		
		Increase/ (Decrease) in price of listed equity securities 上市股本證券之 價格升幅/ (跌幅) %	Effect on loss after income tax 對扣除所得稅後 虧損之影響 HK\$'000 千港元	Effect on component of equity 對股權 部份之影響 HK\$'000 千港元
Market price of the listed equity securities	上市股本證券之市場價格	10%	(2,695)	2,695
		(10%)	2,695	(2,695)

The assumed volatility of listed equity securities represent management's assessment of a reasonably possible change in these security prices over the next twelve month period.

上市股本證券之假設波動指管理層評估此等證券價格於未來十二個月期間之合理可能變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

37.5 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and its investing activities.

The Group's maximum exposure to credit risk on recognised financial assets is limited to the carrying amount at the end of the reporting period as summarised in note 37.1.

In respect of credit risk associated with trade and other receivables, management closely monitors all outstanding debts and reviews the collectability of the receivables periodically. As at the end of the reporting period, the credit risk is considered negligible as the counterparties are reputable banks and multi-national companies with high quality external credit ratings.

The Group adopts conservative investment strategies with management monitoring the investment portfolio. Usually investments are in liquid securities quoted on recognised stock exchanges, except where entered into for long term strategic purposes. See note 22 to these consolidated financial statements for further details of the Group's exposures to credit risk on trade receivables.

37. 財務風險管理及金融工具公允價值(續)

37.5 信貸風險

信貸風險指金融工具之交易，在對方無法履行其於金融工具條款下之責任，並導致本集團財務損失之風險。本集團所承受的信貸風險主要來自於其日常業務過程中提供客戶信貸及其投資活動。

本集團就已確認金融資產而承受之最高信貸風險以呈報期末之賬面值為限，概述於附註37.1。

就與應收貿易賬款及其他應收款項相關之信貸風險而言，管理層緊密監察所有未償還債項，及定期審閱應收款項之可收回情況。於呈報期末，由於交易對方乃具信譽之銀行及外來信貸評級優秀之跨國公司，故信貸風險被視為微不足道。

本集團採納保守投資策略，並由管理層監控投資組合。通常投資為認可證券交易所所報之流動證券，惟訂立作長期策略性投資除外。有關本集團就應收貿易賬款所承擔信貸風險之進一步詳情，請參閱該等綜合財務報表附註22。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

37.6 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade payables and its financing obligations, and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

The Group's prudent policy is to regularly monitor its current and expected liquidity requirements, to ensure that it maintains sufficient reserves of cash and cash equivalents to meet its liquidity requirements in the short term.

When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on when the Group can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay. At 31 December 2015 and 2014, the Group's contractual maturity for its financial liabilities are within one year or on demand. The carrying amounts of its financial liabilities approximate their contractual undiscounted cash flows.

37.7 Fair value of financial assets and liabilities 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 value as at 31 December 2014 and 2015.

37. 財務風險管理及金融工具公允價值(續)

37.6 流動性風險

流動性風險涉及本集團未能透過交付現金或其他金融資產方式履行與其金融負債相關責任之風險。本集團就清付應付貿易賬款及融資責任以及其現金流量管理而承受流動性風險。本集團之目標在於維持流動資產及承諾資金於適當水平，以滿足其短期及長期流動資金需求。

本集團之保守政策為定期監控其目前及預期之流動資金需求，從而保證其維持足夠現金及現金等價物之儲備，以滿足其短期流動資金需求。

若債權人可選擇清付負債之時間，負債按本集團可能被要求還款之最早日期記賬。若負債分期償還，則各分期付款分配至本集團承諾還款之最早期間。於二零一五年及二零一四年十二月三十一日，本集團金融負債的合約到期期限為一年內或按要求。本集團金融負債的賬面值與其合約未貼現的現金流量相若。

37.7 按非公允價值入賬之金融資產及負債之公允價值

本集團按成本或攤銷成本入賬之金融工具的賬面值與其於二零一四年及二零一五年十二月三十一日之公允價值並無重大差異。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

38. 本公司財務狀況表

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Interests in subsidiaries	於附屬公司之權益	-	-
Current assets	流動資產		
Prepayments	預付款項	311	299
Amounts due from subsidiaries	應收附屬公司款項	133,826	133,794
Bank balances and cash	銀行存款及現金	85	242
		134,222	134,335
Current liabilities	流動負債		
Other payables and accrued charges	其他應付款項及預提費用	1,264	405
Amounts due to subsidiaries	應付附屬公司款項	64,753	64,753
Amounts due to directors	應付董事款項	9,552	5,355
Net current assets	流動資產淨值	75,569	70,513
Total assets less current liabilities	資產總額減流動負債	58,653	63,822
Net assets	資產淨值	58,653	63,822
EQUITY	股權		
Share capital	股本	118,846	118,846
Reserves (note)	儲備(附註)	(60,193)	(55,024)
Total equity	股權總額	58,653	63,822

Li Xia
Director

李霞
董事

Chong Yu Ping
Director

莊儒平
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

The movement of the Company's reserves are as follows:

		Share Premium	Accumulated Losses	Total
		股份溢價	累計虧損	總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 January 2014	於二零一四年一月一日	220,438	(259,421)	(38,983)
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	—	(16,041)	(16,041)
At 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日及二零一五年一月一日	220,438	(275,462)	(55,024)
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	—	(5,169)	(5,169)
At 31 December 2015	於二零一五年十二月三十一日	220,438	(280,631)	(60,193)

38. 本公司財務狀況表(續)

附註：

本公司之儲備變動如下：

39. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return for shareholders by pricing goods and services commensurately with the level of risks.

The Group actively and regularly reviews and manages its capital structure and makes adjustments to it in light of changes in economic conditions.

39. 資本管理

本集團之資本管理目標為透過因應風險程度調整貨品及服務定價確保本集團有能力持續經營業務，向股東提供充分回報。

本集團積極地定期對資本架構進行檢討及管理，並因應經濟環境之變化對資本架構作出調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

39. CAPITAL MANAGEMENT (Continued)

Consistent with industry practice, the Group monitors its capital structure using gearing ratio which is net debt divided by total equity. For this purpose, the Group defines net debt as debt, which comprises short-term borrowings, less cash and cash equivalents. Total equity comprises equity attributable to owners of the Company and non-controlling interests stated in the consolidated statement of financial position. During 2015, the Group's strategy remains unchanged from 2014, which is to maintain the gearing ratio of not more than 20% in order to support its business. The gearing ratio at 31 December 2015 and 2014 were not presented as the Group has no net debt as at 31 December 2015 and 2014.

39. 資本管理(續)

本著業界慣例，本集團按淨負債除以股權總額計算負債比率，以此監控其資本結構。本集團將淨負債定義為負債(包括短期借貸)扣除現金及現金等價物。股權總額由綜合財務狀況表中所示之本公司擁有人應佔股權及非控股權益組成。二零一五年期間，本集團之策略與二零一四年相同，乃將負債比率維持在不高於20%的水平，以支援集團之業務。由於本集團於二零一五年及二零一四年十二月三十一日並無淨負債，故並無呈列於二零一五年及二零一四年十二月三十一日之負債比率。

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Total borrowings – Borrowings	借貸總額 – 借貸	4,098	3,964
Less: bank balances and cash	減：銀行存款及現金	(33,563)	(86,872)
Net assets	淨資產	(29,465)	(82,908)
Total equity	股權總額	124,057	163,792



Hong Kong Jewellery Holding Limited
香港珠寶控股有限公司