

RUIYUAN
瑞 远

浙江瑞遠智控科技股份有限公司

Zhejiang RuiYuan Intelligent Control Technology Company Limited*

(前稱為寧波萬豪控股股份有限公司)

(formerly known as Ningbo WanHao Holdings Company Limited*)

(於中華人民共和國註冊成立之股份有限公司)

(a joint stock limited company incorporated in the People's Republic of China)

股份代號 Stock code: 8249



年報

2016

Annual Report

* 僅供識別 For identification purposes only

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This report, for which the directors (the “Directors”) of Zhejiang RuiYuan Intelligent Control Technology Company Limited (formerly known as Ningbo WanHao Holdings Company Limited) (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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鑒於創業板上市的公司屬於新興性質，在創業板買賣的證券可能會較在聯交所主板買賣之證券承受較大市場波動風險，同時無法保證在創業板買賣的證券會有高流通量的市場。

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本報告包括之資料乃遵照聯交所創業板證券上市規則(「創業板上市規則」)的規定而提供有關浙江瑞遠智控科技股份有限公司(前稱為寧波萬豪控股股份有限公司)(「本公司」)的資料，本公司各董事(「董事」)願就本報告共同及個別承擔全部責任。董事經作出一切合理查詢後確認，就彼等所深知及確信：(1)本報告所載資料在各重大方面均屬準確及完整，且無誤導成份；(2)本報告並無遺漏任何其他事實，致使本報告所載任何陳述產生誤導；及(3)本報告所表達的一切意見乃經審慎周詳考慮後作出，並建基於公平和合理的基準及假設。

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Corporate Information

公司資料

EXECUTIVE DIRECTORS

Mr. He Keng (*Chairman*)
(appointed on 13 December 2016)
Ms. Wu Shanhong (appointed on 13 December 2016)
Mr. Chen Weiqiang (appointed on 13 December 2016)
Mr. Ding Cheng (appointed on 13 December 2016)
Mr. Zhu Chun Rong
(appointed on 7 June 2016 and resigned on 13 December 2016)
Mr. Zhu Guo An (resigned on 13 December 2016)
Mr. Qi Yong Qiang (resigned on 15 September 2016)
Mr. Yu Nian Hua (resigned on 7 June 2016)

NON-EXECUTIVE DIRECTORS

Mr. Jiang Guo Ping (resigned on 13 December 2016)
Mr. Zheng Xin (resigned on 13 December 2016)
Mr. Zhu Guo Dan (resigned on 13 December 2016)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kwok Kim Hung Eddie
Mr. Zhang Zhuoyong (appointed on 13 December 2016)
Mr. Zhang Tiejyi (appointed on 13 December 2016)
Mr. Jiang Mei Yin (resigned on 7 June 2016)
Mr. Lu Song Qian
(appointed on 7 June 2016 and resigned on 13 December 2016)
Mr. Lu Xiang Tai (resigned on 13 December 2016)

SUPERVISORS

Mr. Shi Huanmiao (appointed on 13 December 2016)
Mr. Zhang Shenggen (appointed on 13 December 2016)
Mr. Chen Yuankang (appointed on 13 December 2016)
Mrs. Mao Lihong (resigned on 7 June 2016)
Mrs. Shi Weina (resigned on 13 December 2016)
Mr. Li Yuhua (resigned on 13 December 2016)
Mr. Lu Guo Xun
(appointed on 7 June 2016 and resigned on 13 December 2016)

執行董事

何鏗先生(主席)
(於二零一六年十二月十三日獲委任)
吳珊紅女士(於二零一六年十二月十三日獲委任)
陳偉強先生(於二零一六年十二月十三日獲委任)
丁成先生(於二零一六年十二月十三日獲委任)
朱春榮先生(於二零一六年六月七日獲委任及
於二零一六年十二月十三日辭任)
諸國安先生(於二零一六年十二月十三日辭任)
元勇強先生(於二零一六年九月十五日辭任)
余念華先生(於二零一六年六月七日辭任)

非執行董事

姜國平先生(於二零一六年十二月十三日辭任)
鄭新先生(於二零一六年十二月十三日辭任)
諸國淡先生(於二零一六年十二月十三日辭任)

獨立非執行董事

郭劍雄先生
張卓永先生(於二零一六年十二月十三日獲委任)
章鐵毅先生(於二零一六年十二月十三日獲委任)
姜美銀先生(於二零一六年六月七日辭任)
魯松千先生(於二零一六年六月七日獲委任及
於二零一六年十二月十三日辭任)
陸祥泰先生(於二零一六年十二月十三日辭任)

監事

石歡苗先生(於二零一六年十二月十三日獲委任)
張生根先生(於二零一六年十二月十三日獲委任)
陳元康先生(於二零一六年十二月十三日獲委任)
毛利紅女士(於二零一六年六月七日辭任)
史維娜女士(於二零一六年十二月十三日辭任)
李玉華先生(於二零一六年十二月十三日辭任)
魯國勛先生(於二零一六年六月七日獲委任及
於二零一六年十二月十三日辭任)

Corporate Information 公司資料

MEMBERS OF THE AUDIT COMMITTEE

Mr. Kwok Kim Hung Eddie (*Chairman*)
Mr. Zhang Zhuoyong (appointed on 13 December 2016)
Mr. Zhang Tieyi (appointed on 13 December 2016)
Mr. Jiang Mei Yin (resigned on 7 June 2016)
Mr. Lu Song Qian
(appointed on 7 June 2016 and resigned on 13 December 2016)
Mr. Lu Xiang Tai (resigned on 13 December 2016)

MEMBERS OF THE REMUNERATION COMMITTEE

Mr. Zhang Tieyi (*Chairman*)
(appointed on 13 December 2016)
Mr. He Keng (appointed on 13 December 2016)
Mr. Zhang Zhuoyong (appointed on 13 December 2016)
Mr. Kwok Kim Hung Eddie
Mr. Jiang Mei Yin (resigned on 7 June 2016)
Mr. Lu Xiang Tai (resigned on 13 December 2016)

MEMBERS OF THE NOMINATION COMMITTEE

Mr. Zhang Zhuoyong (*Chairman*)
(appointed on 13 December 2016)
Mr. He Keng (appointed on 13 December 2016)
Mr. Zhang Tieyi (appointed on 13 December 2016)
Mr. Kwok Kim Hung Eddie
Mr. Lu Xiang Tai (resigned on 13 December 2016)
Mr. Jiang Mei Yin (resigned on 7 June 2016)

COMPLIANCE OFFICER

Mr. He Keng (appointed on 13 December 2016)
Mr. Zhu Guo An (resigned on 13 December 2016)

COMPANY SECRETARY

Mr. Tsang Chi Wai Rock (appointed on 5 October 2016)
Mr. Tsao Hoi Ho (appointment terminated on 5 October 2016)

審核委員會成員

郭劍雄先生(主席)
張卓永先生(於二零一六年十二月十三日獲委任)
章鐵毅先生(於二零一六年十二月十三日獲委任)
姜美銀先生(於二零一六年六月七日辭任)
魯松千先生(於二零一六年六月七日獲委任及
於二零一六年十二月十三日辭任)
陸祥泰先生(於二零一六年十二月十三日辭任)

薪酬委員會成員

章鐵毅先生(主席)
(於二零一六年十二月十三日獲委任)
何鏗先生(於二零一六年十二月十三日獲委任)
張卓永先生(於二零一六年十二月十三日獲委任)
郭劍雄先生
姜美銀先生(於二零一六年六月七日辭任)
陸祥泰先生(於二零一六年十二月十三日辭任)

提名委員會成員

張卓永先生(主席)
(於二零一六年十二月十三日獲委任)
何鏗先生(於二零一六年十二月十三日獲委任)
章鐵毅先生(於二零一六年十二月十三日獲委任)
郭劍雄先生
陸祥泰先生(於二零一六年十二月十三日辭任)
姜美銀先生(於二零一六年六月七日辭任)

監察主任

何鏗先生(於二零一六年十二月十三日獲委任)
諸國安先生(於二零一六年十二月十三日辭任)

公司秘書

曾志偉先生(於二零一六年十月五日獲委任)
曹海豪先生(於二零一六年十月五日終止委任)

Corporate Information 公司資料

AUTHORIZED REPRESENTATIVES

Mr. He Keng (appointed on 13 December 2016)
Mr. Tsang Chi Wai Rock (appointed on 5 October 2016)
Mr. Zhu Guo An (resigned on 13 December 2016)
Mr. Tsao Hoi Ho (appointment terminated on 5 October 2016)

AUDITORS

KTC Partners CPA Limited

REGISTERED OFFICE

Factory, No. 3, Laiyan Road West Economic
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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Abacus Limited

PRINCIPAL BANKER

Bank of China

GEM STOCK CODE

8249

授權代表

何鏗先生(於二零一六年十二月十三日獲委任)
曾志偉先生(於二零一六年十月五日獲委任)
諸國安先生(於二零一六年十二月十三日辭任)
曹海豪先生(於二零一六年十月五日終止委任)

核數師

和信會計師事務所有限公司

註冊辦事處

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香港H股過戶登記處

卓佳雅柏勤有限公司

主要往來銀行

中國銀行

創業板股份代號

8249

Chairman's Statement

主席報告

On behalf of Zhejiang RuiYuan Intelligent Control Technology Company Limited (formerly known as Ningbo WanHao Holdings Company Limited) (the "Company") and its subsidiaries (collectively known as the "Group"), I am pleased to present the 2016 annual results of the Group.

BUSINESS REVIEW

The overall economic environment in the PRC in 2016 was very challenging for private enterprises due to the following factors:

- (i) the overall economic growth rate continued to slow down
- (ii) competition and production costs continued to increase

We strived to survive in such a harsh environment by simplifying our operation structure and controlling costs.

In 2016, our major business included sales of controller systems for consumer electrical and electronic appliances and sales of small electrical appliances.

For the year ended 31 December 2016, the Group recorded revenue of approximately RMB14,337,000 (2015: RMB56,427,000), representing a decrease of approximately RMB42,090,000 over the previous year. The decrease in the Group's revenue was mainly due to poor market condition and increasing competition and shifting of Group's policy on focusing on high-margin products during the year.

For details of performance analysis and financial review, please refer to page 7 to page 8 under the section Management Discussion and Analysis.

PROSPECT

While the market for 2017 remains uncertain. Some trends seem to be certain:

- (i) the economic growth will further slow down; and
- (ii) automatization and replacement of labor by robotics will continue to speed up

The above trends present threats and opportunities to the Group. I have more than 10 years experience on industrial automatization and have great confidence in the future market of intelligent control system for industrial uses.

本人謹代表浙江瑞遠智控科技股份有限公司(前稱為寧波萬豪控股股份有限公司)(「本公司」)連同其附屬公司(統稱「本集團」)欣然提呈本集團截至二零一六年年年度業績。

業務回顧

二零一六年，中國的整體經濟環境對私營企業而言十分嚴峻，原因如下：

- (i) 整體經濟增長率繼續放緩
- (ii) 競爭加劇及生產成本不斷上升

我們通過簡化經營架構及控制成本以努力抵禦該惡劣環境。

二零一六年，我們的主要業務包括銷售消費電器及電子用品的控制器系統及銷售小型電器。

截至二零一六年十二月三十一日止年度，本集團錄得收益約人民幣14,337,000元(二零一五年：人民幣56,427,000元)，較去年減少約人民幣42,090,000元。本集團收益有所減少乃主要由於年內市況不佳、競爭加劇及本集團的政策轉向專注於高利潤產品所致。

有關績效分析及財務回顧之詳情，請參閱管理層討論及分析一節第7頁至第8頁。

展望

雖然二零一七年市場依然不明朗，但某些趨勢看起來很明確：

- (i) 經濟增長將進一步放緩；及
- (ii) 自動化及以機器人取代人工的進程將繼續加快

上述趨勢為本集團帶來挑戰及機遇。我在工業自動化領域擁有10年以上經驗，而且對工業所用的智能控制系統的未來市場充滿信心。

Chairman's Statement

主席報告

While 2017 remains challenging for us, we will explore business opportunities for intelligent control system for industrial uses.

DEDICATION

On behalf of all members of the board of Directors, I would like to take this opportunity to express our sincerest gratitude to our shareholders and colleagues for their unwavering dedications in 2016 and to our clients and business partners for their loyalties and support rendered to the Group.

He Keng

Chairman

Ningbo, The PRC 29 March 2017

雖然二零一七年依然充滿各種挑戰，但我們將探索為工業所用的智能控制系統的業務機會。

致謝

本人謹代表董事會全體同仁，藉此機會感謝所有股東及員工於二零一六年的勤勉奉獻，亦在此向客戶及業務夥伴對本集團之忠誠支持表示由衷謝意。

主席

何鏗

中國寧波，二零一七年三月二十九日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The Group's activities comprise sales of controller systems for consumer electrical and electronic appliances and sales of small electrical appliances. The Group's activities are primarily operated in the PRC and the Group's revenue is mainly attributable to customers in the PRC and Hong Kong.

For the year ended 31 December 2016, the Group recorded revenue of approximately RMB14,337,000 (2015: RMB56,427,000), representing a decrease of approximately RMB42,090,000 over the previous year. While there was a non-recurring item of waiver of other payables, accruals and receipt in advances amounted to RMB5,938,000 in 2015, there is no such item in 2016 and the Group incurred additional legal and professional fees in relation to, amongst others, the mandatory unconditional cash offer by Mr. He Keng and parties acting in concert with him (the "Offeror Group") for all the outstanding H shares in the Company other than those already owned or agreed to be acquired by the Offeror Group in 2016 ("Mandatory Cash Offer"). As such, the Group turned into a loss of approximately RMB2,624,000 in 2016.

Due to the general poor market and increasing competition, the Group strived to survive in the harsh environment by maintaining a simple organizational structure and controlling costs to a minimum level.

PERFORMANCE ANALYSIS

An analysis by reportable segments is provided in note 10 to the consolidated financial statements.

Gross profit margin was 11.8% (2015 gross profit margin: 3.5%). Revenue decreased by RMB42,090,000 due to the poor market conditions during the year and the fact that we ceased to sell low-margin products. This had however resulted in an improvement in gross profit margin in 2016.

The Group recorded other revenue of approximately RMB512,000 in 2015, which included mainly government grants and rental income. In 2016, there were no such incomes and other revenue decreased to RMB5,000 only which represented mainly interest income. For details, please refer to notes 9 to the consolidated financial statements.

業務回顧

本集團之經營活動包括銷售消費電器及電子用品的控制器系統及銷售小型電器。本集團的業務主要在中國經營，且本集團之收益主要來自中國及香港的客戶。

截至二零一六年十二月三十一日止年度，本集團錄得收益約人民幣14,337,000元（二零一五年：人民幣56,427,000元），較去年減少約人民幣42,090,000元。本集團於二零一五年存在豁免其他應付賬款、應計費用及預收款項人民幣5,938,000元之非經常性項目，但二零一六年並無該相關項目且本集團於二零一六年就（其中包括）何鏗先生及其一致行動方（「要約人集團」）就本公司所有發行在外之H股（不包括要約人集團已擁有或同意收購之H股）發出之強制性無條件現金要約（「強制性現金要約」）產生額外的法律及專業費用。因此，本集團於二零一六年由盈轉虧約人民幣2,624,000元。

由於整體市場環境惡劣及競爭日益加劇，本集團維持簡單的組織架構及控制成本至最低水平，以努力抵禦惡劣的環境。

績效分析

可呈報分部之相關分析載於綜合財務報表附註10。

毛利率為11.8%（二零一五年毛利率：3.5%）。收益減少人民幣42,090,000元乃由於年內市況不佳及停止銷售低利潤產品所致。但這導致二零一六年毛利率增加。

本集團於二零一五年錄得其他收益約人民幣512,000元，主要包括政府補助金及租金收入。二零一六年並無該等收益，同時其他收益減少至僅有人民幣5,000元，主要指利息收入。有關詳情，請參閱綜合財務報表附註9。

Management Discussion and Analysis

管理層討論及分析

In 2015, the Group recorded waiver of other payables, accruals and receipt in advances of approximately RMB5,938,000; reversal of trade payables of approximately RMB850,000; gain on deregistration of a subsidiary of approximately RMB627,000. There were no such items in 2016, but the Group recorded a gain on disposal of investment properties and prepaid lease payment of approximately RMB2,343,000 in 2016.

Administrative expenses recorded an increase by approximately RMB1,310,000 over the previous year. The increase in administrative expenses were mainly due to the increase in legal and professional fee (2016: RMB2,358,000; 2015: RMB711,000) and the increase in impairment loss on trade receivables by approximately RMB445,000. The additional legal and professional fees were incurred in relation to, amongst others, the Mandatory Cash Offer.

No finance cost was incurred because there were no bank borrowings.

For the year ended 31 December 2016, loss attributable to owners of the Company amounted to approximately RMB2,624,000 (2015: profit of RMB4,524,000).

FINANCIAL REVIEW

Current assets and liabilities

As at 31 December 2016, the Group had current assets of approximately RMB15,297,000 (2015: RMB11,068,000), representing an increase of approximately RMB4,229,000 compared with last year. The increase was mainly attributable to the increase in trade receivables by approximately RMB4,420,000, the increase in bank balances and cash by approximately RMB1,461,000 and the decrease in prepaid lease payment and paid in advances by approximately RMB1,105,000.

As at 31 December 2016, the Group had current liabilities of approximately RMB66,466,000 (2015: RMB64,457,000), which represented an increase of approximately RMB2,009,000. The major changes were the increase in amount due to a former shareholder; the increase in amount due to a major shareholder; the increase in trade payables, other payables and accruals and the decrease in other borrowings.

二零一五年，本集團錄得豁免其他應付賬款、應計費用及預收款項約人民幣5,938,000元；撥回應付貿易賬款約人民幣850,000元；一間附屬公司撤銷登記的收益約人民幣627,000元。二零一六年並無此等相關項目，但本集團於二零一六年出售投資物業及預付租賃款項錄得收益約人民幣2,343,000元。

行政費用較去年增加約人民幣1,310,000元。行政費用增加主要由於法律及專業費用增加(二零一六年：人民幣2,358,000元；二零一五年：人民幣711,000元)及應收貿易賬款減值虧損增加約人民幣445,000元。額外的法律及專業費用由(其中包括)強制性現金要約產生。

由於沒有銀行借貸，故並無產生融資成本。

截至二零一六年十二月三十一日止年度，本公司擁有人應佔虧損為約人民幣2,624,000元(二零一五年：溢利人民幣4,524,000元)。

財務回顧

流動資產及負債

於二零一六年十二月三十一日，本集團的流動資產約為人民幣15,297,000元(二零一五年：人民幣11,068,000元)，較去年增加約人民幣4,229,000元。流動資產增加的主要因為應收貿易賬款增加約人民幣4,420,000元、銀行結餘及現金增加約人民幣1,461,000元及預付租賃款項及預付款項減少約人民幣1,105,000元。

於二零一六年十二月三十一日，本集團的流動負債約為人民幣66,466,000元(二零一五年：人民幣64,457,000元)，較去年增加約人民幣2,009,000元。主要變動為應付一名前股東款項增加；應付一名主要股東款項增加；應付貿易賬款、其他應付賬款及應計費用增加；以及其他借貸減少。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL RESOURCES, LIQUIDITY AND GEARING

As at 31 December 2016, the Group had net liabilities of approximately RMB51,078,000 (2015: RMB48,378,000). The Group's operations and investments were financed principally by its internal resources, amount due from a major shareholder and a former shareholder, other borrowings and shareholders' equity.

As at 31 December 2016, the Group had bank balances and cash of approximately RMB2,834,000 (2015: RMB1,373,000), with no bank borrowings (2015: Nil).

As at 31 December 2016, the Group had other borrowings of approximately RMB6,220,000 (2015: RMB11,000,000).

Gearing ratio

The Group's gearing ratio as at 31 December 2016 was 40.4% (2015: 68.4%), which was expressed as a percentage of other borrowings over the total assets.

OUTLOOK

As the general economic growth in China slowed down in recent years, competition in the controllers systems market becomes keener and keener. In this connection, we will continue to implement stringent cost control measures in 2017. Going forward, the Group will explore business opportunities on intelligence control system for heavy industrial uses such as application for industrial robotics.

CAPITAL EXPENDITURE

As at 31 December 2016, the Group had no significant outstanding capital commitments (2015: Nil).

SIGNIFICANT INVESTMENTS AND ACQUISITION

The Group did not have any significant investment and acquisition during the year ended 31 December 2016 (2015: Nil).

CONTINGENT LIABILITIES

Contingent liabilities of the Group during the year are set out in note 34 to the consolidated financial statements.

財務資源、流動資金及資本負債

於二零一六年十二月三十一日，本集團的淨負債約為人民幣51,078,000元(二零一五年：人民幣48,378,000元)。本集團的營運及投資主要由其內部資源、應收一名主要股東及一名前股東款項、其他借貸及股東權益撥付。

於二零一六年十二月三十一日，本集團的銀行結餘及現金約為人民幣2,834,000元(二零一五年：人民幣1,373,000元)、無銀行借貸(二零一五年：無)。

於二零一六年十二月三十一日，本集團的其他借貸約為人民幣6,220,000元(二零一五年：人民幣11,000,000元)。

資本負債比率

本集團於二零一六年十二月三十一日的資本負債比率為40.4%(二零一五年：68.4%)，此乃以其他借貸除以資產總值的百分比列示。

展望

隨著中國近年來整體經濟增長放緩，控制器系統市場的競爭變得越來越激烈。因此，我們將在二零一七年繼續實施嚴格的成本控制措施。展望未來，本集團將探索為重工業所用的智能控制系統(如應用於工業機器人)的業務機遇。

資本開支

於二零一六年十二月三十一日，本集團並無重大未償還資本承擔(二零一五年：無)。

重大投資及收購

截至二零一六年十二月三十一日止年度，本集團並無任何重大投資及收購(二零一五年：無)。

或然負債

本集團年內或然負債載於綜合財務報表附註34。

Management Discussion and Analysis

管理層討論及分析

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2016, the Group had 15 employees (2015: 22 employees). Remuneration is determined by reference to market terms and the performance, qualifications and experience of individual employees. Bonuses based on individual performance will be paid to employees in recognition and reward of their contribution. Other benefits include contributions to retirement scheme.

An analysis of employees of the Group by their duties for each of the three years ended 31 December 2014, 2015 and 2016 is set out below

Sales and marketing	銷售及市場推廣
Research & Development	研發
Production (including quality control)	生產(包括質量控制)
Finance and administration	財務及行政
Procurement	採購

僱員及酬金政策

於二零一六年十二月三十一日，本集團有 15 名僱員(二零一五年：22 名僱員)。酬金是經參閱市場條款及個別僱員的表現、資格及經驗而釐定。按個別表現釐定的花紅將付予僱員，作為對其貢獻的肯定及獎勵。其他福利包括向退休計劃供款。

於截至二零一四年、二零一五年及二零一六年十二月三十一日止三個年度各年，按職能分析，本集團僱員如下：

Headcount for the year ended 31 December 截至十二月三十一日止年度的人數

	2014 二零一四年	2015 二零一五年	2016 二零一六年
Sales and marketing	6	5	6
Research & Development	3	2	0
Production (including quality control)	2	2	1
Finance and administration	13	11	7
Procurement	4	2	1
	28	22	15

RELATIONSHIP WITH EMPLOYEES

The Group ensures that all the employees are reasonably remunerated and maintains good relationship with its employees. For details, please refer to the sections headed “Management Discussion and Analysis – Employees and Remuneration Policies” and “Report of the Directors – Corporate Social Responsibilities” of this annual report, respectively. The Group is committed to providing a safe and healthy workplace for its employees and encourage them to have a work-life balance.

On 4 November 2016, a former employee of the Company, filed a claim with the Labour Tribunal of Hong Kong against the Company and its subsidiary, Hong Kong Wan Li Enterprise Company Limited (together the “Respondent”) for a compensation of approximately HK\$2,600,000. As of the reporting date, the dispute between the Claimant and the Group are still in progress, the result of the case has not yet come up and the Directors are of the opinion that the Company has strong grounds to defend the claim. An amount of RMB86,000 has been made in the consolidated financial statements for the year ended 31 December 2016.

Details of the dispute are set out in note 34 to the consolidated financial statements.

與僱員的關係

本集團確保所有員工獲得合理酬金及維持良好的員工關係。有關詳情，請參閱本年報「管理層分析與討論 – 僱員及酬金政策」及「董事會報告書 – 企業社會責任」章節。本集團承諾向僱員提供一個安全及健康的工作環境以及鼓勵僱員保持工作和生活的平衡。

於二零一六年十一月四日，本公司一名前僱員向香港勞資審裁處提出針對本公司及其附屬公司香港萬豪企業有限公司(統稱「被告」)之申索，追索賠償約2,600,000港元。截至報告日期，原告與本集團之間的糾紛仍在處理當中，該案件尚未有結果，董事認為本公司有充分理據進行抗辯。於截至二零一六年十二月三十一日止年度的綜合財務報表中作出人民幣86,000元的撥備。

該糾紛之詳情載於綜合財務報表附註34。

Management Discussion and Analysis

管理層討論及分析

PLEDGE OF ASSETS

As at 31 December 2016, there was a pledge bank deposit amounted to USD14,501 (2015: USD14,500) for issuance of a bank guarantee of USD14,500 (2015: USD14,500). Except for this, the Group had no other borrowings or charges on the Group's assets.

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2016, there was no material acquisition or disposal of subsidiaries by the Group.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Please refer to page 38 for information about risk management and internal control system.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 December 2016, the Group was in compliance with all the laws and regulations applicable to the business operations of the Group.

ENVIRONMENTAL POLICIES AND PERFORMANCE

According to our business nature and pursuant to the relevant laws of the PRC/Hong Kong, there are no specific environmental standards and/or requirements for conducting the Group's business.

Please refer to Environmental, Social and Governance Report on page 44 to page 49 for details about environmental, social and governance matters.

KEY RELATIONSHIP WITH CUSTOMERS AND SUPPLIERS

The Group maintains good relationship with its customers. The sales personnel make regular visits and/or phone calls to the customers. If there is any complaint from customers, it will be reported to the management and immediate remedial action will be taken and feedback from customers will be followed till settlement of the complaint. Thereafter, the cause of such complaint will be studied, analysed and evaluated and recommendations will be in place for improvement.

The Group also maintains good relationship with its suppliers. During the year, no complaint was received from the suppliers and there were no disputed debts or unsettled debts and all the debts were settled on or before due dates or a latest date as mutually agreed.

資產抵押

於二零一六年十二月三十一日，本集團就發行14,500美元(二零一五年：14,500美元)的銀行擔保而抵押銀行存款14,501美元(二零一五年：14,500美元)。除此之外，本集團並無其他借貸或本集團資產抵押。

重大收購或出售附屬公司

截至二零一六年十二月三十一日止年度，本集團並無重大收購或出售附屬公司。

風險管理及內部監控系統

有關風險管理及內部監控系統的資料請參閱第38頁。

遵守法例及法規

截至二零一六年十二月三十一日止年度，本集團已遵守適用於本集團業務經營的所有法例及法規。

環保政策及表現

根據我們的業務性質及遵照中國／香港法例，本集團進行業務時並無指定的環保標準及／或規定。

有關環境、社會及管治方面的詳情，請參閱第44頁至第49頁環境、社會及管治報告一節。

與客戶及供應商的主要關係

本集團與客戶維持良好關係。銷售人員定期與客戶會面及／或致電客戶。客戶如有任何不滿，將向管理層匯報並即時作出補救措施，並將緊貼處理客戶意見直至有關投訴解決為止。此後，本集團將檢討、分析及評估該投訴的因由，並提出改善建議。

本集團亦與供應商維持良好關係。年內，概無接獲供應商任何投訴，亦無任何具爭議債務或未償還債務，且所有債務均於到期日或雙方同意的較後日期或之前償付。

Management Discussion and Analysis

管理層討論及分析

POSSIBLE RISK EXPOSURE

Credit Risk

At 31 December 2016 and 2015, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to the failure to discharge an obligation by the counterparties arose from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group reviews the recoverable amount of each individual trade and other debtor at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced. Please refer to note 7 to the consolidated financial statements for details of credit risk.

Interest Rate Risk

The Group was not exposed to any fair value interest rate risk in relation to fixed-rate bank borrowings for the year ended 31 December 2016.

The Group was exposed to cash flow interest rate risk in relation to its variable rate bank balances. However, the Group considered that the effect of the cash flow interest rate is minimal and no sensitivity analysis to interest rate risk is presented. Please refer to note 7 to the consolidated financial statements for details of interest rate risk.

Liquidity Risk

The Group was exposed to liquidity risk as at 31 December 2016 as its financial assets due within one year were less than its financial liabilities due within one year. The Group had net current liabilities of approximately RMB51,169,000 as at 31 December 2016. The liquidity of the Group depends upon the positive cash flows expected to be generated from the Group's future operations and the Group's ability to successfully obtain new working capital in order to meet the Group's future working capital and financial requirements. Please refer to note 7 to the consolidated financial statements for details of liquidity risk.

可能承受的風險

信貸風險

於二零一六年及二零一五年十二月三十一日，本集團就對手方未能履行其責任而面臨的最高信貸風險（將導致本集團的財務虧損），乃因綜合財務狀況表所述各已確認金融資產的賬面值而引致。

本集團於各報告期末檢討各應收貿易賬款及其他應收賬款的可收回款項，以確保對不可收回的款項計提足夠的減值虧損。就此而言，董事認為，本集團的信貸風險已大大降低。有關信貸風險詳情請參閱綜合財務報表附註7。

利率風險

於截至二零一六年十二月三十一日止年度，本集團並無面對有關其定息銀行借貸之任何公平值利率風險。

本集團亦面對有關與其可變利率之銀行結餘有關之現金流量利率風險。然而，本集團認為現金流量利率影響甚微，故此沒有就利率風險呈列任何敏感度分析。有關利率風險詳情請參閱綜合財務報表附註7。

流動資金風險

由於本集團於一年內到期的金融資產少於一年內到期的金融負債，因此本集團於二零一六年十二月三十一日面臨流動資金風險。於二零一六年十二月三十一日，本集團的流動負債淨額約為人民幣51,169,000元。本集團之流動資金取決於本集團未來業務預期將產生正現金流量，以及本集團成功取得營運資金以滿足本集團的未來營運資金及財務需求的能力。有關流動資金風險詳情請參閱綜合財務報表附註7。

Management Discussion and Analysis

管理層討論及分析

Currency risk

The Group operates in the PRC with most of the transactions denominated and settled in RMB and USD. The Group's foreign currency is mainly HKD. The Group has certain portion of the other receivables, tax recoverable, bank balances and cash and other payables that are denominated in currencies other than the functional currency to which they relate.

The following table shows the Group's exposure at the end of reporting period to currency risk arising from recognised assets and liabilities denominated in a currency other than the functional currency of the entity to which they relate.

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Assets	資產	69	206
Liabilities	負債	(936)	(442)

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. Please refer to note 7 to the consolidated financial statements for details of currency risk.

EVENTS AFTER THE BALANCE SHEET DATE

As from 31 December 2016 to the date of this annual report, no significant events have occurred.

DIVIDENDS

The board of Directors (the "Board") does not recommend the payment of a final dividend for the year under review (2015: Nil).

貨幣風險

本集團於中國經營業務，大部分交易以人民幣及美元計值及結算。本集團之外幣主要為港元。本集團若干部分的其他應收賬款、可收回稅項、銀行結餘及現金以及其他應付賬款以與之相關功能貨幣以外的貨幣計值。

下表列示本集團於報告期末已確認資產及負債(以與之相關的實體的功能貨幣以外的貨幣計值)所引致的貨幣風險：

本集團目前並無外幣對沖政策。然而，管理層會監控外匯風險，並將於必要時考慮對沖重大外幣風險。有關貨幣風險詳情請參閱綜合財務報表附註7。

結算日後事項

自二零一六年十二月三十一日起至本年報日期止，概無發生任何重大事項。

股息

董事會(「董事會」)不建議派付回顧年度的末期股息(二零一五年：無)。

Biographical Details of Directors, Supervisors and Senior Management 董事、監事及高級管理人員的履歷詳情

DIRECTORS

The Board currently consists of 7 Directors including 4 executive Directors, and 3 independent non-executive Directors.

Executive Directors

Mr. He Keng, aged 41, was served as a chairman of 浙江瑞遠機床有限公司 (Zhejiang RuiYuan Machine Tool Co., Ltd) since 2005. He has extensive experience in corporate management. He worked in the Bank of China Shaoxing Branch from July 1997 to January 2005, during which he served as the account manager of the corporate account department, the head of the sub-operating office and the president of Zhuji Xincheng Sub-branch respectively. Mr. He graduated from Zhejiang University with a major in accounting and financial management. As at the date of this report, Mr. He Keng is deemed to be interested in 370,000,000 domestic shares of the Company within the meaning of Part XV of the SFO.

Ms. Wu Shanhong, aged 31, is also the Chief Financial Officer of the Company, joined Zhejiang RuiYuan Machine Tool Co., Ltd in September 2006. She has years of work experience in finance. Ms. Wu Shanhong graduated from Southwest Jiaotong University with a major in accounting.

Mr. Chen Weiqiang, aged 35, joined Zhejiang RuiYuan Machine Tool Co., Ltd in March 2004. Mr. Chen Weiqiang graduated from Southwest University of Science and Technology with a major in economic information management and computer application.

Mr. Ding Cheng, aged 29, joined Zhejiang RuiYuan Machine Tool Co., Ltd in January 2010. He has extensive experience in sales of machines.

董事

董事會現由七名董事組成，包括四名執行董事及三名獨立非執行董事。

執行董事

何鏗先生，41歲，自二零零五年起任浙江瑞遠機床有限公司董事長，擁有豐富的企業管理經驗。彼於一九九七年七月至二零零五年一月在中國銀行紹興市分行工作，先後任公司業務部客戶經理、分理處主任及諸暨新城支行行長。何先生畢業於浙江大學（會計與財務管理專業）。於本報告日期，何鏗先生被視為於本公司370,000,000股內資股（定義見證券及期貨條例第XV部）中擁有權益。

吳珊紅女士，31歲，二零零六年九月進入浙江瑞遠機床有限公司工作，現任首席財務總監，具有多年的財務從業經驗。吳珊紅女士畢業於西南交通大學會計學專業。

陳偉強先生，35歲，二零零四年三月進入浙江瑞遠機床有限公司工作。陳偉強先生畢業於西南科技大學（經濟資訊管理與電腦應用專業）。

丁成先生，29歲，二零一零年一月進入浙江瑞遠機床有限公司工作。在機電銷售方面具有豐富的經驗。

Biographical Details of Directors, Supervisors and Senior Management 董事、監事及高級管理人員的履歷詳情

Independent non-executive Directors

Mr. Kwok Kim Hung Eddie, aged 45, Mr. Kwok currently has been providing corporate advising services as professional accountant in Hong Kong. He has also been appointed as an independent non-executive director of Siberian Mining Group Company Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), since February 2014. He was previously appointed as financial controller, company secretary and authorised representative of Forebase International Holdings Limited, a company listed on the Main Board of the Stock Exchange.

Mr. Kwok is a member of The Hong Kong Institute of Certified Public Accountants. He is also an associate member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom. He holds a Master of Professional Accounting Degree from the Hong Kong Polytechnic University, a Master of Corporate Governance Degree from the Open University of Hong Kong and a Honours Diploma in Accounting from Hong Kong Shue Yan College (now known as Hong Kong Shue Yan University).

Mr. Zhang Zhuoyong, aged 42, engaged in sales and management in the pharmaceutical industry since August 1995. He is currently the managing director of 嘉興市博雅達醫藥有限公司 (Jiaxing Boyada Pharmaceutical Co., Ltd*) and has extensive experience in management of pharmaceutical marketing. Mr. Zhang Zhuoyong graduated from Zhejiang Institute of Silk Textiles with a major in dyeing and finishing.

Mr. Zhang Tieyi, aged 41, joined 杭州賽富特交通設施有限公司 (Hangzhou Saifute Traffic Facilities Co., Ltd*) in May 2006. He was a project manager and person-in-charge of 江蘇城宇建築集團有限公司 (Jiangsu Chengyu Construction Group Co., Ltd*). He has extensive experience in project management. Mr. Zhang Tieyi graduated from Chongqing Architectural University with a major in industrial equipment installation.

獨立非執行董事

郭劍雄先生，45歲，郭先生現時在香港作為專業會計師提供公司顧問服務。彼於自二零一四年二月起亦獲委任為西伯利亞礦業集團有限公司獨立非執行董事，該公司於香港聯合交易所有限公司（「聯交所」）主板上市。彼曾獲申基國際控股有限公司委任為財務總監、公司秘書及授權代表，該公司於聯交所主板上市。

郭先生為香港會計師公會的成員。彼亦為香港特許秘書公會及英國特許秘書與行政人員公會之會員。彼持有香港理工大學專業會計碩士學位、香港公開大學企業管治碩士學位及香港樹仁學院（現稱為香港樹仁大學）之會計學榮譽文憑。

張卓永先生，42歲，自一九九五年八月進入醫藥行業從事銷售管理工作，現任嘉興市博雅達醫藥有限公司總經理，在醫藥銷售的管理方面具有豐富的經驗。張卓永先生畢業於浙江絲綢工學院（染整專業）。

章鐵毅先生，41歲，二零零六年五月進入杭州賽富特交通設施有限公司；歷任江蘇城宇建築集團有限公司專案經理，專案負責人，具有豐富的專案管理經驗。章鐵毅先生畢業於重慶建築大學（工業設備安裝工程專業）。

Biographical Details of Directors, Supervisors and Senior Management 董事、監事及高級管理人員的履歷詳情

SUPERVISORS

Mr. Shi Huanmiao, aged 32, has about 10 years experience in project management. Mr. Shi graduated from 合肥工業大學 (Hefei University of Technology*) with a major in science and technology of optical information in July 2007.

Mr. Zhang Shenggen, aged 69, joined Zhejiang RuiYuan Machine Tool Co., Ltd in May 2004 and is currently the head of the corporate management department Zhejiang of RuiYuan Machine Tool Co., Ltd. Mr. Zhang Shenggen graduated from 杭州大學 (University of Hangzhou*) with a major in administrative management.

Mr. Chen Yuankang, aged 42, joined Zhejiang RuiYuan Machine Tool Co., Ltd in April 2002 and is currently the head of the production department of Zhejiang Zhuji RuiYuan Machine Tool Co., Ltd. Mr. Chen Yuankang is experienced in production management.

SENIOR MANAGEMENT

Company Secretary

Mr. Tsang Chi Wai Rock, aged 53, is the Company Secretary of the Company. He holds a Master of Professional Accounting Degree from The Hong Kong Polytechnic University. Mr. Tsang is a fellow member of The Association of Chartered Certified Accountants and a member of The Hong Kong Institute of Certified Public Accountants and has extensive experience in finance and management.

監事

石歡苗先生，32歲，擁有約10年項目管理經驗。石歡苗先生二零零七年七月畢業於合肥工業大學（光資訊科學與技術專業）。

張生根先生，69歲，二零零四年五月進入浙江瑞遠機床有限公司，現任浙江瑞遠機床有限公司企管部主任。張先生畢業於杭州大學（行政管理專業）。

陳元康先生，42歲，二零零二年四月進入浙江瑞遠機床有限公司工作，現任浙江瑞遠機床有限公司生產部部長。陳元康先生對生產管理方面具有豐富的經驗。

高級管理層

公司秘書

曾志偉先生，53歲，本公司的公司秘書。彼持有香港理工大學專業會計碩士學位。曾先生是特許公認會計師公會資深會員及香港會計師公會的會員，擁有豐富財務和管理經驗。

Report of the Directors

董事會報告書

The Directors present their annual report together with the audited consolidated financial statements for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activities of the Company are the sales of intelligent controller systems for consumer electrical and electronic appliances and sales of small electrical appliances. Details of the principal activities of its subsidiaries are set out in note 39 to the consolidated financial statements.

Analysis of the Group's performance for the year by operating segments is set out in note 10 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on page 57 to page 58.

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

PLANT AND EQUIPMENT

Details of movements in plant and equipment of the Group during the year are set out in note 18 to the consolidated financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 32 to the consolidated financial statements.

RESERVES

Details of movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 61. The Company has no reserve available for distribution to shareholders as at 31 December 2016.

董事呈交其截至二零一六年十二月三十一日止年度的年度報告及經審核綜合財務報表。

主要業務及按地域分析的業務

本公司的主要業務為銷售消費電器及電子用品的智能控制器系統及銷售小型電器。有關其附屬公司主要業務的詳情載於綜合財務報表附註39。

本集團本年度按經營分部分類的業績分析載於綜合財務報表附註10。

業績及分派

本集團截至二零一六年十二月三十一日止年度的業績載於第57頁至第58頁的綜合損益及其他全面收益表。

董事並不建議就截至二零一六年十二月三十一日止年度派發任何股息。

廠房及設備

本集團的廠房及設備年內變動詳情載於綜合財務報表附註18。

股本

本公司的股本詳情載於綜合財務報表附註32。

儲備

本集團的儲備年內變動詳情載於第61頁的綜合權益變動表。本公司於二零一六年十二月三十一日並無任何可供分派予股東的儲備。

Report of the Directors

董事會報告書

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association of the Company and no restriction against such rights under the laws of the People's Republic of China (the "PRC"), which will oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on page 131 and 132.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

SHARE OPTIONS

As at the date of this report, no option has been granted or agreed to be granted by the Company to any of its Directors, Supervisors or employees of the Company or its subsidiaries.

DIRECTORS

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

Executive Directors

Mr. He Keng (*Chairman*)
(appointed on 13 December 2016)
Ms. Wu Shanhong (appointed on 13 December 2016)
Mr. Chen Weiqiang (appointed on 13 December 2016)
Mr. Ding Cheng (appointed on 13 December 2016)
Mr. Zhu Chun Rong
(appointed on 7 June 2016 and resigned on 13 December 2016)
Mr. Zhu Guo An (resigned on 13 December 2016)
Mr. Qi Yong Qiang (resigned on 15 September 2016)
Mr. Yu Nian Hua (resigned on 7 June 2016)

優先購買權

根據本公司的公司章程細則，概無有關優先購買權的條文，而根據中華人民共和國（「中國」）法律，並無限制該等權利的條文而規定本公司有義務按現有股東的股權比例，提呈發售新股份。

財務資料概要

本集團最近五個財政年度的業績、資產及負債概要載於第 131 及 132 頁。

購買、出售或贖回上市證券

年內，本公司概無贖回其任何股份。本公司或其任何附屬公司於年內概無購買或出售本公司任何股份。

購股權

於本報告刊發日期，本公司概無向本公司或其附屬公司任何董事、監事或僱員授出或同意授出購股權。

董事

於本年度及截至本報告刊發日期止，在職董事為：

執行董事

何鏗先生（主席）
(於二零一六年十二月十三日獲委任)
吳珊紅女士（於二零一六年十二月十三日獲委任）
陳偉強先生（於二零一六年十二月十三日獲委任）
丁成先生（於二零一六年十二月十三日獲委任）
朱春榮先生（於二零一六年六月七日獲委任及
於二零一六年十二月十三日辭任）
諸國安先生（於二零一六年十二月十三日辭任）
元勇強先生（於二零一六年九月十五日辭任）
余念華先生（於二零一六年六月七日辭任）

Report of the Directors

董事會報告書

Non-executive Directors

Mr. Jiang Guo Ping (resigned on 13 December 2016)
Mr. Zheng Xin (resigned on 13 December 2016)
Mr. Zhu Guo Dan (resigned on 13 December 2016)

Independent Non-executive Directors

Mr. Kwok Kim Hung Eddie
Mr. Zhang Zhuoyong (appointed on 13 December 2016)
Mr. Zhang Tieyi (appointed on 13 December 2016)
Mr. Jiang Mei Yin (resigned on 7 June 2016)
Mr. Lu Song Qian
(appointed on 7 June 2016 and resigned on 13 December 2016)
Mr. Lu Xiang Tai (resigned on 13 December 2016)

Supervisors

Mr. Shi Huanmiao (appointed on 13 December 2016)
Mr. Zhang Shenggen (appointed on 13 December 2016)
Mr. Chen Yuankang (appointed on 13 December 2016)
Mrs. Mao Lihong (resigned on 7 June 2016)
Mrs. Shi Weina (resigned on 13 December 2016)
Mr. Li Yuhua (resigned on 13 December 2016)
Mr. Lu Guo Xun
(appointed on 7 June 2016 and resigned 13 December 2016)

Members of the Audit Committee

Mr. Kwok Kim Hung Eddie (*Chairman*)
Mr. Zhang Zhuoyong (appointed on 13 December 2016)
Mr. Zhang Tieyi (appointed on 13 December 2016)
Mr. Jiang Mei Yin (resigned on 7 June 2016)
Mr. Lu Song Qian
(appointed on 7 June 2016 and resigned on 13 December 2016)
Mr. Lu Xiang Tai (resigned on 13 December 2016)

Members of the Remuneration Committee

Mr. Zhang Tieyi (*Chairman*)
(appointed on 13 December 2016)
Mr. He Keng (appointed on 13 December 2016)
Mr. Zhang Zhuoyong (appointed on 13 December 2016)
Mr. Kwok Kim Hung Eddie
Mr. Jiang Mei Yin (resigned on 7 June 2016)
Mr. Lu Xiang Tai (resigned on 13 December 2016)

非執行董事

姜國平先生(於二零一六年十二月十三日辭任)
鄭新先生(於二零一六年十二月十三日辭任)
諸國淡先生(於二零一六年十二月十三日辭任)

獨立非執行董事

郭劍雄先生
張卓永先生(於二零一六年十二月十三日獲委任)
章鐵毅先生(於二零一六年十二月十三日獲委任)
姜美銀先生(於二零一六年六月七日辭任)
魯松千先生(於二零一六年六月七日獲委任及
於二零一六年十二月十三日辭任)
陸祥泰先生(於二零一六年十二月十三日辭任)

監事

石歡苗先生(於二零一六年十二月十三日獲委任)
張生根先生(於二零一六年十二月十三日獲委任)
陳元康先生(於二零一六年十二月十三日獲委任)
毛利紅女士(於二零一六年六月七日辭任)
史維娜女士(於二零一六年十二月十三日辭任)
李玉華先生(於二零一六年十二月十三日辭任)
魯國勛先生(於二零一六年六月七日獲委任及
於二零一六年十二月十三日辭任)

審核委員會成員

郭劍雄先生(主席)
張卓永先生(於二零一六年十二月十三日獲委任)
章鐵毅先生(於二零一六年十二月十三日獲委任)
姜美銀先生(於二零一六年六月七日辭任)
魯松千先生(於二零一六年六月七日獲委任及
於二零一六年十二月十三日辭任)
陸祥泰先生(於二零一六年十二月十三日辭任)

薪酬委員會成員

章鐵毅先生(主席)
(於二零一六年十二月十三日獲委任)
何鏗先生(於二零一六年十二月十三日獲委任)
張卓永先生(於二零一六年十二月十三日獲委任)
郭劍雄先生
姜美銀先生(於二零一六年六月七日辭任)
陸祥泰先生(於二零一六年十二月十三日辭任)

Report of the Directors

董事會報告書

Members of the Nomination Committee

Mr. Zhang Zhuoyong (*Chairman*)
(appointed on 13 December 2016)
Mr. He Keng (appointed on 13 December 2016)
Mr. Zhang Tieyi (appointed on 13 December 2016)
Mr. Kwok Kim Hung Eddie
Mr. Lu Xiang Tai (resigned on 13 December 2016)
Mr. Jiang Mei Yin (resigned on 7 June 2016)

In accordance with Articles 88 and 112 of the Company's Articles of Association, the Directors and Supervisors appointed by the Board since last shareholders' annual general meeting shall be elected at the coming shareholders' general meeting for a term of three years. A Director or supervisor may serve consecutive terms if re-elected upon the expiration of the terms.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Brief biographical details of Directors, Supervisors and senior management are set out on page 14 to page 16.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the Directors and Supervisors has entered into a service contract with the Company for a term of three years from his/her date of appointment as a Director or, as the case may be, as a Supervisor and thereafter subject to termination by either party giving not less than one month's written notice to the other party.

Save as disclosed above, no Directors or Supervisors who are proposed for re-election at the forthcoming annual general meeting has entered into any service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

提名委員會成員

張卓永先生(主席)
(於二零一六年十二月十三日獲委任)
何鏗先生(於二零一六年十二月十三日獲委任)
章鐵毅先生(於二零一六年十二月十三日獲委任)
郭劍雄先生
陸祥泰先生(於二零一六年十二月十三日辭任)
姜美銀先生(於二零一六年六月七日辭任)

根據本公司的公司章程細則第88及第112條，自上屆股東週年大會以來由董事會委任的董事及監事須於來屆股東大會上接受選舉，任期三年。董事或監事可於任期屆滿時重選連任。

董事、監事及高級管理人員的履歷詳情

董事、監事及高級管理人員的簡歷詳情載於第14頁至第16頁。

董事及監事的服務合約

各董事及監事已分別與本公司訂立服務合約，任期由其各自獲委任為董事或(視情況而定)獲委任為監事之日起計為期三年，其後可由任何一方向另一方發出不少於一個月書面通知終止。

除上述所披露者外，概無擬於應屆股東週年大會重選連任的董事或監事，與本公司訂有任何不可於一年內免付賠償(法定賠償除外)而終止的服務合約。

Report of the Directors

董事會報告書

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

Apart from the Directors' and Supervisors' service contracts disclosed above, no contracts of significance in relation to the Group's business to which the Company or its subsidiaries was a party and in which a Director or a Supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS', CHIEF EXECUTIVES' AND SUPERVISORS' INTERESTS IN THE SHARES OF THE COMPANY

At 31 December 2016, the interests and long positions of each Director, Chief Executive and Supervisor of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealing by directors as referred to in Rules 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:

Ordinary shares of RMB0.10 each of the Company as at 31 December 2016:

Long positions in shares

Name of Director/ Chief Executive/ Supervisor	Domestic Shares of RMB0.10 each (the "Domestic Shares") held	Nature of interest	Approximate percentage of shareholding held in same class of securities	Approximate percentage of shareholding in the registered capital
董事/主要行政 人員/監事姓名	所持每股面值人民幣0.10元的 內資股(「內資股」)數目	權益性質	佔同類別證券 概約持股百分比	佔註冊資本 概約持股百分比
Mr. He Keng 何鏗先生	322,675,000 Domestic Shares (note 2) 322,675,000 股內資股(附註2)	Interest of corporation (Note 2) 法團權益(附註2)	87.21%	64.53%
	1,000 H Shares 1,000 股H股	Beneficial owner (Note 3) 實益擁有人(附註3)	0.0008%	0.0002%

董事及監事於合約的權益

除上文所披露的董事及監事的服務合約外，於本年度終結或年內任何時間，本公司或其附屬公司概無訂立對本集團業務而言屬重大及本公司董事或監事於當中直接或間接擁有重大權益的合約。

董事、主要行政人員及監事於本公司股份的權益

於二零一六年十二月三十一日，本公司各董事、主要行政人員及監事於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債券中，擁有本公司根據證券及期貨條例第352條規定須存置的登記冊所記錄的權益及好倉，或根據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」)第5.46條所述董事進行交易的最低標準已知會本公司及聯交所的權益及好倉如下：

於二零一六年十二月三十一日本公司每股面值人民幣0.10元的普通股：

股份的好倉

Report of the Directors

董事會報告書

Notes:

- (1) Domestic Shares of a nominal value of RMB0.10 each, in the registered capital of the Company, which are subscribed for or credited as fully-paid in Renminbi. "H Share(s)" represent overseas listed foreign share(s) of a nominal value of RMB0.10 each in the registered capital of the Company, which are listed on the GEM and subscribed for and traded in Hong Kong dollars.
- (2) On 11 July 2016, Zhejiang RuiYuan Intelligent Robot Company Limited ("Zhejiang RuiYuan") entered into a share transfer agreement with Wan Li Group Company Limited (萬里控股集團股份有限公司) ("Wanli"), Mr. Qi Yong Qiang ("Mr. Qi") and other parties, pursuant to which, among other things, Zhejiang RuiYuan agreed to acquire (i) 306,900,000 Domestic Shares held by Wanli and 15,775,000 Domestic Shares held by Mr. Qi (collectively the "First Batch Sale Shares") and (ii) 47,325,000 Domestic Shares held by Mr. Qi (the "Second Batch Sale Shares"). After completion of the transfer of the First Batch Sale Shares on 18 July 2016, Zhejiang RuiYuan and parties acting in concert with it owned an aggregate of 322,675,000 Domestic Shares, representing approximately 64.53% of the entire issued share capital of the Company as at 31 December 2016. The transfer of the Second Batch Sale Shares from Mr. Qi to Zhejiang RuiYuan has not taken place as at 31 December 2016.
- (3) As a result of the Mandatory Cash Offer which closed at 4 pm on 14 September 2016, Mr. He acquired valid acceptances in respect of 1,000 H Shares. Accordingly, Mr. He was interested in 1,000 H Shares as at 31 December 2016.

Save as disclosed above, at no time during the year did the Directors, Chief Executives and Supervisors (including their spouse and children under 18 years of age) have any interest in, or had they been granted, or exercised, any rights to subscribe for shares of the Company or its associated corporations (within the meaning of SFO).

Apart from the above, at no time during the year was the Company or its subsidiaries a party to any arrangement enabling the Directors, Chief Executives and Supervisors of the Company to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporation.

Furthermore, at no time during the year was there any arrangement whose objects are, or one of whose objects is, to enable Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or its associated corporation.

附註：

- (1) 本公司註冊資本中每股面值人民幣0.10元的內資股乃以人民幣認購或入賬列作繳足。「H股」為本公司註冊資本中每股面值人民幣0.10元的海外上市外資股，於創業板上市，並以港元認購及買賣。
- (2) 於二零一六年七月十一日，浙江瑞遠智能機器人股份有限公司（「浙江瑞遠」）與萬里控股集團股份有限公司（「萬里」）、元勇強先生（「元先生」）及其他方訂立一份股份轉讓協議，據此，（其中包括）浙江瑞遠同意收購(i)萬里持有的306,900,000股內資股及元先生持有的15,775,000股內資股（統稱為「第一批銷售股份」）及(ii)元先生持有的47,325,000股內資股（「第二批銷售股份」）。於二零一六年七月十八日第一批銷售股份轉讓完成後，浙江瑞遠及其一致行動方合共擁有322,675,000股內資股，佔本公司於二零一六年十二月三十一日全部已發行股本約64.53%。於二零一六年十二月三十一日，元先生向浙江瑞遠轉讓的第二批銷售股份尚未進行。
- (3) 強制性現金要約於二零一六年九月十四日下午四時結束後，何先生收到有關1,000股H股的有效接納。因此，於二零一六年十二月三十一日，何先生於1,000股H股中擁有權益。

除上文所披露者外，於本年度的任何時間，概無董事、主要行政人員及監事（包括彼等之配偶及未滿十八歲的子女）於本公司或其相聯法團（定義見證券及期貨條例）的股份擁有任何權益，或已獲授或已行使可認購該等股份的任何權利。

除上文所述者外，於本年度的任何時間，本公司或其附屬公司概無訂立任何安排，致使本公司董事、主要行政人員及監事持有本公司或其相聯法團的股份、相關股份或債券任何權益或淡倉。

此外，於本年度的任何時間，並無訂立任何安排，使董事可藉購買本公司或其相聯法團之股份或債券而獲取利益。

Report of the Directors

董事會報告書

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PARTIES IN THE SHARES OF THE COMPANY

主要股東及其他各方於本公司股份的權益

According to the register of substantial shareholders maintained under section 336 of the SFO, as at 31 December 2016, the Company had been notified the following substantial shareholders' were interested in 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors, Chief Executives and Supervisors.

按根據證券及期貨條例第336條規定存置的主要股東登記冊顯示，於二零一六年十二月三十一日，本公司獲知會以下主要股東擁有本公司已發行股本5%或以上權益。這些權益並無計入上文所披露有關董事、主要行政人員及監事的權益內。

Name of Substantial Shareholder	Total number of Shares interested	Nature of interest	Approximate percentage of shareholding held in same class of securities 佔同類別證券概約持股百分比	Approximate percentage of shareholding held in the registered capital 佔註冊資本概約持股百分比
主要股東姓名/名稱	持有權益的股份總數	權益性質		
浙江瑞遠智能機器人股份有限公司(「浙江瑞遠」) (Zhejiang RuiYuan Intelligent Robot Company Limited) ("Zhejiang Ruiyan")	322,675,000 Domestic Shares 322,675,000 股內資股 (Notes 2 and 3) (附註2及3)	Beneficial owner 實益擁有人	87.21%	64.53%
杭州沁蝶機電設計有限公司 (「杭州沁蝶」) (Hangzhou Qindie Electronic Equipment Company Limited) ("Hangzhou Qindie")	322,675,000 Domestic Shares 322,675,000 股內資股 (Notes 2 and 4) (附註2及4)	Interest of corporation 法團權益	87.21%	64.53%
諸暨金福機電設備有限公司(「諸暨金福」) (Zhujin Jinfu Electrical Equipment Company Limited*) ("Zhujin Jinfu")	322,675,000 Domestic Shares 322,675,000 股內資股 (Notes 2 and 4) (附註2及4)	Interest of corporation 法團權益	87.21%	64.53%
何鏗(「何先生」)(Mr. He Keng) ("Mr. He")	322,675,000 Domestic Shares 322,675,000 股內資股 (Notes 2 and 4) (附註2及4)	Interest of corporation 法團權益	87.21%	64.53%
	1,000 H Shares 1,000 股H股 (Note 5) (附註5)	Beneficial owner 實益擁有人	0.0008%	0.0002%
湯晶豐 (Mr. Tang Jingfeng)	322,675,000 Domestic Shares 322,675,000 股內資股 (Notes 2 and 4) (附註2及4)	Interest of corporation 法團權益	87.21%	64.53%
趙忠信 (Mr. Zhao Zhongxin)	322,675,000 Domestic Shares 322,675,000 股內資股 (Notes 2 and 4) (附註2及4)	Interest of corporation 法團權益	87.21%	64.53%
何楊根 (Mr. He Yanggen)	322,675,000 Domestic Shares 322,675,000 股內資股 (Notes 2 and 4) (附註2及4)	Interest of corporation 法團權益	87.21%	64.53%
元勇強(「元先生」)(Mr. Qi Yong Qiang)("Mr. Qi")	47,245,000 Domestic Shares 47,245,000 股內資股 (Note 2) (附註2)	Beneficial owner 實益擁有人	12.79%	9.47%
Martin Currie China Hedge Fund Limited	14,245,000 H Shares 14,245,000 股H股股份	Investment manager 投資經理	10.96%	2.85%
Martin Currie Investment Management Limited	14,245,000 H Shares 14,245,000 股H股股份	Investment manager 投資經理	10.96%	2.85%

Report of the Directors

董事會報告書

Notes:

- (1) Domestic Shares of a nominal value of RMB0.10 each, in the registered capital of the Company, which are subscribed for or credited as fully-paid in Renminbi. "H Share(s)" represent overseas listed foreign share(s) of a nominal value of RMB0.10 each in the registered capital of the Company, which are listed on the GEM and subscribed for and traded in Hong Kong dollars.
- (2) On 11 July 2016, Zhejiang RuiYuan entered into a share transfer agreement with Wan Li Group Company Limited (萬里控股集團股份有限公司) ("Wanli"), Mr. Qi Yong Qiang ("Mr. Qi") and other parties, pursuant to which, among other things, Zhejiang RuiYuan agreed to acquire (i) 306,900,000 Domestic Shares held by Wanli and 15,775,000 Domestic Shares held by Mr. Qi (collectively the "First Batch Sale Shares") and (ii) 47,325,000 Domestic Shares held by Mr. Qi (the "Second Batch Sale Shares"). After completion of the transfer of the First Batch Sale Shares on 18 July 2016, Zhejiang RuiYuan and parties acting in concert with it owned an aggregate of 322,675,000 Domestic Shares, representing approximately 64.53% of the entire issued share capital of the Company as at 31 December 2016. The transfer of the Second Batch Sale Shares from Mr. Qi to Zhejiang RuiYuan has not taken place as at 31 December 2016.
- (3) Zhejiang RuiYuan is a joint stock company incorporated in the PRC with limited liability and is owned as to 55% by Hangzhou Qindie and as to 45% by Zhujijinfu.
- (4) Hangzhou Qindie is a company established in the PRC and is owned as to 51% by Mr. He and as to 49% by Mr. Tang Jingfeng. Zhujijinfu is a company established in the PRC and is owned as to 50% by Mr. Zhao Zhongxin and as to 50% by Mr. He Yanggen.
- (5) As a result of the Mandatory Cash Offer which closed at 4pm on 14 September 2016, Mr. He acquired valid acceptances in respect of 1,000 H Shares. Accordingly, Mr. He was interested in 1,000 H Shares as at 31 December 2016.

Save as discussed above, the Directors are not aware of any person (other than the Directors whose interests are set out in the section headed "Directors, Chief Executives' and Supervisors' Interests" in the shares of the Company above) holding any interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register pursuant to section 336 of the SFO as at 31 December 2016.

附註：

- (1) 本公司註冊資本中每股面值人民幣0.10元的內資股乃以人民幣認購或入賬列作繳足。「H股」為本公司註冊資本中每股面值人民幣0.10元的海外上市外資股，於創業板上市，並以港元認購及買賣。
- (2) 於二零一六年七月十一日，浙江瑞遠與萬里控股集團股份有限公司（「萬里」）、元勇強先生（「元先生」）及其他方訂立一份股份轉讓協議，據此，（其中包括）浙江瑞遠同意收購(i)萬里持有的306,900,000股內資股及元先生持有的15,775,000股內資股（統稱為「第一批銷售股份」）及(ii)元先生持有的47,325,000股內資股（「第二批銷售股份」）。於二零一六年七月十八日第一批銷售股份轉讓完成後，浙江瑞遠及其一致行動方合共擁有322,675,000股內資股，佔本公司於二零一六年十二月三十一日全部已發行股本約64.53%。於二零一六年十二月三十一日，元先生向浙江瑞遠轉讓的第二批銷售股份尚未進行。
- (3) 浙江瑞遠為一間於中國註冊成立的股份有限公司，並由杭州沁蝶擁有55%及諸暨金福擁有45%。
- (4) 杭州沁蝶為一間於中國註冊成立的公司，並由何先生擁有51%及湯晶豐先生擁有49%。諸暨金福為一間於中國註冊成立的公司，並由趙忠信先生擁有50%及何楊根先生擁有50%。
- (5) 強制性現金要約於二零一六年九月十四日下午四時結束後，何先生收到有關1,000股H股的有效接納。因此，於二零一六年十二月三十一日，何先生於1,000股H股中擁有權益。

除上文所披露者外，於二零一六年十二月三十一日，董事並不知悉有任何人士（並非擁有上述「董事、主要行政人員及監事於本公司股份的權益」一節中所載權益的董事）於本公司股份或相關股份中，擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露，或須記入本公司根據證券及期貨條例第336條存置的登記冊內的任何權益或淡倉。

Report of the Directors

董事會報告書

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Director's and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Companies Ordinance (Chapter 622, Laws of Hong Kong) when the Report of the Board of the Directors prepared by the Directors is approved in accordance with section 391(1)(a) of the Companies Ordinance (Chapter 622, Laws of Hong Kong).

CORPORATE GOVERNANCE REPORT

Corporate governance report of the Company is set out on page 27 to page 43 of the annual report.

FINAL DIVIDEND

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

SUFFICIENCY OF PUBLIC FLOAT

The Company maintained a sufficient public float as required under the GEM Listing Rules during the year ended 31 December 2016.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of sales and purchases for the year attributable to the Group's major customers and suppliers are as follows:

Sales

— the largest customer	18%
— five largest customers combined	65%

Purchases

— the largest supplier	20%
— five largest suppliers combined	73%

管理層合約

年內概無訂立或訂有有關本公司全部或任何主要部分業務的管理及行政合約。

獲准許的彌償條文

本公司已就其董事及高級管理人員可能面對因企業活動產生之法律訴訟，為董事及行政人員之職責作適當之投保安排。基於董事利益的獲准許彌償條文根據公司條例(香港法例第622章)第470條的規定於董事編製之董事會報告根據公司條例(香港法例第622章)第391(1)(a)條獲通過時生效。

企業管治報告

本公司之企業管治報告載於本年報第27至第43頁。

末期股息

董事會不建議派發截至二零一六年十二月三十一日止年度的末期股息。

充足之公眾持股量

於截至二零一六年十二月三十一日止年度，本公司根據創業板上市規則之規定維持充足之公眾持股量。

主要客戶及供應商

本年度本集團主要客戶及供應商應佔的銷售及採購百分比如下：

銷售

— 最大客戶	18%
— 五大客戶合計	65%

採購

— 最大供應商	20%
— 五大供應商合計	73%

Report of the Directors

董事會報告書

None of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) has an interest in the major suppliers and major customers noted above.

COMPLIANCE WITH THE CODE

Details of the Company's compliance with the code provisions set out in Corporate Governance Code set out in Appendix 15 in the Corporate Governance Report of the GEM Listing Rules throughout the financial year ended 31 December 2016 are disclosed on page 27 to page 43.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group, are set out in note 37 to the consolidated financial statements.

None of the transactions described therein fall under the definition of connected transaction which are not fully exempted from shareholders' approval, annual review and all disclosure requirement under chapter 20 of the GEM Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the end of reporting period.

COMPETING INTERESTS

None of the Directors, the management shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in any business that directly or indirectly competes with the business of the Group or has any other conflicts of interest.

AUDITORS

The financial statements for the year have been audited by KTC Partners CPA Limited, who retire and, being eligible, offer themselves for reappointment at the forthcoming Annual General Meeting of the Company.

On behalf of the Board

He Keng
Chairman

Ningbo, The PRC, 29 March 2017

概無董事、其聯繫人士或任何股東(董事獲悉持有本公司5%以上股本之股東)於上文所述主要供應商及主要客戶中擁有權益。

遵守守則

於截至二零一六年十二月三十一日止財政年度，本公司遵守創業板上市規則企業管治報告附錄15企業管治守則所載的守則條文之詳情披露於第27頁至43頁。

關連人士交易

本集團的關連人士交易詳情載於綜合財務報表附註37。

本年報所載之交易均不符合關連交易之定義，並不完全獲豁免遵守創業板上市規則第20章項下的股東批准、年度審閱及所有披露規定。

報告期後事項

報告期末後，並無發生任何重大事項。

競爭權益

董事、本公司管理層股東及彼等各自的聯繫人士(定義見創業板上市規則)概無於直接或間接與本集團業務構成競爭的任何業務中擁有權益，亦無任何其他利益衝突。

核數師

本年度財務報表由和信會計師事務所有限公司審核，該會計師事務所將告退，並符合資格及願意於本公司應屆股東週年大會應聘連任。

代表董事會

主席
何鏗

中國寧波，二零一七年三月二十九日

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE

During the year ended 31 December 2016, the Company has complied with the code provisions set out in the Corporate Governance Code (effective from 1 April 2012) as stated in Appendix 15 of the GEM Listing Rules except the following deviations (Code Provisions A.2.1):

Mr. He Keng is the Chairman of the Board. The Company has no such title as the chief executive officer and the daily operation and management of the Company is monitored by the executive directors as well as the senior management. The Board is of the view that although there is no chief executive officer, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals and meet from time to time to discuss issues affecting the operations of the Company.

Further information on the Company's corporate governance practices is set out below.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has appointed 3 independent non-executive Directors. The Company confirms that it has received from each of the independent non-executive Directors a confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company still considers all the existing independent non-executive Directors to be independent. All the independent non-executive Directors are appointed for a three-year term.

CORPORATE GOVERNANCE PRACTICES

The Board and the management of the Company are committed to establishing good corporate governance practices and procedures. The maintenance of high standard of business ethics and corporate governance practices has always been one of the Group's goals. The Company believes that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture, thereby leading to the enhancement of shareholders' value.

企業管治

於截至二零一六年十二月三十一日止年度，本公司遵守創業板上市規則附錄15所載之企業管治守則（於二零一二年四月一日起生效）之守則條文，惟以下偏離（守則條文第A.2.1條）除外：

何鏗先生為董事會主席。本公司並無設立行政總裁職銜，而本公司之日常營運及管理由執行董事及高級管理層實行監控。董事會認為，雖然本公司並無行政總裁，但透過由具備豐富經驗之人士組成之董事會運作並不時開會討論影響本公司營運之事宜，足以確保維持權責平衡。

有關本公司企業管治常規之進一步資料載列於下文。

獨立非執行董事

本公司已委任3名獨立非執行董事。本公司確認，本公司已接獲各獨立非執行董事之確認書，確認其具有創業板上市規則第5.09條所指之獨立性，而本公司認為，所有現任獨立非執行董事均仍具備獨立性。所有獨立非執行董事任期均為三年。

企業管治常規

董事會及本公司管理層致力訂立良好之企業管治常規及程序。本集團一直以維持高水準之商業道德及企業管治常規為其目標之一。本公司相信，良好之企業管治能為有效管理、成功之業務增長及健康之企業文化訂立框架，從而提升股東價值。

Corporate Governance Report

企業管治報告

The Board has adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 to the Rules Governing the GEM Listing Rules. Continuous efforts are made to review and enhance the Group’s internal controls and procedures in light of changes in regulations and developments in best practices. To us, maintaining high standards of corporate governance practices is not just complying with the provisions but also the intent of the regulations to enhance corporate performance and accountability.

The Board is pleased to report compliance with the code provisions of the CG Code throughout the year, except where otherwise stated.

DIRECTORS’ SECURITIES TRANSACTIONS

The Group has adopted a code of dealing in securities by Directors of the Group as set out in Rule 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding securities transactions by Directors. Having made specific enquiry with all Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code throughout the year.

DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong and the GEM Listing Rules and the overriding principle that inside information should be announced immediately when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the GEM Listing Rules as well as the “Guidelines on Disclosure of Inside Information” published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and its website;
- the Group has strictly prohibited unauthorised use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group’s affairs.

董事會已採納載於創業板證券上市規則附錄15之企業管治守則(「企業管治守則」)。本集團一直致力就條例之變更及最佳常規之發展檢討及提升其內部監控及程序。對我們而言，維持高水準之企業管治常規不僅為符合條文，而是實現條文之精神，提升企業表現及加強問責性。

董事會欣然報告，除另有說明者外，於整個年度符合企業管治守則之守則條文。

董事之證券交易

本集團已採納載於創業板上市規則第5.48條至5.67條之集團之董事進行證券交易之守則作為其本身有關董事進行證券交易之行為守則。經向全體董事作出特定查詢後，董事均確認彼等於整個年度已遵守標準守則所載之規定標準。

披露內幕消息

本集團知悉其根據香港法例第571章證券及期貨條例及創業板上市規則所應履行的責任，整體原則是內幕消息必須在有所決定後即時公佈。處理及發佈內幕消息的程序及內部監控措施如下：

- 本集團處理事務時會充分考慮創業板上市規則項下的披露規定以及香港證券及期貨事務監察委員會於二零一二年六月頒佈的「內幕消息披露指引」；
- 本集團透過財務報告、公告及公司網站等途徑向公眾廣泛及非獨家披露資料，以實施及公平披露其政策；
- 本集團已嚴格禁止未經授權使用機密或內幕消息；及
- 本集團已就外界查詢本集團事務訂立及執行回應程序。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS

The Board comprises:

Executive Directors	:	Mr. He Keng (<i>Chairman</i>) Ms. Wu Shanhong Mr. Chen Weiqiang Mr. Ding Cheng
Independent Non-Executive Directors	:	Mr. Kwok Kim Hung Eddie Mr. Zhang Zhuoyong Mr. Zhang Tieyi

Each independent non-executive Director has given an annual confirmation of his independence to the Company, and the Company considers them to be independent under Rule 5.09 of the GEM Listing Rules.

As at 31 December 2016, the Board comprises seven members, including four executive Directors and three independent non-executive Directors. Each of the members possesses sufficient experience and qualification which enable them to discharge their duties properly.

The Company seeks to achieve board diversity through the consideration of a number of factors, including age, education background, skills and experience.

The chairman is responsible for the formulation and review of the Group's overall development strategies. The daily operation is delegated to the executive Directors and senior management. None of the independent non-executive Directors is interested in the business of the Group and their independence has to be confirmed upon appointment or reappointment. Currently, there is no financial, business, family or other relevant material relationship among the existing Directors.

According to the articles of association of the Company, all the Directors shall be elected at the general meeting of the shareholders and the term of office shall be three years, renewable upon reappointment or re-election.

Board meetings are conducted on a periodic basis and with reference to the operation needs. During the year, the board held 14 meetings and the attendance of the Directors is set out on page 30.

董事會

董事會成員包括：

執行董事	:	何鏗先生(主席) 吳珊紅女士 陳偉強先生 丁成先生
獨立非執行董事	:	郭劍雄先生 張卓永先生 章鐵毅先生

各位獨立非執行董事已就其獨立性向本公司發出年度確認，而根據創業板上市規則第5.09條之規定，本公司認為彼等均為獨立人士。

於二零一六年十二月三十一日，董事會由七名成員組成，包括四名執行董事及三名獨立非執行董事。董事會各成員均具有足夠經驗及資歷以妥善履行其職責。

本公司力求透過考慮多個因素實現董事會多元化，包括年齡、教育背景、技能及經驗。

主席負責製訂及檢討本集團的整體發展策略，日常營運則由執行董事及高級管理人員負責。各獨立非執行董事概無於本集團業務中擁有任何權益，並於出任及留聘有關任命時確認其獨立地位。目前，現任董事間並無財務、業務、家族或其他相關重大關係。

根據本公司的公司章程細則規定，所有董事須於股東大會上選舉產生，任期三年，於任期屆滿時重選連任。

董事會定期及按業務所需舉行會議。年內，董事會舉行了14次會議，各董事出席記錄載於第30頁。

Corporate Governance Report

企業管治報告

ATTENDANCE OF MEETINGS

During the financial year ended 31 December 2016, a total of 14 Board meetings, 1 annual general meeting (“AGM”) and 2 extraordinary general meetings (“EGM”) were held and the attendance of each Director is set out as follows:

會議出席記錄

於截至二零一六年十二月三十一日止財政年度內，本公司合共舉行14次董事會會議、1次股東週年大會（「股東週年大會」）及2次股東特別大會（「股東特別大會」），各位董事之出席情況載列如下：

Number of meetings attended in the year ended 31 December 2016 於截至二零一六年十二月三十一日止年度內出席會議次數		Attendance/Number of meetings held 出席/舉行會議次數		
Name of Director 董事姓名	Director resigned during the year. 年內辭任之董事	Board	AGM	EGM
		meetings 董事會會議	股東週年大會	股東特別大會
Mr. He Keng (Chairman) (appointed on 13 December 2016)	何鏗先生(主席)(於二零一六年十二月十三日獲委任)	3/14	0/1	0/2
Ms. Wu Shanhong (appointed on 13 December 2016)	吳珊紅女士(於二零一六年十二月十三日獲委任)	3/14	0/1	0/2
Mr. Chen Weiqiang (appointed on 13 December 2016)	陳偉強先生(於二零一六年十二月十三日獲委任)	3/14	0/1	0/2
Mr. Ding Cheng (appointed on 13 December 2016)	丁成先生(於二零一六年十二月十三日獲委任)	3/14	0/1	0/2
Mr. Zhang Zhuoyong (appointed on 13 December 2016)	張卓永先生(於二零一六年十二月十三日獲委任)	3/14	0/1	0/2
Mr. Zhang Tieyi (appointed on 13 December 2016)	章鐵毅先生(於二零一六年十二月十三日獲委任)	3/14	0/1	0/2
Mr. Eddie Kwok Kim Hung	郭劍雄先生	14/14	1/1	2/2
Mr. Zhu Guo An (Chairman) (resigned on 13 December 2016)	諸國安先生(主席)(於二零一六年十二月十三日辭任)	11/14	0/1	2/2
Mr. Qi Yong Qiang (resigned on 15 September 2016)	元勇強先生(於二零一六年九月十五日辭任)	6/14	0/1	0/2
Mr. Yu Nian Hua (resigned on 7 June 2016)	余念華先生(於二零一六年六月七日辭任)	2/14	0/1	0/2
Mr. Jiang Guo Ping (resigned on 13 December 2016)	姜國平先生(於二零一六年十二月十三日辭任)	11/14	0/1	2/2
Mr. Zheng Xin (resigned on 13 December 2016)	鄭新先生(於二零一六年十二月十三日辭任)	11/14	0/1	2/2
Mr. Zhu Guo Dan (resigned on 13 December 2016)	諸國淡先生(於二零一六年十二月十三日辭任)	11/14	0/1	2/2
Mr. Zhu Chun Rong (appointed on 7 June 2016 and resigned on 13 December 2016)	朱春榮先生(於二零一六年六月七日獲委任及於二零一六年十二月十三日辭任)	8/14	0/1	1/2
Mr. Lu Song Qian (appointed on 7 June 2016 and resigned on 13 December 2016)	魯松千先生(於二零一六年六月七日獲委任及於二零一六年十二月十三日辭任)	8/14	0/1	1/2
Mr. Jiang Mei Yin (resigned on 7 June 2016)	姜美銀先生(於二零一六年六月七日辭任)	1/14	1/1	0/2
Mr. Lu Xiang Tai (resigned on 13 December 2016)	陸祥泰先生(於二零一六年十二月十三日辭任)	10/14	1/1	1/2

The chairman attended AGM to answer questions and collect views of shareholders. All Directors, company secretary and the auditors had attended the AGM to answer questions at the meeting.

主席已出席股東週年大會以回答股東問題及搜集其意見。全體董事、公司秘書及核數師已出席股東週年大會並於會上回答問題。

Corporate Governance Report

企業管治報告

RESPONSIBILITIES OF THE BOARD

The Board is responsible for leadership and control of the Group and be collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board focuses on formulating the Group's overall strategies, authorising the development plan and budget; monitoring financial and operating performance; reviewing the effectiveness of the internal control system; supervising and managing management's performance of the Group; and setting the Group's values and standards. The Board delegates the day-to-day management, administration and operation of the Group to management. The delegated functions are reviewed by the Board periodically to ensure that they accommodate the needs of the Group.

CORPORATE GOVERNANCE FUNCTIONS

No corporate governance committee has been established and the Board is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies, practices on corporate governance, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, etc.

The Board held meetings from time to time whenever necessary. At least 10 days' notice of regular Board meetings is given to all Directors and they can include matters for discussion in the agenda as they think fit. The agenda accompanying Board papers are sent to all Directors at least 3 days or a shorter period agreed by the directors before the date of a regular Board meeting in order to allow sufficient time for the Directors to review the documents.

Minutes of every Board meeting are circulated to all Directors for their perusal and comments prior to confirmation of the minutes. The Board also ensures that it is supplied in a timely manner with all necessary information in a form and of a quality appropriate to enable it to discharge its duties.

Every Board member has full access to the advice and services of the company secretary with a view to ensuring that Board procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

董事會責任

董事會負責領導及控制本集團並透過指導及監督本集團之業務共同負責令本集團達致成功。董事會專注於制定本集團之整體策略、批准發展計劃及預算、監察財務及營運表現、檢討內部監控系統之成效、監督及管理本集團管理層之表現及釐定本集團之價值觀及標準。董事會委任管理層負責本集團之日常管理、行政及營運工作。董事會定期檢討所授出之職能，以確保其符合本集團之需要。

企業管治職能

由於並無成立企業管治委員會，因此由董事會負責執行企業管治職能，如制定及檢討本公司企業管治之政策及常規、為董事及高級管理層提供培訓及持續專業發展及確保本公司之政策及常規符合法律及監管規定等。

董事會不時在有需要時舉行會議。本公司會向全體董事發出至少10天的有關召開定期董事會會議之通知，彼等可將彼等認為適合之討論事項納入會議議程。會議議程連同董事會文件會於定期董事會會議舉行當日前至少3天或董事協定的較短期間內送交全體董事，以便董事有充足時間審議有關文件。

每次董事會會議之會議記錄給所有董事傳閱，以讓彼等確認會議記錄前細讀及作註解。董事會亦會確保會議記錄將及時，以適當形式及內容提供必須資料，已讓所有董事可履行彼等之職責。

每位董事會成員均可全面取得公司秘書之意見及服務，旨在確保董事會程序以及所有適用規則及規例均獲遵守，而彼等亦有權全面獲取董事會文件及相關資料，以便彼等能作出知情決定及履行彼等之職責及責任。

Corporate Governance Report

企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. He Keng (“Mr. He”) is the Chairman of the Company. Mr. He is responsible for the overall strategic planning and policy making of the Group.

The Company has no such title as the chief executive officer and therefore the daily operation and management of the Company is monitored by the executive Directors as well as the senior management.

The Board is of the view that although there is no chief executive officer, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals and meet from time to time to discuss issues affecting operation of the Company.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

All independent non-executive Directors are appointed for a specific term which may be extended as each and the Company may agree.

The current articles of association of the Company provide that subject to the manner of retirement by rotation of Directors as from time to time prescribed by the GEM Listing Rules, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation and that every Director shall be subject to retirement by rotation at least once every 3 years.

PROFESSIONAL DEVELOPMENT

To assist Directors’ continuing professional development, the Company recommends Directors to attend relevant seminars to develop and refresh their knowledge and skills. All Directors also participate in continuous professional development programmes such as external seminars organised by qualified professionals, to develop and refresh their knowledge and skills in relation to their contribution to the Board. A record of the training received by the respective Directors are kept and updated by the company secretary of the Company.

主席及行政總裁

何鏗先生(「何先生」)為本公司主席。何先生負責本集團之整體策略規劃及政策制定。

本公司並無設立行政總裁職銜，因此，本公司之日常營運及管理由執行董事及高級管理層實行監控。

董事會認為，雖然本公司並無行政總裁，但透過由具備豐富經驗之人士組成之董事會運作並不時開會討論影響本公司營運之事宜，足以確保維持權責平衡。

委任及重選董事

所有獨立非執行董事均獲委任特定任期，並可在各獨立非執行董事及本公司同意下延長任期。

本公司現時之組織章程細則訂明在創業板上市規則不時規定之董事輪值告退方式所規限下，於每屆股東週年大會上，當時之三分之一董事須輪值告退，且每位董事須至少每3年輪值告退1次。

專業發展

為協助董事之持續專業發展，本公司建議董事出席相關之座談會以發展及更新彼等之知識及技能。全體董事亦有出席持續專業發展計劃，如由合資格專業人士所舉辦之外部座談會，就彼等對董事會之貢獻發展及更新彼等之知識及技能。各董事所接受之培訓記錄由本公司公司秘書保管及更新。

Corporate Governance Report

企業管治報告

The individual training record of each Director received for the year ended 31 December 2016 is summarized below:

截至二零一六年十二月三十一日止年度，各董事所接受培訓之個別記錄概述如下：

		Attending seminar(s)/ programme(s)/conference(s) relevant to the business or Directors' duties
		出席有關業務或董事職責之 座談會／計劃／會議之情況
Mr. He Keng (<i>Chairman</i>) (appointed on 13 December 2016)	何鏗先生(主席) (於二零一六年十二月十三日獲委任)	✓
Ms. Wu Shanhong (appointed on 13 December 2016)	吳珊紅女士 (於二零一六年十二月十三日獲委任)	✓
Mr. Chen Weiqiang (appointed on 13 December 2016)	陳偉強先生 (於二零一六年十二月十三日獲委任)	✓
Mr. Ding Cheng (appointed on 13 December 2016)	丁成先生 (於二零一六年十二月十三日獲委任)	✓
Mr. Zhang Zhuoyong (appointed on 13 December 2016)	張卓永先生 (於二零一六年十二月十三日獲委任)	✓
Mr. Zhang Tieyi (appointed on 13 December 2016)	章鐵毅先生 (於二零一六年十二月十三日獲委任)	✓
Mr. Zhu Guo An (<i>Chairman</i>) (resigned on 13 December 2016)	諸國安先生(主席) (於二零一六年十二月十三日辭任)	✓
Mr. Qi Yong Qiang (resigned on 15 September 2016)	元勇強先生 (於二零一六年九月十五日辭任)	✓
Mr. Yu Nian Hua (resigned on 7 June 2016)	余念華先生 (於二零一六年六月七日辭任)	✓
Mr. Jiang Guo Ping (resigned on 13 December 2016)	姜國平先生 (於二零一六年十二月十三日辭任)	✓
Mr. Zheng Xin (resigned on 13 December 2016)	鄭新先生 (於二零一六年十二月十三日辭任)	✓
Mr. Zhu Guo Dan (resigned on 13 December 2016)	諸國淡先生 (於二零一六年十二月十三日辭任)	✓
Mr. Kwok Kim Hung Eddie	郭劍雄先生	✓
Mr. Jiang Mei Yin (resigned on 7 June 2016)	姜美銀先生 (於二零一六年六月七日辭任)	✓
Mr. Lu Xiang Tai (resigned on 13 December 2016)	陸祥泰先生 (於二零一六年十二月十三日辭任)	✓
Mr. Zhu Chun Rong (appointed on 7 June 2016 and resigned on 13 December 2016)	朱春榮先生 (於二零一六年六月七日獲委任及 於二零一六年十二月十三日辭任)	✓
Mr. Lu Song Qian (appointed on 7 June 2016 and resigned on 13 December 2016)	魯松千先生 (於二零一六年六月七日獲委任 及於二零一六年十二月十三日辭任)	✓

All the Directors also understand the importance of continuous professional development and are committed to participating any suitable training to develop and refresh their knowledge and skills.

全體董事均了解到持續專業發展之重要性，承諾參與任何合適之培訓，以發展及更新彼等之知識及技能。

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises 3 independent non-executive Directors, who have reviewed the annual results of the Company for the year ended 31 December 2016. Mr. Kwok Kim Hung, Eddie, is the chairman of the Audit Committee who has appropriate professional qualifications and accounting or related financial management expertise.

Our Audit Committee has primary responsibility for monitoring the quality of internal control and ensuring that the financial performance of the Company is properly measured and reported on, receiving and reviewing reports from management and the auditors relating to the annual, quarterly and interim results, and monitoring the accounting and internal control system in use throughout the Group. The Audit Committee held 4 meetings during the year ended 31 December 2016.

According to the current terms of reference, meetings of the Audit Committee shall be held at least 4 times a year. 4 meetings were held for the year ended 31 December 2016. The attendance of each member is set out as follows:

During the year under review, the Group did not have an internal audit function but had appointed an external consultant to review the material controls of the Group on a continuous basis and aims to cover all major operations of the Group on a cyclical basis. The Board, through the Audit Committee, reviewed the appraisal performed by the an independent auditor on the Company's risk management and internal control systems. Based on information furnished to it and its own observations, the Board is satisfied that the present internal control and risk management systems of the Group are effective and adequate in all material respects.

審核委員會

本公司之審核委員會(「審核委員會」)由3位獨立非執行董事組成，彼等已審閱本公司截至二零一六年十二月三十一日止年度之全年業績。郭劍雄先生為審核委員會主席，其具備合適專業資格及會計或相關財務管理經驗。

我們之審核委員會主要負責監察內部監控之質素及確保本公司之財務表現得以準確地計量及申報、接收及審核管理層及核數師有關年度、季度及中期業績之報告及監察本集團使用之會計及內部監控系統。於截至二零一六年十二月三十一日止年度，審核委員會舉行了4次會議。

根據現有職權範圍，審核委員會每年須至少舉行4次會議。截至二零一六年十二月三十一日止年度，審核委員會已舉行了4次會議。各位成員之出席情況載列如下：

於回顧年內，本集團並無內部審核職能，惟已任命外聘顧問按持續基準審核本集團重要監控，旨在週期性地涵蓋本集團所有主要業務。董事會通過審核委員會審核獨立核數師對本公司風險管理及內部控制系統的評估。基於所獲提供的資料及自身的觀察，董事會信納本集團當前的內部控制及風險管理系統在所有重大方面行之有效及充足。

**Attendance/
Number of meetings
held in the financial
year ended 31 December
2016**
於截至二零一六年
十二月三十一日止
財政年度內出席／舉行
會議次數

Name of members of Audit Committee	審核委員會成員姓名	
Mr. Kwok Kim Hung Eddie (<i>Chairman</i>)	郭劍雄先生(主席)	4/4
Mr. Zhang Zhuoyong (appointed on 7 June 2016 and resigned on 13 December 2016)	張卓永先生 (於二零一六年六月七日獲委任及 於二零一六年十二月十三日辭任)	1/4
Mr. Zhang Tieyi (appointed on 13 December 2016)	章鐵毅先生 (於二零一六年十二月十三日獲委任)	1/4
Mr. Jiang Mei Yin (resigned on 7 June 2016)	姜美銀先生(於二零一六年六月七日辭任)	1/4
Mr. Lu Xiang Tai (resigned on 13 December 2016)	陸祥泰先生 (於二零一六年十二月十三日辭任)	3/4
Mr. Lu Song Qian (appointed on 7 June 2016 and resigned on 13 December 2016)	魯松千先生 (於二零一六年六月七日獲委任及 於二零一六年十二月十三日辭任)	2/4

Corporate Governance Report

企業管治報告

At the meetings held during the year, in performing its duties in accordance with its terms of reference, the work performed by the Audit Committee included:

- (a) review and supervise the financial reporting process and internal control system and risk management of the Company and its subsidiaries;
- (b) recommendation to the Board, for the approval by shareholders, of the re-appointment of the external auditor and approval of their remuneration;
- (c) determination of the nature and scope of the audit; and
- (d) review the financial statements for the relevant periods.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the “Remuneration Committee”) was established on 22 March 2012 comprising the 3 independent non-executive Directors and 1 executive Director. Mr. Zhang Tieyi is the chairman of the Remuneration Committee. The terms of reference of the Remuneration Committee are available at the Company’s website and on the website of The Stock Exchange of Hong Kong Limited.

The roles and functions of the Remuneration Committee include consulting the chairman of the Board about their remuneration proposals for other executive Directors, making recommendation to the Board on the Company’s remuneration policy and structure for all Directors’ and senior management and the Remuneration Committee has adopted the approach under B.1.2(c)(ii) of the code provisions to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

Meeting of the Remuneration Committee shall be held at least once a year. 2 meetings were held during the year ended 31 December 2016. During the meeting, remuneration packages, performance and service contracts of the Directors had been reviewed and approved, no change has been proposed to the remuneration policy.

於年內舉行之會議上，在根據其職權範圍履行其職責方面，審核委員會所履行之工作包括：

- (a) 檢討及監督本公司及其附屬公司之財務申報程序、內部監控系統及風險管理；
- (b) 向董事會建議重新委任外部核數師並批准彼等之酬金，惟須獲得股東批准；
- (c) 釐定審核之性質及範圍；及
- (d) 審核有關期間之財務報表。

薪酬委員會

本公司於二零一二年三月二十二日成立由3位獨立非執行董事及1名執行董事組成之薪酬委員會（「薪酬委員會」）。章鐵毅先生為薪酬委員會主席。薪酬委員會之職權範圍載於本公司網站及香港聯合交易所有限公司網站。

薪酬委員會之角色及職能包括向董事會主席諮詢彼等就其他執行董事之薪酬建議及就本公司全體董事及高級管理層之薪酬政策及架構向董事會作出建議。薪酬委員會已採納守則條文B.1.2(c)(ii)條項下之方式就個別執行董事及高級管理層薪酬組合向董事會作出建議。

薪酬委員會每年須至少舉行一次會議。薪酬委員會已於截至二零一六年十二月三十一日止年度內舉行2次會議。於會議期間，董事薪酬待遇、表現及服務合約已獲檢討及批准，並無建議對薪酬政策作出任何變更。

Corporate Governance Report

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The attendance of each member is set out as follows:

各位成員之出席情況載列如下：

Name of members of Remuneration Committee	薪酬委員會成員姓名	Attendance/ Number of meetings held in the financial year ended 31 December 2016 於截至二零一六年 十二月三十一日止 財政年度內出席／舉行 會議次數
Mr. Zhang Tieyi (<i>Chairman</i>) (appointed on 13 December 2016)	章鐵毅先生(主席) (於二零一六年十二月十三日獲委任)	1/2
Mr. He Keng (appointed on 13 December 2016)	何鏗先生 (於二零一六年十二月十三日獲委任)	1/2
Mr. Zhang Zhuoyong (appointed on 13 December 2016)	張卓永先生 (於二零一六年十二月十三日獲委任)	1/2
Mr. Jiang Mei Yin (<i>Chairman</i>) (resigned on 7 June 2016)	姜美銀先生(主席) (於二零一六年六月七日辭任)	1/2
Mr. Lu Xiang Tai (resigned on 13 December 2016)	陸祥泰先生 (於二零一六年十二月十三日辭任)	1/2
Mr. Kwok Kim Hung Eddie	郭劍雄先生	2/2

NOMINATION COMMITTEE

The nomination committee of the Company (the "Nomination Committee") was established on 22 March 2012 comprising the 3 independent non-executive Directors and 1 executive Director. Mr. Zhang Zhuoyong is currently the chairman of the Nomination Committee. The terms of reference of the Nomination Committee are available at the Company's website and on the website of The Stock Exchange of Hong Kong Limited.

The roles and functions of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least once a year, making recommendations on any proposed changes to the Board to complement the Company's corporate strategies, identifying individuals suitably qualified to become Board members (select or make recommendations to the Board on the selection of individuals nominated for directorships), assessing the independence of independent non-executive Directors, making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors in particular the Chairman; and reporting to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions.

提名委員會

本公司於二零一二年三月二十二日成立由3位獨立非執行董事及1名執行董事組成之提名委員會(「提名委員會」)。張卓永先生現為提名委員會主席。提名委員會之職權範圍載於本公司網站及香港聯合交易所有限公司網站。

提名委員會之角色及職能包括至少每年一次檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)，就任何為推行本公司企業戰略擬作出的變動向董事會提出建議、物色具備合適資格可擔任董事的人士(挑選、提名有關人士出任董事或就此向董事會提供意見)、評核獨立非執行董事的獨立性、就董事委任或重新委任以及董事(尤其是主席)繼任計劃的有關事宜向董事會提出建議及向董事會匯報其決定或建議，除非受法律或監管限制所限而不能作出匯報。

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企業管治報告

Meeting of the Nomination Committee shall be held at least once a year. 3 meetings were held during the year ended 31 December 2016. Issues concerning the structure, size and composition of the Board were discussed.

提名委員會每年須至少舉行一次會議。提名委員會已於截至二零一六年十二月三十一日止年度內舉行3次會議。會上討論了有關董事會之架構、人數及組成情況。

The attendance of each member is set out as follows:

各位成員之出席情況載列如下：

Name of members of Nomination Committee	提名委員會成員姓名	Attendance/ Number of meetings held in the financial year ended 31 December 2016 於截至二零一六年十二月三十一日止財政年度內出席／舉行會議次數
Mr. Zhang Zhuoyong (<i>Chairman</i>) (appointed on 13 December 2016)	張卓永先生(主席) (於二零一六年十二月十三日獲委任)	1/3
Mr. He Keng (appointed on 13 December 2016)	何鏗先生 (於二零一六年十二月十三日獲委任)	1/3
Mr. Zhang Tieyi (appointed on 13 December 2016)	章鐵毅先生 (於二零一六年十二月十三日獲委任)	1/3
Mr. Lu Xiang Tai (<i>Chairman</i>) (resigned on 13 December 2016)	陸祥泰先生(主席) (於二零一六年十二月十三日辭任)	2/3
Mr. Jiang Mei Yin (resigned on 7 June 2016)	姜美銀先生 (於二零一六年六月七日辭任)	2/3
Mr. Kwok Kim Hung Eddie	郭劍雄先生	3/3

ACCOUNTABILITY AND AUDIT

問責及審核

Financial Reporting

財務申報

The management provides such explanation and information to the Board and reports regularly to the Board on financial position and prospects of the business of the Company so as to enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

管理層須就本公司之財政狀況及業務發展前景向董事會提供有關解釋及資料，並定期向董事會匯報，以便董事會能夠於其批准前就所提交之財務及其他資料作出知情評估。

The Directors acknowledge their responsibilities (as set out in the Independent Auditor's Report) for preparing the financial statements of the Group that give a true and fair view of the state of affairs of the Group. The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the shareholders of the Company. A statement by auditor about their reporting responsibility is set out in the Independent Auditor's Report.

誠如獨立核數師報告書所載，董事確認負責編製真實及公平地反映本集團財務狀況之本集團財務報表。外聘核數師乃根據彼等之審核結果，對董事會所編製之該等綜合財務報表作出獨立意見，並向本公司股東匯報彼等之意見。核數師作出之申報責任聲明載於獨立核數師報告書內。

Corporate Governance Report

企業管治報告

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for maintaining adequate system of internal controls and risk management within the Group and for reviewing their effectiveness. The systems of internal controls and risk management are designed to facilitate effective and efficient operations, to safeguard assets and to ensure the quality of internal and external reporting and compliance with applicable laws and regulations. They are also designed to provide reasonable, but not absolute, assurance that material misstatement or loss can be avoided, and to manage and minimize risks of failure in operation systems. The Company is committed to implementing a stricter and more regulated internal control and risk management procedures in the new financial year.

In the future, the Group will conduct regular review of the Group's internal control and risk management systems and its effectiveness to ensure the interest of shareholders is safeguarded.

OBJECTIVES OF RISK MANAGEMENT AND INTERNAL CONTROL

The objectives of the risk management and internal control framework of the Group include:

- to strengthen the Company's risk management and internal control in compliance with the GEM Listing Rules requirements;
- to establish and constantly improve the risk management and internal control systems; and
- to keep baseline risks within the acceptable range.

THREE-TIER RISK MANAGEMENT APPROACH

The Group has adopted a three-tier risk management approach to identify, assess, mitigate and handle risks. At the first line of defence, business units are responsible for identifying, assessing and monitoring risks associated with each business or deal. The finance department, as the second line of defence, defines rule sets and models, oversees and reports risk management matters to the Board. It ensures that risks are within the acceptable range and that the first line of defence is effective. As the final line of defence, the Board together with audit committee of the Company, with the professional advices and opinions from the external professional Company by whom internal audit work of the Group was conducted on annual basis, ensures that the first and second lines of defence are effective through constant inspection and monitoring.

內部監控及風險管理

董事會負責為本集團維持充分的內部監控及風險管理系統，並審查其有效性。內部監控及風險管理系統旨在促進營運效果及效率、維護資產及確保內部及外對報告的質素和符合適用的法律法規。此外，該等系統亦旨在合理(但非絕對)地保證能避免發生嚴重誤報或損失的情況，以及管理並減低營運系統失效的風險。本公司於新財政年度內致力執行更嚴格及更高規範性的內部監控及風險管理程序。

本集團日後將定期檢討本集團的內部監控及風險管理系統及其有效性，以確保股東利益獲得保障。

風險管理及內部監控的目標

本集團的風險管理及內部監控框架的目標包括：

- 根據創業板上市規則規定加強本公司的風險管理及內部監控；
- 建立及持續提升風險管理及內部監控系統；及
- 維持基線風險在可接受範圍內。

三級風險管理方法

本集團採納三級風險管理方法以識別、評估、降低及應對風險。在第一道防線，業務單位負責識別、評估及監察與每項業務或交易有關的風險。作為第二道防線，財務部門界定規則組合及模型、監督及向董事會報告風險管理事宜。其確保風險在可接受範圍內及第一道防線行之有效。作為最後一道防線，本公司董事會連同審核委員會在外聘專業公司(按年為本集團進行內部審核工作)的專業建議及意見下透過持續檢查及監控確保第一道防線及第二道防線行之有效。

Corporate Governance Report

企業管治報告

PRINCIPLES OF INTERNAL CONTROL

Our risk management and internal control systems involve five elements as internal environment, risk assessment, control activities, information and communication and internal supervision. The aim of internal control is to reasonably guarantee the compliance of its operation and management with regulations and laws, assets security, and authenticity and integrity of financial report and related information, improve the efficiency and effectiveness of operating activities and promote the realization of development strategy of the Group.

EXTERNAL AUDITORS

The Audit Committee of the Company is responsible for the appointment of the external auditors, including the engagement of non-auditing tasks and fees. During the year under review, the financial statements for the year ended 31 December 2016 was audited by KTC Partners CPA Limited and the fees paid for the audit of the Group's financial statements are set out as follows:

內部監控原則

我們的風險管理及內部監控系統涉及內部環境、風險評估、監控活動、資訊與溝通及內部監督等五項要素。內部監控旨在合理保證公司經營管理合規合法、資產安全、財務報告及相關資料真實完整、提高經營活動的效率及成效，以及促進本集團實行發展策略。

外聘核數師

本公司審核委員會負責委聘外聘核數師，包括非核數範圍的工作及費用。於回顧年度內，和信會計師事務所有限公司審核截至二零一六年十二月三十一日止年度的財務報表及就審核本集團財務報表支付的費用情況載列如下：

Services Rendered	所提供的服務	Fee paid/payable 已付／應付的費用 RMB'000 人民幣千元
Audit Service	審核服務	541
Non-audit services	非審核服務	214
		<hr/>
		755

COMPANY SECRETARY

Mr. Tsang Chi Wai Rock ("Mr. Tsang") was appointed as the Company secretary of the Company on 5 October 2016. The biographical details of Mr. Tsang are set out under the section headed "Biographical Details of Directors, Supervisors and Senior Management".

According to Rule 5.15 of the GEM Listing Rules, Mr. Tsang has taken no less than 15 hours of relevant professional training during the financial year ended 31 December 2016.

公司秘書

曾志偉先生（「曾先生」）於二零一六年十月五日獲委任為本公司公司秘書。曾先生之履歷詳情載於「董事、監事及高級管理人員的履歷詳情」一節。

根據創業板上市規則5.15條，曾先生於截至二零一六年十二月三十一日止財政年度已接受不少於15小時之相關專業培訓。

Corporate Governance Report

企業管治報告

INVESTORS' RELATIONS

The Company places great emphasis on its relationship and communication with investors. The Company has numerous communication channels, such as press conference and seminars, to communicate with the media, analysts and fund managers. Designated senior management staff holds dialogue with analysts, fund managers and investors, who are also arranged to visit the Company and investment projects from time to time, so as to keep them abreast of the Group's business and latest developments. In addition, investors can also visit the Company's website at www.ruiyuanhk.com for the most updated information and the status of the business development of the Group.

The Company has made changes to the constitutional documents during the year ended 31 December 2016. Investors can obtain the latest constitutional documents of the Company from the websites of the Company and the Stock Exchange.

COMMUNICATION WITH SHAREHOLDERS

The Board and senior management recognise the responsibility of safeguarding the interest of shareholders of the Company and provide highly transparent and real-time information on the Company so as to keep the shareholders and investors abreast of the Company's position and help them to make the best investment decision. The Company believes that maintaining good and effective communication with shareholders can facilitate the shareholders' understanding of the business performance and strategies of the Group. The Board and senior management also recognise the responsibility of safeguarding the interest of shareholders of the Company. In order to safeguard the shareholders' interest, the Company reports its financial and operating performance to shareholders through annual reports, interim reports and quarterly reports. Shareholders of the Company can also obtain information of the Group in time through annual reports, interim reports, quarterly reports, announcements, circulars, press releases and the Company's website www.ruiyuanhk.com.

The annual general meetings are an appropriate forum for direct communication between the Board and shareholders. Shareholders can raise questions directly to the Board in respect of the performance and future development of the Group at annual general meetings.

投資者關係

本公司十分注重與投資者之關係及溝通。本公司設有多種溝通渠道，如召開新聞發佈會、研討會，與媒體、分析員及基金經理聯繫。指定之高級管理人員與分析員、基金經理及投資者對話，並不時安排彼等參觀本公司及投資項目，了解本集團業務及最新發展。此外，投資者亦可於本公司網站 www.ruiyuanhk.com，及時了解本集團的最新信息及業務發展狀況。

於截至二零一六年十二月三十一日止年度，本公司已對組織章程文件作出變動。投資者亦可於本公司及聯交所網站查閱本公司最新的組織章程文件。

與股東之溝通

董事會及高層管理人員確認彼等須保障本公司股東利益的責任，提供高透明度及實時的公司數據，讓股東及投資者及時了解公司狀況並作出最佳投資決策。本公司深信，與股東保持良好有效之溝通，有助於促進股東對本集團業務表現及策略的了解。董事會及高級管理人員亦確認彼等須保障本公司股東利益的責任。為保障股東利益，本公司透過年報、中期報告及季度報告向股東匯報其財務及經營表現。本公司股東亦可透過年報、中期報告、季度報告、公告、通函、新聞稿，以及本公司的網站 www.ruiyuanhk.com，及時取得本集團的資料。

本公司的股東週年大會提供合適場合讓董事會與股東進行直接溝通。股東可就本集團的表現及未來發展於股東週年大會向董事會直接提出問題。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting ("EGM").

RIGHT TO CONVENE EGM

Pursuant to Article 52 of the Articles, shareholders individually or jointly holding 10% or more of the Company's issued shares carrying voting rights requests in writing to the Company's principal office: Suite 5608, 56/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong for convening of an extraordinary general meeting.

To convene a general meeting, the Company shall give written notices no less than 45 days before the date of the meeting, informing all registered shareholders of the matters proposed to be considered at the meeting and the date and place of the meeting. Shareholders who intend to attend the meeting shall return the written reply of attendance to the Company to be received by the Company 20 days before the date of the meeting.

The Company shall calculate, according to the written replies received 20 days before the date of the meeting, the number of shares carrying voting rights represented by the shareholders attending the meeting. The Company may convene a general meeting if the number of shares carrying voting rights represented by shareholders intending to attend aggregates to more than half of the total number of shares carrying such rights. If not, the Company shall make an announcement within five days, once again notifying the shareholders of the matters proposed to be considered and the date and place of the meeting. Once an announcement has been so made, the Company may convene the general meeting.

股東權利

本公司之股東大會提供機會讓本公司股東及董事會進行溝通。本公司每年舉行一次股東週年大會，地點由董事會釐定。各股東大會（股東週年大會除外）稱為股東特別大會（「股東特別大會」）。

召開股東特別大會之權利

根據章程細則第52條，單獨或合併持有本公司10%或以上附有表決權的已發行股份的股東，可向本公司總部（地址為：香港灣仔港灣道18號中環廣場56樓5608室）發出書面要求，要求董事會召開股東特別大會。

公司召開股東大會，應當於會議召開前不少於45日發出書面通知，將會議擬審議的事項以及開會的日期和地點告知所有在冊股東。擬出席會議的股東，應當於會議召開20日前，將出席會議的書面回復送達本公司。

本公司根據會議召開前20日時收到的書面回復，計算擬出席會議的股東所代表的有表決權的股份數。若擬出席會議的股東所代表的有表決權的股份數達到本公司有表決權的股份總數二分之一以上，本公司可以召開股東大會；若達不到，本公司應當在五日以內將會議擬審議的事項、開會日期和地點以公告形式再次通知股東，經公告通知，本公司可以召開股東大會。

Corporate Governance Report

企業管治報告

Shareholders requisitioning an extraordinary general meeting or class meeting shall abide by the following procedures:

- (i) Two or more shareholders holding in aggregate 10% or more of the shares carrying the right to vote at the meeting sought to be held shall sign a written requisition in one or more counterparts in the same form and contents, requiring the board of Directors to convene an extraordinary general meeting or a class meeting thereof and stating the matters to be considered at the meeting. The board of Directors shall, as soon as possible after receipt of the requisition, convene an extraordinary general meeting or a class meeting thereof. The aforementioned number of shares held by the shareholders shall be calculated based on the date of submission of the written requisition.
- (ii) If the board of Directors fails to issue a notice to convene such meeting within 30 days from the date of receipt of the requisition, the requisitioning shareholders may themselves convene such meeting within 4 months of the receipt of the requisition by the board of Directors. In so convening a meeting, the requisitioning shareholders shall adopt a procedure as similar possible as that of general meetings convened by the board of Directors.

All reasonable expenses incurred by the requisitioning shareholders as a result of the failure of the board of Directors to convene a meeting and so convening such meeting themselves as mentioned above shall be borne by the Company and deducted from any sums due to such defaulting Directors by the Company.

RIGHT TO PUT FORWARD PROPOSALS AT GENERAL MEETINGS

Pursuant to Article 54 of the Articles, the Board of Directors, the Board of Supervisors and shareholders severally or jointly holding 3% or above shares of the Company shall be entitled to submit proposals to the Company at the general meeting.

Shareholder(s) individually or jointly holding 5% or above of shares of the Company shall have the right to submit a temporary proposal to the convener in writing 10 days prior to the holding of the general meeting; the convener shall, within 2 days after its receipt of such a proposal, issue an supplementary notice of the general meeting, and announce the contents of the temporary proposal. If the listing rules of the place where the Company's shares are listed provide otherwise, such rules shall also be complied with.

股東要求召開特別股東大會或者類別股東會議，應當按照下列程序辦理：

- (i) 合計持有在該擬舉行的會議上有表決權的股份10%以上(含10%)的兩名或者兩名以上的股東，可以簽署一份或者數份同樣格式內容的書面要求，提請董事會召開特別股東大會或者類別股東會議，並闡明會議的議題。董事會在收到前述書面要求後應當儘快召開特別股東大會或者類別股東會議。前述持股數按股東提出書面要求日計算。
- (ii) 倘董事會在收到前述書面要求後30日內沒有發出召開會議的通知，提出該要求的股東可以在董事會收到該要求後4個月內自行召開會議。召開會議的程序應當盡可能與董事會召開股東大會的程序相同。

股東因董事會未應前述要求舉行會議而自行召集並舉行會議的，其所發生的合理費用，應當由公司承擔，並從公司欠付失職董事的款項中扣除。

於股東大會上提呈提案之權利

根據章程細則第54條，董事會、監事會及單獨或合併持有本公司3%或以上股份的股東，有權於股東大會上向本公司提出提案。

單獨或合併持有本公司5%或以上股份的股東，有權在股東大會召開10日前提出臨時提案並書面提交召集人；召集人應當在收到相關提案後2日內發出股東大會補充通知，公告臨時提案的內容。如本公司股份上市地的上市規則另有規定，應同時滿足其規定。

Corporate Governance Report

企業管治報告

RIGHT TO PUT ENQUIRIES TO THE BOARD

Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong: Suite 5608, 56/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong for the attention of the company secretary.

向董事會作出查詢之權利

股東有權向董事會作出查詢。所有查詢必須以書面作出，郵寄至本公司於香港的主要營業地點地址為香港灣仔港灣道18號中環廣場56樓5608室，收件人為公司秘書。

Environmental, Social and Governance Report

環境、社會及管治報告

Environmental, social and governance (ESG) issues are wide-ranging with a great impact not only on a company's long-term business development but also on the general society. A good ESG performance is indispensable for a company's long-term success and sustainable development. The Company operates its business within all applicable legal and regulatory frameworks. The Board of Directors has examined the Company's corporate governance practices and hereby confirms that they have complied with all the provisions of the Corporate Governance Code (except Code Provision A.2.1) set forth in Appendix 15 to the Rules Governing the GEM Listing Rules throughout the financial year ended 31 December 2016.

The Group's sustainable development governance focuses on compliance with the applicable environmental and social laws/regulations in the regions where it operates. The Group's policies of sustainable development governance are formulated by its relevant departments according to actual needs and applicable laws and their implementation is subject to the supervision and guidance from the Group's management.

The Group is grateful for the support from relevant stakeholders in 2016, including investors, regulators, employees, customers and suppliers. Looking forward, the Group will continue to review and strengthen its ESG performance conscientiously for sustainable business development.

COMMUNICATION WITH STAKEHOLDERS

The Group values the opinions of stakeholders and is committed to responding to their concerns and improving the Company's performance in sustainable development by optimizing our communication strategies and taking concrete actions. We have launched various measures in continuous efforts to improve communication with stakeholders. Below are the communication channels between us and stakeholders and their concerns.

環境、社會和管治問題涉及的範圍廣泛，不僅會影響集團長期業務發展的績效，而且會對整體社會產生巨大影響。對於所有企業的長期成功和可持續性發展，良好的環境、社會和管治表現都是必不可少的部分。本公司根據所有適用的法律及監管的框架規定開展其業務。董事會亦已檢視過本公司的企業管治常規，並確認其符合截至二零一六年十二月三十一日止財政年度的創業板證券上市規則附錄十五所載之企業管治守則條文（守則條文第A.2.1條除外）。

本集團的可持續發展管治方針以合法合規為主，在環境、社會方面均嚴格遵守企業所在地的法律。另外，本集團的可持續發展管治政策由各部門自行負責，根據各自部門的實際需要和相關法律，制定並執行適合的持續發展管治政策。而本集團的最高管理層則負責監督相關政策的執行情況，並為各部門提供意見。

本集團非常感謝相關的利益相關方團體在二零一六年的支持，包括投資者，監管機構，員工，客戶，供應商等。本集團將會展望未來，並會以審慎的態度，好好檢討和管理我們的環境和社會方面的表現，爭取實現業務的可持續發展。

與利益相關方的溝通

本集團關注利益相關方的意見，並通過優化我們的溝通策略、採取實際行動回應利益相關方關切的議題及改善本公司可持續發展的表現，推行各種措施不斷改進與利益相關方的溝通。以下為我們與利益相關方之間的溝通渠道及利益相關方所關注的議題。

Environmental, Social and Governance Report

環境、社會及管治報告

Stakeholders 利益相關方	Concerns 關注議題	Communication Channels 溝通渠道
Investors and shareholders 投資者及股東	Corporate governance, business risks, business operation 企業管治、經營風險、業務營運	Investors meeting, annual general meeting, financial reports and ESG report 投資者會議、年度股東大會、財務報告及 ESG 報告
Employees 僱員	Compensation, health and safety, training and development 薪酬、健康及安全、培訓及發展	Employee complaint mechanism, whistleblowing policy, training feedback 僱員申訴機制、檢舉揭發政策、培訓反饋
Government 政府	Tax compliance, employment security, business ethics 稅項合規、就業保障、商業道德	Compliance with laws and regulations, positive response to government policies, continuous communication with relevant government departments 遵守法律法規、積極響應政府政策、與相關政府部門持續溝通
Customers 客戶	Product quality 產品質量	Company website, feedback from front line employees 本公司網站、前線僱員的反饋
Community 社區	Contribution to cultural and social development 協力文化和社會發展	Support of charity organizations in relevant fields 支援相關領域的慈善組織

Environmental Policy and Management

The Group is committed to complying with all applicable environment laws and regulations, protecting the environment, and managing the impact of our operations on the environment through appropriate environmental strategies, including but not limited to by reducing energy consumption and pollutant discharge, responsibly using natural resources, and improving waste management. The Group has always been making efforts to reduce the consumption of natural resources and the generation of waste. The Group's operations do not create any air pollutant or greenhouse gas emissions directly or generate any hazardous or non-hazardous waste and its mainly source of energy consumption is electricity. The Group has striven to reduce the direct and indirect impact of its operations on the environment by reducing unnecessary energy consumption in its offices and adopting environmentally friendly policies. In 2016, the Group strictly complied with all environmental laws and regulations in the PRC and Hong Kong and was not subject to any environmental regulatory sanction.

環境政策及管理方法

本集團致力於遵守所有相關的環保法規，保護環境，並通過促進適當的環保策略規範集團運營對環境的影響，包括但不限於減少能源消耗和污染物排放，負責任地利用自然資源，改善廢棄物管理。本集團一直努力減少自然資源的消耗和廢物的產生。本集團的業務運營沒有直接的空氣污染和溫室氣體排放或產生任何有害或無害廢物，主要的能源消耗是電力。本集團努力降低運營過程中對環境的直接及間接影響，減少不必要的辦公室能耗及推廣環保政策。二零一六年，本集團嚴格遵守中國大陸及香港的環境法律及法規，並無受到環境部門的懲罰。

Environmental, Social and Governance Report

環境、社會及管治報告

Promotion of Environmental Awareness

It is the Group's policy to reduce the generation of waste and use electricity economically. To raise our employees' environmental awareness, we have pasted environmental stickers and posters on the walls of our offices. The Group also encourages waste recycling and management. Measures include, for example, pasting "Print or Copy on Both Sides" signs on each duplicator or printer, and placing a wastepaper basket by each duplicator or printer to facilitate recycling. Meanwhile, the Group will promote paperless office and document digitalization. We transfer old duplicators together with unused toner cartridges to suppliers to avoid causing waste. The Group has taken different methods to reduce electricity consumption of its offices. For example, all air-conditioners are set within the 25°C-27°C range to ensure that employees work in a comfortable and eco-friendly environment. Electrical appliances are turned off when not in use to save energy and electricity.

We encourage employees to use eco-friendlier means of transportation. When making business decisions, we consider the possible impact on the environment. In addition, we educate employees at all levels on environmentalism and provide training when necessary.

EMPLOYEE MANAGEMENT

Employment Policy and Labour Standards

The Group is committed to creating an anti-discrimination and anti-harassment workplace for employees. We strictly comply with all applicable labour laws/regulations and provide equal opportunity for applicants and employees regardless of their age, race, religion, disability, gender, sexual orientation, marital status, social stratum or political background. The Group will investigate into any complaints of discrimination or harassment and take necessary actions. Anti-discrimination is an important part of our recruitment, promotion and dismissal processes.

The Group has covered all employees with the applicable retirement scheme according to relevant laws/regulations and provides them with other benefits including medical benefits. The Group's management reviews the Group's internal management systems on a regular basis and updates its employee compensation and benefit policies according to changes in labour laws. The Group will continue to strengthen its HR management strategy and provide its employees with career development opportunities, appropriate incentives and a good working environment.

促進環保意識

本集團旨在減少浪費，節約用電。為了提高員工對環境保護的意識，我們在辦公室內張貼與環保相關的貼紙和海報。本集團亦鼓勵進行回收和廢物管理。例如，在複印機和打印機上張貼有鼓勵雙面打印的標誌；紙張回收箱放在每台複印機和打印機旁邊以方便回收。本集團還將推行材料和文檔數字化。對於舊打印機，我們將它們與未使用的墨粉盒一起交給供應商，以避免浪費。本集團一直採用不同的方法來減少辦公耗電量。例如，所有空調都設置在25至27度範圍內運行，以確保員工在舒適和環保的環境中工作；為了節省能源和電力，電氣設備在不使用時被關閉。

我們還鼓勵員工通過推廣更環保的交通選擇來儘量減少污染。在作出業務決策時，我們的目標是考慮其可能帶來的環境影響。此外，我們教育各級工作人員以環保方式行事，並在必要時提供培訓。

員工管理

僱傭政策及勞工準則

本集團致力於為員工創造一個反歧視和反騷擾的工作環境。我們嚴格遵守適用的勞動保護法律／規定，使申請人和員工均享有平等就業機會，而不論其年齡，種族，宗教，是否殘疾，性別，性取向，婚姻狀況，社會階層或政治背景。本集團將調查所有關於歧視和騷擾的指控，並將酌情採取行動。反歧視也是我們實行徵聘，晉升和解僱程序中的一個重要組成部分。

本集團已按相關法規向員工提供適當的退休金計劃，還向他們提供其他福利，如醫療保障等。本集團管理層定期審查內部管理制度，根據勞動法的變化修改薪酬福利政策。本集團將繼續加強我們的人力資本管理戰略，為員工提供職業發展機會，適當的激勵措施以及良好的工作環境。

Environmental, Social and Governance Report

環境、社會及管治報告

The Group respects human rights and the personal freedoms of its employees. In 2016, the Group strictly complied with employment laws/regulations of the PRC and Hong Kong and did not use any child labour or forced labour. During the year, a former employee of the Company filed a claim for compensation with the Hong Kong Labour Tribunal against the Company and its subsidiary Hong Kong Wan Li Enterprise Company Limited. As of the report date, the dispute between the former employee and the Group is still pending for outcome. For details, please refer to the “Contingent Liabilities” section on page 124 to 125 of this Annual Report.

Health and Safety

The Group cares for its employees regarding their health and benefits and provides them with customized insurance plans to enhance their social security and reduce their medical costs. All subsidiaries of the Group review their workplace and safety policies on a regular basis to ensure the full compliance of their everyday operations with all applicable laws. All industrial accidents are required to be reported to the Group and subject to evaluation on a case-by-case basis according to the Group’s internal processes. The Group briefs all new employees on occupational health and safety policy at induction, provides specialized safety training for specific departments and positions, and communicates the latest occupational safety information on a regular basis. The Group did not experience any industrial accident in 2016.

Development and Training

In order to promote employees’ career development and solidify the foundation of the Group’s sustainable development, we encourage employees to take part in relevant courses offered by professional organizations and, through these courses, improve their professional knowledge, skills, techniques and competitiveness and broaden their horizons. In order to promote self-improvement, the Group also provides qualified employees with cash subsidy or other incentives to acquire relevant job-related knowledge and enhance their performance. In addition, we invite various professional organizations on a regular basis to provide well-targeted training and inform the employees of relevant legal and regulatory information, product information and industry development information.

本集團尊重人權和員工的個人自由，在二零一六年，本集團嚴格遵守中國大陸及香港的僱傭條例，亦沒有僱用任何童工或強迫性勞工。年內，本公司一名前僱員向香港勞資審裁處提出針對本公司及其附屬公司香港萬豪企業有限公司之申索，追索賠償。截至報告日期，該名前僱員與本集團之間的糾紛仍在處理當中，案件尚未有結果，有關詳情，請查閱本年報第124頁至第125頁或然負債部分。

健康與安全

本集團重視員工的健康和福利，提供量身定制的保險計劃，保護員工的生活，減輕他們的醫療費用負擔。本集團的所有附屬公司定期檢討其工作環境及安全政策，以確保日常運作完全符合相關適用法律。所有工傷事故情況都需要向集團報告，並根據內部程序單獨進行評估。本集團為新員工舉辦職業安全通報，對具體部門或崗位進行專業安全技能培訓，定期傳播最新的職業安全信息。本集團於二零一六年沒有發生任何工傷事故。

發展與培訓

為了改善員工的個人成長及為本集團的可持續發展奠定基礎，我們積極鼓勵員工參加由專業機構舉辦的相關課程，並期望透過這些課程，能夠改善我們員工的專業知識，技能，技巧和競爭優勢，以擴闊員工的視野。為了促進自我進修，本集團會向合資格員工提供現金補貼或類似獎勵，以鼓勵各級員工主動獲得與工作有關的知識，從而充分發揮潛能。我們定期邀請各專業團體提供專業培訓，讓員工獲取相關法律法規及產品的知識和最新行業發展情況等。

Environmental, Social and Governance Report

環境、社會及管治報告

LAWFUL OPERATION

Supply Chain Management

For its procurement, the Group evaluates supplier candidates not only in terms of their service performance and product quality, but also taking into account their environmental certifications. It also reviews its existing suppliers from time to time to ensure its supply chain stability.

Privacy Protection

The Group protects the confidentiality of personal information and customer privacy and complies with the Personal Data (PRIVACY) Ordinance (Chapter 486). We have formulated detailed codes of conduct for operation and service to protect customer privacy. In this regard, the Group requires its employees to comprehensively comply with instructions on customer data treatment and prohibits them from copying, communicating or disclosing confidential information without authorization to reduce the risk of information leakage.

Product Responsibility

The Group's products and services comply with all applicable laws/regulations relating to health and safety, advertising, labelling and privacy with no violation during the year. The Group has a comprehensive system in place to address customer requests and complaints and provide after-sales services. The Company responds to customer complaints in a timely way by solving relevant issues through internal investigation and getting back to the affected customers about the results of investigation. In addition, the Management will review complaints, discuss remedial measures and, where necessary, adjust internal control and management systems or facilities to avoid subsequent occurrence of the same issues.

Anti-corruption

The Group complies with all applicable anti-corruption laws/regulations and subjects all its employees to its internal code of conduct, requiring them to behave ethically, do things honestly, treat others fairly, respect diversity, comply with all laws, accept accountability and communicate openly. The Group encourages employees, customers, suppliers and other stakeholders to pay attention to and report on any misconduct relating to the Group. In 2016, the Group did not receive any report regarding any bribery or corruption case relating to the Group.

合法經營

供應鏈管理

本集團在採購過程中，除了評估供應商的服務表現及產品質素外，更會把供應商的環保相關認證作為考慮因素。集團在選用供應商後，亦對供應商進行評核，以確保集團供應鏈的穩定性。

保護隱私

本集團密切關注個人資料的保密性和客戶的隱私，致力遵守「個人資料(私隱)條例」(第486章)。我們制定詳細的操作和服務行為守則，以保護客戶隱私。在這方面，本集團要求員工全面遵守處理客戶數據的指導，禁止任何未經授權的複製、傳播或披露機密信息，以減低資料洩漏的風險。

產品責任

本集團所售的產品和服務遵守相關健康與安全、廣告、標籤及私隱的法律／法規，年內並沒有出現任何違規情況。本集團制定全面預案，以處理客戶的查詢、投訴及售後服務。如果客戶提出投訴，本公司將立即跟進事件，通過內部調查來解決問題，確保將調查結果傳遞給受影響的客戶。管理層還將審查投訴，討論後續補救措施，並在必要時改進內部控制和管理系統或設施，以避免再次出現相同問題。

反腐敗

本集團遵守所有適用的反貪腐的相關法例，所有員工亦須嚴格遵守集團內部的行為準則，採取正確的行動，誠實做事，公正對待他人，尊重多樣性，遵守所有法律，接受問責及公開溝通。本集團鼓勵與本集團接觸的員工，客戶，供應商和其他利益相關方對與本集團有關的任何不正當行為提出關注及意見。在二零一六年，本集團未接到有關賄賂及腐敗案件的報告。

Environmental, Social and Governance Report

環境、社會及管治報告

Care for Community

The Group is committed to supporting community development in the areas where it operates and having a positive influence on the local communities. We support community engagement, contribute to cultural and social development, and encourage our employees to get involved in volunteer services and community activities to promote cultural diversity and community values.

關懷社區

本集團關懷我們業務所在地的社區，並希望對社會產生積極的影響。我們促進社區參與，協助文化和社會發展，並在志願服務和社區工作方面鼓勵和支持我們的員工，推廣文化多樣性和社區價值觀。

Independent Auditor's Report 獨立核數師報告書

KTC Partners CPA Limited

Certified Public Accountants (Practising)

和信會計師事務所有限公司

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**TO THE SHAREHOLDERS OF
ZHEJIANG RUIYUAN INTELLIGENT CONTROL TECHNOLOGY
COMPANY LIMITED
(FORMERLY KNOWN AS NINGBO WANHAO HOLDINGS
COMPANY LIMITED)**

(Incorporated in the People's Republic of China with limited liability)

致浙江瑞遠智控科技股份有限公司(前
稱為寧波萬豪控股股份有限公司)
列位股東

(於中華人民共和國註冊成立的股份有限公司)

OPINION

意見

We have audited the consolidated financial statements of Zhejiang RuiYuan Intelligent Control Technology Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 57 to 130, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

本核數師已審核列載於第57至130頁浙江瑞遠智控科技股份有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，當中包括於二零一六年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

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

本核數師認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實與公平地反映貴集團於二零一六年十二月三十一日之綜合財務狀況，及其截至該日止年度之綜合財務表現及綜合現金流量，並已按照香港公司條例之披露規定而妥善編製。

Independent Auditor's Report

獨立核數師報告書

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 3 to the consolidated financial statements, which indicates that the Group incurred a net loss of approximately RMB2,624,000 during the year ended 31 December 2016 and, as of that date, the Group current liabilities exceeded its total assets by approximately RMB51,078,000. These conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

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

意見的基礎

本核數師已按照香港會計師公會頒佈的香港審核準則(「香港審核準則」)進行審核工作。我們就該等準則承擔的責任在本報告核數師就審核綜合財務報表承擔的責任一節中進一步闡述。根據香港會計師公會的職業會計師道德守則(「守則」)，我們獨立於 貴集團，並已履行守則中的其他職業道德責任。本核數師相信，本核數師所獲得的審核憑證能充足和適當地為本核數師的審核意見提供基礎。

關於持續經營的重大不確定性

我們注意到綜合財務報表附註3指出， 貴集團於截至二零一六年十二月三十一日止年度產生淨虧損約人民幣2,624,000元，而 貴集團截至該日的流動負債高於其總資產約人民幣51,078,000元。該等狀況連同附註3所載的其他事項顯示有重大不明朗因素可能對 貴集團持續經營的能力構成重大疑慮。我們的意見並無就此作出修訂。

關鍵審核事項

關鍵審核事項是根據我們的職業判斷，對本期間綜合財務報表的審核最為重要的事項。該等事項是在我們審核整體綜合財務報表及出具意見時進行處理的。我們不會對該等事項提供單獨的意見。

Independent Auditor's Report

獨立核數師報告書

Key audit matters

關鍵審核事項

How our audit addressed the key audit matters

我們的審核如何處理關鍵審核事項

Valuation of trade receivables

應收貿易賬款估值

Refer to Note 22 to the consolidated financial statements

參閱綜合財務報表附註22

We identified the valuation of trade receivables as a key audit matter due to the use of judgment and estimates in assessing the recoverability of trade receivables.

我們認為應收貿易賬款估值為關鍵審核事項，原因與評估應收貿易賬款是否可收回時使用的判斷及估計有關。

In determining the allowance for trade receivables, the management considers the credit history including default or delay in payments, settlement records, subsequent settlements and aging analysis of the trade receivables.

於釐定應收貿易賬款撥備時，管理層會考慮信貸記錄，包括拖欠或延期付款、結算記錄、其後結算及應收貿易賬款之賬齡分析。

At 31 December 2016, the carrying amount of trade receivables is approximately RMB5,705,000 (net of allowance for doubtful debts of approximately RMB445,000).

於二零一六年十二月三十一日，應收貿易賬款之賬面值為約人民幣5,705,000元（經扣除約人民幣445,000元的呆賬撥備）。

Details of the trade receivables are set out in Note 22 to the consolidated financial statements.

應收貿易賬款之詳情載於綜合財務報表附註22。

Our procedures in relation to valuation on trade receivables included:

我們有關應收貿易賬款估值的程序主要包括：

- Obtaining an understanding of how allowance for doubtful debts is estimated by the management;
- 了解管理層如何估計呆賬撥備；
- Reviewing the aging analysis of the trade receivables throughout the year to understand the settlement patterns by the customers;
- 審閱應收貿易賬款於整個年度之賬齡分析，以了解客戶的結算模式；
- Testing the aging analysis of the trade receivables, on a sample basis, to the source documents; and
- 抽樣檢測應收貿易賬款賬齡分析的原始文件；及
- Assessing the reasonableness of recoverability of trade receivables with reference to the credit history including default or delay in payments, settlement records, subsequent settlements and aging analysis of each individual customer.
- 參考每名個別客戶包括拖欠或延期付款、結算記錄、其後結算及賬齡分析的信貸記錄，以評估應收貿易賬款可收回程度之合理性。

Independent Auditor's Report

獨立核數師報告書

Key audit matters

關鍵審核事項

How our audit addressed the key audit matters

我們的審核如何處理關鍵審核事項

Contingent liabilities

或然負債

Refer to Note 34 to the consolidated financial statements

參閱綜合財務報表附註34

Due to the level of judgement relating to recognition, valuation and presentation of provisions and contingent liabilities, this is considered to be a key audit matter.

鑒於與撥備及或然負債的確認、估值及呈列相關的判斷的程度，這被視為關鍵審核事項。

The assessment of the existence of the present legal or constructive obligation, analysis of the probability of the related payment and analysis of a reliable estimate, requires management's judgement to ensure appropriate accounting or disclosures.

評估現有法律或推定義務是否存在、分析有關付款的可能性及分析可靠估計須管理層作出判斷，以確保作出適當的會計處理或披露。

As of 31 December 2016 the Group had contingent liabilities that arising from a claim from a former employee for approximately HK\$2,600,000 (equivalent to approximately RMB2,340,000) and a provisions for claim of approximately RMB86,000 was recognised during the year. Details of contingent liabilities are set out in Note 34 to the consolidated financial statements.

於二零一六年十二月三十一日，貴集團因一名前僱員的索償產生或然負債約2,600,000港元(相當於約人民幣2,340,000元)，年內已確認索償撥備約人民幣86,000元。或然負債之詳情載於綜合財務報表附註34。

Our procedures in relation to the provision of claim included: 我們有關索償撥備的程序主要包括：

- Reviewing judgements made by the Court; 審閱法院作出的判決；
- Discussing significant litigation and claims with the Group's management and assessing their processes to identify new possible obligations and change in existing obligations for compliance with group policy; 與貴集團管理層討論重大的訴訟及索償及評估其識別新的可能責任的流程及為了遵守集團政策而對現有責任作出的變動；
- Performing legal search to ensure the completeness of litigation and claims. 進行法律研究以確保訴訟及索償圓滿解決。
- Obtaining and reviewing letters from the Group's external legal advisors regarding the likely outcome and magnitude of and exposure to the relevant litigation and claims; 獲取及審閱貴集團外聘法律顧問有關相關訴訟及索償的可能結果及程度以及所承擔風險的信函；
- Reviewing minutes of board meetings; and 審閱董事會會議記錄；及
- Assessing the appropriateness of presentation and disclosures in the consolidated financial statements. 評估綜合財務報表的呈列及披露的適當性。

OTHER INFORMATION

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

其他資料

貴公司董事須對其他資料負責。其他資料包括年報內所載的資料，但不包括綜合財務報表及我們就此發出的核數師報告(「其他資料」)。

Independent Auditor's Report

獨立核數師報告書

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

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

RESPONSIBILITIES OF THE DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

就本核數師對綜合財務報表的審核，本核數師的責任乃細閱其他資料，在此過程中，考慮其他資料與綜合財務報表或本核數師在審核過程中所知悉的情況是否存在重大抵觸或看似存在重大錯誤陳述。基於本核數師已執行的工作，倘本核數師認為其他資料存在重大錯誤陳述，本核數師需要報告該事實。本核數師就此並無任何事項須報告。

董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定，編製表達真實且公允意見的綜合財務報表，以及維持董事認為必要的內部監控，以確保編製綜合財務報表時不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

審核委員會須負責監督 貴集團的財務報告過程。

核數師就審核綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向 閣下(作為整體)按照香港公司條例第405條報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

Independent Auditor's Report

獨立核數師報告書

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對這些風險，以及獲取充足和適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部控制，以設計適當的審核程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告書中提請注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非保留意見。我們的結論是基於核數師報告書日止所取得的審核憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。

Independent Auditor's Report

獨立核數師報告書

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

KTC Partners CPA Limited

Certified Public Accountants (Practising)

Chow Yiu Wah Joseph

Audit Engagement Director

Practising Certificate Number: P04686

Hong Kong, 29 March 2017

- 就 貴集團內實體或業務活動的財務資料獲取充足、適當的審核憑證，以便對綜合財務報表發表意見。我們負責 貴集團審核的方向、監督與執行。我們為審核意見承擔全部責任。

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

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

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

和信會計師事務所有限公司

香港執業會計師

周耀華

審核項目董事

執業證書編號：P04686

香港，二零一七年三月二十九日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收益	9	14,337	56,427
Cost of sales	銷售成本		(12,648)	(54,477)
Gross profit	毛利		1,689	1,950
Other income	其他收入	9	5	512
Gain on deregistration of a subsidiary	一間附屬公司撤銷登記的收益	40	–	627
Gain on disposal of investment properties and prepaid lease payment	出售投資物業及預付租賃 款項的收益	11	2,343	–
Reversal of trade payables	撥回應付貿易賬款		–	850
Waiver of other payables, accruals and receipt in advances	豁免其他應付賬款、應計費用 及預收款項		–	5,938
Administrative expenses	行政費用		(6,663)	(5,353)
(Loss) profit before taxation	除稅前(虧損)溢利	12	(2,626)	4,524
Income tax credit	所得稅抵免	13	2	–
(Loss) profit for the year	年內(虧損)溢利		(2,624)	4,524

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Other comprehensive income	其他全面收入			
Items that may be reclassified subsequently to profit or loss:	其後可重新分類至損益之項目：			
Exchange differences arising on translation of foreign operations	換算海外業務產生的匯兌差額		(76)	(21)
Total other comprehensive income for the year	年內其他全面收入總額		(76)	(21)
Total comprehensive income for the year	年內全面收入總額		(2,700)	4,503
(Loss) profit for the year attributable to:	以下人士應佔年內(虧損)溢利：			
Owners of the Company	本公司擁有人		(2,624)	4,524
Non-controlling interests	非控股權益		-	-
			(2,624)	4,524
Total comprehensive income attributable to:	以下人士應佔全面收入總額：			
Owners of the Company	本公司擁有人		(2,700)	4,503
Non-controlling interests	非控股權益		-	-
			(2,700)	4,503
(Loss) earnings per share (RMB' cents)	每股(虧損)盈利(人民幣分)	17		
Basic	基本		(0.52)	0.90
Diluted	攤薄		N/A 不適用	N/A 不適用

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2016

於二零一六年十二月三十一日

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產			
Plant and equipment	廠房及設備	18	91	159
Investment properties	投資物業	19	–	979
Prepaid lease payment	預付租賃款項	20	–	3,873
			91	5,011
CURRENT ASSETS	流動資產			
Inventories	存貨	21	2,159	2,387
Prepaid lease payment	預付租賃款項	20	–	242
Trade receivables	應收貿易賬款	22	5,705	1,285
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	23	46	336
Tax recoverable	可收回稅項		–	36
Paid in advances	已付預付款項		4,451	5,314
Pledged bank deposits	已抵押銀行存款	24	102	95
Bank balances and cash	銀行結餘及現金	25	2,834	1,373
			15,297	11,068
CURRENT LIABILITIES	流動負債			
Trade payables	應付貿易賬款	26	4,367	2,399
Other payables and accruals	其他應付賬款及應計費用	27	2,471	1,770
Receipt in advances	預收款項		4,571	4,117
Amount due to a former director	應付一名前董事款項	28	11,206	11,073
Amount due to a major shareholder	應付一名主要股東款項	29	2,000	–
Amount due to a former shareholder	應付一名前股東款項	29	31,191	29,658
Dividends payables	應付股息	30	4,440	4,440
Other borrowings	其他借貸	31	6,220	11,000
			66,466	64,457
NET CURRENT LIABILITIES	流動負債淨額		(51,169)	(53,389)
NET LIABILITIES	淨負債		(51,078)	(48,378)

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2016

於二零一六年十二月三十一日

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	32	50,000	50,000
Reserves	儲備		(101,078)	(98,378)
Equity attributable to owners of the Company	本公司擁有人應佔權益		(51,078)	(48,378)
Non-controlling interests	非控股權益		-	-
CAPITAL DEFICIENCY	資本虧絀		(51,078)	(48,378)

The consolidated financial statements on pages 57 to 130 were approved and authorised for issue by the board of directors on 29 March 2017 and are signed on its behalf by:

第57頁至第130頁的綜合財務報表乃經董事會於二零一七年三月二十九日批准及授權刊發，並由下列董事代表簽署：

He Keng

何鏗

Director

董事

Wu Shanhong

吳珊紅

Director

董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔								
		Share capital	Capital reserve	Other reserve	Statutory surplus reserve	Translation reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
		股本	資本儲備	其他儲備	法定盈餘公積金	匯兌儲備	累計虧損	小計	非控股權益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
			(Note i) (附註i)	(Note ii) (附註ii)	(Note iii) (附註iii)					
At 1 January 2015	於二零一五年一月一日	50,000	40,449	256,623	24,998	34	(424,985)	(52,881)	663	(52,248)
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	(21)	4,524	4,503	-	4,503
Eliminated on deregistration of a subsidiary (Note 40)	一間附屬公司撤銷登記的對銷(附註40)	-	-	-	-	-	-	-	(633)	(633)
At 31 December 2015	於二零一五年十二月三十一日	50,000	40,449	256,623	24,998	13	(420,461)	(48,378)	-	(48,378)
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	(76)	(2,624)	(2,700)	-	(2,700)
At 31 December 2016	於二零一六年十二月三十一日	50,000	40,449	256,623	24,998	(63)	(423,085)	(51,078)	-	(51,078)

Notes:

附註：

(I) CAPITAL RESERVE

Capital reserve includes the share premium arising from the issuance of H shares after deduction of the respective share issuance costs of the Company.

(i) 資本儲備

資本儲備包括本公司發行H股產生的股份溢價(已扣除相關股份發行成本)。

(II) OTHER RESERVE

Other reserve represents the waiver of the amounts due to a former major shareholder upon change in shareholding in the Company.

(ii) 其他儲備

其他儲備指於本公司股權變動後豁免應付一名前主要股東款項。

(III) STATUTORY SURPLUS RESERVE

The Articles of Association of the Company and its subsidiaries established in the People's Republic of China (the "PRC") require the appropriation of 10% of their profit after income tax determined under the PRC accounting standards each year to the statutory surplus reserve until the balance reaches 50% of the registered share capital. According to the provision of the Company's Articles of Association, under normal circumstances, the statutory surplus reserve shall only be used for making up losses, capitalisation into share capital and expansion of the Company's production and operation. For the capitalisation of statutory surplus reserve into share capital, the remaining amount of such reserve shall not be less than 25% of the registered share capital.

(iii) 法定盈餘公積金

本公司及其在中華人民共和國(「中國」)成立的附屬公司的公司章程細則規定，每年須將根據中國會計準則計算的除所得稅後溢利其中10%撥入法定盈餘公積金，直至法定盈餘公積金結餘達到註冊股本的50%為止。根據本公司的公司章程細則規定，在一般情況下，法定盈餘公積金僅可用作抵銷虧損、撥充股本及擴展本公司的生產及營運。就將法定盈餘公積金撥充股本而言，法定盈餘公積金的餘額不得少於註冊股本的25%。

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
OPERATING ACTIVITIES	經營業務		
(Loss) profit before taxation	除稅前(虧損)溢利	(2,626)	4,524
Adjustments for:	已就下列項目調整：		
Amortisation of prepaid lease payment	攤銷預付租賃款項	121	242
Bank interest income	銀行利息收入	(3)	(4)
Depreciation of plant and equipment	廠房及設備折舊	39	47
Depreciation of investment properties	投資物業折舊	29	58
Gain on disposal of investment properties and prepaid lease payment	出售投資物業及預付租賃款項的收益	(2,343)	-
Gain on deregistration of a subsidiary	一間附屬公司撤銷登記的收益	-	(627)
Impairment loss of trade and other receivables and paid in advance	應收貿易賬款及其他應收賬款及已付預付款項的減值虧損	445	136
Reversal of trade payables	撥回應付貿易賬款	-	(850)
Waiver of other payables, accruals and receipt in advances	豁免其他應付賬款、應計費用及預收款項	-	(5,938)
Provision for claim	索償撥備	86	-
Written off of plant and equipment	撇銷廠房及設備	29	2
Operating cash flows before movements in working capital	營運資金變動前的營運現金流量	(4,223)	(2,410)
Decrease (increase) in inventories	存貨減少(增加)	227	(62)
(Increase) decrease in trade receivables	應收貿易賬款(增加)減少	(5,069)	4,765
Decrease (increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收賬款減少(增加)	281	(137)
Decrease (increase) in paid in advances	已付預付款項減少(增加)	1,341	(4,720)
Increase (decrease) in trade payables	應付貿易賬款增加(減少)	2,246	(2,823)
Decrease (increase) in other payables and accruals	其他應付賬款及應計費用減少(增加)	614	(980)
Increase in receipt in advances	預收款項增加	-	2,084
Cash used in operations	經營業務所用現金	(4,583)	(4,283)
Income tax refunded	退還所得稅	38	-
NET CASH USED IN OPERATING ACTIVITIES	經營業務所用現金淨額	(4,545)	(4,283)

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
INVESTING ACTIVITIES	投資活動		
Purchase of plant and equipment	購買廠房及設備	-	(27)
Net proceed from disposal of investment properties and prepaid lease payment	出售投資物業及預付租賃款項的所得款項淨額	7,287	-
Increase in pledged bank deposits	已抵押銀行存款增加	-	(95)
Interest received	已收利息	3	4
NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES	投資活動所得(所用)現金淨額	7,290	(118)
FINANCING ACTIVITIES	融資活動		
Repayments of other borrowings	償還其他借貸	(6,300)	-
Advance from a former director	來自一名前董事的墊款	-	10,319
Advance from a major shareholder	來自一名主要股東的墊款	2,000	-
Advance from (repayments to) a former shareholder	來自一名前股東的墊款/(償還)一名前股東款項	1,533	(8,605)
Other borrowings raised	已籌其他借貸	1,520	-
NET CASH (USED IN) GENERATED FROM FINANCING ACTIVITIES	融資活動(所用)所得現金淨額	(1,247)	1,714
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值項目增加(減少)淨額	1,498	(2,687)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	於年初的現金及現金等值項目	1,373	4,096
Effect of foreign exchanges rate changes	匯率變動影響	(37)	(36)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	於年末的現金及現金等值項目 即銀行結餘及現金	2,834	1,373

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

1. GENERAL INFORMATION

Zhejiang RuiYuan Intelligent Control Technology Company Limited (the “Company”) is a joint stock limited liability company incorporated in the People’s Republic of China (the “PRC”) and its shares are listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the Annual Report.

The consolidated financial statements are presented in Renminbi (“RMB”). Other than the subsidiary incorporated in Hong Kong whose functional currency is United States Dollar (“USD”), the functional currency of the Company and its subsidiaries (collectively referred to as the “Group”) is RMB.

The principal activities of the Group are design, manufacture and sale of intelligent controller systems for consumer electrical and electronic appliances and the assembly of mobile phones in the PRC.

1. 一般資料

浙江瑞遠智控科技股份有限公司(「本公司」)為於中華人民共和國(「中國」)註冊成立的股份有限公司，其股份在香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市。

本公司之註冊辦事處地址及主要營業地點載於年報中之「公司資料」內。

綜合財務報表以人民幣(「人民幣」)呈列。除在香港註冊成立的附屬公司以美元(「美元」)作為功能貨幣外，本公司及其附屬公司(統稱為「本集團」)的功能貨幣為人民幣。

本集團主要在中國從事設計、製造及銷售可用於消費電器及電子用品的智能控制器系統以及裝嵌流動電話的業務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

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

Standards and amendments effective for the annual period beginning on 1 January 2016 adopted by the Group but have no significant impact on the Group’s consolidated financial statements.

HKAS 1 (Amendment)	Disclosure Initiative
HKAS 16 (Amendment)	Property, Plant and Equipment — Clarification of Acceptable Methods of Depreciation
HKAS 27 (Amendment)	Separate Financial Statements — Equity Method in Separate Financial Statements
HKAS 38 (Amendment)	Intangible Assets — Clarification of Acceptable Methods of Amortisation
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception
HKFRS 11 (Amendment)	Joint Arrangements — Accounting for Acquisitions of Interest in Joint Operation
HKFRS 14	Regulatory Deferral Accounts

Annual Improvements to HKFRS 2012–2014 Cycle

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

本集團所採納自二零一六年一月一日起生效但對本集團綜合財務報表沒有重大影響的準則及修訂本。

香港會計準則第1號(修訂本)	披露計劃
香港會計準則第16號(修訂本)	物業、廠房及設備 — 釐清可接納的折舊方法
香港會計準則第27號(修訂本)	獨立財務報表 — 獨立財務報表內的權益法
香港會計準則第38號(修訂本)	無形資產 — 釐清可接納的攤銷方法
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(修訂本)	投資實體：應用合併的例外規定
香港財務報告準則第11號(修訂本)	合營安排 — 收購合營業務權益會計處理
香港財務報告準則第14號	監管遞延賬戶

二零一二年至二零一四年週期之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 2016

截至二零一六年十二月三十一日止年度

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

The following new standards and amendments have been issued but are not yet effective for the year ended 31 December 2016 and which the Group has not early adopted:

HKAS 7 (Amendment)	Disclosure Initiative — Statement of Cash Flows ¹
HKAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses ¹
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions ²
HKFRS 4 (Amendments)	Insurance Contracts ²
HKFRS 9	Financial Instruments ²
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 15 (Amendment)	Clarifications to HKFRS 15 Revenue from Contracts with Customers ²
HKFRS 16	Leases ³

Notes:

- ¹ Effective for annual periods beginning on or after 1 January 2017
- ² Effective for annual periods beginning on or after 1 January 2018
- ³ Effective for annual periods beginning on or after 1 January 2019
- ⁴ Effective for annual periods beginning on or after a date to be determined

Apart from the above, a number of annual improvements and minor amendments to HKFRS have also been issued by the HKICPA but they are not yet effective for the accounting period ended 31 December 2016 and have not been adopted in these consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）— 續

以下為截至二零一六年十二月三十一日止年度已頒佈但尚未生效，且本集團並未提早採納的新準則及修訂本：

香港會計準則第7號 (修訂本)	披露計劃 — 現金流量表 ¹
香港會計準則第12號 (修訂本)	就未變現虧損確認遞延稅項資產 ¹
香港財務報告準則第2號 (修訂本)	以股份為基礎之付款交易之分類及計量 ²
香港財務報告準則第4號 (修訂本)	保險合同 ²
香港財務報告準則第9號	金融工具 ²
香港財務報告準則第10號 及香港會計準則第28號 (修訂本)	投資者與其聯營公司或合營企業之間的資產出售或注資 ⁴
香港財務報告準則第15號	來自客戶合約的收益 ²
香港財務報告準則第15號 (修訂本)	釐清香港財務報告準則第15號來自客戶合約的收益 ²
香港財務報告準則第16號	租賃 ³

附註：

- ¹ 二零一七年一月一日或之後開始之年度期間生效
- ² 二零一八年一月一日或之後開始之年度期間生效
- ³ 二零一九年一月一日或之後開始之年度期間生效
- ⁴ 於待定日期或以後開始之年度期間生效

除以上所述，香港會計師公會亦已頒佈多項香港財務報告準則年度改進及較小的修訂，惟於截至二零一六年十二月三十一日止年度會計期間尚未生效且於該等綜合財務報表內未予採納。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

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

HKFRS 9 Financial Instruments

A final version of HKFRS 9 (that includes classification and measurement of financial assets and financial liabilities, impairment and general hedge accounting) was issued in 2014.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 “Financial instruments: Recognition and measurement” are subsequently measured at amortised cost or fair value. Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods.
- An expected loss model (rather than an incurred loss model) has been adopted by HKFRS 9.
- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting.

The directors of the Company (the “Directors”) will assess the impact of the application of HKFRS 9. For the moment, it is not practicable to provide a reasonable estimate of the effect of the application of HKFRS 9 until the Group performs a detailed review.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」) – 續

香港財務報告準則第9號「金融工具」

香港財務報告準則第9號的最終版本(包括金融資產及金融負債的分類及計量、減值及一般對沖會計)於二零一四年頒佈。

香港財務報告準則第9號之主要規定載述如下：

- 屬香港會計準則第39號「金融工具：確認及計量」範圍內之所有已確認金融資產其後均須按攤銷成本或公平值計量。於目的為收取合約現金流量之業務模式下持有以及附有純粹作本金及尚未償還本金利息付款之合約現金流量之債項投資，一般於其後會計期間結束時按攤銷成本計量。所有其他債項投資及股本投資則於其後會計期間結束時按其公平值計量。
- 香港財務報告準則第9號採納預期虧損模式(而非已產生虧損模式)。
- 新訂一般對沖會計規定保留三種對沖會計類型。然而，符合對沖會計資格之交易類型已引入更大彈性，尤其是擴闊符合對沖工具資格之工具類型及符合對沖會計資格之非金融項目之風險成份類型。

本公司董事(「董事」)將評估應用香港財務報告準則第9號之影響。截至目前，本集團於完成詳細審閱前無法合理估算應用香港財務報告準則第9號之影響。

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

HKFRS 15 Revenue from contracts with customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction contracts” and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

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

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

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

The Directors do not anticipate that the application of HKFRS 15 will have a material impact on the Group’s consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）— 續

香港財務報告準則第15號「來自客戶合約的收益」

香港財務報告準則第15號已頒佈，其制定一項單一全面模式供實體用以將客戶合約所產生收益入賬。香港財務報告準則第15號於生效後將取代現時載於香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋之收益確認指引。

香港財務報告準則第15號之核心原則為實體於確認描述向客戶轉讓承諾貨品或服務之收益時，金額應能反映該實體預期就交換該等貨品或服務有權獲得之代價。具體而言，該準則引入確認收益之五個步驟：

- 步驟1：識別與客戶之合約
- 步驟2：識別合約之履約責任
- 步驟3：釐定交易價格
- 步驟4：將交易價格分配至合約之履約責任
- 步驟5：當（或於）實體履行責任時確認收入

根據香港財務報告準則第15號，實體於完成履約責任時，即於特定履約責任相關貨品或服務之控制權移交客戶時確認收益。香港財務報告準則第15號已就特殊情況之處理方法加入更明確之指引。此外，香港財務報告準則第15號要求作出更詳盡披露。

於二零一六年，香港會計師公會發表香港財務報告準則第15號之澄清，內容有關對履約責任的識別、主事人與代理人代價以及牌照申請指引。

董事預期應用香港財務報告準則第15號將不會對本集團綜合財務報表產生重大影響。

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

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. It distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Subject to limited exceptions for short-term leases and low value assets, distinctions of operating and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees. However, the standard does not significantly change the accounting of lessors.

Application of HKFRS 16 will result in the Group’s recognition of right-of-use assets and corresponding liabilities in respect of many of the Group’s lease arrangements. These assets and liabilities are currently not required to be recognised but certain relevant information is disclosed as commitments in Note 35 to the consolidated financial statements. The Directors anticipate that the application of HKFRS 16 in the future will unlikely have a significant impact on the Group’s consolidated financial statements.

Other than disclosed above, the Directors anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）— 續

香港財務報告準則第16號「租賃」

香港財務報告準則第16號引進全面模式，以就出租人及承租人識別租賃安排及會計處理方法，當中按照所識別資產是否由客戶控制之基準，分辨租賃與服務合約。在短期租賃及低價值資產的有限例外情況規限下，已就租賃會計處理剔除經營與金融租賃之分辨，並以一項模式取代，該模式規定須就承租人的所有租賃確認資產使用權及相應責任。然而，該準則並無對出租人的會計處理作出重大改變。

應用香港財務報告準則第16號將導致本集團須就其眾多租賃安排確認資產使用權及相應責任。此等資產及負債現時毋須確認，惟須披露若干相關資料，作為此綜合財務報表附註35之承擔。董事預期，日後應用香港財務報告準則第16號將不太可能對本集團的綜合財務報表造成重大影響。

除上文所披露者外，董事預期應用其他新訂及經修訂香港財務報告準則將不會對綜合財務報表產生重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

Statements of compliance

The consolidated financial statements have been prepared in accordance with all applicable individual HKFRSs, which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance (“CO”). These consolidated financial statements also comply with the applicable disclosure provisions of Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong (“GEM Listing Rules”).

Basis of preparation

During the year, the Group incurred a net loss for the year of approximately RMB2,624,000. At 31 December 2016, the Group had net current liabilities of approximately RMB51,169,000 and capital deficiency of approximately RMB51,078,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liability in the normal course of business. Nevertheless, the Directors are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from the date of approval of these consolidated financial statements on the basis that:

- (i) The Directors will strengthen to implement measures aiming of improving the working capital and cash flows of the Group including closely monitoring the general administrative expenses and operating costs;
- (ii) a major shareholder of the Company confirms to provide adequate financial support to the Group as is necessary to ensure its continuing operation for a period at least twelve months from the date of this report;
- (iii) to raise funds by way of issuing additional equity or debt securities; and
- (iv) to negotiate with certain bankers to obtain additional banking facilities, if necessary.

3. 重大會計政策

合規聲明

綜合財務報表根據香港會計師公會頒佈的所有適用之個別香港財務報告準則(包括所有適用之個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋、香港公認會計原則及香港公司條例(「公司條例」)披露規定之統稱)而編製。該等綜合財務報表亦遵守香港聯交所創業板證券上市規則(「創業板上市規則」)的適用披露規定。

編製基準

年內，本集團錄得淨虧損約人民幣2,624,000元。於二零一六年十二月三十一日，本集團的流動負債淨額約人民幣51,169,000元及資本虧絀約人民幣51,078,000元。該等情況顯示經營存在重大不確定性，可能對本集團繼續持續經營的能力產生重大質疑，因此，本集團可能無法在日常營業過程中將其資產變現，亦無法清償其負債。然而，董事認為，本集團將擁有充足營運資金償還自該等綜合財務報表批准日期起計未來十二個月到期的金融負債，基於：

- (i) 董事將加強實施旨在增加本集團營運資金及現金流量的措施，包括密切監控一般行政費用營運成本；
- (ii) 本公司一名主要股東已確認在必要時向本集團提供足夠的財務支持，以確保本集團能夠自本報告日期至少十二個月內持續運營；
- (iii) 透過發行額外股票或債務證券籌集資金；及
- (iv) 如需要，與若干往來銀行商討以獲取額外銀行融資。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of preparation – Continued

Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to the consolidated financial statements to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets as current assets. The effect of these adjustments have not been reflected in the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

3. 重大會計政策 – 續

編製基準 – 續

因此，董事認為綜合財務報表適合基於持續經營基準編製。倘本集團不能以持續經營基準繼續營業，有必要將綜合財務報表中之資產價值撇減至可收回額、為可能產生之其他負債計提撥備以及將非流動資產重新分類為流動資產。該等調整之影響並未於綜合財務報表中反映。

綜合財務報表已根據歷史成本法編製。

歷史成本一般按換取貨品及服務所付出代價之公平值計量。

公平值是指市場參與者之間在計量日期進行的有序交易中出售一項資產所收取的價格或轉移一項負債所支付的價格，無論該價格是直接觀察到的結果還是採用其他估值技術作出的估計。在對資產或負債的公平值作出估計時，本集團考慮了市場參與者在計量日期為該資產或負債進行定價時會考慮的那些特徵。在該等綜合財務報表中作計量及／或披露用途的公平值均在此基礎上予以確定，但屬於香港財務報告準則第2號範圍內的以股份為基礎的支付交易、屬於香港會計準則第17號範圍內的租賃交易、以及與公平值有部分類似但並非公平值的計量（例如，香港會計準則第2號中的可變現淨值或香港會計準則第36號中的使用價值）除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of preparation – Continued

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

3. 重大會計政策 – 續

編製基準 – 續

此外，就財務報告而言，公平值計量根據公平值計量的輸入數據可觀察程度及公平值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場之報價(未經調整)；
- 第二級輸入數據是就資產或負債直接或間接地可觀察之輸入數據(第一級內包括的報價除外)；及
- 第三級輸入數據是資產或負債的不可觀察輸入數據。

主要會計政策載列於下文：

綜合基準

綜合財務報表包括本公司及由本公司及其附屬公司控制的實體的財務報表。倘本公司符合以下要素時，則取得控制權：

- 有權控制被投資方；
- 因其參與被投資方業務而獲得或有權獲得可變回報；及
- 有能力以其權力影響其回報。

倘有事實及情況顯示上文所述的三項控制要素之一項或多項出現變動，本集團會重新評估其是否控制被投資方。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of consolidation – Continued

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's statement of financial position at cost less accumulated impairment loss, if any.

3. 重大會計政策 – 續

綜合基準 – 續

附屬公司之綜合入賬於本集團取得有關附屬公司之控制權起開始，並於本集團失去有關附屬公司之控制權時終止。具體而言，年內所收購或出售附屬公司之收入及開支乃自本集團取得控制權之日期起計入綜合損益及其他全面收益表，直至本集團不再控制有關附屬公司之日期為止。

損益及其他全面收益之每個項目乃歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益產生虧絀結餘。

如有必要，本集團會調整附屬公司的財務報表，以使其與本集團所採納的會計政策一致。

有關本集團成員之間交易的所有集團內公司間之資產及負債、權益、收入、支出及現金流量於綜合時悉數對銷。

附屬公司投資

於本公司之財務狀況表中，於附屬公司之投資乃以成本扣除累計減值虧損（如有）入賬。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for discounts and sales related taxes.

Sales of goods

Revenue from the sale of goods and scrap materials are recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

3. 重大會計政策 – 續

收益確認

收益按已收或應收代價的公平值計量。收益扣除折扣及銷售相關稅項。

貨品銷售

貨品及廢料銷售的收益於貨品付運及所有權轉移並於下列所有條件達成時確認入賬：

- 本集團已向買方轉讓貨品擁有權之重大風險及回報；
- 本集團並無保留對售出貨品與擁有權相關之持續管理參與，亦無保留售出貨品之實際控制權；
- 收益之金額能可靠地計量；
- 與交易有關之經濟利益很有可能流入本集團；及
- 就交易所產生或將產生之成本能可靠地計量。

利息收入

金融資產的利息收入乃於經濟利益可能將流入本集團及收入金額能可靠地計量時確認。利息收入按時間基準根據未償還本金額及適用實際利率（即將金融資產預期可使用年期的估計日後現金收入準確貼現至初步確認時的資產賬面淨值的比率）計算。

租金收入

本集團有關確認來自經營租約收益的會計政策詳述於下文有關租賃的會計政策。

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3. SIGNIFICANT ACCOUNTING POLICIES – Continued 3. 重大會計政策 – 續

Plant and equipment

Plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

廠房及設備

廠房及設備按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表列賬。

折舊乃透過於資產的估計可使用年期內以直線法撇銷資產成本減殘值後確認。估計可使用年期、殘值及折舊法於各報告期末檢討，任何估計變動的影響往後入賬。

任何廠房及設備項目於出售或預期日後持續使用該資產不會取得經濟利益時終止確認。出售或停用廠房及設備項目所產生的收益或虧損根據出售資產的所得款項與資產的賬面值的差額釐定，並於損益確認。

投資物業

投資物業乃為用於賺取租金及/或增資而持有的物業。

於初步確認時，投資物業按成本計量，包括任何直接應佔開支。於初步確認後，投資物業按成本減其後累計折舊及任何累計減值虧損列賬。折舊乃按投資物業之估計可使用年期並計及其估計殘值後以直線法撇銷其成本確認。

投資物業於出售時或當永久停用及預期出售不會帶來日後經濟利益時終止確認。終止確認物業產生之任何收益或虧損(按該資產之出售所得款項淨額與賬面值之間的差額計算)於該物業終止確認之期間計入損益。

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綜合財務報表附註

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截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES – Continued 3. 重大會計政策 – 續

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

有形資產減值虧損

於報告期末，本集團檢討其有形資產的賬面值，以釐定該等資產有否任何減值虧損跡象。倘有任何減值跡象，則會估計資產的可收回數額以釐定減值虧損(如有)程度。倘無法估計個別資產之可收回數額，則本集團對該資產所屬之現金產生單位之可收回數額進行估計。在合理、一貫之分配基準可被確定之情況下，公司資產亦分配至個別現金產生單位，否則將分配至合理、一貫之分配基準可被確定之最小現金產生單位組合。

可收回數額指公平值減出售成本後之價值與其使用價值之間之較高者。在評估使用價值時，使用稅前折現率將估計未來現金流量折現至其現值，該折現率反映目前市場對貨幣時間價值之評估及該項資產因其未來現金流量估計未獲調整之特有風險。

倘估計資產(或現金產生單位)的可收回數額降至低於其賬面值，則該資產(或現金產生單位)的賬面值將調低至其可收回數額的水平。減值虧損會即時於損益確認。

倘減值虧損其後撥回，則有關資產(或現金產生單位)的賬面值將調升至其經修訂的估計可收回數額，惟調升後的賬面值不得超過假設該資產(或現金產生單位)於過往年度並無確認減值虧損所釐定的賬面值。減值虧損的撥回即時於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016

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3. SIGNIFICANT ACCOUNTING POLICIES — Continued

Leasing

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

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Leasehold land and buildings

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

3. 重大會計政策 — 續

租賃

租約條款將擁有權的絕大部分風險及回報轉移予承租人的租約，均列作融資租約。所有其他租約則列作經營租約。

本集團作為出租人

經營租約的租金收入按有關租約年期以直線法確認。在磋商及安排經營租約時產生之初步直接成本加入租賃資產之賬面值，於租約年期以直線法確認。

本集團作為承租人

經營租賃款項於有關租約年期以直線法確認為開支，除非有另一個系統的方法更能體現租賃資產的經濟利益被消耗的時間方式。經營租約下的或有租金在當期發生時確認為當期開支。

倘就訂立經營租約獲得租約優惠，有關優惠確認為負債。優惠利益總額以直線法確認為租賃開支之扣減，除非有另一個系統的方法更能體現租賃資產的經濟利益被消耗的時間方式。

租賃土地及樓宇

倘一項租賃同時包括土地及樓宇部分，則本集團會分別依照各部分擁有權隨附的絕大部分風險及回報是否已轉移至本集團，評估各部分分類應被界定為融資或是經營租賃，除非兩個部分被清楚確定為經營租約外，於此情況下，整份租約分類為經營租約。具體而言，最低租賃款項是(包括任何一筆過支付的預付款項)會按訂立租賃時租賃土地部分與樓宇部分租賃權益之相關公平值，按比例於土地與樓宇部分之間分配。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Leasing – Continued

Leasehold land and buildings – Continued

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as plant and equipment.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at 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.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group’s foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributable to non-controlling interest as appropriate).

Borrowing costs

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

3. 重大會計政策 – 續

租賃 – 續

租賃土地及樓宇 – 續

倘能可靠地分配租賃款項，則入賬列為經營租賃的租賃土地權益將於綜合財務狀況表內列作「預付租賃款項」，並於租約年期以直線法攤銷入賬。倘未能可靠地於土地及樓宇部分之間分配租賃款項，則整項租賃一般會分類為融資租賃，並入賬列作廠房及設備。

外幣

於編製個別集團實體的財務報表時，以該實體功能貨幣以外的貨幣（外幣）計值的交易按交易當日的匯率確認。於報告期末，以外幣計值的貨幣項目均按當日的匯率重新換算。按公平值入賬並以外幣計值的非貨幣項目按釐定公平值當日的匯率重新換算。按歷史成本以外幣計值的非貨幣項目不予重新換算。

於呈列綜合財務報表時，本集團海外業務的資產與負債按各報告期末的匯率換算為本集團的呈報貨幣（即人民幣），而其收支項目則按期內的平均匯率換算。匯兌差額（如有）均在其他全面收入確認及累計入在匯兌儲備項下的權益（非控股權益應佔，倘適用）。

借貸成本

收購、建築或生產認可資產（指需要用上大量時間準備就緒以供擬定用途或銷售之資產）直接應佔之借貸成本乃計入該等資產之成本，直至該等資產大致上已準備就緒以供擬定用途或銷售為止。在特定借貸撥作認可資產之支出前暫時用作投資所賺取之投資收入，須自可予資本化之借貸成本中扣除。

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綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES — Continued

Borrowing costs — Continued

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

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

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “profit before taxation” as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. 重大會計政策 — 續

借貸成本 — 續

就於一般情況及用作取得合資格資產而借入之資金而言，合資格資本化之借款成本金額乃按用於該資產之開支資本化比率計算。資本化比率為適用於貴集團該期間內尚未償還借款（不包括就取得合資格資產而借入之特定借款）之加權平均借款成本。

所有其他借款成本均在產生期間於損益內確認。

稅項

所得稅開支指即期應付稅項與遞延稅項的總和。

即期稅項

即期應付稅項按年內應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表內呈報之「除稅前溢利」兩者差異乃由於前者並無計入其他年度之應課稅或可扣減收支項目，亦無計入毋須課稅或不獲扣減之項目所致。本集團的即期稅項按報告期末已頒佈或實際頒佈的稅率計算。

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綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Taxation – Continued

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

3. 重大會計政策 – 續

稅項 – 續

遞延稅項

遞延稅項按綜合財務報表內資產及負債賬面值與計算應課稅溢利所用相關稅基的差額確認。遞延稅項負債一般按所有應課稅暫時差額確認。遞延稅項資產一般於所有應扣稅暫時差額有可能用以抵銷應課稅溢利時予以確認。

投資附屬公司相關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的撥回及有可能在可見將來不會撥回暫時差額則除外。與該等投資相關之可扣稅暫時差額所產生之遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時差額之益處且預計於可見將來可以撥回時確認。

遞延稅項資產的賬面值於各報告期末作出檢討，並於不再可能有足夠應課稅溢利以收回全部或部分資產的情況下作出調減。

遞延稅項資產及負債乃按預期適用於清償負債或變現資產期間之稅率，並根據報告期末已實施或大致上已實施之稅率(及稅法)計量。

遞延稅項負債及資產的計量反映出按本集團預期於報告期末將收回或結清其資產與負債的賬面值所產生的稅項後果。

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3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Taxation – Continued

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

3. 重大會計政策 – 續

稅項 – 續

年內即期稅項及遞延稅項

即期及遞延稅項乃於損益內確認，除非其關乎於其他全面收入或直接於權益確認之項目，在該情況下，即期及遞延稅項亦於其他全面收入或直接於權益中分別確認。

存貨

存貨按成本與可變現淨值兩者的較低者入賬。存貨成本以先進先出法計算。可變現淨值指估計存貨售價減所有估計完成成本及作出銷售所需之成本。

金融工具

金融資產及金融負債於集團實體成為工具合約條文的訂約方時確認入賬。

金融資產及金融負債初步按公平值計量。直接因收購或發行金融資產及金融負債(按公平值計入損益的金融資產及金融負債除外)而產生的交易成本於初步確認時在金融資產或金融負債的公平值入賬或扣除(倘合適)。

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3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments – Continued

Financial assets

Financial assets are classified into the category; loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

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 (including trade receivables, deposits and other receivables, pledged bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivable where the recognition of interest would be immaterial.

3. 重大會計政策 – 續

金融工具 – 續

金融資產

金融資產分類為特定類別、貸款及應收賬款。有關分類乃取決於金融資產之性質及目的，並於初步確認時釐定。所有以正常方式買賣的金融資產按交易日基準確認及終止確認。以正常方式買賣指需要於按市場規則或慣例制訂的時限內交付資產的金融資產買賣。

實際利率法

實際利率法乃計算債務工具之攤銷成本及按有關期間攤分利息收入之方法。實際利率乃在債務工具之預期使用年期，或較短期間（倘合適）將估計日後現金收入（包括所有已付或收取並為實際利率、交易成本及其他溢價或折讓組成部分之費用及代價）精確折現至於初步確認時之賬面淨值之利率。

就債務工具而言，利息收入乃按實際利率基準確認。

貸款及應收賬款

貸款及應收賬款指在活躍市場無報價的固定或可釐定付款金額的非衍生金融資產。貸款及應收賬款（包括應收貿易賬款、按金及其他應收賬款、已抵押銀行存款以及銀行結餘及現金）均採用實際利率法按攤銷成本減任何減值入賬。

除利息確認影響甚微之短期應收賬款外，利息收入乃使用實際利率確認。

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For the year ended 31 December 2016

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3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments – Continued

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables and other receivables, assets are assessed for impairment on a collective basis even if they were not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days and observable changes in national or local economic conditions that correlate with default on receivables.

3. 重大會計政策 – 續

金融工具 – 續

金融資產減值

在各報告期末會評估金融資產是否有任何減值跡象。倘若有客觀證據表明，由於一個或多個於首次確認金融資產後發生的事項，金融資產的估計未來現金流量受到影響，則金融資產會被視為減值。

就金融資產而言，減值的客觀證據可能包括：

- 發行人或交易對方出現重大財務困難；或
- 違約，如拖欠支付或無力償還利息或本金；或
- 借款人可能破產或進行財務重組；或
- 因財政困難而導致金融資產的活躍市場消失。

就若干金融資產類別（如應收貿易賬款及其他應收賬款）而言，資產會彙集一併評估減值（即使資產個別並無減值）。應收賬款組合之客觀減值證據可包括本集團之過往收款經驗、組合內延遲還款至超逾90天的平均信貸期之次數增加，以及與應收賬款逾期有關之全國或地方經濟狀況明顯改變。

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3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments – Continued

Impairment of financial assets – Continued

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods (see accounting policy below).

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and other receivables, where the carrying amount is reduced through the use of an allowance account. When a trade or other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. 重大會計政策 – 續

金融工具 – 續

金融資產減值 – 續

就按攤銷成本列賬之金融資產而言，已確認減值虧損金額按該資產之賬面值與按金融資產原先實際利率折現之估計未來現金流量之現值間之差額計量。

就按成本列賬之金融資產而言，減值虧損金額按資產賬面值與同類金融資產按現行市場回報率折現之估計未來現金流量現值間之差額計量。該項減值虧損不會於往後期間撥回(見下文會計政策)。

就所有金融資產而言，金融資產之賬面值直接按減值虧損減少，惟應收貿易賬款及其他應收賬款除外，其賬面值乃透過使用撥備賬目而減少。倘應收貿易賬款或其他應收賬款被視為無法收回，則與撥備賬目撇銷。其後收回過往撇銷之款項計入撥備賬目內。撥備賬目之賬面值變動於損益賬內確認。

就按攤銷成本計量之金融資產而言，倘於往後期間，減值虧損金額減少，而該減少可客觀地與確認減值虧損後發生之事件有關，則先前確認之減值虧損透過損益賬撥回，惟該投資於撥回減值日期之賬面值不得超過在並無確認減值之情況下應有之攤銷成本。

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3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments – Continued

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities (including trade payables, other payables, amount due to a former director/a major shareholder/former shareholder, dividends payables and other borrowings) are subsequently measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate), a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

3. 重大會計政策 – 續

金融工具 – 續

金融負債及股本工具

分類為債務或股本

集團實體發行的債務及股本工具均按所訂立合約安排的內容及金融負債與股本工具的釋義分類為金融負債或股本。

股本工具

股本工具指任何可證明扣減所有負債後的實體資產剩餘權益的合約。集團實體發行的股本工具按已收所得款項(扣除直接發行成本)確認。

其他金融負債

其他金融負債包括應付貿易賬款、其他應付賬款、應付一名前董事／一名主要股東／一名前股東款項、應付股息及其他借貸，其後以實際利率法按攤銷成本計量。

實際利率法

實際利率法乃計算金融負債之攤銷成本及按有關期間攤分利息開支之方法。實際利率乃在金融負債之預期使用年期，或較短期間(倘合適)將估計日後現金款項(包括所有已付或收取並為實際利率、交易成本及其他溢價或折讓組成部分之費用及代價)精確折現至於初步確認時之賬面淨值之利率。

利息開支按實際利率基準確認。

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3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments – Continued

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 重大會計政策 – 續

金融工具 – 續

終止確認

僅當自資產收取現金流量的合約權利屆滿，或倘轉讓金融資產及該資產擁有權的絕大部分風險及回報轉移予其他實體，本集團會終止確認該項金融資產。倘本集團既無轉讓亦無保留所轉讓資產擁有權的絕大部分風險及回報並繼續控制已轉讓資產，本集團繼續按其持續參與之程度確認資產並確認相關負債。倘本集團保留所轉讓金融資產擁有權的絕大部分風險及回報，本集團會繼續確認該項金融資產，亦會確認所收取所得款項之有抵押借貸。

完全取消確認金融資產時，資產賬面值與已收取及應收代價以及已於其他全面收入確認及於權益累計的累積收益或虧損總額間的差額乃於損益確認。

除全面取消確認外，於取消確認金融資產時，本集團會將金融資產的過往賬面值，根據於其繼續確認的部分及不再確認的部分於轉讓日期的相對公平值在兩者間作出分配，而不再確認部分獲分配的賬面值與不再確認部分所收取代價及已於其他全面收入中確認的獲分配的任何累積收益或虧損的總和間的差額，乃於損益內確認。已於其他全面收入確認的累積收益或虧損，將按繼續確認之部分及不再確認的部分的相對公平值在兩者間作出分配。

當並且僅在本集團的承擔被解除，取消或到期時，本集團會終止確認金融負債。取消確認的金融負債賬面值與已付及應付代價的差額於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Provisions and contingent liabilities

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

Retirement benefits costs

Payments to Mandatory Provident Fund Scheme and state-managed retirement benefits schemes are recognised as an expense when employees have rendered services entitling them to the contributions.

Cash and cash equivalents

Bank balances and cash in the consolidated statement of financial position comprise of cash on hand and at banks with a maturity of three months or less. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

3. 重大會計政策 – 續

撥備及或然負債

倘本集團因過往事件而產生現有承擔(法定或推定)，而本集團可能須履行該承擔，而有關承擔金額能可靠估計，則會確認撥備。

確認為撥備之金額是於報告期間結束日經計入有關責任之風險及不明朗因素後，對償付現有責任之所需代價之最佳估計。倘撥備使用償付現有責任之估計現金流量計量，則其賬面值為該等現金流量之現值(如貨幣時間價值影響重大)。

當結算撥備所需之部分或全部經濟利益預期可自第三方收回時，倘大致確定將可獲償付及應收賬款金額可作可靠計量，則將應收賬款確認為資產。

或然負債是指由過去的事項引起的可能需要履行的義務，其存在將由某些本集團所不能完全控制的未來事項是否發生來確定。或然負債也可能是由於過去事項而產生的現時義務，但由於該義務不太可能引起經濟資源的流出或該義務金額不能可靠地計量，因此該義務未被確認為負債。

或然負債不予確認，僅在綜合財務報表的附註中披露。若情況有變以致將來可能需要撥出資源以履行責任，才會確認撥備。

退休福利成本

對強制性公積金計劃及國家管理的退休福利計劃的供款均於僱員提供服務而有權獲得供款時，確認為開支。

現金及現金等值項目

綜合財務狀況表內的銀行結餘及現金包括手頭及到期日為三個月或以下的銀行現金。就綜合現金流量表而言，現金及現金等值項目包括上文界定的現金及短期存款。

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3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (“reporting entity”).

- (a) A person or a close member of that person’s family is related to a reporting entity if that person:
- (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
- (i) The entity and the reporting entity 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 reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting 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. 重大會計政策 – 續

關連方

關連方為與編製其財務報表的實體(「呈報實體」)有關的人士或實體。

- (a) 倘屬以下人士，即該人士或該人士的近親與呈報實體有關連：
- (i) 控制或共同控制呈報實體；
 - (ii) 對呈報實體有重大影響；或
 - (iii) 為呈報實體或其母公司的主要管理層成員。
- (b) 倘實體符合下列任何條件，即與呈報實體有關連：
- (i) 該實體與呈報實體屬同一集團的成員公司(即母公司、附屬公司及同系附屬公司之間互有關連)。
 - (ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體所屬集團旗下成員公司的聯營公司或合營企業)。
 - (iii) 兩間實體均為同一第三方的合營企業。
 - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
 - (v) 該實體為呈報實體或與呈報實體有關連的實體就其僱員福利而設立的離職福利計劃。倘呈報實體本身為離職福利計劃，則提供贊助的僱主亦與呈報實體有關連。
 - (vi) 該實體受(a)項所述的人士控制或共同控制。
 - (vii) (a)(i)項所述的人士對該實體有重大影響或為該實體(或該實體的母公司)的主要管理層人員。
 - (viii) 該實體或其所屬集團旗下任何成員公司向報告實體或報告實體之母公司提供主要管理層人員服務。

某人士的近親是指與該實體交易時預期可影響該人士或受該人士影響的家庭成員。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgement in applying accounting policies

The following is the critical judgement, apart from those involving estimation (see below), that the Directors have made in the process of applying the Group accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Going concern consideration

The assessments of the going concern assumptions involve making judgement by the Directors, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The Directors consider that the Group has the ability to continue as a going concern and the major events or conditions, which may give rise to business risks, that individually or collectively may cast significant doubt about the going concern assumptions are set out in Note 3 to the consolidated financial statements.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. 關鍵會計判斷及估計不明朗因素的主要來源

於應用本集團會計政策時(詳情見附註3),董事須在未有其他資料來源的情況下就資產及負債的賬面值作出判斷、估計及假設。該等估計及有關假設乃以歷史經驗及其他被視為有關的因素為基準。實際結果可能與該等估計有所出入。

估計及相關假設會按持續基準被審閱。倘對會計估計的修訂僅會對修訂估計的期間產生影響,則有關修訂會於該期間確認,而倘修訂影響當前及未來期間,則會於修訂期間及未來期間確認。

於應用會計政策時的關鍵判斷

除涉及估計的判斷(見下文)以外,以下為董事於應用本集團會計政策過程中所作的關鍵判斷,對綜合財務報表中確認的金額產生最重大的影響。

持續經營考慮

評估持續經營假設涉及董事於某個特定時間,就本質上不確定的事項或條件的未來結果,作出的判斷。董事認為本集團有能力持續經營,而個別或共同可能對持續經營假設構成重大疑問,從而可能導致經營風險的主要事項或條件已載於綜合財務報表附註3。

估計不明朗因素的主要來源

以下為很有可能導致下個財政年度的資產及負債的賬面值須作出重大調整的日後主要假設,以及其他於報告期末的估計不明朗因素的主要來源。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – Continued

Key sources of estimation uncertainty – Continued

Depreciation of plant and equipment and investment properties and amortisation of prepaid lease payment

Plant and equipment and investment properties are depreciated and prepaid lease payment is amortised on a straight-line basis over their estimated useful lives, after taking into account their estimated residual values. The determination of the useful lives and residual values involve management's estimation. The Group assesses annually the residual value and the useful life of the plant and equipment, investment properties and prepaid lease payment and if the expectation differs from the original estimate, such difference may impact the depreciation/amortisation in the year and the estimate will be changed in the future period.

Impairment loss recognised in respect of trade receivables

The Group performs ongoing credit evaluations of its customers and adjusts credit limits based on payment history and the customers' current credit-worthiness, as determined by the review of their current credit information. The Group continuously monitors collections and payments from its customers and maintains a provision for estimated credit losses have historically been within the Group's expectations and the Group will continue to monitor the collections from customers and maintain an appropriate level of estimated credit losses. An impairment loss of approximately RMB445,000 (2015: RMB42,000) was recognised for the year.

4. 關鍵會計判斷及估計不明朗因素的主要來源 – 續

估計不明朗因素的主要來源 – 續

廠房及設備以及投資物業的折舊及攤銷預付租賃款項

廠房及設備以及投資物業及預付租賃款項乃分別根據預計可使用年期並經計及其估計殘值後以直線法折舊及攤銷。使用年期和殘值的釐定涉及管理層的估計。本集團每年評估廠房及設備、投資物業以及預付租賃款項的殘值和使用年期，倘預期與原有的估計不同，則該差異可能會影響年內的折舊／攤銷且於未來期間內可能對估計進行更改。

就應收貿易賬款確認減值虧損

本集團對其客戶進行持續信貸評估，並根據客戶過往的付款記錄及目前的信用度（信用度乃透過對其目前的信用資料進行審核而釐定）對信用額度進行調整。本集團持續監察其客戶的收款及付款，並對過往在本集團預期範圍內的估計信貸虧損維持撥備，且本集團將持續監控其客戶的收款情況並維持適當水平的估計信貸虧損。年內確認減值虧損約人民幣445,000元（二零一五年：人民幣42,000元）。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – Continued

Key sources of estimation uncertainty – Continued

Allowance for inventories

The Directors review an aging analysis at the end of each reporting period, and makes allowance for obsolete and slowing-moving inventory items identified that are no longer suitable for sale. The Directors estimate the net realisable value for finished goods based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at the end of each reporting period and make allowance for obsolesces items. No impairment loss was recognised for the year (2015: Nil).

Provision for claim

During the current and prior years, the Group had been involved in a dispute (Note 34). The Directors determine the provision for claim based on their best estimates according to their understanding of legal advice. Where the final outcome of the claim and negotiation with the respective party is different from the estimation made by the directors, such difference will impact the provision for claims in the year in which such determination is finalised. A provision for claim of approximately RMB86,000 was made for the year ended 31 December 2016 (2015: Nil).

4. 關鍵會計判斷及估計不明朗因素的主要來源 – 續

估計不明朗因素的主要來源 – 續

存貨撥備

董事於各報告期末審核賬齡分析，並對確認為不再適合於銷售的過時及滯銷庫存品作出撥備。董事主要根據最近期的發票價格及目前的市況對該等製成品的可變現淨值進行估算。本集團於各報告期末對產品進行逐項盤點，並對過時品種作出撥備。年內並無確認減值虧損(二零一五年：無)。

索償撥備

於本年度及過往年度期間，本集團被捲入一場糾紛中(附註34)。根據其對法律意見的理解，董事基於其最佳估釐定索償撥備。倘有關索償及與各方協商之最終結果有別於董事作出的估計，則該等差異會影響年內達成該釐定的索償撥備。截至二零一六年十二月三十一日止年度，已作出索償撥備金額約為人民幣86,000元(二零一五年：無)。

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5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through optimisation of the debt and equity balance.

The gearing ratio at the end of the reporting period was as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Debts (Note (i))	債務(附註(i))	50,617	51,731
Bank balances and cash	銀行結餘及現金	(2,834)	(1,373)
Net debt	淨債務	47,783	50,358
Capital deficiency (Note (ii))	資本虧絀(附註(ii))	(51,078)	(48,378)
Net debt to equity ratio	淨債務對權益比率	N/A* 不適用*	N/A* 不適用*

Notes:

(i) Debts comprise amount due to a former director/a major shareholder/a former shareholder and other borrowings.

(ii) Capital deficiency includes all capital and reserves attributable to owners of the Company.

* As the Group had a net deficiency in capital at 31 December 2016 and 2015, the Group's gearing ratio as at that date were not applicable. The directors of the Company have given careful consideration on the measures currently undertaken in respect of the Group's liquidity position. The directors of the Company believe that the Group will be able to meet in full its financial obligations as they fall due based on the Group's working capital sufficiency plans.

5. 資本風險管理

本集團管理其資本乃為確保本集團旗下的實體能持續經營業務，同時透過優化債務及權益之間的均衡狀態，為股東帶來最大回報。

於報告期末的資本負債比率如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Debts (Note (i))	債務(附註(i))	50,617	51,731
Bank balances and cash	銀行結餘及現金	(2,834)	(1,373)
Net debt	淨債務	47,783	50,358
Capital deficiency (Note (ii))	資本虧絀(附註(ii))	(51,078)	(48,378)
Net debt to equity ratio	淨債務對權益比率	N/A* 不適用*	N/A* 不適用*

附註：

(i) 債務包括應付一名前董事／一名主要股東／一名前股東款項及其他借貸。

(ii) 資本虧絀包括本公司擁有人應佔的所有資本及儲備。

* 由於本集團於二零一六年及二零一五年十二月三十一日之資本處於淨虧絀水平，故本集團於該日之資本負債比率並不適用。本公司董事已審慎考慮目前就本集團之流動資金狀況採取之措施。本公司董事相信，根據本集團營運資金之充足性計劃，將能全面履行其到期之財務責任。

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6. FINANCIAL RISK MANAGEMENT

Categories of financial instruments

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Financial assets	金融資產		
Loan and receivables (including bank balances and cash)	貸款及應收賬款 (包括銀行結餘及現金)	8,687	3,004
Financial liabilities at amortised cost	按攤銷成本列賬之金融負債	60,759	59,753

6. 財務風險管理

金融工具類別

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include trade receivables, deposits and other receivables, pledged bank deposits, bank balances and cash, trade payables, other payables, dividend payable, amount due to a former director/a major shareholder/a former shareholder and other borrowings are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on timely and effective manner.

Currency risk

The Group operates in the PRC with most of the transactions denominated and settled in RMB and USD. The Group's foreign currency is mainly HKD. The Group has certain portion of the other receivables, tax recoverable, bank balances and cash and other payables that are denominated in currencies other than the functional currency to which they relate.

7. 財務風險管理的目標及政策

本集團的主要金融工具包括應收貿易賬款、按金及其他應收賬款、已抵押銀行存款、銀行結餘及現金、應付貿易賬款、其他應付賬款、應付股息、應付一名前董事／一名主要股東／一名前股東款項以及其他借貸的詳情於各相關附註中披露。有關該等金融工具的風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。有關如何降低該等風險的政策載列於下文。管理層會管理並監控該等風險承擔，以確保及時有效地實施適當措施。

貨幣風險

本集團於中國經營業務，大部分交易以人民幣及美元計值及結算。本集團之外幣主要為港元。本集團若干部分的其他應收賬款、可收回稅項、銀行結餘及現金以及其他應付賬款以與之相關功能貨幣以外的貨幣計值。

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7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – Continued

Currency risk – Continued

The following table shows the Group's exposure at the end of reporting period to currency risk arising from recognised assets and liabilities denominated in a currency other than the functional currency of the entity to which they relate.

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Assets	資產	69	206
Liabilities	負債	(936)	(442)

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Interest rate risk

The Group do not expose any fair value interest rate risk in relation to fixed-rate bank borrowings for the year ended 31 December 2016.

The Group is also exposed to cash flow interest rate risk in relation to its variable rate bank balances. The Group considered that the effect of the cash flow interest rate is minimal and no sensitivity analysis to interest rate risk is presented.

7. 財務風險管理的目標及政策 – 續

貨幣風險 – 續

下表列示本集團於報告期末已確認資產及負債(以與之相關的實體的功能貨幣以外的貨幣計值)所引致的貨幣風險。

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Assets	69	206
Liabilities	(936)	(442)

本集團目前並無外幣對沖政策。然而，管理層會監控外匯風險，並將於必要時考慮對沖重大外幣風險。

利率風險

於截至二零一六年十二月三十一日止年度，本集團並無面對有關其定息銀行借貸之任何公平值利率風險。

本集團亦面對有關與其可變利率之銀行結餘有關之現金流量利率風險。本集團認為現金流量利率影響甚微，故此沒有就利率風險呈列任何敏感度分析。

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7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – Continued

Credit risk

At 31 December 2016 and 2015, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to the failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group reviews the recoverable amount of each individual trade and other debtor at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as 35% (2015: 33%) and 63% (2015: 90%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies and authorised banks in the PRC with high-credit rating.

Liquidity risk

The Group is exposed to liquidity risk as at 31 December 2016 as its financial assets due within one year was less than its financial liabilities due within one year. The Group had net current liabilities of approximately RMB51,169,000 as at 31 December 2016. The liquidity of the Group depends upon the positive cash flows expected to be generated from the Group's future operations and successfully obtain new working capital in order to meet the Group's future working capital and financial requirements. Details of which are set out in Note 3.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment dates. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

7. 財務風險管理的目標及政策 – 續

信貸風險

於二零一六年及二零一五年十二月三十一日，本集團就對手方未能履行其責任而面臨的最高信貸風險（將導致本集團的財務虧損），乃因綜合財務狀況表所述各已確認金融資產的賬面值而引致。

本集團於各報告期末檢討各應收貿易賬款及其他應收賬款的可收回款項，以確保對不可收回的款項計提足夠的減值虧損。就此而言，董事認為，本集團的信貸風險已大大降低。

本集團存在集中信貸風險，應收貿易賬款總額中的35%（二零一五年：33%）以及63%（二零一五年：90%）分別來自本集團最大客戶以及五大客戶。

由於對手方乃獲國際信貸評級機構授予較高信貸評級的銀行及有高信貸評級的中國授權銀行，因此本集團與流動資金有關的信貸風險有限。

流動資金風險

由於本集團於一年內到期的金融資產少於一年內到期的金融負債，因此本集團於二零一六年十二月三十一日面臨流動資金風險。於二零一六年十二月三十一日，本集團的流動負債淨額約為人民幣51,169,000元。本集團之流動資金取決於本集團未來業務預期將產生正現金流量，以及成功取得營運資金滿足本集團的未來營運資金及財務需求。有關詳情載於附註3。

下表詳述根據協定的還款日期，本集團非衍生金融負債的餘下合約到期時間。該表乃根據本集團可能須支付的最早日期按照金融負債的未貼現現金流量草擬。該表包括利息及本金現金流量。倘利息流量為浮動利率，則未貼現數額乃根據報告期末之利率曲線計算得出。

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7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – Continued

7. 財務風險管理的目標及政策 – 續

Liquidity tables

流動資金表

		Carrying amounts	Within 1 year or on demand and total undiscounted cash flow
		賬面值	一年內或要求時及未貼現的總現金流量
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 31 December 2016			
於二零一六年十二月三十一日			
Other financial liabilities at amortised cost:	按攤銷成本列賬之其他金融負債：		
Trade payables	應付貿易賬款	4,367	4,367
Other payables	其他應付賬款	1,335	1,335
Amount due to a former director	應付一名前董事款項	11,206	11,206
Amount due to a major shareholder	應付一名主要股東款項	2,000	2,000
Amount due to a former shareholder	應付一名前股東款項	31,191	31,191
Dividends payables	應付股息	4,440	4,440
Other borrowings	其他借貸	6,220	6,220
		60,759	60,759
At 31 December 2015			
於二零一五年十二月三十一日			
Other financial liabilities at amortised cost:	按攤銷成本列賬之其他金融負債：		
Trade payables	應付貿易賬款	2,399	2,399
Other payables	其他應付賬款	1,183	1,183
Amount due to a former director	應付一名前董事款項	11,073	11,073
Amount due to a former shareholder	應付一名前股東款項	29,658	29,658
Dividends payables	應付股息	4,440	4,440
Other borrowings	其他借貸	11,000	11,000
		59,753	59,753

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8. FAIR VALUE

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices and ask prices, respectively;
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments; and
- the fair value of non-optional derivative instrument is calculated using quoted prices where such prices are not available, the fair value is estimated using discounted cash flow analysis and the applicable curve for the duration of the instruments. For option based derivative, the fair value is estimated using option pricing model (for example, the Binomial model).

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values due to their short-term maturities.

8. 公平值

金融資產及金融負債之公平值釐定如下：

- 具有標準條款及條件並於活躍流動市場買賣之金融資產及金融負債，乃分別參考所報市場買盤價及賣盤價釐定公平值；
- 其他金融資產及金融負債（不包括衍生工具）之公平值乃根據普遍採納定價模型按貼現現金流量分析使用可觀察現時市場交易之價格及類似工具交易商報價釐定；及
- 非期權衍生工具之公平值乃以掛牌價計算，或如無掛牌價，則公平值以貼現現金流量分析及工具壽命期內之適用曲線估算。期權基準之衍生工具，其公平值以期權定價模型（如二項模型）估算。

董事認為，綜合財務報表中按經攤銷成本入賬之金融資產及金融負債之賬面值，因到期日屬短期而與其公平值相若。

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9. REVENUE AND OTHER INCOME

Revenue, which is also the Group's turnover, represents the net amounts received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes.

An analysis of the Group's revenue and other income for the year are as follows:

9. 收益及其他收入

收益(亦為本集團之營業額)指本集團向外界客戶出售貨品的已收及應收賬款扣除折扣及與銷售相關的稅項後的淨額。

本集團的年度收益及其他收入分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收益		
Sales of controller systems for consumer electrical and electronic appliances and income from sales of small electrical appliances	銷售消費電器及電子用品的控制器系統及銷售小型電器的收入	14,337	56,427
		14,337	56,427
Other income	其他收入		
Bank interest income	銀行利息收入	3	4
Government grants (Note i)	政府補助金(附註i)	-	120
Rental income (Note ii)	租金收入(附註ii)	-	350
Sundry income	雜項收入	2	38
		5	512

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9. REVENUE AND OTHER INCOME – Continued

- (i) No government grants received during the year ended 31 December 2016 for postdoctoral researchers state-funded programme (2015: RMB120,000).
- (ii) Rental income

Gross rental income from investment properties	投資物業租金總收入
Less: outgoings (included in administrative expenses)	減：開銷(計入行政費用)
Net rental income	租金收入淨額

2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
–	350
–	(118)
–	232

10. SEGMENT INFORMATION

Information reported to the Directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of segments performance focuses on the types of goods delivered. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

- a. Sales of controller systems for consumer electrical and electronic appliances and income from sales of small electrical appliances – wholesalers.
- b. Sales of controller systems for mobile phones and income from sales and assembly of mobile phones – wholesalers.

9. 收益及其他收入 – 續

- (i) 於截至二零一六年十二月三十一日止年度並無就博士後研究國家資助項目收取政府補助金(二零一五年：人民幣120,000元)。
- (ii) 租金收入

10. 分部資料

向董事(即主要營運決策者)就分部資源分配及表現評估而報告之資料集中於所交付之貨品種類。在達致本集團之可呈報分部時，並無彙集主要營運決策者所識別之經營分部。

尤其是，根據香港財務報告準則第8號，本集團之可呈報及經營分部載列如下：

- a. 銷售消費電器及電子用品的控制器系統及銷售小型電器的收入 – 批發商。
- b. 銷售流動電話控制器系統及銷售與裝嵌流動電話的收入 – 批發商。

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10. SEGMENT INFORMATION – Continued

10. 分部資料 – 續

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment:

For the year ended 31 December

分部收益及業績

本集團按可呈報及經營分部劃分之收益及業績分析如下：

截至十二月三十一日止年度

		Wholesalers – sales of controller systems for consumer electrical and electronic appliances and income from sales of small electrical appliances		Wholesalers – sales of controller systems for mobile phones and income from sales and assembly of mobile phones		Consolidated	
		批發商 – 銷售消費電器及電子用品的控制器系統及銷售小型電器的收入	批發商 – 銷售流動電話控制器系統及銷售與裝嵌流動電話的收入	批發商 – 銷售消費電器及電子用品的控制器系統及銷售小型電器的收入	批發商 – 銷售流動電話控制器系統及銷售與裝嵌流動電話的收入	綜合	綜合
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收益						
– External sales	– 對外銷售	14,337	56,427	–	–	14,337	56,427
Segment results	分部業績	(1,012)	(813)	–	–	(1,012)	(813)
Unallocated income	未分配收入						
Bank interest income	銀行利息收入					3	4
Government grant	政府補助金					–	120
Rental income	租金收入					–	350
Gain on deregistration of a subsidiary	一間附屬公司撤銷登記的收益					–	627
Gain on disposal of investment properties and prepaid lease payment	出售投資物業及預付租賃款項的收益					2,343	–
Waiver of other payables, accruals and receipt in advance	豁免其他應付賬款、應計費用及預收款項					–	5,938
Others	其他					2	36
Unallocated expenses	未分配開支						
Amortisation of prepaid lease payment	攤銷預付租賃款項					(121)	(242)
Depreciation of investment properties	投資物業折舊					(29)	(58)
Impairment loss recognised in respect of other receivables and paid in advances	就其他應收賬款及已付預付款項確認的減值虧損					–	(94)
Provision for claim	索償撥備					(86)	–
Written off of plant and equipment	撇銷廠房及設備					(29)	(2)
Others	其他					(3,697)	(1,342)
(Loss) profit before taxation	除稅前(虧損)溢利					(2,626)	4,524

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10. SEGMENT INFORMATION – Continued

Segment revenues and results – Continued

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. Segment results represent (loss)/profit incurred by each segment without allocation of central administration costs, bank interest income, amortisation of prepaid lease payment, depreciation of investment properties gain on disposal of investment properties and prepaid lease payment and gain on deregistration of a subsidiary. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

At 31 December

		Wholesalers – sales of controller systems for consumer electrical and electronic appliances and income from sales of small electrical appliances 批發商 – 銷售消費電器及電子用品的控制器系統及銷售小型電器的收入		Wholesalers – sales of controller systems for mobile phones and income from sales and assembly of mobile phones 批發商 – 銷售流動電話控制器系統及銷售與裝嵌流動電話的收入		Consolidated 綜合	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Segment assets	分部資產	12,452	9,481	-	-	12,452	9,481
Unallocated corporate assets	未分配企業資產					2,936	6,598
Total assets	總資產					15,388	16,079
Segment liabilities	分部負債	11,323	8,286	-	-	11,323	8,286
Unallocated corporate liabilities	未分配企業負債					55,143	56,171
Total liabilities	總負債					66,466	64,457

10. 分部資料 – 續

分部收益及業績 – 續

經營分部的會計政策與附註3所述之本集團會計政策相同。分部業績指各分部產生之(虧損)/溢利，並未計及分配中央行政成本、銀行利息收入、攤銷預付租賃款項、投資物業折舊、出售投資物業及預付租賃款項的收益以及一間附屬公司撤銷登記的收益。此乃就資源分配及表現評估而向主要營運決策者進行呈報的方法。

分部資產及負債

以下為按可呈報分部呈列的本集團資產及負債的分析：

於十二月三十一日

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10. SEGMENT INFORMATION – Continued

Segment assets and liabilities – Continued

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than investment properties, prepaid lease payment, pledged bank deposits and bank balances and cash. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- all liabilities are allocated to operating segments other than other borrowings, dividends payables and amount due to a former director/a major shareholder/a former Shareholder. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

10. 分部資料 – 續

分部資產及負債 – 續

為監管分部的表現及在各分部間分配資源：

- 所有資產均分配予經營分部，惟投資物業、預付租賃款項、已抵押銀行存款及銀行結餘及現金除外。可呈報分部共同使用的資產按個別可呈報分部所賺取的收益進行分配；及
- 所有負債均分配予經營分部，惟其他借貸、應付股息及應付一名前董事／一名主要股東／一名前股東款項除外。可呈報分部共同承擔的負債按分部資產比例進行分配。

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10. SEGMENT INFORMATION – Continued

Other segment information

For the year ended 31 December

10. 分部資料 – 續

其他分部資料

截至十二月三十一日止年度

	Wholesalers – sales of controller systems for consumer electrical and electronic appliances and income from sales of small electrical appliances		Wholesalers – sales of controller systems for mobile phones and income from sales and assembly of mobile phones		Unallocated		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Amounts included in the measure of segment profit or loss or segment assets:	計量分部損益或分部資產時所包含的款項：							
Capital expenditure (Note)	-	27	-	-	-	-	-	27
Depreciation of plant and equipment	39	43	-	-	-	4	39	47
Impairment loss recognised in respect of trade receivables	445	42	-	-	-	-	445	42
Impairment loss recognised in respect of other receivables and paid in advance	-	-	-	-	-	94	-	94
Gain on disposal of investment properties and prepaid lease payment	-	-	-	-	(2,343)	-	(2,343)	-
Gain on deregistration of a subsidiary	-	-	-	-	-	(627)	-	(627)
Reversal of trade payables	-	(850)	-	-	-	-	-	(850)
Written off of plant and equipment	-	-	-	-	29	2	29	2
Waiver of other payables, accruals and receipt in advance	-	-	-	-	-	(5,938)	-	(5,938)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss:	定期提供予主要營運決策者但不包含於分部損益計量的金額：							
Amortisation of prepaid lease payment	-	-	-	-	121	242	121	242
Bank interest income	-	(3)	-	-	(3)	(1)	(3)	(4)
Depreciation of investment properties	-	-	-	-	29	58	29	58

Note: Capital expenditure includes plant and equipment.

附註：資本開支包括廠房及設備。

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10. SEGMENT INFORMATION – Continued

Other segment information – Continued

Turnover from customers of the corresponding years contributing over 10% of the total turnover of the Group are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Customer A ¹	客戶 A ¹	2,596	N/A 不適用 ²
Customer B ¹	客戶 B ¹	2,370	N/A 不適用 ²
Customer C ¹	客戶 C ¹	1,745	N/A 不適用 ²
Customer D ¹	客戶 D ¹	1,473	N/A 不適用 ²

¹ Turnover from electronic appliances.

² The corresponding revenue does not contribute over 10% of the total sale of the Group in the respective year.

Geographical information

The Group's business is primarily operated in the PRC. All of the Group's revenue is attributable to customers in Asia (mainly including the PRC and Hong Kong).

An analysis of the carrying amount of segment assets by geographical area in which the assets are located has not been presented as they are substantially located in the PRC.

11. GAIN ON DISPOSAL OF INVESTMENT PROPERTIES AND PREPAID LEASE PAYMENT

During the year, the Group disposed of the prepaid lease payment (Note 20), together with the investment properties (Note 19) erected on such land in the PRC with carrying values of approximately RMB3,994,000 and RMB950,000 respectively, at a total consideration of approximately RMB7,500,000.

A gain on the disposal of approximately RMB2,343,000 has been recognised for the year in the consolidated statement of profit or loss and other comprehensive income.

10. 分部資料 – 續

其他分部資料 – 續

於相關年度，來自對本集團總營業額貢獻超過10%的客戶之營業額載列如下：

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
客戶 A ¹	2,596	N/A 不適用 ²
客戶 B ¹	2,370	N/A 不適用 ²
客戶 C ¹	1,745	N/A 不適用 ²
客戶 D ¹	1,473	N/A 不適用 ²

¹ 來自電子用品之營業額。

² 相應收益為本集團有關年度之銷售總額貢獻不超過10%。

地區資料

本集團的業務主要在中國經營。本集團之收益全數來自亞洲（主要包括中國及香港）的客戶。

由於大部分分部資產位於中國，故此並無按資產所在地區呈列有關賬面值的分析。

11. 出售投資物業及預付租賃款項的收益

年內，本集團出售賬面值分別約為人民幣3,994,000元及人民幣950,000元的中國預付租賃款項（附註20）連同位於該土地上的投資物業（附註19），總代價為約人民幣7,500,000元。

年內出售收益約人民幣2,343,000元已於綜合損益及其他全面收益表內確認。

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12. (LOSS) PROFIT BEFORE TAXATION

12. 除稅前(虧損)溢利

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
(Loss) profit before taxation has been arrived at after charging:	除稅前(虧損)溢利已扣除以下項目：		
Staff costs, excluding chairman, directors' and supervisors' emoluments	員工成本(不包括主席、董事及監事酬金)		
— Salaries, wages and other benefits in kind	— 薪金、工資及其他實物福利	1,683	1,601
— Retirement benefits scheme contributions	— 退休福利計劃供款	70	80
Total staff costs	總員工成本	1,753	1,681
Amortisation of prepaid lease payment	攤銷預付租賃款項	121	242
Depreciation of plant and equipment	廠房及設備折舊	39	47
Depreciation of investment properties	投資物業折舊	29	58
Total depreciation and amortisation	折舊及攤銷總額	189	347
Auditor's remuneration	核數師酬金	541	442
Cost of inventories recognised as an expense	已確認為開支的存貨成本	12,648	54,477
Impairment loss on trade and other receivables	應收貿易賬款及其他應收賬款之減值虧損	445	85
Impairment loss on paid in advances	已付預付款項的減值虧損	—	51
Research and development expenditure	研究及開發開支	—	154
Net foreign exchange losses	外匯虧損淨額	29	—
Operating lease rentals for rented premises	出租物業的經營租賃租金	183	453
Written off of plant and equipment	撇銷廠房及設備	29	2

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13. INCOME TAX CREDIT

13. 所得稅抵免

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Hong Kong profits tax	香港利得稅		
— Current year	— 本年度	—	—
— Over-provision in previous years	— 過往年度超額撥備	2	—
Income tax credit for the year	年內所得稅抵免	2	—

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the Company and the PRC subsidiaries is 25% from 1 January 2008 onwards. No provision for PRC Enterprise Income Tax has been provided for the year ended 31 December 2016 as the Group did not generate any assessable profits arising in the PRC for the year ended 31 December 2016 (2015: Nil).

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for the year. No provision for Hong Kong profits tax was made for the year ended 31 December 2016 as the Group did not generate any assessable profits arising in Hong Kong for that year.

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，自二零零八年一月一日起，本公司及中國附屬公司的稅率為25%。由於本集團於截至二零一六年十二月三十一日止年度並未在中國產生任何應課稅溢利，故並無於截至二零一六年十二月三十一日止年度就中國企業所得稅計提撥備(二零一五年：無)。

香港利得稅按年內的估計應課稅溢利的16.5%計算。由於本集團於截至二零一六年十二月三十一日止年度並未在香港產生任何應課稅溢利，故並無於該年度就香港利得稅計提撥備。

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13. INCOME TAX CREDIT – Continued

The income tax credit for the year can be reconciled to the (loss) profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
(Loss) profit before taxation	除稅前(虧損)溢利	(2,626)	4,524
Tax at the applicable tax rate of 25% (2015: 25%)	按適用稅率 25% (二零一五年: 25%) 計算 的稅項	(657)	1,131
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法權區經營的 附屬公司的稅率差異的影響	84	61
Tax effect of expenses not deductible for tax purposes	就稅務而言不可扣稅開支的 稅務影響	477	353
Tax effect of unused tax losses not recognised	未確認未動用稅項虧損的 稅務影響	163	-
Tax effect of income not taxable for tax purposes	就稅務而言毋須課稅收入的 稅務影響	-	(1,545)
Over-provision in previous years	過往年度超額撥備	(2)	-
Utilisation of tax losses previously not recognised	動用未曾確認稅務虧損	(67)	-
Income tax credit for the year	年內所得稅抵免	(2)	-

13. 所得稅抵免 – 續

年內所得稅抵免可與綜合損益及其他全面收益表所列除稅前(虧損)溢利對賬如下:

14. DIVIDENDS

No dividend was paid or proposed for the year ended 31 December 2016 (2015: Nil), nor has any dividend been proposed since the end of the reporting period.

14. 股息

並無就截至二零一六年十二月三十一日止年度支付或建議派付任何股息(二零一五年: 無), 自報告期末以來, 亦無建議派付任何股息。

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For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

15. STAFF COSTS (INCLUDING CHAIRMAN, DIRECTORS' AND SUPERVISORS' EMOLUMENTS)

15. 員工成本(包括主席、董事及監事酬金)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salaries, wages and other benefits in kind	薪金、工資及其他實物福利	1,723	1,641
Retirement benefits scheme contributions	退休福利計劃供款	70	80
		1,793	1,721

Hong Kong

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for its Hong Kong employees. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, each of the Group companies (the "employer") in Hong Kong and its employees makes monthly contribution to the scheme a 5% of the employee's earning as defined under the Mandatory Provident Fund Legislation. The contributions from each of the employer and employees are subject to a cap of HKD1,500 per month (2015: HKD1,500 per month), a total contribution of approximately RMB23,000 (2015: RMB21,000) was made by the Group in respect of this scheme.

The PRC, other than Hong Kong

As stipulated by rules and regulations in the PRC, the Company and those subsidiaries, which operated in the PRC, are required to contribute to a state-sponsored retirement plan for all its employees. The state-sponsored retirement plan is responsible for the entire pension obligations payable to all retired employees. Under the state-sponsored retirement plan, the Group has no further obligations for the actual pension payments or post-retirement benefits beyond the annual contributions, a total contribution of approximately RMB47,000 (2015: RMB59,000) was made by the Group in respect of this scheme.

香港

本集團安排香港僱員參與由香港強制性公積金計劃條例規定的強制性公積金計劃(「強積金計劃」)。強積金計劃屬於界定供款退休計劃，由獨立受託人管理。根據強積金計劃，本集團於香港的各公司(「僱主」)及其僱員每月均按有關僱員的5%收入(定義見強制性公積金法例)作出供款。僱主及僱員的供款以每月1,500港元(二零一五年：每月1,500港元)為限，本集團就該計劃作出的供款總額約為人民幣23,000元(二零一五年：人民幣21,000元)。

中國(香港除外)

按照中國的條例及法規規定，本公司及在中國營運的該等附屬公司須向所有僱員作出國家退休福利計劃供款。國家退休福利計劃負責向所有退休僱員支付全部退休金。根據國家退休福利計劃，本集團除每年供款外，毋須對其他實際退休金付款或退休後福利作出任何承擔，本集團就該計劃作出的供款總額約為人民幣47,000元(二零一五年：人民幣59,000元)。

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For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

16. CHAIRMAN, DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Chairman, directors' and supervisors' emoluments

The emoluments paid or payable to each of the seventeen (2015: ten) chairman, directors and seven (2015: three) supervisors were as follows:

Year ended 31 December 2016

16. 主席、董事及監事酬金

主席、董事及監事酬金

已付或應付十七名(二零一五年:十名)主席、董事及七名(二零一五年:三名)監事的酬金如下:

截至二零一六年十二月三十一日止年度

Name	Fees	Salaries, allowances and benefits in kind	Retirement benefits scheme contributions	Total
姓名	袍金	薪金、津貼及實物福利	退休福利計劃供款	總計
	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors				
執行董事				
Mr. He Keng (<i>Chairman</i>) (appointed on 13 December 2016)		何鏗先生(主席)(於二零一六年十二月十三日獲委任)		
Mr. Zhu Guo An (<i>Chairman</i>) (resigned on 13 December 2016)		諸國安先生(於二零一六年十二月十三日辭任)		
Ms. Wu Shanhong (appointed on 13 December 2016)		吳珊紅女士(於二零一六年十二月十三日獲委任)		
Mr. Chen Weiqiang (appointed on 13 December 2016)		陳偉強先生(於二零一六年十二月十三日獲委任)		
Mr. Ding Cheng (appointed on 13 December 2016)		丁成先生(於二零一六年十二月十三日獲委任)		
Mr. Qi Yong Qiang (resigned on 15 September 2016)		元勇強先生(於二零一六年九月十五日辭任)		
Mr. Zhu Chun Rong (appointed on 7 June 2016 and resigned on 13 December 2016)		朱春榮先生(於二零一六年六月七日獲委任及於二零一六年十二月十三日辭任)		
Mr. Yu Nian Hua (resigned on 7 June 2016)		余念華先生(於二零一六年六月七日辭任)		
Non-executive directors		非執行董事		
Mr. Jiang Guo Ping (resigned on 13 December 2016)		姜國平先生(於二零一六年十二月十三日辭任)		
Mr. Zheng Xin (resigned on 13 December 2016)		鄭新先生(於二零一六年十二月十三日辭任)		
Mr. Zhu Guo Dan (resigned on 13 December 2016)		諸國淡先生(於二零一六年十二月十三日辭任)		

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16. CHAIRMAN, DIRECTORS' AND SUPERVISORS' EMOLUMENTS – Continued

16. 主席、董事及監事酬金 — 續

Chairman, directors' and supervisors' emoluments – Continued

主席、董事及監事酬金 — 續

Name		Fees	Salaries, allowances and benefits in kind	Retirement benefits scheme contributions	Total
姓名		袍金	薪金、津貼及實物福利	退休福利計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Independent non-executive directors		獨立非執行董事			
Mr. Jiang Mei Yin (resigned on 7 June 2016)	姜美銀先生(於二零一六年六月七日辭任)	-	-	-	-
Mr. Zhang Zhuoyong (appointed on 13 December 2016)	張卓永先生(於二零一六年十二月十三日獲委任)	-	-	-	-
Mr. Zhang Tieyi (appointed on 13 December 2016)	章鐵毅先生(於二零一六年十二月十三日獲委任)	-	-	-	-
Mr. Lu Xiang Tai (resigned on 13 December 2016)	陸祥泰先生(於二零一六年十二月十三日辭任)	-	-	-	-
Mr. Kwok Kim Hung, Eddie	郭劍雄先生	40	-	-	40
Mr. Lu Song Qian (appointed on 7 June 2016 and resigned on 13 December 2016)	魯松千先生(於二零一六年六月七日獲委任及於二零一六年十二月十三日辭任)	-	-	-	-
Supervisors		監事			
Mrs. Mao Lihong (resigned on 7 June 2016)	毛利紅女士(於二零一六年六月七日辭任)	-	-	-	-
Mr. Lu Guo Xun (appointed on 7 June 2016 and resigned on 13 December 2016)	魯國勳先生(於二零一六年六月七日獲委任及於二零一六年十二月十三日辭任)	-	-	-	-
Mr. Shi Huanmiao (appointed on 13 December 2016)	石歡苗先生(於二零一六年十二月十三日獲委任)	-	-	-	-
Mr. Zhang Shenggen (appointed on 13 December 2016)	張生根先生(於二零一六年十二月十三日獲委任)	-	-	-	-
Mr. Chen Yuankang (appointed on 13 December 2016)	陳元康先生(於二零一六年十二月十三日獲委任)	-	-	-	-
Mr. Li Yuhua (resigned on 13 December 2016)	李玉華先生(於二零一六年十二月十三日辭任)	-	-	-	-
Mrs. Shi Wei Na (resigned on 13 December 2016)	史維娜女士(於二零一六年十二月十三日辭任)	-	-	-	-
Total	總計	40	-	-	40

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截至二零一六年十二月三十一日止年度

16. CHAIRMAN, DIRECTORS' AND SUPERVISORS' EMOLUMENTS – Continued

16. 主席、董事及監事酬金 – 續

Chairman, directors' and supervisors' emoluments – Continued

主席、董事及監事酬金 – 續

Year ended 31 December 2015

截至二零一五年十二月三十一日止年度

Name	Fees	Salaries, allowances and benefits in kind	Retirement benefits scheme contributions	Total
姓名	袍金	薪金、津貼及實物福利	退休福利計劃供款	總計
	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors 執行董事				
Mr. Zhu Guo An (<i>Chairman</i>)				
Mr. Qi Yong Qiang				
Mr. Yu Nian Hua (appointed on 19 June 2015)				
Mr. Zhu Chun Rong (resigned on 19 June 2015)				
Non-executive directors 非執行董事				
Mr. Jiang Guo Ping				
Mr. Zheng Xin				
Mr. Zhu Guo Dan				
Independent non-executive directors 獨立非執行董事				
Mr. Jiang Mei Yin				
Mr. Lu Xiang Tai				
Mr. Kwok Kim Hung, Eddie	40			40
Supervisors 監事				
Mrs. Mao Li Hong				
Mr. Li Yuhua				
Mrs. Shi Wei Na				
Total	40	-	-	40

Note:

No directors and supervisors waived or agreed to waive any emoluments for the two years ended 31 December 2016 and 2015.

附註：

截至二零一六年及二零一五年十二月三十一日止兩個年度並無董事及監事放棄或同意放棄任何酬金。

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綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

16. CHAIRMAN, DIRECTORS' AND SUPERVISORS' EMOLUMENTS – Continued

Senior management's emoluments

Of the five individuals with highest emoluments in the Group, none (2015: none) was a director of the Company whose emolument are included in the disclosures above. The emoluments of the remaining five (2015: five) highest paid individuals were as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salaries and other benefits in kind	薪金及其他實物福利	798	778
Retirement benefits scheme contributions	退休福利計劃供款	31	32
		829	810

Their emoluments were within the following band:

		Number of employees 僱員人數	
		2016 二零一六年	2015 二零一五年
Nil to RMB1,000,000	零至人民幣 1,000,000 元	5	5

No emolument have been paid by the Group to the directors and supervisors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office during the two years ended 31 December 2016 and 2015.

No bonuses paid or receivable which are discretionary or based on the Company's, the group's or any member of the group's performance for the financial year ended 31 December 2016.

17. (LOSS) EARNINGS PER SHARE

The calculation of the basic loss per share is based on the loss for the year attributable to owners of the Company of approximately RMB2,624,000 (2015: profit of approximately RMB4,524,000) divided by the weighted average number of 500,000,000 shares (2015: 500,000,000 shares) in issue during the year.

16. 主席、董事及監事酬金 – 續

高級管理層酬金

本集團五名最高薪酬人士中，概無(二零一五年：無)本公司董事，其酬金載列於上文的披露資料中。其餘五名(二零一五年：五名)最高薪酬人士的酬金如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salaries and other benefits in kind	薪金及其他實物福利	798	778
Retirement benefits scheme contributions	退休福利計劃供款	31	32
		829	810

彼等之酬金均介乎以下範圍內：

		Number of employees 僱員人數	
		2016 二零一六年	2015 二零一五年
Nil to RMB1,000,000	零至人民幣 1,000,000 元	5	5

截至二零一六年及二零一五年十二月三十一日止兩個年度，本集團並無向本公司董事及監事或五位最高薪酬人士支付酬金作為吸引加入或加入本集團時之獎金，或作為離職補償。

截至二零一六年十二月三十一日止財政年度，概無已付或應付酌情花紅或基於本公司、本集團或本集團旗下任何公司的表現的花紅。

17. 每股(虧損)盈利

每股基本虧損乃根據本公司擁有人應佔年內虧損約人民幣2,624,000元(二零一五年：盈利約人民幣4,524,000元)除以年內已發行股份的加權平均股數500,000,000股(二零一五年：500,000,000股)計算。

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截至二零一六年十二月三十一日止年度

17. (LOSS) EARNINGS PER SHARE – Continued

No diluted (loss) earnings per share have been presented for the two years ended 31 December 2016 and 2015 as there was no diluted potential ordinary share outstanding for both years.

17. 每股(虧損)盈利 — 續

由於截至二零一六年及二零一五年十二月三十一日止兩個年度並無發行可能具有攤薄效應的普通股，因此並無呈列該兩個年度的每股攤薄(虧損)盈利。

18. PLANT AND EQUIPMENT

18. 廠房及設備

		Computer and office equipment 電腦及 辦公室設備 RMB'000 人民幣千元
COST	成本	
At 1 January 2015	於二零一五年一月一日	644
Additions	添置	27
Written off	撤銷	(3)
		<hr/>
At 31 December 2015	於二零一五年十二月三十一日	668
Written off	撤銷	(58)
		<hr/>
At 31 December 2016	於二零一六年十二月三十一日	610
		<hr/>
ACCUMULATED DEPRECIATION	累計折舊	
At 1 January 2015	於二零一五年一月一日	463
Provided for the year	年內撥備	47
Eliminated on written off	於撤銷時對銷	(1)
		<hr/>
At 31 December 2015	於二零一五年十二月三十一日	509
Provided for the year	年內撥備	39
Eliminated on written off	於撤銷時對銷	(29)
		<hr/>
At 31 December 2016	於二零一六年十二月三十一日	519
		<hr/>
CARRYING VALUES	賬面值	
At 31 December 2016	於二零一六年十二月三十一日	91
		<hr/>
At 31 December 2015	於二零一五年十二月三十一日	159
		<hr/>

Note:

The above items of plant and equipment are depreciated on a straight-line basis over the estimated useful lives less their residual values at the following rates per annum:

Computer and office
equipment 20%

附註：

上述廠房及設備項目乃於估計可使用年內減去其殘值並以直線法按下列年率折舊：

電腦及辦公室設備 20%

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19. INVESTMENT PROPERTIES

19. 投資物業

RMB'000
人民幣千元

COST	成本	
At 1 January 2015 and 31 December 2015	於二零一五年一月一日及二零一五年十二月三十一日	1,326
Disposals (Note 11)	出售(附註11)	(1,326)
At 31 December 2016	於二零一六年十二月三十一日	—
ACCUMULATED DEPRECIATION AND IMPAIRMENT	累計折舊及減值	
At 1 January 2015	於二零一五年一月一日	289
Provided for the year	年內撥備	58
At 31 December 2015	於二零一五年十二月三十一日	347
Provided for the year	年內撥備	29
Eliminated on disposals	於出售時對銷	(376)
At 31 December 2016	於二零一六年十二月三十一日	—
CARRYING VALUES	賬面值	
At 31 December 2016	於二零一六年十二月三十一日	—
At 31 December 2015	於二零一五年十二月三十一日	979

Notes:

- (a) The above investment properties are depreciated on a straight-line basis over the period of the shorter of the term of the lease or at 4% per annum.
- (b) The above investment properties are situated in the PRC under medium term leases to earn rentals or for capital appreciation purpose and are measured using the cost model.
- (c) The investment properties represent the building situated in the PRC. Since the comparable market transactions are infrequent and the alternative reliable estimates of fair value are not available, the Directors consider that the fair value of the investment properties are not reliably determinable on a continuing basis.

附註：

- (a) 上述投資物業乃根據直線法按租期或每年4% (以較短者為準) 折舊。
- (b) 上述投資物業均位於中國並根據中期租約持有，以賺取租金或用作資本升值，並以成本模式計量。
- (c) 投資物業指位於中國的樓宇。由於可資比較之市場交易並不多，且亦無其他公平值的可靠估計，故董事認為，投資物業的公平值並未按持續基礎可靠釐定。

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截至二零一六年十二月三十一日止年度

20. PREPAID LEASE PAYMENT

The Group's prepaid lease payment is land use right, which is located in the PRC held under medium-term leases.

20. 預付租賃款項

本集團之預付租賃款項指根據中期租約所持有的中國土地使用權。

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Analysed for reporting purpose as:	為呈報而進行的分析：		
Current asset	流動資產	-	242
Non-current asset	非流動資產	-	3,873
		-	4,115

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截至二零一六年十二月三十一日止年度

21. INVENTORIES

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Raw materials	原材料	1,294	2,035
Finished goods	製成品	865	352
		2,159	2,387

21. 存貨

22. TRADE RECEIVABLES

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade receivables	應收貿易賬款	6,150	1,327
Less: Accumulated impairment losses	減：累計減值虧損	(445)	(42)
		5,705	1,285

22. 應收貿易賬款

The Group allows an average credit period of 90 days to its trade customers.

Impairment loss on trade receivables is recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

At the end of each reporting period, the Group's trade receivables were individually determined to impair. The individually impaired receivables are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions. Consequently, specific provision for impairment was recognised.

本集團給予其貿易客戶的平均信貸期為90日。

應收貿易賬款之減值虧損採用撥備賬記錄，惟本集團確信款項回收希望不大者除外（在此情況下，減值虧損直接於應收貿易賬款撇銷）。

於各報告期末，本集團之個別應收貿易賬款被確認為已發生減值。個別已減值應收賬款乃基於其客戶之信貸記錄，如財務困難或拖欠付款以及現有市場狀況而予以確認。因此，已確認特定減值撥備。

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截至二零一六年十二月三十一日止年度

22. TRADE RECEIVABLES – Continued

The aged analysis of trade receivables presented based on the invoice date, net of impairment losses recognised was as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
0–90 days	0至90日	3,344	330
91–180 days	91至180日	34	352
181–365 days	181至365日	1,833	546
Over 365 days	365日以上	494	57
		5,705	1,285

The movements in impairment losses of trade receivables were as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	42	–
Recognise during the year	年內確認	445	42
Written off during the year	年內撇銷	(42)	–
At 31 December	於十二月三十一日	445	42

At 31 December 2016, included in the impairment loss are individually impaired trade receivables in the Group with an aggregate balance of approximately RMB445,000 (2015: RMB42,000) which are long outstanding and have been placed in severe financial difficulties and the management assessed that the recovery of the amounts is doubtful. The Group does not hold any collateral over these balances.

22. 應收貿易賬款 – 續

以下為按發票日呈列的應收貿易賬款(已扣除已確認的減值虧損)的賬齡分析：

應收貿易賬款的減值虧損的變動如下：

於二零一六年十二月三十一日，減值虧損包括結餘合計約人民幣445,000元(二零一五年：人民幣42,000元)之長期未償還且已置於嚴重財務困難中的已個別減值的本集團應收貿易賬款，管理層評定追回款項為呆賬。本集團並無就該等結餘持有任何抵押品。

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22. TRADE RECEIVABLES – Continued

The aging analysis of trade receivables which were past due but not impaired are as follows:

Within 90 days past due	逾期90日內
91 to 180 days past due	逾期91至180日
Over 180 days past due	逾期180日以上

Trade receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Prepayments	預付款項
Deposits	按金
Other receivables	其他應收賬款
Less: Accumulated impairment losses	減：累計減值虧損

22. 應收貿易賬款 – 續

已逾期但未減值的應收貿易賬款的賬齡分析如下：

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	34	352
	1,833	546
	494	57
	2,361	955

未逾期未減值的應收貿易賬款與近期無拖欠記錄的許多客戶有關。

已逾期但未減值的應收貿易賬款與許多與本集團擁有良好往績記錄的獨立客戶有關。根據過往經驗，管理層認為該等結餘的信貸質素並無重大改變，且仍被視為可全數收回，故毋須作出任何減值備抵。本集團並無就該等結餘持有任何抵押品。

23. 預付款項、按金及其他應收賬款

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	1	85
	34	83
	650	807
	685	975
	(639)	(639)
	46	336

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23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES – Continued

The movements in impairment losses of prepayments, deposits and other receivables were as follows:

At 1 January	於一月一日
Recognise during the year	年內確認
At 31 December	於十二月三十一日

At 31 December 2016, included in the impairment loss are individually impaired prepayments, deposits and other receivables is the Group with an aggregate balance of approximately RMB639,000 (2015: RMB639,000) which are have been placed in severe financial difficulties and the management assessed that the recovery of the amounts as doubtful. The Group does not hold any collateral over these balances.

24. PLEDGED BANK DEPOSITS

Pledged bank deposits represent cash at bank held by a subsidiary pledged for issuance of a bank guarantee of USD14,500.

The pledged bank deposits carry fixed interest rate of 0.01% per annum.

25. BANK BALANCES AND CASH

Bank balances carry interest at market rates ranged from 0.01% to 0.35% (2015: 0.01% to 0.35%) per annum.

Included in the bank balances and cash are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

HKD	港元
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23. 預付款項、按金及其他應收賬款 – 續

預付款項、按金及其他應收賬款的減值虧損的變動如下：

2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
639	596
–	43
639	639

於二零一六年十二月三十一日，減值虧損包括結餘合計約人民幣639,000元(二零一五年：人民幣639,000元)之已置於嚴重財務困難中的已個別減值的本集團預付款項、按金及其他應收賬款，管理層評定追回款項為呆賬。本集團並無就該等結餘持有任何抵押品。

24. 已抵押銀行存款

已抵押銀行存款指就發行14,500美元的銀行擔保而抵押的由一間附屬公司所持有的銀行現金。

已抵押銀行存款按0.01厘的固定年利率計息。

25. 銀行結餘及現金

銀行結餘按年利率介乎0.01厘至0.35厘之間(二零一五年：介乎0.01厘至0.35厘之間)的市場利率計息。

銀行結餘及現金包括下列款項(以與之相關的實體的功能貨幣以外的貨幣計值)：

2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
60	162

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25. BANK BALANCES AND CASH – Continued

At 31 December 2016 approximately RMB2,760,000 was denominated in RMB and deposited with banks in the PRC (2015: RMB842,000). RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through authorised banks to conduct foreign exchange business.

26. TRADE PAYABLES

The average credit period on purchases of goods is 90 days.

The aged analysis of trade payables presented based on the invoice date at the end of the reporting period was as follows:

0–90 days	0至90日
91–180 days	91至180日
181–365 days	181至365日
Over 365 days	超過365日

During the year ended 31 December 2016, the Group made a reversal for trade payables of RMBNil (2015: RMB850,000) which was due to the amounts not being required to be settled for a long period of time and based on the legal opinion from the Group's PRC legal advisors that there were no current or future liabilities from these payables.

25. 銀行結餘及現金 – 續

於二零一六年十二月三十一日，約人民幣2,760,000元以人民幣計值，並存入中國的銀行(二零一五年：人民幣842,000元)。人民幣不得自由兌換為其他貨幣，然而，根據中國內地的外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准透過授權進行外匯業務的銀行將人民幣兌換為其他貨幣。

26. 應付貿易賬款

購買商品的平均信貸期為90日。

於報告期末按發票日呈列的應付貿易賬款的賬齡分析列示如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
0–90 days	0至90日	503	33
91–180 days	91至180日	920	647
181–365 days	181至365日	561	1,324
Over 365 days	超過365日	2,383	395
		4,367	2,399

於截至二零一六年十二月三十一日止年度，本集團撥回應付貿易賬款人民幣零元(二零一五年：人民幣850,000元)，原因是該款項長期未被要求結算以及根據本集團中國法律顧問之法律意見，該等應付賬款並無當前或未來負債。

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27. OTHER PAYABLES AND ACCRUALS

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Other payables	其他應付賬款	1,249	1,183
Accruals	應計費用	1,136	587
Provision for claim (Note 34(ii))	索償撥備(附註34(ii))	86	-
		2,471	1,770

Included in other payables and accruals are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
HKD	港元	936	442

28. AMOUNT DUE TO A FORMER DIRECTOR

The amount is due to Mr. Zhu Guo An, and is unsecured, non-interest bearing and has no fixed term of repayment.

27. 其他應付賬款及應計費用

其他應付賬款及應計費用包括下列款項(以與之相關的實體的功能貨幣以外的貨幣計值)：

28. 應付一名前董事款項

該款項為應付諸國安先生之款項，為無抵押、免息及無固定還款期。

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29. AMOUNT DUE TO A MAJOR SHAREHOLDER/ FORMER SHAREHOLDER

29. 應付一名主要股東／前股東款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Due to a major shareholder Zhejiang RuiYuan Intelligent Robot Co., Ltd.	應付一名主要股東款項 浙江瑞遠智能機器人 股份有限公司	2,000	-
Due to a former shareholder Wanli Holding Group Co., Ltd.	應付一名前股東款項 萬里控股集團股份有限公司	31,191	29,658
		33,191	29,658

The amounts are unsecured, non-interest bearing and has no fixed term of repayment.

該等款項為無抵押、免息及無固定還款期。

30. DIVIDENDS PAYABLES

30 應付股息

The dividends payables represent the final dividend declared for Promoter Shares in 2004 and shareholders of the Company in 2005 which amounting to RMB940,000 and RMB3,500,000 respectively.

應付股息指於二零零四年就發起人股份宣派的末期股息及於二零零五年向本公司股東宣派的末期股息，分別為人民幣940,000元及人民幣3,500,000元。

31. OTHER BORROWINGS

31. 其他借貸

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Zhu Ji Ke Ying Metal Materials Limited*	諸暨科盈金屬材料有限公司	(i)	1,520	-
Yuyao Wanli Mortgage Company* Limited	余姚市萬里典當有限公司	(ii)	4,700	11,000
			6,220	11,000

Notes:

- (i) Zhu Ji Ke Ying Metal Materials Limited is a related company of the major shareholder, Zhejiang RuiYuan Intelligent Robot Co., Ltd, and the amount is unsecured, interest-free and has no fixed term of repayment.
- (ii) The loan was obtained from Yuyao Wanli Mortgage Company Limited, a subsidiary of the former shareholder, Wanli Holding Group Company Limited and the amount is unsecured, interest-free and has no fixed term of repayment.

* For identification purpose only

附註：

- (i) 諸暨科盈金屬材料有限公司是主要股東浙江瑞遠智能機器人股份有限公司的一間關連公司，以及該款項為無抵押、免息及無固定還款期。
- (ii) 貸款來自前股東萬里控股集團股份有限公司之一間附屬公司余姚市萬里典當有限公司，以及該款項為無抵押、免息及無固定還款期。

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32. SHARE CAPITAL

32. 股本

		Number of shares 股份數目 '000 千股	Amount 金額 RMB'000 人民幣千元
Authorised, issued and fully paid: At 1 January 2015, 31 December 2015 and 31 December 2016	法定、已發行及繳足： 於二零一五年一月一日、 二零一五年十二月三十一日及 二零一六年十二月三十一日	500,000	50,000
Domestic shares (Note a)	內資股(附註a)	370,000	37,000
H shares (Note b)	H 股(附註b)	130,000	13,000
		500,000	50,000

Notes:

- (a) Pursuant to an approval dated 4 June 2003 issued by the China Securities Regulatory Commission, all the shares of the Company, which were issued and fully paid, being 37,000,000 ordinary shares with a par value of RMB1.00 each, were sub-divided into 370,000,000 ordinary shares with a par value of RMB0.10 each.
- (b) On 14 November 2003, the Company commenced the trading of the newly issued 130,000,000 H shares of RMB0.10 each on the GEM of the Stock Exchange, including 117,000,000 H shares to institutional investors by way of placement and 13,000,000 H shares for subscription by members of the public in Hong Kong under the Public Offer at the Offer Price of HKD0.50 (equivalent to approximately RMB69,550,000). Following the issue, the share capital and capital reserve of the Company increased by approximately HKD12,150,000 (equivalent to approximately RMB13,000,000) and HKD52,850,000 (equivalent to approximately RMB56,550,000) respectively.

附註：

- (a) 根據中國證券監督管理委員會於二零零三年六月四日頒佈的批文，已發行及繳足的所有本公司股份，即每股面值為人民幣1.00元的37,000,000股普通股被拆細為每股面值為人民幣0.10元的370,000,000股普通股。
- (b) 於二零零三年十一月十四日，本公司開始於聯交所創業板買賣新發行的130,000,000股每股人民幣0.10元的H股，包括以配售方式配售予機構投資者的117,000,000股H股，以及根據公開發售按發售價0.50港元供香港公眾人士認購的13,000,000股H股(相當於約人民幣69,550,000元)。股份發行後，本公司股本及資本儲備分別增長約12,150,000港元(相當於約人民幣13,000,000元)及52,850,000港元(相當於約人民幣56,550,000元)。

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33. DEFERRED TAXATION

At the end of the reporting period, the Group had unused tax losses of approximately RMB4,881,000 (2015: RMB26,347,000) available to offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Pursuant to the relevant laws and regulations in the PRC, the unused tax losses incurred by the Company and PRC subsidiaries can be carried forward for a period of five years. Other tax losses may be carried forward indefinitely.

At the end of the reporting period, the Group has deductible temporary differences of approximately RMB1,220,000 (2015: RMB6,587,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

34. CONTINGENT LIABILITIES

- (i) In January 2015, Shenzhen Bo Tai Yuan Technology Co., Ltd. ("Plaintiff") filed a claim through the Shenzhen Futian District People's Court against Shenzhen Shi WanHao Wu Lian Technology Limited ("Shenzhen WanHao"), a subsidiary of the Company, as the first defendant and against Shenzhen Yitao Electronics Technology Co., Ltd. and Jiaying Ming Ju Da Electronic Technology Co., Ltd as the second defendants relating to a dispute over a debt transfer of RMB113,000 among themselves.

Pursuant to the judgement issued by People's Court of Shenzhen City Guangdong Province dated 8 April 2015, Shenzhen WanHao won the case. However, the plaintiff made an appeal to Intermediate People's Court of Shenzhen City Guangdong Province on 6 November 2015.

On 18 April 2016, the Company received the judgement from the Intermediate People's Court of Shenzhen City Guangdong Province. It was held that the Plaintiff's appeal was rejected and the original judgment was upheld. The Company is not liable in the litigation. The litigation does not have any impact on the current and future profit of the Company.

33. 遞延稅項

於報告期末，本集團有未動用稅項虧損約人民幣4,881,000元(二零一五年：人民幣26,347,000元)，可用於抵銷未來溢利。由於未來溢利來源的不可預測性，故此並無確認任何遞延稅項資產。根據中國有關法律及法規，本公司及中國附屬公司產生的未動用稅項虧損可在五年期內結轉。其他稅項虧損可無限期結轉。

於報告期末，本集團有可扣減暫時稅項差異約人民幣1,220,000元(二零一五年：人民幣6,587,000元)。並無就該等可扣減暫時差異確認遞延稅項資產，因為並無應課稅溢利，可用於抵銷可扣減暫時差異。

34. 或然負債

- (i) 於二零一五年一月，深圳市博泰源科技有限公司(「原告」)透過深圳福田區人民法院提出索償，將深圳市萬豪物聯科技有限公司(「深圳市萬豪」，本公司之附屬公司)列為第一被告，以及將深圳市旭坤電子科技有限公司及嘉興市明聚達電子科技有限公司列為第二被告，此索償訴訟涉及彼等之間就人民幣113,000元債權轉讓的糾紛。

根據廣東省深圳市人民法院於二零一五年四月八日的判決，深圳市萬豪勝訴。然而，原告於二零一五年十一月六日向廣東省深圳市中級人民法院提出上訴。

於二零一六年四月十八日，本公司收到廣東省深圳市中級人民法院的判決。該判決為駁回原告的上訴，維持原判。本公司在該訴訟中不負任何法律責任，該訴訟對本公司本期及未來利潤沒有影響。

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34. CONTINGENT LIABILITIES – Continued

- (ii) On 4 November 2016, a former employee of the Company commenced proceedings in the Labour Tribunal of Hong Kong against the Company and its subsidiary, Hong Kong Wan Li Enterprise Company Limited for claiming a total amount of approximately HK\$2,600,000 (equivalent to approximately RMB2,340,000) on a number of grounds, including (i) dismissal by reason of redundancy, (ii) failure to grant statutory holidays, (iii) failure to grant annual leave, (iv) failure to pay long service payment, (v) failure to make payment for overtime work, (vi) failure to pay end of year payment, (vii) failure to pay an additional payment. The Company has vigorously made a defence against the claims.

The first and second mention hearings were held on 2 December 2016 and 1 March 2017 respectively. A judgement was issued by the Labour Tribunal that the claim against the subsidiary was discharged, and the third mention hearing is scheduled to take place on 5 May 2017.

Taking into account the possible outcome and their obligations for the claim, the Group has made a provision for claim of approximately RMB86,000 (equivalent to approximately HK\$96,000) for the year ended 31 December 2016.

Since the claim is still in progress, the Directors would continue to exercise their due care in monitoring the progress of the claim and would assess the adequacy of provision of claim and the financial impact to the Group as and when appropriate. The Directors believe that the amount provided represents the best estimate of the Group's liability having taken legal advice.

Save as disclosed above, the Group had no material contingent liabilities.

34. 或然負債 – 續

- (ii) 於二零一六年十一月四日，本公司一名前僱員向香港勞資審裁處對本公司及其附屬公司香港萬豪企業有限公司展開法律程序，索償總金額約2,600,000港元(相當於約人民幣2,340,000元)，理由包括(i)因裁員解僱，(ii)法定假期不放假，(iii)不放假，(iv)未能支付長期服務金，(v)沒有支付加班費，(vi)沒有支付年終酬金，(vii)沒有支付額外付款。本公司已就該索償作出積極抗辯。

第一次及第二次提堂聆訊分別於二零一六年十二月二日及二零一七年三月一日舉行。勞資審裁處已公佈裁決撤銷對附屬公司的索償，第三次提堂聆訊定於二零一七年五月五日舉行。

經考慮該索償的可能結果及責任，截至二零一六年十二月三十一日止年度，本集團已作出索償撥備約人民幣86,000元(相當於約96,000港元)。

由於該索償仍在進行當中，董事將繼續謹慎監察該索償之進展，並將於適當時候評估該索償之撥備是否足夠及對本集團之財務影響。董事認為已撥備金額為本集團採納法律意見後作出的最佳負債估計。

除上文所披露者，本集團概無重大或然負債。

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35. OPERATING LEASES COMMITMENT

The Group as lessee

Operating lease payments represent rentals payable by the Group for certain of its office premises. Leases are negotiated for a term ranging from one to three years. None of the leases included contingent rentals and terms of renewal were established in the leases.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

Within one year	一年內
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)

35. 經營租約承擔

本集團作為承租人

經營租賃款項指本集團就其若干辦公室物業應付的租金。租約的協定期限介乎一至三年。並無或然租賃中的租約及續期年期訂立於租約中。

於報告期末，本集團根據於以下日期到期的不可撤銷經營租約就日後最低租賃款項作出承擔：

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within one year	36	401
In the second to fifth year inclusive	-	62
	36	463

36. CAPITAL COMMITMENT

The Group did not have any significant capital commitment as at 31 December 2016 (2015: Nil).

37. RELATED PARTY TRANSACTIONS

- The balances with related parties at the end of reporting period are disclosed elsewhere in the consolidated financial statements.
- The key management personnel of the Group comprises all Directors and Supervisors, details of their emoluments are disclosed in Note 16. The remuneration of the Directors is determined by the remuneration committee having regard to the performance of individuals and market.

36. 資本承擔

於二零一六年十二月三十一日，本集團並無任何重大資本承擔(二零一五年：無)。

37. 關連人士交易

- 於報告期末與關連人士的結餘披露於綜合財務報表的其他部分中。
- 本集團主要管理人員包括所有董事及監事，其酬金詳情披露於附註16。董事薪酬由薪酬委員會就個人表現及市場狀況而釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

38. 本公司的財務狀況表

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Investment properties	投資物業		–	979
Prepaid lease payment	預付租賃款項		–	3,873
Investments in subsidiaries	於附屬公司的投資	(a)	5,621	5,621
			5,621	10,473
Current assets	流動資產			
Prepaid lease payment	預付租賃款項		–	242
Amounts due from subsidiaries	應收附屬公司款項	(b)	3,166	3,164
Bank balances and cash	銀行結餘及現金		2,510	93
			5,676	3,499
Current liabilities	流動負債			
Other payables and accruals	其他應付賬款及應計費用		1,169	635
Amounts due to subsidiaries	應付附屬公司款項	(b)	256	754
Amount due to a former director	應付一名前董事款項		9,288	9,288
Amount due to a major shareholder	應付一名主要股東款項		2,000	–
Amount due to a former shareholder	應付一名前股東款項		31,191	29,658
Dividends payable	應付股息		4,440	4,440
Provision for claim	索償撥備		86	–
Other borrowings	其他借貸		6,220	11,000
			54,650	55,775
Net current liabilities	流動負債淨額		(48,974)	(52,276)
Net liabilities	淨負債		(43,353)	(41,803)
Capital and reserves	資本及儲備			
Share capital	股本		50,000	50,000
Reserves	儲備	(c)	(93,353)	(91,803)
Capital deficiency	資本虧絀		(43,353)	(41,803)

The Company's statement of financial position was approved and authorised for issue by the board of directors on 29 March 2017 and are signed on its behalf by:

本公司的財務狀況表乃經董事會於二零一七年三月二十九日批准及授權刊發，並由下列董事代表簽署：

He Keng
何鏗
Director
董事

Wu shanhong
吳珊紅
Director
董事

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY – Continued

38. 本公司的財務狀況表 – 續

Notes

附註

(a) Investments in subsidiaries

(a) 於附屬公司的投資

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
		6,361	6,361
Unlisted investments, at cost	非上市投資，按成本	(740)	(740)
Less: Accumulated impairment	減：累計減值	5,621	5,621

(b) Amounts due from (to) subsidiaries

(b) 應收(付)附屬公司款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
		3,166	3,164
Amounts due from subsidiaries	應收附屬公司款項	(256)	(754)
Amounts due to subsidiaries	應付附屬公司款項		

(c) Reserves

(c) 儲備

		Capital reserve 資本儲備 RMB'000 人民幣千元	Other reserve 其他儲備 RMB'000 人民幣千元	Statutory surplus reserve 法定盈餘公積金 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	40,449	241,510	23,701	(401,776)	(96,116)
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	-	4,313	4,313
At 31 December 2015	於二零一五年十二月三十一日	40,449	241,510	23,701	(397,463)	(91,803)
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	-	(1,550)	(1,550)
At 31 December 2016	於二零一六年十二月三十一日	40,449	241,510	23,701	(399,013)	(93,353)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

39. PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 December 2016 and 2015 are as follows:

Name of subsidiary	Class of shares held	Place of incorporation/ registration and operation/ establishment	Paid up/ issued share capital	Attributable equity interest held by the Company	Principal activities	
附屬公司名稱	所持股份類別	註冊成立/ 註冊及營運/ 成立地點	已繳足/ 已發行股本	本公司應佔股權	主要業務	
				2016 二零一六年	2015 二零一五年	
Hong Kong Wan Li Enterprise Company Limited 香港萬豪企業有限公司	Ordinary 普通股	Hong Kong 香港	HKD10,000 (paid up HKD1,000) 10,000港元 (繳足1,000港元)	100%	100%	Trading the electronic component and electronic subassembly 買賣電子元件及電子部件
Yuyao City WanHao Technology Industrial Company Limited 余姚市萬豪科技實業有限公司	Contributed capital 實繳股本	PRC 中國	RMB3,180,000 人民幣3,180,000元	100%	100%	Original Equipment Manufacturing 原始設備製造
Shenzhen Shi WanHao Wu Lian Technology Limited 深圳市萬豪物聯科技有限公司	Contributed capital 實繳股本	PRC 中國	RMB3,180,000 人民幣3,180,000元	100%	100%	Trading the electronic component and Original Equipment Manufacturing electronic subassembly 買賣電子元件及原始設備製造電子部件

None of the subsidiaries had any debt securities outstanding as at the end of the year or at any time during the year.

39. 主要附屬公司

於二零一六年及二零一五年十二月三十一日，本公司主要附屬公司詳情如下：

於年末或年內任何時間，概無附屬公司有任何尚未償還的債務證券。

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綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

40. DEREGISTRATION OF A SUBSIDIARY

During the financial year ended 31 December 2015, the Group deregistered Ningbo Yitai Electronic Company Limited, a non-wholly-owned subsidiary in the PRC which was inactive.

40. 一間附屬公司撤銷登記

於截至二零一五年十二月三十一日止財政年度，本集團撤銷登記一間在中國並無營業的非全資附屬公司寧波屹泰電子有限公司。

		RMB'000 人民幣千元
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	6
Net assets of deregistered subsidiary	撤銷登記的附屬公司的資產淨值	6
Non-controlling interests	非控股權益	(633)
Gain on deregistration of a subsidiary	一間附屬公司撤銷登記的收益	(627)

The subsidiary deregistered during the year ended 31 December 2015 had no significant impact on the turnover and results of the Group.

於截至二零一五年十二月三十一日止年度撤銷登記附屬公司對本集團的營業額及業績並無重大影響。

41. EVENT AFTER THE REPORTING PERIOD

There are no significant events after the reporting period.

41. 報告期後事項

於報告期後，並無發生任何重大事項。

Summary of Financial Information

財務資料摘要

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

RESULTS

業績

		For the year ended 31 December 截至十二月三十一日止年度				
		2016	2015	2014	2013	2012
		二零一六年	二零一五年	二零一四年	二零一三年	二零一二年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收益	14,337	56,427	43,787	47,039	9,180
Cost of sales	銷售成本	(12,648)	(54,477)	(41,144)	(48,307)	(14,823)
Gross profit (loss)	毛利潤(虧損)	1,689	1,950	2,643	(1,268)	(5,643)
Other income	其他收入	5	512	830	(1,649)	2,778
Impairment of property, plant and equipment	物業、廠房及設備減值	-	-	-	-	(1,225)
Impairment of an amount due from former related company	應收前關連公司款項減值	-	-	-	-	(16)
Reversal of trade payables	撥回應付貿易賬款	-	850	-	88,473	-
Waiver of other payables and accruals and receipt in advances	豁免其他應付賬款、應計費用及預收款項	-	5,938	158	3,510	-
Selling and distribution expenses	銷售及分銷費用	-	-	(9)	(464)	(584)
Written off of trade receivables	撇銷應收貿易賬款	-	-	-	(2,842)	-
Administrative expenses	行政費用	(6,663)	(5,353)	(10,370)	(11,318)	(8,450)
Finance costs	融資成本	-	-	(750)	(912)	(1,365)
Gain/(loss) on disposal of property, plant and equipment, investment properties and prepaid lease payments	出售物業、廠房及設備、投資物業及預付租賃款項之溢利/(虧損)	2,343	-	-	-	(8)
Gain (loss) on deregistration/disposal of subsidiaries	撤銷登記/出售附屬公司收益(虧損)	-	627	(125)	-	6,377
Reversal for claims, net	索償撥回，淨額	-	-	-	-	770
(Loss) profit before taxation	除稅前(虧損)溢利	(2,626)	4,524	(7,623)	73,530	(7,366)
Income tax credit (expense)	所得稅抵免(開支)	2	-	(21)	-	-
(Loss) profit for the year	年內(虧損)溢利	(2,624)	4,524	(7,644)	73,530	(7,366)
Attributable to:	應佔：					
Owners of the Company	本公司擁有人	(2,624)	4,524	(7,147)	72,255	(7,322)
Non-controlling interests	非控股權益	-	-	(497)	1,275	(44)
(Loss) profit for the year	年內(虧損)溢利	(2,624)	4,524	(7,644)	73,530	(7,366)

Summary of Financial Information

財務資料摘要

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

ASSETS, LIABILITIES AND EQUITY

資產、負債及權益

		At 31 December 於十二月三十一日				
		2016	2015	2014	2013	2012
		二零一六年	二零一五年	二零一四年	二零一三年	二零一二年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total assets	資產總額	15,388	16,079	18,696	24,588	29,323
Total liabilities	負債總額	(66,466)	(64,457)	(70,944)	(69,210)	(147,490)
		(51,078)	(48,378)	(52,248)	(44,622)	(118,167)
Equity attributable to owners of the Company	本公司擁有人 應佔權益	(51,078)	(48,378)	(52,881)	(45,753)	(118,023)
Non-controlling interests	非控股權益	-	-	633	1,131	(144)
		(51,078)	(48,378)	(52,248)	(44,622)	(118,167)



RUIYUAN 浙江瑞遠智控科技股份有限公司
瑞 远 Zhejiang RuiYuan Intelligent Control Technology Company Limited*