



Yongsheng Advanced Materials Company Limited 永盛新材料有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 3608



2015
Annual Report
年報

Content

目錄

Financial Highlights	財務摘要	2
Corporate Information	公司資料	4
Group Structure	集團架構圖	6
Chairman's Statement	主席報告	7
Business Review	業務回顧	12
Financial Review	財務回顧	22
Directors and Senior Management	董事及高級管理層	40
Corporate Governance Report	企業管治報告	49
Report of the Directors	董事會報告	65
Independent Auditors' Report	獨立核數師報告	84
Financial Statements	財務報表	
Consolidated Statement of Profit or Loss and Other Comprehensive Income	合併損益及其他全面收入表	86
Consolidated Statement of Financial Position	合併財務狀況表	88
Consolidated Statement of Changes in Equity	合併權益變動表	90
Consolidated Statement of Cash Flows	合併現金流量表	91
Notes to the Consolidated Financial Statements	合併財務報表附註	93
Five-year Financial Summary	五年財務概要	183

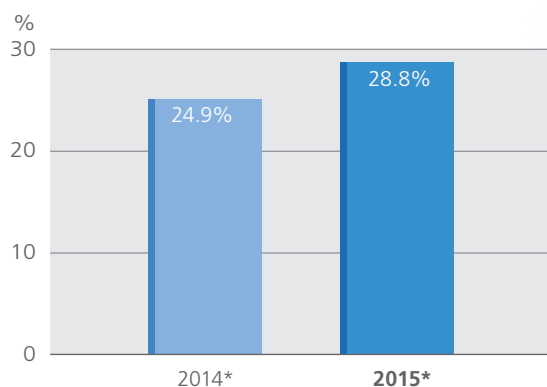
Financial Highlights

財務摘要

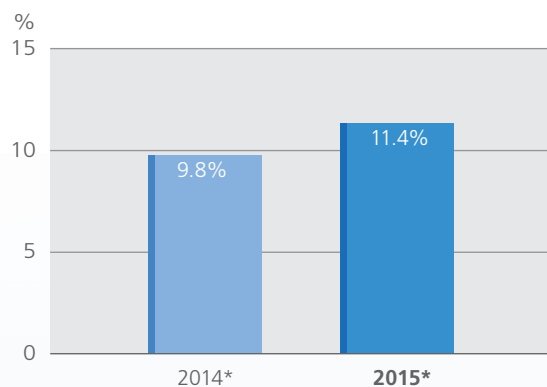
Statement of Profit or Loss and Other Comprehensive Income		損益及其他全面收入表		Year ended 31 December		
				截至十二月三十一日止年度		
		RMB million				
		人民幣百萬元				
		2015	2014	Changes		
		二零一五年	二零一四年	變動		
Revenue from continuing operations	持續經營業務收益	491.2	486.4	1.0%		
Gross profit from continuing operations	持續經營業務毛利	141.4	121.1	16.8%		
Profit before tax	除稅前溢利	82.4	72.9	12.9%		
Profit from continuing operations	持續經營業務的溢利	63.8	59.3	7.5%		
Profit for the year	年內溢利	64.2	57.0	12.5%		
Profit attributable to shareholders of the Company	本公司股東應佔溢利	56.2	47.9	17.4%		
Earnings per share (RMB cents) BASIC	每股盈利(人民幣分)基本					
– continuing operations	– 持續經營業務	14.0	12.6	11.1%		
– discontinued operation	– 終止經營業務	0.1	(0.6)	116.7%		
– combined	– 綜合	14.1	12.0	17.5%		
Profit attributable to shareholders of the Company (excluding share-based payments)	本公司股東應佔溢利 (未計股份基礎支出)	60.4	47.9	26.1%		
Dividend per share (HK cents)	每股股息(港仙)					
– interim	– 中期	2.0	–			
– final	– 末期	3.0	4.0			
– combined	– 綜合	5.0	4.0	25.0%		

Statement of Financial Position		財務狀況表		31 December		
				十二月三十一日		
		RMB million				
		人民幣百萬元				
		2015	2014	Changes		
		二零一五年	二零一四年	變動		
Non-current assets	非流動資產	183.0	179.8	1.7%		
Current assets	流動資產	363.7	368.8	-1.4%		
Current liabilities	流動負債	(111.0)	(166.1)	-33.2%		
Net current assets	流動資產淨值	252.7	202.7	24.7%		
Non-current liabilities	非流動負債	(15.6)	(12.3)	26.8%		
Net assets	淨資產	420.1	370.2	13.5%		

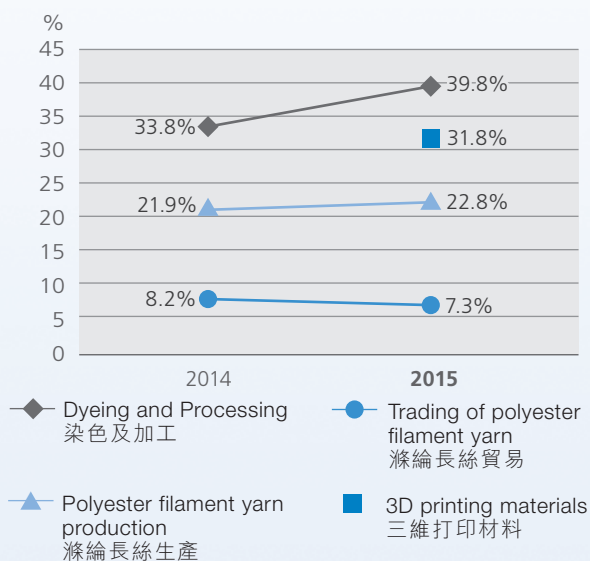
Gross Profit Margin of the Group 集團毛利率



Net Profit Margin of the Group 集團純利率



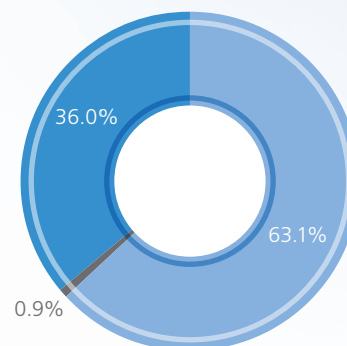
Gross Profit Margin by Business Segment 業務分部毛利率



* Excluding trading of textile raw materials and products
* 不包括紡織原材料及產品貿易

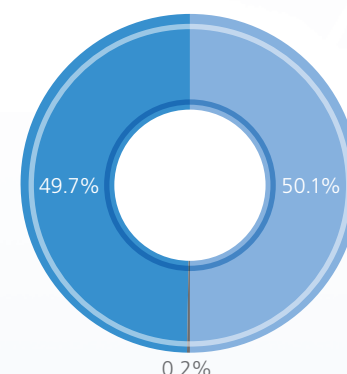
Revenue by Business Segment 業務分部收益佔比

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



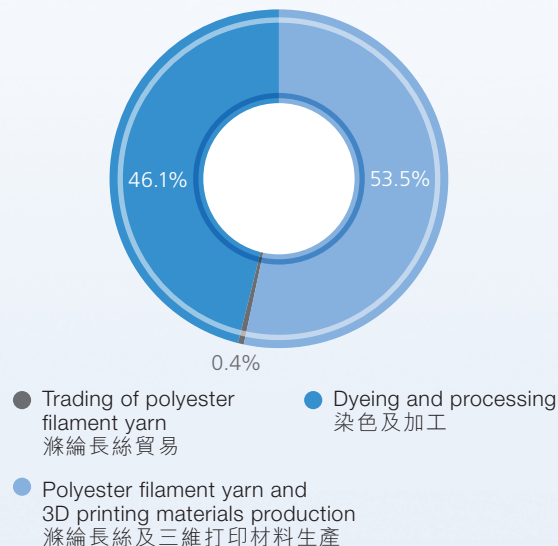
Gross Profit by Business Segment 業務分部毛利佔比

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



Operating Profit by Business Segment 業務分部經營溢利佔比

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



Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Li Cheng (*Chairman*)
Mr. Zhao Jidong (*Chief Executive Officer*)
Mr. Li Conghua
Mr. Ma Qinghai

Independent Non-executive Directors

Ms. Wong Wai Ling
Mr. Shiping James Wang
Dr. Wang Huaping

AUDIT COMMITTEE

Ms. Wong Wai Ling (*Chairlady*)
Mr. Shiping James Wang
Dr. Wang Huaping

REMUNERATION COMMITTEE

Ms. Wong Wai Ling (*Chairlady*)
Mr. Zhao Jidong
Dr. Wang Huaping

NOMINATION COMMITTEE

Mr. Li Cheng (*Chairman*)
Mr. Shiping James Wang
Dr. Wang Huaping

AUTHORISED REPRESENTATIVES

Mr. Li Cheng
Mr. Leung Ho Yan, Julian (*FCCA, FCPA, FCIS, FCS*)

COMPANY SECRETARY

Mr. Leung Ho Yan, Julian (*FCCA, FCPA, FCIS, FCS*)

QUALIFIED ACCOUNTANT

Mr. Leung Ho Yan, Julian (*FCCA, FCPA, FCIS, FCS*)

AUDITORS

Ernst & Young

董事會

執行董事

李誠先生 (*主席*)
趙繼東先生 (*行政總裁*)
李聰華先生
馬青海先生

獨立非執行董事

黃慧玲女士
王世平先生
王華平博士

審核委員會

黃慧玲女士 (*主席*)
王世平先生
王華平博士

薪酬委員會

黃慧玲女士 (*主席*)
趙繼東先生
王華平博士

提名委員會

李誠先生 (*主席*)
王世平先生
王華平博士

授權代表

李誠先生
梁浩仁先生 (*FCCA, FCPA, FCIS, FCS*)

公司秘書

梁浩仁先生 (*FCCA, FCPA, FCIS, FCS*)

合資格會計師

梁浩仁先生 (*FCCA, FCPA, FCIS, FCS*)

核數師

安永會計師事務所

LEGAL ADVISER AS TO HONG KONG LAWS

Loong & Yeung

LEGAL ADVISER AS TO PRC LAWS

Mr. Wang Shungen of Zhejiang Baoxuan Law Firm

REGISTERED OFFICE

Clifton House, 75 Fort Street, PO Box 1350,
Grand Cayman, KY1-1108, Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Office 1616, 16th Floor, Tower Two Lippo Centre
No. 89 Queensway, Hong Kong

COMPANY'S WEBSITE

www.chinaysgroup.com

STOCK CODE

3608

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Appleby Trust (Cayman) Ltd.
Clifton House, 75 Fort Street, PO Box 1350
Grand Cayman, KY1-1108, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

Agricultural Bank of China
Bank of China
CITIC Bank

關於香港法律的法律顧問

龍炳坤、楊永安律師行

關於中國法律的法律顧問

浙江寶鉉律師事務所汪順根律師

註冊辦事處

Clifton House, 75 Fort Street, PO Box 1350,
Grand Cayman, KY1-1108, Cayman Islands

香港總辦事處及主要營業地點

香港金鐘道89號
力寶中心2座16樓1616室

本公司網址

www.chinaysgroup.com

股份代號

3608

開曼群島股份過戶登記總處

Appleby Trust (Cayman) Ltd.
Clifton House, 75 Fort Street, PO Box 1350
Grand Cayman, KY1-1108, Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

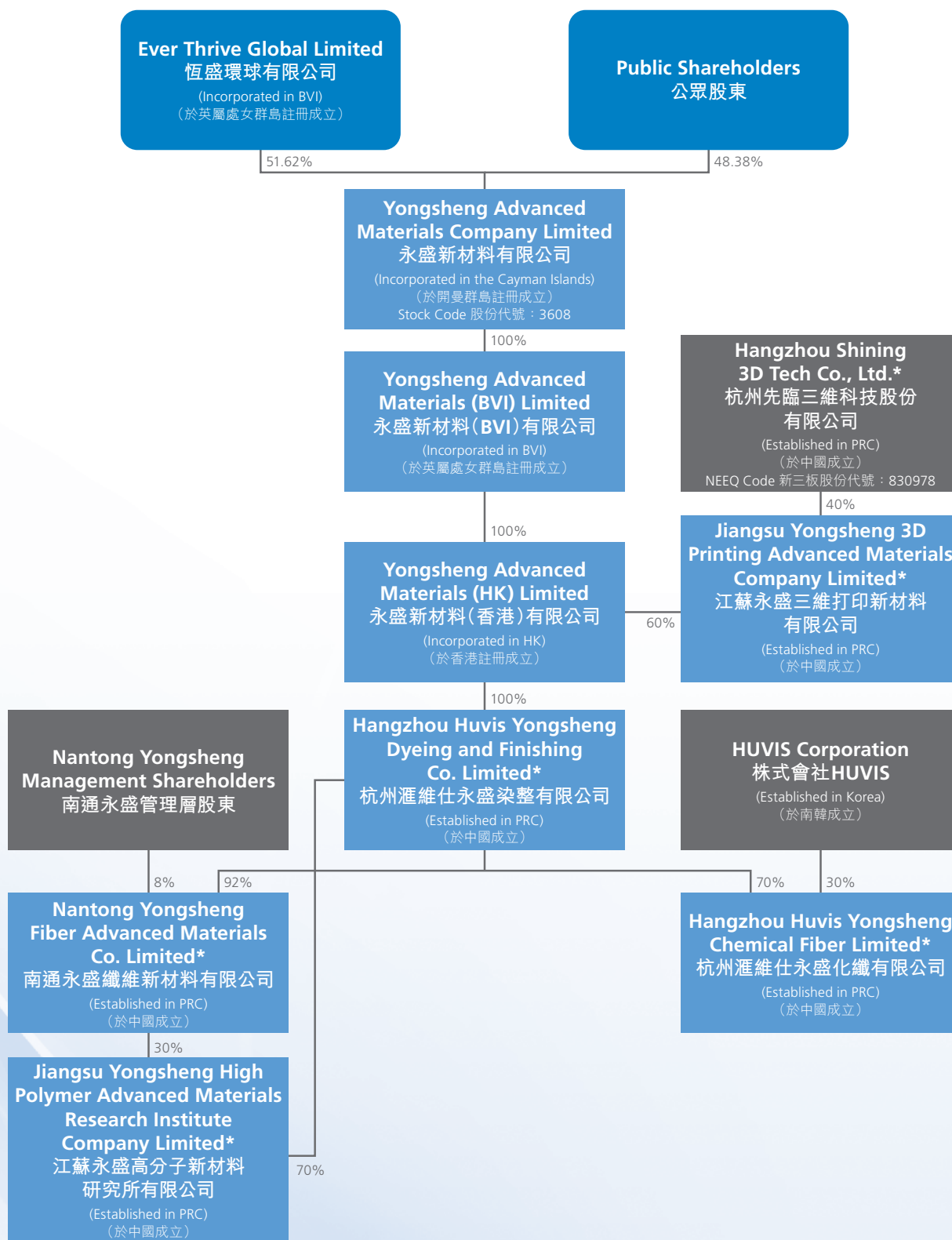
主要往來銀行

中國農業銀行
中國銀行
中信銀行

Group Structure

集團架構圖

As at 31 December 2015 於二零一五年十二月三十一日



* For identification purposes only

* 僅供識別

Chairman's Statement

主席報告

On behalf of the board of directors (the “**Board**” or the “**Directors**”) of Yongsheng Advanced Materials Company Limited (the “**Company**”) and its subsidiaries (the “**Group**” or “**Yongsheng Advanced Materials**”), I am pleased to present the annual results of the Group for the year ended 31 December 2015 (the “**Review Period**”).

Over the last year, the development of the PRC slowed down due to economic transformation and reformation. The financial market was inevitably influenced by the significant structural impact. The price of raw materials in chemical fiber industry retreated by over 50% because of the sharp decrease in crude oil price, thus affected the price of our products. However, under the guidance of the management team of the Group and dedication of the staff, we were managed to overcome many drastic changes and challenges both within or beyond expectation under the economic circumstances in last year and over-achieved various targets for 2015. Therefore, the Company recorded encouraging results with profit attributable to shareholders of the Company (the “**Shareholders**”) of RMB56.2 million, representing a year-on-year increase of 17.4%. In recognition for the trust and support of the Shareholders, the Board recommends the payment of final dividend of HK3 cents per share. Together with the interim dividend paid of HK2 cents per share, the total dividend for the financial year is HK5 cents per share.

EMPHASIS ON DIFFERENTIATION PRODUCTS AND INNOVATION TO MOVE

In 2015, the Group carried out the strategies of “Emphasis on Differentiation Products and Innovation to Move” which was formulated in the beginning of 2015 to adjust its business structure by steps. During the Review Period, the Group established Jiangsu Yongsheng High Polymer Advanced Materials Research Institute Company Limited (“**High Polymer Research Institute**”) and Jiangsu Yongsheng 3D Printing Advanced Materials Company Limited (“**Yongsheng 3D Printing**”) to improve the Research and development (“**R&D**”) capabilities of new materials and devoted more resources to expand the industrial chain with high added-value to maintain its leading position in the industrial technological standards. Meanwhile, the Group disposed of its textile-related products trading business in last year which was facing fierce market competition with low gross profit margin, so as to achieve better structure and concentrate its resources on the differentiated new material business sector. By leveraging on the striving and unremitting spirit of the management team, our staff made concerted efforts, met various internal targets, and successfully completed the operational tasks for the Review Period, which leads Yongsheng Advanced Materials to a higher level of excellence.

本人謹代表永盛新材料有限公司（「本公司」）及其附屬公司（「本集團」或「永盛新材料」）董事會（「董事會」或「董事」），欣然提呈本集團截至二零一五年十二月三十一日止年度（「回顧年內」）之全年業績報告。

回顧過去一年，中國隨著自身經濟轉型改革，發展速度放慢。金融市場也無可避免地受到結構性的嚴重衝擊，從我們紡織行業來看，因原油價格大幅下跌，化纖行業的原料價格也跟隨大幅回落超過一半，影響產品定價。然而，本集團在管理團隊引導之下，經過所以員工的齊心協力，我們成功應對去年經濟形勢預期內及預期外的各種衝擊與挑戰，超額完成了2015年的各項任務指標，成功實現本公司股東（「股東」）應佔溢利達人民幣56.2百萬元，按年增幅約17.4%，成績實在令人鼓舞。為答謝股東的信任與支持，董事會建議末期派息每股港幣3仙。連同中期股息每股港幣2仙，本財政年度合共派息每股港幣5仙。

聚焦差異化 創新謀發展

本集團於二零一五年圍繞去年初制定的「聚焦差異化、創新謀發展」，按步就班調整業務結構。回顧年內，集團成立了江蘇永盛高分子新材料研究所有限公司（「**高分子研究所**」）和江蘇永盛三維打印新材料有限公司（「**江蘇永盛三維打印**」），全力提升新材料研究及開發（「**研發**」）能力，投入更大資源延伸高附加值的產業鏈，持續走在行業技術的前列。同時，本集團去年成功剝離市場前景充滿挑戰兼毛利率低的紡織相關產品貿易業務，實現結構優化並集中資源發展在差異化的新材料業務板塊；加上在管理團隊勵精圖治、奮力拚搏下，所有同事團結奮進和踏實執行各種內部指標，圓滿的完成了全年的經營任務之餘，更使永盛新材料踏上更高的台階。

Chairman's Statement

主席報告

Yongsheng Advanced Materials never rests in innovation. Three of its subsidiaries including Nantong Yongsheng Fiber Advanced Materials Company Limited (“**Nantong Yongsheng**”), Hangzhou Huvis Yongsheng Chemical Fiber Company Limited (“**Yongsheng Chemical Fiber**”) and Hangzhou Huvis Yongsheng Dyeing and Finishing Company Limited (“**Yongsheng Dyeing**”) are all accredited as National High and New Technology Enterprises, of which the “Differentiated Fibre and Environmental-friendly Dyeing and Finishing Technology Provincial Grade Hi-Tech Enterprise Research And Development Centre” of Yongsheng Dyeing had completed an audit in 2015. The Group owned over 40 patents in total, of which 4 practicable patents on differentiated polyester filament yarn were obtained during the Review Period. The project of “Key Technologies And Industrialization of Highly-stabilized Elastic Polyester Base Composite Synthetic Preparation” which was awarded the 2nd prize of provincial technological advancement and highly recommended by top appraisal experts was the highest recognition obtained by Yongsheng Advanced Materials for its core technologies in the chemical fiber field. Our efforts in R&D of new technologies were also acknowledged by the market. New products developed by Nantong Yongsheng including high-shrinkage polyester/polyamide composite fiber GPN products, light extinction elastic, cation SPH etc. further expanded the market, while the newly-developed SQH and GPN products were accredited as one of the few “China Fibers Fashion Trends Products” in 2016 and 2017 respectively; the cotton-liked and linen-liked new differentiated products of Yongsheng Chemical Fiber enjoyed clear success from our clients; the new air-trapped products successfully developed by Yongsheng Dyeing which were inspirational in the market and made a hit in the industry driving a speedy growth in results. The newly-established Yongsheng 3D Printing successfully made breakthroughs in the exploration and research of consumptive materials and took only two months to develop PLA printing materials. By far, it has already developed lines of products with noctilucent, allochroic and carboform features.

With respect to technical advancement, the Group further expanded the capacity of polyester filament yarn production and dyeing and processing of fabrics to keep in pace with the continuous technological development and product commercialisation. During the Review Period, 5 differentiated polyester filament yarn production lines were built or upgraded in Nantong Yongsheng with expanded production capability of approximately 15,000 tonnes. We also seized the opportunity to expand our market share to meet the immense market demand for differentiated products. The new plant of Yongsheng Chemical Fiber which will focus

永盛新材料在創新工作上從不間斷，旗下三家廠房，包括南通永盛纖維新材料有限公司（「南通永盛」）、杭州匯維仕永盛化纖有限公司（「永盛化纖」）及杭州匯維仕永盛染整有限公司（「永盛染整」），全部獲認定為國家級高新技術企業，其中，永盛染整的「差異化纖維節能環保染整技術省級高新技術企業研究開發中心」於二零一五年更通過審核，本集團整體獲專利超過40項，回顧年內更獲得4種差別化滌綸長絲的實用型專利。由我們牽頭完成的「高保形彈性聚酯基復合纖維制備關鍵技術與產業化」項目更榮獲省部級科技進步二等獎，並取得頂級鑒定專家的高度評價，是永盛新材料在化纖領域核心技術中獲得的最高榮譽。新技術研發亦成功在回顧年內獲市場認可，南通永盛專注研發的新產品，包括高收縮滌錦產品GPN、消光彈性、陽離子SPH等產品成功進一步拓展市場，最新研發的SQH及GPN產品更分別榮獲全國為數不多的二零一六年及二零一七年「中國纖維流行趨勢產品」之一；永盛化纖的仿棉、仿麻的差異化新產品在回顧年內備受客戶認可；永盛染整成功開發出的空氣層新產品，更引領了市場的潮流，在業內引起一陣轟動，並拉動了其業績高速增長。新成立的江蘇永盛三維打印亦不敢怠慢，僅用了兩個月時間就研發出聚乳酸(PLA)打印線材，到目前為止，共開發出夜光、變色、碳纖維等多個系列產品，成功在耗材方面的探索研究有所突破。

在技改工作上，本集團緊貼其持續不斷的技术開發及產品市場化工作，圍繞差別化滌綸長絲生產及面料染色加工進一步擴大產能。回顧年內，南通永盛的差別化滌綸長絲生產新增及改造5條生產線，產能擴大至約15,000噸，及時抓緊機遇擴大市場份額，進一步滿足市場對差異化產品的龐大需求；永盛化纖第二期專注生產差別化滌綸長絲的新廠房亦已完成修

on the production of polyester filament yarn had completed its second phase of construction, production lines will be installed and put into operation in 2016. It is believed that the production capacity will further be expanded along with substantial increase in revenue. In order to drive the profitability of the respective businesses, Yongsheng Dyeing also added some new setting machines and dyeing machines to help improve the dyeing capacity of differentiated polyester filament fabric and support the release of new products.

In 2015, in addition to further strengthening the domestic sales base, Yongsheng Advanced Materials also opened up new channel to expand overseas market. The Group participated in two major textile and chemical fiber exhibitions held in Shanghai last year, and organized product launching events and project declaration with the help of Chemical Fibre Association of China. Besides, we also made great efforts in expanding into emerging markets, such as by sending R&D and sales team to India to carry out research on specific topics such as the production and processing of the India textile industry and its development potential. On the other hand, we began negotiation and cooperation with clients in Vietnam and broadened the reach with overseas market to pursuit breakthroughs in technological aspects and results performance. In 2016, the Group will continue to participate in more exhibitions across the globe and quicken the pace of going global so as to increase the overseas awareness and coverage of the Group.

建，並將於二零一六年陸續安裝生產線及投產，相信可進一步推動產能，收入將顯著提升；永盛染整新增添的定型機和染色機，有效提高差別化滌綸面料染色產能，配合新產品推出市場而拉動相關業務利潤水平大幅提升。

在二零一五年，除進一步強化其國內的銷售基礎外，永盛新材料更打開渠道開拓海外市場。本集團去年參加了於上海兩次大型紡織化纖展覽會，又借助中國化纖協會這個平台，舉辦了產品發佈會和項目申報，鞏固永盛新材料在中國差別化纖維領域的領先地位。此外，本集團亦致力開拓新興市場，一方面派出研發及銷售團隊遠赴印度，對印度紡織業的生產加工、發展潛力等方面進行了專題調研，另一方面，又開啟了與越南客商的磋商合作，擴大了與海外市場的接觸面，以追求增加更多技術及業績的突破。未來一年，本集團將繼續參加世界各地的展覽會，加快走出去的步伐，提升本集團於海外的知名度和覆蓋。



SEEK BREAKTHROUGHS BY INNOVATION AND MAXIMIZING SCALE BY LEVERAGING ON THE MOMENTUM

In 2016, the PRC textile industry is still undergoing the critical period of industrial consolidation. We expect that corporations of larger scale will experience steady increase in efficiencies and the entire industry will see all-rounded optimization and faster process of transformation, which advancement with innovation would be the main driving force. The development strategy of the Group in the coming year is "seek breakthroughs by innovation and maximizing scale by leveraging on the momentum", which means that not only pursuing breakthroughs in technology and innovation by leaps, but also opening up new markets, marketizing technologies, making overall improvement in technology, products, productivity and sales channels, and magnifying economies of scale by leveraging on our leading edges in the entire industry of high polymer advanced materials, differentiated fibers and their applications, ultimately securing our leading role in the advanced materials industry.

According to the data of Shaoxing District Commercial Bureau, regarding the structure of the textile raw materials, chemical fibers accounted for 82.2% of the total processing volume of the national textile fiber in 2014, an increase of 12.2 percentage points over 2010 which reflected that the chemical fiber textile industry was striding into a stage of rapid development. In order to grasp the current opportunities, the Group will devote more capital and resources into product development, strengthen the industry-university-research cooperation with research institutes and key leading enterprises in product research, project cooperation

創新求突破 乘勢上規模

展望二零一六年，中國紡織工業繼續處於行業整合的關鍵時期，具規模企業的效益穩步增長，行業全面優化，轉型升級進程加快，發展動力轉向由創新驅動。本集團新一年的發展方針是「創新求突破，乘勢上規模」，在追求技術和創新有質量上的飛躍突破外，更會把握我們在高分子新材料和差別化纖維及應用的完整產業領域上的領先優勢，更快速打開新市場，把技術市場化，實現在技術、產品、產能、銷售渠道上全面提升，擴大規模效益，確保在新材料行業中走在最前的位置。

根據紹興市商務局數據，在紡織原料結構方面，二零一四年化纖佔全國纖維加工總量的比重達82.2%，比二零一零年提高了12.2個百分點。這正正體現了化纖紡織行業正走在高速發展軌道。為抓住眼前的機遇，本集團將於產品開發上投入更多資金及資源，加強產學研的合作力度，廣泛與科研院校、龍頭企業等在產品研發、項目合作、市場開拓上的交流合作；同時，加大力度開拓及鞏固國內外銷售渠道，擴大其市場份額及影響力，尤其針對龐大的針織市場努力研



and communications on market development. Meanwhile, we will also put more efforts in expanding and securing domestic and foreign sales channels to increase market share and influence, especially on the R&D of new applications for the enormous knitwear market to explore market for new products. In response to the orderly opening up of the new market, and more orders received for our new products, the Group will continue to expand its production capacity. The newly-added production capacity of differentiated polyester filament yarn and the dyeing capacity of fabric will be fully released in 2016, the second phase of the new plant of Yongsheng Chemical Fiber which will focus on the production of polyester filament yarn is expected to start operation in the second half of 2016. To cope with the increasing market demand and expand the market share of the Group in the advanced materials industry, Nantong Yongsheng will invest approximately RMB120 million for the expansion of the new differentiated polyester filament yarn production plant in the next two years.

As for the High Polymer Research Institute and Yongsheng 3D Printing, the Group will increase investment on the product development and innovative research of 3D printing materials and new polymer materials, as well as upgrading the overall quantity, quality and performance of innovative products. These moves target to press on our competitive advantages and synergies along the industry value chain of differentiated advanced materials. In addition to the enhancement of existing differentiated advanced materials, it favor our expansion into new business sectors and facilitate the Group's development into a diversified research-based advanced materials enterprise.

Lastly, I hereby express my sincere gratitude to the Shareholders and business partners for their continuous supports on behalf of the Board, and take this opportunity to thank our management and staff for their conscientious and self-giving dedication towards the sustainable development of Yongsheng Advanced Materials. In 2016, we will adhere to the corporate ideology of "Honesty, Cooperation, Reciprocity, Learning and Innovation" to unite and achieve new breakthroughs in all aspects.

Li Cheng
Chairman

Hong Kong, 23 March 2016

發新的應用，有望打開新產品市場。因應新市場正在有序打開，新產品亦陸續獲得客戶新訂單，本集團會繼續提升產能，包括去年新增的差別化滌綸長絲生產及面料染色產能將會在二零一六年全面釋放，永盛化纖第二期專注生產差別化滌綸長絲的新廠房亦預期於二零一六年下半年投產，以及在未來兩年再投放約人民幣1.2億元資本開支於南通永盛以擴建差別化滌綸長絲生產新廠房，以應付本集團於新材料行業日益增多的市場需求及擴大市場份額。

至於在高分子研究所及江蘇永盛三維打印的新領域，本集團將進一步在3D打印材料和新型高分子材料的產品開發、創新研究上爭取加大投入，全面提升創新產品的數量、質量及性能，更完滿地打開差別化新材料全產業鏈的競爭優勢及協合效益，強化現有差別化產品外，更有助開拓新業務板塊，促進本集團成為多元化的新材料研發型企業。

最後，本人謹代表董事會向各位股東及合作夥伴的持續支持及信任致以衷心感謝，並謹藉此機會感謝各位兢兢業業、無私奉獻的管理層及各員工對推動永盛新材料持續發展做出的貢獻。我們會繼續實行「誠信、合作、互惠、學習、創新」的企業精神，團結一心，在二零一六年全力推進各項工作實現新突破！

主席
李誠

香港，二零一六年三月二十三日

Business Review

業務回顧

MARKET REVIEW

In 2015, the economy of the Peoples's Republic of China (the "PRC") faced different challenges. The GDP in the PRC only grew by 6.9% for the Review Period which was the slowest growth rate among the past 25 years and the currency of Renminbi ("RMB") also depreciated against other currencies. Due to the instability of global economy and the dramatic decrease in the price of crude oil, the price of raw materials in the chemical fiber industry dropped dramatically, and the average selling prices of the chemical fiber and textile products were adjusted downward accordingly. While the PRC textile industry was clouded with slow global economic recovery, the reform and adjustment of the supply in the textile industry suggested in the 13th Five-Year-Plan would facilitate the transformation and advancement of the PRC textile sector to adapt to the new economic and market situation which has an emphasis on quality. The Group successfully obtained satisfactory results under the stagnant economic situation and transformation of business in textile industry by expanding production capacity, developing new products and improving profitability.

BUSINESS PERFORMANCE

The Group is principally engaged in textile and advanced material-related business in the PRC, namely (1) the production of differentiated polyester filament yarn, (2) the dyeing and processing of differentiated polyester filament fabric, (3) the trading of textile-related products (except for trading of polyester filament yarns, the trading of other textile-related products had been discontinued in August 2015) and (4) the production of 3D printing materials. During the Review Period, the Group implemented the strategies of "Emphasis on Differentiation of Products and Innovation to Move" and reorganized its business structure by disposing the equity interests and assets of its trading company and trading operations. The Group also improved the research and development capacities of advanced materials by establishing Jiangsu Yongsheng High Polymer Advanced Materials Research Institute Company Limited ("**High Polymer Research Institute**") and Jiangsu Yongsheng 3D Printing Advanced Materials Company Limited ("**Yongsheng 3D Printing**") to implement differentiated product-oriented strategies and to open up a larger market of advanced materials with an object to become a leading high-tech enterprise in the textile industry. The successful adjustment of the operations had brought the Group higher returns in 2015 and laid stronger foundations for the Group's operation ideology of "breakthroughs through innovation and maximizing scale by leveraging on the momentum" in future so as to create greater value to the shareholders of the Company ("**Shareholders**").

市場回顧

二零一五年中華人民共和國(「中國」)經濟面臨挑戰，於回顧年內，國內生產總值增長放緩至6.9%，為25年以來最低，人民幣匯率亦從強勢轉弱。全球金融市場動盪，原油價格大幅下跌，令化纖行業的原料價格大幅下降，化纖紡織產品平均售價因而作出相應調整。近年中國紡織業受全球經濟復甦緩慢而低迷發展，十三五期間提出的紡織供給改革與調整，將有助加快紡織行業轉型升級，適應經濟及市場重視質素的新形勢。本集團於經濟不景氣、紡織行業轉型等變化中，憑借擴充產能、研發新產品及提升利潤水平成功取得令人滿意的業績。

業務表現

本集團主要於中國從事紡織及新材料相關業務，包括(1)差別化滌綸長絲生產、(2)差別化滌綸面料染色及加工、(3)紡織相關產品貿易(除滌綸長絲貿易外，其他紡織產品貿易業務已於二零一五年八月終止經營)，及(4)3D打印材料生產。本集團於回顧年內圍繞「聚焦差異化、創新謀發展」，重組業務架構，出售外貿公司及貿易板塊的股權和資產，同時全力提升新材料研發能力，先後成立了江蘇永盛高分子新材料研究有限公司(「**高分子研究所**」)和江蘇永盛三維打印新材料有限公司(「**江蘇永盛三維打印**」)，貫徹落實差異化的產品策略，打開更大的新材料市場，目標成為走在行業前列的技術型企業。業務上的重大調整成功為本集團於二零一五年帶來更大回報及奠定更堅實基礎，在未來本集團將秉承「創新求突破，乘勢上規模」的經營思路，為本公司股東(「**股東**」)創造更大價值。

CONTINUING OPERATIONS

For the Review Period, the Group recorded a revenue of approximately RMB491.2 million, representing an increase of approximately 1.0% from approximately RMB486.4 million in 2014. In the meantime, the Group recorded a gross profit of approximately RMB141.4 million, representing an increase of approximately 16.8% from approximately RMB121.1 million in 2014, and the gross profit margin grew from approximately 24.9% to approximately 28.8%. These increases were mainly contributed by the strategies of the Group which focused on differentiated polyester filament yarn products with higher profit margin, as well as the overall increase in the outputs by improving the efficiencies of production and dyeing processing. In addition, various newly-developed products also enhanced the pricing power and profitability of our products. Profit attributable to the shareholders from continuing operations was approximately RMB55.9 million, representing an increase of approximately 11.3% from approximately RMB50.2 million for the corresponding period in 2014, earnings per share was RMB0.140 (2014: RMB0.126).

During the Review Period, the revenue from the production of polyester filament yarn and new 3D printing materials, the dyeing and processing of polyester filament fabric and trading of polyester filament yarn accounted for approximately 63.1%, 36.0% and 0.9% of the Group's revenue from continuing operations, respectively. Operating profit of the three business segments accounted for approximately 53.5%, 46.1% and 0.4% of the Group's total operating profit, respectively.

持續經營業務

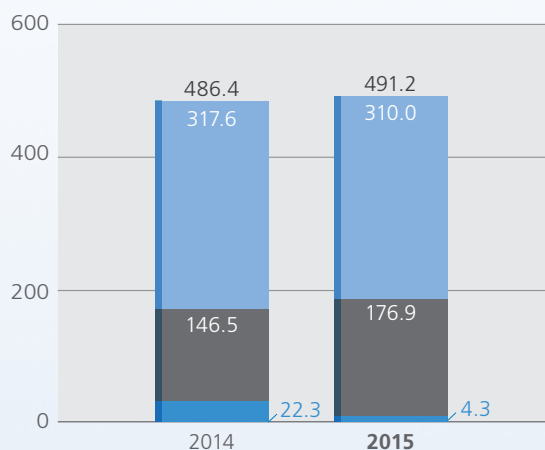
於回顧年內，本集團錄得持續經營業務營業額約人民幣491.2百萬元，較二零一四年約人民幣486.4百萬元增加約1.0%。毛利約為人民幣141.4百萬元，較二零一四年約人民幣121.1百萬元增加約16.8%，毛利率由約24.9%明顯提升至約28.8%。以上增加主要是由於本集團專注於利潤較高的差別化滌綸長絲產品的策略，回顧年內又提升生產及染色加工的生產效率令整體產出有所增加，同時成功開發多項新產品有助提升產品定價能力及利潤水平。股東應佔持續經營業務的溢利約人民幣55.9百萬元，較二零一四年同期約人民幣50.2百萬元增加約11.3%，相關每股盈利為人民幣0.140元（二零一四年：人民幣0.126元）。

回顧年內，滌綸長絲及3D打印新材料生產、滌綸面料染色及加工、及滌綸長絲貿易之收益分別佔本集團持續經營業務營業額約63.1%、36.0%和0.9%；分部經營溢利分別佔本集團的總經營溢利的約53.5%、46.1%和0.4%。

REVENUE BY BUSINESS SEGMENTS

業務分部收益

RMB million
人民幣百萬元



■ Polyester filament yarn ("PFY") and 3D printing materials production
滌綸長絲及三維打印材料生產

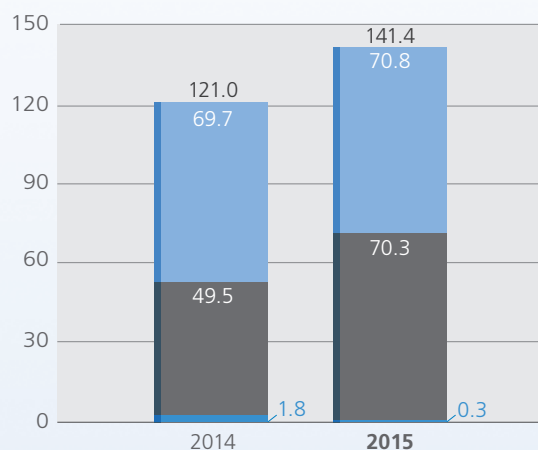
■ Dyeing and processing of differentiated polyester fabric
差別化滌綸面料染色及加工

■ Trading of PFY
滌綸長絲貿易

GROSS PROFIT OF THE GROUP

本集團毛利

RMB million
人民幣百萬元



DISCONTINUED OPERATION

During the Review Period, the Group completed the disposals of its trading business of textile-related products (the “Disposals”) to related parties. The entire registered capital of Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited (杭州蕭山永盛對外貿易有限公司) (an indirect wholly-owned subsidiary of the Company) was disposed of to Hangzhou Yongsheng Group Limited (90% equity interest of which is owned indirectly by Mr. Li Cheng, the chairman of the Board) at a consideration of RMB30.7 million in cash. The entire issued share capital of Yongsheng (HK) International Co., Limited (an indirect wholly-owned subsidiary of the Company) was disposed of to Mr. Li Cheng, the chairman of the Board, at a consideration of HK\$15.0 million (approximately RMB11.8 million) in cash. Gains from the Disposals were RMB5.0 million. The proceeds were used to expand the existing polyester filament yarn production business and dyeing and processing of differentiated fabrics business. For details of the Disposals, please refer to the announcement of the Company dated 5 May 2015 and the circular of the Company dated 8 July 2015.

In view of the relatively low gross profit margin of the trading of textile-related products business and in order to mitigate the risk of trading business, the Group started to gradually reduce trading volume of cotton textile materials and chemical raw materials in 2014 so as to minimize the low profit margin trading activities and shorten the inventory turnover period. Revenue from the trading of textile-related products business for the Review Period was approximately RMB291.6 million, representing a decrease of approximately 67.3% from approximately RMB892.6 million in 2014. Gross profit of the discontinued operation was approximately RMB5.6 million, representing a decrease of approximately 73.4% from approximately RMB20.9 million in 2014, and gross profit margin also decreased correspondingly from 2.3% to 1.9%. The discontinued operation recorded a profit of approximately RMB0.4 million for the Review Period as compared with the loss of approximately RMB2.3 million in 2014, and the relevant earnings per share was RMB0.01 (loss per share in 2014: RMB0.06).

終止經營業務

本集團於回顧年內完成出售紡織相關產品貿易業務（「出售事項」）予關聯方，分別向杭州永盛集團有限公司（由董事會主席李誠先生間接持有其90%股權）全權出售本集團間接全資附屬公司杭州蕭山永盛對外貿易有限公司的全部註冊資本，代價為現金人民幣30.7百萬元；及向董事會主席李誠先生直接出售本集團間接全資附屬公司永盛（香港）國際有限公司全部已發行股本，現金代價為15.0百萬元（約人民幣11.8百萬元），出售溢利為人民幣5.0百萬元。所得款項已用於擴展現有滌綸長絲生產業務及差別化面料染色加工業務。出售事項的詳情請參閱本公司日期為二零一五年五月五日的公佈及本公司日期為二零一五年七月八日的通函。

由於紡織相關產品貿易業務的毛利率維持較低水平，為控制貿易風險，本集團已於二零一四年開始逐步減少棉紡原料及化工原料之貿易額，減少邊際利潤低的貿易和縮短存貨周轉期。回顧年內紡織相關產品貿易業務之營業額約人民幣291.6百萬元，較二零一四年約人民幣892.6百萬元減少約67.3%。終止經營業務的毛利為人民幣5.6百萬元，較二零一四年全年人民幣20.9百萬元下降約73.4%，毛利率由2.3%相應下調至1.9%。回顧年內終止經營業務的溢利約人民幣0.4百萬元，二零一四年全年虧損約人民幣2.3百萬元，相關每股盈利為人民幣0.01元（二零一四年每股虧損：人民幣0.06元）。

PRODUCTION OF POLYESTER FILAMENT YARN

The Group produces and sells regular and differentiated polyester filament yarn. Differentiated polyester filament yarn is a type of special synthetic fiber. Its differentiated visual effect is achieved by using diversified chemical composition, changing shape or linear density of the yarn. It is widely used for producing terminal products such as high-grade garments and household products, therefore differentiated polyester filament yarn is a higher value-added product than regular product and the major revenue source of this segment.

For the Review Period, revenue of the polyester filament yarn production segment dropped slightly to approximately RMB309.9 million, representing a decrease of approximately 2.4% over the corresponding period last year. During the Review Period, as the crude oil price and raw materials price in the chemical fiber industry dropped dramatically, the products price of the Group were adjusted downward accordingly. However, the launch of our new products was well received by the market and offset the effect of the declining trend of price by an increase in sales volume and a stable overall revenue during the Review Period. In particular, differentiated products with higher gross profit margin were among the best sellers due to their technical edges. The proportion of sales of differentiated products with higher gross profit margin improved to approximately 85.1% during the Review Period from approximately 84.0% in 2014, thus driving up the gross profit margin of the polyester

滌綸長絲生產

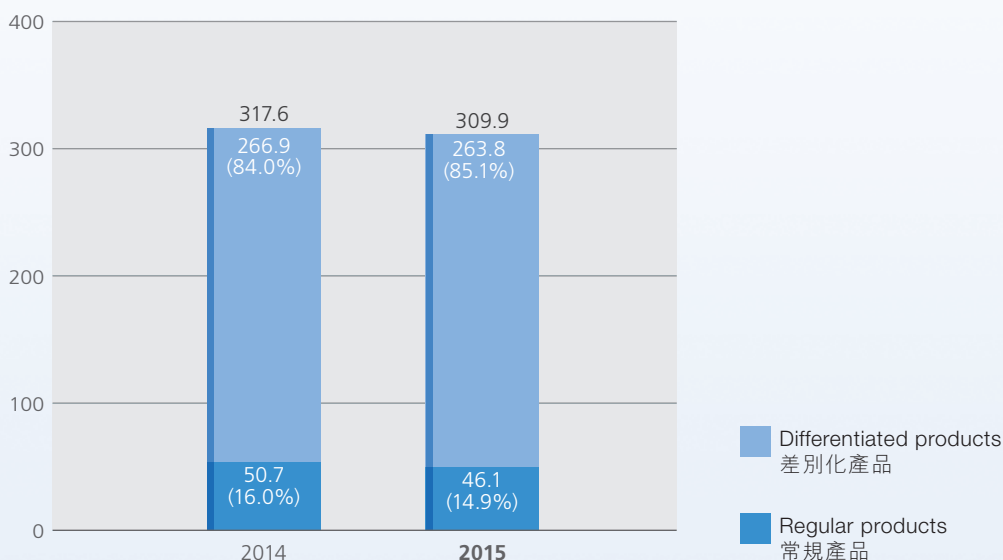
本集團生產及銷售常規及差別化滌綸長絲。差別化滌綸長絲是一種特殊合成纖維，透過豐富長絲的化學成份或改變長絲的形狀或線密度形成差別化效果，廣泛用於生產包括高端服飾、及家居等終端產品，附加值較常規產品高，亦是本分部的主要收入來源。

於回顧年內，滌綸長絲生產分部收益較去年同期輕微減少約2.4%至約人民幣309.9百萬元。回顧年內，因原油價格大幅下跌，化纖行業的原料價格也跟隨大幅回落，使本集團產品價格相應調整，但由於本集團新產品大受市場歡迎，使回顧年內銷量有所上升，抵消了價格下調的影響，令整體收益維持穩定。其中，毛利率較高的差異化產品因技術優勢而極受市場歡迎，高毛利率的差別化產品銷售佔比由二零一四年的約84.0%提升至回顧年內的約85.1%，因而拉動滌

REVENUE ANALYSIS: PFY PRODUCTION

滌綸長絲生產分部的收入分析

RMB million
人民幣百萬元



Business Review

業務回顧

filament yarn production segment by approximately 0.9 percentage point to approximately 22.8%. The production plant of Nantong Yongsheng Fiber Advanced Materials Company Limited (“**Nantong Yongsheng**”), which is located in Nantong, Jiangsu with 5 differentiated polyester filament yarn production lines which were newly built or upgraded, enhanced its production capacity to approximately 15,000 tonnes to timely capture the opportunities both to expand the market share and fulfill the huge demand for differentiated products from the market. Meanwhile, the markets of the new products developed by Nantong Yongsheng, including high-shrinkage polyester/polyamide composite fiber GPN products, light extinction elastic, cation SPH, were further expanded, while the newly-developed SQH and GPN products were accredited as one of the rarest “China Fibers Fashion Trends Products” in 2016 and 2017 respectively. In addition, in the facility of Hangzhou Huvis Yongsheng Chemical Fiber Company Limited (“**Yongsheng Chemical Fiber**”) located in Hangzhou, the new linen-like differentiated products of the Group were well received by our clients and we expect to secure more orders in 2016. As of 31 December 2015, Yongsheng Chemical Fiber had 16 production lines and had completed the construction of a new facility in its second phase of expansion with a focus on the production of differentiated polyester filament yarn. Such new facility will install production lines and be put into operation in 2016. It is believed that the production capacity and the revenue will be further expanded and enhanced.

On 26 May 2015, the Group invested RMB10 million and set up a high polymer research institute in its Nantong Yongsheng base. The institute’s dedicated team focuses on the research, development and production of high value-added and competitive differentiated products, the dyeing and processing technology and the enrichment of the Group’s own advantages and integrated industrial chain. The high polymer research institute will continue its in-depth collaboration with universities including Donghua University and Jiaying University to explore other technologies and applications for high polymer advanced material. Our project, “key technologies and industrialization of highly-stabilized elastic polyester base composite synthetic preparation”, was awarded the 2nd prize of provincial technological advancement which was the highest recognition obtained by the Group for its core technologies in the chemical fiber field. The Group endeavors to solidify the foundation for differentiated products through our advanced techniques, to research and develop more sophisticated materials and to grasp opportunities in the market in order to maintain our leadership in the industry.

綸長絲生產分部毛利率同比上升約0.9個百分點至約22.8%。本公司位於江蘇南通市的南通永盛纖維新材料有限公司（「**南通永盛**」）生產廠房於回顧年內新增及改造共5條差異化滌綸長絲生產線，產能擴大至約15,000噸，及時抓緊機遇擴大市場份額，進一步滿足市場對差異化產品的龐大需求。同時，南通永盛專注研發新產品，其高收縮滌錦產品GPN、消光彈性、陽離子SPH等產品進一步拓展市場，最新研發的SQH及GPN產品更分別榮獲全國為數不多的二零一六年及二零一七年「中國纖維流行趨勢產品」之一。此外，本集團位於杭州市的杭州匯仕維永盛化纖有限公司（「**永盛化纖**」）廠房仿麻的差異化新產品在回顧年內備受客戶認可，預期在二零一六年會獲得更多相關訂單。截至二零一五年十二月三十一日，永盛化纖共有16條生產線，第二期專注生產差別化滌綸長絲的新廠房亦已完成修建，並將於二零一六年陸續安裝生產線及投產，相信可進一步推動產能及收入顯著提升。

於二零一五年五月二十六日，本集團投資人民幣10.0百萬元於南通永盛基地成立高分子研究所，重點研發及生產高附加值、具競爭力的差異化產品及染色及加工技術，延伸本集團自身優勢及完整產業鏈。該高分子研究所將與更多高等院校開展深度合作，包括東華大學及嘉興學院，探索其它新材料科技及應用。我們的「高保形彈性聚酯基復合纖維制備關鍵技術與產業化」項目更獲得了國家省部級科技進步二等獎，是本集團在化纖領域核心技術中獲得的最高榮譽。本集團希望利用技術優勢務實差異化產品的基礎，並研發更多新型材料及捕捉市場先機，始終保持在行業中的領先優勢。

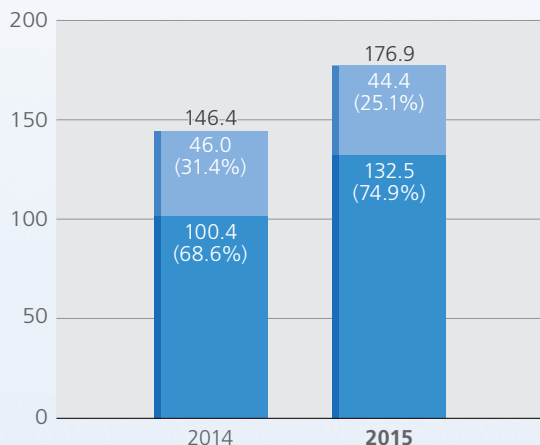
DIFFERENTIATED POLYESTER FILAMENT YARN DYEING AND PROCESSING

During the Review Period, the Group was committed to optimizing the polyester filament yarn dyeing and processing business by launching various types of new differentiated products and new services, which leads to satisfactory growth of the business. Our dyeing and finishing facility of Hangzhou Huvis Yongsheng Dyeing and Finishing Company Limited (“Yongsheng Dyeing”) in Hangzhou was accredited as “National High and New Technology Enterprises”.

For the year ended 31 December 2015, revenue of the segment had increased to approximately RMB176.9 million, representing an increase of approximately 20.7% over the corresponding period last year. Gross profit of the segment increased by approximately 42.0% to approximately RMB70.3 million over the corresponding period last year, and gross profit margin increased by 6.0 percentage points to 39.8% over the corresponding period last year. The improvement in the segment results was mainly attributed to the continuous research and development of new products by the Group. In 2015, Yongsheng Dyeing successfully developed new air-trapped products and passed the examination of “Differentiated Fibre Energy Saving and Environmental-friendly Dyeing and Finishing Technology Provincial Grade Hi-Tech Enterprise Research And Development Centre”. The products which were inspirational in the market helped secure the leading position of the Group in the dyeing and processing business of differentiated polyester filament fabric. The unique technology reinforced the price advantage of the products and successfully lifted up the market demand for the products of Yongsheng Dyeing. At the same time, substantial improvement in profitability was attributable to extra production capacity provided by the newly installed machines in the facility of Yongsheng Dyeing. With the benefits of new products and improved production capacity, the result of Yongsheng Dyeing sustained a rapid growth.

REVENUE ANALYSIS: DYEING AND PROCESSING 染色及加工分部的收入分析

RMB million
人民幣百萬元



差別化滌綸面料染色及加工

本集團於回顧年內全力優化滌綸面料染色及加工業務，推出各類差異化新產品及新服務，使此業務錄得理想增長。本集團位於杭州市的杭州匯維仕永盛染整有限公司（「永盛染整」）廠房是「國家級高新技術企業」。

截至二零一五年十二月三十一日止年度，分部收益較去年同期增加約20.7%至約人民幣176.9百萬元，分部毛利較去年同期增加約42.0%至約人民幣70.3百萬元，毛利率較去年同比上升6.0百分點至39.8%。分部業績進步主要是本集團持續研發新產品，永盛染整於二零一五年成功開發空氣層新產品及通過「差異化纖維節能環保染整技術省級高新技術企業研究開發中心」審核，引領市場潮流並鞏固本集團於滌綸面料染色及加工的領導性地位，獨特的技術強化產品的定價優勢，更加成功提升市場對永盛染整產品的需求。與此同時，永盛染整新增添的定型機可提高廠房的產能，令利潤水平大幅提升。得益於嶄新的產品及產能提高，永盛染整業績持續實現了高速增長。

Business Review

業務回顧

PRODUCTION OF NEW 3D PRINTING MATERIALS

On 13 April 2015, the Group announced that it would form a joint venture under the name of Yongsheng 3D Printing with Hangzhou Shining 3D Tech Co., Ltd (“**Hangzhou Shining**”, the shares of which are listed on the National Equities Exchange and Quotations System (全國中小企業股份轉讓系統) in the PRC with stock code: 830978) (the “**Joint Venture**”) with focuses on research, development, production and marketing of new 3D printing materials business by targeting on education and household utensils market at the beginning. The Joint Venture has a registered capital of RMB10 million which was contributed as to 60% and 40% by the Group and Hangzhou Shining, respectively. The base is located at the Nantong Yongsheng plant in Jiangsu. The new 3D printing materials have been sold to Hangzhou Shining since the fourth quarter of 2015, with gross profit margin of over 30%. Further, Yongsheng 3D Printing made breakthroughs in the exploration and research of consumptive 3D printing materials and successfully developed PLA printing materials and lines of products with noctilucent, allochroic and carboform features. It is believed that 3D printing materials with more environmentally-friendly and children-friendly features will be developed in 2016 for the Group to enter into the huge 3D printing market of education and household utensils. For details of the Joint Venture, please refer to the announcement of the Company dated 13 April 2015.

PROSPECTS

We anticipate that the global economy will remain volatile in 2016, and the economy of the PRC will face different challenges. However, it also will bring opportunities to the high value-added textile industry. In the 13th Five-Year-Plan, the textile industry was repositioned and the philosophy of “superiority through internationalization, syncretism of technology and fashion, emphasis on the development of garment industry on both the consumptive and industrial sides” was proclaimed which envisaged the accelerated transformation and advancement of the PRC textile industry in 2016. The Group will develop the operation strategies in accordance with the operation mindset of “seek breakthroughs by innovation and maximizing scale by leveraging on the momentum”, capitalize on the core technological advantages of the existing differentiated products and open up the high value-added markets so as to look for breakthroughs in the advanced materials sector and capture development opportunities in the textile industry.

3D打印新材料生產

二零一五年四月十三日，本集團宣佈與杭州先臨三維科技股份有限公司（「**杭州先臨**」，其股份於全國中小企業股份轉讓系統上市，股份代號：830978）成立合資公司江蘇永盛三維打印（「**合資公司**」），重點開拓3D打印新材料的研發、生產和銷售業務，並先以教育及小型家品為目標市場。合資公司的註冊資本為人民幣10.0百萬元，分別由本集團及杭州先臨出資60%及40%。基地設於南通永盛廠房，相關的3D打印新材料產品已於二零一五年第四季度向杭州先臨開始銷售，產品毛利率達到30%以上。目前為止，江蘇永盛三維打印已研發出聚乳酸(PLA)打印線材，共開發出夜光、變色、碳纖維等多個系列產品，於3D打印耗材探索研究方面有所突破，相信於二零一六年可開發出環保、適合兒童使用的安全3D打印材料，進攻潛力龐大的教育及小型家品的3D打印市場。有關合資公司的詳情，請參閱本公司日期為二零一五年四月十三日的公佈。

展望

展望二零一六年，全球經濟將持續波動，中國經濟仍面臨多方挑戰，然而，高附加值紡織業卻迎來新機遇。十三五規劃對紡織業重新定位，當中包括「創造國際化新優勢、科技和時尚的融合、衣著消費和產業用並舉」，預示中國紡織行業於二零一六年將加速轉型升級，本集團將秉承「創新求突破，乘勢上規模」的經營思路制訂管理策略，發揮現有差異化產品的核心技術優勢，打開高附加值市場的同時，積極於各新材料領域尋求突破，抓緊紡織行業的發展機遇。

The Group insists on technical innovation, research and development of new materials so as to keep providing customers with novel, unique and high quality new products, and to maintain our leading status through technical advancement in the integrated industrial chain of high polymer advanced materials and differentiated fiber and their applications. The Group will devote more capital and resources into product development, strengthen the cooperation between production and research, and cooperate and communicate with research institutes and key leading enterprises in product research and market development. By intensifying the research and devotion in High Polymer Research Institute and Yongsheng 3D Printing, the Group is likely to make further breakthroughs in the development of 3D printing materials and new polymer materials, as well as in innovative research so as to upgrade the overall quantity, quality and performance of innovative products. The Group endeavors to solidify the foundation for differentiated products by our advanced techniques, to research and develop more sophisticated materials and to grasp opportunities in the market in order to maintain our leadership in the market.

The Group has been increasing efforts in expanding and securing domestic and foreign sales channels and seizing both its market share and influence. In addition to the conscientious response towards the demand from the domestic market and clients, and in light of the immense demand for differentiated fibers from the knitwear market, the Group strives to explore new applications so as to develop the knitwear

本集團堅持主張技術創新以及新材料的研發開拓，不斷為客戶提供新穎獨特、高質量的新產品，並通過技術穩固在聚合物新材料及差異化纖維及應用完整產業鏈中的領先地位。本集團不但將於產品開發上投入更多資金及資源，亦會加強產學研的合作力度，廣泛與科研院所、龍頭企業在產品研發、項目合作、市場開拓上的交流合作。透過加大對聚合物新材料研究所及江蘇永盛三維打印的研究和投入，本集團將進一步在3D打印材料和新型高分子材料的產品開發、創新研究上有所突破，全面提升產品的在數量、質量及性能。本集團希望利用技術優勢鞏固差異化產品的基礎，並研發更多新型材料以捉市場先機，保持在行業領先優勢。

本集團一直加大力度開拓及鞏固國內外銷售渠道，擴大其市場份額及影響力。除了針對現在的國內市場和客戶需求深耕細作外，瞄準針織市場對差異化纖維的龐大需求，本集團正努力研發新的應用以開



Business Review

業務回顧

market. The Group also made great efforts in expanding emerging markets overseas, such as by sending dedicated team to India to carry out research on specific topics such as production, processing and development of the textile industry in India and its development potential. We further started negotiations and created cooperation opportunities with clients in Vietnam in preparing our expansion of the overseas market in future. In 2016, the Group will continue to proactively pursue opportunities to expand overseas, and strive to increase the international market share of the differentiated fiber and make breakthroughs in the overseas market.

Apart from focusing on products improvement and channels expansion, the Group continues to promote stronger foundations. The new plant of Yongsheng Chemical Fiber, which will focus on the production of differentiated polyester filament yarn, had completed its second phase of construction. Production lines will be installed and such new plant will be put into operation in 2016. It is expected to increase the overall production capacity of differentiated polyester filament yarn of Yongsheng Chemical Fiber to approximately 18,000 tonnes.

In addition, the Group plans to incur capital expenditures of approximately RMB120 million and RMB60 million on expansion of a new production plant of differentiated polyester filament yarn in Nantong Yongsheng as well as on expansion of the existing dyeing and processing plant and purchase equipment in the next two years. The annual production capacity of the plant located in Nantong is estimated to reach approximately 20,000 tonnes, by producing differentiated composite elastic fibers as its main products. It is expected that the production expansion plan of Yongsheng Dyeing in Hangzhou will be approved in the current year, which is estimated to lead to an increase in annualized production capacity and revenue of 35.0 million meters and RMB150 million respectively. The new production lines will facilitate the expansion of the production capacity and the outputs of differentiated polyester filament yarn and the dyeing of differentiated fibers, enhance the market share of products with higher profit margins and prepare the Group in its business development, ultimately securing the Group's leading position in the textile industry.

啟針織市場。本集團更積極開拓國外的新興市場，包括派遣專業團隊遠赴印度，對印度紡織業的生產加工、發展潛力等方面進行了專題調研，更與越南客商進行了合作磋商，為國外市場的未來開拓做好準備。二零一六年，本集團將繼續努力尋求海外發展的機會，希望能增加差異化纖維於國際市場的銷售份額，在海外市場上取得突破。

除了集中提升產品及渠道開拓，本集團亦持續過擴展產能促進健康發展。永盛化纖第二期專注生產差別化滌綸長絲的新廠房亦已完成，並將於二零一六年陸續安裝生產線及投產，進一步提升永盛化纖的差別化滌綸長絲年產能至近18,000噸。

此外，本集團計劃於未來2年分別投放約人民幣1.2億元及人民幣60.0百萬元資本開支以擴建南通永盛的差別化滌綸長絲新廠房、擴充現有的染色及加工廠房及購買相關生產設備。位於南通的廠房將預計年產能可達至約20,000噸，主要產品為差別化復合彈性纖維。位於杭州的永盛染整預計於年內通過有關擴產計劃的審批預計年產能及年收入分別額外增加約3,500百萬元及約人民幣1.5億元，新增之生產線將有利於擴大差別化滌綸長絲及差別化纖維的染整產能規模及產出，增加高毛利率產品的市場份額並作好預備迎接業務拓展機遇，從而保持於紡織行業中一直領先的優勢地位。

In 2016, in addition to pursuing organic growth, the Group will capitalize on the momentum by proposing to inject RMB20.0 million into an industry investment fund in order to cooperate with peer companies, which in turn promotes the development of our industry, and looking forward to possible merger and acquisition opportunities to expand our scale and industrial chain. The management team will continue to adhere to its pragmatic approach and high efficiencies to implement flat management structure so as to maximize the cost effectiveness, and strengthen our corporate capability of risk control in order to achieve sustainable development and maximize Shareholders' returns.

二零一六年，本集團將乘勢而上，除追求自然增長外，擬投放人民幣20.0百萬元至產業發展基金，透過與行業中的優勢企業進行合資合作，鼓勵行業發展，並積極尋求併購的機會，進一步擴大集團規模及產業鏈。管理團隊亦將繼續貫徹務實高效的工作風格，繼續推行扁平化管理模式，改善成本效益，全面提高公司的風險監控能力，實踐可持續發展，爭取股東利益最大化。



Financial Review

財務回顧

REVENUE AND GROSS PROFIT

The following table sets forth a breakdown of the Group's revenue and gross profit for continuing operations by our business segment for the year ended 31 December 2015:

收益及毛利

下表載列本集團截至二零一五年十二月三十一日止年度內按業務分部劃分的持續經營業務的收益及毛利明細：

		Year ended 31 December 截至十二月三十一日止年度			
		2015 二零一五年 RMB'000 人民幣千元	% of sales 佔銷售額 的百分比	2014 二零一四年 RMB'000 人民幣千元	% of sales 佔銷售額 的百分比
Revenue for continuing operations	持續經營業務的收益				
1) Production	1) 生產	310,024	63.1%	317,602	65.3%
– Polyester filament yarn (PFY)	– 滌綸長絲 (「滌綸長絲」)	309,936	63.1%	317,602	65.3%
– 3D printing materials	– 三維打印材料	88	–	–	–
2) Dyeing and processing	2) 染色及加工	176,863	36.0%	146,479	30.1%
3) Trading of PFY	3) 滌綸長絲貿易	4,278	0.9%	22,280	4.6%
		491,165	100.0%	486,361	100.0%

Revenue from continuing operations of the Group in 2015 was approximately RMB491.2 million, representing an increase of approximately 1.0% as compared with the previous year. It was mainly contributed by the increase in revenue of approximately RMB30.4 million in dyeing and processing business, which was partially offset by the decrease in revenue in the trading of PFY business and production business by approximately RMB18.0 million and approximately RMB7.6 million, respectively. Details of the fluctuations of revenue in each business segment were discussed separately in the section below.

本集團於二零一五年的持續經營業務收益約為人民幣491,200,000元，較去年增加約1.0%。收益增加主要因染色及加工業務的收益增加約人民幣30,400,000元所致，惟受到滌綸長絲貿易業務及生產業務的收益分別減少約人民幣18,000,000元及約人民幣7,600,000元抵銷部分影響。各業務分部的收益變動詳情於下節分開討論。

		Year ended 31 December 截至十二月三十一日止年度			
		2015 二零一五年 RMB'000 人民幣千元	GP Margin 毛利率 %	2014 二零一四年 RMB'000 人民幣千元	GP Margin 毛利率 %
Gross profit for continuing operations	持續經營業務的毛利				
1) Production	1) 生產	70,768	22.8%	69,687	21.9%
– PFY	– 滌綸長絲	70,740	22.8%	69,687	21.9%
– 3D printing materials	– 三維打印材料	28	31.8%	–	–
2) Dyeing and processing	2) 染色及加工	70,341	39.8%	49,539	33.8%
3) Trading of PFY	3) 滌綸長絲貿易	314	7.3%	1,827	8.2%
		141,423	28.8%	121,053	24.9%

Gross profit from continuing operations of the Group in 2015 was approximately RMB141.4 million, representing an increase of approximately 16.8% as compared with the previous year. The increase was mainly attributable to the increase in gross profit of approximately RMB20.8 million and approximately RMB1.1 million in our dyeing and processing business and production business, respectively, which was partially offset by the decrease in gross profit of approximately RMB1.5 million in our PFY trading business. Details of the fluctuations of gross profit in each business segment were discussed separately in the section below.

本集團於二零一五年的持續經營業務毛利約為人民幣141,400,000元，較去年增加約16.8%。毛利增加主要因我們的染色及加工業務以及生產業務的毛利分別增加約人民幣20,800,000元及約人民幣1,100,000元所致，惟受到滌綸長絲貿易業務的毛利減少約人民幣1,500,000元抵銷部分影響。各業務分部的毛利變動詳情於下節分開討論。

1) Production

a) PFY production

		Year ended 31 December 截至十二月三十一日止年度			
Revenue	收益	2015	% of sales	2014	% of sales
		二零一五年 RMB'000 人民幣千元	佔銷售額 的百分比	二零一四年 RMB'000 人民幣千元	佔銷售額 的百分比
Differentiated	差別化	263,862	85.1%	266,850	84.0%
Regular	常規	46,074	14.9%	50,752	16.0%
		309,936	100.0%	317,602	100.0%

		Year ended 31 December 截至十二月三十一日止年度			
Gross Profit	毛利	2015	GP Margin	2014	GP Margin
		二零一五年 RMB'000 人民幣千元	毛利率	二零一四年 RMB'000 人民幣千元	毛利率
Differentiated	差別化	63,077	23.9%	62,905	23.6%
Regular	常規	7,663	16.6%	6,782	13.4%
		70,740	22.8%	69,687	21.9%

Revenue and gross profit of PFY production business for the Review Period were approximately RMB309.9 million and approximately RMB70.7 million, respectively, representing a decrease of approximately 2.4% and increase of approximately 1.5% respectively as compared with the previous year, and were mainly attributable to the following:

滌綸長絲生產業務於回顧年內的收益及毛利分別約為人民幣309,900,000元及約人民幣70,700,000元，較去年分別下跌約2.4%及上升約1.5%，主要歸因於下列因素：

Financial Review

財務回顧

The decrease in PFY sales by approximately RMB7.7 million was mainly attributable to the decrease in sales of regular products and differentiated products of approximately RMB4.7 million and approximately RMB3.0 million respectively. In line with our strategy to focus on differentiated products with higher gross profit margin, the percentage of the revenue derived from sales of differentiated PFY increased from approximately 84.0% in 2014 to approximately 85.1% for the Review Period. As a result, our gross profit margin increased from approximately 21.9% in 2014 to approximately 22.8% for the Review Period.

- i) The average selling price in differentiated PFY decreased from RMB17,600/tonne to RMB15,600/tonne as we lowered the price of differentiated products in order to secure more market share in view of the weakening commodities market. Sales volume in differentiated PFY increased by 11.0% from 15,195 tonnes to 16,864 tonnes. Due to the increase in demand for premium grade PFYs for production, especially for SPH, SQH and REN, and the effect of the decrease in selling price is stronger than the increase in sales volume, our revenue for differentiated PFY, as a result, decreased slightly in 2015. We also promoted new products, such as CEH, D400 and GPN during the Review Period. Since a significant portion of cost of sales represented raw materials costs for PET/Nylon chips and POY, the general decrease in raw materials price benefit our production. The Group maintained a stable gross profit margin for differentiated PFY of approximately 23.9% for the Review Period as compared to approximately 23.6% in 2014 in the differentiated PFY.

滌綸長絲銷售額減少約人民幣7,700,000元，主要由於常規產品及差別化產品的銷售額分別減少約人民幣4,700,000元及約人民幣3,000,000元。與我們專注於毛利率較高的差別化產品的策略一致，銷售差別化滌綸長絲產生的收益百分比由二零一四年的約84.0%上升至回顧年內的約85.1%。因此，我們的毛利率由二零一四年的約21.9%增加至回顧年內的約22.8%。

- i) 由於我們因應商品市場疲弱而調低差別化產品的價格以爭取較大市場佔有率，差別化滌綸長絲的平均售價由人民幣17,600元／公噸下降至人民幣15,600元／公噸。差別化滌綸長絲的銷量由15,195公噸上升11.0%至16,864公噸。由於用作生產的特級滌綸長絲（尤其是SPH、SQH及REN）的需求增加，售價下跌抵銷銷量增加的影響，故差別化滌綸長絲的收益於二零一五年輕微下跌。於回顧年內，我們亦推廣CEH、D400及GPN等新產品。由於重大部分的銷售成本為PET／尼龍切片及POY的原材料成本，故原材料價格普遍下降對我們的生產有利。於回顧年內，本集團的差別化滌綸長絲維持平穩毛利率約23.9%，而二零一四年則約為23.6%。

ii) Sales volume in regular PFY increased by approximately 3.8% from 4,738 tonnes to 4,917 tonnes. In line with our strategy to focus on differentiated products, we keep our sales of regular products at a relatively low level during the Review Period. We produced and sold regular products mainly for the purpose of utilizing our production facilities to keep the plant and machineries at the best working status and to share manufacturing fixed costs such as depreciation of plant and equipment. We maintained a relatively high gross profit margin for regular PFY of approximately 16.6% as compared to approximately 13.4% in 2014 in the regular PFY mainly because we ceased production and sales of certain types of regular PFY which had low gross profit margin.

ii) 常規滌綸長絲的銷量由4,738公噸上升約3.8%至4,917公噸。與我們專注於差別化產品的策略一致，我們於回顧年內將常規產品的銷售額維持於較低水平。我們生產及銷售常規產品的主要目的是善用我們的生產設施，以使廠房及機器處於最佳工作狀態，並分攤生產固定成本（例如廠房及設備的折舊）。我們的常規滌綸長絲維持約16.6%的較高毛利率，而二零一四年則約為13.4%，主要原因是我們停止生產及銷售毛利率偏低的若干種類常規滌綸長絲所致。

b) 3D printing materials production

b) 三維打印材料生產

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Revenue	收益	88	-
Gross profit	毛利	28	-
Gross profit margin	毛利率	31.8%	-

During the 4th quarter of 2015, we commence production and sales of 3D printing materials sample to our joint venture partner Shining 3D Tech Co. Limited with a sales volume of approximately 1 tonne and gross profit margin of approximately 31.8%.

於二零一五年第四季，我們開始向合資企業夥伴杭州先臨三維科技股份有限公司生產和銷售約1公噸的三維打印材料樣本，毛利率約為31.8%。

2) Dyeing and processing

2) 染色及加工

		Year ended 31 December 截至十二月三十一日止年度			
Revenue	收益	2015	% of sales	2014	% of sales
		二零一五年 RMB'000 人民幣千元	佔銷售額 的百分比	二零一四年 RMB'000 人民幣千元	佔銷售額 的百分比
Processing activity	加工活動	132,479	74.9%	100,420	68.6%
Direct sales	直接銷售	44,384	25.1%	46,059	31.4%
		176,863	100.0%	146,479	100.0%

		Year ended 31 December 截至十二月三十一日止年度			
Gross Profit	毛利	2015	GP Margin	2014	GP Margin
		二零一五年 RMB'000 人民幣千元	毛利率	二零一四年 RMB'000 人民幣千元	毛利率
Processing activity	加工活動	65,140	49.2%	41,452	41.3%
Direct sales	直接銷售	5,201	11.7%	8,087	17.6%
		70,341	39.8%	49,539	33.8%

Revenue and gross profit of dyeing and processing business in 2015 were approximately RMB176.9 million and approximately RMB70.3 million, respectively for the Review Period, representing an increase of approximately 20.7% and approximately 42.0%, respectively as compared with the previous year. Such changes were mainly attributable to the following:

- i) Processing volume in dyeing and processing activity increased from 36,825,000 meters to 38,007,000 meters due to the increase in processing orders during the Review Period. The average processing income increased from RMB2.7/meter in 2014 to RMB3.5/meter in 2015. We achieved a gross profit margin of approximately 49.2% as compared to approximately 41.3% in 2014 in the processing activity because of the economies of scale in operation of the plant and the decrease in costs of production as part of the energy savings and water recycle initiatives.

於回顧年內，染色及加工業務於二零一五年的收益及毛利分別約為人民幣176,900,000元及約人民幣70,300,000元，較去年分別上升約20.7%及約42.0%。有關變動主要歸因於以下因素：

- i) 由於回顧年內的加工訂單有所增加，故染色及加工活動的加工數量由36,825,000米增加至38,007,000米。平均加工收入由二零一四年的人民幣2.7元/米上升至二零一五年的人民幣3.5元/米。由於廠房營運的規模經濟效益及生產成本下降（作為節能及水循環措施的一部分），我們的加工活動錄得毛利率約49.2%，而二零一四年則約為41.3%。

ii) Sales volume in direct sale increased approximately by 6.7% from 4,138,000 meters to 4,415,000 meters as we have new customers in 2015. The average selling price for direct sale remained stable at RMB10.1/meter in 2015 as compared to RMB11.1/meter in 2014. We achieved a gross profit margin of approximately 11.7% as compared to approximately 17.6% in 2014 for direct sales mainly due to the decrease in unit cost of fabric.

ii) 由於我們於二零一五年獲得新的客戶，故直接銷售的銷量由4,138,000米上升約6.7%至4,415,000米。直接銷售的平均售價於二零一五年維持於約人民幣10.1元／米的平穩水平，而二零一四年約為人民幣11.1元／米。我們的直接銷售錄得毛利率約11.7%，而二零一四年則約為17.6%，乃主要由於面料的單位成本下降所致。

3) Trading of PFY

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Revenue	收益	4,278	22,280
Gross profit	毛利	314	1,827
Gross profit margin	毛利率	7.3%	8.2%

Revenue and gross profit of PFY trading business in 2015 were approximately RMB4.3 million and RMB0.3 million, respectively and were mainly due to the decrease in sales volume in PFY from approximately 1,846 tonnes to 407 tonnes and the decrease in average selling price from approximately RMB12,100/tonne to RMB10,500/tonne. We observed fewer trading opportunities of PFY in the market during 2015 as compared to 2014 due to the decrease in trade opportunity of the PFY which was caused by the general decrease in oil price. We maintained a stable gross profit margin of approximately 7.3% in 2015 as compared to approximately 8.2% in 2014 in the trading of PFY.

Other income and gains, net

Net other income and gains increased by approximately RMB1.0 million from approximately RMB6.9 million (adjusted) for the year ended 31 December 2014 to approximately RMB7.9 million for the year ended 31 December 2015, primarily due to an increase in subsidy income received from local tax bureau and Bureau of Finance in the PRC.

3) 滌綸長絲貿易

滌綸長絲貿易業務於二零一五年的收益及毛利分別約為人民幣4,300,000元及人民幣300,000元，主要由於滌綸長絲的銷量由約1,846公噸減少至407公噸，且平均售價由約人民幣12,100元／公噸下降至人民幣10,500元／公噸所致。我們於二零一五年在市場上覓得的滌綸長絲貿易機會比二零一四年減少，此乃由於滌綸長絲的貿易機會因原油價格整體下跌而減少所致。我們於二零一五年的滌綸長絲貿易維持穩定毛利率約7.3%，而二零一四年則約為8.2%。

其他收入及收益淨額

其他收入及收益淨額由截至二零一四年十二月三十一日止年度的約人民幣6,900,000元（經調整）增加約人民幣1,000,000元至截至二零一五年十二月三十一日止年度的約人民幣7,900,000元，主要由於自地方稅務機關及中國財政局獲得的補貼收入增加所致。

Financial Review

財務回顧

Selling and distribution expenses

銷售及分銷開支

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Selling and distribution expenses total	銷售及分銷開支總額	8,544	10,210

Selling and distribution expenses decreased by approximately RMB1.7 million, or approximately 16.3% from approximately RMB10.2 million (adjusted) for the year ended 31 December 2014 to approximately RMB8.5 million for the year ended 31 December 2015, primarily attributable to the decrease in staff costs in relation to marketing personnel.

銷售及分銷開支由截至二零一四年十二月三十一日止年度的約人民幣10,200,000元（經調整）減少約人民幣1,700,000元或約16.3%至截至二零一五年十二月三十一日止年度的約人民幣8,500,000元，主要由於有關市場推廣人員的員工成本減少所致。

Administrative expenses

行政開支

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Administrative expenses total	行政開支總額	57,435	41,763

Administrative expenses increased by approximately RMB15.7 million, or approximately 37.5% from approximately RMB41.8 million (adjusted) for the year ended 31 December 2014 to approximately RMB57.4 million for the year ended 31 December 2015 primarily due to the increase in staff costs due to share-based payment expenses and the reward of employees as a result of the improvement in profitability of the Group for the Review Period.

行政開支由截至二零一四年十二月三十一日止年度的約人民幣41,800,000元（經調整）增加約人民幣15,700,000元或約37.5%至截至二零一五年十二月三十一日止年度的約人民幣57,400,000元，主要由於本集團於回顧年內盈利狀況改善，股份基礎支出及獎勵僱員導致員工成本增加所致。

Finance costs

融資成本

Finance costs decreased by approximately RMB2.0 million from approximately RMB3.0 million (adjusted) for the year ended 31 December 2014 to approximately RMB1.0 million for the year ended 31 December 2015, primarily due to the decrease in interest expenses on bank loans by approximately RMB2.0 million as the bank loans were fully repaid in 2015.

融資成本由截至二零一四年十二月三十一日止年度的約人民幣3,000,000元（經調整）減少約人民幣2,000,000元至截至二零一五年十二月三十一日止年度的約人民幣1,000,000元，主要由於銀行貸款的利息開支減少約人民幣2,000,000元，原因是我們已於二零一五年悉數償還銀行貸款所致。

Profit before tax

Profit before tax from continuing operations increased by approximately RMB9.5 million or approximately 12.9% from approximately RMB72.9 million (adjusted) for the year ended 31 December 2014 to approximately RMB82.4 million for the year ended 31 December 2015, which was mainly due to (1) an increase in gross profit by approximately RMB20.4 million; (2) an increase in net other income and gains of approximately RMB1.0 million; (3) a decrease in finance costs by approximately RMB2.0 million; (4) a decrease in selling and distribution expenses by approximately RMB1.7 million; and (5) an increase in administrative expenses of approximately RMB15.7 million.

Income tax expense

Income tax expense increased by approximately 36.8% from 2014 to 2015, which was higher than the increase in profit before tax of approximately 20.3% due to the non-deductible impact of the share-based payments. The increase was partially offset by the effect of the decrease in the corporate income tax rate of Nantong Yongsheng from 25% for the year ended 31 December 2014 to 15% for the year ended 31 December 2015 as it obtained the certificate of qualification as High and New Technology Enterprises in 2015.

Profit/(loss) for the year from a discontinued operation

Revenue	收益	291,628	892,648
Gross profit	毛利	5,551	20,867
Gross profit margin	毛利率	1.9%	2.3%
Loss for the year (before gain on disposal of subsidiaries)	年內虧損（未計出售附屬公司的收益）	(4,624)	(2,315)
Profit/(loss) for the year from a discontinued operation	終止經營業務的年內溢利／（虧損）	363	(2,315)

Note: Discontinued operation represented trading business of textile-related products.

除稅前溢利

持續經營業務的除稅前溢利由截至二零一四年十二月三十一日止年度的約人民幣72,900,000元（經調整）增加約人民幣9,500,000元或約12.9%至截至二零一五年十二月三十一日止年度的約人民幣82,400,000元，主要由於(1)毛利增加約人民幣20,400,000元；(2)其他收入及收益淨額增加約人民幣1,000,000元；(3)融資成本減少約人民幣2,000,000元；(4)銷售及分銷開支減少約人民幣1,700,000元；及(5)行政開支增加約人民幣15,700,000元所致。

所得稅開支

於二零一四年至二零一五年，所得稅開支增加約36.8%，高於除稅前溢利的增幅約20.3%，乃由於股份基礎支出的不可扣減影響所致。有關開支增加受到南通永盛的企業所得稅率由於在二零一五年獲取高新技術企業資格證書而由截至二零一四年十二月三十一日止年度的25%下降至截至二零一五年十二月三十一日止年度的15%影響而抵銷部分影響。

年內來自終止經營業務的溢利／（虧損）

	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Revenue	291,628	892,648
Gross profit	5,551	20,867
Gross profit margin	1.9%	2.3%
Loss for the year (before gain on disposal of subsidiaries)	(4,624)	(2,315)
Profit/(loss) for the year from a discontinued operation	363	(2,315)

附註：終止經營業務指紡織相關產品的貿易業務。

Financial Review

財務回顧

As compared with 2014, revenue for discontinued operations derived from our trading of textile-related business (“**Trading Business**”) for 2015 decreased from approximately RMB892.6 million to approximately RMB291.6 million due to the challenging business environment of the Trading Business and the absence of trading from August to December 2015 due to the Disposals. We reduced the trading of cotton textile materials, especially for cotton in 2015 as the price of cotton remained relatively low during the Review Period as compared with 2014.

As compared with 2014, gross profit for discontinued operation for the Review Period decreased from approximately RMB20.9 million to approximately RMB5.6 million as we had low gross profit margin for cotton textile materials and chemical raw materials due to the lack of trading opportunities in these commodities and the absence of trading from August to December 2015 due to the Disposals.

As compared with 2014, loss for the Review Period from a discontinued operation (before gain on disposal of subsidiaries) increased by approximately RMB2.3 million from approximately RMB2.3 million to approximately RMB4.6 million as a result of the decrease in gross profit as explained above. However, the above loss was offset by the gain on disposal of subsidiaries of approximately RMB5.0 million, the net effect of which was a profit of RMB0.4 million.

Profit for the year

Our profit during the Review Period increased by approximately RMB7.2 million, or approximately 12.5% from approximately RMB57.0 million for 2014 to approximately RMB64.2 million for the Review Period. Our net profit margin from continuing operations increased from approximately 12.2% for 2014 to approximately 13.0% for 2015, mainly due to the increase in gross profit margin from continuing operations from approximately 24.9% to approximately 28.8% as a result of the improvement of gross profit margin of production activities, which was partially offset by the increase in administrative expenses.

與二零一四年相比，二零一五年來自紡織相關產品的貿易業務（「貿易業務」）的終止經營業務收益由約人民幣892,600,000元減少至約人民幣291,600,000元，乃由於貿易業務的業務環境嚴峻及二零一五年八月至十二月由於出售事項而再無進行貿易業務所致。我們於二零一五年減少棉紡原料（尤其是棉花）貿易，乃由於回顧年內棉花價格與二零一四年相比處於偏低水平所致。

與二零一四年相比，回顧年內終止經營業務的毛利由約人民幣20,900,000元下跌至約人民幣5,600,000元，因為該等商品缺乏貿易機會，以致我們的棉紡原料及化工原料錄得較低的毛利率，以及二零一五年八月至十二月由於出售事項而再無進行貿易業務所致。

與二零一四年相比，回顧年內終止經營業務的虧損（未計出售附屬公司的收益）由約人民幣2,300,000元增加約人民幣2,300,000元至約人民幣4,600,000元，乃由於上文所述毛利減少所致。然而，上述虧損受到出售附屬公司的收益約人民幣5,000,000元所抵銷，致使影響淨額為溢利人民幣400,000元。

年內溢利

我們於回顧年內的溢利由二零一四年的約人民幣57,000,000元增加約人民幣7,200,000元或約12.5%至回顧年內的約人民幣64,200,000元。我們持續經營業務的純利率由二零一四年的約12.2%上升至二零一五年的約13.0%，主要由於生產活動的毛利率改善令持續經營業務的毛利率由約24.9%上升至約28.8%所致，惟受到行政開支增加抵銷部分影響。

Property, plant and equipment

Property, plant and equipment as at 31 December 2015 increased by approximately RMB8.8 million, or approximately 6.5% as compared to 31 December 2014, mainly attributable to additions of property, plant and equipment of approximately RMB27.3 million which are mainly construction-in-progress and plant and machinery for production. The increase was partially offset by depreciation and disposal of approximately RMB12.7 million and approximately RMB5.4 million, respectively.

Inventories

		Year ended 31 December 截至十二月三十一日止年度	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Finished goods	製成品		26,605	72,765
Raw materials	原材料		14,107	15,509
Work in progress	在製品		1,123	2,178
			41,835	90,452
Less: provision	減：撥備		(1,776)	(2,623)
			40,059	87,829
Inventory turnover days (Note)	存貨周轉日數(附註)		29 days日	27 days日

Note: Inventory turnover days equal to the average of beginning and ending inventory balances of the year divided by revenue of the year and multiplied by the total number of days for the respective year. (2015: Opening inventories balances of Trading Business amounting to RMB50.5 million was excluded as a result of the Disposals.)

Inventories as at 31 December 2015 decreased by approximately RMB47.8 million, or approximately 54.4% as compared to 31 December 2014, mainly due to the decrease in trading inventories by approximately RMB50.5 million as a result of the Disposals.

Inventory turnover days increased from 27 days in 2014 to 29 days for 2015 as a result of the increase in finished goods for production business over increase in revenue growth.

物業、廠房及設備

於二零一五年十二月三十一日的物業、廠房及設備較二零一四年十二月三十一日增加約人民幣8,800,000元或約6.5%，主要由於添置物業、廠房及設備約人民幣27,300,000元所致，主要為在建工程及生產用廠房及機器。有關增幅受到折舊及出售分別約人民幣12,700,000元及約人民幣5,400,000元抵銷部分影響。

存貨

附註：存貨周轉日數相等於年初及年末存貨結餘的平均數除以年內收益再乘以相關年度的總日數。(二零一五年：由於出售事項而未有計入貿易業務的年初存貨結餘人民幣50,500,000元。)

於二零一五年十二月三十一日的存貨較二零一四年十二月三十一日減少約人民幣47,800,000元或約54.4%，主要由於出售事項致使貿易類存貨減少約人民幣50,500,000元所致。

由於生產業務的製成品增加高於收益增長，故存貨周轉日數從二零一四年的27日增加至二零一五年的29日。

Financial Review

財務回顧

Trade and bills receivables

貿易應收款項及應收票據

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	16,106	95,757
Bills receivable	應收票據	76,598	38,165
		92,704	133,922
Less: Provision for impairment	減：減值撥備	(1,198)	(4,941)
Trade and bills receivables – net	貿易應收款項及應收票據－淨額	91,506	128,981
Debtors' turnover days (Note)	應收賬款周轉日數 (附註)	48 days日	24 days日

Note: Debtors' turnover days equal to the average of the beginning and ending trade receivable balances of the year divided by revenue and multiplied by the total number of days for the respective year. (2015: Opening trade and bills receivable balances of Trading Business amounting to approximately RMB91.8 million was excluded as a result of the Disposals.)

附註：應收賬款周轉日數相等於年初及年末貿易應收款項結餘的平均數除以收益再乘以相關年度的總日數。(二零一五年：由於出售事項而未有計入貿易業務的年初貿易應收款項及應收票據結餘約人民幣91,800,000元。)

Trade and bills receivable as at 31 December 2015 decreased by approximately RMB37.5 million, or approximately 29.1% as compared to 31 December 2014, mainly attributable to the decrease in trading accounts and bills receivables by approximately RMB91.8 million as a result of the Disposals. The decrease was partially offset by the increase in bills receivable of approximately RMB55.3 million.

於二零一五年十二月三十一日的貿易應收款項及應收票據較二零一四年十二月三十一日減少約人民幣37,500,000元或約29.1%，主要由於出售事項致使貿易賬項及應收票據減少約人民幣91,800,000元所致。有關減幅受到應收票據增加約人民幣55,300,000元抵銷部分影響。

Debtors' turnover days increased from 24 days in 2014 to 48 days in 2015, mainly due to the increase in bills receivables of approximately RMB 55.3 million, or approximately 259.4% for the year ended 31 December 2015.

應收賬款周轉日數由二零一四年的24日增加至二零一五年的48日，主要由於截至二零一五年十二月三十一日止年度的應收票據增加約人民幣55,300,000元或約259.4%所致。

Trade and bills payables

貿易應付款項及應付票據

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及應付票據	67,092	111,525
Creditors' turnover days (Note)	應付賬款周轉日數 (附註)	46 days日	35 days日

Note: Creditors' turnover days equal to the average of the beginning and ending trade and bills payables balances of the year divided by cost of sales and multiplied by the actual number of days in respective year. (2015: Opening trade and bills payables balances of Trading Business amounting to RMB91.0 million was excluded as a result of the Disposals.)

附註：應付賬款周轉日數相等於年初及年末貿易應付款項及應付票據的平均數除以銷售成本再乘以相關年度的實際日數。(二零一五年：由於出售事項而未有計入貿易業務的年初貿易應付款項及應付票據結餘人民幣91,000,000元。)

Trade payable as at 31 December 2015 decreased by approximately RMB44.4 million, or approximately 39.8% as compared to 31 December 2014, mainly attributable to the decrease in trade and bills payables by approximately RMB91.0 million as a result of the Disposals. The decrease was partially offset by the increase in trade and bills payables of approximately RMB46.6 million.

於二零一五年十二月三十一日的貿易應付款項較二零一四年十二月三十一日減少約人民幣44,400,000元或約39.8%，主要由於出售事項致使貿易應付款項及應付票據減少約人民幣91,000,000元所致。有關減幅受到貿易應付款項及應付票據增加約人民幣46,600,000元抵銷部分影響。

Creditors' turnover days increased from 35 days in 2014 to 46 days in 2015, mainly due to the increase in trade and bills payables of approximately RMB46.6 million. The increase was partially offset by a decline in total cost of sales for the year ended 31 December 2015 by approximately 4.3%.

應付賬款周轉日數由二零一四年的35日增加至二零一五年的46日，主要由於貿易應付款項及應付票據增加約人民幣46,600,000元所致。有關增幅受到截至二零一五年十二月三十一日止年度的總銷售成本下跌約4.3%抵銷部分影響。

Financial Review

財務回顧

Cash flow

The following table sets forth a summary of our consolidated cash flow statements for the year:

現金流量

下表載列年內合併現金流量表概要：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Net cash (used in)/generated from operating activities	經營活動(所用)/所得現金淨額	(1,874)	101,497
Net cash generated from investing activities	投資活動所得現金淨額	3,398	90,873
Net cash generated from/(used in) financing activities	融資活動所得/(所用)現金淨額	8,977	(229,697)
Net increase/(decrease) in cash and cash equivalents	現金及現金等值物增加/(減少)淨額	10,501	(37,327)
Cash and cash equivalents at beginning of the year	年初現金及現金等值物	128,695	166,559
Effect of foreign exchange rate changes on cash and cash equivalents	現金及現金等值物外匯匯率變動影響	291	(537)
Cash and cash equivalents at end of the year	年終現金及現金等值物	139,487	128,695

Cash flow from operating activities

Our net cash used in operating activities amounted to RMB1.9 million, which was primarily attributable to (1) profit before taxation of RMB82.4 million; offset by (2) decreased in net changes in working capital items of RMB81.0 million, and (3) net tax payments of RMB13.7 million.

經營活動的現金流量

本集團的經營活動所用現金淨額為人民幣1,900,000元，主要由於(1)除稅前溢利人民幣82,400,000元所致；惟受到(2)營運資金項目變動淨額減少人民幣81,000,000元，及(3)稅項付款淨額人民幣13,700,000元所抵銷。

Cash flow from investing activities

We generated cash from investing activities of RMB3.4 million in 2015, which was mainly due to the increased in disposal of subsidiaries of RMB35.8 million, offset by the purchases of property, plant and equipment and other intangible assets of RMB31.0 million.

投資活動的現金流量

本集團於二零一五年自投資活動產生的現金為人民幣3,400,000元，主要由於出售附屬公司增加人民幣35,800,000元所致，惟受到購買物業、廠房及設備以及其他無形資產人民幣31,000,000元所抵銷。

Cash flow from financing activities

Net cash generated from financing activities in 2015 amounted to RMB9.0 million, which mainly consisted of (1) new bank loans from discontinued operation of RMB35.0 million; offset by (2) dividend paid to shareholders and non-controlling interests of RMB19.2 million and RMB3.6 million respectively; and (3) repayment of bank loan of RMB2.0 million.

Capital Structure

The Company's issued share capital as at 31 December 2015 is HK\$4,000,000 divided into 400,000,000 shares of HK\$0.01 each.

The Group adopts a prudent treasury policy, and its debt to equity ratio (calculated by dividing the total interest-bearing bank loans by total equity) as at 31 December 2015 was 0% (31 December 2014: approximately 0.5%). The current ratio (calculated as current assets divided by current liabilities) as at 31 December 2015 was approximately 3.28 times (31 December 2014: approximately 2.22 times).

Liquidity, financial resources, and use of the IPO proceeds

As at 31 December 2015, the total amount of the borrowings by the Group was nil (31 December 2014: RMB2.0 million). The Group settled borrowings in the amount of approximately RMB2.0 million for the year ended 31 December 2015. The Group's cash and bank balances, including pledged deposits, amounted to approximately RMB144.6 million (31 December 2014: approximately RMB141.6 million). The Group has received net proceeds of approximately HK\$81.5 million (approximately RMB63.7 million) from issuance of ordinary shares under the share offer on 27 November 2013. The Group has utilised approximately RMB54.2 million of the net proceeds as at 31 December 2015 and intends to apply the remaining net proceeds in the manner consistent with that disclosed in the announcement of the Company dated 8 July 2015 in relation to the change of use in proceeds.

Pledge of Group's assets

Save as disclosed in the balance of pledged deposits set out in the consolidated statement of financial position on page 88 of this annual report, the Company has not pledged other assets as at 31 December 2015. As at 31 December 2014, a bank loan was secured by pledge of buildings with net book value of approximately RMB35.1 million and land use rights with net book value of approximately RMB12.3 million.

融資活動的現金流量

於二零一五年融資活動所得的現金淨額為人民幣9,000,000元，主要包括(1)來自終止經營業務的新造銀行貸款人民幣35,000,000元；惟受到(2)分別向股東及非控股股東派付股息人民幣19,200,000元及人民幣3,600,000元；及(3)償還銀行貸款人民幣2,000,000元所抵銷。

資本架構

本公司於二零一五年十二月三十一日的已發行股本為4,000,000港元，分為400,000,000股每股面值0.01港元的股份。

本集團採取審慎的庫務政策，而其於二零一五年十二月三十一日的負債與權益比率（按計息銀行借款總額除以權益總額計算）為0%（二零一四年十二月三十一日：約0.5%）。於二零一五年十二月三十一日的流動比率（按流動資產除以流動負債計算）約為3.28倍（二零一四年十二月三十一日：約2.22倍）。

流動資金、財務資源及首次公開發售所得款項用途

於二零一五年十二月三十一日，本集團的借款總額為零（二零一四年十二月三十一日：人民幣2,000,000元）。本集團截至二零一五年十二月三十一日止年度償還借貸約人民幣2,000,000元。本集團的現金及銀行結餘（包括已抵押存款）約為人民幣144,600,000元（二零一四年十二月三十一日：約人民幣141,600,000元）。本集團已於二零一三年十一月二十七日獲得根據股份發售發行普通股的所得款項淨額約81,500,000港元（約人民幣63,700,000元）。本集團於二零一五年十二月三十一日已動用所得款項淨額其中約人民幣54,200,000元，並擬按本公司日期為二零一五年七月八日有關更改所得款項用途的公佈內所披露者一致的方式動用餘下的所得款項淨額。

集團資產抵押

除本年報第88頁合併財務狀況表所載已抵押存款結餘所披露者外，於二零一五年十二月三十一日，本公司並無質押其他資產。於二零一四年十二月三十一日，銀行貸款乃以賬面淨值約為人民幣35,100,000元的樓宇及賬面淨值約為人民幣12,300,000元的土地使用權作抵押。

Financial Review

財務回顧

Capital commitments

The Group had the following capital commitments as at December 2015:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但未撥備：		
Property, plant and equipment	物業、廠房及設備	3,860	1,678

Operating lease commitments

The Group's future aggregate minimum lease payments to be paid under non-cancellable operating leases were as follows:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Within one year	一年內	411	848
In the second to fifth years, inclusive	第二至第五年（包括首尾兩年）	19	504
		430	1,352

Contingent liabilities

As at 31 December 2015, the Group has no material contingent liabilities.

Material acquisition and disposals

Save as the Disposals, details of which are set out in the announcement of the Company dated 5 May 2015 and the circular of the Company dated 8 July 2015, the Group did not have any material acquisition or disposal of subsidiaries or associates during the year ended 31 December 2015.

資本承擔

本集團於二零一五年十二月三十一日有下列資本承擔：

經營租賃承擔

本集團不可註銷經營租賃項下的未來最低租賃付款總額的到期日如下：

或然負債

於二零一五年十二月三十一日，本集團並無重大或然負債。

重大收購及出售

除詳載於本公司日期為二零一五年五月五日公佈及本公司日期為二零一五年七月八日通函的出售事項外，本集團於截至二零一五年十二月三十一日止年度並無進行任何附屬公司或聯營公司的重大收購或出售。

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGE

Most transactions of the Group are settled in RMB since the operations of the Group are mainly carried out in the PRC, and the major subsidiaries of the Group are operating in the PRC and the functional currency of the major subsidiaries is RMB. The reporting currency of the Group is RMB. The Group carried on trading of textile products from overseas and most of the transactions were settled in United States Dollars. The Group's cash and bank deposits are predominantly in RMB. The Company will pay dividends in Hong Kong Dollars if dividends are declared. The Directors are of the view that RMB is relatively stable against the other currencies and the Group will closely monitor the fluctuations in exchange rates, and that hedging by means of derivative instruments is therefore not necessary. RMB is currently not a freely convertible currency. A portion of the Group's RMB revenue or profit may be converted into other currencies to meet foreign currency obligations of the Group such as the payment of dividends, if declared.

EMPLOYEE BENEFITS AND REMUNERATION POLICIES

As at 31 December 2015, the Group had a total of 572 employees (31 December 2014: 551 employees). The employees of the Group were remunerated based on their experience, qualifications, the Group's performance and the prevailing market conditions.

匯率波動風險及有關對沖

由於本集團主要在中國境內經營業務及本集團的主要附屬公司於中國營運，而主要附屬公司的功能貨幣為人民幣，故本集團大部分交易以人民幣結算。本集團的呈報貨幣為人民幣。本集團從事來自海外的紡織產品貿易及大部份交易以美元結算。本集團現金及銀行存款主要以人民幣計值。倘宣派股息，本公司將以港元派付股息。董事認為人民幣與其他貨幣的匯率相對穩定，且本集團將密切留意匯率波動的情況，因此並無必要採用衍生工具進行對沖。人民幣目前為不可自由兌換的貨幣。本集團部分人民幣收入或溢利可兌換為其他貨幣，以履行本集團的外匯責任，例如派付股息（如有宣派）。

僱員福利及酬金政策

於二零一五年十二月三十一日，本集團共聘用572名僱員（二零一四年十二月三十一日：551名僱員）。本集團僱員的薪酬根據其經驗、資格、本集團表現及現行市況釐定。

Financial Review

財務回顧

During the Review Period, staff costs (including Directors' remunerations) amounted to approximately RMB61.0 million (31 December 2014: approximately RMB49.2 million (adjusted)). Moreover, the share option scheme of the Company (the "Scheme") was adopted on 7 November 2013 to retain staff members who have made contributions to the success of the Group. During the year ended 31 December 2015, 15,000,000 share options and 16,300,000 share options were granted on 6 January 2015 and 30 December 2015, respectively, under the Scheme (collectively, the "Grants"). Details of the Grants are as follows:

於回顧年內，員工成本（包括董事酬金）約為人民幣61,000,000元（二零一四年十二月三十一日：約人民幣49,200,000元（經調整））。此外，本公司已於二零一三年十一月七日採納購股權計劃（「該計劃」），以挽留為本集團的成功作出貢獻的員工。截至二零一五年十二月三十一日止年度，已分別於二零一五年一月六日及二零一五年十二月三十日根據該計劃授出15,000,000份購股權及16,300,000份購股權（統稱「授出」）。授出的詳情如下：

Date of grant 授出日期	Number of share options granted 授出購股權數目	Exercisable period 行使期	Exercise price per share 每股行使價
6 January 2015 二零一五年一月六日	15,000,000 (Note 1)	Upon satisfaction of the Performance Conditions A (as defined in the announcement of the Company dated 6 January 2015), 50% of the share options granted will be vested and exercisable from 2 April 2016 to 5 January 2025 and the remaining 50% of the share options granted will be vested and exercisable from 1 April 2017 to 5 January 2025. 待表現條件A（定義見本公司日期為二零一五年一月六日的公佈）達成後，50%的購股權將於二零一六年四月二日至二零一五年一月五日歸屬並可予行使，餘下50%的購股權將於二零一七年四月一日至二零一五年一月五日歸屬並可予行使。	HK\$1.48 1.48港元
30 December 2015 二零一五年十二月三十日	16,300,000 (Note 2)	Upon satisfaction of the Performance Conditions B (as defined in the announcement of the Company dated 30 December 2015), 50% of the share options granted will be vested and exercisable from 2 April 2017 to 30 December 2025 and the remaining 50% of the share options granted will be vested and exercisable from 1 April 2018 to 30 December 2025. 待表現條件B（定義見本公司日期為二零一五年十二月三十日的公佈）達成後，50%的購股權將於二零一七年四月二日至二零一五年十二月三十日歸屬並可予行使，餘下50%的購股權將於二零一八年四月一日至二零一五年十二月三十日歸屬並可予行使。	HK\$1.52 1.52港元

Note:

- Regarding the Company's share options granted on 6 January 2015, 2,300,000 share options out of 15,000,000 share options granted has lapsed because the employees resigned before the vesting period. As such, the total outstanding number of share options granted on 6 January 2015 is 12,700,000.
- Out of 16,300,000 share options granted, the grant of 3,500,000 share options to Mr. Zhao Jidong, the grant of 2,200,000 share options to Mr. Ma Qinghai and the grant of 2,200,000 share options to Mr. Shi Hongxing were approved, confirmed and ratified by the Shareholders in the extraordinary general meeting held by the Company on 3 March 2016. For further information, please refer to the announcements of the Company dated 5 January 2016 and 3 March 2016, and the circular of the Company dated 16 February 2016.

As required by the PRC regulations on social insurance, the Group participates in the social insurance schemes operated by the relevant local government authorities which include retirement pension, medical insurance, unemployment insurance, industrial injuries insurance and maternity insurance.

附註：

- 有關本公司於二零一五年一月六日授出的購股權，已授出的15,000,000份購股權中有2,300,000份購股權已告失效，原因為有關僱員已於歸屬期前辭任。因此，已授出購股權的尚未行使總數目為12,700,000份。
- 於授出的16,300,000份購股權中，3,500,000份購股權授予趙繼東先生、2,200,000份購股權授予馬青海先生及2,200,000份購股權授予石紅星先生，並已於二零一六年三月三日舉行的本公司股東特別大會上獲股東批准、確認及追認。進一步資料請參閱本公司日期為二零一六年一月五日及二零一六年三月三日的公佈以及本公司日期為二零一六年二月十六日的通函。

根據中國社保法規所規定，本集團參與相關地方政府部門營運的社保計劃，涵蓋退休金、醫療保險、失業保障、工傷保險及分娩保險。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save for the Scheme, at no time during the Review Period was the Company, its subsidiaries or its ultimate holding company or any subsidiary of that ultimate holding company a party to any arrangement to enable the Directors to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT INVESTMENTS HELD

On 12 August 2015, Yongsheng Dyeing (an indirectly wholly-owned subsidiary of the Company) (as asset entrustor) has entered into an asset management agreement (“**Asset Management Agreement I**”) with Shanghai International Trust Co., Limited (上海國際信託有限公司) (“**Shanghai International**”) (as asset manager), pursuant to which Yongsheng Dyeing agreed to participate in the asset management plan operated by Shanghai International and to deposit an investment amount of RMB30,000,000 to the designated account maintained by Shanghai International with China Construction Bank Corporation Limited, Shanghai 4th Branch (中國建設銀行股份有限公司上海第四支行).

On the same day, Yongsheng Dyeing (as asset entrustor) has entered into an asset management agreement (“**Asset Management Agreement II**”) with LJZ Wealth Management (Shanghai) Co., Limited (陸家嘴財富管理(上海)有限公司) (“**LJZ Wealth Management**”) (as asset manager) and Ping An Bank Co., Limited, Shanghai Branch (平安銀行股份有限公司上海分行) (“**Ping An Bank Shanghai Branch**”) (as asset custodian), pursuant to which Yongsheng Dyeing agreed to participate in the asset management plan operated by LJZ Wealth Management and to deposit an investment amount of RMB50,000,000 to the designated account with Ping An Bank Shanghai Branch.

The returns earned by the Group under the Asset Management I and the Asset Management II during the Review Period were approximately RMB448,000 and RMB1,046,000, respectively.

For further details, please refer to the announcement of the Company dated 12 August 2015.

Save as disclosed above, there were no significant investments held by the Company as at 31 December 2015.

DIVIDEND

Based on the Group’s operating performance in 2015 and taking into consideration of its long-term future development, the Board recommends payment of a final dividend of HK\$0.03 per share for the financial year ended 31 December 2015. Together with the interim dividend paid of HK\$0.02 per share for the six months ended 30 June 2015, the total dividend per share for the financial year ended 31 December 2015 is HK\$0.05 per share, representing a dividend payout ratio of 29.5% (2014: 26.4%). The Board believes that the Group’s sound financial condition will enable the Group to provide sufficient support to its future development, while providing Shareholders with a favorable return.

購買股份或債權證的安排

除該計劃外，於回顧年內，本公司、其附屬公司或其最終控股公司或該最終控股公司的任何附屬公司均無參與任何安排，致令董事因取得本公司或任何其他法人團體的股份或債權證而獲得利益。

所持有重大投資

於二零一五年八月十二日，永盛染整(本公司的間接全資附屬公司)(作為資產委託人)與上海國際信託有限公司(「上海國際」)(作為資產管理人)訂立資產管理協議(「資產管理協議一」)，據此，永盛染整同意參與上海國際運營的資產管理計劃，並向上海國際於中國建設銀行股份有限公司上海第四支行開設的指定賬戶存入投資額人民幣30,000,000元。

同日，永盛染整(作為資產委託人)與陸家嘴財富管理(上海)有限公司(「陸家嘴財富管理」)(作為資產管理人)及平安銀行股份有限公司上海分行(「平安銀行上海分行」)(作為資產託管人)訂立資產管理協議(「資產管理協議二」)，據此，永盛染整同意參與陸家嘴財富管理運營的資產管理計劃，並於平安銀行上海分行的指定賬戶存入投資額人民幣50,000,000元。

於回顧年內，本集團根據資產管理協議一及資產管理協議二賺取的回報分別約為人民幣448,000元及人民幣1,046,000元。

進一步詳情請參閱本公司日期為二零一五年八月十二日的公佈。

除上文所披露者外，於二零一五年十二月三十一日，本公司概無持有重大投資。

股息

根據本集團於二零一五年的營運表現及考慮到其長遠發展，董事會建議就截至二零一五年十二月三十一日止財政年度派付末期股息每股0.03港元，倘計入截至二零一五年六月三十日止六個月的中期股息每股0.02港元，截至二零一五年十二月三十一日止財政年度的股息總額為每股0.05港元，相當於派息率為29.5%(二零一四年:26.4%)。董事會相信，本集團穩健的財務狀況將為本集團的未來發展提供充分支持，同時為股東提供良好回報。

Directors and Senior Management

董事及高級管理層

EXECUTIVE DIRECTORS

Mr. Li Cheng (“Mr. Li”)

aged 53, an executive Director and the chairman of the Board (the “Chairman”). Mr. Li is also the chairman of the Nomination Committee under the Board and the authorised representative of the Company. Mr. Li has more than 20 years of experience in textile and trading industry, and is mainly responsible for overall business strategy and management of the Group. From August 1985 to May 1993, Mr. Li had been engaged in trading of textile products as a sole proprietorship. He worked as the general manager of Xiaoshan Yongsheng Trading Company from March 1993 to November 1997, and from November 1997 to June 1999, he assumed the role of general manager of Xiaoshan Yongsheng Chemical Fiber Company Limited (currently known as Hangzhou Yongsheng Group Limited, “Yongsheng Group”). He served as the general manager of Hangzhou Yongsheng Weaving Limited (“Yongsheng Weaving”) from June 1999 to April 2003. Since 2003, Mr. Li has been appointed as a chairman of the board of directors of Yongsheng Group. Mr. Li has been a senior economist since October 2013.

Mr. Li completed his professional study majoring in dyeing and processing engineering in Zhejiang Institute of Silk Textile (now known as Zhejiang Sci-Tech University) in July 1985, and in March 2004, he completed a course on corporate director advanced business administration which was held by Ningbo Jianfeng Management Technology Research Centre. Between 2006 and 2012, Mr. Lee had also completed various courses including the Senior Training Course on the Philosophy of New Technology and Enterprise Growth—Growth enterprise and the Senior Training Course on Financial Investment in Real Operations respectively offered by the school of humanities and the school of media of Zhejiang University, the Senior Training course for Business Administration Executives offered by Zhejiang Gongshang University, the training course for senior enterprise operators and managers in Hangzhou City on “356 Engineering Programme” in relation to investment, financing and capital operation training offered by Fudan University. Mr. Li was appointed as the deputy chairman of The Professional Committee of Zhejiang Province Privately-operated Economic Research Centre in December 2002. Mr Li is currently studying the CEO Finance Program for China Enterprise by the Cheung Kong Graduate School of Business.

執行董事

李誠先生（「李先生」）

53歲，執行董事兼董事會主席（「主席」）。李先生亦為董事會轄下提名委員會主席及本公司授權代表。李先生於紡織及貿易行業擁有逾20年經驗，主要負責本集團整體業務策略及管理。於一九八五年八月至一九九三年五月，李先生成立獨資企業，一直從事紡織品貿易。彼於一九九三年三月至一九九七年十一月擔任蕭山永盛貿易有限公司總經理，及於一九九七年十一月至一九九九年六月擔任蕭山市永盛化纖有限公司（現稱杭州永盛集團有限公司，「永盛集團」）總經理。自一九九九年六月至二零零三年四月，彼擔任杭州永盛紡織有限公司（「永盛紡織」）總經理。自二零零三年起，李先生一直擔任永盛集團董事會主席一職。李先生自二零一三年十月起獲授高級經濟師職稱。

李先生於一九八五年七月於浙江絲綢工學院（現稱浙江理工大學）完成專業學習，主修染色及加工工藝，及於二零零四年三月修畢由寧波健峰管理技術研修中心開設的公司董事先進業務管理課程。李先生於二零零六年至二零一二年修畢多門課程，包括由浙江大學人文學院及傳媒學院開設的浙大新科技與企業成長之道—成長型企業高級研修班及金融投資實戰運營高級研修班、由浙江工商大學開設的工商管理總裁高級研修班，及由復旦大學開設的杭州市企業高級經營管理者培訓「356工程」投融資與資本運作研修班。於二零零二年十二月，李先生獲委任為浙江省民營經濟研究中心專業委員會副主任。李先生正在修讀長江商學院的中國企業金融CEO課程。

Mr. Li has been elected as a member of the Hangzhou City Xiaoshan District Committee of the Chinese People's Political Consultative Conference since May 2005. He was also elected as the chairman of the Hangzhou City Xiaoshan District Wenzhou Chamber of Commerce in July 2010, the vice-chairman of the Hangzhou City Xiaoshan District General Chamber of Commerce in December 2012, the standing council member and vice-chairman of the China Chemical Fiber Association in April 2012 and April 2015 respectively. In October 2008, Mr. Li was named the "Staff Caring Outstanding Entrepreneur" of Hangzhou City jointly awarded by the Federation of Trade Union of Hangzhou City and the Industry and Commerce Joint Committee of Hangzhou City. In February 2013, Mr. Li was awarded the "Outstanding Socialist Builder" for the years 2010–2012 by the Office of China Hangzhou City Xiaoshan District and The People's Government Office of Hangzhou City Xianshan District.

Mr. Zhao Jidong ("Mr. Zhao")

aged 51, an executive Director and chief executive officer (the "Chief Executive Officer") of the Company. Mr. Zhao is also a member of the Remuneration Committee under the Board. Mr. Zhao has more than 25 years of experience in textile industry, and is mainly responsible for general management and overall operations of the Group. Mr. Zhao joined Yongsheng Group as the position of chief executive officer since June 2010. Mr. Zhao was previously a director of Yongsheng Group. From July 1985 to October 2006, Mr. Zhao had worked in Yangzhou Cloth Factory and he served previously as the factory director. He had also served as the deputy director and director of Yangzhou Textile Research Institute from February 1990 to October 2006. From September 2006 to July 2011, Mr. Zhao had been the director of Shanghai Huayuan Company Limited, a company which is listed on the Shanghai Stock Exchange (stock code: 600094). From November 2006 to July 2011, Mr. Zhao had been the deputy general manager and chief engineer of Shanghai Huayuan Company Limited.

李先生自二零零五年五月起一直擔任中國人民政治協商會議杭州市蕭山區委員會委員。彼亦於二零一零年七月及二零一二年十二月分別獲選為杭州市蕭山區溫州商會會長及杭州市蕭山區總商會副會長，並分別於二零一二年四月及二零一五年四月獲選為中國化學纖維工業協會常務理事及副會長。於二零零八年十月，李先生獲杭州市總工會及杭州市工商業聯合會共同評選為杭州市「關愛員工優秀企業家」。彼亦於二零一三年二月獲中共杭州市蕭山區委辦公室及杭州市蕭山區人民政府辦公室評為二零一零至二零一二年度的「優秀社會主義事業建設者」。

趙繼東先生（「趙先生」）

51歲，本公司執行董事兼行政總裁（「行政總裁」）。趙先生亦為董事會轄下薪酬委員會成員。趙先生於紡織業擁有逾25年經驗，主要負責本集團綜合管理及整體營運。彼自二零一零年六月起加入永盛集團擔任行政總裁，亦曾擔任永盛集團董事。於一九八五年七月至二零零六年十月，趙先生加入揚州布廠並曾任廠長。於一九九零年二月至二零零六年十月，彼擔任揚州紡織研究所副所長及所長。趙先生於二零零六年九月至二零一一年七月擔任上海華源股份有限公司（一家於上海證券交易所上市的公司，股份代號：600094）的董事，及於二零零六年十一月至二零一一年七月擔任上海華源股份有限公司副總經理兼總工程師。

Directors and Senior Management

董事及高級管理層

Mr. Zhao obtained his bachelor degree majoring in textile engineering from Wuxi Light Industry Institute (currently known as Jiangnan University) in July 1985. Mr. Zhao has also completed the Senior Training Course for Young Entrepreneur in Financial Control and Capital Operation offered by Tsinghua University in December 2011. Mr. Zhao was elected as a council member of Yangzhou City Textile Construction Association in June 1991. He joined the Jiangsu Textile Engineering Association as a product professional committee member in January 2004, and had been granted the government special allowance certificate by the State Council of the PRC in 2000. He has completed and passed the Training Course for Senior Management of Listed Companies offered by China Securities Regulatory Commission Shanghai Regulatory Bureau respectively in 2007 and 2008. He was also accredited as a senior engineer on textile engineering by the Job Title Reform Office of Jiangsu Province Textile Industry Bureau and professor level senior engineer by Jiangsu Department of Personnel respectively in 1995 and 2000. Mr. Zhao was engaged by the Graduate School of Donghua University as an off-campus mentor in September 2012.

Mr. Zhao also obtained a number of awards, including the “3rd prize of Yangzhou Science and Technology Advancement Awards” and the “1st prize of Yangzhou Science and Technology Advancement Awards” awarded by Yangzhou Science and Technology Advancement Awards Judging Committee, the “National Textile Labour Working Role Model” awarded by China Textile Industrial Bureau, the “Yangzhou City Technology Contributor” awarded by Yangzhou City, the “Central Enterprise Labour Working Role Model” awarded jointly by the National Ministry of Personnel and State-owned Assets Supervision and Administration Commission of the State Council, and the “2nd Prize of Sang Ma Textile Technology” by the Sang Ma Trust Fund. Mr. Zhao was awarded the “3rd prize of Jiangsu Province Science and Technology Advancement Awards” on his projects of “High Stimulation Twisted Peach Skin flannel” and “The Ultrafine Composite Fabric Thread”, and was awarded the “2nd prize of Jiangsu Province Science and Technology Advancement Awards” on his project of “The Sea-island Ultrafine Composite Synthetic Chamois Leathers” by Jiangsu Province Science and Technology Advancement Awards Judging Committee. He has been selected as one of the “Candidates of the First Batch National Engineering Talents of the National New Century Project” by the Ministry of Personnel of the PRC in April 2004 and passed its advanced training in July 2005.

趙先生於一九八五年七月於無錫輕工業學院（現稱江南大學）取得學士學位，主修紡織工程。趙先生亦於二零一一年十二月修畢由清華大學開設的青年經營者財務管控與資本運營高級研修班。於一九九一年六月，彼獲選為揚州市紡織工程學會理事會理事。趙先生於二零零四年一月加入江蘇省紡織工程學會並擔任產品專業委員會委員，及於二零零零年獲中國國務院授予政府特殊津貼證書。彼分別於二零零七年及二零零八年修畢並通過中國證券監督管理委員會上海監管局開設的上市公司高級管理人員培訓班課程。彼亦分別於一九九五年及二零零零年獲江蘇省紡織工業廳職稱改革辦公室及江蘇省人事廳評為紡織工程高級工程師及教授級高級工程師，及於二零一二年九月被東華大學研究生部聘任為校外導師。

趙先生曾獲得多項獎項，包括揚州市科學技術進步獎評審委員會授予的「揚州市科技進步三等獎」及「揚州市科技進步一等獎」、中國紡織工業部的「全國紡織工業勞動模範」稱號、揚州市授予的「揚州市科技功臣」稱號、國家人事部及國務院國有資產監督管理委員會共同授予的「中央企業勞動模範」稱號、香港桑麻基金會的「桑麻紡織科技貳等獎」等。趙先生先後憑藉其「高仿真倍捻桃皮絨」項目、「超細複合織物摩絲」項目及「海島極細複合纖維織物麂皮」項目，分別獲得江蘇省科學技術進步獎評審委員會授予的「江蘇省科技進步三等獎」及「江蘇省科技進步二等獎」。彼亦於二零零四年四月獲中華人民共和國人事部選為「首批新世紀百千萬人才工程國家級人選」，並於二零零五年七月通過高級培訓。

Mr. Li Conghua (“Mr. Li CH”)

aged 41, an executive Director and general manager of Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited (“**Hangzhou Yongsheng Trading**”). Mr. Li CH has more than 15 years of experience in the textile industry, and was mainly responsible for management and supervision of ordinary operation of the Group’s trading business before the disposal of the trading business of textile-related products by the Group in May 2015 and is currently responsible for product market trends analysis. He worked as a chemical fiber materials salesperson in the chemical fiber department in Xiaoshan Yongsheng Trading Company Limited from June 1997 to December 2000, and worked as a department manager in chemical fiber department of Yongsheng Group from January 2000 to December 2004. Since March 2005, he has been the general manager of Hangzhou Yongsheng Trading. Mr. Li CH has also completed the Senior Training Course for Chief Executive Officer of Growth Enterprise offered by Zhejiang University in January 2008. Mr. Li CH is the nephew of Mr. Li Cheng.

Mr. Ma Qinghai (“Mr. Ma”)

aged 41, an executive Director and general manager of the manufacturing division of Yongsheng Dyeing. Mr. Ma has more than 15 years of experience in the textile industry, and is mainly responsible for management and supervision of ordinary operation of the Group’s dyeing business. Mr. Ma was the technical supervisor and workshop officer of Zhejiang Hongli Group Limited Printing and Dyeing Branch Company from August 1994 to February 2001. Mr. Ma held the position of domestic trading manager of Yongsheng Group from January 2002 to July 2005 and was previously a director of Yongsheng Group. Mr. Ma served as the vice factory director, factory director and deputy general manager of Yongsheng Dyeing from August 2005 to February 2008, and has held the general manager position of Yongsheng Dyeing since February 2008.

In July 1994, Mr. Ma completed his professional study major in dyeing and processing in Zhejiang Province Common Intermediate Professional School. He completed the Senior Training Course for Chief Executive Officer of Growth Enterprise offered by the school of humanity of Zhejiang University in April 2007. Mr. Ma was awarded the “Progressive Individual of Xiaoshan Dongpian Printing, Dyeing and Chemical Industry Provincial Level Environmental Protection Key Regulatory Area Remediation Work” by the People’s Government of Xiaoshan District of Hangzhou City in October 2007. Mr. Ma obtained the award of “Outstanding Contract Manager of Xiaoshan District” jointly offered by the Hangzhou Administration for Industry and Commerce Xiaoshan Branch and Hangzhou City Xiaoshan District Enterprise Contract Management Association in 2010.

李聰華先生 (「李聰華先生」)

41歲，執行董事兼杭州蕭山永盛對外貿易有限公司 (「杭州永盛貿易」) 總經理。李聰華先生於紡織業擁有逾15年經驗，於二零一五年五月本集團出售紡織相關產品貿易業務之前，主要負責管理及監督本集團貿易業務的日常營運，目前亦負責產品市場趨勢分析。李聰華先生於一九九七年六月至二零零零年十二月擔任蕭山永盛貿易有限公司化纖部化纖材料銷售人員，及於二零零零年一月至二零零四年十二月擔任永盛集團化纖部部門經理。自二零零五年三月起，彼一直擔任杭州永盛貿易總經理。李聰華先生於二零零八年一月修畢由浙江大學開設的成長型企業總裁高級研修班。李聰華先生為李誠先生的侄子。

馬青海先生 (「馬先生」)

41歲，執行董事兼永盛染整事業部總經理。馬先生於紡織業擁有逾15年經驗，主要負責管理及監督本集團印染業務的日常營運。馬先生於一九九四年八月至二零零一年二月擔任浙江紅利集團有限公司印染分公司技術指導兼車間主任。於二零零二年一月至二零零五年七月，馬先生擔任永盛集團國內銷售部部門經理及曾任永盛集團董事。於二零零五年八月至二零零八年二月，彼先後擔任永盛染整副廠長、廠長及副總經理，及自二零零八年二月起擔任永盛染整總經理。

馬先生於一九九四年七月於浙江省普通中等專業學校完成專業學習，主修染色及加工。彼亦於二零零七年四月修畢由浙江大學人文學院開設的成長型企業總裁高級研修班。馬先生於二零零七年十月獲杭州市蕭山區人民政府授予「蕭山東片印染染化行業省級環保重點監管區整治工作先進個人」稱號，並於二零一零年榮獲杭州市工滙商行政管理局蕭山分局及杭州市蕭山區企業合同管理協會聯合評選為「蕭山區優秀合同管理員」。

Directors and Senior Management

董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Wong Wai Ling (“Ms. Wong”)

aged 54, an independent non-executive Director. She is also the chairlady of the Audit Committee and the Remuneration Committee under the Board. Ms. Wong has over twenty years of experience in accounting and auditing, and mainly provides her independent judgment on strategy, performance, resources, code of conduct and other aspects of the Company. She had worked in major international accounting firms and local accounting firms before she set up her own accounting firm in Hong Kong in 1993.

Ms. Wong is an independent non-executive director and the chairperson of the audit committees of AVIC International Holdings Limited (Main Board stock code: 161), China Ruifeng Renewable Energy Holdings Limited (Main Board stock code: 527) and Overseas Chinese Town (Asia) Holdings Limited (Main Board stock code: 3366). Ms. Wong is a non-executive director of Hin Sang Group (International) Holding Co. Limited (Main Board stock code: 6893). Ms. Wong is also an executive director of JC Group Holdings Limited (Growth Enterprise Market (“GEM”) stock code: 8326). Ms. Wong was an independent non-executive director of Glory Flame Holdings Limited (GEM stock code: 8059), and resigned on 22 March 2016.

Ms. Wong obtained a Bachelor of Arts degree from University of Hong Kong in November 1983 and a postgraduate diploma in accounting and finance from the London School of Economics and Political Science, University of London, in the United Kingdom in July 1989. She has been registered as a Certified Public Accountant in Hong Kong since June 1991. Ms. Wong has become a fellow member of the Association of Chartered Certified Accountants (“**FCCA**”) and a fellow member of Hong Kong Institute of Certified Public Accountants (“**FCPA**”) since May 1995 and February 2001 respectively. Ms. Wong has been appointed as the independent non-executive Director since 7 November 2013.

獨立非執行董事

黃慧玲女士（「黃女士」）

54歲，獨立非執行董事，亦為董事會轄下審核委員會主席及薪酬委員會主席。黃女士於會計及審計方面擁有逾20年經驗，主要就本公司策略、表現、資源及行為準則等事項提供獨立判斷。彼於一九九三年於香港成立會計師事務所前，曾於主要國際會計師事務所及本地會計師事務所任職。

黃女士現為中航國際控股股份有限公司（主板股份代號：161）、中國瑞風新能源控股有限公司（主板股份代號：527）及華僑城（亞洲）控股有限公司（主板股份代號：3366）的獨立非執行董事及審核委員會主席。黃女士為衍生集團（國際）控股有限公司（主板股份代號：6893）的非執行董事。黃女士亦為JC Group Holdings Limited（創業板股份代號：8326）的執行董事。黃女士曾擔任朝威控股有限公司（創業板股份代號：8059）的獨立非執行董事，並已於二零一六年三月二十二日辭任。

黃女士於一九八三年十一月取得香港大學文學士學位，並於一九八九年七月於英國倫敦大學倫敦政治經濟學院取得會計及財務深造文憑。彼自一九九一年六月起註冊為香港執業會計師，並分別自一九九五年五月及二零零一年二月起成為英國特許公認會計師公會資深會員及香港會計師公會資深會員。黃女士自二零一三年十一月七日起獲委任為獨立非執行董事。

Mr. Shiping James Wang (“Mr. Wang”)

aged 55, an independent non-executive Director. He is also a member of the Audit Committee and the Nomination Committee under the Board. Mr. Wang mainly provides his independent judgment on strategy, performance, resources, code of conduct and other aspects of the Company. Mr. Wang was the Foreign General Legal Counsel of Zhongxin Law Firm Shanghai Branch from July 2009 to March 2013 and has been the Foreign General Legal Counsel of Shanghai Hanyuan Law Firm since June 2013.

Mr. Wang obtained a master degree of science in biochemical engineering from Massachusetts Institute of Technology in May 1988. He completed his Juris Doctoris in Seton Hall Law School in June 1994. Mr. Wang was admitted as an attorney at law in the Supreme Court of New Jersey and the US District Court for the District of New Jersey in December 1994. Mr. Wang has been appointed as the independent non-executive Director since 7 November 2013.

Dr. Wang Huaping (“Dr. Wang”)

aged 50, an independent non-executive Director. He is also a member of the Audit Committee, the Remuneration Committee and the Nomination Committee under the Board. Dr. Wang mainly provides his independent judgment on strategy, performance, resources, code of conduct and other aspects of the Company.

Dr. Wang has been serving as a professor and a doctoral advisor in the Faculty of Materials Science and Engineering of Donghua University since October 2002, and has been the associate dean of the Research Institute of Donghua University since 2011. Dr. Wang is renowned for his research in nanomaterials for fiber forming and polymer-based nanocomposite fibers, spinning forming theory and processing technology, systems of new clean production: ionic liquid/fiber-forming polymer and has published a number of papers on those topics.

Dr. Wang is an independent director of Jiangsu Jiangnan High Polymer Fiber Co. Ltd, a company which is listed on the Shanghai Stock Exchange (stock code: 600527) and Zhejiang Unifull Industrial Fiber Co., Ltd, a company which is listed on the Shenzhen Stock Exchange (stock code: 002427).

王世平先生 (「王先生」)

55歲，獨立非執行董事，亦為董事會轄下審核委員會及提名委員會成員。王先生主要就本公司策略、表現、資源及行為準則等事項提供獨立判斷。王先生於二零零九年七月至二零一三年三月擔任眾鑫律師事務所上海分所國外法律總顧問，並自二零一三年六月起擔任上海瀚元律師事務所國外法律總顧問。

王先生於一九八八年五月於麻省理工學院取得生化工程專業理學碩士學位，及於一九九四年六月取得Seton Hall法學院法律博士學位。彼於一九九四年十二月取得新澤西州高等法院及新澤西州聯邦地區法院律師資格。王先生自二零一三年十一月七日起獲委任為獨立非執行董事。

王華平博士 (「王博士」)

50歲，獨立非執行董事，亦為董事會轄下審核委員會、薪酬委員會及提名委員會成員。王博士主要就本公司策略、表現、資源及行為準則等事項提供獨立判斷。

王博士自二零零二年十月起出任東華大學材料科學與工程學院教授及博士研究生導師，及自二零一一年起出任東華大學研究院副院長。王博士於成纖納米材料及聚合納米複合材料纖維、旋壓成形理論及加工技術、新清潔生產系統：離子溶液／成纖聚合物等研究方面享負盛名，並且曾就該等課題發表多篇論文。

王博士現為江蘇江南高纖股份有限公司（上海證券交易所上市的公司，股份代號：600527）及浙江尤夫高新纖維股份有限公司（深圳證券交易所上市的公司，股份代號：002427）的獨立董事。

Directors and Senior Management

董事及高級管理層

Dr. Wang obtained a doctorate degree from the Faculty of Materials Science and Engineering of Donghua University in March 2002. From January 1989 to March 1992, Dr. Wang was employed by the China Textile University (currently known as Donghua University) as a trainee researcher and then worked at Donghua University as an officer of the Technology Laboratory of Chemical Fiber Engineering Research Centre. Dr. Wang served as an assistant researcher, a deputy officer, an officer, and an associate researcher in the Faculty of Materials Science and Engineering from March 1992 to September 2002. Dr. Wang was appointed as the associate dean of the Faculty of Materials Science and Engineering from November 2004 to April 2010. Since September 2008, Dr. Wang has been the director of the Institute for Engineering Research Center of Advanced Glass Manufacturing Technology.

Dr. Wang is the deputy director of the Gaoxin Fibers Professional Committee of China Chemical Fibers Association, deputy director of Fibers Professional Committee of China Textile Engineering Society, deputy director of Fibers Professional Committee of Shanghai Textile Engineering Society, deputy director of Industrial Standard Committee of China Chemical Fibers Association, committee member of Expertise Committee of China Nonwovens & Industrial Textiles Association, the expert of the Textile Industry Division of the National Development and Reform Commission, committee member of Technical Committee of the Engineering Research Centre of the Textile Equipment of the Ministry of Education and the deputy director of the Editorial Committee of China Synthetic Fiber Industry. Dr. Wang has been appointed as the independent non-executive Director since 19 August 2014.

SENIOR MANAGEMENT

Mr. Shi Hongxing (“Mr. Shi”)

aged 47, the general manager of Nantong Yongsheng, and is mainly responsible for management and supervision of day-to-day operation of fiber manufacturing business of Nantong Yongsheng. Mr. Shi joined the Group in June 2010. Mr. Shi had been the general manager assistant and the head of production department of Nantong Huatong Chemical Fiber Limited from July 1993 to June 2008. He had been the general manager assistant in Shenghong Group Jiangsu Zhonglu Technology Company Limited from August 2008 to May 2010.

Mr. Shi obtained his bachelor degree majoring in chemical fiber from the Suzhou Silk Technical Institute in July 1993. Mr. Shi has been accredited as a senior engineer since December 2008.

王博士於二零零二年三月取得東華大學材料科學與工程學院博士學位。於一九八九年一月至一九九二年三月，王博士擔任中國紡織大學（現稱東華大學）實習研究員及出任化纖工程研究中心工藝研究室主任。彼於一九九二年三月至二零零二年九月先後擔任材料科學與工程學院助理研究員、副主任、主任及副研究員，及於二零零四年十一月至二零一零年四月出任東華大學材料科學與工程學院副院長。彼自二零零八年九月起出任高性能纖維及製品教育部重點實驗室主任。

王博士為中國化學纖維工業協會高新技術纖維專業委員會副主任、中國紡織工程學會化纖專業委員會副主任、上海市紡織工程學會化纖專業委員會副主任、中國化學纖維工業協會標準化工作委員會副主任委員、中國產業用紡織品行業協會專家委員會委員、國家發改委產業司輕紡工業專家、紡織裝備教育部工程研究中心技術委員會委員及《合成纖維工業》編委會副主任委員。王博士自二零一四年八月十九日起獲委任為獨立非執行董事。

高級管理層

石紅星先生（「石先生」）

47歲，南通永盛總經理，主要負責管理及監督南通永盛的化纖製造業務的日常營運。石先生於二零一零年六月加盟本集團。彼於一九九三年七月至二零零八年六月擔任南通華通化纖有限公司總經理助理兼生產部主管，並於二零零八年八月至二零一零年五月擔任盛虹集團江蘇中鱸科技股份有限公司總經理助理。

石先生於一九九三年七月於蘇州絲綢工學院取得學士學位，主修化學纖維。石先生自二零零八年十二月起獲授高級工程師職稱。

Mr. Leung Ho Yan, Julian (“Mr. Leung”)

aged 36, the chief financial officer, company secretary and authorised representative of the Group. Mr. Leung has over 14 years of experience in audit, accounting and corporate compliance, and is mainly responsible for compliance, financial reporting and planning of the Group. Mr. Leung joined Yongsheng (HK) International Co., Limited in February 2012. He worked in KPMG from August 2001 to January 2012.

Mr. Leung obtained the Bachelor of Arts in Accountancy and the Master of Corporate Governance from The Hong Kong Polytechnic University in November 2001 and October 2014 respectively. Mr. Leung has been a fellow members of The Association of Chartered Certified Accountants (“FCCA”), the Hong Kong Institute of Certified Public Accountants (“FCPA”), Institute of Chartered Secretaries and Administrators (“FCIS”) and the Hong Kong Institute of Chartered Secretaries (“FCS”).

Mr. Li Min

aged 48, the head of internal audit department of the Group. Mr. Li Min has over 20 years of accounting experience, and is mainly responsible for internal control and risk management of the Group. Mr. Li Min joined Yongsheng Group in March 2000 as a financial manager and then a director. Mr. Li Min worked as an assistant accountant in various factories including Xiaoshan Agricultural Machinery Factory (currently known as Hangzhou Safe Company Limited), Xiaoshan Building Materials Factory and Saintyear Holding Co., Ltd..

Mr. Li Min completed his higher education in industrial statistic in Hangzhou Business School in June 1992. Mr. Li Min was awarded as the “2003 Outstanding Statistics Financial Worker of Hangzhou Township Enterprises” by the Hangzhou Economic Commission in 2004 and has been conferred by the Ministry of Finance of the PRC as a senior accountant since November 2009.

Ms. Zhang Yingli (“Ms. Zhang”)

aged 42, the head of finance department of the Group, and is mainly responsible for financial reporting and treasury management for subsidiaries of the Group. Ms. Zhang joined Yongsheng Group in October 2003. She was the financial accountant of Zhejiang Asia Pacific Electrical and Mechanical Group Limited from July 1995 to November 2001.

Ms. Zhang completed her bachelor degree in finance in Zhengzhou University in August 2015 and higher education in accounting in the Central China Agricultural University in July 1995. Ms. Zhang has obtained the certificate of passing all the required subjects of the National Uniform CPA Examinations of the Chinese Institute of Certified Public Accountants (“CICPA”) in December 2015. Ms. Zhang has been conferred by the Ministry of Finance of the PRC as an intermediate accountant since May 2002.

梁浩仁先生 (「梁先生」)

36歲，本集團財務總監、公司秘書兼授權代表。梁先生在審計、會計及企業合規方面擁有超過14年經驗，主要負責本集團的合規、財務申報及規劃。梁先生於二零一二年二月加盟永盛（香港）國際有限公司。彼於二零零一年八月至二零一二年一月任職於畢馬威會計師事務所。

梁先生分別於二零零一年十一月及二零一四年十月於香港理工大學取得會計學文學士學位及企業管治碩士學位。彼現為特許公認會計師公會資深會員、香港會計師公會資深會員、英國特許秘書及行政人員公會資深會士及香港特許秘書公會資深會士。

李敏先生

48歲，本集團內部審計部主管。李敏先生擁有逾20年會計經驗，主要負責本集團的內部監控及風險管理。李敏先生於二零零零年三月加盟永盛集團，先後擔任財務經理及董事。彼曾於蕭山農機廠（現稱杭州保險箱櫃有限公司）、蕭山建材廠及三元控股集團有限公司擔任助理會計師。

李敏先生於一九九二年六月於杭州商學院完成工業統計的高等教育。李敏先生於二零零四年榮獲杭州市經濟委員會頒授的「2003年度杭州鄉鎮企業優秀統計財務工作者」稱號，並自二零零九年十一月起獲中國財政部授予高級會計師職稱。

張穎莉女士 (「張女士」)

42歲，本集團財務部主管，主要負責本集團附屬公司的財務申報及庫務管理。張女士於二零零三年十月加盟永盛集團。彼於一九九五年七月至二零零一年十一月擔任浙江亞太機電集團有限公司財務會計師。

張女士分別於一九九五年七月及二零一五年八月修畢華中農業大學的會計學高等教育課程及鄭州大學的金融學大學本科學歷。彼已於二零一五年十二月取得中國註冊會計師協會的註冊會計師全國統一考試全科合格證，並自二零零二年五月起獲中國財政部授予中級會計師職稱。

Directors and Senior Management

董事及高級管理層

Mr. Xu Bing

aged 35, the head of human resources and administration department of the Group. Mr. Xu Bing has over 10 years in human resources and administration management, and is mainly responsible for human resources management and administration of the Group. Mr. Xu Bing joined Yongsheng Weaving in May 2003 as the office manager and then the office manager of Yongsheng Dyeing, and is mainly responsible for human resources, administration and purchasing management. He rotated to Yongsheng Group as the head of human resources and administration department in December 2008. Mr. Xu Bing worked as the manager of the human resources department of Zhejiang Chenhui Lighting Company Limited from July 2002 to May 2003.

Mr. Xu Bing graduated in Hubei Xiangfan Institute (currently known as Hubei University of Arts and Science) majoring in business administration in June 2002. He further obtained a master degree of business administration from Zhejiang University of Technology in January 2016.

Mr. Xu Hua

aged 50, the supervisor of product information department of the Group. Mr. Xu Hua has over 20 years of experience of fabric product development, and is mainly responsible for product research and development and market research. Mr. Xu Hua joined Yongsheng Group in March 2011. Mr. Xu Hua had been the head of product development department of Yangzhou Cloth Factory from December 1993 to June 1997 and had been the head of product development department and general engineer of Yangzhou Huayuan Company Limited from November 2004 to February 2011.

Mr. Xu Hua graduated from Nantong Textile Institute in July 1987 majoring in textile engineering. He was awarded the 3rd prize, the 3rd prize and the 2nd prize of “Jiangsu Province Science and Technology Advancement Awards” on his projects of “High Stimulation Twisted Peach Skin Flannel”, “The Ultrafine Composite Fabric Thread” and “The Sea-island Ultrafine Composite Synthetic Chamoic Leather” respectively. Mr. Xu Hua was appraised by the People’s Government of Jiangsu Province for the achievement made from his work in relation to technological transformation in production between 1991 and 1996. He was named as the “Young Professional with outstanding contribution” by the People’s Government of Yangzhou and awarded the “Five-One Labour Medal by Yangzhou Federation of Trade Unions” in 2006. Mr. Xu Hua was named as the head of young professionals in respect of scientific technology of “333 Training Programme for Talented Individuals” by Leading Group for Talented Individuals in Jiangsu Province between 2007 and 2010. Mr. Xu Hua was accredited as a senior engineer in 2002.

徐冰先生

35歲，本集團人力資源及行政部主管。徐冰先生於人力資源及行政管理方面擁有逾10年經驗，主要負責本集團的人力資源管理及行政工作。徐冰先生於二零零三年五月加盟永盛紡織，先後擔任永盛紡織及永盛染整的辦公室主任，主要負責人力資源、行政及採購管理。彼於二零零八年十二月調任永盛集團人力資源及行政部主管。徐冰先生於二零零二年七月至二零零三年五月擔任浙江晨輝照明有限公司人力資源部部門經理。

徐冰先生於二零零二年六月畢業於湖北襄樊學院（現稱湖北文理學院），主修工商管理。彼於二零一六年一月在浙江工業大學進一步取得工商管理碩士學位。

徐華先生

50歲，本集團產品信息部主管。徐華先生在纖維產品開發方面擁有逾20年經驗，主要負責本集團的產品研發及市場調研。徐華先生於二零一一年三月加盟永盛集團。彼於一九九三年十二月至一九九七年六月擔任揚州布廠產品開發部主管，及於二零零四年十一月至二零一一年二月擔任揚州華源有限公司產品開發部主管兼總工程師。

徐華先生於一九八七年七月畢業於南通紡織工學院，主修紡織工程。彼分別憑藉「高仿真倍捻桃皮絨」項目、「超細複合織物摩絲」項目及「海島極細複合纖維織物麂皮」項目，獲分別頒發「江蘇省科學技術進步獎三等獎」、「江蘇省科學技術進步獎三等獎」及「江蘇省科學技術進步獎二等獎」。徐華先生獲江蘇省人民政府表彰其於一九九一年至一九九六年於生產技術改造方面取得的成就。彼於二零零六年獲揚州市人民政府授予「有突出貢獻的中青年專家」稱號及獲揚州市總工會授予「五一勞動獎章」。彼於二零零七年至二零一零年獲江蘇省人才工作領導小組評選為「333高層次人才培養工程」中青年科學技術帶頭人，並自二零零二年獲授高級工程師職稱。

Corporate Governance Report

企業管治報告

The Company was committed to achieving and maintaining high standards of corporate governance, the principles of which serve to uphold transparency, accountability and independence in all aspects of business and endeavours to ensure that affairs are conducted in accordance with applicable laws and regulations.

CORPORATE GOVERNANCE CODE

The Group's corporate governance practices are based on the Corporate Governance Code (the "Code") set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). During the Review Period, the Board considered that the Company had complied with the Code.

The Board will periodically review the Company's current corporate practices and procedures and will maintain and further enhance the standard of corporate governance practices of the Company, in order to ensure it is in line with international and local best practices and maximize the interests of the shareholders of the Company (the "Shareholders"), investors, employees, business partners and the community as a whole.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"). Specific enquiry has been made to all the Directors and the Directors have confirmed that they had complied with the Model Code and such code of conduct during the Review Period.

本公司致力達致及維持高水平的企業管治，其原則旨在於各個業務方面維持透明度、問責性及獨立性，並努力確保一切事務均按照適用的法律及法規進行。

企業管治守則

本集團的企業管治常規乃以香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載的企業管治守則（「守則」）為基準。於回顧年內，董事會認為本公司一直遵守守則。

董事會將定期檢討本公司現時的企業慣例和程序，並會維持及進一步提升本公司的企業管治常規水平，以確保其符合國際和本地最佳慣例，及盡量提升本公司股東（「股東」）、投資者、僱員、業務夥伴及公眾的整體利益。

董事進行證券交易的操守守則

本公司已採納有關董事進行證券交易的操守守則，其條款不遜於上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）所載的規定標準。本公司已向全體董事作出具體查詢，而各董事已確認彼等於回顧年內一直遵守標準守則及有關操守準則。

THE BOARD OF DIRECTORS

Composition of the Board

The Board has a balance of skills and experience appropriate for the requirements of the Group's business. The Board includes a balanced composition of executive and independent non-executive Directors so that independent judgement can be effectively exercised.

During the Review Period and as at the date of this annual report, the Board comprised four executive Directors and three independent non-executive Directors as follows:

Executive Directors

Mr. Li Cheng (*Chairman*)
Mr. Zhao Jidong (*CEO*)
Mr. Li Conghua
Mr. Ma Qinghai

Independent Non-Executive Directors

Ms. Wong Wai Ling
Mr. Shiping James Wang
Dr. Wang Huaping

The brief biographical details of and relationships among the existing Directors are set out in the section headed "Directors and Senior Management" on pages 40 to 46. Save as disclosed under the section headed "Directors and Senior Management" of the annual report, there is no financial, business, family or other material or relevant relationships among Board members and in particular, between the Chairman and the CEO.

During the Review Period, the Board maintained a high level of independence, with more than one-third of the Board comprised of independent non-executive Directors, who had exercised independent judgement. The independent non-executive Directors are expressly identified in all corporate communications whenever the names of the Directors are disclosed.

The Company has received from each independent non-executive Director an annual confirmation of his or her independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules. Based on the confirmations received, the Company considers all independent non-executive Directors satisfied the requirement of independence under the Listing Rules.

董事會

董事會的組成

董事會具備本集團業務所需的適當平衡的技能及經驗。董事會包括執行董事及獨立非執行董事的均衡組成，可更有效地行使獨立判斷。

於回顧年內及本年報日期，董事會由以下四名執行董事及三名獨立非執行董事組成：

執行董事

李誠先生 (主席)
趙繼東先生 (行政總裁)
李聰華先生
馬青海先生

獨立非執行董事

黃慧玲女士
王世平先生
王華平博士

現有董事的簡歷詳情及彼等之間的關係載於第40頁至第46頁「董事及高級管理層」一節。除本年報「董事及高級管理層」一節所披露者外，董事會成員之間，尤其是主席及行政總裁之間，概無任何財務、業務、家族或其他重大或相關關係。

於回顧年內，董事會中超過三分之一成員由獨立非執行董事組成，彼等已行使獨立判斷及維持高水平的獨立性。於所有披露董事姓名的公司通訊中，獨立非執行董事乃獲明確識別。

本公司已收到各獨立非執行董事根據上市規則第3.13條所載的獨立性指引發出的年度獨立性確認書。根據所獲取的確認書，本公司認為全體獨立非執行董事均符合上市規則有關獨立性的規定。

Board Meetings and General Meetings

Board meetings are held regularly. In addition to regular meetings, meetings are held as and when necessary under particular circumstances. During the Review Period, twelve Board meetings were held. The Directors attended the meetings in person or by telephone in accordance with the articles of association of the Company (the “**Articles of Association**”).

A record of the Directors’ attendance at the Board meetings and the general meetings held during the Review Period is set out as follows:

董事會會議及股東大會

董事會定期召開會議。本公司除例會外，亦於有需要的特定情況下召開會議。於回顧年內，已舉行十二次董事會會議。根據本公司之組織章程細則（「**組織章程細則**」），董事親自或通過電話參加會議。

董事出席於回顧年內舉行的董事會會議及股東大會的記錄載列如下：

		Attendance/ Number of Board meetings held 出席次數／ 所舉行董事會 會議次數	Attendance/ Number of general meetings held 出席次數／ 所舉行股東大會 次數
Executive Directors	執行董事		
Mr. Li Cheng	李誠先生	12/12	2/2
Mr. Zhao Jidong	趙繼東先生	12/12	2/2
Mr. Li Conghua	李聰華先生	12/12	2/2
Mr. Ma Qinghai	馬青海先生	12/12	2/2
Independent Non-Executive Directors	獨立非執行董事		
Ms. Wong Wai Ling	黃慧玲女士	12/12	2/2
Mr. Shiping James Wang	王世平先生	11/12 (Note 1) (附註 1)	1/2 (Note 2) (附註 2)
Dr. Wang Huaping	王華平博士	12/12	2/2

Note 1: Mr. Shiping James Wang was unable to attend a Board meeting held in 2015 due to his other committed business arrangements.

Note 2: Mr. Shiping James Wang was unable to attend an extraordinary general meeting held in 2015 due to his other committed business arrangements.

The annual general meeting (“**AGM**”) and an extraordinary general meeting (“**EGM**”) of the Company were held on 20 May 2015 and 24 July 2015, respectively. Our forthcoming AGM will be held on 23 May 2016. Our Directors, chief financial officer and company secretary and other senior executives of the Company will attend the AGM together with our external auditor to answer any questions from the Shareholders. All Directors treasure the opportunity to canvass the views of the Shareholders in the AGM held annually.

附註1：王世平先生因其他已允諾的業務安排而未能出席於二零一五年舉行的董事會會議。

附註2：王世平先生因其他已允諾的業務安排而未能出席於二零一五年舉行的股東特別大會。

本公司的股東週年大會（「**股東週年大會**」）及股東特別大會（「**股東特別大會**」）已分別於二零一五年五月二十日及二零一五年七月二十四日舉行。本公司應屆股東週年大會將於二零一六年五月二十三日舉行。本公司董事、財務總監及公司秘書以及其他高級行政人員連同本公司外聘核數師將出席股東週年大會，並回答股東的任何提問。全體董事均重視於每年舉行的股東週年大會上徵詢股東意見的機會。

Board Responsibilities and Delegation

The Board is responsible for the leadership and control of the Group and is 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 annual development plan and budget, monitoring financial and operating performance, reviewing the effectiveness of the internal control system, supervising and managing management's performance and determining the corporate governance policy of the Group. 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. The Board gives clear directions to management as to the matters that must be approved by the Board before decisions are made on behalf of the Group.

During the Review Period, the Board had reviewed and discussed the corporate governance policy of the Group and is satisfied with the effectiveness of the corporate governance policy.

Appointment, Re-election and Removal of Directors

The Company has established the nomination committee under the Board (the "**Nomination Committee**") on 7 November 2013. The Nomination Committee has from time to time identified individuals suitably qualified to become Board members and make recommendations to the Board. The main consideration in selecting candidates for directorships is whether their characters, qualifications and experience are appropriate for the businesses of the Group.

Each of the independent non-executive Directors has entered into a service contract for a term of 3 years which may be terminated by either party giving to the other party at least 3 months' prior written notice. All independent non-executive Directors are subject to rotation and re-election at the AGM in accordance with the Articles of Association.

In accordance with article 108(a) of the Articles of Association, at each AGM, at least one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every director shall be subject to retirement at an annual general meeting at least once every three years. All such retiring Directors, being eligible, may offer themselves for re-election. Accordingly, Mr. Ma Qinghai, Mr. Li Conghua and Ms. Wong Wai Ling will retire from office as Directors, being eligible, and will offer themselves for re-election at the forthcoming AGM.

董事會責任及授權

董事會負責領導及監控本集團，及透過指導及監督本集團的事務，集體負責促進本集團取得理想業績。董事會專注於制訂本集團的整體策略、審批年度發展計劃及預算、監察財務及營運表現、審查內部監控制度的有效性、監督和管理管理層的表現及釐定本集團的企業管治政策。董事會授權管理層處理本集團的日常管理、行政及營運。董事會定期檢討授出的職能，以確保該等職能配合本集團的需要。對於須經由董事會批准的事宜，董事會會先行給予管理層清晰指示，再由管理層代表本集團作出決策。

於回顧年內，董事會已審閱及討論本集團的企業管治政策，並信納企業管治政策的有效性。

董事的委任、重選及罷免

本公司已於二零一三年十一月七日成立董事會轄下的提名委員會（「**提名委員會**」）。提名委員會不時物色具備合適資格出任董事會成員的人選，並向董事會作出推薦建議。挑選候選董事人選的主要考慮在於其性格、資歷及經驗是否適合本集團的業務。

各獨立非執行董事已訂立為期三年的服務合約，並可由一方向另一方發出最少三個月的書面通知予以終止。所有獨立非執行董事均須按照組織章程細則於股東週年大會上輪席退任及膺選連任。

根據組織章程細則第108(a)條，於每屆股東週年大會上，當時最少三分之一董事（或倘人數並非三(3)的倍數，則為最接近但不少於三分之一的人數）將輪席退任，惟每位董事須最少每三年於股東週年大會上退任一次。所有符合資格的有關退任董事可膺選連任。因此，馬青海先生、李聰華先生及黃慧玲女士將於應屆股東週年大會上退任董事職務，並符合資格且願意膺選連任。

Insurance of the Directors and Officers

The Company has arranged liability insurance for Directors and officers in respect of legal action against the Directors and officers which is in compliance with code provision A.1.8 of the Code.

Induction and Continuous Professional Development

Newly appointed Directors will receive guideline and reference materials to enable them to familiarise with the Group's business operations and Board's policies. The Company is committed to arranging and funding suitable training to all Directors for their continuous professional development. Each Director is briefed and updated from time to time to ensure that he is fully aware of his responsibilities under the Listing Rules and applicable legal and regulatory requirements and the governance policies of the Group. All the Directors also understand the importance of continuous professional development and are committed to participating in any suitable training to develop and refresh their knowledge and skills. According to the records provided by the Directors, a summary of training received by the Directors during the Review Period is set out below:

董事及高級人員的保險

本公司已遵守守則的守則條文第A.1.8條，就針對董事及高級人員的法律訴訟投購董事及高級人員責任保險。

入職簡報及持續專業發展

新委任董事將獲發指引及參考資料，以便其熟識本集團業務運作及董事會政策。本公司致力為全體董事的持續專業發展向彼等安排及資助適當的培訓。各董事不時獲簡介及更新最新發展，以確保其充分知悉其於上市規則及適當法例及監管規定以及本集團管治政策項下的責任。全體董事亦明白持續專業發展的重要性，並承諾參與任何合適的培訓，以發展及更新彼等的知識與技能。按董事提供的記錄，董事於回顧年內所接受的培訓概要載列如下：

Types of continuous professional development programmes 持續專業發展課程類型

Executive Directors	執行董事	
Mr. Li Cheng	李誠先生	1, 2, 3
Mr. Zhao Jidong	趙繼東先生	1, 2, 3
Mr. Li Conghua	李聰華先生	1, 2, 3
Mr. Ma Qinghai	馬青海先生	1, 2, 3
Independent Non-Executive Directors	獨立非執行董事	
Ms. Wong Wai Ling	黃慧玲女士	1, 3
Mr. Shiping James Wang	王世平先生	1, 3
Dr. Wang Huaping	王華平博士	1, 3

Notes:

- Attend update program organized by lawyers of the Company.
- Attend internal training organized by the company secretary of the Company.
- Read relevant materials of workshops/internal trainings/updates on the Listing Rules and other applicable regulations.

附註：

- 出席由本公司律師組織的更新資料課程。
- 出席由本公司的公司秘書組織的內部培訓。
- 閱讀研討會／內部培訓／有關上市規則及其他適用法規的更新資料的相關材料。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under code provision A.2.1 of the Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Chairman of the Board is Mr. Li Cheng and the CEO is Mr. Zhao Jidong. The Chairman of the Board is responsible for providing leadership to, and overseeing, the functioning of the Board and seeking to ensure that all Directors are properly briefed on issues arising at Board meetings and that they receive, in a timely manner, adequate and reliable information. The CEO is responsible for managing the business of the Group and leading the management team to implement strategies and objectives adopted by the Board. Their respective responsibilities are clearly established and set out in writing.

BOARD COMMITTEES

Remuneration Committee

The Company established the remuneration committee under the Board (the “**Remuneration Committee**”) which comprises one executive Director and two independent non-executive Directors. 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. The Remuneration Committee also makes recommendations to the Board on the remuneration packages of individual Directors and senior management. The Remuneration Committee’s authority and duties are set out in written terms of reference that are posted on the website of the Stock Exchange and the Company.

During the Review Period, among others, the Remuneration Committee had reviewed the Group’s remuneration policy and the terms of the executive Directors’ service contracts, made recommendation to the Board on the policy for the remuneration of non-executive Directors, independent non-executive Director and the CEO, assessed performance of non-executive Directors, independent non-executive Directors and the CEO and approved the terms of independent non-executive Directors’ service contracts.

主席及行政總裁

根據守則的守則條文第A.2.1條，主席及行政總裁的角色應有所區分，並不應由同一人士兼任。董事會主席為李誠先生，而行政總裁為趙繼東先生。董事會主席負責領導和監督董事會的運作，及設法確保所有董事均獲適當簡介有關董事會會議上處理的事項，及彼等適時取得充足及可靠的資料。行政總裁負責管理本集團的業務及領導管理團隊執行董事會採納的策略與目標。彼等各自的職責已明確制定並以書面記載。

董事委員會

薪酬委員會

本公司已成立董事會轄下的薪酬委員會（「**薪酬委員會**」），由一名執行董事及兩名獨立非執行董事組成。薪酬委員會的職責及職能包括向董事會主席諮詢彼等就其他執行董事的薪酬建議，就本公司薪酬政策及全體董事及高級管理層的架構向董事會作出推薦建議。薪酬委員會亦就個別董事及高級管理層的薪酬待遇向董事會作出推薦建議。薪酬委員會的權力及職責載於書面職權範圍內，並刊載於聯交所及本公司網站。

於回顧年內，（其中包括）薪酬委員會已檢討本集團的薪酬政策及執行董事服務合約的條款，就非執行董事、獨立非執行董事及行政總裁的薪酬政策向董事會作出推薦建議，評價非執行董事、獨立非執行董事及行政總裁的表現以及批准獨立非執行董事的服務合約條款。

There are three meetings held during the Review Period and the attendance by each committee member is set out below:

於回顧年內，舉行了三次會議，每位委員會成員的出席情況載列如下：

Members of Remuneration Committee	薪酬委員會成員	Attendance/ Number of meetings 出席次數／會議次數
Ms. Wong Wai Ling (<i>Chairlady</i>)	黃慧玲女士 (主席)	3/3
Mr. Zhao Jidong	趙繼東先生	3/3
Dr. Wang Huaping	王華平博士	3/3

Nomination Committee

提名委員會

The Company established the nomination committee under the Board (the “**Nomination Committee**”) which comprises one executive Director and two independent non-executive Directors. The roles and functions of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board, identifying individuals suitably qualified to become Board member and assessing the independence of independent non-executive Directors. The Nomination Committee is established with specific terms of reference which deal clearly with the committee’s authority and duties and is available on the website of the Stock Exchange and the Company.

本公司已成立由一名執行董事及兩名獨立非執行董事組成的董事會轄下的提名委員會（「**提名委員會**」）。提名委員會的職責及職能包括審閱董事會的架構、規模及組成（包括技能、知識及經驗），識別合適資格人士出任董事會成員及評估獨立非執行董事的獨立性。提名委員會訂明具體職權範圍，清楚說明委員會的職權和責任，並刊載於聯交所及本公司網站。

During the Review Period, the Nomination Committee had reviewed the structure, size and composition of the Board and assessed the independence of the independent non-executive Directors. The Nomination Committee had also reviewed the Board’s diversity policy (the “**Board Diversity Policy**”).

於回顧年內，提名委員會已檢討董事會的架構、規模及組成，並已評估獨立非執行董事的獨立性。提名委員會亦已檢討董事會成員多元化政策（「**董事會成員多元化政策**」）。

As part of the Board Diversity Policy, the Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. All Board appointments will be based on meritocracy, and candidates will be considered against selection criteria. Selection of candidates will be based on a range of diversity perspectives, which would include but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee will from time to time review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

作為董事會成員多元化政策的一部份，本公司認同並深信董事會成員多元化有利於提升本公司的表現。所有董事會成員的委任均以用人唯才為原則，並在考慮人選時會採用甄選準則。甄選人選將按一系列多元化範疇為基準，可包括（但不限於）性別、年齡、文化及教育背景、專業資格、技能、知識及服務任期。最終將按人選的長處及可為董事會提供的貢獻而作決定。提名委員會將不時在適當時候檢討董事會成員多元化政策，以確保其行之有效。

Corporate Governance Report

企業管治報告

One meeting was held during the Review Period and the attendance by each committee member is set out below:

於回顧年內，舉行了一次會議，每位委員會成員的出席情況載列如下：

Members of Nomination Committee	提名委員會成員	Attendance/ Number of meetings 出席次數／會議次數
Mr. Li Cheng (<i>Chairman</i>)	李誠先生 (主席)	1/1
Mr. Shiping James Wang	王世平先生	1/1
Dr. Wang Huaping	王華平博士	1/1

Audit Committee

The audit committee under the Board (the “**Audit Committee**”) currently consists of 3 independent non-executive Directors. The primary duties of the Audit Committee are to review the Company’s financial information, review and supervise the Company’s financial reporting process and internal control procedures, nominate and monitor external auditors and provide advice and comments to the Board. The Audit Committee is established with specific terms of references which deal clearly with the committee’s authority and duties and is available on the website of the Stock Exchange and the Company. During the Review Period, the Audit Committee discussed and reviewed the interim and final results of the Group and certain other businesses. The effectiveness of the Company’s internal control was also discussed at the meetings. The Audit Committee had also reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the interim report, annual report and the final result of the Group for the financial year ended 31 December 2015. The Group’s final results for the financial year ended 31 December 2015 had been reviewed by the Audit Committee before submission to the Board for approval. The Audit Committee had also reviewed this annual report, and confirmed that this annual report complies with the Listing Rules. In the opinion of the Audit Committee, there are no material uncertainties relating to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, resignation or dismissal of the external auditors.

審核委員會

董事會轄下的審核委員會（「**審核委員會**」）現由三位獨立非執行董事組成。審核委員會的主要職責是審閱本公司的財務資料，檢討及督管本公司的財務申報流程及內部監控程序、提名及監察外聘核數師以及向董事會提供意見及評論。審核委員會訂明具體職權範圍，清楚說明委員會的職權和責任，並刊載於聯交所及本公司網站。於回顧年內，審核委員會討論及審閱本集團的中期及末期業績以及若干其他事宜。本公司亦於該等會議上討論內部監控的成效。審核委員會亦已與管理層檢討本集團所採納的會計原則和慣例，並討論內部監控及財務申報事宜，包括審閱本集團的中期報告、截至二零一五年十二月三十一日止財政年度的年報及末期業績。本集團於截至二零一五年十二月三十一日止財政年度的末期業績於提交董事會審批前，已由審核委員會審閱。審核委員會亦已審閱本年報，並確認本年報符合上市規則的規定。審核委員會認為，並無有關可能對本集團的持續經營能力構成重大疑問的事件或狀況的重大不確定因素。董事會與審核委員會在外聘核數師的甄選、委任、辭任或罷免方面並無意見分歧。

There are four meetings held during the Review Period and the attendance by each committee member is set out below:

於回顧年內，舉行了四次會議，每位委員會成員的出席情況載列如下：

Members of Audit Committee	審核委員會成員	(Attendance/ Number of meetings) (出席次數／會議次數)
Ms. Wong Wai Ling (<i>Chairlady</i>)	黃慧玲女士 (主席)	4/4
Mr. Shiping James Wang	王世平先生	4/4
Dr. Wang Huaping	王華平博士	4/4

INTERNAL CONTROL

The Board is committed to managing business risks and maintaining a proper and effective system of internal control to safeguard the shareholders' investments and the Group's assets. The Board, through the Audit Committee, had conducted annual review of the effectiveness of the Group's system of internal control covering all controls, including financial, operational and compliance controls, and risk management processes. The Board is satisfied that the Group had fully complied with the Code in respect of internal controls during the Review Period.

內部監控

董事會致力管理業務風險，並維持適當及有效的內部監控制度，以保障股東投資及本集團資產。董事會已透過審核委員會對本集團內部監控制度的有效性進行年度檢討，其中涵蓋財務、營運及合規控制以及風險管理程序的所有監控事宜。董事會信納本集團於回顧年內已全面遵守有關內部監控的守則。

SENIOR MANAGEMENT'S REMUNERATION

The senior management's remuneration payment of the Group for the Review Period falls within the following band:

高級管理層薪酬

於回顧年內，本集團高級管理層的薪酬款項介乎下列範圍：

		Number of individuals 人數
Nil to HK\$1,000,000	無至1,000,000港元	9
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	2
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	–
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	1
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	–
HK\$4,000,001 to HK\$4,500,000	4,000,001港元至4,500,000港元	1

15

COMPLIANCE AND ENFORCEMENT OF THE NON-COMPETITION UNDERTAKING FROM CONTROLLING SHAREHOLDERS

As disclosed in the prospectus of the Company dated 15 November 2013 (the “**Prospectus**”), Mr. Li Cheng and Ever Thrive Global Limited are the controlling shareholders of the Company (the “**Controlling Shareholders**”). To protect the Group from any potential competition, the Controlling Shareholders had given an irrevocable non-competition undertaking (the “**Non-competition Undertaking**”) in favour of the Company on 7 November 2013 pursuant to which each of the Controlling Shareholders has, among other matters, undertaken with the Company that each of the Controlling Shareholders and their respective associates (other than the Group) shall not, engage in any business which will or may compete with the business currently and from time to time engaged by the Group. Details of the Non-competition Undertaking have been set out in paragraph headed “Relationship with our controlling shareholders – Non-competition Undertaking” of the Prospectus.

The Company has received the annual declaration from each of the Controlling Shareholders in respect of their respective compliance with the terms of the Non-competition Undertaking during the Review Period. The independent non-executive Directors, having reviewed the annual declarations and made reasonable enquiry, are satisfied that the Controlling Shareholders have complied with the terms of the Non-competition Undertaking during the Review Period.

UPDATES ON COMPLIANCE AND REGULATORY MATTERS AS DISCLOSED IN PROSPECTUS

As disclosed in the section headed “Business – Non-compliance and legal proceedings” of the Prospectus, during the three financial years ended 31 December 2012 and the six months ended 30 June 2013 (“**Track Record Period**”), the Group has failed to comply with laws and regulations in the PRC.

As part of remedial action and monitoring process, the Company has engaged an independent consulting firm (the “**Internal Control Consultant**”) as our internal control consultant in November 2012 to review selected areas of the Group’s internal controls over financial reporting. During the review, the Internal Control Consultant identified internal control deficiencies of non-compliance incidents relating to (i) non-compliant bill arrangements, (ii) housing provident fund contributions and (iii) social insurance contributions and has recommended remedial measures to enhance our internal control system. Set out below are the updates of the remedial actions taken in relation to those non-compliance matters.

控股股東對不競爭承諾的遵守及執行

誠如本公司日期為二零一三年十一月十五日的招股章程（「**招股章程**」）所披露，李誠先生及恆盛環球有限公司為本公司的控股股東（「**控股股東**」）。為保護本集團免遭受任何潛在競爭，控股股東已於二零一三年十一月七日為本公司作出不可撤銷的不競爭承諾（「**不競爭承諾**」），據此，各控股股東已（其中包括）向本公司承諾，各控股股東及彼等各自的聯繫人（本集團除外）不得參與任何將或可能與本集團目前及不時從事的業務構成競爭的業務。有關不競爭承諾的詳情載於招股章程「與我們的控股股東的關係—不競爭承諾」一段。

本公司已接獲各控股股東有關彼等各自於回顧年內遵守不競爭承諾條款的年度聲明。獨立非執行董事已審閱上述年度聲明，及經合理查詢後認為各控股股東於回顧年內一直遵守不競爭承諾的條款。

招股章程內所披露的合規及規管事宜的更新資料

誠如招股章程的「業務—違規事項及法律訴訟」一節所披露，於截至二零一二年十二月三十一日止三個財政年度及截至二零一三年六月三十日止六個月內（「**往績記錄期間**」），本集團未能遵守中國的法律及法規。

作為修正行動及監控程序的一部份，本公司已於二零一二年十一月聘請一間獨立諮詢公司（「**內部監控顧問**」）擔任我們的內部監控顧問，檢討本集團有關財務報告的內部監控的指定部份。於審閱中，內部監控顧問識別有關(i)違規票據安排、(ii)住房公積金供款及(iii)社會保險供款的違規事件的內部監控缺陷，並已提出補救措施，以提升我們的內部監控制度。下文載列就該等不合規事宜採取的補救措施的最新情況。

Non-compliance bill arrangement

As disclosed in the Prospectus and the annual report of the Company in 2013, the Group used the proceeds from bank acceptance notes for purposes other than for payment of purchase from certain suppliers during the Track Record Period, which did not comply with the terms of the credit agreements and Article 10 of the PRC Negotiable Instruments Law. As advised by the Internal Control Consultant, the Group has undertaken the following remedial measures with effect from March 2013:

- established segregation of duties between application and approval of issuance of bank acceptance notes;
- when the bank acceptance note is issued, the finance department reviews and makes record to ensure each bank acceptance note is tracked and managed;
- the finance department performs checking on a monthly basis to identify any discrepancy between the note payables issued and the actual underlying transactions; and
- the internal control department of the Group performs checking on the compliance regarding non-compliance bill arrangement on a monthly basis.

In addition, the Group has appointed an independent external consultant to examine and monitor our bill financing activities in 2013 and 2014. Based on the reviews performed, no non-compliance bill arrangement incident was noted. During the Review Period, the Group also has no non-compliance bill arrangement incident.

違規票據安排

誠如招股章程及本公司二零一三年之年報所披露，於往績記錄期間，本集團將銀行承兌票據所得款項用作支付對若干供應商的採購款項以外的用途，此舉並不符合信貸協議及《中華人民共和國票據法》第10條的條款。誠如內部監控顧問所告知，本集團已自二零一三年三月起實施以下補救措施：

- 明確劃分申請與審批發行銀行承兌票據的職責；
- 於發行銀行承兌票據時，由財務部門審閱並作記錄，以確保各銀行承兌票據有據可查及受管理；
- 財務部門每月進行查核以識別已發行應付票據及實際相關交易之間的任何差異；及
- 本集團內部監控部門每月對有關違規票據安排的合規情況進行查核。

此外，本集團已委任一名獨立外部顧問以審查及監察本集團於二零一三年及二零一四年的票據融資活動。根據所進行的審查，並無注意到任何違規票據安排事件。於回顧年內，本集團亦無任何違規票據安排事件。

Housing provident fund and social insurance contribution

As disclosed in the Prospectus and the annual report of the Company in 2013, the Group did not make full social insurance and housing provident fund contributions for all of its respective employees as required under the relevant national PRC laws and regulations during the Track Record Period. All underpaid social insurance and housing provident fund contributions during the Track Record Period has been accrued in the financial statements. As advised by the Internal Control Consultant, the Group has undertaken the following remedial measures with effect from April 2013:

- the finance department reviews the payment details of housing provident fund and social insurance to ensure that they are timely provided to all the employees; and
- the internal control department performs checking on the compliance regarding housing provident fund contributions and social insurance contributions on a monthly basis.

During the Review Period, the Group has made full social insurance and housing provident fund contributions for all of its respective employees as required under the relevant PRC laws and regulations.

CHANGE IN AUDITOR

As disclosed in the announcement of the Company dated 11 December 2015 in relation to the change of auditor, PricewaterhouseCoopers has resigned as the auditor of the Company on 11 December 2015. On the same date, the Board appointed Ernst & Young to fill the casual vacancy as the auditor of the Company until the conclusion of the AGM.

AUDITOR'S REMUNERATION

The Group's external auditor is Ernst & Young. The remuneration paid or payable to the external auditor of the Group for the financial year ended 31 December 2015 comprised fees for audit services of RMB1,050,000 (2014: RMB1,350,000). During the financial year ended 31 December 2015, there was no non-audit service provided by our external auditor.

住房公積金及社會保險供款

誠如招股章程及本公司二零一三年之年報所披露，於往績記錄期間，本集團並未根據中國相關法律及法規的規定為其各自全部僱員悉數作出社會保險及住房公積金的供款。於往績記錄期間的所有未繳足社會保險及住房公積金供款已於財務報表計提。誠如內部監控顧問所告知，本集團已自二零一三年四月起實施以下補救措施：

- 財務部門審閱住房公積金及社會保險的繳付詳情以確保按時為全部僱員繳付款項；及
- 內部監控部門每月對有關住房公積金供款及社會保險供款的合規情況進行查核。

於回顧年內，本集團已根據中國相關法律及法規的規定，為其各自全部僱員悉數作出社會保險及住房公積金的供款。

更換核數師

誠如本公司日期為二零一五年十二月十一日有關更換核數師的公佈所披露，羅兵咸永道會計師事務所已於二零一五年十二月十一日辭任本公司核數師。同日，董事會已委任安永會計師事務所為本公司核數師以填補臨時空缺，直至股東週年大會結束為止。

核數師酬金

本集團的外聘核數師為安永會計師事務所。本集團於截至二零一五年十二月三十一日止年度已付或應付外聘核數師的薪酬包括審核服務費用人民幣1,050,000元（二零一四年：人民幣1,350,000元）。於截至二零一五年十二月三十一日止年度，本公司外聘核數師並無提供非審核服務。

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR FINANCIAL STATEMENTS

All Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Group. The auditor of the Company acknowledges its reporting responsibilities in the auditor's report on the financial statements for the financial year ended 31 December 2015. The statement by the auditors of the Company about their responsibilities for the financial statements is set out in the report of the independent auditors' report contained in this annual report. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements on a going-concern basis.

COMPANY SECRETARY

Mr. Leung Ho Yan Julian (FCCA, FCPA, FCIS, FCS) has been the company secretary of the Company (the "**Company Secretary**") since 7 November 2013. Mr. Leung is a full time employee of the Group and has day-to-day knowledge of the Company's affairs. The Company Secretary reports to the Chairman of the Board and is responsible for advising the Board on corporate governance matters and facilitating communication among Board members, the Shareholders and management of the Company. Mr. Leung has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules. The biography of the Company Secretary is set out in the section headed "Directors and Senior Management" on page 47 of this annual report.

董事及核數師對財務報表所負的責任

全體董事負責編製真實及公平地反映本集團事務狀況的財務報表。本公司核數師在本公司截至二零一五年十二月三十一日止年度財務報表的核數師報告中確認其申報責任。本公司核數師就其對財務報表所負責任的聲明載於本年報所載的獨立核數師報告內。董事並不知悉任何有關可能對本公司的持續經營能力構成重大疑問的事件或狀況的重大不確定因素，故董事已按持續經營基準編製財務報表。

公司秘書

梁浩仁先生 (FCCA, FCPA, FCIS, FCS) 自二零一三年十一月七日起擔任本公司的公司秘書 (「**公司秘書**」)。梁先生為本集團全職僱員，並了解本公司的日常事務。公司秘書向董事會主席匯報，並負責就企業管治事宜向董事會提供意見及促進董事會成員、本公司股東及管理層之間的溝通。梁先生已妥為遵守上市規則第3.29條項下的相關專業培訓規定。公司秘書的履歷載於本年報第47頁的「董事及高級管理層」一節。

THE SHAREHOLDERS' RIGHTS

Convening an Extraordinary Meeting by Shareholders

Pursuant to article 64 of the Articles of Association, extraordinary general meetings shall be convened on the requisition of one or more Shareholders, at the date of deposit of the requisition, holding not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for Putting Forward Proposals at General Meetings by Shareholders

Shareholders are requested to follow article 64 of the Articles of Association for including a resolution at an extraordinary general meeting. The requirements and procedures are set out above in the paragraph headed "Convening an Extraordinary Meeting by Shareholders". Pursuant to article 113 of the Articles of Association, no person (other than a retiring Director) shall be eligible for election to the office of Director at any general meeting unless a notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or at the Registration Office no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least 7 days. The procedures for the Shareholders to propose a person for election as a Director is posted on the website of the Company.

股東權利

股東召開股東特別大會

根據組織章程細則第64條，股東特別大會須於一名或多名於遞呈要求當日持有不少於本公司有權於股東大會上投票的繳足股本十分之一的股東要求時召開。有關要求須以書面向董事會或公司秘書作出，以供董事會應該要求中所指定的任何事項而召開股東特別大會。該大會須於該項要求呈遞後兩個月內舉行。倘董事會於呈遞該要求後21日內未能召開該大會，則提出要求者本人（彼等）可以相同方式召開大會，而本公司須向要求者償付要求者因董事會未能召開大會而產生的所有合理開支。

股東於股東大會上提呈建議的程序

股東須遵照組織章程細則第64條於股東特別大會提呈決議案。有關要求及程序載於上文「股東召開股東特別大會」一段。根據組織章程細則第113條，除非有意提名選舉該人士為董事的書面通知及該人士表明願意接受選舉的書面通知已遞交總辦事處或登記處，否則除退任董事外，任何人士概無資格於任何股東大會上膺選董事職位，惟遞交通知的期限由不早於就有關參選的指定股東大會通告寄發後當日起計至不遲於該股東大會舉行日期前七日止，而向本公司寄發通知的最短期限為最少七日。股東提名人士參選董事的程序於本公司網站刊載。

Communication with Shareholders

Information of the Group is delivered to the Shareholders through a number of channels, which include annual report, interim report, announcements and circulars at the corporate website (<http://www.chinaysgroup.com>). The latest information of the Group together with the published documents are also available on the Company's website. Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company whose contact details are as follows:

Yongsheng Advanced Materials Company Limited
Room 1616, 16/F, Tower II,
Lippo Centre No 89 Queensway, Admiralty,
Hong Kong
Website: www.chinaysgroup.com
Tel No.: (852) 2776 5228
Fax No.: (852) 2994 9699

The Company will handle both telephone and written enquiries from the Shareholders from time to time. Shareholders' enquiries and concerns will be forwarded to the Board and/or relevant committees of the Board, where appropriate, to answer the Shareholders' questions.

INVESTOR RELATIONS

Constitutional Documents

During the Review Period, the Company did not make any changes to the Memorandum and Articles of Association, the current version of which is available on the websites of the Stock Exchange and the Company.

Number of shares

The total number of issued shares of the Company as at 31 December 2015 was 400,000,000. The Company will periodically announce the total number of its issued shares in its monthly returns.

與股東交流

本公司通過多個渠道向股東提供本集團的資料，該等渠道包括於公司網站(<http://www.chinaysgroup.com>) 刊載年報、中期報告、公佈及通函。本公司網站亦載有本集團的最新資料以及已刊發的文件。股東可於任何時間以書面方式透過本公司向董事會提出查詢及關切問題，其聯絡詳情如下：

永盛新材料有限公司
香港
金鐘金鐘道89號力寶中心
2座16樓1616室
網站：www.chinaysgroup.com
電話號碼：(852) 2776 5228
傳真號碼：(852) 2994 9699

本公司將不時處理股東的電話及書面查詢。在適當的情況下，股東的查詢及關切問題將轉交董事會及／或相關董事委員會，以解答股東的提問。

投資者關係

憲章文件

本公司於回顧年內並無對組織章程大綱及細則作出任何變動，其當前版本刊載於聯交所及本公司網站。

股份數目

本公司於二零一五年十二月三十一日的已發行股份總數為400,000,000股。本公司將定期於其月報表內公佈其已發行股份總數。

Corporate Governance Report 企業管治報告

Important schedule for the Shareholders – AGM

An AGM will be held at Admiralty Conference Centre, 1804B, 18/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on 23 May 2016. A circular containing, among others, details of the AGM had been dispatched to the Shareholders together with this annual report.

Information for Hong Kong branch registrar

Tricor Investor Services Centre
Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong
Tel No: (852) 2980 1333
Fax No: (852) 2810 8185
Email: is-enquiries@hk.tricorglobal.com
Website: www.tricoris.com
Office Hours: 9:00 am – 4:30 pm
(Monday to Friday, except public holidays)

CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of complying and applying with the Code but also about promoting and developing a healthy and ethical corporate culture. The Company will continue to review and, where appropriate, improve the current practices on the basis of the experience, regulatory changes and developments. Any views and suggestions from the Shareholders to improve and promote the transparency are welcomed.

On behalf of the Board
Li Cheng
Chairman
Hong Kong, 23 March 2016

股東的重要議事日程－股東週年大會

本公司的股東週年大會將於二零一六年五月二十三日假座香港金鐘夏慤道18號海富中心1座1804B室金鐘商務會議中心舉行。一份載有（其中包括）股東週年大會詳情的通函已連同本年報一併寄發予股東。

香港股份過戶登記分處資料

卓佳投資者服務中心
香港皇后大道東183號合和中心22樓
電話號碼：(852) 2980 1333
傳真號碼：(852) 2810 8185
電郵：is-enquiries@hk.tricorglobal.com
網站：www.tricoris.com
辦公時間：上午九時正至下午四時三十分
(星期一至星期五，公眾假期除外)

提升企業管治水平

提升企業管治水平並非只為遵守及應用守則，亦為推動及發展健全與具道德的企業文化。本公司將按經驗、監管變動及發展，不斷檢討及於適當時改善現行常規。本公司亦歡迎股東提出任何意見和建議，以改善及提高其透明度。

代表董事會
主席
李誠
香港，二零一六年三月二十三日

Report of the Directors

董事會報告

The Board is pleased to present the annual report and the audited financial statements of the Group for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands on 19 April 2012. The registered office of the Company is at Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands and its principal place of business in Hong Kong is at Office 1616, 16th Floor, Tower Two Lippo Centre, No. 89 Queensway, Hong Kong. The principal activity of the Company is investment holding and those of its subsidiaries which principally affected the results, assets or liabilities of the Group are principally engaged in the developing and manufacturing of polyester filament yarns, provision of dyeing services of differentiated polyester filament fabric, trading of polyester filament yarns and production of 3D printing materials in PRC. Save as the discontinued operation of our textile-related trading business (excluding polyester filament yarn and fabrics) starting from August 2015 due to the Disposals, there were no significant changes in the nature of the Group's principal activities during the year ended 31 December 2015.

Further discussion and analysis of the business activities of the Group, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the business of the Group, can be found in the sections headed "Chairman's Statement" and "Business Review" as set out on pages 7 to 21 of this annual report. These discussions form part of this directors' report.

SUBSIDIARIES

Particulars of the Company and the Group's subsidiaries as at 31 December 2015 are set out in note 1 to the financial statements.

FINANCIAL STATEMENTS

The profit of the Group and the financial conditions of the Company and the Group for the financial year ended 31 December 2015 are set out in the financial statements on pages 86 to 182 of this annual report.

董事會欣然提呈本集團截至二零一五年十二月三十一日止財政年度的年度報告及經審計財務報表。

主要業務及業務回顧

本公司於二零一二年四月十九日根據開曼群島公司法（經修訂）在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處位於Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands，其香港主要營業地點位於香港金鐘道89號力寶中心2座16樓1616室。本公司主要業務為投資控股，而其附屬公司主要在中國從事開發及製造滌綸長絲、提供差別化滌綸面料染色服務、滌綸長絲貿易及生產三維打印材料，該等業務對本集團的業績、資產或負債造成重大影響。截至二零一五年十二月三十一日止年度，除自二零一五年八月起因出售事項而終止經營紡織相關貿易業務（不包括滌綸長絲及面料）外，本集團主要業務的性質概無重大變動。

有關本集團業務活動的進一步討論和分析，包括本集團所面對主要風險及不明朗因素以及本集團業務未來可能發展的討論，可見於本年報第7頁至第21頁「主席報告」及「業務回顧」章節。該等討論構成本董事報告的一部分。

附屬公司

於二零一五年十二月三十一日，本公司及本集團附屬公司的詳情載列於財務報表附註1。

財務報表

截至二零一五年十二月三十一日止財政年度的本集團溢利以及本公司及本集團的財務狀況乃載於本年報第86頁至第182頁的財務報表。

ENVIRONMENTAL POLICIES

The Group is committed to building an environmentally-friendly corporation that pays close attention to conserving natural resources. The Group strives to minimize our environmental impact by water-recycling initiatives, sewage treatment implementation, energy saving and wastage reduction, and encouraging recycle of office supplies and other materials. The Group also requires its factories to operate in strict compliance with the relevant environmental regulations and rules and possess all necessary permission and approval from the relevant PRC regulators.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Directors recognize that employees, customers and business partners are the keys to the sustainable development of the Group. The Group is committed to building a close and caring relationship with its employees and business partners and improving the quality of services to the customers.

Employees are regarded as the most important and valuable assets of the Group. The Group ensures all staff is reasonably remunerated and its workers are provided with regular training courses on operation of different types of machinery, as well as work safety. The Group strives to motivate its employees with a clear career path and opportunities for advancement and improvement of their skills.

The Group also stays connected with its customers and suppliers and has ongoing communication with the customers and suppliers through various channels such as telephone, electronic mails and physical meetings to obtain their feedback and suggestions.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries in the PRC while the Company itself is listed on the Stock Exchange. Our establishment and operations accordingly shall comply with relevant laws and regulations in the PRC and Hong Kong. During the year ended 31 December 2015 and up to the date of this annual report, the Group's operation has complied with all the relevant laws and regulations in the PRC and Hong Kong in all material respects.

環境政策

本集團致力建立高度關注保護自然資源的環保機構。本集團銳意透過中水回用、實施污水處理、節能降耗及鼓勵將辦公室物資和其他物料循環再用，藉此盡量減低對環境的影響。本集團亦規定廠房嚴格遵守相關的環境法規和規則，以及向相關中國監察當局領取一切必須的許可證和批文。

與僱員、客戶及供應商的主要關係

董事深知僱員、客戶及業務夥伴為本集團持續發展的關鍵。本集團致力於與其僱員及業務夥伴之間建立緊密及關懷關係，以及改善提供予客戶的服務質素。

僱員被視為本集團最為重要及最有價值資產。本集團確保所有員工獲得合理薪酬及向其員工就不同種類機器的操作以及工作安全提供定期培訓課程。本集團致力以清晰的晉升前景來激勵彼等，並給予彼等機會提升及改進其技能。

本集團亦與其客戶及供應商保持聯繫以及透過各種渠道與客戶及供應商交流，例如電話、電郵及會面藉此獲知彼等的反饋及建議。

遵守法例和法規

本公司於中國內地的附屬公司主要進行本集團的營運工作，而本公司本身則於聯交所上市。因此，我們的成立及營運須遵守中國內地及香港相關法例及法規。截至二零一五年十二月三十一日止年度至本年報日期為止，本集團的業務於一切重大方面已遵守中國內地及香港所有相關法例及法規。

REORGANIZATION AND USE OF PROCEEDS FROM SHARE OFFER

Pursuant to the reorganization to rationalize the structure of the Group in preparation for the listing of the Company's ordinary shares with a nominal value of HK\$0.01 each on the Stock Exchange, the Company became the holding company of the companies currently comprising the Group on 28 December 2012.

As part of the preparation for the listing of the shares of the Company (the "Shares") on the Stock Exchange, the Company implemented a capitalization issue of 297,327,010 Shares and an issue of 100,000,000 new Shares under the share offer (the "Share Offer") in November 2013. The net proceeds of the Share Offer received by the Company were approximately HK\$81,500,000. These proceeds are intended to be applied in accordance with the proposed application set out in the section headed "Future plans and use of proceeds from the Share Offer" in the Prospectus, the announcement of the Company dated 26 November 2013 regarding the Share Offer and the announcement of the Company dated 8 July 2015 in relation to the change in use of proceeds.

The Shares were listed on the Main Board of the Stock Exchange on 27 November 2013 (the "Listing Date").

RESERVES

Movements in reserves during the financial year ended 31 December 2015 are set out in the Consolidated Statement of Changes in Equity on page 90 of this annual report.

As at 31 December 2015, the Company had distributable reserves of approximately RMB215,811,000 (2014: approximately RMB222,475,000) available for distribution to the Shareholders.

SHARE CAPITAL AND SHARE OPTION SCHEME

Details of the Company's share capital and share option scheme are set out in notes 27 and 28 to the financial statements and the paragraph headed "Share Option Scheme of the Company" below, respectively.

重組及股份發售所得款項用途

為籌備本公司每股面值0.01港元的普通股於聯交所上市，本公司曾進行重組以整頓本集團架構，據此本公司已於二零一二年十二月二十八日成為現組成本集團各公司的控股公司。

為籌備本公司股份（「股份」）於聯交所上市，本公司於二零一三年十一月根據股份發售（「股份發售」）實行資本化發行297,327,010股股份及發行100,000,000股新股份。本公司收取的股份發售所得款項淨額約為81,500,000港元。該等所得款項擬用於招股章程中「未來計劃及股份發售所得款項用途」一節、本公司日期為二零一三年十一月二十六日有關股份發售的公告及本公司日期為二零一五年七月八日有關更改所得款項用途的公告所載的建議用途。

股份於二零一三年十一月二十七日（「上市日期」）在聯交所主板上市。

儲備

截至二零一五年十二月三十一日止財政年度的儲備變動情況載列於本年報第90頁的合併權益變動表。

於二零一五年十二月三十一日，本公司擁有可供分派儲備約人民幣215,811,000元（二零一四年：約人民幣222,475,000）可用於向股東作出分派。

股本及購股權計劃

本公司股本及購股權計劃的詳情分別載於財務報表附註27及28及下文「本公司的購股權計劃」一段。

DIVIDEND

The Board has recommended the payment of a final dividend (the “**Final Dividend**”) of HK\$0.03 per Share for the financial year ended 31 December 2015. This, together with the interim dividend of HK\$0.02 per Share that was paid in 2015, amounts to an aggregate dividend payment of HK\$0.05 per Share for the full financial year of 2015. The Final Dividend, if approved by the Shareholders at the AGM, will be paid to the Shareholders whose names appear on the register of members of the Company on 31 May 2016.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the financial year ended 31 December 2015 are set out in Note 14 to the financial statements.

MAJOR SUPPLIERS AND CUSTOMERS

During the financial year ended 31 December 2015, the aggregate sales attributable to the Group’s five largest customers accounted for approximately 12.3% of the Group’s total sales and the sales attributable to the Group’s largest customer accounted for approximately 3.3% of the Group’s total sales. During the financial year ended 31 December 2015, the aggregate purchases attributable to the Group’s five largest suppliers accounted for approximately 28.1% of the Group’s total purchases and the purchases attributable to the Group’s largest supplier accounted for approximately 10.0% of the Group’s total purchases.

So far as is known to the Directors, other than those disclosed in the section headed “Connected transactions and continuing connected transactions” below, none of the Directors, their close associates (as defined in the Listing Rules) or substantial shareholders (which to the best knowledge of the Directors owns more than 5% of the Company’s issued share capital) had any interest in the share capital of any of the five largest customers and suppliers of the Group.

股息

董事會建議就截至二零一五年十二月三十一日止財政年度派付末期股息（「**末期股息**」）每股0.03港元。此項股息連同已於二零一五年派付的中期股息每股0.02港元，即指二零一五年整個財政年度的股息總額為每股0.05港元。倘股東於股東週年大會上批准末期股息，末期股息將派付予於二零一六年五月三十一日名列本公司股東名冊的股東。

物業、廠房及設備

截至二零一五年十二月三十一日止財政年度的物業、廠房及設備變動情況載列於財務報表附註14。

主要供應商及客戶

截至二零一五年十二月三十一日止財政年度，本集團五大客戶應佔的銷售總額佔本集團總銷售額約12.3%，而本集團最大客戶應佔的銷售額佔本集團總銷售額約3.3%。截至二零一五年十二月三十一日止財政年度，本集團五大供應商應佔的採購總額佔本集團總採購額約28.1%，而本集團最大供應商應佔的採購額佔本集團總採購額約10.0%。

據董事所知，除下文「關連交易及持續關連交易」一節所披露外，概無董事、彼等的緊密聯繫人（定義見上市規則）或主要股東（據董事所深知，擁有本公司已發行股本超過5%）於本集團任何五大客戶及供應商的股本中擁有任何權益。

CHARITABLE DONATIONS

The Group made charitable donations of RMB840,000 during the financial year ended 31 December 2015 (2014: nil).

BANK BORROWINGS

The Group had no bank borrowings as at 31 December 2015. Details of bank borrowings of the Group as at 31 December 2014 are set out in note 24 to the financial statements.

DIRECTORS

The Directors during the financial year ended 31 December 2015 and up to the date of this annual report were:

Mr. Li Cheng (李誠) (*Chairman*)
Mr. Zhao Jidong (趙繼東) (*Chief Executive Officer*)
Mr. Li Conghua (李聰華)
Mr. Ma Qinghai (馬青海)
Ms. Wong Wai Ling (黃慧玲)
Mr. Shiping James Wang (王世平)
Dr. Wang Huaping (王華平)

Mr. Ma Qinghai, Mr. Li Conghua and Ms. Wong Wai Ling will retire as Directors at the forthcoming AGM. Being eligible, they offer themselves for re-election at the AGM. None of the retiring Directors proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation). Details of the Directors proposed for re-election at the forthcoming AGM are set out in the circular of the Company which had been dispatched to the Shareholders together with this annual report.

慈善捐款

本集團於截至二零一五年十二月三十一日止財政年度作出慈善捐款人民幣840,000元(二零一四年:無)。

銀行借款

於二零一五年十二月三十一日,本集團並無任何銀行借款。本集團於二零一四年十二月三十一日的銀行借款詳情載列於財務報表附註24。

董事

於截至二零一五年十二月三十一日止財政年度及直至本年報日期,董事為:

李誠先生(主席)
趙繼東先生(行政總裁)
李聰華先生
馬青海先生
黃慧玲女士
王世平先生
王華平博士

馬青海先生、李聰華先生及黃慧玲女士將於應屆股東週年大會上退任董事,惟彼等均符合資格,並願意於股東週年大會上膺選連任。於應屆股東週年大會上提呈重選的退任董事與本公司概無訂立本公司不得在一年內於毋須作出賠償(法定賠償除外)下將其終止的任何服務合約。連同本年報一併寄發予股東的本公司通函內,已載有擬於應屆股東週年大會上膺選連任之董事的詳情。

DIRECTOR'S SERVICE CONTRACTS

Each of the Directors has entered into a service contract with the Company for an initial fixed term of three years commencing from 7 November 2013 (except for Dr. Wang Huaping, whose service contract commenced on 19 August 2014) subject to termination, among others, by giving not less than three month's notice in writing. Each of such Directors will be subject to retirement by rotation and re-election at AGM every three years. Mr. Ma Qinghai, Mr. Li Conghua and Ms. Wong Wai Ling are entitled to an annual director's fee of HK\$100,000 (equivalent to RMB83,000), HK\$100,000 (equivalent to RMB83,000) and HK\$130,000 (equivalent to RMB108,000), respectively, as proposed by the Board and approved by the Shareholders. Director's fees are payable on a pro-rata basis for any non-full year's service. The remuneration of the Directors are determined with reference to their duties, responsibilities and experience, and to prevailing market conditions. No Directors have waived or agreed to waive any emoluments.

INTERESTS IN CONTRACTS

Save as disclosed in this annual report, no contract of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Review Period or at any time during the Review Period.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Review Period.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

Save as disclosed in this annual report, no contract of significance had been entered into between the Company or any of its subsidiaries and the controlling shareholders of the Company during the Review Period.

董事的服務合約

各董事已與本公司訂立服務合約，初始固定期限由二零一三年十一月七日起計（王華平博士的服務合約由二零一四年八月十九日起計除外）三年，惟可（其中包括）藉發出不少於三個月的書面通知予以終止。各董事將每三年於股東週年大會上輪席退任及重選。馬青海先生、李聰華先生及黃慧玲女士分別享有由董事會建議並由股東批准的董事袍金每年100,000港元（相等於人民幣83,000元）、100,000港元（相等於人民幣83,000元）及130,000港元（相等於人民幣108,000元），服務不足一年的，按服務時間比例支付董事袍金。董事的酬金乃參考彼等於本公司的職務、責任、經驗及當前市況等釐定。概無董事已放棄或同意放棄任何酬金。

於合約的權益

除本年報所披露者外，本公司或其任何附屬公司於回顧期終結時或回顧年內任何時間，概無訂立董事直接或間接於其中享有重大權益的重要合約。

管理合約

於回顧年內概無訂立或存在任何有關本公司全部或絕大部份業務的管理及行政合約。

與控股股東的合約

除本年報所披露者外，本公司或其任何附屬公司並無於回顧年內與本公司的控股股東訂立任何重大合約。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save for the share option scheme of the Company, at no time during the financial year ended 31 December 2015 was the Company, its subsidiaries or its ultimate holding company or any subsidiary of that ultimate holding company a party to any arrangement to enable the Directors to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTOR'S INTERESTS IN COMPETING BUSINESS

None of the Directors is or was interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the Review Period and up to and including the date of this annual report.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and based on the confirmations received, considers all the independent non-executive Directors to be independent.

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2015, interests or short positions in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code in Appendix 10 to the Listing Rules are as follows:

購買股份或債權證的安排

除本公司的購股權計劃外，於截至二零一五年十二月三十一日止財政年度內，本公司、其附屬公司或其最終控股公司或該最終控股公司的任何附屬公司均無任何安排，致令董事因取得本公司或任何其他法人團體的股份或債權證而獲得利益。

董事於競爭業務的權益

於回顧年內及直至和包括本年報日期止期間內任何時間，董事概無於本集團業務以外且現在或以前與本集團業務直接或間接競爭或可能構成競爭的任何業務中擁有權益。

獨立性的確認

本公司已獲各獨立非執行董事按照上市規則第3.13條發出其每年的獨立性確認書，並根據所接獲的確認書，認為全體獨立非執行董事均具獨立性。

董事及最高行政人員於股份、相關股份及債權證的權益及淡倉

於二零一五年十二月三十一日，董事及本公司的最高行政人員於股份、本公司或其任何相聯法團（定義見證券及期貨條例第XV部）相關股份及債權證中，持有已根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例有關條文彼等被當作或視為擁有的權益及淡倉），或列入本公司遵照證券及期貨條例第352條保存的登記冊內的權益或淡倉，或根上市規則附錄10標準守則已知會本公司及聯交所的權益或淡倉如下：

(A) Long position in the Shares and underlying Shares

(A) 於股份及相關股份的好倉

Name of Director 董事姓名	Capacity/Nature 身份／性質	Number of Shares and underlying Shares held/interested 所持／擁有權益股份及相關股份數目	Approximate percentage of shareholding 概約股權百分比
Mr. Li Cheng (“Mr. Li”) (Note 1) 李誠先生(「李先生」)(附註1)	Interest in controlled corporation 受控法團權益	206,471,700	51.62%
Mr. Ma Qinghai (“Mr. Ma”) (Note 2) 馬青海先生(「馬先生」)(附註2)	Beneficial owner 實益擁有人	7,075,677	1.77
Mr. Zhao Jidong (“Mr. Zhao”) (Note 3) 趙繼東先生(「趙先生」)(附註3)	Beneficial owner 實益擁有人	7,000,000	1.75
	Interest of spouse 配偶之權益	4,116,427	1.03

Note 1: Mr. Li beneficially owns approximately 91.42% of the issued share capital of Ever Thrive Global Limited which in turn, beneficially holds 206,471,700 Shares. Therefore, Mr. Li is deemed or taken to be interested in all the Shares held by Ever Thrive Global Limited for the purposes of the SFO. Mr. Li is also the sole director of Ever Thrive Global Limited.

附註1：李先生實益擁有恆盛環球有限公司約91.42%的已發行股本，而恆盛環球有限公司實益持有206,471,700股股份。因此，根據證券及期貨條例，李先生被視為或當作於恆盛環球有限公司持有的全部股份中擁有權益。李先生亦為恆盛環球有限公司的唯一董事。

Note 2: On 6 January 2015, share options to subscribe for 2,200,000 Shares were granted to Mr. Ma. On 30 December 2015, share options to subscribe for 2,200,000 Shares were granted to Mr. Ma. Besides, Mr. Ma beneficially owns 2,675,677 Shares. Therefore, Mr. Ma was interested in 7,075,677 Shares in aggregate.

附註2：於二零一五年一月六日，馬先生獲授可認購2,200,000股股份的購股權。於二零一五年十二月三十日，馬先生獲授出可認購2,200,000股股份的購股權。此外，馬先生實益擁有2,675,677股股份。因此，馬先生合共於7,075,677股股份中擁有權益。

Note 3: On 6 January 2015, share options to subscribe for 3,500,000 Shares were granted to Mr. Zhao. On 30 December 2015, share options to subscribe for 3,500,000 Shares were granted to Mr. Zhao. Besides, Ms. Chen Xi, the spouse of Mr. Zhao beneficially owns 4,116,427 Shares. Therefore, Mr. Zhao is deemed, or taken to be, interested in the said 4,116,427 Shares for the purpose of the SFO. Accordingly, Mr. Zhao was interested in 11,116,427 Shares in aggregate.

附註3：於二零一五年一月六日，趙先生獲授可認購3,500,000股股份的購股權。於二零一五年十二月三十日，趙先生獲授出可認購3,500,000股股份的購股權。此外，陳曦女士（馬先生的配偶）實益擁有4,116,427股股份。因此，就證券及期貨條例而言，趙先生被視為或當作於上述4,116,427股股份中擁有權益。因此，趙先生合共於11,116,427股股份中擁有權益。

(B) Long position in shares of associated corporation

(B) 於相聯法團股份的好倉

Name of Director	Name of Associated Corporation	Capacity/Nature	Number of Shares held/ interested 所持／擁有權益 股份數目	Percentage of shareholding 股權 百分比
董事姓名	相聯法團名稱	身份／性質		
Mr. Li 李先生	Ever Thrive Global Limited 恆盛環球有限公司	Beneficial owner 實益擁有人	426	91.42%

Apart from those disclosed herein, as at 31 December 2015, none of the directors nor the chief executive of the Company had any interests or short positions in any of the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) that is required to be recorded and kept in the register in accordance with section 352 of the SFO or any interests required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

除本文所披露者外，於二零一五年十二月三十一日，董事或本公司的最高行政人員並無於本公司或其任何相聯法團（定義見證券及期貨條例）的股份、相關股份或債權證中擁有根據證券及期貨條例第352條須記入該條所述的登記冊內的任何權益或淡倉，或根據標準守則須知會本公司及聯交所的任何權益。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2015, so far as is known to the Directors, the following persons (other than a Director or chief executive of the Company) had or were deemed or taken to have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, were directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of Shareholder	Capacity/Nature	Number of Shares held/ interested	Approximate percentage of shareholding
股東名稱／姓名	身份／性質	所持／擁有權益 股份數目	概約 股權百分比
Ever Thrive Global Limited 恆盛環球有限公司	Beneficial owner 實益擁有人	206,471,700	51.62%
Ms. Chen Fangqin (Note) 陳芳芹女士(附註)	Interest of spouse 配偶的權益	206,471,700	51.62%
Ascent Creation Holdings Limited 創昇控股有限公司	Beneficial owner 實益擁有人	25,960,000	6.49%

Note: Ms. Chen Fangqin is the spouse of Mr. Li. Therefore, Ms. Chen Fangqin was deemed, or taken to be interested in all the Shares in which Mr. Li had interest for the purposes of the SFO.

主要股東及其他人士於股份及相關股份的權益及淡倉

於二零一五年十二月三十一日，據董事所知，以下人士（董事或本公司的最高行政人員除外）擁有或被視為或當作於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分部的條文須向本公司及聯交所披露的權益或淡倉，或直接或間接持有附有權利可於任何情況下於本集團任何其他成員公司股東大會上投票的任何類別股本的面值5%或以上的權益：

附註：陳芳芹女士為李先生的配偶，因此，就證券及期貨條例而言，陳芳芹女士被視為或當作於李先生擁有權益的全部股份中擁有權益。

SUBSTANTIAL SHAREHOLDERS OF OUR SUBSIDIARIES

Huvis Corporation held 30% of the equity interest in Hangzhou Huvis Yongsheng Chemical Fiber Limited as at 31 December 2015. For details, please refer to the paragraph headed "Yongsheng Chemical Fiber" set out in the section headed "History and development" of the Prospectus.

本集團附屬公司的主要股東

株式會社Huvis於二零一五年十二月三十一日持有杭州匯維仕永盛化纖有限公司30%股權，詳情請參閱招股章程「歷史及發展」一節所載「永盛化纖」一段。

SHARE OPTION SCHEME OF THE COMPANY

The Company adopted a share option scheme (the “Scheme”) on 7 November 2013 as to attract and retain the best available personnel and to provide additional incentive to the eligible participants under the Scheme. Pursuant to the Scheme, the Board is authorised, at its absolute discretion and subject to the terms of the Scheme, to grant options to subscribe the Shares to any employees (full-time or part-time), Directors, consultants or advisor of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group. The Scheme shall be valid and effective for a period of ten years commencing on 7 November 2013, subject to early termination provisions contained in the Scheme.

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK\$1.00. The subscription price of a Share in respect of any particular option granted under the Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date on which an option is offered to a participant; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange’s daily quotations sheets for the 5 business days immediately preceding the date on which an option is offered to a participant; and (iii) the nominal value of a Share on the date on which an option is offered to a participant.

The Company shall be entitled to issue options, provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not exceed 10% of the shares in issue on the Listing Date. The Company may at any time refresh such limit, subject to the Shareholders’ approval and issue of a circular in compliance with the Listing Rules, provided that the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes of the Company does not exceed 30% of the Shares in issue from time to time. The total number of Shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue unless approved by the Shareholders in accordance with the requirements of the Listing Rules.

An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

本公司的購股權計劃

本公司於二零一三年十一月七日採納一項購股權計劃（「該計劃」），旨在吸引及挽留最稱職人員及向該計劃項下的合資格參與者提供額外獎勵。根據該計劃，董事會獲授權全權酌情及按該計劃的條款向本集團任何僱員（全職或兼職）、董事、諮詢人員或顧問、或本集團任何主要股東、或任何分銷商、承包商、供貨商、代理、客戶、商業夥伴或服務供貨商授出購股權以認購股份。該計劃將自二零一三年十一月七日起十年期有效及具效力，惟受該計劃的提早終止條文所規限。

授出購股權的建議須於發出有關建議日期（包括當日）起計七日內接納。購股權承授人須於接納購股權建議時就每份購股權向本公司支付1.00港元。就根據該計劃授出的任何指定購股權的股份認購價，將完全由董事會釐定並通知參與者，但不得低於下列較高者：(i)聯交所每日報價表所報股份在授予參與者購股權當日的收市價；(ii)聯交所每日報價表所報股份於緊接截至授予參與者購股權前五個交易日的平均收市價；及(iii)授予參與者購股權日期的股份面值。

本公司將有權發行購股權，惟將根據該計劃及本公司任何其他購股權計劃授出的所有購股權獲行使時將予發行的股份總數，不得超過上市日期已發行股份的10%。本公司可於取得股東批准及根據上市規則發出通函後隨時更新該限額，惟根據本公司所有購股權計劃已授出但尚未行使的所有購股權獲行使時將予發行的股份總數不得超過當時已發行股份的30%。於任何12個月期間內，授予各參與者的購股權（包括已行使及尚未行使購股權）獲行使時已發行及將予發行的股份總數不得超過已發行股份的1%，惟根據上市規則的規定獲得股東批准者除外。

購股權可根據該計劃條款於董事會釐定的期間內隨時行使，惟有關年期不得超出購股權授出日期起計十年，並須受該計劃的提早終止條文所規限。

Report of the Directors

董事會報告

As at 31 December 2015, the total number of outstanding options available for issue under the Scheme was 11,000,000 Shares, which represented 2.75% of the issued share capital of the Company as at 31 December 2015. As at 31 December 2015, the total number of Shares which may be allotted and issued under the outstanding options granted under the Scheme was 29,000,000 Shares, which represented 7.25% of the issued share capital of the Company as at 31 December 2015. As at the date of this annual report, the total number of securities available for issue under the Scheme was 8,700,000 Shares which represented approximately 2.18% of the issued share capital of the Company as at the date of this annual report.

During the financial year ended 31 December 2015, 15,000,000 share options and 16,300,000 share options were granted on 6 January 2015 and 30 December 2015, respectively, under the terms of the Scheme (collectively, the “**Grants**”). Details of the Grants are disclosed in the announcements of the Company dated 6 January 2015 and 30 December 2015, respectively.

The status of the share options granted up to 31 December 2015 is as follows:

於二零一五年十二月三十一日，根據該計劃可予發行的購股權總數涉及11,000,000股股份，相當於本公司於二零一五年十二月三十一日已發行股本的2.75%。於二零一五年十二月三十一日，根據購股權計劃項下尚未行使的購股權可予配發及發行的股份總數為29,000,000股股份，相當於本公司於二零一五年十二月三十一日已發行股本的7.25%。於本年報日期，根據該計劃可供發行的證券總數為8,700,000股股份，相當於本年報日期本公司已發行股本約2.18%。

截至二零一五年十二月三十一日止財政年度，已先後於二零一五年一月六日及二零一五年十二月三十日根據該計劃的條款授出15,000,000份購股權及16,300,000份購股權（統稱「授出」）。授出的詳情披露於本公司日期分別為二零一五年一月六日及二零一五年十二月三十日的公佈內。

直至二零一五年十二月三十一日，已授出購股權的狀況如下：

Name and category of participant	As at 1 January 2015	Granted during the year	Cancelled/ lapsed during the year	Exercised during the year	Number of unlisted share options		Date of grant of share options	Vesting period of share options	End of exercise period	Share price of the Company as at the date of grant of share options 本公司股份於購股權授出日期的價格 (HKD per Share) (每股港元)
					As at 31 December 2015	非上市購股權數目				
參與者姓名及類別	於二零一五年一月一日	年內授出	年內註銷/失效	年內行使	於二零一五年十二月三十一日		購股權授出日期	購股權歸屬期	行使期結束日期	
Directors										
董事										
Mr. Zhao Jidong	-	3,500,000	-	-	3,500,000		6 January 2015	50%: 2 April 2016 to 5 January 2025*	5 January 2025	1.48
趙繼東先生							二零一五年一月六日	50%: 二零一六年四月二日至二零二五年一月五日*	二零二五年一月五日	
								50%: 1 April 2017 to 5 January 2025*		
								50%: 二零一七年四月一日至二零二五年一月五日*		
	-	3,500,000	-	-	3,500,000		30 December 2015	50%: 2 April 2017 to 30 December 2025**	29 December 2025	1.52
							二零一五年十二月三十日	50%: 二零一七年四月二日至二零二五年十二月三十日**	二零二五年十二月二十九日	
								50%: 1 April 2018 to 30 December 2025**		
								50%: 二零一八年四月一日至二零二五年十二月三十日**		

Name and category of participant	Number of unlisted share options 非上市購股權數目					Date of grant of share options	Vesting period of share options	End of exercise period	Share price of the Company as at the date of grant of share options 本公司股份於購股權授出日期的價格 (HKD per Share) (每股港元)
	As at 1 January 2015 於二零一五年一月一日	Granted during the year 年內授出	Cancelled/lapsed during the year 年內註銷/失效	Exercised during the year 年內行使	As at 31 December 2015 於二零一五年十二月三十一日				
Mr. Ma Qinghai 馬青海先生	-	2,200,000	-	-	2,200,000	6 January 2015 二零一五年一月六日	50%: 2 April 2016 to 5 January 2025* 50%: 二零一六年四月二日至二零二五年一月五日* 50%: 1 April 2017 to 5 January 2025* 50%: 二零一七年四月一日至二零二五年一月五日*	5 January 2025 二零二五年一月五日	1.48
	-	2,200,000	-	-	2,200,000	30 December 2015 二零一五年十二月三十日	50%: 2 April 2017 to 30 December 2025** 50%: 二零一七年四月二日至二零二五年十二月三十日** 50%: 1 April 2018 to 30 December 2025** 50%: 二零一八年四月一日至二零二五年十二月三十日**	29 December 2025 二零二五年十二月二十九日	1.52
Other employees 其他僱員	-	9,300,000	2,300,000	-	7,000,000	6 January 2015 二零一五年一月六日	50%: 2 April 2016 to 5 January 2025* 50%: 二零一六年四月二日至二零二五年一月五日*	5 January 2025 二零二五年一月五日	1.48
	-	10,600,000	-	-	10,600,000	30 December 2015 二零一五年十二月三十日	50%: 2 April 2017 to 30 December 2025** 50%: 二零一七年四月二日至二零二五年十二月三十日** 50%: 1 April 2018 to 30 December 2025** 50%: 二零一八年四月一日至二零二五年十二月三十日**	29 December 2025 二零二五年十二月二十九日	1.52
Total 總計	-	31,300,000	2,300,000	-	29,000,000				

Notes:

* The vesting and exercise of the options granted under the Scheme on 6 January 2015 are subject to the performance conditions set out in the announcement of the Company dated 6 January 2015.

** The vesting and exercise of the options granted under the Scheme on 30 December 2015 are subject to the performance conditions set out in the announcement of the Company dated 30 December 2015.

附註:

* 根據該計劃於二零一五年一月六日授出之購股權的歸屬及行使，須遵守本公司日期為二零一五年一月六日的公佈內所載的表現條件。

** 根據該計劃於二零一五年十二月三十日授出之購股權的歸屬及行使，須遵守本公司日期為二零一五年十二月三十日的公佈內所載的表現條件。

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

(A) Connected Transaction

On 5 May 2015, Yongsheng Dyeing entered into the sale and purchase agreement (the “**Disposal Agreement I**”) with Yongsheng Group, pursuant to which Yongsheng Group agreed to purchase the entire registered capital of Hangzhou Yongsheng Trading (being an indirect wholly-owned subsidiary of the Company) for a consideration of RMB30,700,000 in cash. On the same date, Yongsheng Advanced Materials (BVI) Limited (永盛新材料(BVI)有限公司) (being a direct wholly-owned subsidiary of the Company) entered into the sale and purchase agreement (the “**Disposal Agreement II**”) with Mr. Li Cheng, pursuant to which Mr. Li Cheng agreed to purchase the entire issued share capital of Yongsheng (HK) International Co., Limited (永盛(香港)國際有限公司) (being an indirect wholly-owned subsidiary of the Company) for a consideration of HK\$15,000,000 in cash.

As at the date of the Disposal Agreement I and the Disposal Agreement II, Mr. Li Cheng is the chairman of the Board, an executive Director and a controlling shareholder of the Company. He is also interested in 90% of Hangzhou Yongsheng Holdings Limited* (杭州永盛控股有限公司), which in turn holds 100% of Yongsheng Group. Therefore, each of Mr. Li and Yongsheng Group is a connected person of the Company, and the transaction constitutes a connected transaction under the Listing Rules, details of which are disclosed in the announcement and circular of the Company dated 5 May 2015 and 8 July 2015, respectively.

關連交易及持續關連交易

(A) 關連交易

於二零一五年五月五日，永盛染整與永盛集團訂立買賣協議（「出售協議一」），據此，永盛集團同意購買杭州永盛貿易（本公司間接全資附屬公司）的全部註冊資本，代價為現金人民幣30,700,000元。同日，永盛新材料(BVI)有限公司（本公司直接全資附屬公司）與李誠先生訂立買賣協議（「出售協議二」），據此，李誠先生同意購買永盛（香港）國際有限公司（本公司間接全資附屬公司）的全部已發行股本，代價為現金15,000,000港元。

於出售協議一及出售協議二的日期，李誠先生為本公司董事會主席、執行董事及控股股東。彼亦持有杭州永盛控股有限公司的90%權益，而杭州永盛控股有限公司則持有永盛集團的100%。因此，李先生及永盛集團為本公司的關連人士，以及有關交易根據上市規則構成關連交易，其詳情分別披露於本公司日期為二零一五年五月五日及二零一五年七月八日的公佈及通函。

(B) Continuing Connected Transactions

During the financial year ended 31 December 2015, the Group entered into the following continuing connected transactions which are subject to the reporting and annual review requirements set out in Chapter 14A of the Listing Rules.

Details of the continuing connected transactions are set out below:

Master Procurement Agreement

As Huvis Corporation is a substantial shareholder of Yongsheng Chemical Fiber, a non-wholly owned subsidiary of the Company, Huvis Corporation is a connected person of the Company under the Listing Rules.

On 12 November 2013, Huvis Corporation and Yongsheng Chemical Fiber entered into an agreement pursuant to which our Group agreed to purchase textile-related products for trading and production of differentiated polyester filament yarn from Huvis Corporation and/or its associate(s) from time to time for a term of three years commencing from 1 January 2013 and ending on 31 December 2015 in accordance with the terms and conditions stipulated therein (the “**Master Procurement Agreement**”).

For the year ended 31 December 2015, purchases from Huvis amounted to approximately RMB35,358,000, which is within the annual cap of RMB80,000,000 as disclosed in the Prospectus.

Given that the Master Procurement Agreement would expire on 31 December 2015 and the Group intended to continue purchase polyester filament yarn products for trading and production of differentiated polyester filament yarn from Huvis Corporation and/or its associate(s), Huvis Corporation and Yongsheng Chemical Fiber entered into a master agreement on 30 December 2015 for three years ending 31 December 2018 (the “**New Master Procurement Agreement**”). The annual caps under the New Master Procurement Agreement for each of the three years ending 31 December 2016, 2017 and 2018 are RMB42,000,000, RMB50,000,000 and RMB60,000,000, respectively. Details of the New Master Procurement Agreement are disclosed in the announcement of the Company dated 30 December 2015.

(B) 持續關連交易

截至二零一五年十二月三十一日止財政年度，本集團訂立以下須遵守上市規則第14A章所載申報及年度審閱規定的持續關連交易。

持續關連交易的詳情乃載於下文：

主採購協議

由於株式會社Huvis為本公司非全資附屬公司永盛化纖的主要股東，根據上市規則，株式會社Huvis為本公司的關連人士。

於二零一三年十一月十二日，株式會社Huvis與永盛化纖訂立一項協議，據此，本集團同意根據協議訂明的條款及條件不時向株式會社Huvis及／或其聯繫人採購紡織相關產品以進行貿易及生產差別化滌綸長絲，為期三年，自二零一三年一月一日起至二零一五年十二月三十一日止（「**主採購協議**」）。

截至二零一五年十二月三十一日止年度，自株式會社Huvis的採購約達人民幣35,358,000元，該金額屬於招股章程所披露年度上限人民幣80,000,000元內。

鑒於主採購協議將於二零一五年十二月三十一日屆滿及本集團擬繼續向株式會社Huvis及／或其聯營公司採購滌綸長絲產品以供貿易及生產差別化滌綸長絲，株式會社Huvis及永盛化纖已於二零一五年十二月三十日就截至二零一八年十二月三十一日止三個年度訂立主協議（「**新主採購協議**」）。新主採購協議截至二零一六年、二零一七年及二零一八年十二月三十一日止三個年度各年的年度上限分別為人民幣42,000,000元、人民幣50,000,000元及人民幣60,000,000元。新主採購協議的詳情披露於本公司日期為二零一五年十二月三十日的公佈內。

Confirmations from the independent non-executive Directors and auditors of the Company

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors had reviewed the above continuing connected transactions and confirmed that the transactions had been entered into:

- (i) in the ordinary and usual course of the business of the Group;
- (ii) either (a) on normal commercial terms; or (b) where there is no available comparable terms, on terms no less favorable to the Company than terms available to or from independent third parties; and
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Board had engaged the auditors of the Company to perform certain assurance procedures on the continuing connected transactions. Based on the work performed, the auditors of the Company provided a letter to the Board confirming that nothing had come to their attention that caused them to believe that the aforesaid continuing connected transactions:

- (i) have not been approved by the Directors;
- (ii) were not entered into in accordance with the pricing policies of the Group;
- (iii) were not entered into in accordance with the terms of the relevant agreements governing such transactions; and
- (iv) have exceeded the annual cap amounts for the year ended 31 December 2015.

本公司獨立非執行董事及核數師的確認

根據上市規則第14A.55條，獨立非執行董事已審閱上述持續關連交易並確認該等交易已按下列訂立：

- (i) 於本集團日常業務過程中；
- (ii) 按(a)正常商業條款；或(b)倘並無可資比較條款，按不遜於向或自獨立第三方條款提供予本公司；及
- (iii) 根據規管該等交易的相關協議按公平合理並符合股東整體利益的條款。

根據上市規則第14A.56條，董事會已委聘本公司核數師對持續關連交易進行若干鑒證程序。根據所進行工作，本公司核數師已向董事會提供一份函件，確認彼等概無注意到任何事項令彼等相信上述持續關連交易：

- (i) 並未經董事批准；
- (ii) 並非根據本集團的定價政策訂立；
- (iii) 並非根據規管該等交易的相關協議條款訂立；及
- (iv) 已超逾截至二零一五年十二月三十一日止年度的年度上限金額。

(C) Related Party Transactions

Details of the significant related party transactions undertaken in the normal course of business of the Group are provided under note 33 to the financial statements. None of these related party transactions constitutes a connected transaction as defined under the Listing Rules that is required to be disclosed, except for those disclosed above, in respect of which the disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with.

SUBSEQUENT IMPORTANT EVENT AFTER THE REVIEW PERIOD

On 7 January 2016, Yongsheng Dyeing, an indirectly wholly-owned subsidiary of the Company, entered into an asset management agreement with LJZ Wealth Management (Shanghai) Co., Limited* (陸家嘴財富管理(上海)有限公司) (“**LJZ Wealth Management**”) and Ping An Bank Co., Limited, Shanghai Branch* (平安銀行股份有限公司上海分行) (“**Ping An Bank Shanghai Branch**”), pursuant to which Yongsheng Dyeing agreed to participate in the asset management plan operated by LJZ Wealth Management and to deposit to the designated account with Ping An Bank Shanghai Branch an investment amount of RMB50,000,000 (equivalent to approximately HK\$59,000,000). For further details, please refer to the announcement of the Company dated 7 January 2016.

On 8 January 2016, Yongsheng Dyeing entered into an entrusted loan agreement with China Merchants Bank Hangzhou Xiaoshan Branch* (招商銀行杭州蕭山支行) (“**CMB**”), pursuant to which Yongsheng Dyeing has entrusted CMB with an amount of RMB50,000,000 for the purpose of lending the same to Saintyear Holding Co., Ltd* (三元控股集團有限公司) for a period of 6 months. For further details, please refer to the announcement of the Company dated 8 January 2016.

On 29 January 2016, Yongsheng Dyeing, Hangzhou Yongsheng Group Limited* (杭州永盛集團有限公司) and Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited* (杭州蕭山永盛對外貿易有限公司) (“**Hangzhou Yongsheng Trading**”) entered into a supplemental deed in relation to the extension of the repayment of the funds borrowed by Hangzhou Yongsheng Trading and Yongsheng (HK) International Co., Limited (永盛(香港)國際有限公司) from the Group. For further details, please refer to the announcements of the Company dated 28 December 2015, 13 January 2016 and 29 January 2016, and the circulars of the Company dated 8 July 2015 and 16 February 2016.

* For identification purpose only

(C) 關連方交易

於本集團日常業務過程中進行的重大關連方交易的詳情乃於財務報表附註33項下提供。該等關連方交易概無構成一項根據上市規則界定須予披露的關連交易，惟上文已披露者除外，該等交易已根據上市規則第14A章遵守披露規定。

回顧期後重大事項

於二零一六年一月七日，永盛染整(本公司的間接全資附屬公司)與陸家嘴財富管理(上海)有限公司(「陸家嘴財富管理」)及平安銀行股份有限公司上海分行(「平安銀行上海分行」)訂立資產管理協議，據此，永盛染整同意參與由陸家嘴財富管理營運的資產管理計劃及將投資金額人民幣50,000,000元(相當於約59,000,000港元)存放於平安銀行上海分行的指定賬戶內。進一步詳情請參閱本公司日期為二零一六年一月七日的公佈。

於二零一六年一月八日，永盛染整與招商銀行杭州蕭山支行(「招商銀行」)訂立信託貸款協議，據此，永盛染整已將人民幣50,000,000元交託予招商銀行，以將該款項借予三元控股集團有限公司，為期六個月。進一步詳情請參閱本公司日期為二零一六年一月八日的公佈。

於二零一六年一月二十九日，永盛染整、杭州永盛集團有限公司及杭州蕭山永盛對外貿易有限公司(「杭州永盛貿易」)訂立補充契據，內容有關延長永盛(香港)國際有限公司向本集團所借入款項的還款期。進一步詳情請參閱本公司日期為二零一五年十二月二十八日、二零一六年一月十三日及二零一六年一月二十九日的公佈，以及本公司日期為二零一五年七月八日及二零一六年二月十六日的通函。

Report of the Directors

董事會報告

Save as disclosed above, there were no important events after the Review Period and up to the date of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained the prescribed public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

PERMITTED INDEMNITY PROVISION

The Articles of Association provides that every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. The Company has maintained appropriate Directors' liability insurance coverage for the Directors during the financial year ended 31 December 2015.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association and the laws of Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the financial year ended 31 December 2015.

AUDITORS

The financial statements now presented have been audited by Ernst & Young. Ernst & Young will retire and, being eligible, will offer themselves for re-appointment at the forthcoming AGM. A resolution for the re-appointment of Ernst & Young as auditor of the Company will be proposed at the forthcoming AGM.

除上文所披露者外，於回顧期後及直至本年報日期，概無發生重大事項。

充足的公眾持股量

於本年報日期，根據本公司所得的公開資料及據董事所知，本公司已根據上市規則維持所規定的不少於本公司已發行股份25%的公眾持股量。

獲准許的彌償條文

組織章程細則規定，各董事有權就其任期內，或因執行其職務而可能遭致或發生與此相關的一切損失或責任從本公司資產中獲得彌償。截至二零一五年十二月三十一日止財政年度，本公司已為董事投購買合適的董事責任保險作為保障。

優先購買權

組織章程細則及開曼群島法律並無優先購買權的規定，致使本公司須按比例基準向現有股東發售新股份。

購買、出售或贖回股份

本公司或其任何附屬公司於截至二零一五年十二月三十一日止財政年度內概無購買、出售或贖回本公司任何已上市證券。

核數師

現呈報的財務報表已由執業會計師安永會計師事務所審核。於應屆股東週年大會上，安永會計師事務所將告退任，惟符合資格，並願意膺選連任。應屆股東週年大會上將提呈決議案，以續聘安永會計師事務所為本公司核數師。

PROPOSED FINAL DIVIDEND AND CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from 19 May 2016 to 23 May 2016, both days inclusive, for the purpose of determining Shareholders' entitlement to attend the forthcoming AGM to be held on Monday, 23 May 2016, during which period no transfer of Shares will be registered. In order to qualify for attending the AGM, the Shareholders should ensure that all transfers accompanied by the relevant share certificates and transfer forms are lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 18 May 2016.

The Board recommends the payment of a Final Dividend of HK\$0.03 per Share to the Shareholders whose names appear on the register of members of the Company on Tuesday, 31 May 2016. The payment of the Final Dividend is subject to approval by the Shareholders at the AGM. If the resolution for the Final Dividend is passed at the AGM, the register of members will be closed from 27 May 2016 to 31 May 2016, both days inclusive, and the Final Dividend is expected to be paid on Thursday, 16 June 2016. In order to qualify for the Final Dividend, the Shareholders should ensure that all transfers accompanied by the relevant share certificates and transfer forms are lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 26 May 2016.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the financial results and of the assets and liabilities of the Group for the last five financial years is set out on pages 183 to 184 of this annual report.

By Order of the Board
LI Cheng
Chairman and Executive Director
Hong Kong, 23 March 2016

建議末期股息及暫停辦理股份過戶登記

本公司將於二零一六年五月十九日至二零一六年五月二十三日（包括首尾兩日）期間暫停辦理股東登記，以釐定有權出席於二零一六年五月二十三日（星期一）舉行的應屆股東週年大會的股東身份。期間概不會辦理股份的過戶登記手續。如欲符合資格出席股東週年大會，股東應確保所有過戶文件連同有關股票及過戶表格須於二零一六年五月十八日下午四時三十分前交回本公司的香港股份過戶登記分處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心22樓），方為有效。

董事會建議向於二零一六年五月三十一日（星期二）名列本公司股東名冊的股東派付末期股息每股0.03港元。末期股息須待股東於股東週年大會上批准後，方可派付。倘派付末期股息的決議案在股東週年大會上獲得通過，股東名冊將於二零一六年五月二十七日至二零一六年五月三十一日（包括首尾兩日）期間暫停辦理股東登記，並且預期於二零一六年六月十六日（星期四）派付末期股息。如欲符合資格獲取末期股息，股東應確保所有過戶文件連同有關股票及過戶表格須於二零一六年五月二十六日下午四時三十分前交回本公司的香港股份過戶登記分處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心22樓），方為有效。

五年財務概要

本集團於最近五個財政年度的財務業績、資產及負債概要乃載於本年報第183頁至184頁。

承董事會命
主席兼執行董事
李誠
香港，二零一六年三月二十三日

Independent Auditors' Report

獨立核數師報告



Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

安永會計師事務所
香港中環添美道1號
中信大廈22樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the shareholders of Yongsheng Advanced Materials Company Limited

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Yongsheng Advanced Materials Company Limited (the "Company") and its subsidiaries set out on pages 86 to 182, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

致永盛新材料有限公司股東

(於開曼群島註冊成立的有限公司)

本核數師(以下簡稱「吾等」)已審計列載於第86至182頁永盛新材料有限公司(以下簡稱「貴公司」)及其附屬公司的合併財務報表,此合併財務報表包括於二零一五年十二月三十一日的合併財務狀況表與截至該日止年度的合併損益及其他全面收入表、合併權益變動表和合併現金流量表,以及主要會計政策概要及其他附註解釋資料。

董事就合併財務報表須承擔的責任

貴公司的董事須負責根據國際會計準則理事會頒佈的國際財務報告準則及香港《公司條例》的披露規定編製合併財務報表,以令合併財務報表作出真實而公平的反映及落實其認為編製合併財務報表所必要的內部控制,以使合併財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

吾等的責任是根據吾等的審計對該等合併財務報表作出意見,並僅向全體股東報告,除此之外,本報告不可作其他用途。吾等不會就本報告內容向任何其他人士負責或承擔任何責任。

吾等的責任是根據吾等的審計對該等合併財務報表作出意見。吾等已根據香港會計師公會頒佈的香港審計準則進行審計。這些準則要求吾等遵守道德規範,並規劃及執行審計,以合理確定合併財務報表是否不存在任何重大錯誤陳述。

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

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

Ernst & Young
Certified Public Accountants
Hong Kong
23 March 2016

審計涉及執程序以獲取有關合併財務報表所載金額及披露資料的審計憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製合併財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非為對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價合併財務報表的整體列報方式。

吾等相信，吾等所獲得的審計憑證能充足和適當地為吾等的審計意見提供基礎。

意見

吾等認為，該等合併財務報表已根據國際財務報告準則真實而公平地反映 貴公司及其附屬公司於二零一五年十二月三十一日的財務狀況及截至該日止年度的財務表現和現金流量，並已按照香港《公司條例》的披露規定妥為編製。

安永會計師事務所
執業會計師
香港
二零一六年三月二十三日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

合併損益及其他全面收入表

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

		Notes 附註	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
CONTINUING OPERATIONS 持續經營業務				
REVENUE	收益	5	491,165	486,361
Cost of sales	銷售成本		(349,742)	(365,308)
Gross profit	毛利		141,423	121,053
Other income and gains, net	其他收入及收益淨額	5	7,902	6,869
Selling and distribution expenses	銷售及分銷開支		(8,544)	(10,210)
Administrative expenses	行政開支		(57,435)	(41,763)
Finance costs	融資成本	7	(975)	(3,018)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	來自持續經營業務 除稅前溢利	6	82,371	72,931
Income tax expense	所得稅開支	10	(18,578)	(13,582)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	年內來自持續經營業務的 溢利		63,793	59,349
DISCONTINUED OPERATION 終止經營業務				
Profit/(loss) for the year from a discontinued operation	年內來自終止經營業務的 溢利/(虧損)	11	363	(2,315)
PROFIT FOR THE YEAR	年內溢利		64,156	57,034
OTHER COMPREHENSIVE INCOME 其他全面收入				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:	不會於往後期間在損益 重列的其他全面收入：			
Exchange differences on translation of financial statements	換算財務報表的匯兌差額		291	(337)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	年內其他全面收入 (扣除稅項)		291	(337)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內全面收入總額		64,447	56,697

Consolidated Statement of Profit or Loss and Other Comprehensive Income

合併損益及其他全面收入表

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

		Notes 附註	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Profit attributable to:	以下應佔溢利：			
Shareholders of the Company	本公司股東		56,230	47,897
Non-controlling interests	非控股權益		7,926	9,137
			64,156	57,034
Total comprehensive income attributable to:	以下應佔全面收入總：			
Shareholders of the Company	本公司股東		56,521	47,560
Non-controlling interests	非控股權益		7,926	9,137
			64,447	56,697
EARNINGS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY	本公司股東應佔每股盈利	13		
Basic	基本			
– For profit for the year	一年內溢利		RMB人民幣14.1 cents分	RMB人民幣12.0 cents分
– For profit from continuing operations	—來自持續經營業務的溢利		RMB人民幣14.0 cents分	RMB人民幣12.6 cents分
Diluted	攤薄			
– For profit for the year	一年內溢利		RMB人民幣14.0 cents分	RMB人民幣12.0 cents分
– For profit from continuing operations	—來自持續經營業務的溢利		RMB人民幣13.9 cents分	RMB人民幣12.6 cents分

Consolidated Statement of Financial Position

合併財務狀況表

31 December 2015 二零一五年十二月三十一日

		Notes 附註	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	143,053	134,285
Prepayments for property, plant and equipment	物業、廠房及設備的 預付款項		2,561	–
Prepaid land lease payments	預付土地租賃款項	15	30,150	30,964
Intangible assets	無形資產	16	6,395	6,198
Deferred tax assets	遞延稅項資產	26	795	8,416
Total non-current assets	非流動資產總額		182,954	179,863
CURRENT ASSETS	流動資產			
Inventories	存貨	17	40,059	87,829
Trade and bills receivables	貿易應收款項及應收票據	18	91,506	128,981
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項	19	6,195	10,342
Financial assets at fair value through profit or loss	按公平值計入損益的 金融資產	20	30,448	–
Amounts due from related parties	應收關連方款項	33	50,888	–
Pledged deposits	已抵押存款	21	5,133	12,937
Cash and cash equivalents	現金及現金等值物	21	139,487	128,695
Total current assets	流動資產總額		363,716	368,784
CURRENT LIABILITIES	流動負債			
Interest-bearing bank loan	計息銀行貸款	24	–	2,000
Trade and bills payables	貿易應付款項及應付票據	22	67,092	111,525
Other payables, advances from customers and accruals	其他應付款項、 客戶墊款及應計款項	23	40,054	42,741
Government grants	政府資助	25	1,100	807
Income tax payable	應付所得稅		2,724	9,011
Total current liabilities	流動負債總額		110,970	166,084
NET CURRENT ASSETS	流動資產淨額		252,746	202,700
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		435,700	382,563

Consolidated Statement of Financial Position

合併財務狀況表

31 December 2015 二零一五年十二月三十一日

		Notes 附註	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
NON-CURRENT LIABILITIES 非流動負債				
Government grants	政府資助	25	13,507	12,325
Deferred tax liabilities	遞延稅項負債	26	2,101	-
Total non-current liabilities			15,608	12,325
Net assets 淨資產				
420,092				
EQUITY 權益				
Equity attributable to shareholders of the Company 本公司股東應佔權益				
Share capital	股本	27	3,165	3,165
Share premium	股份溢價	27	216,330	235,512
Other reserves	其他儲備	29	161,975	101,265
			381,470	339,942
Non-controlling interests	非控股權益		38,622	30,296
Total equity			420,092	370,238

Li Cheng

李誠

Director

董事

Zhao Jidong

趙繼東

Director

董事

Consolidated Statement of Changes in Equity

合併權益變動表

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

		Attributable to shareholders of the Company 本公司股東應佔								
		Share capital	Share premium	Retained earnings*	Foreign currency translation reserve*	Statutory surplus reserve*	Other reserves*	Total	Non-controlling interests	Total equity
		股本	股份溢價	保留盈利*	外幣換算儲備*	法定盈餘儲備*	其他儲備*	總計	非控股權益	權益總額
		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 27)	(note 27)	(note 27)	(note 29)	(note 29)	(note 29)	(note 29)	(note 29)	(note 29)
		(附註27)	(附註27)	(附註27)	(附註29)	(附註29)	(附註29)	(附註29)	(附註29)	(附註29)
At 1 January 2014	於二零一四年一月一日	3,165	235,512	87,510	(980)	13,305	(46,005)	292,507	24,634	317,141
Profit for the year	年內溢利	-	-	47,897	-	-	-	47,897	9,137	57,034
Other comprehensive income for the year:	年內其他全面收入：									
Exchange differences on translation of financial statements	換算財務報表的匯兌差額	-	-	-	(337)	-	-	(337)	-	(337)
Total comprehensive income for the year	年內全面收入總額	-	-	47,897	(337)	-	-	47,560	9,137	56,697
Appropriation to statutory reserves	分撥至法定儲備	-	-	(3,488)	-	3,488	-	-	-	-
Acquisition of additional interest in a subsidiary	收購一間附屬公司的額外權益	-	-	-	-	-	(125)	(125)	(475)	(600)
Dividends paid to non-controlling interests	向非控股權益支付股息	-	-	-	-	-	-	-	(3,000)	(3,000)
At 31 December 2014	於二零一四年十二月三十一日	3,165	235,512	131,919	(1,317)	16,793	(46,130)	339,942	30,296	370,238

		Attributable to shareholders of the Company 本公司股東應佔									
		Share capital	Share premium	Retained earnings*	Foreign currency translation reserve*	Statutory surplus reserve*	Equity-settled arrangement reserve*	Other reserves*	Total	Non-controlling interests	Total equity
		股本	股份溢價	保留盈利*	外幣換算儲備*	法定盈餘儲備*	權益結算安排儲備*	其他儲備*	總計	非控股權益	權益總額
		RMB'000	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	人民幣千元
		(note 27)	(note 27)	(note 27)	(note 29)	(note 29)	(note 28)	(note 28)	(note 29)	(note 29)	(note 29)
		(附註27)	(附註27)	(附註27)	(附註29)	(附註29)	(附註28)	(附註28)	(附註29)	(附註29)	(附註29)
At 31 January 2015	於二零一五年一月三十一日	3,165	235,512	131,919	(1,317)	16,793	-	(46,130)	339,942	30,296	370,238
Profit for the year	年內溢利	-	-	56,230	-	-	-	-	56,230	7,926	64,156
Other comprehensive income for the year:	年內其他全面收入：										
Exchange differences on translation of financial statements	換算財務報表的匯兌差額	-	-	-	291	-	-	-	291	-	291
Total comprehensive income for the year	年內全面收入總額	-	-	56,230	291	-	-	-	56,521	7,926	64,447
Dividends paid to shareholders of the Company	向本公司股東支付股息	-	(19,182)	-	-	-	-	-	(19,182)	-	(19,182)
Dividends paid to non-controlling interests	向非控股權益支付股息	-	-	-	-	-	-	-	-	(3,600)	(3,600)
Appropriation to statutory reserves	分撥至法定儲備	-	-	(5,458)	-	5,458	-	-	-	-	-
Capital injection from non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	4,000	4,000
Equity-settled share option arrangements	股權結算購股權安排	-	-	-	-	-	4,189	-	4,189	-	4,189
At 31 December 2015	於二零一五年十二月三十一日	3,165	216,330	182,691	(1,026)	22,251	4,189	(46,130)	381,470	38,622	420,092

* These reserve accounts comprise the consolidated other reserves of RMB161,975,000 (2014: RMB101,265,000) in the consolidated statement of financial position.

* 該等儲備賬包括合併財務狀況表內的合併其他儲備人民幣161,975,000元(二零一四年:人民幣101,265,000元)。

Consolidated Statement of Cash Flows

合併現金流量表

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

			2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
	Notes 附註			
CASH FLOWS FROM OPERATING ACTIVITIES		經營活動現金流量		
Profit/(loss) before tax:		除稅前溢利／(虧損)：		
From continuing operations		來自持續經營業務	82,371	72,931
From a discontinued operation		來自終止經營業務	(1,217)	(3,054)
Adjustments for:		就以下項目作出的調整：		
Finance costs		融資成本	2,441	5,266
Interest income		利息收入	(5,270)	(2,480)
Loss/(gain) on disposal of property, plant and equipment		出售物業、廠房及設備 虧損／(收益)	(36)	116
Gain on disposal of subsidiaries		出售附屬公司收益	(4,987)	-
Fair value gains, net:		公平值收益淨額：		
Equity investments at fair value through profit or loss		按公平值計入損益的 股權投資	(448)	-
Depreciation	14	折舊	12,703	12,262
Amortisation of prepaid land lease payments	15	預付土地租賃款項攤銷	814	817
Amortisation of other intangible assets	16	其他無形資產攤銷	942	808
(Reversal of) impairment of receivables		應收款項減值(撥回)	(87)	12
Write-down of inventories to their net realisable value		存貨撇減至其可變現淨值	1,376	2,279
Equity-settled share option expense	28	以權益結算購股權開支	4,189	-
			92,791	88,957
(Increase)/decrease in inventories		存貨(增加)／減少	(50,244)	23,053
Increase in trade and bills receivables		貿易應收款項及應收票據增加	(20,733)	(3,064)
(Increase)/decrease in deposits and other receivables		按金及其他應收款項 (增加)／減少	(73,447)	9,390
Increase in equity investments at fair value through profit or loss		按公平值計入損益的股權 投資增加	(30,000)	-
Increase/(decrease) in trade and bills payables		貿易應付款項及應付票據 增加／(減少)	25,713	(11,294)
Increase in other payables, advances from customers and accruals		其他應付款項、客戶墊款及 應計款項增加	67,697	4,289
Cash generated from operations		經營所得現金	11,777	111,331
Interest received		已收利息	5,270	4,936
Income tax paid		已付所得稅	(18,921)	(14,770)
Net cash flows (used in)/from operating activities		經營活動(所用)／所得 現金淨額	(1,874)	101,497

Consolidated Statement of Cash Flows

合併現金流量表

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

		Notes 附註	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動現金流量			
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目		(29,881)	(15,601)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目的 所得款項		5,440	259
Additions to other intangible assets	添置其他無形資產	16	(1,139)	-
Decrease in pledged deposits	已抵押存款減少		23,090	184,424
Additions to pledged deposits	新增已抵押存款		(29,867)	(78,974)
Disposal of financial assets at fair value through profit or loss	出售按公平值計入損益的 金融資產		-	765
Disposal of subsidiaries	出售附屬公司	34	35,755	-
Net cash flows from investing activities	投資活動所得現金流量淨額		3,398	90,873
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動現金流量			
New bank loans	新造銀行貸款		35,000	76,205
Acquisition of additional interests in a subsidiary	收購一間附屬公司的額外權益		-	(600)
Capital injection of non-controlling interests	非控股權益的注資		1,200	-
Repayment of bank loans	償還銀行貸款		(2,000)	(296,292)
Dividends paid	已付股息		(19,182)	-
Dividend paid to non-controlling interests	向非控股權益支付股息		(3,600)	(3,000)
Interest paid	已付利息		(2,441)	(6,010)
Net cash flows from/(used in) financing activities	融資活動所得/(所用) 現金流量淨額		8,977	(229,697)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值物 增加/(減少)淨額		10,501	(37,327)
Cash and cash equivalents at beginning of year	年初現金及現金等值物		128,695	166,559
Effect of foreign exchange rate changes, net	外匯匯率變動的影響淨額		291	(537)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終現金及現金等值物	21	139,487	128,695

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

Yongsheng Advanced Materials Company Limited (the “Company”) was incorporated in the Cayman Islands on 19 April 2012 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of the Company’s registered office is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company and its subsidiaries (the “Group”) are principally engaged in the development and manufacture of polyester filament yarns and 3D printing materials, the provision of dyeing services of differentiated polyester filament fabric and the trading of polyester filament yarns in the People’s Republic of China (the “PRC”).

In the opinion of directors, the holding company and the ultimate holding company of the Company is Ever Thrive Global Limited (“Ever Thrive”), a company incorporated in the BVI and controlled by Mr. Li Cheng (the “Controlling Shareholder”).

Information about subsidiaries

Particulars of the Company’s subsidiaries are as follows:

Name 名稱	Place of incorporation/ registration and business 註冊成立／註冊地點及業務	Particulars of issued and fully paid share capital 已發行及繳足 股本詳情	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Yongsheng Advanced Materials (BVI) Limited 永盛新材料 (BVI) 有限公司	Limited liability company incorporated in the British Virgin Islands (BVI) 於英屬處女群島 (「英屬處女群島」) 註冊成立的有限公司	US\$1 1美元	100	–	Investment holding company in Hong Kong 於香港從事投資控股
Yongsheng Advanced Materials (HK) Limited 永盛新材料 (香港) 有限公司	Limited liability company incorporated in Hong Kong 於香港註冊成立的有限公司	US\$1 1美元	–	100	Investment holding company in Hong Kong 於香港從事投資控股
Yongsheng (HK) International Co., Limited 永盛 (香港) 國際有限公司	Limited liability company incorporated in Hong Kong 於香港註冊成立的有限公司	US\$500,000 500,000美元	–	100	Trading of textile raw materials and products in Hong Kong 於香港從事紡織原材料及 產品貿易

1. 公司及集團資料

永盛新材料有限公司 (「本公司」) 於二零一二年四月十九日根據開曼群島公司法 (二零一零年修訂本) 在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處地址為 Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands。

本公司及其附屬公司 (「本集團」) 主要在中華人民共和國 (「中國」) 從事開發及製造滌綸長絲及3D打印材料、提供差別化滌綸面料染色服務及滌綸長絲貿易。

董事認為本公司的控股公司及最終控股公司為恆盛環球有限公司 (「恆盛」) (一間在英屬處女群島註冊成立並由李誠先生 (「控股股東」) 控制的公司)。

附屬公司的資料

本公司附屬公司的詳情如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

Name 名稱	Place of incorporation/ registration and business 註冊成立/註冊地點及業務	Particulars of issued and fully paid share capital 已發行及繳足 股本詳情	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Hangzhou Huvis Yongsheng Dyeing and Finishing Company Limited 杭州滙維仕永盛染整有限公司	Limited liability company incorporated in the PRC 於中國註冊成立的有限公司	RMB200,000,000 人民幣 200,000,000元	-	100	Provision of dyeing services in the PRC 於中國從事提供染色服務
Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited 杭州蕭山永盛對外貿易有限公司	Limited liability company incorporated in the PRC 於中國註冊成立的有限公司	RMB11,000,000 人民幣 11,000,000元	-	100	Trading of textile raw materials and products in the PRC 於中國從事紡織原材料及 產品貿易
Hangzhou Huvis Yongsheng Chemical Fiber Company Limited 杭州滙維仕永盛化纖有限公司	Limited liability company incorporated in the PRC 於中國註冊成立的有限公司	RMB40,000,000 人民幣 40,000,000元	-	70	Development and manufacture of polyester filament yarns in the PRC 於中國從事開發及 製造滌綸長絲
Nantong Yongsheng Fiber Advanced Materials Company Limited 南通永盛纖維新材料有限公司	Limited liability company incorporated in the PRC 於中國註冊成立的有限公司	RMB30,000,000 人民幣 30,000,000元	-	92	Development and manufacture of polyester filament yarns in the PRC 於中國從事開發及 製造滌綸長絲
Jiangsu Yongsheng 3D Printing Advanced Materials Company Limited* 江蘇永盛三維打印新材料 有限公司*	Limited liability company incorporated in the PRC 於中國註冊成立的有限公司	RMB10,000,000 人民幣 10,000,000元	-	60	Development and manufacture of 3D printing materials in the PRC 於中國從事開發及 製造三維打印材料
Jiangsu Yongsheng High Polymer Advanced Materials Research Institute Company Limited* 江蘇永盛高分子新材料研究所 有限公司*	Limited liability company incorporated in the PRC 於中國註冊成立的有限公司	RMB10,000,000 人民幣 10,000,000元	-	97.6	Research and development of high polymer advanced materials in the PRC 於中國從事研究及開發高 分子新材料

* Jiangsu Yongsheng 3D Printing Advanced Materials Company Limited and Jiangsu Yongsheng High Polymer Advanced Materials Research Institute Company Limited were established in May 2015 under PRC law.

1. 公司及集團資料 (續)

附屬公司的資料 (續)

* 江蘇永盛三維打印新材料有限公司及江蘇永盛高分子新材料研究所有限公司於二零一五年五月根據中國法律成立。

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2015. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.1 編製基準

該等財務報表乃根據國際財務報告準則（「國際財務報告準則」）（包括國際會計準則理事會（「國際會計準則理事會」）頒佈的所有國際財務報告準則、國際會計準則（「國際會計準則」）及詮釋以及香港《公司條例》的披露規定而編製。該等財務報表已根據歷史成本法編製，惟按公平值計入損益的金融資產已按公平值計量除外。該等財務報表以人民幣呈列，而除另有說明外，一切價值已四捨五入至最接近的千位數。

綜合基準

合併財務報表包括本公司及其附屬公司（統稱「本集團」）截至二零一五年十二月三十一日止年度的財務報表。附屬公司指受本公司直接或間接控制的實體（包括結構性實體）。倘本集團透過參與被投資方業務而享有或有權取得被投資方的不固定回報，且有能力行使在被投資方的權力影響有關回報，則本集團擁有該實體的控制權（即現時賦予本集團指導被投資方相關活動的能力）。

當本公司直接或間接擁有的被投資方投票權或類似權利不及大半，則評估本公司對被投資方是否擁有權力時，本集團會考慮所有相關事實及情況，包括：

- (a) 與該被投資方其他投票權擁有人的合約安排；
- (b) 根據其他合約安排所享有的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司的財務報表乃就本公司的相同報告期使用貫徹一致的會計政策編製。附屬公司的業績乃由本集團獲取控制權之日開始作綜合入賬，並繼續綜合入賬直至失去有關控制權之日為止。

損益及其他全面收入各組成部分乃歸屬於本公司股東及非控股權益，即使此舉引致非控股權益出現虧絀結餘。有關本集團成員公司間交易的所有集團內公司間資產及負債、權益、收入、開支及現金流量均於合併賬目時全數抵銷。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (Continued)

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 described in the accounting policy for subsidiaries above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2015. The nature of each new standard and amendment is described below:

Annual Improvements 2010-2012 Cycle	<i>Amendments to a number of IFRSs</i>
Annual Improvements 2011-2013 Cycle	<i>Amendments to a number of IFRSs</i>
Amendments to IAS 19	<i>Defined Benefit Plans: Employee Contributions</i>

Although these new standards and amendments apply for the first time in 2015, they do not have a material impact on the consolidated financial statements of the Group.

The Company has also adopted the amendments to the Listing Rules issued by the Hong Kong Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.1 編製基準 (續)

綜合基準 (續)

倘有事實及情況顯示上文所述附屬公司會計政策中三個控制因素中有一個或以上出現變動，則本集團將重新評估是否仍控制投資對象。附屬公司的擁有權權益變動（並無喪失控制權）被視為股本交易入賬。

倘本集團失去對附屬公司的控制權，則終止確認(i)該附屬公司的資產（包括商譽）及負債，(ii)任何非控制權益的賬面值及(iii)於權益內記錄的累計換算差額；及確認(i)已收代價的公平值，(ii)所保留任何投資的公平值及(iii)損益表中任何因此產生的盈餘或虧絀。先前於其他全面收入內確認的本集團應佔部分重新分類至損益或保留溢利（如適當），所依據的基準與倘本集團直接出售相關資產或負債所需依據者相同。

2.2 會計政策及披露的變動

本集團首次應用若干於二零一五年一月一日或之後年度期間內生效的準則及修訂。各項新訂準則或詮釋的性質論述如下：

二零一零年至 二零一二年 週期的年度改進	多項國際財務報告準則 的修訂
二零一一年至 二零一三年 週期的年度改進	多項國際財務報告準則 的修訂
國際會計準則 第19號	定額福利計劃：僱員供款

儘管該等新訂準則和修訂於二零一五年首次應用，其並無對本集團的全併財務報表造成重大影響。

本公司亦已於本財務年度內採納香港聯合交易所頒佈有關參考香港《公司條例》（第622章）披露財務資料的上市規則修訂。對財務報表的主要影響為財務報表若干資料的呈列及披露。

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 9	<i>Financial Instruments</i> ²
Amendments to IFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i> ¹
IFRS 14	<i>Regulatory Deferral Accounts</i> ⁵
IFRS 15	<i>Revenue from Contracts with Customers</i> ²
IFRS 16	<i>Leases</i> ⁴
Amendments to IAS 7	<i>Disclosure Initiative</i> ³
Amendments to IAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i> ³
Amendments to IAS 16 and IAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> ¹
Amendments to IAS 16 and IAS 41	<i>Agriculture: Bearer Plants</i> ¹
Amendments to IAS 27	<i>Equity Method in Separate Financial Statements</i> ¹
Annual Improvements 2012-2014 Cycle	<i>Amendments to a number of IFRSs</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁶
Amendments to IAS 1	<i>Disclosure Initiative</i> ¹
Amendments to IFRS 10, IFRS 12 and IAS 28	<i>Investment Entities: Applying the Consolidation Exception</i> ¹

2.3 已頒佈但尚未生效的國際財務報告準則

下文披露直至本集團合併財務報表刊發之日已頒佈但尚未生效的準則及詮釋。本集團擬於該等準則生效時採納該等準則（倘適用）。

國際財務報告準則第9號	金融工具 ²
國際財務報告準則第11號的修訂	收購合營業務權益的會計處理 ¹
國際財務報告準則第14號	監管遞延賬戶 ⁵
國際財務報告準則第15號	來自客戶合約的收入 ²
國際財務報告準則第16號	租賃 ⁴
國際會計準則第7號的修訂	披露計劃 ³
國際會計準則第12號的修訂	就未變現虧損確認遞延稅項資產 ³
國際會計準則第16號及國際會計準則第38號的修訂	釐清可接受的減值及攤銷方法 ¹
國際會計準則第16號及國際會計準則第41號的修訂	農業：生產性植物 ¹
國際會計準則第27號的修訂	單獨財務報表的權益法 ¹
二零一二年至二零一四年週期的年度改進	多項國際財務報告準則的修訂 ¹
國際財務報告準則第10號及國際會計準則第28號的修訂	投資者與其聯營公司或合資企業之間的資產出售或注資 ⁶
國際會計準則第1號的修訂	披露計劃 ¹
國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第28號的修訂	投資實體：應用綜合入賬的例外情況 ¹

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

- 1 Effective for annual periods beginning on or after 1 January 2016
- 2 Effective for annual periods beginning on or after 1 January 2018
- 3 Effective for annual periods beginning on or after 1 January 2017
- 4 Effective for annual periods beginning on or after 1 January 2019
- 5 Effective for an entity that first adopts IFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group
- 6 In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

2.3 已頒佈但尚未生效的國際財務報告準則 (續)

- 1 於二零一六年一月一日或之後開始的年度期間生效
- 2 於二零一八年一月一日或之後開始的年度期間生效
- 3 於二零一七年一月一日或之後開始的年度期間生效
- 4 於二零一九年一月一日或之後開始的年度期間生效
- 5 對二零一六年一月一日或之後開始的全年財務報表首次採納國際財務報告準則的實體生效，故此對本集團並不適用
- 6 於二零一五年十二月，國際會計準則委員會無限期推遲此項修訂的生效日期，以等候其針對會計權益法研究項目的結果。

本集團仍在評估首次應用該等新訂及經修訂國際財務報告準則的影響。

2.4 主要會計政策概要

業務合併及商譽

業務合併使用收購法入賬。所轉讓的代價按收購日期的公平值計量，即本集團所轉讓資產的收購日期公平值、本集團對所收購公司前擁有人承擔的負債及本集團為換取所收購公司控制權而發行的股本權益的總和。就每項業務合併而言，本集團可選擇按公平值或分佔所收購公司的可識別淨資產比例，計量屬現時擁有人權益並賦予其持有人權利在清盤時按比例分佔淨資產於所收購公司的非控股權益。所有其他非控股權益部分按公平值計量。收購相關成本於產生時支銷。

當本集團收購一項業務時，其根據合約條款、經濟環境及於收購日期的相關情況評估金融資產及所承擔的負債，以作出適當分類及指定。此包括區分所收購公司主合約的嵌入式衍生工具。

倘分階段進行業務合併，則先前持有的股本權益按其收購日期的公平值重新計量，而所產生的任何收益或虧損於損益確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (Continued)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

收購方將轉讓的任何或然代價於收購日期按公平值確認。倘或然代價歸類為資產或負債，則按公平值計量，並於損益確認公平值變動。倘或然代價歸類為權益，則毋須重新計量，且往後結算於權益內入賬。

商譽初步按成本計量，即已轉讓代價、已確認非控股權益數額及本集團先前持有的被收購方股權的公平值總額，超逾所收購可識別資產淨值及所承擔負債的差額。倘該項代價及其他項目之和低於所收購資產淨值的公平值，於評估後其差額於損益內確認為議價購買收益。

於初步確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，倘有事件發生或情況改變顯示賬面值有可能減值，則會更頻密地進行檢討。本集團於十二月三十一日進行商譽的年度減值測試。為進行減值測試，因業務合併而購入的商譽自收購日起被分配至預期可從合併產生之協同效益中獲益的本集團各個現金產生單位或現金產生單位組別，而無論本集團其他資產或負債是否已分配至該等單位或單位組別。

減值乃通過評估與商譽有關之現金產生單位（或現金產生單位組別）的可收回金額釐定。當現金產生單位（或現金產生單位組別）的可收回金額低於賬面金額時，便確認減值虧損。已就商譽確認的減值虧損不得於未來期間撥回。

倘商譽已被分配至現金產生單位（或現金產生單位組別），而該單位內部分業務被出售，與出售業務相關的商譽於釐定出售收益或虧損時列入業務的賬面值。在此等情況下出售的商譽根據已出售業務的相對價值及所保留現金產生單位的部分計量。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement

The Group measures its equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- | | | |
|---------|---|---|
| Level 1 | – | based on quoted prices (unadjusted) in active markets for identical assets or liabilities |
| Level 2 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly |
| Level 3 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable |

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 主要會計政策概要 (續)

公平值計量

本集團於各報告期末按公平值計量其股權投資。公平值為市場參與者之間於井然有序交易中按計量日期出售資產收取或轉讓負債時支付的價格。公平值計量以假設出售資產或轉讓負債的交易於資產或負債的主要市場中進行為基礎，或倘並無主要市場，則於資產或負債的最有利市場進行。主要或最有利市場必須為可讓本集團參與的市場。對資產或負債定價時，資產或負債的公平值以市場參與者使用的假設計量，並假設市場參與者以其最佳經濟利益行事。

非金融資產的公平值計量須計及一名市場參與者透過使用其資產的最高及最佳用途或透過將資產出售予將使用其最高及最佳用途的另一名市場參與者而能夠產生經濟利益的能力。

本集團採納適用於不同情況且具備充分數據以供計量公平值的估值方法，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

所有於財務報表中按公平值計量或披露的資產及負債，乃基於對公平值計量整體而言屬重大的最低級別輸入數據在公平值級別(說明如下)中的分類：

- | | | |
|-----|---|--|
| 第一級 | – | 根據相同資產或負債於活躍市場所報的價格(未經調整) |
| 第二級 | – | 根據對公平值計量而言屬重大且可觀察(不論直接或間接)的最低級別輸入數據的估值方法 |
| 第三級 | – | 根據對公平值計量而言屬重大且不可觀察的最低級別輸入數據的估值方法 |

就按經常基準於財務報表中確認的資產及負債而言，本集團於各報告期末重新評估分類方法(按照對公平值計量整體而言屬重大的最低級別輸入數據)，以釐定是否已於各級別之間發生轉撥。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

2.4 主要會計政策概要 (續)

非金融資產減值

倘一項資產(不包括存貨、遞延稅項資產、金融資產及非流動資產)出現減值跡象,或須每年進行減值測試,則需要估計該資產的可收回金額。一項資產的可收回金額按該資產或現金產生單位的使用價值及其公平值減出售成本兩者之間的較高者計算,並就每項資產單獨予以釐定,惟該資產須並無產生在很大程度上獨立於其他資產或資產組別所產生現金流入的情況除外。在此情況下,會就該資產所屬現金產生單位釐定可收回金額。

只有當資產的賬面值超過其可收回金額時,方會確認減值虧損。在評定使用價值時,須使用稅前折現率將估計日後現金流量折現至現值,而該折現率須反映市場當時所評估的金錢時間值和該資產的特有風險。減值虧損在其於符合減值資產功能的開支類別中產生期間於損益中扣除。

於各報告期末均會評估是否有跡象顯示以往確認的減值虧損可能不再存在或已減少。如果存在該跡象,則會估計可收回金額。過往確認的資產(不包括商譽)減值虧損只會於釐定該資產的可收回金額中使用的估計出現變動時撥回,倘於過往年度並無就資產確認減值虧損,則有關金額不得高於原應釐定的賬面值(扣除任何折舊/攤銷)。有關減值虧損的撥回於其產生期間計入損益中。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties

A party is considered to be related to the Group if:

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

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 主要會計政策概要 (續)

關連方

以下人士被視為與本集團有關的關連方：

- (a) 倘為任何人士或其家族近親，且該人士：
 - (i) 對本集團擁有控制權或共同控制權；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理人員；

或

- (b) 倘為任何實體，並符合以下任何一項條件：
 - (i) 該實體與本集團屬同一集團成員公司；
 - (ii) 一間實體為另一實體的聯營公司或合資企業（或為另一實體的母公司、附屬公司或同系附屬公司）；
 - (iii) 該實體與本集團均為同一第三方的合資企業；
 - (iv) 該實體為本集團或與本集團有關連的實體之僱員離職後福利計劃；
 - (v) 一間實體為第三方實體的合資企業，而另一實體為該第三方實體的聯營公司；
 - (vi) 該實體受(a)所識別人士控制或共同控制；
 - (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體（或該實體的母公司）的主要管理人員；及
 - (viii) 該實體或該實體屬其中一部分的集團旗下任何成員公司向本集團或本集團母公司提供主要管理人員服務。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2.25% to 2.5%
Plant and machinery	6.4% to 9%
Vehicles	18% to 22.5%
Office equipment, leasehold improvement and others	18% to 45%

2.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊

物業、廠房及設備(在建工程除外)按成本減累計折舊及任何減值虧損入賬。倘物業、廠房及設備項目分類為持作出售或倘其分類為持作出售的出售組別一部分,其不會折舊並會根據國際財務報告準則第5號入賬。物業、廠房及設備項目的成本包括其購入價以及將該項資產置於其運作狀態及地點作其擬定用途的任何直接應佔成本。

物業、廠房及設備項目投入運作後所產生如維修及保養等開支,通常於產生期間自損益中扣除。倘符合確認標準,則有關大型檢查的開支按該資產的賬面值資本化為重置資產。倘物業、廠房及設備的主要部分須分段重置,則本集團將該等部分確認為獨立資產,並設定具體的可使用年期及進行相應折舊。

折舊按直線基準將各物業、廠房及設備項目的成本於其估計可使用年期內撇銷至其剩餘價值計算。就此所採用的主要年率如下:

樓宇	2.25%至2.5%
廠房及機器	6.4%至9%
汽車	18%至22.5%
辦公室設備、租賃物業裝修及其他	18%至45%

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation (Continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

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

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊 (續)

倘物業、廠房及設備項目各部分的可使用年期有所不同，則該項目的成本按合理基準於相關部分分配，而每部分將作個別折舊。剩餘價值、可使用年期及折舊方法最少於各財政年度結算日檢討並作出調整（如合適）。

物業、廠房及設備項目（包括初步確認的任何重大部分）於出售後或預期使用或出售該等項目不會產生未來經濟利益時終止確認。於終止確認資產的年度在損益中確認的出售或棄用有關資產而產生的任何收益或虧損，為相關資產的出售所得款項淨額與其賬面值的差額。

在建工程指按成本減任何減值虧損列賬且不作折舊的在建樓宇及正在安裝的設備。成本包括建築期間的直接建築成本及就相關借款撥充資本的借貸成本。在建工程於竣工及可供使用時重新分類至適當的物業、廠房及設備類別。

無形資產 (商譽除外)

單獨收購的無形資產於初步確認時按成本計量。於業務合併時所收購的無形資產的成本為於收購日期的公平值。無形資產的可使用年期被評估為有限或無限。具有有限年期的無形資產隨後按可使用經濟年期予以攤銷，倘有跡象顯示無形資產可能出現減值，則會進行減值評估。具有有限可使用年期的無形資產的攤銷期及攤銷方法最少於各個財政年度結算日檢討一次。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill) (Continued)

Technical know-how

Acquired technical know-how of manufacturing processes is shown at historical cost. Acquired technical know-how are capitalised on the basis of the costs incurred to acquire the know-how and are amortised over their estimated useful lives of 10 years.

Computer software

Acquired computer software is shown at historical cost and is capitalised on the basis of the costs incurred to acquire the specific software. These costs are amortised over their estimated useful lives of 10 years.

Sewage pipe usage right

Acquired sewage pipe usage right is shown at historical cost and is capitalised on the basis of the cost incurred to acquire the use right. The costs are amortised over the contractual lives of 20 years.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to profit or loss so as to provide a constant periodic rate of charge over the lease terms.

2.4 主要會計政策概要 (續)

無形資產 (商譽除外) (續)

技術知識

所獲得有關製造過程的技術知識按歷史成本值列示。所獲得的技術知識按獲得有關知識所產生的成本撥充資本，並於10年估計可使用年期內攤銷。

計算機軟件

所獲得的計算機軟件按歷史成本值列示，並按獲得指定軟件所產生的成本撥充資本。該等成本於10年估計可使用年期內攤銷。

污水渠使用權

所獲得的污水渠使用權按歷史成本值列示，並按獲得有關使用權所產生的成本撥充資本。有關成本於20年合約年期內攤銷。

開發新產品項目產生的開支僅當以下各項得到證明時方可資本化並遞延：本集團在技術可行性上可完成無形資產以使其能供使用或出售；有完成該資產的意圖，並有能力使用或出售該資產；該資產能產生未來經濟利益；具有可用資源完成項目以及於開發階段的開支能夠可靠地計量。不符合該等準則的產品開發開支均於產生時支銷。

租賃

轉移資產所有權 (法定業權除外) 的絕大部分回報及風險予本集團的租賃列作融資租賃。融資租賃開始時，租賃資產成本按最低租金的現值撥充資本，並與債務 (利息部分除外) 一併列賬以反映購買及融資狀況。根據資本化融資租賃持有的資產計入物業、廠房及設備，並按資產租期與估計可使用年期兩者中較短期間折舊。該等租賃的融資成本自損益中扣除，以便計算租期內的定期費率。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

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

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss and loans and receivables as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

2.4 主要會計政策概要 (續)

租賃 (續)

透過具融資性質的租購合約收購的資產列作融資租賃，惟有關資產按其估計可使用年期予以折舊。

倘資產所有權的絕大部分回報及風險仍由出租人承擔，則租賃以經營租賃列賬。倘本集團為承租人，根據經營租賃應付的租金（扣除出租人給予的任何優惠）按租賃期限以直線法自損益中扣除。

經營租賃項下預付土地租賃款項初時按成本列賬，隨後按租賃期以直線法確認。

投資及其他金融資產

初步確認及計量

金融資產於初步確認時歸類為按公平值計入損益的金融資產以及貸款及應收款項（如適用）。金融資產初步確認時，按公平值加收購金融資產應佔交易成本計量，惟按公平值計入損益的金融資產除外。

金融資產的所有常規購買及出售於交易日（即本集團承諾購買或出售該資產之日）確認。常規購買或出售指需要在一般由法規或市場慣例確立的期間內移交資產的金融資產購買或出售。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (Continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in the statement of profit or loss and other comprehensive income. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss and other comprehensive income. The loss arising from impairment is recognised in the statement of profit or loss and other comprehensive income in finance costs for loans and in other income and gains, net for receivables.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

後續計量

金融資產的後續計量視乎其下列分類而定：

按公平值計入損益的金融資產

按公平值計入損益的金融資產包括持作買賣的金融資產和初步確認時指定為按公平值計入損益的金融資產。購入目的為於短期內出售的金融資產歸類為持作買賣的金融資產。衍生工具包括個別嵌入式衍生工具，除非指定為實質對沖工具（定義見國際會計準則第39號），否則亦分類為持作買賣。

按公平值計入損益的金融資產在財務狀況表以公平值列示，公平值增加淨額於損益及其他全面收入表列為其他收入及收益，而公平值減少淨額列為融資成本。該等公平值變動淨額不包括該等金融資產賺取的任何股息或利息，該等股息或利息根據下文「收益確認」所述政策確認。

初步確認時指定為按公平值計入損益的金融資產在初步確認當日指定，且必須符合國際會計準則第39號的標準。

貸款及應收款項

貸款及應收款項指有固定或可確定付款（於活躍市場上並無報價）的非衍生金融資產。於初步計量後，該等資產隨後使用實際利率法以攤銷成本減任何減值撥備計量。計算攤銷成本時，考慮購買產生的任何折讓或溢價，且包括作為實際利率法組成部分的費用或成本。實際利率攤銷計入損益及其他全面收入表中的其他收入及收益。減值產生的虧損於損益及其他全面收入表中確認為貸款的融資成本及應收款項的其他收入及收益淨額。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 主要會計政策概要 (續)

終止確認金融資產

金融資產 (或 (如適用) 金融資產的一部分或一組同類金融資產的一部分) 主要於下列情況下終止確認 (即自本集團合併財務狀況表移除) :

- 從資產收取現金流量的權利已逾期; 或
- 本集團已根據「過手」安排轉讓從資產收取現金流量的權利, 或已承擔向第三方無重大延誤全額支付所收現金流量的責任; 及(a)本集團已轉讓資產的絕大部分風險及回報, 或(b)本集團雖未轉讓或保留資產的絕大部分風險及回報, 但已轉讓資產的控制權。

倘本集團已轉讓從資產收取現金流量的權利或訂立過手安排, 則評估有否保留資產所有權的風險和回報及保留程度。倘本集團並無轉讓或保留資產的絕大部分風險及回報, 亦無轉讓資產控制權, 本集團以本集團持續參與程度為限繼續確認所轉讓資產。在該情況下, 本集團亦確認相關負債。已轉讓資產及相關負債根據反映本集團所保留權利及責任的基準計量。

對於以擔保形式對已轉讓資產進行的持續參與, 按資產原賬面值與本集團可能須償還代價上限兩者間的較低者計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

2.4 主要會計政策概要 (續)

金融資產減值

本集團於各報告期末評估有否存在客觀跡象顯示一項或一組金融資產出現減值。倘於資產初步確認後出現的一項或多項事件對能可靠估計的金融資產或一組金融資產的估計未來現金流量有影響，則說明已發生減值。減值跡象可能包括債務人或一組債務人有重大財務困難、拖欠利息或本金付款、可能破產或進行其他財務重組，以及可觀察數據顯示估計未來現金流量減少且可計量，例如與拖欠有關的欠款或經濟狀況變動。

按攤銷成本入賬的金融資產

對於按攤銷成本入賬的金融資產，本集團首先評估個別重大的金融資產是否存在個別減值或評估非個別重大的金融資產有否存在集體減值。倘本集團斷定個別評估的金融資產並無客觀減值證據，則不論重大與否均須將該資產計入一組具有相似信貸風險特徵的金融資產，以整體評估有否減值。已個別評估減值並已確認或將繼續確認減值虧損的資產不進行整體減值評估。

已識別減值虧損金額以資產的賬面值與估計未來現金流量現值（不包括尚未產生的日後信貸虧損）的差額計量。估計未來現金流量現值按金融資產的原實際利率（即初步確認時計算採用的實際利率）折現。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (Continued)

Financial assets carried at amortised cost (Continued)

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to administrative expenses in the statement of profit or loss and other comprehensive income.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, amounts due to the ultimate holding company and related parties and interest-bearing loans and borrowings.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

按攤銷成本入賬的金融資產 (續)

資產賬面值透過使用撥備賬扣減，該虧損於損益中確認。利息收入持續按已扣減賬面值累計，並採用計量減值虧損時折現未來現金流量所使用的利率累計。倘不能於未來實現收回且所有抵押品已變現或轉撥至本集團，則貸款及應收款項連同任何相關撥備可予撇銷。

倘後續期間於確認減值後發生的事項導致估計減值虧損金額增加或減少，則以往確認的減值虧損透過調整撥備賬增加或減少。倘撇銷於日後收回，則收回的減值虧損計入損益及其他全面收入表的行政開支。

按成本列賬的資產

倘有客觀證據顯示因未能可靠地計量公平值而不按公平值列賬的無報價股本工具，或與該等無報價股本工具掛鈎且須以交付該無報價股本工具結算的衍生性資產已產生減值虧損，則該虧損金額按該資產的賬面值與按同類金融資產的現時市場回報率折現的估計未來現金流量現值的差額計量。該等資產的減值虧損不會撥回。

金融負債

初步確認及計量

金融負債初步確認時分類為貸款及借款。

所有金融負債初步按公平值確認，貸款及借款則須扣除直接應佔交易成本。

本集團的金融負債包括貿易應付款項及其他應付款項、應付最終控股公司及關連方的款項以及計息貸款及借款。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (Continued)

Subsequent measurement

The subsequent measurement of loans and borrowings is as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss and other comprehensive income.

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.4 主要會計政策概要 (續)

金融負債 (續)

後續計量

貸款及借款隨後按以下方法計量：

貸款及借款

初步確認後，計息貸款及借款隨後以實際利率法按攤銷成本計量，惟倘折現影響並不重大，則按成本列賬。收益及虧損於終止確認負債時透過實際利率攤銷過程於損益中確認。

計算攤銷成本時已計及任何收購折讓或溢價，及屬實際利率不可或缺部分的費用或成本。實際利率攤銷則計入損益及其他全面收入表的融資成本。

終止確認金融負債

金融負債於負債責任解除、取消或屆滿時終止確認。

倘現有金融負債被另一項由同一貸款人提供而絕大部分條款不同的負債所取代，或現有負債的條款遭大幅修訂，則有關取代或修訂以終止確認原有負債及確認新負債的方式處理，而相關賬面值的差額於損益中確認。

抵銷金融工具

倘現時有可執行的法定權利抵銷已確認金額且有意按淨額基準結算，或同時變現資產及結算負債，則金融資產與金融負債可抵銷且淨額於財務狀況表呈報。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling price less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss and other comprehensive income.

2.4 主要會計政策概要 (續)

存貨

存貨按成本與可變現淨值的較低者列賬。成本使用加權平均法釐定，就在製品及製成品而言包括直接材料、直接勞工及適當部分的生產開支。可變現淨值乃按估計售價減完成及出售所產生的任何估計成本計算。

現金及現金等值物

就合併現金流量表而言，現金及現金等值物由手頭現金及活期存款組成，及可隨時轉換成已知金額現金、價值變動風險不大且獲取時一般具有不超過三個月短暫有效期的短期高流通投資，再扣除須於要求時償還且為本集團現金管理所包含的銀行透支。

就合併財務狀況表而言，現金及現金等值物由所持不限用途的手頭現金及銀行存款（包括定期存款）以及性質與現金類似的資產組成。

撥備

倘因過往事件須承擔現時責任（法定或推定），而履行該責任可能導致未來資源外流，且該責任所涉金額能夠可靠估計，則確認撥備。

倘折現影響重大，則確認撥備的金額為預期履行責任所需未來開支於報告期末的現值。所折算的現值隨時間而增加的金額計入損益及其他全面收入表中的融資成本。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 主要會計政策概要 (續)

所得稅

所得稅由即期及遞延稅項組成。與在損益外所確認項目有關的所得稅於損益外確認，即於其他全面收入或直接於權益確認。

即期稅項資產及負債乃根據於報告期末已實施或已實質實施的稅率（及稅法），並計及本集團經營所在國家的現行詮釋及慣例，按預期將從稅務機關收回或向其支付的金額計量。

遞延稅項採用負債法，就於報告期末資產及負債的計稅基礎與其作財務報告用途的賬面值之間的所有暫時性差異作出撥備。

除以下情況外，對所有應課稅暫時性差異確認遞延稅項負債：

- 當遞延稅項負債產生自非業務合併的交易中對商譽或某項資產或負債的初步確認，且交易時對會計溢利或應課稅溢利或虧損均無影響；及
- 對於於附屬公司的投資產生的應課稅暫時性差異，其撥回時能控制且該暫時性差異可能不會在可預見未來撥回

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (Continued)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.4 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產按所有可扣減暫時性差異、未用稅項抵免及任何未用稅項虧損的結轉予以確認。遞延稅項資產的確認以應課稅溢利可供抵銷的可扣減暫時性差異，及可動用的未用稅項抵免及未用稅項虧損的結轉為限，惟以下情況除外：

- 與遞延稅項資產有關的可扣減暫時性差異產生自非業務合併的交易中對某項資產或負債的初步確認，且交易時對會計溢利或應課稅溢利或虧損亦無影響；及
- 對於於附屬公司的投資產生的可扣減暫時性差異，僅於可能於可預見未來撥回暫時性差異且應課稅溢利會用作抵銷可動用的暫時性差異時確認遞延稅項資產。

遞延稅項資產的賬面值於各報告期末予以審閱，並扣減至不再可能擁有足夠的應課稅溢利以動用全部或部分遞延稅項資產為止。未確認的遞延稅項資產於各報告期末再次予以評估，並以可能擁有足夠的應課稅溢利以收回全部或部分遞延稅項資產為限確認。

遞延稅項資產與負債以預期將資產變現或負債被償還期間使用的稅率計量，並以於報告期末已實施或已實質實施的稅率（及稅法）為基準。

倘有合法執行權利可將即期稅項資產與即期稅項負債抵銷，且遞延稅項與同一應課稅實體及同一稅務機關相關，則遞延稅項資產與遞延稅項負債互相抵銷。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the rendering of services, when the services have been rendered and it is probable that the economic benefits will flow to the Group and the relevant fees can be measured reliably;
- (b) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (c) rental income, on a time proportion basis over the lease terms; and
- (d) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

2.4 主要會計政策概要 (續)

政府資助

倘可合理保證將獲得政府資助及符合所有附帶條件，則按其公平值確認政府資助。倘該資助與一項開支項目有關，則於擬用作補償的成本支銷期間有系統地確認為收入。

倘資助與某項資產有關，則將公平值計入遞延收入賬，再於有關資產的預期可使用年期分期等額計入損益或自資產的賬面值扣除並通過減少折舊費撥回損益中。

收益確認

當經濟利益可能流入本集團且收益能可靠計量時，按下列基準確認收益：

- (a) 提供服務的收益於有關服務已予提供及經濟利益可能將流入本集團且相關費用能可靠計量時確認；
- (b) 貨品銷售的收益於擁有權的重大風險及回報已轉讓予買方時確認，惟本集團並無保留通常與擁有權有關的管理干預及對所售貨品的實際控制權；
- (c) 租金收入的收益於租期內按時間基準確認；及
- (d) 利息收入的收益透過採用於金融工具預期年期或較短期間內（於適當時）將估計未來現金收益準確折現至金融資產賬面淨值的利率，以實際利率法按應計基準確認。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 28 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

2.4 主要會計政策概要 (續)

股份基礎支出

本公司經營一項購股權計劃，旨在向對本集團營運成功作出貢獻的合資格參與者提供獎勵及回報。本集團僱員（包括董事）以股份基礎支出方式收取酬金，而僱員提供服務作為收取股本工具的代價（「股本結算交易」）。

與僱員進行股本結算交易的成本按授出當日的公平值計算。公平值由外部估值師使用二項式模型釐定，進一步詳情載於財務報表附註28。

股本結算交易的成本連同權益的相應增幅於達到表現及／或服務條件的期間於僱員福利開支確認。於歸屬日前各報告期末就股本結算交易確認的累計開支，反映已屆滿歸屬期限的開支及本集團對最終將歸屬的股本工具數目的最佳估計。於各期間損益中的扣除或計入，指該期間開始及結束時已確認的累計開支的變動。

釐定回報的授出日期公平值時，不會計及服務及非市場表現條件，但會評估達成該等條件的可能性，作為本集團對最終將歸屬的權益工具數量的最佳估計。市場表現條件反映於授出日期公平值內。回報所附帶但並無相關服務要求的任何其他條件視為非歸屬條件。除非有另外的服務及／或表現條件，否則非歸屬條件反映於回報的公平值內及導致即時支銷有關回報。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payments (Continued)

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2.4 主要會計政策概要 (續)

股份基礎支出 (續)

基於未能達成非市場表現及／或服務條件而最終並無歸屬的回報不會確認開支。倘回報包括市場或非歸屬條件，交易視為歸屬，而不論市場或非歸屬條件是否達成，惟所有其他表現及／或服務條件須已達成。

倘股本結算獎勵的條款有所修訂，且符合獎勵的原有條款，則確認開支最少金額，猶如有關條款並無任何變更。此外，倘修訂導致於修訂當日計量的股份基礎支出總公價值增加或令僱員受惠，則須確認開支。

倘註銷股本結算獎勵，則按猶如於註銷當日已歸屬處理，而任何尚未就獎勵確認的開支將即時確認。此包括未符合屬本集團或僱員控制範圍內的非歸屬條件所涉及的任何獎勵。然而，倘以新獎勵取代已註銷獎勵，並於授出當日指定為替代獎勵，則相關已註銷及新獎勵將按猶如上一段所述原有獎勵的修訂處理。

計算每股盈利時，未行使購股權的攤薄效應反映為額外股份攤薄。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other employee benefits

Pension schemes

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute 20% of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees of the Group's subsidiaries which operate in the Hong Kong SAR. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., 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. The capitalisation of such borrowing costs ceases when 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 capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4 主要會計政策概要 (續)

其他僱員利益

退休金計劃

本集團參加其經營所在國家的法律所界定的國家退休金計劃。

本集團於中國營運的附屬公司僱員須參與由地方市政府營辦的中央退休金計劃。該等附屬公司須按薪金成本20%向中央退休金計劃供款。供款按照中央退休金計劃的規定於應付時在損益中扣除。

本集團根據《強制性公積金計劃條例》，本集團在香港特別行政區內經營的附屬公司之僱員營運一個定額供款強制性公積金退休福利計劃（「強積金計劃」）。供款乃按僱員基本薪金的某百分比計算，並根據強積金計劃的規則於應付時在損益中扣除。強積金計劃資產與本集團資產分開存放，為獨立管理的基金。本集團一經向強積金計劃供款，供款即全數歸僱員所有。

借款成本

收購、建設或生產合資格資產（即需要一段較長時間方可達致擬定用途或出售的資產）直接應佔的借款成本撥充資本，作為該等資產的部分成本。當資產已大致可作擬定用途或出售時，不會再將該等借款成本撥充資本。在特定借款用作合資格資產支出前暫作投資所賺取的投資收入須自己撥充資本的借款成本扣除。所有其他借款成本於產生期間支銷。借款成本包括實體借款時產生的利息及其他成本。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. In prior years, final dividends proposed by the directors were classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. Following the implementation of the Hong Kong Companies Ordinance (Cap. 622), proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

The Company's functional currency is HK dollars ("HKD"); because most of the subsidiaries' functional currencies are Renminbi ("RMB"), these financial statements are presented in RMB. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 主要會計政策概要 (續)

股息

當股東在股東大會上批准末期股息時，末期股息確認為負債。於過往年度，董事擬派的末期股息在財務狀況表的權益部分列示為保留溢利的獨立分配，直至在股東大會上獲股東予以批准。繼實施香港《公司條例》(第622章)後，擬派末期股息於財務報表附註內披露。

由於本公司的公司組織章程大綱及細則授予董事權力宣派中期股息，故中期股息乃同時候建議及宣派。因此，中期股息於建議及宣派時即時確認為負債。

外幣

本公司的功能貨幣為港元(「港元」)，由於大部分附屬公司的功能貨幣為人民幣(「人民幣」)，該等財務報表以人民幣列示。本集團旗下各實體自行釐定其功能貨幣，而各實體財務報表所計入項目均以該功能貨幣計量。本集團實體以外幣進行的交易按功能貨幣於交易日的當時匯率初步入賬。以外幣列值的貨幣資產及負債按報告期末的功能貨幣匯率重新換算。結算或換算貨幣項目所產生的差額於損益中確認。

按歷史成本法以外幣計量的非貨幣項目以初步交易當日的匯率換算。按外幣以公平值計量的非貨幣項目以釐定公平值當日的匯率換算。換算以公平值計量的非貨幣項目所產生的收益或虧損與確認該項目公平值變動的收益或虧損一致(即其公平值收益或虧損於其他全面收入或損益中確認的項目的換算差額亦分別於其他全面收入或損益中確認)。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (Continued)

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statements of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas companies which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgement

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

2.4 主要會計政策概要 (續)

外幣 (續)

若干海外附屬公司的功能貨幣為人民幣以外的貨幣。於報告期末，該等實體的資產及負債按報告期末當時的匯率換算為人民幣，而其損益表按年度的加權平均匯率換算為人民幣。

就此產生的匯兌差額於其他全面收入確認，並於外幣換算儲備內累計。於出售海外業務時，與該特定海外業務相關的其他全面收入部分於損益中確認。

就合併現金流量表而言，海外附屬公司的現金流量按現金流量日期當時的匯率換算為人民幣。海外公司於整個年度內經常產生的現金流量按年度的加權平均匯率換算為人民幣。

3. 主要會計判斷及估計

編製本集團的財務報表時，管理層須作出會影響收益、開支、資產及負債呈報金額及其隨附披露，以及或然負債披露的判斷、估計及假設。有關該等假設及估計的不確定因素可導致須就未來受影響的資產或負債賬面金額作出重大調整。

判斷

於應用本集團會計政策過程中，管理層已作出以下對財務報表已確認款額有最重大影響的判斷，惟該等涉及估計者除外：

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Withholding tax arising from the distribution of dividends

The Group's determination, as to whether to accrue withholding taxes arising from the distributions of dividends by certain subsidiaries according to the relevant tax rules enacted in the jurisdictions, is subject to judgement on the plan of the distribution of dividends. At 31 December 2015, the carrying value of deferred tax liabilities relating to withholding tax was approximately RMB7,251,000 (2014: RMB3,910,000).

Estimation uncertainty

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

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. At 31 December 2015, no impairment loss has been recognised for non-financial assets (2014: Nil).

3. 主要會計判斷及估計

分派股息引致的預扣稅

本集團斷定根據司法管轄區所頒佈的相關稅務規則若干附屬公司分派股息是否引致預扣稅而言，取決於分派股息計劃的判斷。於二零一五年十二月三十一日，有關預扣稅的遞延負債的賬面值約為人民幣7,251,000元（二零一四年：人民幣3,910,000元）。

估計不明朗因素

下文載述於報告期末有關日後及估計不確定因素其他主要來源的主要假設，該等不確定因素具有導致下一個財政年度資產及負債賬面值須作出重大調整的重大風險。

非金融資產減值（商譽除外）

本集團於各報告期末評估所有非金融資產是否存在任何減值跡象。無限年期的無形資產每年及於出現減值跡象的其他時候測試減值。其他非金融資產於有跡象顯示可能無法收回賬面值時進行減值測試。倘資產或現金產生單位的賬面值超出其可收回金額（為其公平值減出售成本與其使用價值兩者中的較高者），即存在減值。公平值減出售成本按類似資產的公平交易中具約束力銷售交易所得數據或可觀察市價減出售該項資產的遞增成本計算。於計算使用價值時，管理層必須估計來自資產或現金產生單位的預期未來現金流量，並選擇合適折現率以計算該等現金流量的現值。於二零一五年十二月三十一日，並無就非金融資產確認減值虧損（二零一四年：無）。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The outcome of their actual utilisation may be different. The carrying value of deferred tax assets relating to recognised deductible temporary differences at 31 December 2015 was approximately RMB5,885,000 (2014: RMB10,572,000). The carrying value of deferred tax assets relating to recognised tax losses at 31 December 2015 was approximately RMB127,000 (2014: RMB1,759,000). Further details are contained in note 26 to the financial statements.

Income tax

The Group is subject to income taxes in various regions. As a result, certain matters relating to the income taxes have not been confirmed by the local tax bureau, objective estimates and judgments based on currently enacted tax laws, regulations and other related policies are required in determining the provision for corporate income taxes. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the corporate income tax and tax provisions over the period in which the differences are realised. The income tax expenses for the year ended 2015 was approximately RMB18,578,000 (2014: RMB13,582,000). At 31 December 2015, the carrying value of income tax payable was approximately RMB2,724,000 (2014: RMB9,011,000).

3. 主要會計判斷及估計 (續)

估計不明朗因素 (續)

遞延稅項資產

倘可能有應課稅溢利可用以抵銷虧損及可扣減暫時性差額，則就未動用稅項虧損及可扣減暫時性差額確認遞延稅項資產。於釐定可確認的遞延稅項資產金額時，管理層須根據未來應課稅溢利的大致時間與數額以及未來稅務計劃策略作出重要判斷。彼等的實際使用結果可能存在差異。於二零一五年十二月三十一日，有關已確認可扣減暫時性差額的遞延稅項資產之賬面值約為人民幣5,885,000元（二零一四年：人民幣10,572,000元）。於二零一五年十二月三十一日，有關已確認稅項虧損的遞延稅項資產之賬面值約為人民幣127,000元（二零一四年：人民幣1,759,000元）。進一步詳情載於財務報表附註26。

所得稅

本集團須於多個地區繳納所得稅。因此，由於當地稅務局尚未落實與所得稅相關的若干事宜，故於釐定企業所得稅撥備時，須根據現時實施的稅務法律、法規及其他相關政策作出客觀估計及判斷。倘此等事宜的最終稅項結果有別於原有記錄金額，有關差額將影響差額變現期間的企業所得稅及稅項撥備。於二零一五年年度，所得稅開支約為人民幣18,578,000元（二零一四年：人民幣13,582,000元）。於二零一五年十二月三十一日，應付所得稅的賬面值約為人民幣2,724,000元（二零一四年：人民幣9,011,000元）。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Impairment of trade and other receivables

Impairment of trade and other receivables is made based on an assessment of the recoverability of trade and other receivables. The identification of impairment requires management's judgments and estimates. Where the actual outcome is different from the original estimate, such differences will impact on the carrying values of the trade and other receivables and impairment loss over the period in which such estimate has been changed. At 31 December 2015, the provision for impairment of trade and other receivables was approximately RMB1,350,000 (2014: RMB5,102,000).

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated selling expenses. These estimates are based on the current market condition and the historical experience of selling products of a similar nature. It could change significantly as a result of changes in market conditions. Management reassesses these estimates at each reporting date. At 31 December 2015, the net carrying value of inventories was approximately RMB40,059,000 (2014: RMB87,829,000).

Share-based compensation

The fair value of most share options granted by the Group is estimated using the binomial model. Use of a valuation model requires management to make certain assumptions with respect to selected model inputs. Management estimates expected volatility based on the historical volatility of the comparable company's stock. Expiration date is the basis for determining the expected life of an option. The risk-free interest rate is based on treasury yield curve rates with a remaining term which approximates the expected life assumed at the date of grant. Changes in these input variables would affect the amount of expense associated with share-based compensation. The compensation expense recognised for all share-based awards is net of estimated forfeitures. The Company estimates forfeiture rates based on historical analysis of option forfeitures. If actual forfeitures vary from estimated forfeitures, adjustments to compensation expense may be required. For the year ended 31 December 2015, the equity-settled share option expense was approximately RMB4,189,000 (2014: Nil).

3. 主要會計判斷及估計 (續)

估計不明朗因素 (續)

貿易應收款項及其他應收款項減值

貿易應收款項及其他應收款項減值根據對貿易應收款項及其他應收款項可收回性的評估而作出。管理層須就確定減值作出判斷及估計。倘實際結果有別於原有估計，有關差額將影響有關估計變動期間貿易應收款項及其他應收款項的賬面值及減值虧損。於二零一五年十二月三十一日，貿易應收款項及其他應收款項的減值撥備約為人民幣1,350,000元（二零一四年：人民幣5,102,000元）。

存貨的可變現淨值

存貨的可變現淨值為日常業務過程中的估計售價減估計銷售開支。該等估計基於現行市況及銷售性質相若產品的過往經驗而作出。該等估計可能因市況的波動出現重大變動。管理層於各報告日期重新評估該等估計。於二零一五年十二月三十一日，存貨的賬面淨值約為人民幣40,059,000元（二零一四年：人民幣87,829,000元）。

以股份為基礎的薪酬開支

本集團授出的大部分購股權公平值是運用二項式模型作出估計。運用估值模型需要管理層對所選模型的輸入數據作出若干假設。管理層按照可比較公司股份的歷史波幅估計預期波幅。屆滿日期是釐定購股權預期年期的基準。無風險利率是按照具有於授出日期已假定概約預計年期餘下期間的國庫券收益曲線率計算。該等輸入變量的變動會影響以股份為基礎的薪酬開支的相關開支金額。就所有以股份為基礎的獎勵所確認的薪酬開支將扣除估計沒收款項。本公司按照沒收購股權的歷史分析而估計沒收率。倘實際沒收有別於估計沒收，可能需要就薪酬開支作出調整。截至二零一五年十二月三十一日止年度，股權結算購股權開支約為人民幣4,189,000元（二零一四年：無）。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- Production: Production of polyester filament yarns and 3D printing materials;
- Processing: The dyeing processing of differentiated polyester filament yarn;
- Trading: Trading of polyester filament yarns.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on profit before tax without allocation of interest income/(costs) and other expenses which are not occurred directly for operating segments.

Segment assets exclude corporate cash and deferred tax assets as the asset is managed on a group basis.

Segment liabilities exclude corporate accruals, payroll payable, deferred tax liabilities and income tax payable as the liability is managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

No further geographical segment information is presented as the Group's revenue from external customers is derived mainly from its operation in the Mainland China and no non-current assets are located outside the Mainland China.

4. 經營分部資料

為方便管理，本集團按照其產品及服務劃分業務單元，可分為以下三個可報告經營分部：

- 生產： 生產滌綸長絲及三維打印材料；
- 加工： 差別化滌綸長絲染色加工；
- 貿易： 買賣滌綸長絲。

管理層獨立審視本集團經營分部的業績，以就分配資源及評估表現作出決定。分部表現按照未劃撥融資收入／（成本）的除稅前溢利及並非直接就經營分部產生的其他開支進行評估。

分部資產不包括公司現金及遞延稅項資產，原因是資產乃在集團層面管理。

分部負債不包括公司應計款項、應付工資、遞延稅項負債及應付所得稅，原因是負債乃在集團層面管理。

分部間的銷售及轉撥乃參考按當時市場現行價格向第三方進行銷售所用價格。

由於本集團來自外界客戶的收益主要源於其在中國大陸的業務及並無非流動資產位於中國大陸境外，故並無進一步呈列地區分部資料。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

4. OPERATING SEGMENT INFORMATION (CONTINUED)

4. 經營分部資料 (續)

Operating segments

經營分部

		Year ended 31 December 2015 截至二零一五年十二月三十一日止年度			
		Production 生產 RMB'000 人民幣千元	Processing 加工 RMB'000 人民幣千元	Trading 貿易 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment revenue	分部收益				
Sales to external customers	銷售予外界客戶	310,024	176,863	4,278	491,165
Revenue from continuing operations	持續經營業務的收益				491,165
Segment results	分部業績	47,083	40,568	314	87,965
<i>Reconciliations:</i>	<i>對賬:</i>				
Corporate and other unallocated expenses	公司及其他未分配開支				(9,727)
Interest income	利息收入				5,108
Finance costs	融資成本				(975)
Profit before tax from continuing operations	持續經營業務的除稅前溢利				82,371
Segment assets	分部資產	269,200	373,573	-	642,773
<i>Reconciliations:</i>	<i>對賬:</i>				
Corporate and other unallocated assets	公司及其他未分配資產				5,979
Elimination of intersegment receivables	抵銷分部間的應收款項				(102,082)
Total assets	總資產				546,670
Segment liabilities	分部負債	108,197	117,090	-	225,287
<i>Reconciliations:</i>	<i>對賬:</i>				
Corporate and other unallocated liabilities	公司及其他未分配負債				3,373
Elimination of intersegment payables	抵銷分部間的應付款項				(102,082)
Total liabilities	總負債				126,578
Other segment information	其他分部資料				
Depreciation and amortisation	折舊及攤銷	7,294	7,011	-	14,305
Write-down of inventories to their net realisable value	存貨撇減至其可變現淨值	-	304	-	304
Reversal of provision for impairment of receivables	應收款項減值撥回撥備	(9)	(78)	-	(87)
Capital expenditure*	資本開支*	20,193	6,463	-	26,656

* Capital expenditure consists of additions to property, plant and equipment and intangible assets.

* 資本開支包括添置物業、廠房及設備以及無形資產。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

4. OPERATING SEGMENT INFORMATION (CONTINUED)

4. 經營分部資料 (續)

Operating segments (Continued)

經營分部 (續)

		Year ended 31 December 2014 截至二零一四年十二月三十一日止年度			
		Production 生產 RMB'000 人民幣千元	Processing 加工 RMB'000 人民幣千元	Trading 貿易 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment revenue	分部收益				
Sales to external customers	銷售予外界客戶	317,602	146,479	22,280	486,361
Inter-segment	分部間	109	-	-	109
		317,711	146,479	22,280	486,470
<i>Reconciliation:</i>	<i>對賬:</i>				
Elimination of intersegment sales	抵銷分部間的銷售額				(109)
Revenue from continuing operations	持續經營業務的收益				486,361
Segment results	分部業績	50,564	30,077	4,101	84,742
<i>Reconciliations:</i>	<i>對賬:</i>				
Corporate and other unallocated expenses	公司及其他未分配開支				(13,947)
Interest income	利息收入				5,154
Finance costs	融資成本				(3,018)
Profit before tax from continuing operations	持續經營業務的除稅前溢利				72,931
Segment assets	分部資產	234,593	294,433	-	529,026
<i>Reconciliations:</i>	<i>對賬:</i>				
Corporate and other unallocated assets	公司及其他未分配資產				22,972
Elimination of intersegment receivables	抵銷分部間的應收款項				(198,492)
Assets related to a discontinued operation	與一項終止經營業務有關的資產				195,141
Total assets	總資產				548,647
Segment liabilities	分部負債	113,608	108,746	-	222,354
<i>Reconciliations:</i>	<i>對賬:</i>				
Corporate and other unallocated liabilities	公司及其他未分配負債				863
Elimination of intersegment payables	抵銷分部間的應付款項				(198,492)
Liabilities related to a discontinued operation	與一項終止經營業務有關的負債				153,684
Total liabilities	總負債				178,409
Other segment information	其他分部資料				
Depreciation and amortisation	折舊及攤銷	7,235	6,209	-	13,444
Write-down of inventories to their net realisable value	存貨撇減至其可變現淨值	322	-	-	322
Reversal of provision for impairment of receivables	應收款項減值撥備撥回	(29)	-	-	(29)
Capital expenditure*	資本開支*	6,217	9,612	-	15,829

* Capital expenditure consists of additions to property, plant and equipment and intangible assets.

* 資本開支包括添置物業、廠房及設備以及無形資產。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of services provided and goods sold, after allowances for returns and trade discounts during the year.

An analysis of revenue, other income and gains from continuing operations is as follows:

5. 收入、其他收入及收益

收入指於年內扣除退貨及貿易折扣撥備後，已提供服務及已出售貨品的發票淨值。

來自持續經營業務的收入、其他收入及收益分析如下：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Revenue	收入		
Production	生產	310,024	317,602
Processing	加工	176,863	146,479
Trading	貿易	4,278	22,280
		491,165	486,361
Other income and gains, net	其他收入及收益淨額		
Bank interest income	銀行利息收入	5,108	5,154
Fair value gains on financial assets at fair value through profit or loss	按公平值計入損益的 金融資產的公平值收益	448	-
Rental income	租金收入	439	1,084
Government grants (note 25)	政府資助(附註25)	2,911	1,378
Depreciation and amortisation	折舊及攤銷	(175)	(437)
Foreign exchange differences, net	匯兌差額淨額	(654)	(517)
Others	其他	(175)	207
		7,902	6,869

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

6. PROFIT BEFORE TAX

The Group's profit before tax from continuing operations is arrived at after charging/(crediting):

6. 除稅前溢利

本集團持續經營業務的除稅前溢利經扣減／(計入)以下各項後得出：

	Note	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Cost of inventories sold		243,220	268,368
Cost of services provided		106,522	96,940
Depreciation*	14	12,549	11,819
Amortisation of other intangible assets*	16	942	808
Amortisation of prepaid land lease payments*	15	814	817
(Reversal of provision)/provision for impairment of trade receivables		(78)	–
Reversal of provision for impairment of other receivables		(9)	(29)
Minimum lease payments under operating leases			
– Office rental		416	22
Auditors' remuneration		1,050	1,350
Employee benefit expense (including directors' and chief executive's remuneration)*:			
Wages and salaries		53,339	47,381
Pension scheme contributions (defined contribution schemes)		3,433	1,808
Equity-settled share option arrangements		4,189	–
Research and development costs		12,584	7,825
Foreign exchange differences, net		654	517
Fair value gains, net:			
Financial assets at fair value through profit or loss		(448)	–
Bank interest income		(5,108)	(5,154)
Loss/(Gain) on disposal of items of property, plant and equipment		(36)	3

* Part of the depreciation, the amortisation of other intangible assets and prepaid land lease payments and employee benefit expense for the year are included in "Cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

* 本年度折舊、其他無形資產攤銷、預付土地租賃款項攤銷及僱員福利開支的一部分已計入合併損益及其他全面收入表內的「銷售成本」。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Interest on bank loans 銀行貸款利息	975	3,018

7. 融資成本

融資成本的分析如下：

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive, Mr. Li Cheng's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Fee 袍金	577	527
Other emoluments: 其他酬金：		
Salaries, allowances and benefits in kind 薪金、津貼及實物福利	1,467	1,446
Performance related bonuses 相關績效花紅	3,767	3,970
Pension scheme contributions 退休金計劃供款	15	16
Equity-settled share option arrangements 股權結算購股權安排	2,108	-
	7,934	5,959

8. 董事及最高行政人員薪酬

董事及最高行政人員李誠先生於年內的薪酬根據上市規則、香港《公司條例》第383(1)(a)、(b)、(c)及(f)條及《公司(披露董事利益資料)規例》第2部披露如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

During the year, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 28 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss and other comprehensive income over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Mr. Shiping James Wang	王世平先生	79	79
Mr. Wong Wai Ling	黃慧玲女士	103	103
Mr. Wang Huaping	王華平先生	79	29
Mr. Duan Xiaoping*	端小平先生*	-	-
		261	211

* Mr. Duan Xiaoping retired from office as an independent non-executive director of the Company on 19 August 2014.

There were no other emoluments payable to the independent non-executive directors during the year (2014: Nil).

8. 董事及最高行政人員薪酬 (續)

年內，根據本公司的購股權計劃，若干董事就其對本集團提供的服務獲授購股權，進一步詳情載於財務報表附註28。該等購股權的公平值於授出日期釐定，已按歸屬期於損益及其他全面收入表確認，而載於本年度財務報表的金額已載於上文董事及最高行政人員薪酬的披露資料。

(a) 獨立非執行董事

年內，向獨立非執行董事支付的袍金如下：

	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Mr. Shiping James Wang	79	79
Mr. Wong Wai Ling	103	103
Mr. Wang Huaping	79	29
Mr. Duan Xiaoping*	-	-
	261	211

* 端小平先生於二零一四年八月十九日退任本公司獨立非執行董事。

年內，概無其他薪酬應付予獨立非執行董事(二零一四年：無)。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

8. 董事及最高行政人員薪酬 (續)

(b) Executive directors and non-executive directors

(b) 執行董事和非執行董事

2015

二零一五年

Name of Directors	Fees	Salaries,	Performance	Pension	Equity-settled	Total
		allowances and benefits in kind	related bonuses	scheme contributions	share option arrangements	
董事姓名	袍金	薪酬、津貼及實物福利	相關績效花紅	退休金計劃供款	股權結算購股權安排	總計
	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
Executive directors:						
Mr. Li Cheng	79	484	895	4	-	1,462
Mr. Zhao Jidong	79	484	1,395	4	1,295	3,257
Mr. Li Conghua	79	170	-	3	-	252
Mr. Ma Qinghai	79	329	1,477	4	813	2,702
	316	1,467	3,767	15	2,108	7,673
Independence non-executive directors						
Mr. Shiping James Wang	79	-	-	-	-	79
Mr. Wong Wai Ling	103	-	-	-	-	103
Mr. Wang Huaping	79	-	-	-	-	79
	261	-	-	-	-	261
	577	1,467	3,767	15	2,108	7,934

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

8. 董事及最高行政人員薪酬 (續)

(b) Executive directors and non-executive directors (Continued)

(b) 執行董事和非執行董事 (續)

2014

二零一四年

Name of Directors	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Equity-settled share option arrangements	Total
董事姓名	袍金	薪酬、津貼及實物福利	相關績效花紅	退休金計劃供款	股權結算購股權安排	總計
	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
Executive directors:	執行董事:					
Mr. Li Cheng	79	429	737	4	-	1,249
Mr. Zhao Jidong	79	456	1,317	4	-	1,856
Mr. Li Conghua	79	267	54	4	-	404
Mr. Ma Qinghai	79	294	1,862	4	-	2,239
	316	1,446	3,970	16	-	5,748
Independence non-executive directors:	獨立非執行董事:					
Mr. Shiping James Wang	79	-	-	-	-	79
Mr. Wong Wai Ling	103	-	-	-	-	103
Mr. Wang Huaping	29	-	-	-	-	29
Mr. Duan Xiaoping	-	-	-	-	-	-
	211	-	-	-	-	211
	527	1,446	3,970	16	-	5,959

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

年內，並無任何董事或最高行政人員放棄或同意放棄任何薪酬的安排。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included 3 executive directors (2014: 3 executive directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining 2 (2014: 2) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	434	913
Performance related bonuses	相關績效花紅	1,280	2,498
Pension scheme contributions	退休金計劃供款	9	8
Equity-settled share option arrangements	股權結算購股權安排	814	-
		2,537	3,419

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

		2015 二零一五年	2014 二零一四年
Nil to HK\$1,000,000	無至1,000,000港元	-	-
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	-
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	-	-
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	-	1
		2	2

During the year and prior years, share options were granted to two non-director highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 28 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss and other comprehensive income over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director highest paid employees' remuneration disclosures.

9. 五名最高薪酬僱員

年內，五名最高薪酬僱員包括三名執行董事（二零一四年：三名執行董事），彼等的薪酬詳情載於上文附註8。餘下兩名（二零一四年：兩名）最高薪酬僱員（並非本公司董事或最高行政人員）於年內的薪酬詳情如下：

薪酬介乎下列範圍既非董事亦非最高行政人員的最高薪酬僱員人數如下：

於年內及過往年度，兩名非董事最高薪酬僱員就其對本集團提供的服務獲授購股權，進一步詳情載於財務報表附註28。該等購股權的公平值於授出日期釐定，已按歸屬期於損益及其他全面收入表確認，而載於本年度財務報表的金額已載於上文非董事最高薪酬僱員的薪酬的披露資料。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

10. INCOME TAX EXPENSE

Pursuant to the applicable rules and regulations of the Cayman Islands and BVI, the Group is not subject to any income tax in the Cayman Islands and BVI.

All of the Group's subsidiaries incorporated in Hong Kong are subject to profits tax at a rate of 16.5% (2014: 16.5%).

All of the Group's subsidiaries registered in the PRC and only having operations in Mainland China are subject to PRC enterprise income tax on the taxable income as reported in their PRC statutory accounts adjusted in accordance with relevant PRC income tax laws. The PRC Enterprise Income Tax Law introduces a wide range of changes which include, but are not limited to, the unification of the income tax rates for domestic-invested and foreign-invested enterprises at 25%.

Pursuant to the relevant laws and regulations in the PRC and with approval from the tax authorities in charge, two of the Group's subsidiaries, Hangzhou Huvis Yongsheng Dyeing and Finishing Company Limited and Nantong Yongsheng Fiber Advanced Materials Company Limited, qualified as High and New Technology Enterprises, are entitled to the preferential enterprise income tax rate of 15% for three years from 2015 to 2018.

Pursuant to the relevant laws and regulations in the PRC and with approval from the tax authorities in charge, one of the Group's subsidiaries, Hangzhou Huvis Yongsheng Chemical Fiber Company Limited, qualified as a High and New Technology Enterprise, is entitled to the preferential enterprise income tax rate of 15% for three years from 2014 to 2016.

10. 所得稅開支

根據開曼群島及英屬處女群島的適用規則及法規，本集團毋須於開曼群島及英屬處女群島繳納任何所得稅。

本集團所有在香港註冊成立的附屬公司均須按利得稅率16.5%（二零一四年：16.5%）繳納稅項。

本集團所有於中國註冊及僅於中國大陸營運的附屬公司須就其於中國法定賬目（根據相關中國所得稅法作出調整）內呈報的應課稅收入繳納中國企業所得稅。中國企業所得稅法引入一系列改革，包括但不限於將境內投資及外資企業的所得稅率統一為25%。

根據中國相關法律及法規以及經負責稅務機關批准，本集團其中兩間附屬公司杭州匯維仕永盛染整有限公司及南通永盛纖維新材料有限公司合資格成為高新技術企業，有權於二零一五年至二零一八年三年間享有15%的優惠企業所得稅率。

根據中國相關法律及法規以及經負責稅務機關批准，本集團其中一間附屬公司杭州匯維仕永盛化纖有限公司合資格成為高新技術企業，有權於二零一四年至二零一六年三年間享有15%的優惠企業所得稅率。

10. INCOME TAX EXPENSE (CONTINUED)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on the dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The Group is therefore liable to 5% withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of their earnings generated from 1 January 2008. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totaled approximately RMB96,720,000 at 31 December 2015 (2014: RMB96,720,000), in the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future.

The major components of income tax expense for the years ended 31 December 2015 and 2014 are:

10. 所得稅開支(續)

根據中國企業所得稅法，在中國成立的外資企業向海外投資者宣派的股息須繳納10%預扣稅。有關規定由二零零八年一月一日起生效，適用於二零零七年十二月三十一日後的盈利。倘中國與海外投資者的司法權區訂有稅務條約，則可能適用較低的預扣稅率。本集團因而有可能須就該等在中國成立的附屬公司自二零零八年一月一日起賺取的盈利所派發的股息繳納5%預扣稅。於二零一五年十二月三十一日，遞延稅項負債尚未確認入賬的涉及中國大陸附屬公司投資的暫時差額合共約為人民幣96,720,000元（二零一四年：人民幣96,720,000元），董事認為該等附屬公司於可見未來應不會分派該等盈利。

截至二零一五年及二零一四年十二月三十一日止年度，所得稅開支的主要組成部分如下：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Current tax	即期稅項	12,349	12,684
Deferred tax	遞延稅項	6,229	898
Total tax charge for the year	年內稅項支出總額	18,578	13,582

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

10. INCOME TAX EXPENSE (CONTINUED)

Reconciliation of the tax expense and the accounting profit multiplied by the statutory rates for the countries in which the Company and its subsidiaries are domiciled for 2015 and 2014:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Profit before tax from continuing operations	持續經營業務的除稅前溢利	82,371	72,931
Tax calculated at statutory tax rate of the PRC (25%)	按中國法定稅率(25%) 計算的稅項	20,593	18,233
Effect of difference for Hong Kong income tax rate	就香港所得稅率差異的影響	52	202
Effect of preferential enterprise income tax rate	優惠企業所得稅率的影響	(8,462)	(6,146)
Expenses not deductible for tax	不可扣稅開支	1,285	485
Change of tax rates	稅率變動	3,036	(1,099)
Withholding tax	預扣稅	3,368	2,859
Additional deduction of research and development cost	研發成本的額外扣減	(1,294)	(952)
Tax at the effective income tax rate 22.6% (2014: 18.6%)	按實際所得稅率22.6% (二零一四年: 18.6%) 計算的稅項	18,578	13,582

10. 所得稅開支(續)

二零一五年及二零一四年，稅項開支與會計溢利乘以本公司及其附屬公司所在國家的法定稅率的對賬如下：

11. DISCONTINUED OPERATION

On 5 May 2015, the Group entered into agreements with certain related parties to dispose Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited and Yongsheng (HK) International Co., Limited (the "Disposal Group"). The Disposal Group mainly engaged in the trading of textile raw materials and products, excluding polyester filament yarns (the "Trading Segment"). The disposal of the Disposal Group was completed on 11 August 2015 and its financial information is no longer included in the note for operating segment information.

11. 終止經營業務

於二零一五年五月五日，本集團與若干關連方訂立協議，出售杭州蕭山永盛對外貿易有限公司及永盛(香港)國際有限公司(「出售集團」)。出售集團主要從事紡織原材料及產品貿易業務，不包括滌綸長絲(「貿易分部」)。出售集團的出售已於二零一五年八月十一日完成，其財務資料已不再計入經營分部資料的附註內。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

11. DISCONTINUED OPERATION (CONTINUED)

11. 終止經營業務 (續)

The results of the Disposal Group for the year are presented below:

年內，出售集團的業績呈列如下：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Revenue	收益	291,628	892,648
Expenses	開支	(296,365)	(889,797)
Finance costs	融資成本	(1,467)	(5,906)
Loss before tax from the discontinued operation	終止經營業務的除稅前溢利	(6,204)	(3,055)
Gains on disposal of the Disposal Group	出售出售集團的收益	4,987	-
Income tax	所得稅	1,580	740
Profit/(loss) for the year from the discontinued operation	年內來自終止經營業務的溢利／(虧損)	363	(2,315)

The net cash flows incurred by disposal group are as follows:

出售集團產生的現金流量淨額如下：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Operating activities	經營活動	(34,699)	115,420
Investing activities	投資活動	-	886
Financing activities	融資活動	33,932	(135,273)
Net cash outflow	現金流出淨額	(767)	(18,967)
Earnings/(loss) per share:	每股盈利／(虧損)：		
Basic, from the discontinued operation	基本，來自終止經營業務	RMB人民幣0.09 cents分	RMB人民幣(0.58) cents分
Diluted, from the discontinued operation	攤薄，來自終止經營業務	RMB人民幣0.09 cents分	RMB人民幣(0.58) cents分

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

11. DISCONTINUED OPERATION (CONTINUED)

The calculations of basic and diluted earnings per share (“EPS”) from the discontinued operation are based on:

11. 終止經營業務（續）

終止經營業務的每股基本及攤薄盈利乃根據以下各項而計算：

		2015 二零一五年	2014 二零一四年
Gain/(loss) attributable to shareholders of the Company – basic and diluted (RMB'000)	本公司股東應佔收益／（虧損）－基本及攤薄（人民幣千元）	363	(2,315)
Weighted average number of ordinary shares for basic EPS (note 13)	用於計算每股基本盈利的普通股加權平均數（附註13）	400,000,000	400,000,000
Weighted average number of ordinary shares adjusted for the effect of dilution (note 13)	修正攤薄影響的普通股加權平均數（附註13）	402,173,120	400,000,000

12. DIVIDENDS

12. 股息

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Interim – HK\$0.02 (equivalent to RMB0.0164) (2014: Nil) per ordinary share	中期－每股普通股0.02港元（相當於人民幣0.0164元）（二零一四年：無）	6,560	-
Proposed final – HK\$0.03 (equivalent to RMB0.0251) (2014: HK\$0.040 (equivalent to RMB0.0315)) per ordinary share	擬派末期－每股普通股0.03港元（相當於人民幣0.0251元）（二零一四年：0.04港元（相當於人民幣0.0315元））	10,050	12,622
		16,610	12,622

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

年內建議末期股息須待本公司股東於股東週年大會上批准，方可作實。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

13. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

Basic EPS amounts are calculated by dividing the profit for the year attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the year, as used in the basic EPS calculation, plus the weighted average number of ordinary shares that would be issued on the deemed exercise of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

13. 本公司股東應佔每股盈利

每股基本盈利金額乃按本公司股東應佔年內溢利除以年內已發行普通股的加權平均數計算。

每股攤薄盈利金額乃按本公司股東應佔溢利，除以年內已發行普通股的加權平均數（如同計算每股基本盈利所採用者）再加上因視作將所有潛在攤薄普通股行使為普通股所要發行的普通股的加權平均數計算。

以下反映用於計算每股基本及攤薄盈利的收入及股份數據：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Earnings:	盈利：		
Profit/(loss) attributable to shareholders of the Company – basic and diluted	本公司股東應佔溢利／（虧損）－基本及攤薄		
From continuing operations	持續經營業務	55,867	50,212
From a discontinued operation	終止經營業務	363	(2,315)
		56,230	47,897

		Number of shares 股份數目	
		2015 二零一五年	2014 二零一四年
Shares:	股份：		
Weighted average number of ordinary shares for EPS calculation	用於計算每股盈利的普通股加權平均數	400,000,000	400,000,000
Effect of dilution – weighted average number of ordinary shares:	攤薄影響－普通股加權平均數：		
Share options	購股權	2,173,120	–
Weighted average number of ordinary shares adjusted for the effect of dilution	修正攤薄影響的普通股加權平均數	402,173,120	400,000,000

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Buildings	Plant and machinery	Vehicles	Office equipment and others	Leasehold improvements	Construction in progress	Total
		樓宇 RMB'000 人民幣千元	廠房及機械 RMB'000 人民幣千元	汽車 RMB'000 人民幣千元	辦公室設備及其他 RMB'000 人民幣千元	租賃裝修 RMB'000 人民幣千元	在建工程 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2014:	於二零一四年一月一日:							
Cost	成本	78,385	116,174	6,733	6,954	1,132	1,731	211,109
Accumulated depreciation	累計折舊	(18,256)	(50,252)	(4,932)	(5,866)	(740)	-	(80,046)
Net carrying amount	賬面淨值	60,129	65,922	1,801	1,088	392	1,731	131,063
At 1 January 2014, net of accumulated depreciation	於二零一四年一月一日，已扣除累計折舊	60,129	65,922	1,801	1,088	392	1,731	131,063
Additions	添置	31	6,189	882	455	135	8,167	15,859
Transfer	轉撥	-	2,309	-	-	-	(2,309)	-
Depreciation provided during the year	年內計提的折舊	(2,378)	(8,581)	(809)	(300)	(194)	-	(12,262)
Disposals	出售	-	(83)	(292)	-	-	-	(375)
At 31 December 2014, net of accumulated depreciation	於二零一四年十二月三十一日，已扣除累計折舊	57,782	65,756	1,582	1,243	333	7,589	134,285
At 31 December 2014:	於二零一四年十二月三十一日:							
Cost	成本	78,416	124,505	6,479	7,297	1,267	7,589	225,553
Accumulated depreciation	累計折舊	(20,634)	(58,749)	(4,897)	(6,054)	(934)	-	(91,268)
Net carrying amount	賬面淨值	57,782	65,756	1,582	1,243	333	7,589	134,285
At 1 January 2015, net of accumulated depreciation	於二零一五年一月一日，已扣除累計折舊	57,782	65,756	1,582	1,243	333	7,589	134,285
Additions	添置	252	1,870	624	210	355	24,009	27,320
Transfer	轉撥	3,646	26,215	-	-	-	(29,861)	-
Depreciation provided during the year	年內計提的折舊	(2,678)	(9,168)	(649)	(5)	(203)	-	(12,703)
Disposals	出售	-	(5,379)	(9)	(16)	-	-	(5,404)
Disposal of subsidiaries	出售附屬公司	(139)	(2)	(140)	(74)	(90)	-	(445)
At 31 December 2015, net of accumulated depreciation	於二零一五年十二月三十一日，已扣除累計折舊	58,863	79,292	1,408	1,358	395	1,737	143,053
At 31 December 2015:	於二零一五年十二月三十一日:							
Cost	成本	81,994	145,283	5,281	7,125	1,088	1,737	242,508
Accumulated depreciation	累計折舊	(23,131)	(65,991)	(3,873)	(5,767)	(693)	-	(99,455)
Net carrying amount	賬面淨值	58,863	79,292	1,408	1,358	395	1,737	143,053

As at 31 December 2014, buildings with net a book value of approximately RMB35,128,000 were pledged as collateral for the Group's bank borrowings. In the current year, the bank borrowings were repaid and the collateral was released (Note 24).

於二零一四年十二月三十一日，樓宇賬面淨值約人民幣35,128,000元已予抵押作為本集團銀行借款的抵押品。借款已於本年度內償還並撤銷抵押（附註24）。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

15. PREPAID LAND LEASE PAYMENTS

15. 預付土地租賃款項

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	30,964	31,781
Recognised during the year	年內已確認	(814)	(817)
Carrying amount at 31 December	於十二月三十一日的賬面值	30,150	30,964

The Group's land use rights are located in Hangzhou and Nantong of the PRC and the remaining lease periods range from 10 to 50 years as at 31 December 2015.

As at 31 December 2014, land use rights with a net book value of approximately RMB12,322,000 were pledged as collateral for the Group's bank borrowings. In the current year, the bank borrowings were repaid and the collateral was released (Note 24).

本集團的土地使用權位於中國杭州及南通，於二零一五年十二月三十一日，餘下租期分別介乎10至50年。

於二零一四年十二月三十一日，土地使用權賬面淨值約人民幣12,322,000元已予抵押作為本集團銀行借款的抵押品。借款已於本年度內償還並撤銷抵押（附註24）。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

16. INTANGIBLE ASSETS

16. 無形資產

		Software 軟件 RMB'000 人民幣千元	Technical know-how 技術知識 RMB'000 人民幣千元	Sewage pipe usage right 污水渠使用權 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2014:	於二零一四年一月一日:				
Cost	成本	225	7,274	2,400	9,899
Accumulated amortisation	累計攤銷	(154)	(2,089)	(650)	(2,893)
Net carrying amount	賬面淨值	71	5,185	1,750	7,006
At 1 January 2014, net of accumulated amortisation	於二零一四年一月一日， 已扣除累計攤銷	71	5,185	1,750	7,006
Amortisation provided during the year	年內計提的攤銷	(24)	(664)	(120)	(808)
At 31 December 2014, net of accumulated amortisation	於二零一四年十二月三十一日， 已扣除累計攤銷	47	4,521	1,630	6,198
At 31 December 2014:	於二零一四年十二月三十一日:				
Cost	成本	225	7,274	2,400	9,899
Accumulated amortisation	累計攤銷	(178)	(2,753)	(770)	(3,701)
Net carrying amount	賬面淨值	47	4,521	1,630	6,198
At 1 January 2015, net of accumulated amortisation	於二零一五年一月一日， 已扣除累計攤銷	47	4,521	1,630	6,198
Addition	添置	25	-	1,114	1,139
Amortisation provided during the year	年內計提的攤銷	(23)	(758)	(161)	(942)
At 31 December 2015, net of accumulated amortisation	於二零一五年十二月三十一日， 已扣除累計攤銷	49	3,763	2,583	6,395
At 31 December 2015:	於二零一五年十二月三十一日:				
Cost	成本	250	7,274	3,514	11,038
Accumulated amortisation	累計攤銷	(201)	(3,511)	(931)	(4,643)
Net carrying amount	賬面淨值	49	3,763	2,583	6,395

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

17. INVENTORIES

17. 存貨

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Raw materials	原材料	14,107	15,509
Work in progress	在製品	1,123	2,178
Finished goods	製成品	24,829	70,142
		40,059	87,829

18. TRADE AND BILLS RECEIVABLES

18. 貿易應收款項及應收票據

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	16,106	95,757
Bills receivables	應收票據	76,598	38,165
		92,704	133,922
Impairment	減值	(1,198)	(4,941)
Net trade and bills receivables	貿易應收款項及應收票據淨額	91,506	128,981

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 3 months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivable and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

本集團與客戶間的貿易條款以信貸為主，惟新客戶一般須預先付款除外。信貸期通常為3個月。每名客戶均設有最高信貸限額。本集團致力嚴格控制未收回應收款項，而高級管理層則定期檢討逾期結餘。鑒於上文所述，加上本集團貿易應收款項與大量分散客戶相關，故並無重大信用風險集中的情況。本集團並無就其貿易應收款項結餘持有任何抵押品或增加其他信貸。貿易應收款項為免息。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

18. TRADE AND BILLS RECEIVABLES (CONTINUED)

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Within 3 months	3個月內	13,403	84,338
3 to 6 months	3至6個月	934	3,424
6 months to 1 year	6個月至1年	502	1,125
1 to 2 years	1至2年	69	1,929
2 to 3 years	2至3年	150	134
Over 3 years	超過3年	1,048	4,807
		16,106	95,757

The movements in provision for impairment of trade receivables are as follows:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
At beginning of year	年初	(4,941)	(5,108)
Impairment losses recognised (note 6)	已確認減值虧損(附註6)	-	(188)
Amount written off as uncollectible	撇銷為無法收回的金額	-	355
Impairment losses reversed (note 6)	已撥回減值虧損(附註6)	78	-
Disposal of subsidiaries (note 11)	出售附屬公司(附註11)	3,665	-
		(1,198)	(4,941)

18. 貿易應收款項及應收票據(續)

於報告期末的貿易應收款項按發票日期的賬齡分析如下：

貿易應收款項減值撥備的變動如下：

18. TRADE AND BILLS RECEIVABLES (CONTINUED)

The ageing analysis of trade receivables that are not individually nor collectively considered to be impaired is as follows:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Neither past due nor impaired	並無逾期或減值	13,403	84,338
Less than 3 months past due	逾期少於3個月	934	3,424
3 months to 9 months past due	逾期3個月至9個月	502	1,125
9 months to 21 months past due	逾期9個月至21個月	69	1,929
		14,908	90,816

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

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

The bills receivable were due within 6 months.

The maximum exposure to credit risk as at the end of the reporting period is the carrying value of the trade receivables.

18. 貿易應收款項及應收票據(續)

並無個別或共同視作減值的貿易應收款項的賬齡分析如下：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Neither past due nor impaired	並無逾期或減值	13,403	84,338
Less than 3 months past due	逾期少於3個月	934	3,424
3 months to 9 months past due	逾期3個月至9個月	502	1,125
9 months to 21 months past due	逾期9個月至21個月	69	1,929
		14,908	90,816

並無逾期或減值的應收款項與大量近期並無拖欠記錄的分散客戶有關。

已逾期但未減值的應收款項與大量和本集團擁有良好過往記錄的獨立客戶有關。根據過往經驗，本公司董事認為無須就該等結餘作出減值撥備，原因為信貸質素並無重大轉變，而結餘仍被視為可全數收回。

應收票據於六個月內到期。

信貸風險於報告期末的最大程度為貿易應收款項的賬面值。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

19. 預付款項、按金及其他應收款項

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Prepayment to suppliers	向供應商支付的預付款項	5,330	5,651
Deposits and other receivables	按金及其他應收款項	534	3,070
Prepaid expenses	預付開支	379	1,166
Interest receivables	應收利息	3	385
Value-added tax recoverable	可收回增值稅	101	231
Less: provision for impairment	減：減值撥備	(152)	(161)
		6,195	10,342

The above balances are unsecured, interest-free and have no fixed terms of repayment. The carrying amounts of deposits and other receivables approximate to their fair values.

上述結餘為無抵押、免息及無固定還款期。按金及其他應收款項的賬面值與其公平值相若。

Movement of the provision for impairment of other receivables is as follows:

其他應收款項減值撥備的變動如下：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
At beginning of year	年初	(161)	(337)
Impairment losses reversed (note 6)	撥回減值虧損(附註6)	9	176
At end of year	年終	(152)	(161)

Impairment provision for other receivables is charged to administrative expenses in the consolidated statement of profit or loss and other comprehensive income (Note 6). Amounts charged to the allowance account are generally written off when there is no expectation of recovery of additional cash.

其他應收款項減值撥備已於合併損益及其他全面收入表的行政開支中扣除(附註6)。於撥備賬目中扣除的金額一般於預期不能收回額外現金時撇銷。

The maximum exposure to credit risk as at the end of the reporting period is the carrying value of prepayments, deposits and other receivables.

於報告期末的最大信貸風險為預付款項、按金及其他應收款項的賬面值。

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

20. 按公平值計入損益的金融資產

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Asset management agreement, at fair value (note 36)	資產管理協議，按公平值 (附註36)	30,448	-
		30,448	-

On 12 August 2015, Hangzhou Huvis Yongsheng Dyeing and Finishing Company Limited (as asset entrustor) has entered into an asset management agreement with Shanghai International Trust Co., Limited (as asset manager), pursuant to which Hangzhou Huvis Yongsheng Dyeing and Finishing Company Limited agreed to participate in the asset management plan operated by Shanghai International Trust Co., Limited and to deposit an investment amount of RMB30,000,000 to the designated account maintained by Shanghai International Trust Co., Limited with China Construction Bank Shanghai Branch. The asset management plan mainly invests in inter-bank deposits and bonds.

Hangzhou Huvis Yongsheng Dyeing and Finishing Company Limited have the discretion to withdraw the whole or part of the investment amount by giving written notice to Shanghai International Trust Co., Limited and the withdrawal shall be effected on the following business day immediately after the date of the written notice.

The above financial assets at 31 December 2015 were classified as held for trading and were, upon initial recognition, designated by the Group as financial assets at fair value through profit or loss.

於二零一五年八月十二日，杭州滙維仕永盛染整有限公司（作為資產委託人）與上海國際信託有限公司（作為資產管理人）訂立資產管理協議，據此，杭州滙維仕永盛染整有限公司同意參與上海國際信託有限公司運營的資產管理計劃，並向上海國際信託有限公司於中國建設銀行上海支行開設的指定賬戶存入投資額人民幣30,000,000元。資產管理計劃主要投資於銀行同業存款及債券。

杭州滙維仕永盛染整有限公司有權透過向上海國際信託有限公司發出書面通知提取全部或部分投資額，且提取須於緊隨書面通知當日後下個營業日落實。

上述金融資產於二零一五年十二月三十一日被列為持作買賣，並於初步確認時被本集團指定為按公平值計入損益的金融資產。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

21. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

21. 現金及現金等值物以及已抵押存款

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	139,487	128,695
Pledged deposits	已抵押存款	5,133	12,937
		144,620	141,632
Less: Pledged as collateral for issuance of letter of credits	減：已就信用狀的 發行質押為抵押品	(5,133)	(12,937)
Cash and cash equivalents	現金及現金等值物	139,487	128,695

At the end of the year, the cash and bank balances of the Group denominated in RMB was RMB134,454,000 (2014: RMB119,744,000). The 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 banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between 1 to 2 months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposits rates. The bank balances are deposited with creditworthy banks with no recent history of default.

於年末，本集團以人民幣計值的現金及銀行結餘為人民幣134,454,000元（二零一四年：人民幣119,744,000元）。人民幣不能自由兌換為其他貨幣。然而，根據中國大陸《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准通過獲授權銀行兌換人民幣為其他貨幣以進行外匯業務。

銀行現金按照每日銀行存款利率，以浮動利率賺取利息。短期定期存款年期不一，視乎本集團即時現金需求而定，介乎一至兩個月不等，並按相關短期定期存款利率賺取利息。銀行結餘存放於信譽良好且近期並無失責記錄的銀行。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

22. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the year, based on the invoice date, is as follows:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Within 6 months	6個月內	66,708	106,574
6 months to 1 year	6個月至1年	108	2,873
1 year to 2 years	1年至2年	276	466
2 years to 3 years	2年至3年	-	154
More than 3 years	超過3年	-	1,458
		67,092	111,525

The trade payables are non-interest-bearing and are normally settled on 60-day terms.

22. 貿易應付款項及應付票據

於年末，貿易應付款項及應付票據根據發票日期的賬齡分析如下：

貿易應付款項為免息及正常須於60日期限內償還。

23. OTHER PAYABLES, ADVANCES FROM CUSTOMERS AND ACCRUALS

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Advances from customers	客戶墊款	6,642	7,131
Accrued payroll	應計工資	20,191	23,090
Accruals	應計款項	1,429	5,287
Value-added and other taxes payable	應付增值稅及其他稅項	6,585	3,787
Payables for purchase of property, plant and equipment	購買物業、廠房及設備的應付款項	2,964	1,832
Others	其他	2,243	1,614
		40,054	42,741

23. 其他應付款項、客戶墊款及應計款項

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

24. INTEREST-BEARING BANK LOAN

24. 計息銀行貸款

		2015 二零一五年			2014 二零一四年		
		Effective interest rate (%) 實際利率(%)	Maturity 到期日	RMB'000 人民幣千元	Effective interest rate (%) 實際利率(%)	Maturity 到期日	RMB'000 人民幣千元
Current	即期						
Bank loans – secured	銀行貸款—有抵押	-	-	-	6.3	2015 二零一五年	2,000
				-			2,000
Analysed into:		分析為:		2015		2014	
Bank loan:		銀行貸款:		二零一五年		二零一四年	
Within one year or on demand		一年內或應要求		RMB'000		RMB'000	
				人民幣千元		人民幣千元	
				-		2,000	

As at 31 December 2014, bank borrowings of RMB2,000,000 were pledged by buildings with a net book value of RMB35,128,000 (Note 14) and land use rights with net a book value of RMB12,322,000 (Note 15).

於二零一四年十二月三十一日，人民幣2,000,000元的銀行借款乃以賬面淨值為人民幣35,128,000元的樓宇（附註14）及賬面淨值為人民幣12,322,000元的土地使用權（附註15）作抵押。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

25. GOVERNMENT GRANTS

25. 政府資助

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Government grants	政府資助	14,607	13,132
Less: current portion	減：即期部分	(1,100)	(807)
		13,507	12,325

Movements in government grants are as follows:

政府資助變動如下：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
At the beginning of the year	年初	13,132	13,939
Grants received during the year	年內已收資助	4,386	571
Amortised as income (Note 5)	攤銷為收入(附註5)	(2,911)	(1,378)
At the end of the year	年末	14,607	13,132

The grants were related to the subsidies received from local government authorities for the purpose of compensation for expenditure on certain facilities and were credited to a deferred income account. The grants were released to profit or loss over the expected useful lives of the relevant assets.

該等資助與因若干設施的開支而從當地政府機關獲得的補貼有關，並被計入遞延收入賬。該等資助於相關資產預期使用年期解除至損益中。

The Group also received certain financial subsidies from local government authorities to support local business. There were no unfulfilled conditions and other contingencies relating to these government grants. These government grants were recognised in profit or loss upon received.

本集團亦自當地政府機關獲得若干財政補貼以支持當地業務。該等政府資助並無任何未達成的條件及其他或然事項。該等政府資助於獲取後在損益中確認。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

26. DEFERRED TAX ASSETS/LIABILITIES

Movements in deferred income tax assets and liabilities, without taking into consideration the offsetting of balance within the same tax jurisdiction, are as follows:

The movements in deferred tax assets:

		Write down of inventories to their net realisable value 存貨撇減至 其可變現淨值 RMB'000 人民幣千元	Government Grants 政府資助 RMB'000 人民幣千元	Accruals 應計款項 RMB'000 人民幣千元	Provision for impairment of receivables 應收款項 減值撥備 RMB'000 人民幣千元	Tax losses 稅項虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2014	於二零一四年一月一日	1,499	3,465	2,444	1,338	1,700	10,446
Deferred tax (charged)/credited to profit or loss during the year	年內於損益(扣除)/計入的 遞延稅項	(843)	(215)	3,192	(308)	59	1,885
At 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日及 二零一五年一月一日	656	3,250	5,636	1,030	1,759	12,331
Deferred tax (charged)/credited to profit or loss during the year	年內於損益(扣除)/計入的 遞延稅項	225	(1,059)	(1,699)	89	1,197	(1,247)
Disposal of subsidiaries	出售附屬公司	(615)	-	(712)	(916)	(2,829)	(5,072)
At 31 December 2015	於二零一五年十二月三十一日	266	2,191	3,225	203	127	6,012

Deferred income tax are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through the future taxable profit is probable.

26. 遞延稅項資產／負債

遞延所得稅資產及負債變動(未有計及抵銷同一稅務司法權區內的結餘)如下:

遞延稅項資產的變動:

當有可能透過未來應課稅溢利變現相關稅務利益時,則會就結轉的稅項虧損確認遞延所得稅。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

26. DEFERRED TAX ASSETS/LIABILITIES (CONTINUED)

26. 遞延稅項資產／負債（續）

The movements in deferred tax liabilities are as follows:

遞延稅項負債的變動如下：

		Unrealised interest income 未變現 利息收入 RMB'000 人民幣千元	Unrealised fair value adjustment 未變現 公平值調整 RMB'000 人民幣千元	Withholding tax 預扣稅 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2014	於二零一四年一月一日	(700)	-	(1,173)	(1,873)
Deferred tax (charged)/credited to profit or loss during the year	年內於損益(扣除)/計入的遞延稅項	695	-	(2,737)	(2,042)
At 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日及二零一五年一月一日	(5)	-	(3,910)	(3,915)
Deferred tax (charged)/credited to profit or loss during the year	年內於損益(扣除)/計入的遞延稅項	5	(67)	(3,341)	(3,403)
At 31 December 2015	於二零一五年十二月三十一日	-	(67)	(7,251)	(7,318)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

為方便列示，若干遞延稅項資產及負債已於合併財務狀況表中抵銷。以下為本集團的遞延稅項結餘就財務報告目的所作分析：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Net deferred tax assets recognised in the consolidated statement of financial position	於合併財務狀況表確認的遞延稅項資產淨額	795	8,416
Net deferred tax liabilities recognised in the consolidated statement of financial position	於合併財務狀況表確認的遞延稅項負債淨額	(2,101)	-
		(1,306)	8,416

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

27. SHARE CAPITAL

Shares

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Issued and fully paid 400,000,000 (2014: 400,000,000) ordinary shares	已發行及繳足 400,000,000股(二零一四年: 400,000,000股)普通股	3,165	3,165

A summary of movements in the Company's share capital is as follows:

本公司股本變動情況概要如下：

		Number of shares in issue 已發行 股份數目 RMB'000 人民幣千元	Share capital 股本 RMB'000 人民幣千元	Share premium account 股份溢價賬 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日及 二零一五年一月一日	400,000,000	3,165	235,512	238,677
Dividends paid to shareholder of the Company	向本公司股東支付股	-	-	(19,182)	(19,182)
At 31 December 2015	於二零一五年十二月三十一日	400,000,000	3,165	216,330	219,495

28. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors and other employees of the Group. The Scheme became effective on 7 November 2013.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 30% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme is limited to 10% of the shares of the Company in issue on 27 November 2013, the day since which the Company's shares have been listed on the Stock Exchange of Hong Kong Limited.

Share options granted to a director, chief executive, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 7 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period of no shorter than 12 months and ends on a date which is not later than 10 years from the date of offer of the share options.

The exercise price of share options is determined at the highest of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the par value of shares.

28. 購股權計劃

本公司經營一項購股權計劃（「該計劃」），旨在向對本集團營運成功作出貢獻的合資格參與者提供獎勵及回報。該計劃的合資格參與者包括本公司的董事及本集團其他僱員。該計劃於二零一三年十一月七日生效。

根據該計劃現時獲准授出的未行使購股權最高數目，於獲行使時數額相等於本公司於任何時間已發行股份的30%。每名合資格參與者根據該計劃獲授的購股權而可予發行的股份最高數目，不可超過本公司股份於二零一三年十一月二十七日在香港聯合交易所有限公司上市之日的本公司已發行股份10%。

授予董事或主要行政人員的購股權須經獨立非執行董事事先批准。此外，於任何十二個月期間，倘授予本公司主要股東或獨立非執行董事或彼等任何聯繫人的任何購股權超過本公司任何時候已發行股份的0.1%或總值（根據本公司股份於授出日期的價格計算）超過5,000,000港元，須經股東於股東大會上事先批准。

授出購股權的要約可於要約日期起計七天內藉由承授人支付名義代價合共1港元後予以接納。所授出購股權的行使期乃由董事釐定，並於不少於12個月的歸屬期後開始及不遲於購股權要約日期起屆滿十年完結。

購股權行使價不得低於下列各項的最高者：(i) 於購股權要約日期本公司股份於聯交所的收市價；及(ii)緊接要約日期前五個交易日本公司股份於聯交所的平均收市價；及(iii)股份面值。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

28. SHARE OPTION SCHEME (CONTINUED)

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

On 6 January 2015, 15,000,000 share options were granted to 39 employees with vesting dates falling from 2 April 2016 to 5 January 2025 and an exercise price of HKD 1.48 per share. The expiration date of the options granted was 10 years after the grant date.

On 30 December 2015, 16,300,000 share options were granted to 45 employees with vesting dates falling from 1 April 2017 to 30 December 2025 and an exercise price of HKD 1.52 per share. The expiration date of the options granted was 10 years after the grant date.

The following share options were outstanding under the Scheme during the year:

		2015 二零一五年		2014 二零一四年	
		Weighted average exercise price 加權平均 行使價 HKD per share 每股港元	Number of options 購股權數目 '000 千份	Weighted average exercise price 加權平均 行使價 HKD per share 每股港元	Number of options 購股權數目 '000 千份
At 1 January	於一月一日	-	-	-	-
Granted during the year	年內授出	1.501	31,300	-	-
Lapsed during the year	年內失效	1.480	(2,300)	-	-
At 31 December	於十二月三十一日	1.503	29,000	-	-

No share options were exercised during the year of 2015.

28. 購股權計劃 (續)

購股權並無授予持有人享有股息或於股東大會投票的權利。

於二零一五年一月六日，39名僱員已獲授15,000,000份購股權，歸屬日期介乎二零一六年四月二日至二零二五年一月五日及行使價為每股1.48港元。已授出購股權的到期日為授出日期後十年。

於二零一五年十二月三十日，45名僱員已獲授16,300,000份購股權，歸屬日期介乎二零一七年四月一日至二零二五年十二月三十日及行使價為每股1.52港元。已授出購股權的到期日為授出日期後十年。

年內，該計劃項下以下購股權尚未行使：

		2015 二零一五年		2014 二零一四年	
		Weighted average exercise price 加權平均 行使價 HKD per share 每股港元	Number of options 購股權數目 '000 千份	Weighted average exercise price 加權平均 行使價 HKD per share 每股港元	Number of options 購股權數目 '000 千份
At 1 January	於一月一日	-	-	-	-
Granted during the year	年內授出	1.501	31,300	-	-
Lapsed during the year	年內失效	1.480	(2,300)	-	-
At 31 December	於十二月三十一日	1.503	29,000	-	-

於二零一五年，概無購股權已獲行使。

28. SHARE OPTION SCHEME (CONTINUED)

28. 購股權計劃(續)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

於報告期末，尚未行使購股權的行使價及行使期如下：

Number of options 購股權數目	Exercise price* 行使價*	Exercise period 行使期
'000	HKD	
千份	per share 每股港元	
6,350	1.48	2 April 2016 to 5 January 2025 二零一六年四月二日至二零二五年一月五日
6,350	1.48	1 April 2017 to 5 January 2025 二零一七年四月一日至二零二五年一月五日
8,150	1.52	2 April 2017 to 30 December 2025 二零一七年四月二日至二零二五年十二月三十日
8,150	1.52	1 April 2018 to 30 December 2025 二零一八年四月一日至二零二五年十二月三十日
29,000		

* The exercise price of the share options is subject to adjustment in the case of rights or dividend issues, or other similar changes in the Company's share capital.

* 購股權的行使價可因應供股或股息事項，或本公司股本的其他類似變動而予以調整。

The fair value of the share options granted during the year were RMB8,556,000 for 15,000,000 share options granted on 6 January 2015 (RMB0.57 each) and RMB10,669,000 for 16,300,000 share options granted on 30 December 2015 (RMB0.65 each) (2014: Nil), of which the Group recognised a share option expense of RMB4,189,000 (2014: Nil) during the year ended 31 December 2015.

年內所授出購股權的公平值就二零一五年一月六日授出的15,000,000份購股權為人民幣8,556,000元（每份人民幣0.57元）及就二零一五年十二月三十日授出的16,300,000份購股權為人民幣10,669,000元為（每份人民幣0.65元）（二零一四年：無），其中本集團於截至二零一五年十二月三十一日止年度確認購股權開支人民幣4,189,000元（二零一四年：無）。

The fair value of equity-settled share options granted during the year was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

年內所授出股權結算購股權於授出日期計及購股權的授出條款及條件後使用二項式模型估計其公平值。下表列出所用模型的輸入數據：

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

28. SHARE OPTION SCHEME (CONTINUED)

15,000,000 share options granted on 6 January 2015:

Dividend yield (%)	股息率(%)	-
Expected volatility (%)	預期波幅(%)	43.78
Risk-free interest rate (%)	無風險利率(%)	1.752
Expected life of options (year)	購股權的預期年限(年)	10
Share price (HK\$ per share)	股價(每股港元)	1.46

16,300,000 share options granted on 30 December 2015:

Dividend yield (%)	股息率(%)	-
Expected volatility (%)	預期波幅(%)	52.30
Risk-free interest rate (%)	無風險利率(%)	1.57
Expected life of options (year)	購股權的預期年限(年)	10
Share price (HK\$ per share)	股價(每股港元)	1.52

The expected life of the options was the contractual life of the options. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

At the end of the reporting period, the Company had 29,000,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 29,000,000 additional ordinary shares of the Company and additional share capital of approximately RMB243,000 (before issue expenses).

At the date of approval of these financial statements, the Company had 29,000,000 share options outstanding under the Scheme, which represented approximately 7.25% of the Company's shares in issue as at that date.

28. 購股權計劃(續)

於二零一五年一月六日授出的15,000,000份購股權：

於二零一五年十二月三十日授出的16,300,000份購股權：

購股權的預期年限為購股權的合約年限。預期波幅反映歷史波幅為未來趨勢指標的假設，惟未來趨勢不一定為實際結果。

公平值計量中並無納入所授出購股權的其他特徵。

於報告期末，本公司於該計劃項下有29,000,000份尚未行使購股權。按照本公司現時的股本架構，悉數行使尚未行使的購股權可導致額外發行29,000,000股本公司普通股及額外股本約人民幣243,000元(扣除發行開支前)。

於批准該等財務報表日期，本公司在該計劃下有29,000,000份尚未行使購股權，相當於本公司於該日已發行股份約7.25%。

29. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 90 of the financial statements.

In accordance with the Company Law of the PRC, certain subsidiaries of the Group which are domestic enterprises are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory surplus reserves until the reserves reach 50% of their respective registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserve may be converted to increase share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations with a functional currency other than RMB.

30. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

		2015 二零一五年	2014 二零一四年
Percentage of equity interest held by non-controlling interests:	非控股權益持有的股權百分比：		
Hangzhou Huvis Yongsheng Chemical Fiber Company Limited	杭州匯維仕永盛化纖有限公司	30%	30%
Nantong Yongsheng Fiber Advanced Materials Company Limited	南通永盛纖維新材料有限公司	8%	8%
Jiangsu Yongsheng 3D Printing Advanced Materials Company Limited	江蘇永盛三維打印新材料有限公司	40%	-

29. 儲備

本集團儲備於本年度及過往年度的金額及其變動於財務報表第90的合併權益變動表呈列。

根據《中華人民共和國公司法》，本集團若干附屬公司被視為國內企業，須按照相關中華人民共和國會計準則所釐定分配其10%除稅後溢利至其各自法定盈餘儲備，直至有關儲備達到其各自註冊資本的50%。在遵守《中華人民共和國公司法》載列的若干限制情況下，部分法定盈餘儲備可被轉換以增加股本，前提是資本化後的餘額不得少於註冊資本的25%。

外幣匯兌儲備包括換算功能貨幣為人民幣以外的業務財務報表產生的匯兌差額。

30. 擁有重大非控股權益的非全資附屬公司

本集團擁有重大非控股權益的附屬公司詳情載列如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

30. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

30. 擁有重大非控股權益的非全資附屬公司 (續)

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Profit/(loss) for the year allocated to non-controlling interests:	分配予非控股權益的年內溢利/(虧損):		
Hangzhou Huvis Yongsheng Chemical Fiber Company Limited	杭州匯維仕永盛化纖有限公司	6,641	8,300
Nantong Yongsheng Fiber Advanced Materials Company Limited	南通永盛纖維新材料有限公司	1,341	837
Jiangsu Yongsheng 3D Printing Advanced Materials Company Limited	江蘇永盛三維打印新材料有限公司	(56)	-
Dividends paid to non-controlling interests of Hangzhou Huvis Yongsheng Chemical Fiber Company Limited	向杭州匯維仕永盛化纖有限公司的非控股權益支付股息	3,600	3,000
Accumulated balances of non-controlling interests at the reporting dates:	於報告日期的非控股權益累計結餘:		
Hangzhou Huvis Yongsheng Chemical Fiber Company Limited	杭州匯維仕永盛化纖有限公司	30,734	27,693
Nantong Yongsheng Fiber Advanced Materials Company Limited	南通永盛纖維新材料有限公司	3,944	2,603
Jiangsu Yongsheng 3D Printing Advanced Materials Company Limited	江蘇永盛三維打印新材料有限公司	3,944	-

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

30. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

30. 擁有重大非控股權益的非全資附屬公司 (續)

下表說明上列附屬公司的財務資料概要。所披露金額未扣除任何公司間對銷項目：

		Hangzhou Huvis Yongsheng Chemical Fiber Company Limited 杭州 匯維仕永盛 化纖有限公司 RMB'000 人民幣千元	Nantong Yongsheng Fiber Advanced Materials Company Limited 南通 永盛纖維新材料 有限公司 RMB'000 人民幣千元	Jiangsu Yongsheng 3D Printing Advanced Materials Company Limited 江蘇永盛三維 打印新材料 有限公司 RMB'000 人民幣千元
2015				
二零一五年				
Revenue	收益	160,132	154,136	88
Total expenses	總開支	(137,994)	(137,314)	(228)
Profit/(loss) for the year	年內溢利/(虧損)	22,138	16,822	(140)
Total comprehensive income for the year	年內全面收入總額	22,138	16,822	(140)
Current assets	流動資產	104,627	53,752	9,803
Non-current assets	非流動資產	35,092	66,587	122
Current liabilities	流動負債	(32,787)	(68,689)	(65)
Non-current liabilities	非流動負債	(4,481)	(2,288)	-
Net cash flows from/(used in) operating activities	經營活動所得/(所用)現金流量淨額	6,959	(6,847)	(1,096)
Net cash flows used in investing activities	投資活動所用現金流量淨額	(3,200)	(23,312)	(62)
Net cash flows from financing activities	融資活動所得現金流量淨額	-	-	3,000
Net increase/(decrease) in cash and cash equivalents	現金及現金等值物增加/(減少)淨額	3,759	(30,159)	1,842

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

30. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

30. 擁有重大非控股權益的非全資附屬公司 (續)

		Hangzhou Huvis Yongsheng Chemical Fiber Company Limited 杭州 匯維仕永盛化纖 有限公司 RMB'000 人民幣千元	Nantong Yongsheng Fiber Advanced Materials Company Limited 南通 永盛纖維新材料 有限公司 RMB'000 人民幣千元
2014			
二零一四年			
Revenue	收益	212,233	127,756
Total expenses	總開支	(184,564)	(117,631)
Profit for the year	年內溢利	27,669	10,125
Total comprehensive income for the year	年內全面收入總額	27,669	10,125
Current assets	流動資產	82,919	67,662
Non-current assets	非流動資產	33,244	54,633
Current liabilities	流動負債	(21,644)	(87,017)
Non-current liabilities	非流動負債	(2,209)	(2,738)
Net cash flows from operating activities	經營活動所得現金流量淨額	28,235	34,721
Net cash flows used in investing activities	投資活動所用現金流量淨額	(48)	(5,969)
Net cash flows used in financing activities	融資活動所用現金流量淨額	(26,000)	(28,806)
Net increase/(decrease) in cash and cash equivalents	現金及現金等值物增加/(減少)淨額	2,187	(54)

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

31. OPERATING LEASE ARRANGEMENTS

As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to two years.

At 31 December 2015, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Within one year	一年內	411	848
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	19	504
		430	1,352

32. COMMITMENTS

In addition to the operating lease commitments detailed in note 31 above, the Group had the following capital commitments at the reporting date:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但未撥備:		
Property, plant and equipment	物業、廠房及設備	3,860	1,678

31. 經營租賃安排

作為承租人

本集團根據經營租賃安排租用其若干辦公室物業，經協商後，物業租賃期介乎一至兩年不等。

於二零一五年十二月三十一日，本集團根據不可撤銷經營租賃按以下年限的應付未來最低租金總額如下：

32. 承擔

除上文附註31所詳述的經營租賃承擔外，於報告日期，本集團的資本承擔如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

33. RELATED PARTY TRANSACTIONS AND BALANCES

33. 關連方交易及結餘

(a) Name and relationship

(a) 名稱及關係

Name of related party 關連方名稱	Relationship with the Group 與本集團的關係
Hangzhou Yongsheng Group Limited 杭州永盛集團有限公司	Controlled by the Controlling Shareholder 由控股股東控制
Fuyang Jingshang Agriculture Development Company Limited 永盛富陽錦尚生態農業開發有限公司	Controlled by the Controlling Shareholder 由控股股東控制
Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited 杭州蕭山永盛對外貿易有限公司	Controlled by the Controlling Shareholder 由控股股東控制
Hangzhou Yongsheng Holdings Limited 杭州永盛控股有限公司	Controlled by the Controlling Shareholder 由控股股東控制
HUVIS Corporation and its subsidiary 株式會社HUVIS及其附屬公司	Joint venture partner and its subsidiary 合資企業夥伴及其附屬公司
Hangzhou Shining 3D Tech Co., Limited 杭州先臨三維科技股份有限公司	Joint venture partner 合資企業夥伴

(b) Related party transactions

(b) 關連方交易

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group had the following material transactions with related parties:

除此等財務報表其他部分所披露的交易及結餘外，本集團與關連方已進行以下重大交易：

	Note 附註	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
1) Purchases of goods – HUVIS Corporation and its subsidiaries – Fuyang Jingshang Agriculture Development Company Limited	1) 採購貨品 – 株式會社HUVIS及其附屬公司 – 永盛富陽錦尚生態農業開發有限公司	35,358	36,698
		117	–
		35,475	36,698
2) Sales of goods – Hangzhou Shining 3D Tech Co., Limited	2) 銷售貨品 – 杭州先臨三維科技股份有限公司	88	–

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

33. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

33. 關連方交易及結餘 (續)

(b) Related party transactions (Continued)

(b) 關連方交易 (續)

		Note 附註	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	
3)	Grant a loan to a related party – Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited	3) 向一名關連方授出貸款 – 杭州蕭山永盛對外貿易有限公司	(iii)	48,088	–
4)	Interest income – Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited	4) 利息收入 – 杭州蕭山永盛對外貿易有限公司	(iii)	621	–
5)	Storage fee received from related parties – Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited – Hangzhou Yongsheng Holdings Limited	5) 向關連方收取儲存費用 – 杭州蕭山永盛對外貿易有限公司 – 杭州永盛控股有限公司	(iv)	27 12	– –
			39	–	
6)	Purchases of property, plant and equipment – Hangzhou Yongsheng Group Limited – Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited	6) 購置物業、廠房及設備 – 杭州永盛集團有限公司 – 杭州蕭山永盛對外貿易有限公司	(v)	– 39	353 –
			39	353	

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

33. RELATED PARTY TRANSACTIONS AND BALANCES

(b) Related party transactions (Continued)

7) Disposal of subsidiaries

On 5 May 2015, the Group entered into agreements with a related party Hangzhou Yongsheng Group Limited to dispose the entire equity investment in Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited, and entered into agreements with the Controlling Shareholder Mr. Li Cheng to dispose the entire equity investment in Yongsheng (HK) International Co., Limited (the "Disposal Group"). The disposal of the Disposal Group was completed on 11 August 2015.

Notes:

- (i) The purchases of goods were made according to the published prices and conditions similar to those offered to the major customers of the supplier.
- (ii) The sales to the related party were made according to the published prices and conditions offered to the major customers of the Group.
- (iii) The loan granted to Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited bears interest at 3.1% per annum before 31 December 2015 and 6.5% per annum after 1 January 2016, and matures on 30 June 2016.
- (iv) The storage fee was received from related parties at prices similar to those offered to other customers of the group.
- (v) The purchases of property, plant and equipment were made at prices similar to those offered to other customers of the Group.

33. 關連方交易及結餘 (續)

(b) 關連方交易 (續)

7) 出售附屬公司

於二零一五年五月五日，本集團與一名關連方杭州永盛集團有限公司訂立協議，出售杭州蕭山永盛對外貿易有限公司的全部股權投資，以及與控股股東李誠先生訂立協議，出售永盛（香港）國際有限公司的全部股權投資（「出售集團」）。出售集團的出售已於二零一五年八月十一日完成。

附註：

- (i) 採購貨品乃按提供予供應商的主要客戶相若的公開價格和條件進行。
- (ii) 向關連方出售乃按提供予本集團的主要客戶相若的公開價格和條件進行。
- (iii) 向杭州蕭山永盛對外貿易有限公司授出的貸款於二零一五年十二月三十一日前按年利率3.1厘計息，於二零一六年一月一日後為6.5厘，有關貸款於二零一六年六月三十日到期。
- (iv) 向關連方收取的儲存費用與提供予本集團其他客戶的價格相若。
- (v) 購買物業、廠房及設備乃按與提供予本集團其他客戶相若之價格進行。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

33. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

33. 關連方交易及結餘 (續)

(c) Outstanding balances with related parties

Disclosures pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

(c) 與關連方的未償還結餘

根據香港《公司條例》第383(1)(d)條及公司(披露董事利益資料)規例第3部披露的資料如下:

	At 31 December 2015	Maximum amount outstanding during the year	At 31 December 2014 and 1 January 2015	Maximum amount outstanding during the year	At 1 January 2014
	於二零一五年 十二月 三十一日 RMB'000 人民幣千元	年內最高 未償還金額 RMB'000 人民幣千元	於二零一四年 十二月 三十一日及 二零一五年 一月一日 RMB'000 人民幣千元	年內最高 未償還金額 RMB'000 人民幣千元	於二零一四年 一月一日 RMB'000 人民幣千元
Due from related parties					
應收關連方款項					
- Hangzhou Shining 3D Tech Co., Limited					
- 杭州先臨三維科技股份 有限公司	2,800	2,800	-	-	-
- Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited (controlled by Mr. Li Cheng)	48,088	48,088	-	-	-
	50,888		-	-	

The amount due from Hangzhou Shining 3D Tech Co., Limited is non-interest bearing and have no fixed terms of repayment. The loan granted to Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited bears interest at 3.1% per annum before 31 December 2015 and 6.5% per annum after 1 January 2016, and matures on 30 June 2016.

應收杭州先臨三維科技股份有限公司款項為不計息及無固定還款期。向杭州蕭山永盛對外貿易有限公司授出的貸款於二零一五年十二月三十一日前按年利率3.1厘計息，於二零一六年一月一日後為6.5厘，有關貸款於二零一六年六月三十日到期。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

33. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(d) Compensation of key management personnel of the Group

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	2,237	2,505
Performance related bonuses	相關績效花紅	1,489	3,800
Pension scheme contributions	退休金計劃供款	43	47
Equity-settled share option arrangements	股權結算購股權安排	1,007	-
Total compensation paid to key management personnel	向主要管理人員支付的總報酬	4,776	6,352

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

上表披露的金額為報告期內確認為有關主要管理人員的開支。

33. 關連方交易及結餘 (續)

(d) 本集團主要管理人員的報酬

34. DISPOSAL OF SUBSIDIARIES

		2015 二零一五年 RMB'000 人民幣千元
Net assets disposed of:	已出售淨資產：	
Property, plant and equipment	物業、廠房及設備	445
Cash and bank balances	現金及銀行結餘	6,782
Pledged deposits	已抵押存款	14,475
Inventories	存貨	96,638
Trade receivables	貿易應收款項	58,286
Prepayments and other receivables	預付款項及其他應收款項	29,520
Deferred tax assets	遞延稅項資產	5,072
Short term loans	短期貸款	(35,000)
Trade payables	貿易應付款項	(70,740)
Accruals and other payables	應計款項及其他應付款項	(67,928)
		37,550
Gain on disposal of subsidiaries recognised under discontinued operation	終止經營業務項下已確認出售附屬公司的收益	4,987
		42,537

34. 出售附屬公司

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

34. DISPOSAL OF SUBSIDIARIES (CONTINUED)

34. 出售附屬公司 (續)

		2015 二零一五年 RMB'000 人民幣千元
Satisfied by:	以下列償付:	
Cash	現金	42,537

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

就出售附屬公司的現金及現金等值物流入淨額分析如下:

		2015 二零一五年 RMB'000 人民幣千元
Cash consideration	現金代價	42,537
Cash and bank balances disposed of	出售的現金及銀行結餘	(6,782)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	就出售附屬公司的現金及現金等值物流入淨額	35,755

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

35. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2015

Financial assets

		Financial assets at fair value through profit or loss		Total
		Loans and receivables	按公平值 計入損益的 金融資產	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	-	30,448	30,448
Trade and bills receivables	貿易應收款項及應收票據	91,506	-	91,506
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產	385	-	385
Amounts due from related parties	應收關連方款項	50,888	-	50,888
Pledged deposits	已抵押存款	5,133	-	5,133
Cash and cash equivalents	現金及現金等值物	139,487	-	139,487
At 31 December 2015	於二零一五年十二月三十一日	287,399	30,448	317,847

Financial liabilities

		Financial liabilities at amortised cost
		按攤銷成本列賬的 金融負債
		RMB'000
Trade and bills payables	貿易應付款項及應付票據	67,092
Financial liabilities included in other payables and accruals	計入其他應付款項及應計款項的金融負債	6,636
At 31 December 2015	於二零一五年十二月三十一日	73,728

35. 按類別劃分的金融工具

於報告期末，各類金融工具的賬面值如下：

二零一五年

金融資產

金融負債

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

35. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

35. 按類別劃分的金融工具(續)

2014

二零一四年

Financial assets

金融資產

		Loans and receivables 貸款及 應收款項 RMB'000 人民幣千元
Trade and bills receivables	貿易應收款項及應收票據	128,981
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的 金融資產	3,294
Pledged deposits	已抵押存款	12,937
Cash and cash equivalents	現金及現金等值物	128,695
At 31 December 2014	於二零一四年十二月三十一日	273,907

Financial liabilities

金融負債

		Financial liabilities at amortised cost 按攤銷成本列賬的 金融負債 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及應付票據	111,525
Financial liabilities included in other payables and accruals	計入其他應付款項及應計款項的 金融負債	8,733
Interest-bearing bank loan	計息銀行貸款	2,000
At 31 December 2014	於二零一四年十二月三十一日	122,258

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

35. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

Transfers of Financial Assets

Transferred financial assets that are not derecognised in their entirety

At 31 December 2015, the Group endorsed certain bills receivable accepted by banks in the Mainland China (the “Endorsed Bills”) with a carrying amount of RMB48,484,000 to certain of its suppliers in order to settle the trade payables due to such suppliers (the “Endorsement”). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. As at 31 December 2015, no trade payables settled by the Endorsed Bills during the year have been recourse by the suppliers.

Transferred financial assets that are derecognised in their entirety

At 31 December 2015, the Group endorsed certain bills receivable accepted by banks in the Mainland China (the “Derecognised Bills”) to some of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB55,572,000. The Derecognised Bills had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the “Continuing Involvement”). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

35. 按類別劃分的金融工具 (續)

金融資產的轉讓

並無全面終止確認的已轉讓金融資產

於二零一五年十二月三十一日，本集團向其若干供應商背書已獲中國大陸的多間銀行接納的若干應收票據（「已背書票據」），賬面值為人民幣48,484,000元，以結清應該等供應商的貿易應付款項（「該背書」）。董事認為，本集團已保留絕大部分風險及回報，包括有關該等已背書票據的違約風險，故此其繼續悉數確認已背書票據的賬面值及相關已結清的貿易應付款項。於該背書後，本集團並無保留使用已背書票據的任何權利，包括向任何其他第三方出售、轉讓或質押已背書票據。於二零一五年十二月三十一日，有關供應商概無追索已背書票據年內所結清的貿易應付款項。

已全面終止確認的已轉讓金融資產

於二零一五年十二月三十一日，本集團向其若干供應商背書已獲中國大陸多間銀行接納的若干應收票據（「已終止確認票據」），以清償結欠該等供應商且賬面總金額為人民幣55,572,000元的貿易應付款項。於報告期末，已終止確認票據的到期期限為一至六個月。根據《中華人民共和國票據法》，倘中國的銀行違約，則已終止確認票據的持有人對本集團擁有追索權（「持續參與」）。董事認為，本集團已轉移有關已終止確認票據的絕大部分風險及回報。因此，其已終止確認已終止確認票據及相關貿易應付款項的全部賬面值。本集團因持續參與已終止確認票據及購回該等已終止確認票據的未折現現金流量所面對的最高虧損風險，相等於其賬面值。董事認為，本集團持續參與已終止確認票據的公平值並不重大。

35. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

Transfers of Financial Assets (Continued)

Transferred financial assets that are derecognised in their entirety (Continued)

During the year ended 31 December 2015, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The endorsement has been made evenly throughout the year.

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade and bills receivables, financial assets at fair value through profit or loss, trade and bills payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, interest-bearing bank and other borrowings, amount due to a related party, and amounts due from related parties approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the CFO and the board of directors. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the CFO.

35. 按類別劃分的金融工具 (續)

金融資產的轉讓 (續)

已全面終止確認的已轉讓金融資產 (續)

截至二零一五年十二月三十一日止年度，本集團並無於已終止確認票據的轉讓日期確認任何收益或虧損。於本年度或累計而言，概無確認持續參與的收益或虧損。於整個年度按等額作出背書。

36. 金融工具的公平值及公平值層級

管理層已評估，現金及現金等值物、已抵押存款、貿易應收款項及應收票據、按公平值計入損益的金融資產、貿易應付款項及應付票據、計入預付款項、按金及其他應收款項的金融資產、按金及其他應收款項、計入其他應付款項及應計款項的金融負債、計息銀行及其他借貸、應付一名關連方款項及應收關連方款項的公平值與其賬面值相若，主要原因是該等工具的到期日較短。

由財務經理所帶領的本集團財務部負責釐定金融工具的公平值計量的政策及程序。財務經理直接向財務總監及董事會匯報。於各報告日期，財務部分析金融工具價值的變動並釐定應用於估值的主要輸入數據。該估值由財務總監檢討及審批。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The fair values of financial assets at fair value through profit or loss require the directors to make estimates about the expected future cash flows from future proceeds when the investments mature and the fair values have been estimated to be the principle plus estimated interest income. The directors believe that the estimated fair values which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at the end of reporting period.

For the fair value of the financial assets at fair value through profit or loss, management has estimated the potential effect of using reasonably possible alternatives as inputs of estimated return rate and has quantified this as a reduction in fair value of approximately HK\$204,000, using less favourable assumptions, and an increase in fair value of approximately HK\$204,000 using more favourable assumptions.

Below is the significant unobservable input to the valuation of financial assets at fair value through profit or loss together with a quantitative sensitivity analysis as at 31 December 2015:

	Significant unobservable input 重大不可觀察輸入數據	Input 輸入數據	Sensitivity of fair value to the input 公平值對輸入數據的敏感度
Financial assets at fair value through profit or loss	Estimated return rate	4.4%	2% increase (decrease) in estimated return rate would result in increase (decrease) in fair value by RMB204,000
按公平值計入損益的金融資產	估計回報率		估計回報率上升(下跌)2%將導致公平值增加(減少)人民幣204,000元

36. 金融工具的公平值及公平值層級 (續)

按公平值計入損益的金融資產的公平值須由董事於投資到期及當估算其公平值為本金加估計利息收入時，對未來所得款項的預期未來現金流量作出估計。董事認為，計入合併財務狀況表的估計公平值（及計入損益的相關公平值變動）誠屬合理，並為各報告期末最恰當的價值。

就按公平值計入損益的金融資產而言，管理層已估計採用合理可能替代方案作為估計回報率之輸入數據的潛在影響，並已將有關影響數量化為公平值減少約204,000港元（倘使用較不利的假設）及公平值增加約204,000港元（倘使用較有利的假設）。

下文為按公平值計入損益的金融資產估值中的重大不可觀察輸入數據，連同於二零一五年十二月三十一日的定量敏感性分析：

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Asset measured at fair value:

As at 31 December 2015

Financial assets at fair value through profit or loss: 按公平值計入損益的金融資產：
Asset management agreement 資產管理協議

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2014: Nil).

The Group did not have any financial liabilities measured at fair value as at 31 December 2015 and 2014.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities, such as trade and other receivables and trade and other payables, which arise directly from its operations.

36. 金融工具的公平值及公平值層級 (續)

公平值層級

下表說明本集團金融工具的公平值計量層級：

按公平值計量的資產：

於二零一五年十二月三十一日

Fair value measurement using 公平值計量使用

Quoted prices in active markets (Level 1) 在活躍市場取得報價 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 可觀察的重要輸入數據 (第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 不可觀察的重要輸入數據 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
-	-	30,448	30,448

年內，金融資產及金融負債在第一級和第二級公平值層級間並無公平值計量轉移，而第三級亦無任何轉入或轉出（二零一四年：無）。

於二零一五年及二零一四年十二月三十一日，本集團概無任何以公平值計量的金融負債。

37. 金融風險管理目標及政策

本集團的主要金融工具包括現金及短期存款。該等金融工具的主要目的為籌集本集團經營所用資金。本集團具有多種其他金融資產和負債，如因經營而直接產生的貿易應收款項及其他應收款項以及貿易應付款項及其他應付款項。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The Group is exposed to foreign currency risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The board of directors reviews and agrees policies for managing each of these risks, which are summarised below.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. Approximately 5% (2014: 4%) of the Group's sales were denominated in currencies other than the functional currencies of the operating units making the sale, whilst approximately 7% (2014: 3%) of costs were denominated in currencies other than the units' functional currencies.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

		Increase/ (decrease) in RMB rate 人民幣匯率 上升/(下跌)	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
2015	二零一五年		
If US\$ weakens against RMB	倘美元兌人民幣貶值	-10%	539
If US\$ strengthens against RMB	倘美元兌人民幣升值	+10%	(539)
2014	二零一四年		
If US\$ weakens against RMB	倘美元兌人民幣貶值	-10%	480
If US\$ strengthens against RMB	倘美元兌人民幣升值	+10%	(480)
If HK\$ weakens against RMB	倘港元兌人民幣貶值	-10%	(40)
If HK\$ strengthens against RMB	倘港元兌人民幣升值	+10%	40
If EURO weakens against RMB	倘歐元兌人民幣貶值	-10%	(13)
If EURO strengthens against RMB	倘歐元兌人民幣升值	+10%	13

37. 金融風險管理目標及政策(續)

本集團承擔外幣風險、信用風險及流動資金風險。本集團的高級管理層監督該等風險的管理情況。董事會檢討並同意管理各項該等風險的政策，並於下文概述。

外幣風險

本集團面對交易貨幣風險。此等風險因經營單位以其功能貨幣以外的貨幣進行銷售或購買產生。本集團所作銷售中約5%（二零一四年：4%）以進行銷售的經營單位的功能貨幣以外的貨幣計值，另外有約7%（二零一四年：3%）的成本以單位功能貨幣以外的貨幣計值。

下表顯示於報告期末所有其他變量保持不變的情況下，本集團除稅前溢利（因貨幣資產及負債的公平值變動所致）對匯率的合理可能變動的敏感性。

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

The Group trades mainly with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of senior management.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, pledged short-term deposits, equity investment at fair value through profit or loss, other receivables and amounts due from related parties, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty and by geographical region. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different regions.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 18 to the financial statements.

37. 金融風險管理目標及政策 (續)

信用風險

本集團主要與高知名度兼信譽可靠的第三方進行交易。此乃本集團的政策，即所有有意以信貸條件交易的客戶均須經過信貸審核程序。此外，亦持續監察應收款項結餘。對於並非以有關經營單位的功能貨幣進行的交易，本集團不會在未經高級管理層特別核准下提供信貸。

本集團其他金融資產（包括現金及現金等值物、已抵押短期存款、按公平值計入損益的股權投資、其他應收款項及應收關連方款項）的信用風險源於對手方違約，最大風險相等於該等工具的賬面值。

由於本集團只與高知名度且信譽可靠的第三方進行交易，故無需任何抵押品。集中信用風險由客戶／對手方按地區管理。由於本集團貿易應收款項的客戶基礎分散於各地，因而並無重大集中信用風險。

有關本集團於貿易應收款項的信用風險的進一步量化數據於財務報表附註18披露。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans.

The maturity profile of the Group's financial liabilities as at each reporting date, based on the contractual undiscounted payments, is as follows:

31 December 2015

		Within 1 year 一年內 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及應付票據	67,092
Financial liabilities included in other payables and accruals	計入其他應付款項及應計款項的金融負債	6,636
		73,728

31 December 2014

		Within 1 year 一年內 RMB'000 人民幣千元
Interest-bearing bank loan	計息銀行貸款	2,000
Trade and bills payables	貿易應付款項及應付票據	111,525
Financial liabilities included in other payables and accruals	計入其他應付款項及應計款項的金融負債	8,733
		122,258

37. 金融風險管理目標及政策 (續)

流動資金風險

本集團以經常性流動資金規劃工具監察資金短缺風險。此工具同時考慮金融工具及金融資產(如貿易應收款項)的到期日,並預測營運產生的現金流量。

本集團通過銀行貸款在資金的持續性及靈活性之間保持平衡。

於各報告日期,本集團按合約未折現款項劃分的金融負債的到期概況如下:

二零一五年十二月三十一日

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2015 and 31 December 2014.

38. EVENTS AFTER REPORTING PERIOD

On 7 January 2016, Hangzhou Huvis Yongsheng Dyeing and Finishing Company Limited ("Yongsheng Dyeing") entered into an asset management agreement with LJZ Wealth Management and Ping An Bank Shanghai Branch, pursuant to which Yongsheng Dyeing agreed to participate in the asset management plan operated by LJZ Wealth Management and to deposit to the designated account with Ping An Bank Shanghai Branch an investment amount of RMB50,000,000. The term is 6 months from the date of depositing the investment amount into the designated custodian account with Ping An Bank Shanghai Branch.

37. 金融風險管理目標及政策 (續)

資本管理

本集團資本管理的主要目標為確保本集團持續經營的能力及保持良好的信貸評分及穩健的資本比率，以支持其業務經營及使股東利益最大化。

本集團根據經濟狀況的變化來管理其資本架構並作出調整。為維持或調整資本結構，本集團可能調整派付予股東的股息、向股東退還資本或發行新股份。本集團毋須遵守任何外界施加的資本要求。截至二零一五年十二月三十一日及二零一四年十二月三十一日止年度，管理資本的目標、政策或程序並無發生變化。

38. 報告期後事項

於二零一六年一月七日，杭州滙維仕永盛染整有限公司（「永盛染整」）與陸家嘴財富管理及平安銀行上海分行訂立資產管理協議，據此，永盛染整同意參與由陸家嘴財富管理營運的資產管理計劃及將投資金額人民幣50,000,000元存放於平安銀行上海分行的指定賬戶內。將投資金額存放於平安銀行上海分行指定託管賬戶的年期為六個月。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

38. EVENTS AFTER REPORTING PERIOD (CONTINUED)

On 8 January 2016, Yongsheng Dyeing entered into an entrusted loan agreement with China Merchants Bank Hangzhou Xiaoshan Branch (“CMB”), pursuant to which Yongsheng Dyeing has entrusted CMB with an amount of RMB50,000,000 for the purpose of lending the same to an independent third party, Saintyear Holding Co., Ltd for a period of 6 months. The interest rate of the entrusted loan is 6.5% per annum and the loan period is 6 months.

On 29 January 2016, Yongsheng Dyeing, Hangzhou Yongsheng Group Limited and Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited (“Hangzhou Yongsheng Trading”), a related party, entered into a supplemental deed in relation to the extension of the repayment of the funds borrowed by Hangzhou Yongsheng Trading from the Group. The interest rate is 6.5% per annum from 1 January 2016 to the repayment day, 30 June 2016 (note 33(c)).

39. COMPARATIVE AMOUNTS

As further explained in note 2.2 to the financial statements, due to the implementation of the Hong Kong Companies Ordinance (Cap. 622) during the current year, the presentation and disclosures of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain comparative amounts have been restated to conform with the current year’s presentation and disclosures. In addition, the comparative statement of profit or loss and other comprehensive income has been re-presented as if the operation discontinued during the current year had been discontinued at the beginning of the comparative period (note 11).

38. 報告期後事項 (續)

於二零一六年一月八日，永盛染整與招商銀行杭州蕭山支行（「招商銀行」）訂立信託貸款協議，據此，永盛染整已將人民幣50,000,000元交託予招商銀行，以將該款項借予獨立第三方三元控股集團有限公司，為期六個月。信託貸款的年利率為6.5厘，貸款期為六個月。

於二零一六年一月二十九日，永盛染整、杭州永盛集團有限公司及一名關聯方杭州蕭山永盛對外貿易有限公司（「杭州永盛貿易」）訂立補充契據，內容有關延長杭州永盛貿易向本集團所借入款項的還款期。自二零一六年一月一日起至還款日二零一六年六月三十日的年利率為6.5厘（附註33(c)）。

39. 比較金額

誠如財務報表附註2.2進一步解釋，由於本年度實施香港《公司條例》（第622章），財務報表內若干項目及結餘的呈列和披露已予修改，以符合新規定。因此，若干比較金額已予重列，以配合本年度的呈列和披露方式。此外，比較性的損益及其他全面收入表已重新呈列，猶如已於本年度內終止經營的業務於比較期初已經終止經營（附註11）。

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

40. 本公司的財務狀況表

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

本公司於報告期末財務狀況表的資料如下：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	於附屬公司的投資	233,464	218,712
TOTAL NON-CURRENT ASSETS	非流動資產總額	233,464	218,712
CURRENT ASSETS	流動資產		
Prepayment, deposits and other receivables	預付款項、按金及 其他應收款項	175	187
Cash and cash equivalents	現金及現金等值物	4,969	17,848
TOTAL CURRENT ASSETS	流動資產總額	5,144	18,035
CURRENT LIABILITIES	流動負債		
Other payables, advances from customers and accruals	其他應付款項、客戶墊款及 應計款項	1,200	863
Due to subsidiaries	應付附屬公司款項	18,432	10,244
TOTAL CURRENT LIABILITIES	流動負債總額	19,632	11,107
NET CURRENT (LIABILITIES)/ASSETS	流動(負債)/資產淨額	(14,488)	6,928
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	218,976	225,640
NET ASSETS	淨資產	218,976	225,640
EQUITY	權益		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	母公司擁有人應佔權益		
Share capital	股本	3,165	3,165
Share premium	股份溢價	216,330	235,512
Other reserves	其他儲備	(519)	(13,037)
TOTAL EQUITY	權益總額	218,976	225,640

Notes to the Consolidated Financial Statements

合併財務報表附註

31 December 2015 二零一五年十二月三十一日

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

		Share capital	Share premium	Accumulated losses*	Foreign currency translation reserve*	Equity-settled arrangement reserve*	Total equity
		股本 RMB'000 人民幣千元	股份溢價 RMB'000 人民幣千元	累計虧損* RMB'000 人民幣千元	外幣換算 儲備* RMB'000 人民幣千元	權益結算 安排儲備* RMB'000 人民幣千元	權益總額 RMB'000 人民幣千元
At 1 January 2014	於二零一四年一月一日	3,165	235,512	(6,266)	(5,259)	-	227,152
Loss for the year	年內虧損	-	-	(2,285)	-	-	(2,285)
Other comprehensive income for the year:	年內其他全面收入:						
Exchange differences on translation of foreign operations	換算境外業務的匯兌差額	-	-	-	773	-	773
Total comprehensive income for the year	年內全面收入總額	-	-	(2,285)	773	-	(1,512)
At 31 December 2014	於二零一四年十二月三十一日	3,165	235,512	(8,551)	(4,486)	-	225,640
Loss for the year	年內虧損	-	-	(4,620)	-	-	(4,620)
Other comprehensive income for the year:	年內其他全面收入:						
Exchange differences on translation of foreign operations	換算境外業務的匯兌差額	-	-	-	12,949	-	12,949
Total comprehensive income for the year	年內全面收入總額	-	-	(4,620)	12,949	-	8,329
Dividends paid to shareholders of the Company	向本公司股東支付股息	-	(19,182)	-	-	-	(19,182)
Equity-settled share option arrangements	股權結算購股權安排	-	-	-	-	4,189	4,189
At 31 December 2015	於二零一五年十二月三十一日	3,165	216,330	(13,171)	8,463	4,189	218,976

* These reserve accounts comprise the other reserves of RMB(519,000) (2014: RMB(13,037,000)) in the statement of financial position of the Company.

附註:

本公司儲備的摘要如下:

* 該等儲備賬包括本公司財務狀況表內的其他儲備人民幣(519,000)元(二零一四年:人民幣(13,037,000)元)。

41. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 23 March 2016.

41. 批准財務報表

財務報表已於二零一六年三月二十三日獲董事會批准及授權刊發。

Five-year Financial Summary

五年財務概要

RESULTS

業績

		For the year ended 31 December 截至十二月三十一日止年度				
		2015 二零一五年 RMB'000 人民幣千元	Adjusted 經調整 2014 二零一四年 RMB'000 人民幣千元	*2013 *二零一三年 RMB'000 人民幣千元	*2012 *二零一二年 RMB'000 人民幣千元	*2011 *二零一一年 RMB'000 人民幣千元
Revenue from continuing operations	持續經營業務收益	491,165	486,361	1,767,423	2,210,853	2,037,346
Gross profit from continuing operations	持續經營業務毛利	141,423	121,053	128,837	109,145	114,409
Operating profit	經營溢利	83,346	75,949	85,732	80,387	116,516
Finance costs	融資成本	(975)	(3,018)	(20,630)	(41,339)	(36,257)
Profit before tax	除稅前溢利	82,371	72,931	65,102	39,048	80,259
Income tax expense	所得稅開支	(18,578)	(13,582)	(16,577)	(6,061)	(20,248)
Profit from continuing operations	來自持續經營業務溢利	63,793	59,349	48,525	32,987	60,011
Gain/(loss) for discontinued operation	終止經營業務 收益/(虧損)	363	(2,315)	-	-	-
Profit for the year	年內溢利	64,156	57,034	48,525	32,987	60,011
Attributable to: Shareholders of the Company	以下應佔溢利: 本公司股東	56,230	47,897	40,024	23,173	54,206
Non-controlling interests	非控股權益	7,926	9,137	8,501	9,814	5,805
Earnings per share	每股盈利					
Basic (RMB cents per share)	基本(每股人民幣分)	14.1	12.0	12.9	7.7	18.1
Diluted (RMB cents per share)	攤薄(每股人民幣分)	14.0	12.0	12.9	7.7	18.1

* The consolidated statement of profit or loss and other comprehensive income in 2014 has been adjusted to show the discontinued operation separately from continuing operations as disclosed in note 11 of financial statements. Earlier years comparative figures have not been adjusted due to impracticability.

* 二零一四年的合併損益及其他全面收入表已予調整，以區分持續經營業務及終止經營業務（如財務報表附註11所披露）。由於不切實可行，故並無調整較早年度的比較數字。

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 於十二月三十一日				
		2015	2014	2013	2012	2011
		二零一五年	二零一四年	二零一三年	二零一二年	二零一一年
		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
Non-current assets	非流動資產	182,954	179,863	178,423	190,113	198,575
Current assets	流動資產	363,716	368,784	545,028	891,166	1,071,870
Total assets	總資產	546,670	548,647	723,451	1,081,279	1,270,445
Current liabilities	流動負債	(110,970)	(166,084)	(368,178)	(829,977)	(1,060,990)
Non-current liabilities	非流動負債	(15,608)	(12,325)	(38,132)	(59,970)	(9,565)
Total liabilities	負債總額	(126,578)	(178,409)	(406,310)	(889,947)	(1,070,555)
EQUITY	權益					
Equity attributable to shareholders of the Company	本公司股東應佔權益	381,470	339,942	292,507	175,199	163,886
Non-controlling interests	非控股權益	38,622	30,296	24,634	16,133	36,004
Total equity	權益總額	420,092	370,238	317,141	191,332	199,890

The Company was incorporated in the Cayman Islands on 19 April 2012 and the consolidated statements of profit or loss and other comprehensive income and consolidated statement of financial position of the Group for the year ended 31 December 2011 and 2012 have been prepared as if the current group structure had been existed throughout the years.

The financial results of the Company for the year ended 31 December 2011 and 2012 and financial position as at 31 December 2011 and 2012 are extracted from the Company's IPO Share Offer prospectus dated 15 November 2013.

本公司於二零一二年四月十九日在開曼群島註冊成立，而本集團截至二零一一年及二零一二年十二月三十一日止年度的合併損益及其他全面收入表及合併財務狀況表已按猶如現時集團架構已於該等年度內一直存在而編製。

本公司截至二零一一年及二零一二年十二月三十一日止年度的財務業績及於二零一一年及二零一二年十二月三十一日的財務狀況乃摘錄自本公司日期為二零一三年十一月十五日的首次公開招股股份發售招股章程。

