



中國稀土控股有限公司
China Rare Earth Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock code 股份代號：00769



Annual Report

2015 年報

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公司資料

CORPORATE INFORMATION

董事

執行董事

蔣泉龍先生(主席)
錢元英女士(副主席)
蔣才南先生

獨立非執行董事

黃春華先生
金重先生
王國珍先生

審核委員會

王國珍先生(主席)
黃春華先生
金重先生

薪酬委員會

黃春華先生(主席)
金重先生
王國珍先生

提名委員會

金重先生(主席)
黃春華先生
王國珍先生

公司秘書

羅納德先生

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

總辦事處及主要營業地點

中國江蘇省
宜興市丁蜀鎮

香港營業地點

香港
中環雪廠街16號
西洋會所大廈15樓

DIRECTORS

Executive Directors

Mr. Jiang Quanlong (*Chairman*)
Ms. Qian Yuanying (*Deputy Chairman*)
Mr. Jiang Cainan

Independent Non-executive Directors

Mr. Huang Chunhua
Mr. Jin Zhong
Mr. Wang Guozhen

AUDIT COMMITTEE

Mr. Wang Guozhen (*Chairman*)
Mr. Huang Chunhua
Mr. Jin Zhong

REMUNERATION COMMITTEE

Mr. Huang Chunhua (*Chairman*)
Mr. Jin Zhong
Mr. Wang Guozhen

NOMINATION COMMITTEE

Mr. Jin Zhong (*Chairman*)
Mr. Huang Chunhua
Mr. Wang Guozhen

COMPANY SECRETARY

Mr. Law Lap Tak

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Dingshu Town, Yixing City
Jiangsu Province, the PRC

PLACE OF BUSINESS IN HONG KONG

15/F, Club Lusitano
16 Ice House Street, Central
Hong Kong

公司資料

CORPORATE INFORMATION

香港法律顧問

趙不渝 馬國強律師事務所

HONG KONG LEGAL ADVISERS

Chiu & Partners

核數師

國富浩華(香港)會計師事務所有限公司

AUDITOR

Crowe Horwath (HK) CPA Limited

主要往來銀行

中國

中國建設銀行股份有限公司

招商銀行股份有限公司

中國交通銀行股份有限公司

中國農業銀行股份有限公司

中國銀行股份有限公司

PRINCIPAL BANKERS

PRC

China Construction Bank Corporation

China Merchants Bank Company Limited

China Bank of Communications Company Limited

Agricultural Bank of China Limited

Bank of China Limited

香港

渣打銀行(香港)有限公司

法國巴黎銀行

中信銀行國際有限公司

中國銀行(香港)有限公司

南洋商業銀行有限公司

Hong Kong

Standard Chartered Bank (Hong Kong) Limited

BNP Paribas

CITIC Bank International Limited

Bank of China (Hong Kong) Limited

Nanyang Commercial Bank, Limited

主要股份過戶登記處

Royal Bank of Canada Trust Company
(Cayman) Limited

4th Floor, Royal Bank House

24 Shedden Road

George Town

Grand Cayman KY1-1110

Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited

4th Floor, Royal Bank House

24 Shedden Road

George Town

Grand Cayman KY1-1110

Cayman Islands

香港股份過戶登記分處

香港中央證券登記有限公司

香港

皇后大道東183號

合和中心17樓

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited

17th Floor, Hopewell Centre

183 Queen's Road East

Hong Kong

互聯網址

www.creh.com.hk

INTERNET WEBSITE

www.creh.com.hk

香港聯合交易所有限公司股份代號

769

STOCK CODE ON THE STOCK EXCHANGE OF HONG KONG LIMITED

769

公關顧問

縱橫財經公關顧問有限公司

PUBLIC RELATIONS CONSULTANT

Strategic Financial Relations Limited

財務摘要

FINANCIAL HIGHLIGHTS

收入

REVENUE

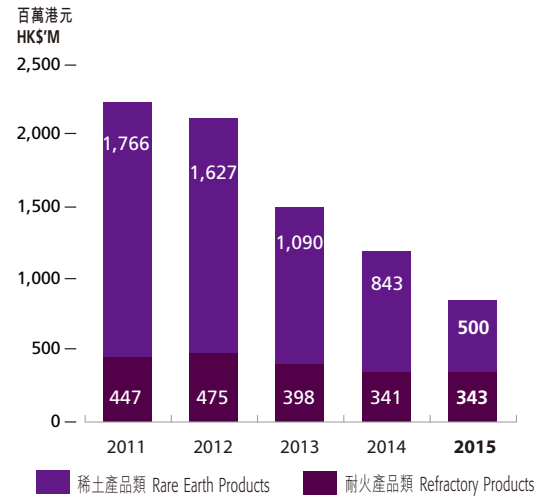
截至十二月三十一日止年度

百萬港元

For the year ended 31 December

HK\$'M

| | |
|-------------|------------|
| 2011 | 2,213 |
| 2012 | 2,102 |
| 2013 | 1,488 |
| 2014 | 1,184 |
| 2015 | 843 |



本公司擁有人應佔溢利／(虧損)淨額

NET PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

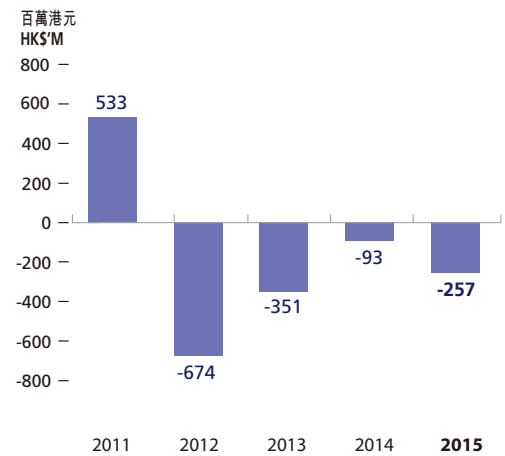
截至十二月三十一日止年度

百萬港元

For the year ended 31 December

HK\$'M

| | |
|-------------|-------------|
| 2011 | 533 |
| 2012 | -674 |
| 2013 | -351 |
| 2014 | -93 |
| 2015 | -257 |



資產淨值

NET ASSETS

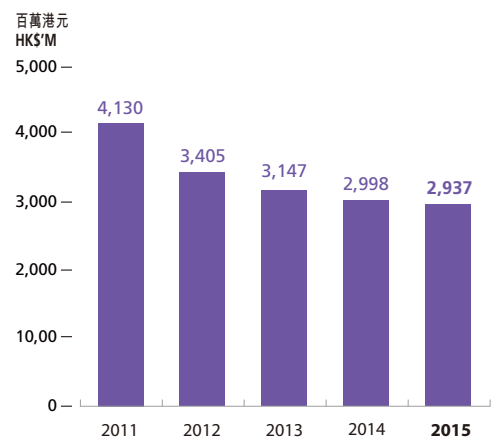
於十二月三十一日

百萬港元

As at 31 December

HK\$'M

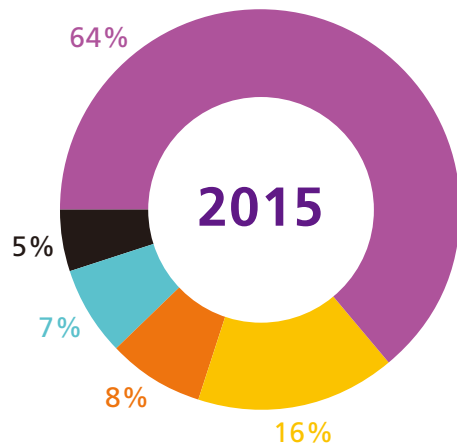
| | |
|-------------|--------------|
| 2011 | 4,130 |
| 2012 | 3,405 |
| 2013 | 3,147 |
| 2014 | 2,998 |
| 2015 | 2,937 |



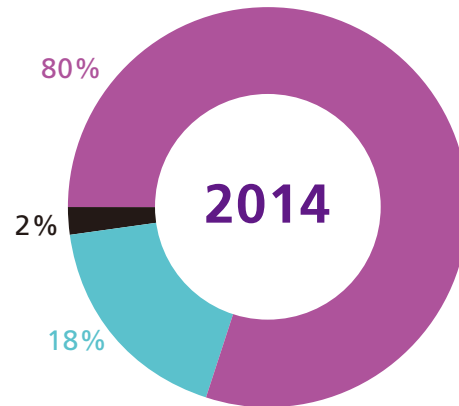
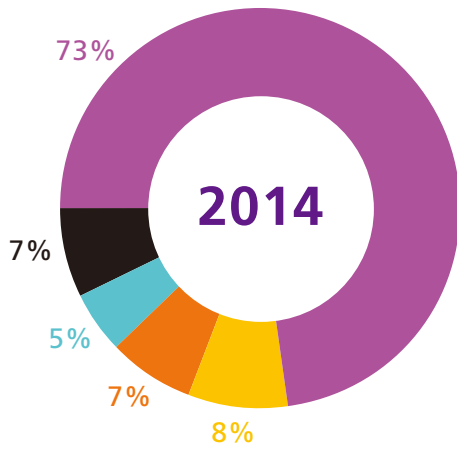
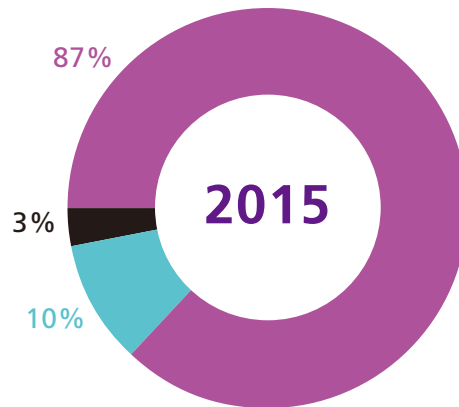
財務摘要
FINANCIAL HIGHLIGHTS

收入 REVENUE

稀土產品類
Rare Earth Products



耐火產品類
Refractory Products



- 中華人民共和國 The People's Republic of China
- 歐洲 Europe
- 美國 The United States of America
- 日本 Japan
- 其他 Others

- 中華人民共和國 The People's Republic of China
- 日本 Japan
- 其他 Others

主席報告書

CHAIRMAN'S STATEMENT



致各位股東：

本人謹代表董事會向各位股東提呈中國稀土控股有限公司（「本公司」）及其附屬公司（合稱「本集團」）截至二零一五年十二月三十一日止之全年業績報告。

二零一五年在中國是「十二•五」收官之年，也是全面深化改革的關鍵之年，稀土行業在政策上經歷了重大變革。國家先後取消了稀土出口配額和關稅，並對稀土資源稅實施改革調整，將稀土由「從量計徵」改為「從價計徵」。政策的調整，加上全球經濟環境的持續不穩定性，令稀土價格持續下調。工業和信息化部、公安部、國土資源部、環境保護部、海關總署、稅務總局、工商總局、安全監管總局八部門聯合打擊稀土違法違規行為專項行動亦已形成常態化機制。而隨著稀土集團

To Shareholders:

On behalf of the Board of Directors, I am pleased to present to you the annual results of China Rare Earth Holdings Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2015.

The year 2015 was the final year of China's 12th Five-year Plan and also a key year for conducting the comprehensive deepening reforms, which resulted in the substantial changes of the Government policy in the rare earth sector. The export quotas and tariffs of rare earth were abolished, followed by the implementation of the adjusted resources taxation structure in China. The rare earth resource tax was levied based on the price of rare earth versus volume. The change in policy and the instability of the global economy led to a continuous decrease of the prices of rare earth. Eight ministries including the Ministry of Industry

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格局的大力整合，市場秩序逐趨規範化，將有利於實現稀土行業的可持續發展。本集團將密切關注並積極響應國家政策，對市場長遠前景保持樂觀。

財務業績

截至二零一五年十二月三十一日止財政年度，本集團錄得收入約843,110,000港元，與二零一四年的1,183,786,000港元比較下跌了約29%。其中，稀土產品受國策變動及全球經濟不穩影響，市場價格表現低迷，下游需求增速放緩，年內銷售量價齊跌，收入約為500,419,000港元，較去年的842,628,000港元下跌了約41%，約佔總收入的59%。耐火材料產品方面，行業市況仍然嚴峻，二零一五年的收入與去年的341,158,000港元基本相若，約為342,691,000港元，約佔總收入的41%。由於本年度內缺少了去年因中國政府推行稀土收儲計劃而出售早已撇清成本的氧化鑿逾80,000,000港元的銷售，故毛虧率由去年的約9%上升至今年的約12%。

儘管本年在銷售及分銷費用和管理費用方面因節約而有所減少，再加上本年因出售上市權益證券投資而獲利約29,491,000港元，但本年的淨虧損仍由去年的約102,028,000港元增至267,618,000港元。虧損上升的原因除了上述銷售營運因素

and Information Technology, Ministry of Public Security, Ministry of Land and Resources, Ministry of Environmental Protection, General Administration of Customs, State Administration of Taxation, State Administration for Industry and Commerce and State Administration of Work Safety have collaborated in taking special actions to fight illegal and irregular acts in the rare earth industry and such joint actions have become a normal practice. The consolidation of the industry and the rectification of the market order have favoured the sustainable development of the rare earth sector. The Group is closely monitoring and addressing to national policies and is optimistic about the long term prospects of the industry.

FINANCIAL RESULTS

For the financial year ended 31 December 2015, the Group recorded a revenue of approximately HK\$843,110,000, declining by approximately 29% when compared to HK\$1,183,786,000 in 2014. For rare earth products, influenced by changes in the national policies and instabilities in the global economy, market prices remained low and demand growth of downstream products has been slowed down. While both prices and sales volume decreased during the year, revenue was approximately HK\$500,419,000, representing a reduction of approximately 41% when compared to HK\$842,628,000 last year, accounting for approximately 59% of the Group's total revenue. As for refractory material products, due to the challenging market conditions, revenue for the year amounted to HK\$342,691,000, similar to HK\$341,158,000 recorded last year, accounting for about 41% of the total revenue. Due to the lack of a sales exceeding HK\$80,000,000 from selling the written-off lutetium oxide according to the rare earth hoarding reserve plan launched by the Chinese Government as reported last year, the gross loss margin has increased from about 9% last year to about 12% this year.

Although selling and distribution expenses and administrative expenses have decreased due to the implementation of cost saving measures, as well as the gains of approximately HK\$29,491,000 brought by the sales of the investment in listed equity, net loss this year increased from approximately HK\$102,028,000 last year to HK\$267,618,000. Except for the above factors influencing the sales and operation, the increase in loss was mainly attributable to: 1) the Group recorded a gain of approximately HK\$116,328,000 from three transactions conducted last year including the acquisition of 50.1% equity interest in Yixing Silver Mile Fluorescent Materials Company Limited; disposal of 40% equity interest in Yixing AGC Ceramics Co., Ltd. and disposal of the entire equity interest in Heping County Dongye Rare Earth Company Limited. However,



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CHAIRMAN'S STATEMENT

外，還主要來自下列兩個因素：一、去年本集團從收購宜興銀茂螢光材料有限公司50.1%股權、出售宜興旭硝子工業陶瓷有限公司40%股權及出售和平縣東冶稀土新材料有限公司全部股權的三個交易中錄得合共約116,328,000港元的收益，然而本年却沒有類似收益；二、由於稀土市場的持續不振，其中本集團所投資的拋光粉生產線的表現一直差強人意，另一方面，本集團於二零一四年初併入的螢光材料生產設施造價過大，營運下來的回報一直未能收回成本，經評估後，本集團決定於本年內對稀土分部的部分非流動資產作了約109,669,000港元的一次性減值虧損。

二零一五年本集團錄得每股虧損約11.98港仙，較二零一四年度的每股虧損約4.63港仙上升約159%。

業務回顧

稀土業務

本集團稀土業務的收入約為500,419,000港元（二零一四年度：842,628,000港元）。年內稀土礦材的價格較二零一四年下跌，然而由於稀土行業市況仍然不景，產品價格跌幅更大，加上產量下降致使平均生產成本上升，故本集團的稀土業務仍處於虧損階段，毛虧率約26%（二零一四年度：19%）。

稀土產品價格於二零一五年仍呈現波動態勢。前三季度稀土價格先升後回，並於第四季度緩慢回升。市場一直期待下半年的新一輪國家收儲計劃仍未落實。本集團於本年度內共銷售了約3,400噸稀土氧化物，較去年的約3,700噸減少了約8%。二零一五年全年平均價格與二零一四年相比，大部分稀土產品包括氧化釷、氧化鈾、氧化鐳、氧化釷和氧化鐳下降了約兩成至五成，氧化鈾、氧化鈾和氧化鈾共沉的下降了五成以上，氧化鈾、氧化鈾、氧化鈾及氧化鈾的跌幅在一成之內。氧化鈾的平均售價與去年同期相比卻錄得約兩成的升幅。產品價格持續下跌亦導致年末要作逾80,000,000港元的存貨撇除。原材料方面，二零一五年的稀土礦平均採購價較去年降低了約兩成，主要化工輔料如液碱、草酸等基本持平，亦有部分其他輔料價格錄得約兩至三成跌幅。工資

there was no such gain during the year; and 2) the rare earth market continued to be sluggish and the performance of the polishing powder production line invested by the Group has been unsatisfactory. Besides, the substantial construction cost of the fluorescent materials production facilities that combined in early 2014 cannot be covered by the revenue generated from operation. Thus, after the cautious assessment, the Group has decided to make one-off impairment loss on certain non-current assets in the rare earth segment at about HK\$109,669,000 during the year.

Loss per share in 2015 was about HK11.98 cents, representing an increase of about 159% when compared with loss per share of HK4.63 cents in 2014.

BUSINESS REVIEW

Rare Earth Business

Revenue of the Group's rare earth business was approximately HK\$500,419,000 (2014: HK\$842,628,000). The prices of rare earth minerals declined when compared with that in 2014, and the price decreasing range of rare earth products was even larger due to the sluggish rare earth industry. Reduction in production volume also led to the increase in the average production costs. Thus, the Group's rare earth business continued to operate at a loss and the gross loss margin for the segment was about 26% (2014: 19%).

The price of rare earth products remained fluctuating in 2015. The price went up and then dropped in the first three quarters, followed by a slow rebound in the fourth quarter. The long awaited new round of the national rare earth hoarding reserve plan for the second half of the year had not been confirmed. The Group sold approximately 3,400 tonnes of rare earth oxides during the year, a decrease of around 8% when compared to approximately 3,700 tonnes sold last year. The average selling prices of most rare earth products including lanthanum oxide, cerium oxide, praseodymium oxide, yttrium oxide and lutetium oxide in 2015 dropped by approximately 20% to 50% when compared with last year, while those of europium oxide, samarium oxide and yttrium-europium coprecipitates declined by more than 50%. The price drop range of holmium oxide, terbium oxide, neodymium oxide and erbium oxide was within 10%. The average selling price of gadolinium oxide recorded an increment of about 20% when compared with the corresponding period last year. The persistent decrease in product prices has caused the Group to write down inventory for more than HK\$80,000,000 at the end of the year. As for raw materials, the

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CHAIRMAN'S STATEMENT

支出方面，雖然人均工資按市場趨勢有所調升，但由於減省了部分員工，所以支出基本與去年相若。

熒光材料方面，二零一五年本集團共銷售了約400噸產品，與二零一四年全年度銷售量基本相若。但平均售價則有所下調，其中綠色熒光粉的售價跌幅不足一成，藍色熒光粉的售價比去年下跌了約四成，紅色熒光粉的售價更比去年下跌了五成以上。幸好熒光粉的主要原材料稀土氧化物的價格亦有所下降，其中主要用在紅色熒光粉的鈹鎔共沉的價格如上所述跌幅也超逾五成，所以毛虧率也不致於大幅攀升，仍在一成之內。

拋光材料方面承接著稀土氧化物市場的不景氣，仍然未能有效推出市場，與原來的設計目標相差甚遠。經討論後本集團決定對部分有關的機器設備作減值撥備，藉以不拖累本集團的將來發展。

從市場分佈來看，中國仍是本集團稀土產品的最大市場，市場銷售額佔稀土產品銷售總額約64%。海外市場方面，則分佈於歐洲、美國及日本等地，分別約佔16%、8%及7%。

average procurement cost of rare earth minerals decreased by about 20% in 2015 year-on-year. Principal chemical auxiliary materials such as caustic soda and oxalic acid remained flat when compared with last year. The price of certain auxiliary materials recorded a drop of about 20% to 30%. As for wage expenses, although the per capita wage has been adjusted upward according to market trends, related expenses were similar to the previous corresponding year as the Group has reduced the number of staff.

As for the fluorescent materials, the Group sold about 400 tonnes of products in 2015 at a similar level to the same period last year, but the average selling price went through a decline. Among the products, the selling price of green phosphors dropped by less than 10% when compared to the same period last year, while that of blue and red phosphors dropped by about 40% and more than 50% when compared to the same period last year respectively. The price of rare earth oxides, a main raw material of phosphors, was also reduced. The prices of yttrium-europium coprecipitates which are mainly used in red phosphors dropped by more than 50%. As a result, the gross loss margin has not climbed substantially and the change was less than 10%.

The Group has not launched polishing materials in large scale in line with the unfavourable rare earth oxides market condition. With the market situation significantly different from the original target, the Group decided to make impairment on certain of those machinery and equipment, so as to eliminate a drag weighing down the Group's future development.

Geographically, China remained as the major market for the Group's rare earth products, accounting for around 64% of total sales. For overseas markets, Europe, the US and Japan markets accounted for around 16%, 8% and 7% respectively.



主席報告書

CHAIRMAN'S STATEMENT

耐火材料業務

本集團於二零一五年耐火材料業務的分部收入約為342,961,000港元，與二零一四年度的341,158,000港元相若。毛利率跌至約8%。

縱觀二零一五年，國內經濟隨全球進一步放緩，鋼鐵、水泥及玻璃仍然受到市況不穩等因素困擾，耐火材料行業市場情況仍然充滿挑戰。年內，本集團售出了約26,500噸一般耐火材料及高溫陶瓷產品，較二零一四年的約25,000噸上升約6%，增長主要來自新開拓承包業務中的貿易部份。由於本集團對該部分的配套經驗有所不足，在品質控制上有所失誤，導致施工成本上漲而引致虧損，拖低了毛利率。另外，於本年內本集團為高溫陶瓷產品開拓新業務而添置了新的模具，新增模具的攤銷亦使生產成本上升。使此部分的毛利率下降至約6%。產品售價方面，主要產品如電熔鎂鉻磚及鋁碳磚於本年的平均售價較二零一四年下調了約一至兩成，而高溫陶瓷產品則與去年持平。

鎂砂業務方面，在經本集團對生產流程加以整頓後，於本年度第三季度已恢復生產。本集團於二零一五年鎂砂產品的銷售量約為64,000噸，與去年相若。產品平均價格亦與二零一四年的相若，變化在半成之內。毛利率維持約13%。

Refractory Materials Business

During 2015, the Group's refractory materials business reported a segment revenue of approximately HK\$342,961,000, which was similar to HK\$341,158,000 in 2014. Gross profit margin decreased to around 8%.

Affected by the weak global economy, China economic growth has slowed down in 2015. The unstable market conditions have presented challenges to steel, cement and glass industries, as well as the refractory materials market. The Group sold approximately 26,500 tonnes of ordinary refractory materials and high temperature ceramics products during the year, increased by about 6% compared to about 25,000 tonnes in 2014. The increase mainly came from the trading section of the newly-developed contracting businesses. The lack of experience in the related business has caused inappropriate judgment on quality control, unnecessary construction cost was incurred which led to a loss and thus dragged down gross profit margin. In addition, new molds had been purchased for expansion in the high temperature ceramics products business whereas the amortisation also increased the production cost. Gross profit margin was reduced to about 6% in this division. In terms of the product selling price, principal products such as magnesium chrome bricks and alumina-graphite bricks declined by about 10% to 20% compared to the same period last year, while the price of high temperature ceramics products remained flat.

Regarding the magnesium grain business, production has resumed in the third quarter of the year after the Group re consolidated the production process. The Group sold about 64,000 tonnes of magnesium grain products in 2015, a similar quantity to that of last year. The average price of the product was also similar to that of 2014 with the variation within 5%. Gross profit margin was maintained at about 13%.



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CHAIRMAN'S STATEMENT

市場分佈方面，仍以中國市場為主，佔總體的87%。日本市場有所下降，只佔約10%。在高溫陶瓷新業務開拓下，歐洲及其他海外市場則約佔3%。

展望

二零一六年，中國開展了國家「十三·五」規劃，也是稀土行業實現經濟轉型和產業升級的關鍵年。隨著工業和信息化部將繼續貫徹落實「國務院關於促進稀土行業持續健康發展的若干意見」要求，稀土產業結構將得到進一步紮實調整和轉型升級，從而實現行業持續健康發展。在經過稀土稅制改革、「五加一」集團的整合、國家嚴厲打擊非法開採及稀土產品的證券化金融化的穩步推進下，中國的稀土價格將有望穩步提升，稀土行業亦將在改革創新中深化發展。

中國政府繼續實行生產總量計劃和開採總量控制管理，對稀土行業來說是挑戰與機遇並存。全球高端製造、戰略性新興領域的快速發展將掀起稀土行業的創新變革，有助提升稀土銷量；與此同時，境外稀土深加工產業的復甦亦將有助刺激下游稀土銷量增長。此外，新型材料如稀土磁性材料、催化材料等亦有望在節能環保方面有突出表現，相信新材料的市場投入應用前景樂觀，並為產業帶來新一輪創收。

為把握行業發展機遇，本集團正在加快開展針對中國東北地區的鎂礦開採項目的調研，期望能藉此加速落實耐火材料上游業務的發展部署，盡早開展業務，以促進與本集團業務協同效應的發揮，為將來的行業轉型紮實基礎，力求創造更大的規模經濟效益，提升本集團的盈利能力。

By market segments, domestic sales accounted for 87% while sales to the Japan market decreased to about 10%. With the Group's portfolio extended to the newly developed high temperature ceramics business, sales to Europe and other overseas markets accounted for about 3%.

PROSPECTS

The year 2016 marked the commencement of China's 13th Five-year Plan. This year is also a critical year for the rare earth industry to carry out economic transformation and industrial upgrading. The Ministry of Industry and Information Technology continues the implementation of the provisions in "Several Opinions of the State Council on Promoting the Sustainable and Healthy Development of the Rare Earth Industry". This implementation should facilitate the industrial restructuring, transformation and upgrading of the rare earth industry, which in turn will lead to its sustainable and healthy development. Highlighted by rare earth tax reform during the consolidation under "5+1" rare earth groups, China's initiative against illegal exploitation activities, and steady development of rare earth product reserves, the measures should contribute to a gradual rise in rare earth prices in China. The rare earth industry should also further advance as a result of the reforms.

The Chinese Government continues to implement an aggregate production quota and exploitation control which presents both challenges and opportunities for the rare earth industry. With the rapid development of high-end manufacturing products and the strategic development of new applications over the world, the rare earth industry is expected to undergo a revolution, which will ultimately help to boost sales volume of rare earth. Meanwhile, the recovery of the overseas rare earth downstream processing industry will also spur sales growth. Besides, the new materials such as rare earth magnetic materials and catalytic materials offer outstanding performance in energy-saving and environmental protection. It is believed that the market application of these new materials will become increasingly widespread and will bring a new income stream for the industry.

To capture the opportunities in the industry, the Group has been speeding up the research of a magnesium ore mining project in Northeastern China. This project will enable the upstream expansion of the Group's refractory materials business. The commencement of this business will generate synergistic effect with the Group's existing operations, lay a solid foundation for future business growth, generate greater economies of scale and boost profitability.

主席報告書

CHAIRMAN'S STATEMENT

供股計劃

為配合發展現有業務及開拓新業務需要，本集團於二零一五年六月十日公佈以每持有五股現有股份可獲發兩股供股股份之基準，以每股認購價0.60港元進行供股，發行合共669,057,222股本公司新增股份。認購價比公佈前在香港聯合交易所有限公司所報的收市價折讓了約58.6%。由於股東反應熱烈，供股獲超額認購，收到申請合共5,462,001,992股供股股份，相當於根據供股可供認購之669,057,222股供股股份總數約816%。供股已於二零一五年八月初完成。扣除費用後，本公司透過是次供股籌集得約390,112,000港元，撥作一般營運資金之用。

另一方面，為配合供股需要，本公司已於二零一五年七月二日召開特別股東大會，將本公司的法定股本由200,000,000港元增加至400,000,000港元。

流動資金及財務資源

本集團繼續保持審慎的財務安排，保留充裕流動資金。本集團一方面於供股安排上籌集了約390,112,000港元，另一方面亦動用了大筆款項投放於稀土材料的預付款上。此舉一方面為準備應付國營稀土集團整合後對稀土礦源供應的控制，另一方面亦期望於從預付款中能以優惠價格獲得足夠的原材料供應。於二零一五年十二月三十一日，本集團共付了約值403,843,000港元的預付款。於同日，本集團共持有現金及銀行存款金額

RIGHTS ISSUE

To develop its existing businesses and expand into new businesses, the Group announced a rights issue of 669,057,222 new shares of the Company at the subscription prices of HK\$0.60 each on the basis of two rights shares for every five existing shares held on 10 June 2015. The subscription price represents a discount of about 58.6% to the closing price as quoted on The Stock Exchange of Hong Kong Limited before the announcement. Due to the overwhelming response from shareholders, the rights issue was over-subscribed with applications for a total of 5,462,001,992 shares having been received, representing approximately 816% of the total number of 669,057,222 rights shares available. The rights issue was completed in early August 2015. After expenses, the Group raised approximately HK\$390,112,000 through the rights issue and the funds are to be allocated for general working capital.

In addition, in order to facilitate the rights issue, the Company held an extraordinary general meeting on 2 July 2015 to increase the authorised share capital of the Company from HK\$200,000,000 to HK\$400,000,000.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintains prudent capital arrangements and retains adequate liquidity. On one hand the Group raised the proceeds of about HK\$390,112,000 through the rights issue; on the other hand the Group has invested a large sum of money in prepayments for rare earth materials. The purpose is for the Group to counter the efforts of controlling the rare earth mine sources by the state-owned rare earth groups after consolidation and is also expected to secure sufficient supply of raw materials at an advantageous price through prepayment. On 31 December 2015, the Group made prepayments



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共約1,432,543,000港元。本集團的流動資產淨值約為2,360,321,000港元。總負債對總資產的比率約為8%。

本集團並無資產被抵押，亦未持有任何金融衍生工具產品。本集團亦無面臨重大的息率風險。匯率方面，本集團大部份之資產、負債及交易均以人民幣結算，另有部份以美元及港元列值。其匯率波幅相對穩定。

僱員及薪酬

於二零一五年十二月三十一日，本集團僱用各級員工共計約930人，包括多名經驗豐富的專業翹楚及大學畢業生。本集團為員工提供了完善的薪酬體系及福利待遇。本年度內，僱員成本包括董事酬金合計約為69,273,000港元。另外，為保持集團的專業水準，本集團亦定期為在職員工提供培訓及進修機會。

總結

儘管全球市場環境瞬息萬變，然而本集團有信心，冀通過持續優化生產作業流程、完善生產設施、不斷創新及改良產品，務求在市場回穩時把握機遇。

本人謹代表本集團感謝各位業務夥伴、投資者、客戶和供應商長期以來對公司的全力支援和信任，以及所有管理層和員工的堅持不懈。本人謹代表董事會及管理層向彼等致以衷心感謝。

蔣泉龍

主席

香港，二零一六年三月三十日

of around HK\$403,843,000. On the same day, the Group had cash and bank deposits valued at approximately HK\$1,432,543,000. Net current assets amounted to approximately HK\$2,360,321,000, with the total liabilities to total assets ratio at around 8%.

The Group had no charge on its assets, nor has it held any financial derivative products. It was not exposed to any material interest rate risk. As for foreign exchange, most of the Group's assets, liabilities and transactions are denominated in Renminbi, and the rest are in the US dollars or Hong Kong dollars. The exchange rates of these currencies have been stable.

STAFF AND REMUNERATION

As at 31 December 2015, the Group had a workforce of approximately 930 including a number of experienced professionals and university graduates. The Group has provided a comprehensive staff remuneration and welfare system. During the year, the Group spent approximately HK\$69,273,000 on staff costs, including directors' emoluments. It also provided regular training and study opportunities to employees to assist them in maintaining professional competence.

CONCLUSION

Despite the ever-changing global market environment, through ongoing optimisation of the production process and production facilities, as well as the continuous product innovation and improvement, the Group has confidence that it can capture the opportunities when the market stabilizes.

On behalf of the Group, I would like to express my sincere gratitude to our business partners, investors, customers and suppliers for their full support and trust, and our management team and staff for their dedicated efforts. Also, on behalf of the Board of Directors and the management team, I would also like to extend my deepest appreciation to all of these stakeholders.

Jiang Quanlong

Chairman

Hong Kong, 30 March 2016

董事及高級管理人員簡介

DIRECTORS AND SENIOR MANAGEMENT PROFILE

執行董事

蔣泉龍先生，63歲，本集團創辦人及主席。蔣先生負責制訂本集團整體業務發展政策。蔣先生獲江蘇省人事廳評定具高級經濟師資格。蔣先生在稀土及耐火材料行業擁有逾三十年經驗。於創辦本集團之前，蔣先生曾擔任某耐火材料製造廠的經理及某玻璃陶瓷製造公司的營業經理。此外，蔣先生亦為泛亞環保集團有限公司（其股份於香港聯合交易所有限公司上市）之主席兼執行董事，及本公司主要股東YY Holdings Limited之董事。蔣先生為本集團副主席錢元英女士之丈夫。

錢元英女士，56歲，本集團創辦人及副主席，兼為本集團行政總裁，亦為宜興銀茂熒光材料有限公司總經理。錢女士負責本集團整體管理工作及熒光材料業務之運作。錢女士獲江蘇省人事廳評定具高級經濟師資格，另外亦獲得中國職業經理人資格。錢女士在稀土及耐火材料行業方面擁有逾二十年經驗。於創辦本集團之前，錢女士曾任職學校教師。錢女士亦為本公司主要股東YY Holdings Limited之董事。錢女士為本集團主席蔣泉龍先生之妻子。

蔣才南先生，57歲，於一九八六年加入本集團，至二零零五年獲委任為執行董事。蔣先生兼為宜興新威利成耐火材料有限公司總經理，主管耐火材料業務之運作及銷售。蔣先生在耐火材料行業擁有逾三十年的豐富經驗。

EXECUTIVE DIRECTORS

Mr. Jiang Quanlong, aged 63, is a founding member and the chairman of the Group. Mr. Jiang is responsible for the formulation of the Group's overall business development policies. Mr. Jiang is recognised as a senior economist by Jiangsu Provincial Personnel Department. Mr. Jiang has over 30 years of experience in the rare earth and refractory materials industries. Prior to the founding of the Group, Mr. Jiang had been a factory manager of a refractory materials production plant and a sales manager of a glass and ceramics manufacturing company. Besides, Mr. Jiang is also the chairman and an executive director of Pan Asia Environmental Protection Group Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited, and a director of YY Holdings Limited, a substantial shareholder of the Company. Mr. Jiang is the husband of Ms. Qian Yuanying, the deputy chairman of the Group.

Ms. Qian Yuanying, aged 56, is a founding member and the deputy chairman of the Group. Ms. Qian is also the chief executive officer of the Group and the general manager of Yixing Silver Mile Fluorescent Materials Company Limited. Ms. Qian is responsible for the overall management of the Group and the operation of fluorescent materials business. Ms. Qian is recognised as a senior economist by Jiangsu Provincial Personnel Department, and she is also qualified as a Chinese Career Manager. Ms. Qian has over 20 years of experience in the rare earth and refractory materials industries. Prior to the founding of the Group, Ms. Qian was a high school teacher. Ms. Qian is also a director of YY Holdings Limited, a substantial shareholder of the Company. Ms. Qian is the wife of Mr. Jiang Quanlong, the chairman of the Group.

Mr. Jiang Cainan, aged 57, joined the Group in 1986 and was appointed as an executive director in 2005. Mr. Jiang is also the general manager of Yixing Xinwei Leeshing Refractory Materials Company Limited and is responsible for the operation and sales of refractory materials business. Mr. Jiang has over 30 years of experience in the refractory materials industry.

董事及高級管理人員簡介

DIRECTORS AND SENIOR MANAGEMENT PROFILE

獨立非執行董事

黃春華先生，51歲，於二零零一年加入本集團，為本公司獨立非執行董事。黃先生擁有英國斯特克萊大學工商管理學碩士和市場學博士學位及武漢大學經濟學學士學位。現時黃先生為正道集團有限公司（其股份於香港聯合交易所有限公司上市）之副主席兼執行董事。黃先生於二零零七年五月至二零零九年四月期間為法國巴黎證券（亞洲）有限公司證券董事和中國資本市場策略師。在此之前，黃先生於二零零二年十一月至二零零七年十月擔任正道集團有限公司副主席，並曾在多所證券公司任職分析師。黃先生在金融市場上擁有豐富的知識和經驗。

金重先生，64歲，於二零零四年加入本集團，為本公司獨立非執行董事。金先生在武漢鋼鐵學院材料工程學系耐火專業專科畢業，曾在貴陽市耐火材料廠總廠出任副總工程師。

王國珍先生，80歲，於二零一二年加入本集團，為本公司獨立非執行董事。王先生畢業於天津大學，主修金屬物理化學。現時王先生為中國恩菲工程技術有限公司稀土項目之高級專家顧問。王先生於一九八七年至一九九四年為中國國務院稀土領導小組專家組成員及產業組組長及於一九九四年至二零零六年為國家發展和改革委員會稀土專家組成員及產業組組長。王先生於一九八零年至二零零九年曾連續擔任中國稀土學會理事、常務理事、稀土專家組專家以及稀土環保與勞動衛生專業委員會主任委員。王先生於二零零九年獲委任為中國稀土學會榮譽理事。此外，王先生亦為泛亞環保集團有限公司（其股份於香港聯合交易所有限公司上市）之獨立非執行董事。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Huang Chunhua, aged 51, joined the Group in 2001 as an independent non-executive director of the Company. Mr. Huang obtained a Ph.D degree in Marketing and a Master degree in Business Administration from University of Strathclyde and a Bachelor degree in Economics from Wuhan University. Currently Mr. Huang is the deputy chairman and an executive director of Hybrid Kinetic Group Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited. For the period from May 2007 to April 2009, Mr. Huang was a director and China equity market strategist of BNP Paribas Securities (Asia) Limited. Prior to that he was the deputy chairman of Hybrid Kinetic Group Limited between November 2002 and October 2007 and an analyst of various securities companies. Mr. Huang has extensive knowledge and experience in financial market.

Mr. Jin Zhong, aged 64, joined the Group in 2004 as an independent non-executive director of the Company. Mr. Jin graduated from the Faculty of Material Engineering of Wuhan Steel College, specialising in refractory studies. Mr. Jin was previously the deputy chief engineer of the head factory of Guiyang City Refractory Materials Factory.

Mr. Wang Guozhen, aged 80, joined the Group in 2012 as an independent non-executive director of the Company. Mr. Wang graduated from Tianjin University, majoring in Physical chemistry of metals. Currently Mr. Wang is a senior expert consultant in rare earth projects of China Enfi Engineering Corporation. For the period from 1987 to 1994, Mr. Wang was a member of the Experts Group of the Rare Earth Leading Group of the State Council, the People's Republic of China and the head of its industry group. From 1994 to 2006, Mr. Wang was a member of the Group of Rare Earth Experts of the National Development and Reform Commission and the head of its industry group. Mr. Wang also worked at the Chinese Society of Rare Earths (the "CSRE") consecutively as a director, a standing director, an expert in its rare earth experts group and a senior member of its Rare Earth Related Environmental Protection and Labor Hygiene Professional Committee from 1980 to 2009. In 2009, Mr. Wang was appointed as honorary executive of the CSRE. Besides, Mr. Wang is also an independent non-executive director of Pan Asia Environmental Protection Group Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited.

董事及高級管理人員簡介

DIRECTORS AND SENIOR MANAGEMENT PROFILE

高級管理人員

蔣鑫先生，31歲，於二零零八年加入本集團，至二零一二年獲委任為本公司總經理。蔣先生負責本集團業務的市場推廣工作。蔣先生擁有英國曼徹斯特大學主修國際商業、金融及經濟之文學士學位及威爾斯大學主修商業研究之文學士學位。蔣先生為本集團主席蔣泉龍先生及本集團副主席錢元英女士之子。

蔣洪君先生，57歲，於二零零零年加入本集團，現任本公司副總經理，負責本集團日常行政事務。蔣先生在行政管理方面擁有逾三十年的經驗。

俞正明先生，80歲，於一九九九年加入本集團，擔任宜興新威利成稀土有限公司的總工程師兼技術顧問。俞先生原是一家著名稀土廠的廠長及總工程師，是稀土及有色金屬行業的資深專家。

徐建文先生，47歲，於一九八八年加入本集團，現任宜興新威利成稀土有限公司總經理，主管稀土業務之運作。徐先生在稀土行業擁有逾二十年的生產管理經驗。

王建平先生，54歲，於二零零四年加入本集團，現任無錫新威高溫陶瓷有限公司總經理，主管高溫陶瓷業務之運作。王先生在行政管理及營銷方面擁有逾十五年的經驗。

SENIOR MANAGEMENT

Mr. Jiang Xin, aged 31, joined the Group in 2008 and was appointed as the general manager of the Company in 2012. Mr. Jiang is responsible for the marketing aspect of the Group's business. Mr. Jiang obtained a Bachelor degree in Arts majoring in International Business, Finance and Economics from University of Manchester and a Bachelor degree in Arts majoring in Business Studies from University of Wales. Mr. Jiang is a son of Mr. Jiang Quanlong, the chairman of the Group and Ms. Qian Yuanying, the deputy chairman of the Group.

Mr. Jiang Hongjun, aged 57, joined the Group in 2000. Mr. Jiang is the deputy general manager of the Company and is responsible for the daily administrative affairs of the Group. Mr. Jiang has over 30 years of experience in administrative management.

Mr. Yu Zhengming, aged 80, joined the Group in 1999. Mr. Yu is the chief engineer and technical consultant of Yixing Xinwei Leeshing Rare Earth Company Limited. Prior to joining the Group, Mr. Yu was the factory general manager and chief engineer of a renowned rare earth factory. Mr. Yu is an expert in rare earth and non-ferrous metals industries.

Mr. Xu Jianwen, aged 47, joined the Group in 1988. Mr. Xu is the general manager of Yixing Xinwei Leeshing Rare Earth Company Limited and is responsible for the operation of rare earth business. Mr. Xu has over 20 years of experience in production management in the rare earth industry.

Mr. Wang Jianping, aged 54, joined the Group in 2004. Mr. Wang is the general manager of Wuxi Xinwei High Temperature Ceramics Company Limited and is responsible for the operation of the high temperature ceramics business. Mr. Wang has over 15 years of experience in administrative management and sales.

董事及高級管理人員簡介

DIRECTORS AND SENIOR MANAGEMENT PROFILE

張惠林先生，63歲，於一九八八年加入本集團，現任海城市蘇海鎂礦有限公司及海城新威利成鎂資源有限公司總經理，主管鎂砂業務之運作。張先生在耐火材料原材料供應及銷售上擁有豐富的管理經驗。

羅納德先生，46歲，於一九九九年加入本集團，為本公司財務總監及公司秘書。羅先生畢業於香港並取得工商管理學士學位，為香港會計師公會及英國特許公認會計師公會會員。加入本集團前，羅先生曾於香港一家國際會計師行任職核數經理。

Mr. Zhang Huilin, aged 63, joined the Group in 1988. Mr. Zhang is the general manager of Haicheng City Suhai Magnesium Ore Company Limited and Hai Cheng Xinwei Leeshing Magnesium Resources Company Limited and is responsible for the operation of magnesium grains business. Mr. Zhang has extensive management experience in raw material supply and sales of refractory materials.

Mr. Law Lap Tak, aged 46, joined the Group in 1999. Mr. Law is the financial controller and company secretary of the Company. Mr. Law graduated in Hong Kong and obtained a Bachelor degree in Business Administration. Mr. Law is a member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants. Prior to joining the Group, Mr. Law was an audit manager in an international accounting firm in Hong Kong.

企業管治報告

CORPORATE GOVERNANCE REPORT

企業管治常規

本公司致力於維持良好之企業管治常規及程序。本公司已根據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載的企業管治守則（「企業管治守則」）內的所有政策及原則而採納其本身之企業管治常規守則。董事會（「董事會」）認為，本公司於截至二零一五年十二月三十一日止年度內一直遵守企業管治守則。

董事進行證券交易

本公司已採納不低於上市規則附錄10所載之上市公司董事進行證券交易的標準守則（「標準守則」）的守則（「公司守則」）。在本公司提出特定查詢後，所有董事均已確認於截至二零一五年十二月三十一日止年度內一直遵守標準守則及公司守則。

CORPORATE GOVERNANCE PRACTICES

The Company is committed to attending good corporate governance practices and procedures. The Company has adopted its own code of corporate governance based on the principles and code provisions of the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). In the opinion of the Board of Directors (the “Board”), the Company has complied with the CG Code throughout the year ended 31 December 2015.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct (the “Company’s Code”) regarding securities transactions by directors on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules. Having made specific enquiry, the Company confirms that all directors have complied with the required standards as stated in the Model Code and the Company’s Code throughout the year ended 31 December 2015.

企業管治報告

CORPORATE GOVERNANCE REPORT

董事會

董事會目前有六名成員,包括三名執行董事及三名非執行董事。

董事會之組成及本年度董事會會議及股東大會之出席情況如下:

BOARD OF DIRECTORS

The Board currently comprises six members, consisting three executive directors and three independent non-executive directors.

The composition of the Board and the attendance of the Board meetings and general meeting during the year are as follows:

| 董事 Director | 會議出席/舉行數目 | |
|--|---------------------------------|--------------------------|
| | No. of meeting(s) attended/held | |
| | 董事會 Board meetings | 股東大會 General meetings |
| 執行董事 | | |
| Executive director | | |
| 蔣泉龍(主席) Jiang Quanlong (Chairman) | 5/5 | 1/2 |
| 錢元英(副主席兼行政總裁) Qian Yuanying (Deputy Chairman and Chief Executive Officer) | 5/5 | 1/2 |
| 蔣才南 Jiang Cainan | 5/5 | 0/2 |
| 獨立非執行董事 | | |
| Independent non-executive director | | |
| 黃春華 Huang Chunhua | 5/5 | 0/2 |
| 金重 Jin Zhong | 5/5 | 0/2 |
| 王國珍 Wang Guozhen | 5/5 | 1/2 |

除董事會會議外,主席於年內亦與獨立非執行董事在執行董事並不在場的情況下舉行了一次會議。

Apart from Board meetings, the Chairman also held a meeting with the independent non-executive directors without the presence of executive directors during the year.

董事履歷資料載於本年報第14頁至17頁的「董事及高級管理人員簡介」內。

The biographical information of the directors are set out in "Directors and Senior Management Profile" on pages 14 to 17 of the annual report.

蔣泉龍先生乃錢元英女士之丈夫。除已披露者外,董事會成員間並無家庭或其他重要關係。

Mr. Jiang Quanlong is the husband of Ms. Qian Yuanying. Save as disclosed, there are no family or other material relationship among the Board members.

企業管治報告

CORPORATE GOVERNANCE REPORT

董事培訓及持續專業發展

每名新獲委任董事於其任期開始時將會接受綜合、正規及特定之開導，以確保其適當地瞭解本公司之業務及營運，並完全知悉根據上市規則及有關法規所規定其須履行之責任及義務。

倘有需要，本公司亦有適當的安排向董事提供持續指導及專業發展。

於本年度，本公司並沒為董事安排講座。然而本公司聘請了一專業機構準備了若干閱讀材料討論了上市規則有關關連交易及財務資料披露的修訂及「環境、社會及管治報告指引」的最新發展給董事自行研習。

會議常規及操守

董事會定期會議之通告至少於會議舉行日期前十四天送呈全體董事。就其他董事會及委員會會議而言，一般亦發出合理之通告。

董事會文件連同所有合適、完整及可靠之資料均至少於每次董事會會議或委員會會議舉行日期前三天送呈全體董事，以讓董事評估本公司最近之發展及財務狀況，並讓彼等能夠作出知情決定。董事會及各位董事亦於必要時，分別及獨立接觸高級管理人員。

公司秘書負責編撰及保管所有董事會會議及委員會會議記錄。草擬的記錄一般於每次會議後，在合理的時間內給董事傳閱以發表意見，而最後之版本公開供董事查閱。

TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Each newly appointed director will receive comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

There are also arrangements in place for providing continuing briefing and professional development to directors whenever necessary.

During the year, the Company has not arranged any seminar for directors. Nevertheless, the Company has engaged a professional entity to prepare certain reading materials which discussed the amendments in the Listing Rules in relation to connected parties transactions and financial information disclosures and latest development in Environmental, Social and Governance Reporting Guide for directors' own study.

PRACTICES AND CONDUCT OF MEETINGS

Notices of regular Board meetings are served to all directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all directors at least 3 days before each Board meeting or committee meeting to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management whenever necessary.

The Company Secretary is responsible for taking and keeping minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and the final version is open for directors' inspection.

企業管治報告

CORPORATE GOVERNANCE REPORT

根據現時之董事會常規，任何涉及主要股東或董事利益衝突之重大交易將由董事會於正式召開之董事會會議上考慮及處理。

主席及行政總裁

儘管董事會主席蔣泉龍先生乃行政總裁錢元英女士之丈夫，惟彼等之角色及職責乃分開。主席負責制定本集團之整體業務發展政策，而行政總裁負責本集團業務之整體管理。

獨立非執行董事

董事會於截至二零一五年十二月三十一日止年度內一直符合上市規則中有關委任至少三名獨立非執行董事，其中一名擁有適當專業資格或會計相關的財務管理經驗之規定。

本公司之獨立非執行董事乃才能超卓之專業人士，具有財務管理及本集團相關業務方面之專業技術及經驗。彼等就策略發展向本公司提供建議，並使董事會能夠於遵守財務及其他強制性申報規定方面維持高水準，並提供足夠之檢查及平衡，以保護股東及本公司之整體利益。每位獨立非執行董事已與本公司訂立服務合約，為期兩年。本公司已接獲全體獨立非執行董事就其獨立性作出之書面確認。董事會認為彼等均獨立。

According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Although Mr. Jiang Quanlong, the Chairman of the Board, is the husband of Ms. Qian Yuanying, the Chief Executive Officer, their roles and responsibilities are separated. The Chairman is responsible for the formulation of the Group's overall business development policies while the Chief Executive Officer is responsible for the overall management of the Group's business.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board has met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with one of whom possessing appropriate professional qualifications or accounting related financial management expertise throughout the year ended 31 December 2015.

The independent non-executive directors of the Company are highly skilled professionals with expertise and experience in the field of financial management and businesses related to the Group. They advise the Company on strategy development and enable the Board to maintain high standards of compliance of financial and other mandatory reporting requirements and provide adequate checks and balances to safeguard the interests of shareholders and the Company as a whole. Each of the independent non-executive directors has entered into a service contract with the Company for a term of two years. The Company has received written confirmations from all independent non-executive directors concerning their independence. The Board considers that all of them are independent.

企業管治報告

CORPORATE GOVERNANCE REPORT

董事會及管理層職責、問責及貢獻

本公司由董事會規管，負責指導及監察本公司之事務，並監督本集團之業務、決策及表現。董事會委派管理人員執行其決策及日常運作。

企業管治功能

董事會負責執行企業管治守則的第D.3.1條守則條文所載之功能。

董事會已審閱本公司企業管治的政策及實施、董事及高級管理人員的培訓及持續專業發展、本公司就合法及合規要求、標準守則及企業管治守則的遵守而制定的政策及實施，及在本企業管治報告中披露。

董事會已採納了董事會成員多元化政策以載列董事會達至多元化的途徑。董事會認為董事會成員多元化能透過考慮不同方面，包括但不限於性別、年齡、文化及教育背景、專業資格、技術知識及行業及區域經驗而達至。本公司目標於維持一適當平衡與本公司業務發展相關的多元化觀點的董事會。

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Company is governed by the Board which is responsible for directing and supervising its affairs and oversight of the Group's businesses, strategic decision and performance. Execution of the Board's decisions and daily operations are delegated to the management.

CORPORATE GOVERNANCE FUNCTIONS

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

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

The Board has adopted a Board Diversity Policy setting out the approach to achieve diversity on the Board. The Board has considered that diversity of the Board members can be achieved through consideration of a number of aspects, including but not limit to gender, age, cultural and educational background, professional qualification, skills, knowledge and industry and regional experience. The Company aims to maintain an appropriate balance of diversity perspectives of the Board that are relevant to the Company's business growth.

企業管治報告

CORPORATE GOVERNANCE REPORT

董事會委員會

董事會已設立三個委員會，即審核委員會、薪酬委員會及提名委員會以處理本公司的特定事宜。本公司所有委員會均設立了明確的書面職權範圍。董事會委員會之職權範圍已在本公司及香港聯合交易所有限公司（「聯交所」）網頁上刊載，及按要求提供予股東。

審核委員會

審核委員會之主要職能為協助董事會審閱與本公司核數師之關係、財務資料、財務申報系統、風險管理系統及內部監控程序。

審核委員會之組成及本年度委員會會議之出席情況如下：

成員

Member

會議出席／舉行數目

No. of meeting(s) attended/held

獨立非執行董事

Independent non-executive director

| | |
|-------------------------|-----|
| 王國珍(主席) | 2/2 |
| Wang Guozhen (Chairman) | |
| 黃春華 | 2/2 |
| Huang Chunhua | |
| 金重 | 2/2 |
| Jin Zhong | |

在會議上，審核委員會審閱了本公司所採納之會計政策及慣例及討論審核、內部監控及財務申報事宜，包括於執行董事缺席及核數師協助下，審閱了本公司之中期及全年業績。

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, Remuneration Committee and Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of Board committees are posted on the websites of the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and are available to shareholders upon request.

AUDIT COMMITTEE

The principal functions of the Audit Committee are to assist the Board in reviewing the relationship with the auditor of the Company, the financial information, the financial reporting system, risk management system and internal control procedures.

The composition of the Audit Committee and the attendance of the Committee meetings during the year are as follows:

During the meetings, the Audit Committee reviewed the accounting principles and practices adopted by the Company and discussed auditing, internal control and financial reporting matters, including the review of the interim and annual results of the Company with the assistance of the auditor without the presence of the executive directors.

企業管治報告

CORPORATE GOVERNANCE REPORT

薪酬委員會

薪酬委員會之主要職能為向董事會提供本公司董事及高級管理人員薪酬政策及結構方面之意見，並檢討彼等之具體薪酬組合。

薪酬委員會之組成及本年度委員會會議之出席情況如下：

成員

Member

會議出席／舉行數目

No. of meeting(s) attended/held

獨立非執行董事

Independent non-executive director

| | |
|--------------------------|-----|
| 黃春華 (主席) | 1/1 |
| Huang Chunhua (Chairman) | |
| 金重 | 1/1 |
| Jin Zhong | |
| 王國珍 | 1/1 |
| Wang Guozhen | |

在會議上，薪酬委員會檢討了薪酬政策及對董事之薪酬組合向董事會作出了建議。

REMUNERATION COMMITTEE

The principal functions of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for the remuneration of directors and senior management, and to review their specific remuneration packages.

The composition of the Remuneration Committee and the attendance of the Committee meetings during the year are as follows:

During the meeting, the Remuneration Committee reviewed the remuneration policy and recommended the remuneration packages of the directors to the Board.

提名委員會

提名委員會之主要職能為參考已採納的董事會成員多元化政策審閱董事會之組成、討論及協定以達至董事會成員多元化之可衡量目標、制定及發展董事提名及委任之有關程序、向董事會就董事委任及繼任、及評核獨立非執行董事之獨立性等提供意見。

NOMINATION COMMITTEE

The principal functions of the Nomination Committee are to review the Board composition with reference to the Board Diversity Policy adopted, discuss and agree on measurable objectives for achieving diversity on the Board, develop and formulate relevant procedures for the nomination and appointment of directors, make recommendations to the Board on the appointment and succession planning of directors, and assess the independence of independent non-executive directors.

企業管治報告

CORPORATE GOVERNANCE REPORT

提名委員會之組成及本年度委員會會議之出席情況如下：

The composition of the Nomination Committee and the attendance of the Committee meetings during the year are as follows:

| 成員 Member | 會議出席／舉行數目 No. of meeting(s) attended/held |
|---|--|
| 獨立非執行董事 Independent non-executive director | |
| 金重 (主席) Jin Zhong (Chairman) | 1/1 |
| 黃春華 Huang Chunhua | 1/1 |
| 王國珍 Wang Guozhen | 1/1 |

在會議上，提名委員會檢討了本公司之董事會組成、獨立非執行董事的獨立性及董事會成員多元化政策。提名委員會認為本公司之董事會組成適當。

During the meeting, the Nomination Committee reviewed the Board composition, the independence of the independent non-executive directors and the Board Diversity Policy of the Company. The Nomination Committee considers that the Board composition is appropriate.

董事之重選

本公司之公司細則訂明每位董事須至少每三年輪值退任一次，及董事獲委任以填補空缺者須留任至本公司下屆股東大會。蔣泉龍先生及王國珍先生將根據細則第108(A)及(B)條輪值退任。兩位均合資格並願意膺選連任。

RE-ELECTION OF DIRECTORS

The Company's Articles of Association specify that every director should be subject to retirement by rotation at least once every three years and the director appointed to fill a casual vacancy shall hold office only until the next following general meeting of the Company. Mr. Jiang Quanlong and Mr. Wang Guozhen will retire by rotation according to Article 108(A) and (B). Both of them, being eligible, will offer themselves for re-election.

企業管治報告

CORPORATE GOVERNANCE REPORT

董事對財務報表所負之責任

編製真實及公平地反映本集團財務狀況及各個財政期間之業績及現金流量之財務報表乃董事之責任。於編製財務報表時，董事須確保採納適當會計政策。財務報表乃按持續經營基準編製。

本公司核數師就其於財務報表之報告責任載於本年報第45頁至47頁的獨立核數師報告內。

核數師之酬金

於本年度，本公司就核數師提供之法定審核服務（包括中期審閱）支付之酬金為3,475,000港元。另外，本公司核數師亦就本公司供股提供服務並收取了500,000港元的費用。核數師並無提供任何其他非審核服務。

內部控制

董事會全面負責維持本集團內部控制之適當系統並檢討其效率。董事會已委派管理人員實施及評估內部控制系統。藉由外聘顧問的協助，本集團進行了內部控制系統的審閱，並將主要結果向審核委員會匯報。該審閱涵蓋有關財務、營運、合規及風險管理的主要及重要控制範疇。

DIRECTORS' RESPONSIBILITIES ON THE FINANCIAL STATEMENTS

It is the directors' responsibility to prepare financial statements which give a true and fair view of the state of affairs of the Group, the results and cash flows for each financial period. In preparing the financial statements, the directors have to ensure that appropriate accounting policies are adopted. The financial statements are prepared on a going concern basis.

The statement of the auditor of the Company about the reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 45 to 47 of the annual report.

AUDITOR'S REMUNERATION

During the year, the remuneration in respect of statutory audit services (including interim review) provided by the auditor of the Company was HK\$3,475,000. In addition, the auditor of the Company also provided services in connection with the rights issue of the Company for a fee of HK\$500,000. There was no other non-audit service provided by the auditor.

INTERNAL CONTROLS

The Board has overall responsibility for maintaining an adequate system of internal controls of the Group and for reviewing its effectiveness. The Board has delegated to the management the implementation and evaluation of the system of internal controls. With the assistance of an external advisor, the Group has conducted a review of the effectiveness of the Group's system of internal control and reported the key findings to the Audit Committee. The review covers major and material controls in areas of financial, operational and compliance and risk management functions.

企業管治報告

CORPORATE GOVERNANCE REPORT

股東權利

股東大會

本公司股東大會為股東及董事會提供溝通之機會。董事會主席以及審核委員會、薪酬委員會及提名委員會之主席(或於其缺席之情況下,其正式委任之代表)將於股東大會上回答提問,本公司核數師亦被邀請出席本公司的股東週年大會(「股東週年大會」)及協助董事回答股東有關審核處理及獨立核數師報告之編製與內容之疑問。股東大會上將就各重大事宜(包括選舉個別董事)提呈單獨決議案。

股東週年大會及股東特別大會(「股東特別大會」)通告連同相關文件最少於個別大會前二十營業日及十四日發送予股東,當中載列各提呈決議案的詳情、投票程序及其他有關資料。股東於股東大會上之所有投票按上市規則須以點票表決方式進行。主席將於股東大會上就所提呈之各項決議案要求以點票方式表決,並將於股東大會上就決議案進行投票前對有關權利及程序作出闡釋。會上將委任獨立監票員進行點票,而表決結果將刊載於本公司及聯交所網頁上。

SHAREHOLDERS' RIGHTS

General meeting

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. The Chairman of the Board as well as chairmen of the Audit Committee, Remuneration Committee and Nomination Committee, or in their absence, their duly appointed delegates are available to answer questions at the shareholders' meetings. Auditor of the Company is also invited to attend the Company's annual general meeting ("AGM") and is available to assist the directors in addressing queries from shareholders relating to the conduct of the audit and the preparation and contents of the Independent Auditor's Report. Separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors.

Notice of AGM and extraordinary general meetings ("EGM") together with related papers are sent to the shareholders at least 20 clear business days and 14 days before the respective meetings, setting out details of each proposed resolution, voting procedures and other relevant information. All votes of shareholders at the general meeting will be decided by poll pursuant to the Listing Rules. The Chairman will demand that all resolutions put to the vote at general meetings be taken by poll and will explain such rights and procedures during the general meetings before voting on the resolutions. An independent scrutineer will be appointed to count the votes and the poll results will be posted on the websites of the Company and the Stock Exchange after the general meetings.

企業管治報告

CORPORATE GOVERNANCE REPORT

本公司股東可按本公司的公司細則第64條要求召開股東特別大會。股東召開股東特別大會之程序如下：

1. 於投遞請求書之日持有本公司具有權利於股東大會投票之繳足股本不少於十分之一的一名或以上股東（「請求人」）有權以書面通知要求本公司董事召開股東特別大會，以處理該要求書中指明之任何事項。
2. 有關請求書須以書面方式按以下全部地址向本公司董事或公司秘書作出：

本公司於香港之主要營業地點

地址： 香港中環雪廠街16號西洋會所大廈15樓
 電郵： info@creh.com.hk
 聯絡人： 公司秘書

本公司總辦事處

地址： 中華人民共和國江蘇省宜興市丁蜀鎮
 聯絡人： 公司秘書

本公司註冊辦事處

地址： Cricket Square, Hutchins Drive,
 P.O. Box 2681, Grand Cayman
 KY1-1111, Cayman Islands
 聯絡人： 公司秘書

股東須提供彼等的全名、聯絡詳情及身分，以便本公司回覆。股東資料可能根據法律規定而予以披露。

Shareholders of the Company can make a requisition to convene an EGM pursuant to Article 64 of the Company's Articles of Association. The procedures for the shareholders to convene an EGM are as follows:

1. One or more shareholders ("Requisitionist") holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings shall have the right, by written notice, to require an EGM to be called by the directors for the transaction of any business specified in such requisition.
2. Such requisition shall be made in writing to the directors or the company secretary of the Company at all of the following addresses:

Principal place of business of the Company in Hong Kong

Address: 15/F, Club Lusitano, 16 Ice House Street, Central, Hong Kong
 Email: info@creh.com.hk
 Attention: Company Secretary

Head office of the Company

Address: Dingshu, Yixing, Jiangsu Province, the People's Republic of China
 Attention: Company Secretary

Registered office of the Company

Address: Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands
 Attention: Company Secretary

Shareholders must provide their full name, contact details and identification in order to given effect thereto. Shareholders' information may be disclosed as required by law.

企業管治報告

CORPORATE GOVERNANCE REPORT

- | | |
|--|---|
| <p>3. 股東特別大會須於有關請求書投遞後兩個月內舉行。</p> <p>4. 倘董事未能於該投遞起計二十一日內召開該大會，一名或以上請求人本身可以相同方式召開，而請求人因董事未能行事而產生之一切合理開支須由本公司發還予請求人。</p> | <p>3. The EGM shall be held within two months after the deposit of such requisition.</p> <p>4. If the directors fail to proceed to convene such meeting within 21 days of such deposit, the Requisitionist himself may do so in the same manner, and all reasonable expenses incurred by the Requisitionist as a result of the failure of the directors shall be reimbursed to the Requisitionist by the Company.</p> |
|--|---|

股東向本公司發表查詢之程序

對於董事會之事宜，股東可按以下方式與本公司聯絡：

地址： 香港中環雪廠街16號西洋會所大廈
15樓

電郵： info@creh.com.hk

電話： (852) 2869 6283

傳真： (852) 2136 0030

聯絡人： 公司秘書

對於股份登記相關事宜（如股份過戶及登記、更改姓名或地址、遺失股票或股息單），登記股東可聯絡：

本公司之香港股份過戶登記分處
香港中央證券登記有限公司

地址： 香港皇后大道東183號合和中心
17樓

電話： (852) 2862 8555

傳真： (852) 2865 0990

Procedures for shareholders to direct enquiries to the Company

For matters in relation to the Board, shareholders can contact the Company at the following:

Address: 15/F, Club Lusitano, 16 Ice House Street, Central, Hong Kong

Email: info@creh.com.hk

Tel: (852) 2869 6283

Fax: (852) 2136 0030

Attention: Company Secretary

For share registration related matters, such as share transfer and registration, change of name or address, loss of share certificates or dividend warrants, the registered shareholders can contact:

Hong Kong branch share registrar and transfer office
Computershare Hong Kong Investor Services Limited

Address: 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong

Tel: (852) 2862 8555

Fax: (852) 2865 0990

企業管治報告

CORPORATE GOVERNANCE REPORT

股東於股東大會上提呈建議書之程序

為了於本公司股東大會上提呈建議，股東應以書面通知將建議書（「建議書」）連同其詳細之聯絡資料遞交本公司於香港之主要營業地點，地址為香港中環雪廠街16號西洋會所大廈15樓。

該要求將交予本公司之香港股份過戶登記分處進行核證，建議書一經確定為妥當及適當，本公司董事會將被要求於股東大會之議程中載入建議書。

給予全體股東以考慮有關股東於股東大會上提出之建議書之通知期因應建議書之性質有以下差異：

1. 倘建議書須以本公司普通決議案批准，則至少十四日書面通知。
2. 倘建議書須以本公司特別決議案於本公司股東特別大會上或以本公司普通決議案於本公司股東週年大會上批准，則至少二十一日書面通知。

投資者關係

本公司繼續加強與其投資者之溝通及聯繫。獲指派之高級管理人員與機構投資者及分析師保持定期交談，以讓彼等瞭解本公司之最新發展情況。投資人之查詢以具資訊性及適時方式處理。

為促進有效溝通，本公司亦設有一個網頁，於 www.creh.com.hk，廣泛刊載本公司業務發展及營運之最新訊息、財務訊息及其他訊息。

於本年度內，本公司並無對其《組織章程細則》作出任何修訂。本公司《組織章程細則》的最新版本於本公司及聯交所網頁上可供查閱。

Procedures for shareholders to put forward proposals at shareholders' meetings

To put forward proposals at a general meeting of the Company, a shareholder should lodge a written notice of his/her proposal ("Proposal") with his/her detailed contact information at the Company's principal place of business in Hong Kong at 15/F, Club Lusitano, 16 Ice House Street, Central, Hong Kong.

The request will be verified with the Company's branch share registrar in Hong Kong and upon their confirmation that the request is proper and in order, the Board will be asked to include the Proposal in the agenda for the general meeting.

The notice period to be given to all the shareholders for consideration of the Proposal raised by the shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:

1. At least 14 days' notice in writing if the Proposal requires approval by way of an ordinary resolution of the Company.
2. At least 21 days' notice in writing if the Proposal requires approval by way of a special resolution of the Company in an EGM or an ordinary resolution of the Company in an AGM.

INVESTOR RELATIONS

The Company continues to enhance communications and relationships with its investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner.

To promote effective communication, the Company also maintains a website at www.creh.com.hk, where extensive information and updates on the Company's business developments and operations, financial information and other information are posted.

During the year, the Company has not made any changes to its Articles of Association. An up to date version of the Company's Articles of Association is available on the websites of the Company and the Stock Exchange.

董事會報告

DIRECTORS' REPORT

董事會同寅欣然呈報中國稀土控股有限公司(「本公司」)及其附屬公司(「本集團」)截至二零一五年十二月三十一日止年度的年報及經審核綜合財務報表。

主要業務

本公司的主要業務為投資控股。本集團的主要業務為稀土產品及耐火材料產品之製造及銷售。

附屬公司的主要業務載於財務報表附註20。

分類資料

本集團分類資料的詳情載於財務報表附註15。

業績及分派

本集團於截至二零一五年十二月三十一日止年度的業績載於本年報第48頁的綜合損益表內。

就本年度未有宣佈及派發中期及末期股息。

其他分派詳情載於財務報表附註31。

本公司可供分派之儲備

本公司可供派發之儲備包括股份溢價賬、公平值儲備及保留溢利／累計虧損。於二零一五年十二月三十一日，本公司可供分派給股東的儲備為2,240,896,000港元。

財務概要

本集團於過去五個財政年度的業績概要載於本年報第184頁。

The directors have pleasure in presenting the annual report and the audited consolidated financial statements of China Rare Earth Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group are manufacturing and sales of rare earth products and refractory products.

The principal activities of the subsidiaries are set out in note 20 to the financial statements.

SEGMENTAL INFORMATION

Details of segmental information of the Group are set out in note 15 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2015 are set out in the consolidated statement of profit or loss on page 48 of the annual report.

No interim and final dividend was declared and paid to the shareholders for the year.

Details of other appropriations are set out in note 31 to the financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution comprise the share premium account, fair value reserve and retained profits/accumulated losses. As at 31 December 2015, the reserves of the Company available for distribution to shareholders amounted to HK\$2,240,896,000.

FINANCIAL SUMMARY

A summary of the results of the Group for the past five financial years is set out on page 184 of the annual report.

董事會報告

DIRECTORS' REPORT

物業、廠房及設備以及在建工程

本集團於年內的物業、廠房及設備以及在建工程的變動詳情載於財務報表附註17。

股本

於二零一五年七月二日本公司召開的特別股東大會上，通過了一項批准將本公司的法定股本由200,000,000港元增加至400,000,000港元的普通決議案。

為配合發展現有業務及開拓新業務需要，本集團於二零一五年六月十日公佈以每持有五股現有股份可獲發兩股供股股份之基準，以每股認購價0.60港元進行供股，發行合共669,057,222股本公司新增股份。認購價比公佈前在香港聯合交易所有限公司（「聯交所」）所報的收市價折讓了約58.6%。由於股東反應熱烈，供股獲超額認購，收到申請合共5,462,001,992股供股股份，相當於根據供股可供認購之669,057,222股供股股份總數約816%。供股已於二零一五年八月初完成。供股完成後，本公司已發行股份由1,672,643,059股增加669,057,222股至2,341,700,281股。

年內，本公司股本變動的詳情載於財務報表附註31。

退休計劃

本集團的退休計劃詳情載於財務報表附註12。

PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION-IN-PROGRESS

Details of the movements in property, plant and equipment and construction-in-progress of the Group during the year are set out in note 17 to the financial statements.

SHARE CAPITAL

At the extraordinary general meeting of the Company held on 2 July 2015, an ordinary resolution was passed to approve the increase of the authorised share capital of the Company from HK\$200,000,000 to HK\$400,000,000.

To develop its existing businesses and expand into new businesses, the Group announced a rights issue of 669,057,222 new shares of the Company at the subscription prices of HK\$0.60 each on the basis of two rights shares for every five existing shares held on 10 June 2015. The subscription price represents a discount of about 58.6% to the closing price as quoted on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") before the announcement. Due to the overwhelming response from shareholders, the rights issue was over-subscribed with applications for a total of 5,462,001,992 shares having been received, representing approximately 816% of the total number of 669,057,222 rights shares available. The rights issue was completed in early August 2015. After completion of the rights issue, the issued shares of the Company was increased by 669,057,222 shares from 1,672,643,059 shares to 2,341,700,281 shares.

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

RETIREMENT SCHEMES

Details of the retirement schemes of the Group are set out in note 12 to the financial statements.

董事會報告

DIRECTORS' REPORT

董事

年內及直至本報告刊行日期止本公司的董事為：

執行董事

蔣泉龍先生(主席)

錢元英女士(副主席兼行政總裁)

蔣才南先生

獨立非執行董事

黃春華先生

金重先生

王國珍先生

根據本公司的公司細則第108(A)及(B)條，蔣泉龍先生及王國珍先生將於即將舉行的股東週年大會上輪值退任，惟合資格並願意膺選連任。

於二零一五年十二月三十一日，概無董事與本公司訂立不可由本公司於一年內終止而毋須支付法定賠償以外的賠償的服務合約。

DIRECTORS

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

Executive directors

Mr. Jiang Quanlong (*Chairman*)

Ms. Qian Yuanying (*Deputy Chairman and Chief Executive Officer*)

Mr. Jiang Cainan

Independent non-executive directors

Mr. Huang Chunhua

Mr. Jin Zhong

Mr. Wang Guozhen

In accordance with Articles 108(A) and (B) of the Company's Articles of Association, Mr. Jiang Quanlong and Mr. Wang Guozhen will retire by rotation from the Board at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

As at 31 December 2015, none of the directors 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.

董事會報告

DIRECTORS' REPORT

董事及主要行政人員的權益及淡倉

於二零一五年十二月三十一日，本公司依據「證券及期貨條例」第352條而存置之登記冊內所載，或依據上市公司董事進行證券交易的標準守則而通知本公司及聯交所的本公司董事及主要行政人員及其緊密關聯人士於本公司及其相聯公司之股份、相關股份及債券的權益及淡倉如下：

1. 於本公司股份權益

| 董事 | 權益性質／身份 | 股份數目 | 佔本公司已發行股本的百分比 |
|-----------------------|--|------------------|--|
| Director | Nature of interest/Capacity | Number of Shares | % to the issued share capital of the Company |
| 蔣泉龍 Jiang Quanlong | 配偶之權益／受控公司之權益 Interest of spouse/Interest of controlled corporation | 744,755,200 | 31.80% |
| 錢元英 Qian Yuanying | 信託之成立人 Founder of a trust | 744,755,200 | 31.80% |

附註：

該等股份均以好倉透過YY Holdings Limited持有，其全部已發行股本由YY Trust的受託人YYT (PTC) Limited所持有，而受益人為蔣泉龍先生的配偶錢元英女士及其子全資擁有的公司。按證券及期貨條例第XV部之定義錢元英女士為YY Trust的成立人。蔣泉龍先生及錢元英女士為YY Holdings Limited的董事。

於二零一五年十二月三十一日，YY Holdings Limited就Wealth Field Global Limited向其授予之有期貨款融資向Wealth Field Global Limited抵押其所有該等股份。(所有該等已抵押給Wealth Field Global Limited的股份已於二零一六年一月二十七日解除。)

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS

As at 31 December 2015, the interests and short positions of the directors and chief executives of the Company and their respective close associates in the shares, underlying shares and debentures of the Company and its associated corporations as recorded in the register kept by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO") or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

1. INTERESTS IN SHARES OF THE COMPANY

Note:

These shares are held in long position through YY Holdings Limited, the entire issued share capital of which is held by YYT (PTC) Limited, the trustee of YY Trust, the discretionary object of which is a company wholly owned by Ms. Qian Yuanying, the spouse of Mr. Jiang Quanlong, and her sons. Ms. Qian Yuanying is a founder of YY Trust within the meaning under Part XV of the SFO. Mr. Jiang Quanlong and Ms. Qian Yuanying are the directors of YY Holdings Limited.

As at 31 December 2015, YY Holdings Limited pledged all these shares to Wealth Field Global Limited in respect of a term loan facility granted by Wealth Field Global Limited to YY Holdings Limited. (All these shares pledged to Wealth Field Global Limited were released on 27 January 2016.)

董事會報告

DIRECTORS' REPORT

2. 於相聯公司股份、相關股份或股本權益

(a) 微科資源有限公司

| 董事 Director | 權益性質／身份 Nature of interest/Capacity | 已發行股份類別及數目 Number and class of issued shares | 佔該公司已發行 股本中該股份 類別的百分比 % in the class of shares in the issued share capital of the Company |
|-----------------------|--|--|---|
| | | | |
| 蔣泉龍 Jiang Quanlong | 實益擁有人 Beneficial owner | 無投票權遞延股份7,000,000股 7,000,000 non-voting deferred shares | 70% |
| 錢元英 Qian Yuanying | 實益擁有人 Beneficial owner | 無投票權遞延股份3,000,000股 3,000,000 non-voting deferred shares | 30% |

(b) 宜興新威利成稀土有限公司

| 董事 Director | 權益性質／身份 Nature of interest/Capacity | 股本權益百分比 % equity interest |
|-----------------------|---|------------------------------|
| 蔣泉龍 Jiang Quanlong | 受控公司之權益 Interest of controlled corporation | 5% |

附註：

該等權益乃透過宜興新威集團有限公司持有。該中國企業由蔣泉龍先生擁有90%權益，餘下的10%權益由其子持有。蔣先生亦為該企業的法定代表人。

2. INTERESTS IN SHARES, UNDERLYING SHARES OR EQUITY INTERESTS IN ASSOCIATED CORPORATIONS

(a) Microtech Resources Limited

| Director | Nature of interest/Capacity | Number and class of issued shares | 佔該公司已發行 股本中該股份 類別的百分比 % in the class of shares in the issued share capital of the Company |
|----------------|-----------------------------|--------------------------------------|---|
| | | | |
| Jiang Quanlong | Beneficial owner | 7,000,000 non-voting deferred shares | 70% |
| Qian Yuanying | Beneficial owner | 3,000,000 non-voting deferred shares | 30% |

(b) Yixing Xinwei Leeshing Rare Earth Company Limited

| Director | Nature of interest/Capacity | % equity interest |
|----------------|------------------------------------|-------------------|
| Jiang Quanlong | Interest of controlled corporation | 5% |

Note:

The equity interest is held by Yixing Xinwei Group Co., Ltd., a PRC domestic enterprise 90% owned by Mr. Jiang Quanlong, with the remaining 10% owned by his son. Mr. Jiang is also the legal representative of the enterprise.

董事會報告

DIRECTORS' REPORT

(c) YY Holdings Limited

| 董事 | 權益性質／身份 | 已發行股份類別及數目 | 佔該公司已發行股本中該股份類別的百分比 % in the class of shares in the issued share capital of the Company |
|-----------------------|---|---|--|
| Director | Nature of interest/Capacity | Number and class of issued shares | |
| 錢元英 Qian Yuanying | 信託之成立人 Founder of a trust | 普通股份1股 1 ordinary share | 100% |
| 錢元英 Qian Yuanying | 信託之成立人 Founder of a trust | 優先股份25,000股 25,000 preference shares | 100% |
| 蔣泉龍 Jiang Quanlong | 受控公司之權益 Interest of controlled corporation | 普通股份1股 1 ordinary share | 100% |
| 蔣泉龍 Jiang Quanlong | 受控公司之權益 Interest of controlled corporation | 優先股份25,000股 25,000 preference shares | 100% |

附註：

YY Holdings Limited的全部已發行股本由YY Trust的受託人YYT (PTC) Limited所持有，而其受益人為蔣泉龍先生的配偶錢元英女士及其子全資擁有的公司。按證券及期貨條例第XV部之定義錢元英女士為YY Trust的成立人。蔣泉龍先生及錢元英女士為YYT (PTC) Limited的董事。

除上述披露外，於二零一五年十二月三十一日，根據「證券及期貨條例」第352條所存置之登記冊內所載，概無本公司董事或主要行政人員或其緊密關聯人士於本公司及其相聯公司之股份、相關股份及債券持有或被視為持有任何權益或淡倉。

(c) YY Holdings Limited

Note:

The entire issued share capital of YY Holdings Limited is held by YYT (PTC) Limited, the trustee of YY Trust, the discretionary object of which is a company wholly owned by Ms. Qian Yuanying, the spouse of Mr. Jiang Quanlong, and her sons. Ms. Qian Yuanying is a founder of YY Trust within the meaning under Part XV of the SFO. Mr. Jiang Quanlong and Ms. Qian Yuanying are the directors of YYT (PTC) Limited.

Save as disclosed above, as at 31 December 2015, none of the directors or chief executives of the Company and their respective close associates had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations as recorded in the register kept under Section 352 of the SFO.

董事會報告

DIRECTORS' REPORT

主要股東權益及淡倉

據董事會所知，於二零一五年十二月三十一日，本公司依據「證券及期貨條例」第336條而存置之登記冊內所載，除本公司董事及主要行政人員外，其他股東持有本公司的股份及相關股份的權益及淡倉如下：

1. 全部已發行股本由YYT (PTC) Limited所持有的公司YY Holdings Limited以實益擁有人身份持有本公司股份744,755,200股，約佔本公司已發行股份的31.80%。
2. YYT (PTC) Limited被視為持有其所擁有全部已發行股本的YY Holdings Limited所持有的本公司股份744,755,200股的權益。
3. YY Holdings Limited就Wealth Field Global Limited向其授予之有期貸款融資向Wealth Field Global Limited抵押其所有本公司股份744,755,200股。Wealth Field Global Limited由VMS Finance Group Limited全資擁有，而其亦由麥少嫻女士全資擁有的公司VMS Holdings Limited全資擁有。(所有該等已抵押給Wealth Field Global Limited的股份已於二零一六年一月二十七日解除。)

除上述披露外，於二零一五年十二月三十一日，根據「證券及期貨條例」第336條所存置之登記冊內所載，除本公司董事或主要行政人員外，概無其他人仕通知本公司於本公司之股份或相關股份持有任何權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

So far as is known to the directors, as at 31 December 2015, the interests and short positions of shareholders, other than the directors or chief executives of the Company, in the shares and underlying shares of the Company as recorded in the register kept by the Company pursuant to Section 336 of the SFO were as follows:

1. YY Holdings Limited, the entire issued share capital of which is held by YYT (PTC) Limited, was holding 744,755,200 shares of the Company, representing approximately 31.80% of the issued share capital of the Company as beneficial owner.
2. YYT (PTC) Limited was deemed to be interested in 744,755,200 shares of the Company held by YY Holdings Limited, the entire issued share capital of which is held by YYT (PTC) Limited.
3. YY Holdings Limited pledged all its 744,755,200 shares of the Company to Wealth Field Global Limited in respect of a term loan facility granted by Wealth Field Global Limited to YY Holdings Limited. Wealth Field Global Limited is wholly owned by VMS Finance Group Limited, which in turn wholly owned by VMS Holdings Limited, a company wholly owned by Ms. Mak Siu Hang Viola. (All these shares pledged to Wealth Field Global Limited were released on 27 January 2016.)

Save as disclosed above, no other party, other than the directors or chief executives of the Company, has notified the Company that he had any interest or short position in the shares or underlying shares of the Company as recorded in the register kept under Section 336 of the SFO as at 31 December 2015.

董事會報告

DIRECTORS' REPORT

購股權計劃

由於先前於二零零四年六月四日採納的舊購股權計劃於二零一四年六月三日失效，本公司股東於二零一四年六月六日召開的股東周年大會批准採納現時生效的新的購股權計劃（「新計劃」），旨在以提供獎勵鼓勵參與者向本集團作出貢獻。於截至二零一五年十二月三十一日止年度，無購股權按新計劃被授出、取消或失效。

新計劃之主要條款如下：

1. 新計劃旨在使本集團能向曾對本集團作出貢獻的合資格參與者授出購股權作為獎勵或回報。
2. 合資格參與者包括本公司或其任何附屬公司或本集團任何成員公司持有任何股權之任何實體之任何僱員（不論全職或兼職，包括任何執行董事）、任何非執行董事、任何股東、任何供應商及任何客戶，以及對本集團的發展及成長作出貢獻的任何人士。
3. 按新計劃，可予發行的總股份數目為167,264,305股，約佔於新計劃採納日期時本公司已發行股本的10%。
4. 各參與者按新計劃在任何十二個月期間內可獲發行之股份數目不可超過本公司已發行股本之1%。
5. 授出購股權之可行使日期可由董事會釐定，但不可於要約日期十年後結束。

SHARE OPTION SCHEME

At the Company's annual general meeting held on 6 June 2014, the shareholders of the Company approved the adoption of a new share option scheme currently in force (the "New Scheme") after the old share option scheme, which was previously adopted on 4 June 2004, lapsed on 3 June 2014 for the purpose of providing incentives to participants for their contribution to the Group. During the year ended 31 December 2015, there was no option granted, cancelled or lapsed under the New Scheme.

The major terms of the New Scheme are as follows:

1. The purpose of the New Scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to the Group.
2. The eligible participants include any employee (whether full-time or part-time, including any executive director), any non-executive director, any shareholder, any supplier and any customer of the Company or any of its subsidiaries or any entity in which any member of the Group holds any equity interest, and any party having contributed to the development and growth of the Group.
3. Under the New Scheme, the total number of shares available for issue is 167,264,305 which represents approximately 10% of the issued share capital of the Company as at the date of adoption of the New Scheme.
4. The maximum entitlement of each participant under the New Scheme in any 12-month period should not exceed 1% of the issued share capital of the Company.
5. The exercisable period of an option granted may be determined by the directors and should not end later than 10 years after the date of offer.

董事會報告

DIRECTORS' REPORT

6. 任何授出購股權之要約可由參與者於要約日起二十一日內以付出代價1港元接納。
6. Any offer for the grant of an option may be accepted by the participant within 21 days from the date of offer with a consideration of HK\$1 paid.
7. 行使價可由董事會釐定，但不可少於下列各項之最高者：
7. The exercise price may be determined by the directors provided that it should not be less than the highest of:
- i 要約當日本公司股份於聯交所每日報價表所示之收市價；
 - i. the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet on the date of offer;
 - ii 緊接要約當日前五個營業日本公司股份於聯交所每日報價表所示之平均收市價；及
 - ii. the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of offer; and
 - iii 本公司股份面價。
 - iii. the nominal value of a share of the Company.
8. 新計劃自二零一四年六月六日，即新計劃被採納日起十年內有效。
8. The New Scheme is valid and effective for a period of 10 years from 6 June 2014, the date on which the New Scheme was adopted.

除上述披露外，年內本公司或其附屬公司概無參與任何能夠使本公司之任何董事或主要行政人員或其配偶或未滿十八歲的子女藉購入本公司或任何其他法人團體之股份或債券而獲得利益之任何安排。

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement, which enables any of the directors or chief executives of the Company or their spouses or children under the age of 18 to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

董事會報告

DIRECTORS' REPORT

董事於合約的權益

年內，本集團向蔣泉龍先生支付約885,000港元，作為使用其辦公室的租金費用。

年內，本集團向一間由錢元英女士及蔣泉龍先生被視為擁有權益的關連公司無錫泛亞環保科技有限公司支付約65,000港元，作為使用其辦公室的租金費用。

除上述及於財務報表附註33披露外，於年結日或年內任何時間各董事概無於本公司或其任何附屬公司訂立與其業務有關的任何重大合約中擁有直接或間接的實際權益。

董事於競爭業務的權益

年內，概無董事於與本集團之業務有直接或間接競爭或可能存在競爭之任何業務中擁有任何權益。

獲准許彌償條文

年內，本公司按開曼群島公司法的允許，備有以本公司董事為受益人的彌償條文。獲准許彌償條文載於本公司組織章程細則以及為董事及高級行政人員購買的責任保險內，有關保險就董事可能面對任何訴訟而產生相關的潛在責任和費用而作出賠償。

管理合約

年內概無訂立或存在任何對本集團全部或重大部份之業務與管理及行政有關之合約。

DIRECTORS' INTERESTS IN CONTRACTS

During the year, the Group paid approximately HK\$885,000 as rental expenses to Mr. Jiang Quanlong for the use of his office premises.

During the year, the Group paid approximately HK\$65,000 as rental expenses to Wuxi Pan-Asia Environmental Protection Technologies Limited, a related company in which Ms. Qian Yuanying and Mr. Jiang Quanlong were deemed to have beneficial interests, for the use of its office premises.

Save as disclosed above and in note 33 to the financial statements, no director had a beneficial interest, either direct or indirect, in any contract of significance to which the Company or any of its subsidiaries was a party at the year-end date or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, none of the directors had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

PERMITTED INDEMNITY PROVISIONS

During the year, the Company has in force indemnity provisions as permitted under the Cayman Islands Companies Law for the benefit of the directors of the Company. The permitted indemnity provisions are provided for in the Company's Articles of Association and in the directors and officers liability insurance maintained in respect of potential liability and costs associated with any proceedings that may be brought against the directors.

MANAGEMENT CONTRACTS

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

董事會報告

DIRECTORS' REPORT

購買、出售或贖回本公司的上市證券

本集團於年內概無購買、出售或贖回任何本公司之上市證券。

主要客戶及供應商

本集團主要客戶及供應商於年內所佔的銷售及採購百分比如下：

銷售

| | |
|------------|-----|
| – 最大客戶 | 6% |
| – 最大五名客戶合計 | 23% |

採購

| | |
|-------------|-----|
| – 最大供應商 | 37% |
| – 最大五名供應商合計 | 64% |

據各董事所知，各董事、彼等的緊密聯繫人及擁有本公司5%以上已發行股本的任何股東概無於本集團最大五名客戶或供應商的股本中擁有任何權益。

企業管治

本公司致力於發展及維持良好的企業管治常規以保障本公司股東利益，同時提高本公司價值、問責性及透明度。本公司採納的主要企業管治常規相關資料規載於本年報第18頁至30頁的企業管治報告內。

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

There has been no purchase, sale or redemption of any of the Company's listed securities by the Group during the year.

MAJOR CUSTOMERS AND SUPPLIERS

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

Sales

| | |
|-----------------------------------|-----|
| – the largest customer | 6% |
| – five largest customers combined | 23% |

Purchases

| | |
|-----------------------------------|-----|
| – the largest supplier | 37% |
| – five largest suppliers combined | 64% |

None of the directors, their respective close associates or any shareholders who own more than 5% of the Company's issued share capital to the knowledge of the directors, have any interest in the share capital of any of the five largest customers or suppliers of the Group.

CORPORATE GOVERNANCE

The Company is committed to developing and maintaining robust corporate governance practices to safeguard the interests of its shareholders and to enhance corporate value, accountability and transparency of the Company. Information on the principal corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 18 to 30 of the annual report.

董事會報告

DIRECTORS' REPORT

業務回顧

本集團業務的回顧及展望已於本年報第6頁至13頁的主席報告書中討論。

1. 主要風險及不明朗因素

業務環境持續改變而本集團面對的主要風險及不明朗因素亦與此相依。全球尤其是中國的經濟不穩，導致稀土產品及耐火材料產品市場需求波動。此外，中國政府的態度及所推行的政策亦對市場有重大影響而致使價格及需求變化不定。再者，高新技術的發展亦引發稀土的新應用及引伸對稀土的新需求。本集團將密切監察市場趨勢並制定適合的策略以應對前方之轉變。

2. 關鍵財務表現指標

包括毛利率等的關鍵財務表現指標分析載於本年報第8頁至11頁的主席報告書中業務回顧一節內。

3. 環境政策及表現

本集團清楚理解環境保護對本集團持續及將來發展的重要性。本集團盡力在生產環境中減少污水、廢氣及噪音的排放。所有廢物的棄置及處理交由適當單位負責。本集團亦進行了一系列節能減排的改造以保持在同行中對環境保護的領導地位。年內，本集團並無知悉有不符環境保護法律法規的情況。

BUSINESS REVIEW

A review and prospects of the business of the Group are discussed in the Chairman's Statement on pages 6 to 13 of the annual report.

1. Principal risks and uncertainties

Business environment changes continuously and the Group is facing significant risks and uncertainties associates to it. Instabilities in the global economy, especially in China, led to fluctuation in the market demand of rare earth products and refractory materials products. In addition, the attitude and the policies implemented by the Chinese Government will have great impact on the markets and which will fluctuate the prices and demand. Moreover, the development of advanced technology will also lead to new application of rare earth and it may also derive new demand for rare earth. The Group will closely monitor the market trends and derive appropriate strategies to cope with the changes ahead.

2. Key financial performance indicators

Analysis of key performance indicators including gross profit ratios are set out in the Business Review section of Chairman's Statement on pages 8 to 11 of the annual report.

3. Environmental policies and performance

The Group is fully aware of the importance of environment protection on the Group's sustainability and future development. The Group devotes to minimize the release of water, air and sound pollutants to the production environments. All wastage are discharged and handled by appropriate entities. The Group had undergone a series of energy-savings and anti-pollution innovations to maintain its leadership status in environment protection among the peers in the industry. The Group did not aware of any non-compliance of the laws or regulations on environment protection during the year.

董事會報告

DIRECTORS' REPORT

4. 符合法律法規

本集團大部分的運作皆位於中國。故中國所有影響外商投資企業運作的法律法規，包括公司法、外資企業法及貨物進出口管理條例等均對本集團至為重要。此外，中國政府推行有關稀土行業的條例如「國務院關於促進稀土行業持續健康發展的若干意見」及「稀土行業准入條件」等亦對本集團運作構成重大影響。年內，本集團並無知悉有違反上述法律法規的情況。

5. 與主要持份者的關係

本集團認為員工乃其成功之本。本集團為員工提供了完善的薪酬體系及福利待遇。亦為保持集團的專業水準，本集團亦定期為在職員工提供培訓及進修機會。所有員工皆與本集團簽訂僱傭合約以受有關勞工法例所保障。

本集團累積龐大客戶群遍及全世界。本集團一直專注與客戶保持良好關係。每年，管理層及銷售團隊均會拜訪客戶，聆聽其需要，從而調整銷售策略。

本集團於不同的材料向不同的供應商採購。本集團並不依賴單一供應商以避免集中風險。本集團維持了健康的採購制度，與供應商保持良好合作關係。

4. Compliance with laws and regulations

Most of the Group's operations are situated in China and so all of those laws and regulations can affect foreign invested enterprise's operation in China, including the Company Law, Law of Foreign-Capital Enterprises and Regulation on the Administration of the Import and Export of Goods are critical to the Group. In addition, those provisions implemented by the Chinese Government in relation to the rare earth industry such as "Several Opinions of the State Council on Promoting the Sustainable and Healthy Development of the Rare Earth Industry" and "Rare Earth Industry Access Conditions" also have significant influence to the Group's operation. The Group did not aware of any violations on the above laws and regulations during the year.

5. Relationship with key stakeholders

The Group shares a view that its staff is critical to its success. The Group has provided a comprehensive staff remuneration and welfare system. It also provided regular training and study opportunities to employees to assist them in maintaining professional competence. All staff had entered into appropriate employment contract with the Group so as to be protected by relevant labour laws.

The Group accumulated a large number of customer bases all over the world. The Group has always focused on maintaining good customer relationship. Every year, the management and sales team will visit customers and listen to their needs so as to adjust its sales strategy.

The Group sources different materials with different suppliers. The Group would not depend on a single supplier to avoid the concentration risk. The Group maintains a healthy procurement system and maintains good cooperation relationship with suppliers.

董事會報告

DIRECTORS' REPORT

優先購股權

根據本公司之公司組織章程及細則及開曼群島公司法，本公司並無對於發行新股設立任何優先購股權之規定。

足夠公眾持股量

根據本公司從公開途徑所得的資料及據董事會所知，本公司於年內一直維持上市規則所規定的足夠公眾持股量。

核數師

陳葉馮會計師事務所有限公司於二零一三年六月六日召開之二零一三年度股東週年大會結束任期屆滿，退任本集團核數師，並且由於業務合併，國富浩華(香港)會計師事務所有限公司獲委任為本集團新任核數師，任期直至二零一四年度股東週年大會結束為止。

截至二零一五年十二月三十一日止年度的綜合財務表已經由國富浩華(香港)會計師事務所有限公司審核。

國富浩華(香港)會計師事務所有限公司，其於二零一五年度股東週年大會上連任，將任滿告退，惟合資格並願意膺選連任。有關續聘國富浩華(香港)會計師事務所有限公司為本公司核數師的決議案將於本公司應屆股東週年大會上提呈。

承董事會命

蔣泉龍

主席

香港，二零一六年三月三十日

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Memorandum and Articles of Association and the Cayman Islands Companies Law in relation to the issue of new shares by the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained sufficient public float as required under the Listing Rules during the year.

AUDITOR

At the close of the 2013 annual general meeting held on 6 June 2013, CCIF CPA Limited retired as auditor of the Company upon expiration of its term of office and because of business combination, Crowe Horwath (HK) CPA Limited was appointed as new auditor of the Company to hold office until the conclusion of the 2014 annual general meeting.

The consolidated financial statements for the year ended 31 December 2015 have been audited by Crowe Horwath (HK) CPA Limited.

Crowe Horwath (HK) CPA Limited, who was re-appointed in the 2015 annual general meeting, will retire and, being eligible, offer itself for re-appointment. A resolution for the re-appointment of Crowe Horwath (HK) CPA Limited will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board

Jiang Quanlong

Chairman

Hong Kong, 30 March 2016

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT



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

香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

獨立核數師報告

致中國稀土控股有限公司各股東
(於開曼群島註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核中國稀土控股有限公司(「貴公司」)及其附屬公司刊於第48頁至第183頁的綜合財務報表,包括二零一五年十二月三十一日的綜合財務狀況表、截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及主要會計政策概要及其他附註解釋資料。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製及真實而公平地列報綜合財務報表,並落實其認為編製綜合財務報表所必要之內部監控,以確保綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHINA RARE EARTH HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of China Rare Earth Holdings Limited ("the Company") and its subsidiaries set out on pages 48 to 183, which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

核數師的責任

我們的責任是根據我們審核的結果，對該等綜合財務報表作出意見，並按照協定委聘條款僅向全體股東報告，除此以外，本報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及進行審核，以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執程序以獲取有關綜合財務報表所載金額及披露事項有關的審核憑證。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導致綜合財務報表存有重大錯誤陳述的風險。並在評估該風險評估時，核數師將考慮與該公司編製及真實而公平地列報綜合財務報表相關的內部監控，以設計適當審核程序，但並非為對公司的內部監控的效能表達意見。審核亦包括評估所有會計政策的恰當性，董事所作的會計估算的合理性，並就綜合財務報表的整體呈列方式作出評估。

我們相信，我們所獲得的審核憑證是充足和適當地為審核意見提供基礎。

AUDITOR'S RESPONSIBILITY

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

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.

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 auditor's judgment, 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 auditor considers 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.

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

意見

我們認為，該等綜合財務報表已根據香港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政狀況及彼等截至該日止年度的財務表現和現金流量，並已按香港公司條例的披露規定妥為編製。

國富浩華(香港)會計師事務所有限公司

執業會計師

香港，二零一六年三月三十日

施永進

執業證書編號 P06035

OPINION

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

Crowe Horwath (HK) CPA Limited

Certified Public Accountants

Hong Kong, 30 March 2016

Sze Wing Chun

Practising Certificate Number P06035

綜合損益表

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

| | | 附註 Note | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 (已重列) (Restated) |
|----------------------|---|------------|----------------------------------|---|
| 收入 | Revenue | 5 | 843,110 | 1,183,786 |
| 銷售成本 | Cost of sales | | (943,575) | (1,292,332) |
| 毛虧 | Gross loss | | (100,465) | (108,546) |
| 其他收入 | Other income | 6 | 5,600 | 6,098 |
| 銷售及分銷費用 | Selling and distribution expenses | | (28,075) | (46,194) |
| 管理費用 | Administrative expenses | | (73,321) | (78,097) |
| 物業、廠房及設備 之減值虧損 | Impairment loss on property, plant and equipment | 17(iii) | (94,916) | – |
| 經營租約下預付土地租金 之減值虧損 | Impairment loss on prepaid lease payments on land under operating leases | 18(ii) | (14,753) | – |
| 出售合營企業權益之收益 | Gain on disposal of interest in a joint venture | 21 | – | 11,974 |
| 被視作出售合營企業權益 之收益 | Gain on deemed disposal of interest in a joint venture | 34(b) | – | 2,750 |
| 議價購買附屬公司權益 之收益 | Gain on bargain purchase of interest in a subsidiary | 34(c) | – | 24,225 |
| 出售附屬公司之收益 | Gain on disposal of a subsidiary | 35(c) | – | 77,379 |
| 其他收益淨值 | Other net gain | 7 | 43,283 | 12,543 |
| 經營業務虧損 | Loss from operations | | (262,647) | (97,868) |
| 財務成本 | Finance costs | 8(a) | (1,436) | (3,337) |
| 合營企業溢利之分攤 | Share of profits of joint ventures | | – | 2,583 |
| 除稅前虧損 | Loss before taxation | 8 | (264,083) | (98,622) |
| 所得稅支出 | Income tax charge | 9 | (3,535) | (3,406) |
| 本年度虧損 | Loss for the year | | (267,618) | (102,028) |
| 下列人士應佔本年度虧損： | Loss for the year attributable to: | | | |
| 本公司擁有人 | Owners of the Company | | (256,650) | (92,972) |
| 非控股權益 | Non-controlling interests | | (10,968) | (9,056) |
| | | | (267,618) | (102,028) |
| 每股虧損 | Loss per share | | | |
| 基本及攤薄 | Basic and diluted | 14 | HK 11.98 cents港仙 | HK 4.63 cents港仙 |

第56頁至183頁之附註構成財務報表其中一部份。

The notes on pages 56 to 183 form part of these financial statements.

綜合損益及其他全面收益表

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

| | 附註 Note | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 (已重列) (Restated) |
|--------------------------------|---|----------------------------------|---|
| 本年度虧損 | | (267,618) | (102,028) |
| 本年度其他全面虧損 (扣除零稅項及重 分類調整) | | | |
| 可於其後重分類至損益賬 的項目： | <i>Items that may be reclassified subsequently to profit or loss:</i> | | |
| – 換算海外業務財務報表 之匯兌差額 | | (173,020) | (25,293) |
| – 換算合營企業財務報表 之匯兌差額 | | – | (816) |
| – 可供出售權益證券 公平值收益 | 22 | 18,931 | 7,600 |
| – 出售可供出售權益證券 公平值儲備轉出 | 22 | (29,491) | – |
| – 出售合營企業權益匯兌 儲備轉出 | | – | (2,399) |
| – 被視作出售合營企業權益 匯兌儲備轉出 | 34(b) | – | (8,706) |
| – 出售附屬公司權益 匯兌儲備轉出 | 35(c) | – | (17,927) |
| | | (183,580) | (47,541) |
| 本年度全面虧損總值 | | (451,198) | (149,569) |
| 下列人士應佔本年度全面 虧損總值： | Total comprehensive loss for the year attributable to: | | |
| 本公司擁有人 | Owners of the Company | (439,038) | (139,524) |
| 非控股權益 | Non-controlling interests | (12,160) | (10,045) |
| | | (451,198) | (149,569) |

第56頁至183頁之附註構成財務報表其中一部份。

The notes on pages 56 to 183 form part of these financial statements.

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一五年十二月三十一日 As at 31 December 2015

| | | 於二零一五年 十二月三十一日 At 31 December 2015 千港元 HK\$'000 | 於二零一四年 十二月三十一日 At 31 December 2014 千港元 HK\$'000 (已重列) (Restated) | 於二零一四年 一月一日 At 1 January 2014 千港元 HK\$'000 (已重列) (Restated) |
|------------------|--|---|--|---|
| | 附註 Note | | | |
| 非流動資產 | Non-current assets | | | |
| 商譽 | 16 | – | – | – |
| 物業、廠房及設備 | 17 | 400,936 | 595,362 | 456,574 |
| 經營租約下預付土地租金 | | | | |
| | 18 | 153,358 | 182,725 | 183,844 |
| 無形資產 | 19 | – | – | – |
| 合營企業之權益 | 21 | – | – | 105,087 |
| 可供出售權益證券 | 22 | – | 17,280 | 9,680 |
| 遞延稅項資產 | 30(b) | 4,695 | 5,465 | 4,749 |
| 其他非流動資產 | 23 | 18,100 | 19,222 | 19,288 |
| | | 577,089 | 820,054 | 779,222 |
| 流動資產 | Current assets | | | |
| 經營租約下預付土地租金 | | | | |
| | 18 | 4,379 | 4,651 | 4,587 |
| 存貨 | 24 | 341,221 | 474,341 | 567,908 |
| 應收賬款及其他應收款 | 25 | 416,580 | 439,782 | 510,922 |
| 預付款項及按金 | 25 | 414,840 | 59,273 | 48,919 |
| 可收回稅項 | 30(a) | 1,258 | 3,010 | 2,774 |
| 受限制銀行存款 | 27 | 36,178 | 3,296 | – |
| 現金及現金等值項目 | 28 | 1,396,365 | 1,386,003 | 1,369,054 |
| | | 2,610,821 | 2,370,356 | 2,504,164 |
| 流動負債 | Current liabilities | | | |
| 應付賬款及應付票據 | 29 | 166,894 | 91,119 | 103,652 |
| 應計款項及其他應付款 | 29 | 78,248 | 95,430 | 25,650 |
| 應付董事款項 | 26 | 2,804 | 2,313 | 1,557 |
| 應付稅項 | 30(a) | 2,554 | 2,976 | 4,938 |
| | | 250,500 | 191,838 | 135,797 |
| 流動資產淨值 | Net current assets | 2,360,321 | 2,178,518 | 2,368,367 |
| 資產總值減流動負債 | Total assets less current liabilities | 2,937,410 | 2,998,572 | 3,147,589 |
| 非流動負債 | Non-current liabilities | | | |
| 遞延稅項負債 | 30(b) | 886 | 962 | 410 |
| 資產淨值 | NET ASSETS | 2,936,524 | 2,997,610 | 3,147,179 |

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一五年十二月三十一日 As at 31 December 2015

| | | | 於二零一五年 十二月三十一日 At 31 December 2015 附註 Note 千港元 HK\$'000 | 於二零一四年 十二月三十一日 At 31 December 2014 千港元 HK\$'000 (已重列) (Restated) | 於二零一四年 一月一日 At 1 January 2014 千港元 HK\$'000 (已重列) (Restated) |
|------------|---|----|---|--|---|
| 資本及儲備 | CAPITAL AND RESERVES | 31 | | | |
| 股本 | Share capital | | 234,170 | 167,264 | 167,264 |
| 儲備 | Reserves | | 2,688,629 | 2,804,461 | 2,943,985 |
| 本公司擁有人應佔權益 | Equity attributable to owners of the Company | | 2,922,799 | 2,971,725 | 3,111,249 |
| 非控股權益 | Non-controlling interests | | 13,725 | 25,885 | 35,930 |
| 權益總值 | TOTAL EQUITY | | 2,936,524 | 2,997,610 | 3,147,179 |

第48頁至第183頁之綜合財務報表經由董事會於二零一六年三月三十日批准及授權刊發，並由以下人士代表簽署：

The consolidated financial statements on pages 48 to 183 were approved and authorised for issue by the board of directors on 30 March 2016, and are signed on its behalf by:

蔣泉龍
董事

錢元英
董事

Jiang Quanlong
Director

Qian Yuanying
Director

第56頁至183頁之附註構成財務報表其中一部份。

The notes on pages 56 to 183 form part of these financial statements.

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

| | | 本公司擁有人應佔權益 | | | | | | | | | | |
|----------------------------------|---|---------------------------------------|---------------|-----------------|-------------------------------|--------------------|---------------------|--------------------|--|-----------|---------------------------|-----------|
| | | Attributable to owners of the Company | | | | | | | | | | |
| | | 股本 | 股份溢價 | 資本儲備 | 樓宇重估儲備 | 法定儲備 | 匯兌儲備 | 公平值儲備 | 保留溢利/ (累計虧損) | 小計 | 非控股權益 | 總值 |
| | | Share capital | Share premium | Capital reserve | Buildings revaluation reserve | Statutory reserves | Translation reserve | Fair value reserve | Retained profits/ (Accumulated losses) | Sub-total | Non-controlling interests | Total |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 於二零一四年一月一日 (原先呈列) | At 1 January 2014 (originally stated) | 167,264 | 1,770,100 | 22,348 | 23,865 | 258,795 | 636,235 | 2,960 | 257,288 | 3,138,855 | 36,540 | 3,175,395 |
| 會計政策變動(附註3(ii)) | Change in accounting policy (note 3(ii)) | - | - | - | (23,865) | - | (4,831) | - | 1,090 | (27,606) | (610) | (28,216) |
| 於二零一四年一月一日(已重列) | At 1 January 2014 (restated) | 167,264 | 1,770,100 | 22,348 | - | 258,795 | 631,404 | 2,960 | 258,378 | 3,111,249 | 35,930 | 3,147,179 |
| 於二零一四年之權益變動: | | Changes in equity for 2014: | | | | | | | | | | |
| 本年度虧損 | Loss for the year | - | - | - | - | - | - | - | (92,972) | (92,972) | (9,056) | (102,028) |
| 其他全面(虧損)/收益， 扣除零稅項及重分類調整 | Other comprehensive (loss)/income, net of nil tax and reclassification adjustments | - | - | - | - | - | - | - | - | - | - | - |
| - 換算海外業務財務報表之 匯兌差異 | - Exchange differences on translation of financial statements of foreign operations | - | - | - | - | - | (25,200) | - | - | (25,200) | (93) | (25,293) |
| - 換算合營企業財務報表之 匯兌差異 | - Exchange differences on translation of financial statements of joint ventures | - | - | - | - | - | (816) | - | - | (816) | - | (816) |
| - 可供出售權益證券之 公平值收益 | - Fair value gain on available-for-sale equity securities | - | - | - | - | - | - | 7,600 | - | 7,600 | - | 7,600 |
| - 出售合營企業權益匯兌 儲備轉出 | - Release of translation reserve upon disposal of interest in a joint venture | - | - | - | - | - | (2,399) | - | - | (2,399) | - | (2,399) |
| - 被視作出售合營企業權益匯兌 儲備轉出(附註34(b)) | - Release of translation reserve upon deemed disposal of interest in a joint venture (note 34(b)) | - | - | - | - | - | (8,706) | - | - | (8,706) | - | (8,706) |
| - 出售附屬公司權益匯兌 儲備轉出(附註35(c)) | - Release of translation reserve upon disposal of interest in a subsidiary (note 35(c)) | - | - | - | - | - | (17,031) | - | - | (17,031) | (896) | (17,927) |
| 本年度全面虧損總值 | Total comprehensive loss for the year | - | - | - | - | - | (54,152) | 7,600 | (92,972) | (139,524) | (10,045) | (149,569) |
| 分配至法定儲備 | Appropriations to statutory reserves | - | - | - | - | 383 | - | - | (383) | - | - | - |
| 出售附屬公司儲備轉出 | Release of reserves upon disposal of a subsidiary | - | - | - | - | (7,230) | - | - | 7,230 | - | - | - |
| 於二零一四年十二月三十一日 | At 31 December 2014 | 167,264 | 1,770,100 | 22,348 | - | 251,948 | 577,252 | 10,560 | 172,253 | 2,971,725 | 25,885 | 2,997,610 |

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

| | | 本公司擁有人應佔權益 Attributable to owners of the Company | | | | | | | | | | |
|-------------------------------|--|---|---------------|-----------------|-------------------------------|--------------------|---------------------|--------------------|--------------------------|-----------|---------------------------|-----------|
| | | 股本 | 股份溢價 | 資本儲備 | 樓宇重估儲備 | 法定儲備 | 匯兌儲備 | 公平值儲備 | 保留溢利/ (累計虧損) | 小計 | 非控股權益 | 總值 |
| | | Share capital | Share premium | Capital reserve | Buildings revaluation reserve | Statutory reserves | Translation reserve | Fair value reserve | Retained profits/ losses | Sub-total | Non-controlling interests | Total |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 於二零一五年一月一日 | At 1 January 2015 | | | | | | | | | | | |
| (原先呈列) | (originally stated) | 167,264 | 1,770,100 | 22,348 | 19,961 | 251,948 | 581,943 | 10,560 | 170,848 | 2,994,972 | 26,372 | 3,021,344 |
| 會計政策變動(附註3(ii)) | Change in accounting policy (note 3(ii)) | - | - | - | (19,961) | - | (4,691) | - | 1,405 | (23,247) | (487) | (23,734) |
| 於二零一五年一月一日(已重列) | At 1 January 2015 (restated) | 167,264 | 1,770,100 | 22,348 | - | 251,948 | 577,252 | 10,560 | 172,253 | 2,971,725 | 25,885 | 2,997,610 |
| 二零一五年之權益變動: | Changes in equity for 2015: | | | | | | | | | | | |
| 本年度虧損 | Loss for the year | - | - | - | - | - | - | - | (256,650) | (256,650) | (10,968) | (267,618) |
| 其他全面(虧損)/收益， 扣除零稅項及重分類調整 | Other comprehensive (loss)/income, net of nil tax and reclassification adjustments | | | | | | | | | | | |
| - 換算海外業務財務報表之 匯兌差異 | - Exchange differences on translation of financial statements of foreign operations | - | - | - | - | - | (171,828) | - | - | (171,828) | (1,192) | (173,020) |
| - 可供出售權益證券之 公平值收益 | - Fair value gain on available-for-sale equity securities | - | - | - | - | - | - | 18,931 | - | 18,931 | - | 18,931 |
| - 出售可供出售權益證券公平值 儲備轉出 | - Release of fair value reserve upon disposal of available-for-sale equity securities | - | - | - | - | - | - | (29,491) | - | (29,491) | - | (29,491) |
| 本年度全面虧損總值 | Total comprehensive loss for the year | - | - | - | - | - | (171,828) | (10,560) | (256,650) | (439,038) | (12,160) | (451,198) |
| 供股(附註31(b)) | Rights issue of shares (note 31(b)) | 66,906 | 334,528 | - | - | - | - | - | - | 401,434 | - | 401,434 |
| 就供股發行新普通股股份之 交易成本(附註31(b)) | Transaction costs attributable to issue of new ordinary shares from rights issues (note 31(b)) | - | (11,322) | - | - | - | - | - | - | (11,322) | - | (11,322) |
| 於二零一五年十二月三十一日 | At 31 December 2015 | 234,170 | 2,093,306 | 22,348 | - | 251,948 | 405,424 | - | (84,397) | 2,922,799 | 13,725 | 2,936,524 |

第56頁至183頁之附註構成財務報表其中一部份。

The notes on pages 56 to 183 form part of these financial statements.

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

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

| | | 附註 Note | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 (已重列) (Restated) |
|-----------------------|---|------------|----------------------------------|---|
| 經營活動 | Operating activities | | | |
| 除稅前虧損 | Loss before taxation | | (264,083) | (98,622) |
| 調整項目： | Adjustments for: | | | |
| 財務成本 | Finance costs | 8(a) | 1,436 | 3,337 |
| 利息收入 | Interest income | 6 | (5,600) | (6,098) |
| 物業、廠房及設備 之折舊 | Depreciation of property, plant and equipment | 8(c) | 78,443 | 75,975 |
| 經營租約下預付土地 租金之攤銷 | Amortisation of prepaid lease payments on land under operating leases | 8(c) | 4,511 | 4,791 |
| 應收賬款之減值虧損 | Impairment loss on trade receivables | 7 | 1,686 | 10,030 |
| 其他應收款之減值虧損 | Impairment loss on other receivables | 7 | 191 | 253 |
| 應收賬款之減值虧損 撥回 | Reversal of impairment loss on trade receivables | 7 | (10,146) | (6,305) |
| 其他應收款之減值虧損 撥回 | Reversal of impairment loss on other receivables | 7 | (224) | (124) |
| 可供出售權益證券 之收益 | Gain on disposal of available-for-sale equity securities | 7 | (29,491) | - |
| 出售合營企業之收益 | Gain on disposal of a joint venture | | - | (11,974) |
| 被視作出售合營企業 權益之收益 | Gain on deemed disposal of interest in a joint venture | 34(b) | - | (2,750) |
| 議價購買附屬公司權益 之收益 | Gain on bargain purchase of interest in a subsidiary | 34(c) | - | (24,225) |
| 出售附屬公司之收益 | Gain on disposal of a subsidiary | 35(c) | - | (77,379) |
| 存貨撇除 | Write down of inventories | 24(b) | 86,223 | 121,929 |
| 存貨撇除撥回 | Reversal of write down of inventories | 24(b) | - | (9,684) |
| 物業、廠房及設備之 減值虧損 | Impairment loss on property, plant and equipment | 17(iii) | 94,916 | - |
| 經營租約項下預付土地 租金之減值虧損 | Impairment loss on prepaid lease payments on land under operating leases | 18(ii) | 14,753 | - |
| 合營企業溢利之分攤 | Share of profits of joint ventures | | - | (2,583) |
| | | | (27,385) | (23,429) |
| 營運資金變動 | Changes in working capital | | | |
| 存貨減少／(增加) | Decrease/(increase) in inventories | | 22,463 | (967) |
| 應收賬款及其他應收款減少 | Decrease in trade and other receivables | | 6,869 | 66,733 |
| 預付款項及按金增加 | Increase in prepayments and deposits | | (369,721) | (10,535) |
| 應付賬款及應付票據 增加／(減少) | Increase/(decrease) in trade and bills payables | | 83,266 | (77,935) |
| 應計款項及其他應付款 (減少)／增加 | (Decrease)/increase in accruals and other payables | | (12,251) | 7,533 |
| 應付董事款項增加 | Increase in amounts due to directors | | 623 | 762 |
| 經營使用的現金 | Cash used in operations | | (296,136) | (37,838) |
| 退回所得稅 | Income tax refunded | 30(a) | 1,624 | - |
| 已付所得稅 | Income tax paid | 30(a) | (3,493) | (4,663) |
| 經營活動使用的現金淨值 | Net cash used in operating activities | | (298,005) | (42,501) |

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

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

| | | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 (已重列) (Restated) |
|-------------------------|--|------------|----------------------------------|---|
| | | 附註 Note | | |
| 投資活動 | Investing activities | | | |
| 受限制銀行存款增加 | Increase in restricted bank deposits | | (34,067) | (3,296) |
| 購置物業、廠房及設備 | Purchase of property, plant and equipment | | (8,893) | (70,124) |
| 出售可供出售權益證券所得款項 | Proceeds from disposal of available-for-sale equity securities | 22 | 36,211 | – |
| 已收利息 | Interest received | | 5,600 | 6,098 |
| 收購附屬公司之現金流出淨額 | Net cash outflows on acquisition of a subsidiary | 34(d) | – | (11,162) |
| 出售合營企業所得款項 | Proceeds from disposal of a joint venture | 21 | – | 71,300 |
| 出售附屬公司之現金流入淨額 | Net cash inflows on disposal of a subsidiary | 35(d) | – | 161,701 |
| 投資活動(使用)/所得的現金淨值 | Net cash (used in)/generated from investing activities | | (1,149) | 154,517 |
| 融資活動 | Financing activities | | | |
| 供股之所得款項 | Proceeds from rights issue of shares | 31(b) | 401,434 | – |
| 支付就供股發行新普通股份之交易成本 | Payment for transaction costs attributable to issue of new ordinary shares from rights issue | 31(b) | (11,322) | – |
| 新增銀行借貸之所得款項 | Proceeds from new bank borrowings | | 71,919 | – |
| 償還銀行貸款 | Repayment of bank borrowings | | (73,346) | (85,068) |
| 已付利息 | Interest paid | | (1,436) | (3,337) |
| 融資活動所得/(使用)的現金淨值 | Net cash generated from/(used in) financing activities | | 387,249 | (88,405) |
| 現金及現金等值項目增加淨值 | Net increase in cash and cash equivalents | | 88,095 | 23,611 |
| 年初現金及現金等值項目 | Cash and cash equivalents at beginning of the year | | 1,386,003 | 1,369,054 |
| 匯率變動之影響 | Effect of changes in exchange rate | | (77,733) | (6,662) |
| 年末現金及現金等值項目 | Cash and cash equivalents at end of the year | 28 | 1,396,365 | 1,386,003 |

第56頁至183頁之附註構成財務報表其中一部份。

The notes on pages 56 to 183 form part of these financial statements.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

1. 一般資料

中國稀土控股有限公司(「本公司」)於開曼群島註冊成立為一間獲豁免的有限責任公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司註冊辦事處及主要營業地點分別為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands及中華人民共和國(「中國」)江蘇省宜興市丁蜀鎮。

本公司之直接母公司及最終控股人士為YY Holdings Limited(「YY Holdings」)，該公司於英屬處女群島註冊成立。YY Holdings並無編製可供公眾人士使用之財務報表。

本公司及其附屬公司(統稱為「本集團」)從事製造及銷售稀土產品(包括熒光產品)及耐火產品(包括高溫陶瓷產品和鎂砂)以及投資控股。

本綜合財務報表以港元(「港元」)列示，即本公司及其於香港經營之附屬公司之功能貨幣，而本公司於中國成立之附屬公司之功能貨幣為人民幣(「人民幣」)。本公司董事認為，就控制及監察本集團業績及財務狀況以及向YY Holdings(其功能貨幣亦為港元)報告而言，以港元列示綜合財務報表更為得宜。

1. GENERAL

China Rare Earth Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the Company's registered office and principal place of business are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands and Dingshu Town, Yixing City, Jiangsu Province, the People's Republic of China (the "PRC"), respectively.

The immediate parent and the ultimate controlling party of the Company is YY Holdings Limited ("YY Holdings"), which was incorporated in the British Virgin Islands. YY Holdings does not produce financial statements available for public use.

The Company and its subsidiaries (collectively referred to as the "Group") are engaged in manufacturing and sales of rare earth products (including fluorescent products) and refractory products (including high temperature ceramics products and magnesium grains), and investment holding.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the functional currency of the Company and its subsidiaries operating in Hong Kong, while the functional currency of the Company's subsidiaries established in the PRC is Renminbi ("RMB"). The directors of the Company consider that presenting the consolidated financial statements in Hong Kong dollars is preferable when controlling and monitoring the performance and financial position of the Group and in reporting to YY Holdings whose functional currency is also Hong Kong dollars.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策

a) 遵守聲明

此等財務報表是按照所有適用香港財務報告準則（「香港財務報告準則」），該統稱包括所有由香港會計師公會（「香港會計師公會」）頒佈的個別適用的《香港財務報告準則》、《香港會計準則》（「香港會計準則」）及詮釋以及香港公認會計原則及香港公司條例（「公司條例」）之適用披露規定而編製。此等財務報表亦符合聯交所證券上市規則（「上市規則」）之適用披露規定。本集團採納之主要會計政策概要載於下文。

新香港公司條例（第622章）有關編製賬目及董事報告及審核之條文，已於本公司截至二零一五年十二月三十一日止財政年度生效。此外，上市規則所載有關年度賬目之披露規定已參考新公司條例而修訂並與香港財務報告準則精簡一致。因此，截至二零一五年十二月三十一日止財政年度該等財務報表內資料之呈列及披露已予更改以遵守該等新規定。有關截至二零一四年十二月三十一日止財政年度之比較資料已根據新規定於該等財務報表內呈列或披露。根據前公司條例或上市規則在以往須予披露但根據新公司條例或經修訂上市規則毋須披露之資料，於該等財務報表中已再無披露。

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the Hong Kong Companies Ordinance (“CO”). These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). A summary of the significant accounting policies adopted by the Group is set out below.

The provisions of the new Hong Kong Companies Ordinance (Cap. 622) regarding preparation of accounts and directors’ reports and audits became effective for the Company for the financial year ended 31 December 2015. Further, the disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new CO and to streamline with HKFRSs. Accordingly, the presentation and disclosure of information in these financial statements for the financial year ended 31 December 2015 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 December 2014 are presented or disclosed in these financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or the Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these financial statements.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策 (續)

a) 遵守聲明 (續)

香港會計師公會已頒佈若干新訂及經修訂之香港財務報告準則，有關準則自本集團的本會計期間初次生效或可供提前採用。有關初步應用該等準則導致會計政策任何變動之資料載於附註3內，惟以該等準則於此等財務報表所反映之現有及過往會計期間與本集團有關者為限。

b) 財務報表編製基準

截至二零一五年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司。

除可供出售權益證券(見附註2(f))於下文會計政策所闡述按公平值計量外，編製財務報表所採用之計量基準為歷史成本法。

編製此等符合香港財務報告準則之財務報表需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響政策之應用及所申報之資產、負債、收入及開支等數額。該等估計及有關假設乃根據過往經驗及管理層相信於該等情況下乃屬合理之各項其他因素為基準而作出，所得結果構成管理層就目前未能從其他來源而得出的資產及負債之賬面值所作出估計之基準。實際數字或會有別於估計數字。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Statement of compliance (Continued)

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

b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2015 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis, except that the available-for-sale equity securities are stated at their fair value as explained in the accounting policies set out below (see note 2(f)).

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

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策 (續)

b) 財務報表編製基準 (續)

本集團持續就所作估計及相關假設作出評估。會計估計之變動如僅影響當期，則有關會計估計變動將於當期確認，或如有關變動影響現行及未來期間，則在變動期間及未來期間確認。

管理層在應用香港財務報告準則時所作出並對財務報表有重大影響之判斷，以及估計不確定因素之主要來源，詳述於附註4。

c) 附屬公司及非控股權益

附屬公司為本集團控制的實體。當本集團具有承擔或享有參與實體所得的可變回報的風險或權利，並能透過其在該實體的權力影響該等回報，即屬對該實體具有控制權。當評估本集團是否具有該權力時，只會考慮(由本集團或其他人士持有)的實質權利。

於附屬公司之投資會自控制開始日期起合併入賬綜合財務報表內，直至控制結束日期為止。集團內公司間之結餘、交易及現金流量和集團內公司間之交易所產生之任何未變現溢利於編製綜合財務報表時悉數抵銷。倘並無出現減值跡象，集團內公司間之交易所產生之未變現虧損則按照未變現收益之相同方式抵銷。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of preparation of the financial statements (Continued)

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

Judgements made by management in the application of HKFRSs that have a significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 4.

c) Subsidiaries and non-controlling interests

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

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

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

c) 附屬公司及非控股權益(續)

非控股權益指並非由本公司直接或間接擁有之附屬公司權益，而本集團未有就此與該權益持有人達成任何附加協議，致令本集團整體上對該等權益產生符合財務負債定義之合約責任。就每項業務合併而言，本集團可選擇按附屬公司之可辨識資產淨值之公平值或所佔附屬公司可辨識資產淨值之比例計量任何非控股權益。

非控股權益會在綜合財務狀況表之權益項目中，與本公司擁有人之應佔權益分開呈報。而非控股權益所佔集團業績之權益則會在綜合損益表及綜合損益及其他全面收益表中列作為本公司非控股權益與本公司擁有人之間的年內損益總額及全面收益總額分配。非控股權益持有人的貸款及該等持有人的其他合約責任根據附註2(m)或2(n)於綜合財務狀況表內呈列為金融負債，視乎負債性質而定。

當集團失去對附屬公司的控制權時，則計為出售該附屬公司全部權益，因此而產生的收益或虧損於損益確認。失去控制權當日於該前附屬公司留存的任何權益按公平值確認，有關金額視為初步確認金融資產時的公平值(見附註2(f))或(倘適用)初步確認於聯營公司或合營企業投資的成本(見附註2(d))。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Subsidiaries and non-controlling interests (Continued)

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

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and owners of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(m) or 2(n) depending on the nature of the liability.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(f)) or, when appropriate, the cost on initial recognition of an investment in an associate or a joint venture (see note 2(d)).

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2. 主要會計政策 (續)

c) 附屬公司及非控股權益 (續)

在本公司之財務狀況表內，於附屬公司之投資按成本值減去任何減值虧損（見附註2(j)）列賬。

d) 合營企業

合營企業為一項安排，據此本集團及其他訂約方同意共同控制該安排，及對該安排之淨資產享有權利。

於合營企業的投資使用權益法於綜合財務報表入賬，除非將該項投資分類為持作出售（或包括於分類為持作出售的出售組別）。根據權益法，該項投資初步按成本確認，其後就本集團所佔被投資公司可予識別資產淨值於收購日期的公平值超過投資成本的金額（如有）作出調整。其後，就本集團應佔被投資公司及與該項投資有關的任何減值虧損於收購後的變動作出調整（見附註2(j)）。收購日期公平值超過成本的任何金額、本集團所佔被投資公司於收購後的除稅後業績及任何年度減值虧損於綜合損益表內確認，而本集團所佔被投資公司於收購後的其他全面除稅後收益項目則於綜合損益及其他全面收益表內確認。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Subsidiaries and non-controlling interests (Continued)

In the Company's statement of financial position, investments in subsidiaries are stated at cost less any impairment losses (see note 2(j)).

d) Joint ventures

A joint venture is an arrangement whereby the Group and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2(j)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

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2. 主要會計政策(續)

d) 合營企業(續)

倘本集團應佔虧損超出其於合營企業的權益，則本集團的權益將減計至零，並且不再確認進一步虧損，惟本集團有法律或推定義務或已代被投資公司支付款項則例外。就此而言，本集團的權益乃以權益法計算的投資賬面值，連同本集團的長期權益(實質上構成本集團於合營企業淨投資的一部份)。

本集團及其合營企業間之交易所產生之未變現盈虧均在本集團之被投資公司權益中沖銷；惟尚未變現虧損是由已轉讓資產的耗損產生，則須即時於損益中確認。

倘於合營企業的投資變為於聯營公司的投資，保留的權益不予重新計量，有關投資繼續按權益法入賬。

在所有其他情況下，倘本集團對合營企業不再具有共同控制權，將會當作出售有關被投資公司之全部權益入賬，而所得盈虧將於損益中確認。於失去共同控制權當日之前被投資公司保留之任何權益將按公平值確認，而有關金額被視為金融資產於首次確認時之公平值(見附註2(f))。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Joint ventures (Continued)

When the Group's share of losses exceeds its interest in the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in a joint venture becomes an investment in an associate, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(f)).

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2. 主要會計政策 (續)

e)(i) 業務合併

收購業務使用收購法列賬。於業務合併中轉讓之代價乃按公平值計量，而公平值乃按本集團所轉讓資產、向被收購公司前擁有人承擔之負債及本集團為交換被收購公司控制權所發行股本權益於收購日期之公平值總和計算。收購相關成本一般在產生時於損益中確認。

於收購日期，已收購之可識別資產及已承擔之負債乃按其公平值確認，惟下列各項除外：

- 由業務合併中已收購資產及須承擔負債引致之遞延稅資產或負債以及於收購日存在或由收購所致之暫時差異及被收購公司之結轉之潛在稅務影響按香港會計準則第12號「所得稅」予以確認及計量；
- 有關僱員福利安排之資產或負債按香港會計準則第19號「僱員福利」予以確認及計量；
- 有關被收購公司之以股份為基礎之付款安排之負債或股本工具或本集團訂立之用以替代被收購公司以股份為基礎之付款安排按香港財務報告準則第2號「以股份為基礎之付款」於收購日予以計量；及

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e)(i) Business combinations

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

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair values, except that:

- a deferred tax asset or liability arising from the assets acquired and liabilities assumed in a business combination and the potential tax effects of temporary differences and carryforwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are recognised and measured in accordance with HKAS 12 "Income Taxes";
- assets or liabilities relating to employee benefit arrangements are recognised and measured in accordance with HKAS 19 "Employee Benefits";
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based Payment" at the acquisition date; and

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2. 主要會計政策(續)

e)(i) 業務合併(續)

- 根據香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」劃分為持作出售之資產(或出售組別)根據該項準則計量。

商譽乃以所轉讓代價、被收購公司之任何非控股權益金額以及收購方過往持有之被收購公司股權之公平值(如有)之總和，超出所收購可識別資產與所承擔負債於收購日期之淨額之差額計量。倘經重新評估後，所收購可識別資產與所承擔負債於收購日期之淨額超出所轉讓代價、被收購公司之任何非控股權益金額以及收購方過往持有之被收購公司權益之公平值(如有)之總和，則差額即時於損益中確認為議價購買之收益。

屬現時擁有權權益且於清盤時賦予持有人權利按比例分佔實體淨資產之非控股權益，可初步按公平值或非控股權益分佔被收購公司可識別淨資產已確認金額之比例計量。計量基準視乎每項交易而作出選擇。其他類型之非控股權益按其公平值或(如適用)按其他香港財務報告準則規定之基準計量。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e)(i) Business combinations (Continued)

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that Standard.

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another HKFRS.

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2. 主要會計政策 (續)

e)(i) 業務合併 (續)

倘本集團於業務合併中轉讓之代價包括或然代價安排產生之資產或負債，或然代價按其收購日期公平值計量並計為於業務合併中所轉讓代價之一部份。或然代價之公平值變動如符合資格作為計量期調整，則會追溯調整，並就商譽作出相應調整。計量期調整指於「計量期」(自收購日期起計不得超過一年)內取得有關於收購日期存在事實及情況之額外資料而產生之調整。

並不符合計量期間調整之或然代價，其公平值變動之續後會計取決於或然代價如何分類。分類為權益之或然代價並無於隨後報告日期重新計量，而其續後結算於權益內入賬。分類為資產或負債之或然代價根據香港會計準則第39號「財務工具：確認及計量」於續後報告日期重新計量，而相應盈虧於損益中確認。

倘業務合併分階段達成，本集團以往所持被收購公司股權於收購日期按公平值重新計量，所產生之盈虧(如有)在損益中確認。如出售於被收購公司權益，以往在其他全面收益中確認之從該等權益於收購日期前產生之金額重新分類至損益(如此處理方法合適)。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e)(i) Business combinations (Continued)

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39 "Financial Instruments: Recognition and Measurement", with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

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2. 主要會計政策(續)

e)(i) 業務合併(續)

倘業務合併之初步會計處理於進行合併之報告期末仍未完成，則本集團就仍未完成會計處理之項目呈報暫定金額。該等暫定金額於計量期(見上文)內作出調整，或確認額外資產或負債，以反映就於收購日期已存在事實及情況取得之新資料(倘知悉該等資料，將會影響於當日確認之金額)。

e)(ii) 商譽

業務收購所產生之商譽乃按於業務收購之日所確定之成本減累計減值虧損(如有)列賬。

就進行減值測試而言，商譽會分配至預期可透過合併之協同效益獲利之本集團各賺取現金單位(或賺取現金單位組別)。

獲分配商譽之賺取現金單位會每年作減值測試，或於有跡象顯示該單位可能出現減值時，作更頻密減值測試。倘若分配至賺取現金單位之部份或全部商譽乃於本年度期間透過業務合併而獲得，則該單位須於本年度期間結束前作減值測試。當賺取現金單位之可收回金額低於賬面值，減值虧損首先分配以減低分配至該單位之任何商譽之賬面值，繼而根據單位內各資產之賬面值，按比例分配至單位之其他資產。商譽之任何減值虧損直接於損益中確認。就商譽確認之減值虧損不會在其後期間撥回。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e)(i) Business combinations (Continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

e)(ii) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently whenever there is an indication that the unit may be impaired. If some or all of the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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2. 主要會計政策 (續)

e)(ii) 商譽 (續)

於出售相關賺取現金單位之任何應佔商譽金額均包括於出售時所釐定之損益內。

f) 其他權益證券投資

本集團及本公司之權益證券投資 (除附屬公司及合營企業投資外) 政策如下：

權益證券投資初始按公平值 (即其交易價格) 列賬，除非初始確認之公平值與交易價格有所不同，且公平值為相同資產或負債在活躍的市場上的報價，或通過使用從可觀察的市場數據的估值技術計量。成本包括應佔交易成本；惟下文所述者除外。此等投資其後因應所屬分類入賬如下：

持作貿易用途之證券投資被歸類為流動資產，任何應佔交易成本於產生時在損益中確認。於各個申報期間結算日，會重新計算公平值，所得之盈虧於損益中確認。於損益確認之淨損益並不包括該等投資所賺取之任何股息，有關股息乃根據附註2(s)(iii)所載之政策確認。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e)(ii) Goodwill (Continued)

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

f) Other investments in equity securities

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

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

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

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2. 主要會計政策(續)

f) 其他權益證券投資(續)

其他不屬持作買賣證券或持有至到期日證券的證券投資被歸類為可供出售證券。於各個申報期間結算日，會重新計算公平值，所得之盈虧會於其他全面收益中確認，及單項累計呈列於權益中之公平值儲備。惟此有例外情況，倘與之相同的工具在活躍市場並無報價及其公平值無法可靠地計量的權益證券投資，則按成本減去減值虧損後於財務狀況表確認(見附註2(j))。來自權益證券之股息收入按附註2(s)(iii)所載之政策在損益確認。

當終止確認此等投資或此等投資出現減值(見附註2(j))時，於權益確認之累計收益或虧損乃重新分類至損益核算。投資會於本集團承諾買入/賣出投資或投資到期當日確認/終止確認。

g) 物業、廠房及設備

物業、廠房及設備按成本值減累計折舊及任何累計減值虧損入賬(見附註2(j))。

自行興建之物業、廠房及設備之成本，包括材料成本、直接工資、(如適用)初步估計拆卸及搬遷項目以及恢復項目所在地原貌之成本，以及適當比例之其他成本及貸款成本(見附註2(u))。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Other investments in equity securities (Continued)

Investments in securities which do not fall into securities held for trading or held-to-maturity securities are classified as available-for-sale securities. At the end of each reporting period, the fair value is remeasured with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 2(j)). Dividend income from equity securities are recognised in profit or loss in accordance with the policies set out in note 2(s)(iii).

When the investments are derecognised or impaired (see note 2(j)), the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses (see note 2(j)).

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

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2. 主要會計政策(續)

g) 物業、廠房及設備(續)

報廢或出售物業、廠房及設備項目所產生之收益或虧損，乃以出售所得款項淨額與項目賬面值之差異釐定，並於報廢或出售日期於損益確認。

物業、廠房及設備項目之折舊乃使用直線法按其如下估計可使用年期撇銷其成本值減估計剩餘價值(如有)：

| | |
|------------|-----|
| – 持作自用之樓宇 | 20年 |
| – 機器及設備 | 10年 |
| – 辦公室設備及裝置 | 5年 |
| – 汽車 | 5年 |

當一項物業、廠房及設備之各部份有不同的可使用年期，此項目各部份之成本值將按合理基礎分配，而每部份將作個別折舊。資產之可使用年期及其剩餘價值(如有)會每年進行檢討。

在建工程指興建中和有待安裝的物業、廠房及設備，按成本減累計減值虧損(如有)列賬(見附註2(j))。成本包括樓宇建築成本、機器及設備成本以及在興建或安裝及測試期間為收購該等資產融資貸款所產生的利息費用。在建工程截至相關資產建設完成且可作擬定用途前不會計提折舊。有關資產可作擬定用途時，該等成本會撥歸其他物業、廠房及設備類別，並按上文所載的政策折舊。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Property, plant and equipment (Continued)

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

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

| | |
|---------------------------------|----------|
| – Buildings held for own use | 20 years |
| – Machinery and equipment | 10 years |
| – Office equipment and fixtures | 5 years |
| – Motor vehicles | 5 years |

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

Construction-in-progress represents property, plant and equipment under construction and pending installation and is stated at cost less accumulated impairment losses (see note 2(j)), if any. Cost includes the costs of construction of buildings, the costs of machinery and equipment and interest charges arising from borrowings used to finance the acquisition of these assets during the period of construction or installation and testing. No provision for depreciation is made on construction-in-progress until such time as the relevant assets are completed and are available for their intended use. When the assets concerned are ready for intended use, the costs are transferred to other categories of property, plant and equipment and depreciated in accordance with the policy as stated above.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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2. 主要會計政策(續)

h) 無形資產(商譽除外)

研究活動之開支於產生期間確認為開支。倘有關產品或工序在技術上及商業上屬可行，而且本集團有充足資源及意向完成開發工作，則開發活動之開支會撥充資本。已撥充資本之開支包括物料成本、直接工資及直接屬於開發活動之間接開支及貸款成本(倘適用)按適當比例計算之金額(見附註2(u))。已撥充資本之開發成本按成本值減去累計攤銷及減值虧損(見附註2(j))列賬。其他開發開支於產生期間確認為開支。

本集團收購所得之其他無形資產按成本值減去累計攤銷(如估計可使用年期有限)及減值虧損(見附註2(j))列賬。內部產生商譽及品牌之支出於產生期間確認為開支。

具有限使用年期之無形資產之攤銷，於有關資產之估計可使用年內按直線法自損益扣除。下列具有限使用年期之無形資產自彼等可供使用之日起計算攤銷，而彼等之估計可使用年期如下：

| | |
|---------------------|-----|
| – 稀土金屬產品之技術 專業知識 | 10年 |
|---------------------|-----|

攤銷年期及方法均會每年檢討。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Intangible assets (other than goodwill)

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads and borrowing costs, where applicable (see note 2(u)). Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see note 2(j)). Other development expenditure is recognised as an expense in the period in which it is incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 2(j)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

| | |
|---|----------|
| – Technical know-how for rare earth metal products | 10 years |
|---|----------|

Both the period and method of amortisation are reviewed annually.

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NOTES TO THE FINANCIAL STATEMENTS

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2. 主要會計政策(續)

i) 租賃資產

倘本集團決定安排在協定期限內出讓一項特定資產或多項資產之使用權，以換取一筆付款或一連串付款，則有關安排(包括一項交易或一連串交易)即屬於或包括租賃。有關決定根據對安排本質之評估(不論安排是否以法定租賃形式)作出。

i) 出租予本集團之資產分類

倘本集團根據租賃持有資產而有關租賃將擁有權涉及之絕大部份風險及回報轉移至本集團，則有關資產列作根據融資租賃持有。並無將擁有權涉及之絕大部份風險及回報轉移至本集團之租賃則列作經營租賃，惟按經營租賃持作自用的土地則除外，其公平值無法與於其上興建的樓宇於租約生效時的公平值分開計量，有關土地則按根據融資租賃持有入賬，除非有關樓宇亦明確根據經營租賃持有。就此而言，租賃生效的時間為本集團首次訂立租賃的時間，或從先前承租人接管租賃的時間。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Lease assets

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

i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases except for land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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2. 主要會計政策(續)

i) 租賃資產(續)

ii) 經營租賃費用

如屬本集團根據經營租賃使用資產之情況，則根據租賃作出之付款會在租賃期所涵蓋之會計期間內，以等額分期方式計入損益中；惟如有其他基準能更清楚地反映租賃資產所產生之收益模式則除外。已收取之租賃獎勵在損益中確認為總租賃付款淨額的一部份。或有租金於其產生之會計期間計入損益中。

根據經營租賃持有之土地之收購成本乃於租賃期內以直線法攤銷。

iii) 租賃土地及樓宇

倘租賃包含土地及樓宇部分，本集團視乎租賃有否轉讓土地擁有權的重大風險及回報，判斷以決定分類為融資租賃或經營租賃。除非明顯地兩個部分均為經營租賃，在此情況下，整份租約會分類為經營租賃。特別是最低租賃付款(包括任何一筆過預付款)將按租賃開始時租賃土地部分及樓宇部分之租賃權益之相關公平值比例分配至土地及建築物部分。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Lease assets (Continued)

ii) Operating lease charges

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

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

iii) Leasehold land and building

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

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NOTES TO THE FINANCIAL STATEMENTS

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2. 主要會計政策 (續)

i) 租賃資產 (續)

iii) 租賃土地及樓宇 (續)

倘能可靠地分配租賃款項，則入賬列為經營租賃之租賃土地權益將於綜合財務狀況表內列作「經營租約下預付土地租金」，並於租賃期內以直線法攤銷入賬。

j) 資產減值

i) 權益證券投資及其他應收款之減值

按成本值或攤銷成本列賬或分類為可供出售證券的權益證券投資及其他流動與非流動應收款項會於各個申報期間結算日進行檢討，以判斷有否存在客觀減值證據。減值之客觀證據包括本集團注意到以下一項或多項虧損事項之顯著數據：

- 債務人有重大財務困難；
- 違反合約，如拖欠償還利息或本金；
- 債務人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境有重大改變而對債務人有不利影響；及
- 於權益工具之投資之公平值大幅或長期下降至低於其成本。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Lease assets (Continued)

iii) Leasehold land and building (Continued)

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments on land under operating leases” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis.

j) Impairment of assets

i) Impairment of investments in equity securities and other receivables

Investments in equity securities and other current and non-current receivables that are carried at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

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

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NOTES TO THE FINANCIAL STATEMENTS

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2. 主要會計政策(續)

j) 資產減值(續)

i) 權益證券投資及其他應收款之減值(續)

如存在任何上述證據，則會釐定及確認減值虧損如下：

- 於綜合財務報表以權益法列賬之於合營企業之投資(見附註2(d))，其減值虧損乃根據附註2(j)(ii)按其投資可收回金額與其賬面值作比較而得出。減值虧損在用作釐定按附註2(j)(ii)計算的可收回金額的估計出現利好變化時撥回。
- 就按攤銷成本列賬之應收賬款及其他金融資產而言，倘折現之影響重大，則減值虧損乃按資產之賬面值與金融資產原有實際利率(即在初步確認該等資產時計算之實際利率)折現之估計未來現金流量現值之間之差額計量。倘按攤銷成本列賬之金融資產具備類似風險特徵，例如類似逾期情況，且並未單獨被評估為減值，則就此進行整體評估。經整體評估減值之金融資產之未來現金流量，乃根據與整體組別信貸風險特徵相似之資產之過往虧損經驗作出。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Impairment of assets (Continued)

i) Impairment of investments in equity securities and other receivables (Continued)

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

- For investments in joint ventures accounted for under the equity method in the consolidated financial statements (see note 2(d)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2(j)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(j)(ii).
- For trade receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

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2. 主要會計政策 (續)

j) 資產減值 (續)

i) 權益證券投資及其他應收款之減值 (續)

倘於其後期間減值虧損金額有所減少，而客觀上與確認減值虧損後發生之事件有關，有關減值虧損會撥回損益。減值虧損之撥回不應導致資產之賬面值超過其在以往年度沒有確認任何減值虧損而應已釐定之數額。

- 就可供出售權益證券而言，於公平值儲備內確認之累計虧損會重新分類至損益。於損益中確認之累計虧損之金額為收購成本（扣除任何基本付款及攤銷）及現時公平值（減原先於損益中確認之該資產任何減值虧損）間之差額。

就可供出售權益證券於損益中確認之減值虧損不透過損益撥回。有關資產之公平值之任何其後增加於其他全面收益確認。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Impairment of assets (Continued)

i) Impairment of investments in equity securities and other receivables (Continued)

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

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

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

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2. 主要會計政策(續)

j) 資產減值(續)

i) 權益證券投資及其他應收款之減值(續)

減值虧損從相應資產中直接撇銷，惟如包含在應收賬款及其他應收款中之應收賬款、應收票據及其他應收款，其是否可以收回屬難以預料，而並非微乎其微，則就其確認之減值虧損不會從相應的資產中直接撇銷。在此情況下，呆壞賬之減值虧損以撥備賬記錄。倘本集團確認能收回應收賬款之機會微乎其微，則被視為不可收回之金額會直接從應收賬款、應收票據及其他應收款中撇銷，而在撥備賬中就有關債務保留之任何金額會被撥回。倘之前計入撥備賬之款項在其後收回，則有關款項於撥備賬撥回。撥備賬之其他變動及其後收回先前直接撇銷之款項均於損益中確認。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Impairment of assets (Continued)

i) Impairment of investments in equity securities and other receivables (Continued)

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors, bills receivables and other receivables included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors, bills receivables and other receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

j) 資產減值(續)

ii) 其他資產之減值

本集團會於每個申報期間結算日審閱內部及外界所得資料，以確定下列資產(商譽除外)是否出現減值或先前已確認之減值虧損不再存在或已經減少：

- 商譽；
- 物業、廠房及設備；
- 經營租約下預付土地租金；
- 無形資產；
- 本公司財務狀況表之於附屬公司之投資；及
- 其他非流動資產。

倘出現任何該等跡象，則估計資產之可收回數額。此外，就商譽、尚未可供使用之無形資產及並無固定使用年期之無形資產而言，其可收回數額會每年估計(不論有否出現減值跡象)。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Impairment of assets (Continued)

ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- goodwill;
- property, plant and equipment;
- prepaid lease payments on land under operating leases;
- intangible asset;
- investments in subsidiaries in the Company's statement of financial position; and
- other non-current asset.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

j) 資產減值(續)

ii) 其他資產之減值(續)

- 可收回數額計算

資產之可收回數額乃指公平價值減出售成本與使用價值兩者中之較高者。在評估使用價值時，估計日後現金流量乃根據除稅前折現率折現至現值，而該折現率須能反映市場現行對款項的時間價值及資產獨有風險之評估。倘某項資產之現金流量大致上不能獨立於其他資產之現金流量，則就可獨立產生現金流量之最小資產組別(即賺取現金單位)釐定可收回數額。

- 減值虧損確認

倘資產或其所屬之賺取現金單位之賬面值超過其可收回數額，則於損益確認減值虧損。就賺取現金單位確認之減值虧損而言，其首先用作減少已分配至賺取現金單位(或單位類別)之任何商譽之賬面值，其後按比例基準用作減少單位(或單位類別)內其他資產之賬面值；惟資產之賬面值將不得減少至低於其個別公平價值減出售成本(如能計量)或使用價值(如能計算)。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Impairment of assets (Continued)

ii) Impairment of other assets (Continued)

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair values less costs of disposal (if measurable), or value in use (if determinable).

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策 (續)

j) 資產減值 (續)

ii) 其他資產之減值 (續)

- 減值虧損撥回

就商譽以外的資產而言，倘用作釐定可收回數額之估計出現有利變動，則須撥回減值虧損。商譽之減值虧損不會撥回。

減值虧損撥回只限於該資產並未計算過往年度所確認之減值虧損時之賬面值。減值虧損撥回之數於確認有關撥回之年度計入損益內。

iii) 中期財務報告及減值

根據上市規則，本集團須按照香港會計準則第34號「中期財務報告」之規定就有關財政年度首六個月編製中期財務報告。於中期期末，本集團採用其於財政年度結束時將採用之同一減值測試、確認及撥回標準（見附註2(j)(i)及(ii)）。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Impairment of assets (Continued)

ii) Impairment of other assets (Continued)

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

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

iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34 "Interim Financial Reporting", in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(j)(i) and (ii)).

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

j) 資產減值(續)

iii) 中期財務報告及減值(續)

於中期期間就商譽及可供出售權益證券確認之減值虧損不會於其後的期間撥回。假設有關中期期間的減值評估於財政年度結束時進行，即使沒有確認虧損或確認較少之虧損，均採用以上相同處理方法。因此，倘可供出售權益證券之公平值於全年期間剩餘時間(或其後任何其他期間)有所增加，有關增幅於其他全面收益(而非損益)內確認。

k) 存貨

存貨按成本值及可變現淨值(以較低者為準)列賬。

成本根據加權平均成本公式計算，包括所有採購成本以及使存貨達至現址和現況所產生之轉換成本及其他成本。

可變現淨值乃於日常業務過程中之估計售價減估計完成成本及進行銷售所必要之估計成本。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Impairment of assets (Continued)

iii) Interim financial reporting and impairment (Continued)

Impairment losses recognised in an interim period in respect of goodwill and available-for-sale equity securities are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity securities increase in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not profit or loss.

k) Inventories

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

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策 (續)

k) 存貨 (續)

當售出存貨時，該等存貨之賬面值乃於確認相關收入之期間確認為一項開支。任何存貨撇減至可變現淨值之金額及存貨之所有虧損均於發生撇減或虧損之期間確認為一項開支。任何存貨撇減之回撥金額乃於回撥發生之期間確認為先前已列為一項開支之存貨金額之減少。

l) 應收賬款及其他應收款

應收賬款及其他應收款初步按公平值確認，其後按攤銷成本採用實際利率法減呆賬減值撥備列賬（見附註2(j)），惟倘應收款為向關連人士作出之免息貸款且無任何固定償還年期或折現之影響並不重大則除外。於該等情況下，應收款按成本減呆賬減值撥備列賬。

m) 計息貸款

計息貸款初步按公平值減應佔之交易成本確認。於初步確認後，計息貸款按攤銷成本列賬，而初步確認之金額與贖回價值兩者之任何差額連同任何應付之利息及費用，乃採用實際利率法按貸款之期間於損益中確認。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Inventories (Continued)

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

l) Trade and other receivables

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

m) Interest-bearing borrowings

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

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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2. 主要會計政策(續)

n) 應付賬款及其他應付款

應付賬款及其他應付款初步按公平值確認。除根據附註2(r)(i)計算之財務擔保負債外，應付賬款及其他應付款其後按攤銷成本列賬，除非折現之影響並不重大，於此情況下則按成本列賬。

o) 現金及現金等值項目

現金及現金等值項目包括銀行及手頭之現金、存放於銀行及其他金融機構之活期存款，以及於購入時至到期日為三個月以內之可輕易轉換為已知數額現金且價值變動風險不大之短期高流動性投資。就綜合現金流量表而言，須按要求償還及構成本集團現金管理整體一部份之銀行透支，亦列為現金及現金等值項目之組成部份。

p) 僱員福利

i) 短期僱員福利及界定供款退休計劃之供款

薪金、年度花紅、已付年假、向界定供款退休計劃之供款及非貨幣福利之成本均於僱員提供相關服務之年度內預提。倘付款或結算被遞延且影響重大，則該等金額按其現值列賬。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Trade and other payables

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

o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

p) Employee benefits

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

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

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

p) 僱員福利(續)

ii) 以股份為基礎之付款

授予僱員之購股權之公平值確認為僱員成本，而權益中之購股權儲備亦會相應增加。如果僱員須符合歸屬條件才能無條件享有購股權之權利，經考慮購股權歸屬之可能性後，購股權之估計公平值總額則會在整個歸屬期內分攤。

於歸屬期間，本集團會審閱預期歸屬之購股權數目。除非原有僱員開支符合資格確認為資產，否則於過往年度確認之任何累積公平值調整會在回顧年度扣除自／計入損益，而購股權儲備亦會作相應調整。於歸屬日期，確認為開支之數額會作出調整，以反映歸屬購股權之實際數目（而購股權儲備亦會作相應調整），惟倘沒收僅因未能達成與本公司股份市價有關之歸屬條件則作別論。權益金額乃於購股權儲備中確認，直至購股權獲行使（屆時有關金額計入就已發行股份於股本確認之款項中）或購股權屆滿（屆時有關金額直接撥入累計虧損／保留溢利）為止。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Employee benefits (Continued)

ii) Share based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a share option reserve within equity. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

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

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

p) 僱員福利(續)

iii) 終止福利

當本集團不能再取消提供該等福利時及本集團確認涉及支付終止福利的重組成本時(以較早者為準)，則確認終止福利。

q) 所得稅

本年度所得稅包括本期稅項及遞延稅項資產和負債之變動。本期稅項及遞延稅項資產和負債之變動均於損益確認，惟與於其他全面收益或直接於權益確認之項目有關者，則有關稅項分別於其他全面收益或直接於權益內確認。

本期稅項是按本年度應課稅收入採用於申報期間結算日已執行或實質上已執行之稅率計算之預期應付稅項，以及就過往年度應付稅項之任何調整。

遞延稅項資產和負債分別由可抵扣和應課稅暫時差異，即作財務報告用途之資產和負債之賬面值與彼等稅基之間之差異而產生。遞延稅項資產亦可因未運用稅務虧損及未運用稅務抵免而產生。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Employee benefits (Continued)

iii) Termination benefits

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

q) Income tax

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

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

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

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策 (續)

q) 所得稅 (續)

除了若干有限之例外情況外，所有遞延稅項負債，以及所有遞延稅項資產（僅限於未來很可能取得應課稅溢利而令該項資產得以運用之部份）均予以確認。容許確認由可予扣減暫時差異所產生之遞延稅項資產之未來應課稅溢利包括其將由目前之應課稅暫時性差異撥回之部份，而此等應課稅暫時差異應由同一稅務當局向同一應課稅單位徵收，並預期在可予扣減暫時差異預期撥回之同一期間內撥回或在由遞延稅項資產產生之稅務虧損能轉回或轉入之期間內撥回。在評定目前之應課稅暫時差異是否容許確認由未運用之稅務虧損及優惠所產生之遞延稅項資產時採用上述相同之標準，即該等暫時差異由同一稅務當局向同一應課稅單位徵收，並預期在稅務虧損或抵免能動用之期間內撥回方計算在內。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Income tax (Continued)

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

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

q) 所得稅(續)

確認遞延稅項資產及負債之有限例外情況：包括不可在稅務方面獲得扣減之商譽所引致之暫時差異、首次確認但並不影響會計溢利及應課稅溢利之資產或負債(惟其不可為企業合併之部份)，以及有關於附屬公司投資所引致之暫時差異；如為應課稅差異，只限於本集團可以控制撥回時間，且在可預見將來不大可能撥回之暫時差異或如為可予扣減差異，則只限於可能在未來撥回之差異。

應確認之遞延稅項數額是按照資產及負債賬面值之預期變現或清償方式，以申報期間結算日採用或主要採用之稅率計算。遞延稅項資產及負債均不作折現計算。

本集團會在每個申報期間結算日評估遞延稅項資產之賬面值。如果不再可能取得足夠之應課稅溢利以運用有關之稅務利益，賬面金額則予以調低。如日後可能取得足夠之應課稅溢利時，已扣減金額則予以撥回。

分派股息所產生之額外所得稅在支付有關股息之責任確認時予以確認。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Income tax (Continued)

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

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

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

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

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NOTES TO THE FINANCIAL STATEMENTS

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2. 主要會計政策 (續)

q) 所得稅 (續)

本期稅項結餘及遞延稅項結餘及其變動，乃各自分開列示及並無相互抵銷。當本集團在法律上擁有抵銷本期稅項資產及本期稅項負債之行使權利及能符合下列額外條件時，本期稅項資產可抵銷本期稅項負債，及遞延稅項資產可抵銷遞延稅項負債：

- 若為本期稅項資產及負債：本集團計劃以淨額清償，或計劃同時變現資產和清償負債；或
- 若為遞延稅項資產及負債：如其與同一稅務當局向下述者徵收之所得稅有關：
 - 同一應課稅單位；或
 - 如為不同之應課稅單位，預期在未來每一個週期將清償或收回顯著數目之遞延稅項負債，或資產及計劃以淨額基準變現本期稅項資產及清償本期稅項負債，或計劃同時變現本期稅項資產及清償本期稅項負債。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Income tax (Continued)

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

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

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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2. 主要會計政策(續)

r) 出具財務擔保、撥備及或然負債

(i) 出具財務擔保

財務擔保乃指由簽發人(即擔保人)須於擔保受益人(「持有人」)因指定債務人未能根據債務工具之條款支付到期款項而蒙受損失時,向持有人償付指定款項之合約。

當本集團出具財務擔保時,該擔保之公平值初步確認為應付賬款及其他應付款項內之遞延收入。已發出財務擔保的公平值於發出時乃參照類似服務於公平磋商交易的過程中所收取的費用(如可獲得該等資料)而釐定,或參照息差作出估計,方法為以放款人在獲提供擔保之情況下實際收取之利率與在不獲提供擔保之情況下放款人將會收取之估計利率作比較(如該等資料能可靠地估計)。當就發行有關擔保已收或應收代價時,代價乃根據本集團適用於該資產類別之政策確認。倘並無有關代價屬已收或應收,則於初步確認任何遞延收入時於損益中確認即時開支。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) Financial guarantees issued, provisions and contingent liabilities

(i) *Financial guarantees issued*

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

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

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策 (續)

r) 出具財務擔保、撥備及或然負債 (續)

(i) 出具財務擔保 (續)

初步確認為遞延收入之擔保額會於擔保期內在損益攤銷，作為出具財務擔保之收入。此外，倘(i)擔保持有人有可能省視擔保下之本集團；及(ii)本集團之申索款額預期超過現時列於該擔保之應付賬款及其他應付款項(即初步確認之金額，減累計攤銷)，則撥備根據附註2(r)(ii)確認。

(ii) 其他撥備及或然負債

倘若本集團須就已發生之事件承擔法律或推定責任，而履行該責任預期會導致含有經濟效益之資源外流，並可作出可靠之估計，便會就不確定之時間或數額之其他負債計提準備。如金錢的時間價值重大，則按預計履行責任所需開支之現值計提撥備。

倘若含有經濟效益之資源外流之可能性很低，或是無法對有關款額作出可靠之估計，便會將該責任披露為或有負債；但假如這類資源外流之可能性極低則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否之潛在責任，亦會披露為或有負債；但假如這類資源外流之可能性極低則除外。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) Financial guarantees issued, provisions and contingent liabilities (Continued)

(i) Financial guarantees issued (Continued)

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

(ii) Other provisions and contingent liabilities

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

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

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

s) 收入確認

收入按已收或應收代價之公平值計量。收入乃於經濟效益可能會流入本集團，以及能夠可靠地計算收入及成本(如適用)時，根據下列方法於損益中確認：

i) 銷售貨品

收入在貨品送抵客戶所在地，即客戶接收貨品及與其所有權相關的風險及回報時確認。收入並不包括增值稅或其他銷售稅，並於扣除任何商業折扣後得出。收入不包括增值及其他銷售稅，並經扣減任何貨品退貨及貿易折扣。

ii) 利息收入

利息收入乃採用實際利率法於應計時確認。

iii) 股息收入

非上市投資的股息收入在股東收取款項的權利確立時確認。

上市投資的股息收入則在該投資的股價除息時確認。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

s) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

i) Sale of goods

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

ii) Interest income

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

iii) Dividend income

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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2. 主要會計政策 (續)

t) 外幣換算

年內外幣換算交易乃按於交易日期通行之匯率換算。以外幣計值之貨幣性資產及負債均按於申報期間結算日通行之匯率換算。匯兌盈虧乃於損益確認。

以歷史成本計量之外幣非貨幣性資產及負債乃按交易日通行之匯率換算。以公平值列賬之外幣非貨幣性資產及負債乃以於釐定公平值日期之匯率換算。

境外業務之業績乃按交易日通行之概約匯率換算為港元。財務狀況表項目(包括因合併二零零五年一月一日或之後購入之境外業務之賬目所產生之商譽)則按申報期間結算日通行之匯率收市價換算為港元。匯兌差額於其他全面收益確認，並於匯兌儲備之權益中獨立累計。因合併二零零五年一月一日之前購入之境外業務之賬目所產生之商譽則按收購境外業務當日之適用匯率換算。

於出售境外業務時，與該境外業務有關之匯兌差額累計款項會於確認出售盈虧時由權益重新分類至損益。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

t) Translation of foreign currencies

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

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

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into Hong Kong dollars at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the translation reserve. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

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

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NOTES TO THE FINANCIAL STATEMENTS

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2. 主要會計政策(續)

u) 貸款成本

與購入、建造或生產需經一段長時期準備方可作預期運用或出售之資產直接有關之貸款成本，乃作為該項資產之部份成本撥充資本。其他貸款成本於產生期間內支銷。

貸款成本乃於資產之開支產生、貸款成本產生及有關籌備資產作其擬定用途或出售所需之活動進行時，即資本化作為合格資產之部份成本。當所有有關籌備合格資產作其擬定用途或出售所需之活動大致上中斷或完成時，即暫時暫停或停止資本化貸款成本。

v) 關連人士

(a) 倘若該名人士屬以下情況，則該人士或該人士之家族之近親乃與本集團有關連：

- i) 對本集團擁有控制權或共同控制權；
- ii) 對本集團擁有重大影響力；
或
- iii) 為本集團或本集團之母公司之主要管理人員之成員。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

u) Borrowing costs

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

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

v) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- i) has control or joint control over the Group;
- ii) has significant influence over the Group; or
- iii) is a member of the key management personnel of the Group or the Group's parent.

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NOTES TO THE FINANCIAL STATEMENTS

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2. 主要會計政策 (續)

v) 關連人士 (續)

(b) 倘若以下任何條件適用，則該實體乃與本集團有關連：

- i) 該實體與本集團均為相同集團之成員(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
- ii) 一間實體為另一實體之聯營公司或合營企業(或另一實體為集團旗下成員公司之聯營公司或合營企業之成員公司)。
- iii) 兩間實體均為同一第三方之合營企業。
- iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
- v) 實體為本集團或與本集團有關連之實體就僱員利益設立之離職福利計劃。
- vi) 實體受附註2(v)(a)所識別人土所控制或共同控制。
- vii) 附註2(v)(a)(i)所識別人土對實體擁有重大影響力或屬該實體(或該實體之母公司)之主要管理人員成員。
- viii) 向本集團或本公司母公司提供主要管理人員服務之實體或其所屬集團之任何成員公司。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

v) Related parties (Continued)

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

- i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii) Both entities are joint ventures of the same third party.
- iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- vi) The entity is controlled or jointly controlled by a person identified in note 2(v)(a).
- vii) A person identified in note 2(v)(a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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NOTES TO THE FINANCIAL STATEMENTS

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2. 主要會計政策(續)

v) 關連人士(續)

該名人士之近親家庭成員為於與該實體進行交易時可能預期影響該名人士或可能被該名人士影響之該等家族成員。

w) 分部報告

綜合財務報表所呈報之經營分部及各分部項目之款項乃於為分配資源予本集團不同業務及地區以及評估該等業務及地區之表現而定期向本集團首席營運決策人提供之財務資料中確認。

就財務報告而言，個別重大經營分部不會合併，惟分部間有類似經濟特點及在產品及服務性質、生產過程性質、客戶種類或類別、用作分銷產品或提供服務之方法以及監管環境性質方面相類似則除外。倘並非個別重大之經營分部符合大部份此等準則，則該等經營分部可能合併處理。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

v) Related parties (Continued)

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

w) Segment reporting

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

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

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NOTES TO THE FINANCIAL STATEMENTS

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3. 會計政策之變動

- (i) 採納新訂及經修訂香港財務報告準則
香港會計師公會已頒佈下列於本集團之本會計期間首次生效之香港財務報告準則之修訂本：

| | |
|--------------------|------------------------------------|
| 香港會計準則第19號 之修訂本 | 僱員福利：界定福利 計劃：僱員供款 |
| 香港財務報告準則 之修訂本 | 二零一零年至二零一二年 週期之香港財務報告 準則年度改進 |
| 香港財務報告準則 之修訂本 | 二零一一年至二零一三年 週期之香港財務報告 準則年度改進 |

於本年度應用香港財務報告準則之修訂本對該等財務報表所載有關本集團本年度及過往年度之財務表現及狀況及／或披露事項並無重大影響。

香港會計準則第19號之修訂本「僱員福利：界定福利計劃：僱員供款」

該等修訂引入了一項豁免，旨在簡化對僱員或第三方按界定福利計劃繳納的若干供款的會計處理。當供款滿足該等修訂所設定的標準時，公司可以將供款確認為在相關僱員服務提供期間對僱員服務成本的扣減，而不將其包含於界定福利責任的計算中。由於本集團並無任何界定福利計劃，故有關修訂本對本集團之該等財務報表並無影響。

3. CHANGES IN ACCOUNTING POLICIES

- (i) Adoption of new and revised HKFRSs
The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

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

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

Amendments to HKAS 19 "Employee Benefits: Defined Benefit Plans: Employee Contributions"

The amendments introduce a relief to reduce the complexity of accounting for certain contributions from employees or third parties under defined benefit plans. When the contributions are eligible for the practical expedient provided by the amendments, a company is allowed to recognise the contributions as a reduction of the service cost in the period in which the related service is rendered, instead of including them in calculating the defined benefit obligation. The amendments do not have an impact on these financial statements as the Group does not operate any defined benefit plans.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

3. 會計政策之變動 (續)

(i) 採納新訂及經修訂香港財務報告準則 (續)

香港財務報告準則之修訂本「二零一零年至二零一二年週期及二零一一年至二零一三年週期之香港財務報告準則年度改進」

此兩個週期之年度改善包括九項準則之修訂連同其他準則之相應修訂。其中，香港會計準則第24號「關聯方披露」已予以修改，藉以將「關聯方」的釋義擴展為包括提供主要管理人員服務予申報實體的管理實體，並要求披露為獲得管理實體提供的主要管理人員服務而產生的金額。由於本集團並無自管理公司取得主要管理人員服務，故有關修訂本對本集團之關連方披露並無影響。

(ii) 本集團所選擇有關持作自用樓宇之會計政策變動

根據香港會計準則第16號「物業、廠房及設備」，持作自用樓宇可於初始確認後採用成本模式或重估模式進行核算。本集團於以往年度採用重估模式核算持作自用樓宇。

3. CHANGES IN ACCOUNTING POLICIES (Continued)

(i) Adoption of new and revised HKFRSs (Continued)

Amendments to HKFRSs "Annual Improvements to HKFRSs 2010-2012 Cycle and 2011-2013 Cycle"

These two cycles of annual improvements contain amendments to nine standards with consequential amendments to other standards. Among them, HKAS 24 "Related Party Disclosures" has been amended to expand the definition of a "related party" to include a management entity that provides key management personnel services to the reporting entity, and to require the disclosure of the amounts incurred for obtaining the key management personnel services provided by the management entity. These amendments do not have an impact on the Group's related party disclosures as the Group does not obtain any key management personnel services from management entities.

(ii) Change in accounting policy for buildings held for own use elected by the Group

In accordance with HKAS 16 "Property, Plant and Equipment", buildings held for own use can either be accounted for using the cost model or the revaluation model after their initial recognition. The Group accounted for its buildings held for own use using the revaluation model in previous years.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

3. 會計政策之變動(續)

(ii) 本集團所選擇有關持作自用樓宇之會計政策變動(續)

事實上，大多數於香港上市之製造業公司擁有之持作自用樓宇，均採用成本模式核算，本集團決定自二零一五年一月一日開始採用與行業相符的會計政策，持作自用樓宇按成本減除累計折舊及任何累計減值損失列帳。本集團並對會計政策變動作追溯應用。此外，預計本集團之持作自用樓宇不會在正常業務內出售，反之，附屬於樓宇內之未來經濟利益，主要透過集團內之營運體現。本公司董事認為上述會計政策改變，使本集團在反映財務表現的財務報表提供提供可靠及更多相關信息。

於評估該會計政策之變更時，本集團已考慮香港會計準則第8號「會計政策、會計估計及錯誤之變動」列載之規定。除了其他規定外，香港會計準則第8號明定，機構如確定有必要更改一個非因香港會計師公會頒佈且須強制實施之新準則或現有會計準則之修訂而須作出之會計政策變更，該機構必須證明此變更將能促使財務報表就有關項目，其他事項或情況對機構之財務狀況、財務表現或現金流量的影響，提供可靠及更多相關資料。經充分考慮有關情況和因素後，本集團確信該會計政策之變更乃合理，並符合香港會計準則第8號。

3. CHANGES IN ACCOUNTING POLICIES (Continued)

(ii) Change in accounting policy for buildings held for own use elected by the Group (Continued)

Given the fact that most of the buildings held for own use held by listed companies in Hong Kong in the manufacturing industries are accounted for using the cost model, the Group has decided to align its accounting policy with the industry practice and stated its buildings held for own use at cost less accumulated depreciation and any accumulated impairment losses with effect from 1 January 2015. The Group also applied this change in accounting policy retrospectively. In addition, the Group's buildings held for own use are not expected to be sold in the normal course of business, instead, the future economic benefits embodied in the buildings will be recovered principally through use in the Group's operations. In the opinion of directors of the Company, this change in the accounting policy enables the Group to provide reliable and more relevant information in the financial statements about its financial performance.

In assessing this change in accounting policy, the Group has considered the requirements set out in HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". HKAS 8 specifies that, amongst other things, for an entity to justify a change in accounting policy that is not mandatorily required by a new accounting standard or amendment to an existing accounting standard issued by the HKICPA, the entity must demonstrate that the change will result in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows. The Group is satisfied that this change in accounting policy is justified by the relevant circumstances and therefore complies with HKAS 8.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

3. 會計政策之變動(續)

(ii) 本集團所選擇有關持作自用樓宇之會計政策變動(續)

上述會計政策變動之影響概要

上文所述有關持作自用樓宇之會計政策變動對本公司於二零一四年一月一日及二零一四年十二月三十一日之綜合財務狀況表以及本集團截至二零一四年十二月三十一日止年度之綜合損益表及綜合損益及其他全面收益表之財務影響載列如下：

3. CHANGES IN ACCOUNTING POLICIES (Continued)

(ii) Change in accounting policy for buildings held for own use elected by the Group (Continued)

Summary of the effect of the above change in accounting policy

The financial impact of the change in accounting policy for buildings held for own use as described above on the Group's consolidated statement of financial position as at 1 January 2014 and 31 December 2014, and the Group's consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2014 are as follows:

| | 原先呈列 As previously reported 千港元 HK\$'000 | 會計政策變動 之影響 Impact of change in accounting policy 千港元 HK\$'000 | 重新分類# Reclassification# 千港元 HK\$'000 | 已重列 As restated 千港元 HK\$'000 |
|--|---|--|---|---------------------------------------|
| 截至二零一四年 十二月三十一日止 年度之綜合損益表 | Consolidated statement of profit or loss for the year ended 31 December 2014 | | | |
| 收入 | 1,183,786 | - | - | 1,183,786 |
| 銷售成本 | (1,297,045) | 4,713 | - | (1,292,332) |
| 毛虧 | (113,259) | 4,713 | - | (108,546) |
| 其他收入 | 6,098 | - | - | 6,098 |
| 銷售及分銷費用 | (46,194) | - | - | (46,194) |
| 管理費用 | (81,951) | - | 3,854 | (78,097) |
| 出售合營企業權益 之收益 | 11,974 | - | - | 11,974 |
| 被視作出售合營 企業權益之收益 | 2,750 | - | - | 2,750 |
| 議價購買附屬公司 權益之收益 | 24,225 | - | - | 24,225 |
| 出售附屬公司之收益 | 76,961 | 418 | - | 77,379 |
| 其他收益淨值 | 16,397 | - | (3,854) | 12,543 |
| 經營業務虧損 | (102,999) | 5,131 | - | (97,868) |
| 財務成本 | (3,337) | - | - | (3,337) |
| 合營企業溢利之分攤 | 2,583 | - | - | 2,583 |
| 除稅前虧損 | (103,753) | 5,131 | - | (98,622) |
| 所得稅支出 | (2,612) | (794) | - | (3,406) |
| 本年度虧損 | (106,365) | 4,337 | - | (102,028) |
| 下列人士應佔 本年度虧損： | Loss for the year attributable to: | | | |
| 本公司擁有人 | (97,191) | 4,219 | - | (92,972) |
| 非控股權益 | (9,174) | 118 | - | (9,056) |
| | (106,365) | 4,337 | - | (102,028) |
| 每股虧損 | Loss per share | | | |
| 基本及攤薄(港仙)* | 4.84 | (0.21) | - | 4.63 |

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

3. 會計政策之變動(續)

(ii) 本集團所選擇有關持作自用樓宇之會計政策變動(續)

上述會計政策變動之影響概要(續)

- # 於審閱財務報表之呈列方式時，應收賬款之減值虧損、其他應收款之減值虧損、應收賬款減值虧損撥回及其他應收款減值虧損撥回已由管理費用重新分類至其他收益淨值，從而更合適地呈列事件或交易。因此，若干比較數字已重新分類以符合本年度之呈列方式。
- * 計算截至二零一四年十二月三十一日止年度之每股基本及攤薄虧損之分母經已調整，以反映於二零一五年八月按每持有五股現有普通股份獲發兩股供股股份之基準進行供股之紅利因素。

3. CHANGES IN ACCOUNTING POLICIES (Continued)

(ii) Change in accounting policy for buildings held for own use elected by the Group (Continued)

Summary of the effect of the above change in accounting policy (Continued)

- # With a review of the financial statements presentation, impairment loss on trade receivables, impairment loss on other receivables, reversal of impairment loss on trade receivables and reversal of impairment loss on other receivables were reclassified from administrative expenses to other net gain which would result in a more appropriate presentation of events or transactions. Accordingly, certain comparative figures have been reclassified to conform with the current year's presentation.
- * The denominator for the purpose of calculating basic and diluted loss per share for the year ended 31 December 2014 has been adjusted to reflect the bonus element of the rights issue in August 2015 on the basis of two rights shares for every five existing ordinary shares.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

3. 會計政策之變動(續)

(ii) 本集團所選擇有關持作自用樓宇之會計政策變動(續)

上述會計政策變動之影響概要(續)

3. CHANGES IN ACCOUNTING POLICIES (Continued)

(ii) Change in accounting policy for buildings held for own use elected by the Group (Continued)

Summary of the effect of the above change in accounting policy (Continued)

| | | 原先呈列 | 會計政策變動 之影響 Impact of change in accounting policy | 已重列 |
|--|--|---|---|--------------------------------|
| | | As previously reported HK\$'000 千港元 | HK\$'000 千港元 | As restated HK\$'000 千港元 |
| 截至二零一四年 十二月三十一日止 年度之綜合損益及 其他全面收益表 | Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2014 | | | |
| 本年度虧損 | Loss for the year | (106,365) | 4,337 | (102,028) |
| 本年度其他全面虧損 (扣除零稅項及重 分類調整) | Other comprehensive loss for the year (net of nil tax and reclassification adjustments) | | | |
| 可於其後重分類至損益賬 的項目： | <i>Items that may be reclassified subsequently to profit or loss:</i> | | | |
| —換算海外業務財務報表 之匯兌差額 | – Exchange differences on translation of financial statements of foreign operations | (25,383) | 90 | (25,293) |
| —換算合營企業財務報表 之匯兌差額 | – Exchange differences on translation of financial statements of joint ventures | (816) | – | (816) |
| —可供出售權益證券 公平值收益 | – Fair value gain on available-for-sale equity securities | 7,600 | – | 7,600 |
| —出售合營企業權益 匯兌儲備轉出 | – Release of translation reserve upon disposal of interest in a joint venture | (2,399) | – | (2,399) |
| —被視作出售合營企業 權益匯兌儲備轉出 | – Release of translation reserve upon deemed disposal of interest in a joint venture | (8,706) | – | (8,706) |
| —出售附屬公司權益 匯兌儲備轉出 | – Release of translation reserve upon disposal of interest in a subsidiary | (17,982) | 55 | (17,927) |
| | | (47,686) | 145 | (47,541) |
| 本年度全面虧損總值 | Total comprehensive loss for the year | (154,051) | 4,482 | (149,569) |
| 下列人士應佔本年度 全面虧損總值： | Total comprehensive loss for the year attributable to: | | | |
| 本公司擁有人 | Owners of the Company | (143,883) | 4,359 | (139,524) |
| 非控股權益 | Non-controlling interests | (10,168) | 123 | (10,045) |
| | | (154,051) | 4,482 | (149,569) |

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

3. 會計政策之變動(續)

(ii) 本集團所選擇有關持作自用樓宇之會計政策變動(續)

上述會計政策變動之影響概要(續)

3. CHANGES IN ACCOUNTING POLICIES (Continued)

(ii) Change in accounting policy for buildings held for own use elected by the Group (Continued)

Summary of the effect of the above change in accounting policy (Continued)

| | | 原先呈列 As previously reported HK\$'000 千港元 | 會計政策變動 之影響 Impact of change in accounting policy HK\$'000 千港元 | 已重列 As restated HK\$'000 千港元 |
|------------------------|--|---|--|---------------------------------------|
| 於二零一四年一月一日 之綜合財務狀況表 | Consolidated statement of financial position as at 1 January 2014 | | | |
| 物業、廠房及設備 | Property, plant and equipment | 490,781 | (34,207) | 456,574 |
| 遞延稅項負債 | Deferred tax liabilities | (6,401) | 5,991 | (410) |
| 其他資產及負債 | Other assets and liabilities | 2,691,015 | – | 2,691,015 |
| 資產淨值 | Net assets | 3,175,395 | (28,216) | 3,147,179 |
| 股本 | Share capital | 167,264 | – | 167,264 |
| 股份溢價 | Share premium | 1,770,100 | – | 1,770,100 |
| 資本儲備 | Capital reserve | 22,348 | – | 22,348 |
| 樓宇重估儲備 | Building revaluation reserve | 23,865 | (23,865) | – |
| 法定儲備 | Statutory reserves | 258,795 | – | 258,795 |
| 匯兌儲備 | Translation reserve | 636,235 | (4,831) | 631,404 |
| 公平值儲備 | Fair value reserve | 2,960 | – | 2,960 |
| 保留溢利 | Retained profits | 257,288 | 1,090 | 258,378 |
| | | 3,138,855 | (27,606) | 3,111,249 |
| 非控股權益 | Non-controlling interests | 36,540 | (610) | 35,930 |
| 權益總值 | Total equity | 3,175,395 | (28,216) | 3,147,179 |

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

3. 會計政策之變動(續)

(ii) 本集團所選擇有關持作自用樓宇之會計政策變動(續)

上述會計政策變動之影響概要(續)

3. CHANGES IN ACCOUNTING POLICIES (Continued)

(ii) Change in accounting policy for buildings held for own use elected by the Group (Continued)

Summary of the effect of the above change in accounting policy (Continued)

| | | 原先呈列 | 會計政策變動 之影響 Impact of change in accounting policy | 已重列 |
|---------------|--|--|---|-------------------------|
| | | As previously reported HK\$'000 | HK\$'000 | As restated HK\$'000 |
| | | 千港元 | 千港元 | 千港元 |
| 於二零一四年十二月三十一日 | Consolidated statement of financial | | | |
| 之綜合財務狀況表 | position as at 31 December 2014 | | | |
| 物業、廠房及設備 | Property, plant and equipment | 624,116 | (28,754) | 595,362 |
| 遞延稅項負債 | Deferred tax liabilities | (5,982) | 5,020 | (962) |
| 其他資產及負債 | Other assets and liabilities | 2,403,210 | – | 2,403,210 |
| 資產淨值 | Net assets | 3,021,344 | (23,734) | 2,997,610 |
| 股本 | Share capital | 167,264 | – | 167,264 |
| 股份溢價 | Share premium | 1,770,100 | – | 1,770,100 |
| 資本儲備 | Capital reserve | 22,348 | – | 22,348 |
| 樓宇重估儲備 | Building revaluation reserve | 19,961 | (19,961) | – |
| 法定儲備 | Statutory reserves | 251,948 | – | 251,948 |
| 匯兌儲備 | Translation reserve | 581,943 | (4,691) | 577,252 |
| 公平值儲備 | Fair value reserve | 10,560 | – | 10,560 |
| 保留溢利 | Retained profits | 170,848 | 1,405 | 172,253 |
| | | 2,994,972 | (23,247) | 2,971,725 |
| 非控股權益 | Non-controlling interests | 26,372 | (487) | 25,885 |
| 權益總值 | Total equity | 3,021,344 | (23,734) | 2,997,610 |

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

3. 會計政策之變動(續)

(ii) 本集團所選擇有關持作自用樓宇之會計政策變動(續)

上述會計政策變動之影響概要(續)

有關持作自用樓宇之會計政策變動導致本公司擁有人應佔截至二零一四年十二月三十一日止年度之虧損及本公司擁有人應佔截至二零一四年十二月三十一日止年度之全面虧損總額分別減少約4,219,000港元及4,359,000港元。截至二零一四年十二月三十一日止年度之每股基本及攤薄虧損減少0.21港仙至每股4.63港仙。本集團於二零一四年一月一日之資產淨值及權益總額分別減少約28,216,000港元及28,216,000港元。本集團於二零一四年十二月三十一日之資產淨值及權益總額分別減少約23,734,000港元及23,734,000港元。

4. 關鍵會計判斷及估計不確定之主要來源

a) 估計不確定性之主要來源

於應用附註2所述之本集團會計政策之過程中，管理層已作出若干主要假設，該等假設涉及未來及於申報期間結算日估計不確定性之其他主要來源，該等假設可能存在導致資產及負債之賬面值於下個財政年度作出重大調整之重大風險，有關詳情討論如下。

3. CHANGES IN ACCOUNTING POLICIES (Continued)

(ii) Change in accounting policy for buildings held for own use elected by the Group (Continued)

Summary of the effect of the above change in accounting policy (Continued)

The change in accounting policy for buildings held for own use has resulted in decrease of the loss for the year ended 31 December 2014 attributable to owners of the Company and the total comprehensive loss for the year ended 31 December 2014 attributable to owners of the Company by approximately HK\$4,219,000 and HK\$4,359,000, respectively. The basic and diluted loss per share for the year ended 31 December 2014 is decreased by HK0.21 cents to HK4.63 cents per share. The net assets and total equity of the Group as at 1 January 2014 are decreased by approximately HK\$28,216,000 and HK\$28,216,000, respectively. The net assets and total equity of the Group as at 31 December 2014 are decreased by approximately HK\$23,734,000 and HK\$23,734,000, respectively.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

a) Key sources of estimation uncertainty

In the process of applying the Group's accounting policies which are described in note 2, management has made certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as discussed below.

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4. 關鍵會計判斷及估計不確定之主要來源 (續)

a) 估計不確定性之主要來源 (續)

i) 物業、廠房及設備以及經營租約下預付土地租金之可使用年期及剩餘價值

管理層根據附註2(g)及附註2(i)分別所載之本集團會計政策釐定本集團物業、廠房及設備以及經營租約下預付土地租金之估計可使用年期及剩餘價值。本集團將修訂折舊支出及攤銷開支(如可使用年期及剩餘價值與先前估計不同)，或撇銷或撇減已被棄用或出售之在技術上過時或屬非策略性之資產。

ii) 物業、廠房及設備減值之估算

倘有跡象顯示物業、廠房及設備項目之賬面值不能收回，則資產可能視為「已減值」，並按附註2(j)(ii)所述有關物業、廠房及設備減值之本集團會計政策於損益確認減值虧損。資產賬面值會定期進行檢討以評估可收回金額有否降至低於賬面值。倘有事件或情況轉變顯示資產入賬之賬面值可能無法收回，即會對有關資產進行減值測試。若出現有關減值情況，則會將賬面值減至可收回金額。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

a) Key sources of estimation uncertainty (Continued)

i) Useful lives and residual values of property, plant and equipment and prepaid lease payments on land under operating leases

Management determines the estimated useful lives and residual values for the Group's property, plant and equipment and prepaid lease payments on land under operating leases in accordance with the Group's accounting policies stated in note 2(g) and note 2(i) respectively. The Group will revise the depreciation charge and the amortisation expense where useful lives and residual values are different from previous estimates, or will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

ii) Estimation of impairment of property, plant and equipment

If circumstances indicate that the carrying value of an item of the property, plant and equipment may not be recoverable, the asset may be considered "impaired", and an impairment loss may be recognised in profit or loss in accordance with the Group's accounting policy for impairment of property, plant and equipment as described in note 2(j)(ii). The carrying amounts of assets are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount.

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4. 關鍵會計判斷及估計不確定之主要來源 (續)

a) 估計不確定性之主要來源 (續)

ii) 物業、廠房及設備減值之估算 (續)

可收回金額乃公平值減出售成本與使用價值之較高者。釐定使用價值時，會將資產產生之預期未來現金流量折現至其現值，此需要對收益水平及經營成本金額作出重大判斷。本集團利用所有可得資料(包括基於合理及有力假設之估計以及對收益水平及經營成本金額之預測)，釐定可收回金額之合理近似金額。該等估計之變動可能對資產賬面值產生重大影響，並可能導致於未來期間之額外減值支出或撥回減值。於二零一五年十二月三十一日，物業、廠房及設備之賬面值約400,936,000港元(二零一四年：595,362,000港元)。截至二零一五年十二月三十一日止年度，已確認物業、廠房及設備之減值虧損約94,916,000港元(二零一四年：無)，詳情於附註17(iii)披露。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

a) Key sources of estimation uncertainty (Continued)

ii) *Estimation of impairment of property, plant and equipment (Continued)*

The recoverable amount is the greater of the fair value less costs of disposal and the value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of the level of revenue and amount of operation costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal of impairment in future periods. As at 31 December 2015, the carrying amount of property, plant and equipment is approximately HK\$400,936,000 (2014: HK\$595,362,000). During the year ended 31 December 2015, impairment loss on property, plant and equipment amounting to approximately HK\$94,916,000 (2014: Nil) was recognised and the details of which are disclosed in note 17(iii).

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4. 關鍵會計判斷及估計不確定之主要來源 (續)

a) 估計不確定性之主要來源 (續)

iii) 經營租約下預付土地租金減值之估算

本集團根據附註2(j)(ii)所載之本集團會計政策，每年對經營租約下預付土地租金是否出現減值進行評估。賺取現金單位之可收回金額乃根據使用價值計算而釐定。該等計算需要使用管理層對業務之未來營運作出之估計及假設、稅前折現率以及其他有關使用價值計算之假設。於二零一五年十二月三十一日，經營租約下預付土地租金之賬面值約為157,737,000港元(二零一四年：187,376,000港元)。截至二零一五年十二月三十一日止年度，已確認經營租約下預付土地租金之減值虧損約14,753,000港元(二零一四年：無)，詳情於附註17(iii)及18(ii)披露。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

a) Key sources of estimation uncertainty (Continued)

iii) *Estimation of impairment of prepaid lease payments on land under operating leases*

The Group performs annual assessments on whether there has been impairment of prepaid lease payments on land under operating leases in accordance with the Group's accounting policy stated in note 2(j)(ii). The recoverable amounts of cash-generating units are determined based on value in use calculations. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the value in use calculations. As at 31 December 2015, the carrying amount of prepaid lease payments on land under operating leases is approximately HK\$157,737,000 (2014: HK\$187,376,000). During the year ended 31 December 2015, impairment loss on prepaid lease payments on land under operating leases amounting to approximately HK\$14,753,000 (2014: Nil) was recognised and the details of which are disclosed in notes 17(iii) and 18(ii).

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

4. 關鍵會計判斷及估計不確定之主要來源 (續)

a) 估計不確定性之主要來源 (續)

iv) 應收款減值之估算

應收款減值確認政策乃根據對應收款收回可能性之評估、賬齡分析及管理層判斷制定實行。在評估該等應收款最終能否變現時，需要作出大量判斷，包括每名債務人之現時信譽及過往收款紀錄。倘該等債務人之財務狀況轉差，將會影響其還款能力，因而可能需要作出額外減值虧損。於二零一五年十二月三十一日，應收賬款及其他應收款之賬面值約為416,580,000港元(二零一四年：439,782,000港元)。應收款減值之詳情已於附註25(c)作出披露。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

a) Key sources of estimation uncertainty (Continued)

iv) *Estimation of impairment of receivables*

The policy for recognition of impairment on receivables is based on the evaluation of collectibility, ageing analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of these debtors were to deteriorate, resulting in impairment of their ability to make payments, additional impairment loss may be required. As at 31 December 2015, the carrying amount of trade and other receivables is approximately HK\$416,580,000 (2014: HK\$439,782,000). Details of the impairment of receivables are disclosed in note 25(c).

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4. 關鍵會計判斷及估計不確定之主要來源 (續)

a) 估計不確定性之主要來源 (續)

v) 存貨之可變現淨值

存貨乃按成本與可變現淨值之較低者列賬。可變現淨值乃根據日常業務過程中之估計售價，減估計完成成本及進行銷售所需之估計成本釐定。該等估計是根據目前市況及製造和銷售同類產品之過往經驗而作出。本公司董事主要根據最近期之發票價格及現時市況估計存貨之可變現淨值。截至二零一五年十二月三十一日止年度，本公司董事按逐項產品基準對存貨進行定期檢討，並撇除為數約86,223,000港元(二零一四年：121,929,000港元)。截至二零一四年十二月三十一日止年度，本公司董事已作出存貨撇除撥回約9,684,000港元(二零一五年：無)。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

a) Key sources of estimation uncertainty (Continued)

v) *Net realisable value of inventories*

Inventories are stated at the lower of cost and net realisable value. Net realisable value is determined on the basis of the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated cost necessary to make the sale. These estimates are based on the current market conditions and the historical experience of manufacturing and selling products of similar nature. The directors of the Company estimate the net realisable value for inventories based primarily on the latest invoice prices and current market conditions. During the year ended 31 December 2015, the directors of the Company performed periodic review on a product-by-product basis and made a write down of its inventories of approximately HK\$86,223,000 (2014: HK\$121,929,000). During the year ended 31 December 2014, the directors of the Company made a reversal of write down of inventories of approximately HK\$9,684,000 (2015: Nil).

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NOTES TO THE FINANCIAL STATEMENTS

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

4. 關鍵會計判斷及估計不確定之主要來源 (續)

b) 在應用本集團會計政策時所作之重大會計判斷

在釐定若干資產及負債之賬面值時，本集團就不確定的未來事件對各申報期間結算日資產及負債之影響作出假設。有關估計涉及對現金流量及所用折現率之假設。本集團根據過往經驗及對未來事件之預計作出估計及假設，並定期檢討。除對未來事件之假設及估計外，本集團在應用會計政策時亦作出判斷。

i) 所得稅及遞延稅項

本集團在香港須繳付所得稅，而在中國須繳付不同稅項。於釐定稅項撥備時須作出重大判斷。於一般業務過程中存有頗多交易及計算，使得最終稅務釐定存在不確定性。本集團根據對是否須繳納額外稅項之估計就預期稅務事宜確認負債。倘上述事宜之最終稅務結果與最初記錄之金額有所不同，有關差額將影響作出有關釐定期間之所得稅及遞延稅項撥備。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

b) Critical accounting judgements in applying the Group's accounting policies

In determining the carrying amounts of certain assets and liabilities, the Group makes assumptions for the effects of uncertain future events on those assets and liabilities at the end of each reporting period. These estimates involve assumptions about such items as cash flows and discount rates used. The Group's estimates and assumptions are based on historical experience and expectations of future events and are reviewed periodically. In addition to assumptions and estimations of future events, judgements are also made during the process of applying the Group's accounting policies.

i) Income taxes and deferred taxation

The Group is subject to income tax in Hong Kong and various taxes in the PRC. Significant judgement is required in determining the provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional tax will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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4. 關鍵會計判斷及估計不確定之主要來源 (續)

b) 在應用本集團會計政策時所作之重大會計判斷 (續)

i) 所得稅及遞延稅項 (續)

有關若干暫時差異之遞延稅項資產，乃於管理層認為日後可能有可動用應課稅溢利抵銷暫時差異或稅項虧損之情況下予以確認。倘該項預期有別於原來估計，該等差額將影響更改有關改變估計期間所確認之遞延稅項資產及稅項支出。就此而言，本集團已於二零一五年十二月三十一日確認遞延稅項資產約4,695,000港元(二零一四年：5,465,000港元)。

ii) 分派股息所產生之預扣稅

本集團乃根據派付股息的時間判斷釐定是否應計若干附屬公司分派的股息產生的預扣稅(根據相關稅務法例及規例徵收)。本集團認為，倘該等附屬公司於可預見未來將不會分派溢利，則毋須就有關預扣稅提供撥備。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

b) Critical accounting judgements in applying the Group's accounting policies (Continued)

i) *Income taxes and deferred taxation (Continued)*

Deferred tax assets relating to certain temporary differences are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and tax charge in the periods in which such estimate is changed. In this regard, the Group has recognised deferred tax assets of approximately HK\$4,695,000 (2014: HK\$5,465,000) as at 31 December 2015.

ii) *Withholding tax arising from the distribution of dividends*

The Group's determination as to whether to accrue for withholding tax arising from the distribution of dividends from certain subsidiaries according to the relevant tax law and regulations is subject to judgement on the timing of the payment of dividends. The Group considers that if the profits of these subsidiaries will not be distributed in the foreseeable future, then no withholding tax should be provided.

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5. 收入

收入指供應予客戶之貨品銷售價值(不包括增值稅及其他銷售稅項), 並扣除任何退貨及貿易折扣。本年度確認之收入之各主要類別金額如下:

5. REVENUE

Revenue represents the sales value of goods supplied to customers which excludes value-added and other sales taxes, and is after deduction of any goods returns and trade discounts. The amount of each significant category of revenue recognised during the year is as follows:

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 |
|-----------------------------|--|----------------------------------|----------------------------------|
| 稀土產品 (包括熒光產品)銷售 | Sales of rare earth products (including fluorescent products) | 500,419 | 842,628 |
| 耐火產品 (包括高溫陶瓷產品 及鎂砂)銷售 | Sales of refractory products (including high temperature ceramics products and magnesium grains) | 342,691 | 341,158 |
| | | 843,110 | 1,183,786 |

6. 其他收入

6. OTHER INCOME

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 |
|----------|------------------------------------|----------------------------------|----------------------------------|
| 銀行存款利息收入 | Interest income from bank deposits | 5,600 | 6,098 |

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7. 其他收益淨值

7. OTHER NET GAIN

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 |
|---------------|--|----------------------------------|----------------------------------|
| 出售可供出售權益證券之收益 | Gain on disposal of available-for-sale equity securities | 29,491 | – |
| 匯兌收益淨額 | Net exchange gain | 5,668 | 16,177 |
| 應收賬款之減值虧損 | Impairment loss on trade receivables | (1,686) | (10,030) |
| 其他應收款之減值虧損 | Impairment loss on other receivables | (191) | (253) |
| 應收賬款之減值虧損撥回 | Reversal of impairment loss on trade receivables | 10,146 | 6,305 |
| 其他應收款之減值虧損撥回 | Reversal of impairment loss on other receivables | 224 | 124 |
| 其他 | Others | (369) | 220 |
| | | 43,283 | 12,543 |

8. 除稅前虧損

8. LOSS BEFORE TAXATION

除稅前虧損已扣除下列各項：

Loss before taxation is arrived at after charging:

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 |
|------------------|--|----------------------------------|----------------------------------|
| a) 財務成本 | a) Finance costs | | |
| 銀行貸款利息支出 (附註) | Interest expenses on bank borrowings (note) | 1,436 | 3,337 |

附註：於截至二零一四年十二月三十一日止年度，本集團透過收購附屬公司（於附註34披露）取得銀行借貸約85,079,000港元。銀行借貸按固定年利率介乎4.1%至6.9%計息，並已於年內悉數償還。

於截至二零一五年十二月三十一日止年度，本集團取得銀行借貸約71,919,000港元。銀行借貸按固定年利率4%計息，並已於年內悉數償還。

Note: During the year ended 31 December 2014, the Group obtained bank borrowings of approximately HK\$85,079,000 through acquisition of a subsidiary as disclosed in note 34. The bank borrowings carried fixed interest rates ranging from 4.1% to 6.9% per annum and were repaid in full during that year.

During the year ended 31 December 2015, the Group obtained bank borrowings of approximately HK\$71,919,000. The bank borrowings carried fixed interest rate of 4% per annum and were repaid in full during the year.

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8. 除稅前虧損(續)

8. LOSS BEFORE TAXATION (Continued)

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 (已重列) (Restated) |
|-----------|----------------------------------|----------------------------------|---|
| b) | 員工成本(包括附註10 b) 所載之董事酬金) # | | |
| | 薪金及工資 | 63,249 | 67,481 |
| | 退休福利計劃供款 (附註12) | 6,024 | 6,953 |
| | | 69,273 | 74,434 |
| c) | 其他項目 | | |
| | 核數師酬金 | | |
| | — 審核服務 | 2,950 | 2,950 |
| | — 其他服務 | 525 | 525 |
| | | 3,475 | 3,475 |
| | 存貨成本(附註24(b)) # | 943,575 | 1,292,332 |
| | 物業、廠房及設備 之折舊# | 78,443 | 75,975 |
| | 經營租約下預付土地 租金攤銷# | 4,511 | 4,791 |
| | 租賃物業經營租賃 支出# | 2,690 | 2,723 |

截至二零一五年十二月三十一日止年度內，存貨成本包括有關員工成本、折舊及攤銷開支以及經營租約費用約115,023,000港元(二零一四年：113,141,000港元)，有關款項亦已就各類別開支計入上文獨立披露之總額內。

During the year ended 31 December 2015, cost of inventories included approximately HK\$115,023,000 (2014: HK\$113,141,000) relating to staff costs, depreciation and amortisation expenses, and operating lease charges, which amounts were also included in the respective total amounts disclosed separately above for each of these types of expenses.

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9. 綜合損益表內之所得稅

a) 綜合損益表內之所得稅指：

9. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

a) Income tax in the consolidated statement of profit or loss represents:

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 (已重列) (Restated) |
|--------------------------|---|----------------------------------|---|
| 本期稅項－中國企業所得稅 | Current tax – PRC Enterprise Income Tax | | |
| 本年度撥備(附註30(a)) | Provision for the year (note 30(a)) | (663) | (1,878) |
| 未匯出盈利之預扣稅 (附註30(a)) | Withholding tax on unremitted earning (note 30(a)) | (2,429) | – |
| 以往年度撥備過多 (附註30(a)) | Over-provision in prior years (note 30(a)) | – | 308 |
| | | (3,092) | (1,570) |
| 遞延稅項 | Deferred taxation | | |
| 暫時性差異之產生及 撥回(附註30(b)) | Origination and reversal of temporary differences (note 30(b)) | (443) | (1,836) |
| 所得稅支出 | Income tax charge | (3,535) | (3,406) |

本公司及其附屬公司分別於開曼群島及英屬處女群島註冊成立的，根據彼等各自註冊成立國家之規則及規例，毋須繳付任何所得稅。

由於本集團於截至二零一五年十二月三十一日止年度並無於香港產生估計應課稅溢利，因此無就香港利得稅作出撥備。

The Company and its subsidiaries incorporated in the Cayman Islands and the British Virgin Islands respectively are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

No provision for Hong Kong Profits Tax is provided for as the Group has no estimated assessable profits arising in Hong Kong during the year ended 31 December 2015.

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

9. 綜合損益表內之所得稅(續)

a) (續)

由於本集團於截至二零一四年十二月三十一日止年度於香港產生之估計應評稅利潤被承前稅務虧損額全數抵銷，因此無就香港利得稅作出撥備。

截至二零一五年及二零一四年十二月三十一日止年度內，中國企業所得稅乃根據本公司於中國成立之附屬公司之估計應課稅溢利按法定所得稅率25%計算。

中國企業所得稅法亦規定自二零零八年一月一日起中國附屬公司向其海外(包括香港)股東分派溢利時須按5%或10%稅率繳納預扣稅。

根據中國有關稅務法例及規例，宜興新威利成耐火材料有限公司(「利成耐火」)獲分類為外商投資之「高新技術企業」，可享有優惠所得稅率15%。

截至二零一五年十二月三十一日止年度，宜興新威利成稀土有限公司(「利成稀土」)不再為外商投資之「高新技術企業」，其後須按25%稅率繳納法定所得稅。

9. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

a) (Continued)

No provision for Hong Kong Profits Tax is provided for as the estimated assessable profits of the Group arising in Hong Kong during the year ended 31 December 2014 are wholly absorbed by tax losses brought forward.

PRC Enterprise Income Tax is calculated at the statutory income tax rate of 25% on the estimated assessable profits of the Company's subsidiaries established in the PRC during the years ended 31 December 2015 and 2014.

The PRC Enterprise Income Tax Law also requires withholding tax of 5% or 10% upon distribution of profits by the PRC subsidiaries since 1 January 2008 to its overseas (including Hong Kong) shareholders.

Pursuant to the relevant tax laws and regulations in the PRC, Yixing Xinwei Leeshing Refractory Materials Company Limited ("Leeshing Refractory") is classified as foreign invested "New and High Technology Enterprises" and is entitled to a preferential income tax rate of 15%.

Yixing Xinwei Leeshing Rare Earth Company Limited ("Leeshing Rare Earth") ceased to be a foreign invested "New and High Technology Enterprises" during the year ended 31 December 2015 and subject to the statutory income tax rate of 25% subsequently.

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9. 綜合損益表內之所得稅(續)

- b) 所得稅支出與會計虧損之間按適用稅率計算之對賬如下：

9. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

- b) Reconciliation between income tax charge and accounting loss at applicable tax rates is as follows:

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 (已重列) (Restated) |
|--|---|----------------------------------|---|
| 除稅前虧損 | Loss before taxation | (264,083) | (98,622) |
| 除稅前虧損 按各稅務司法權區 適用法定稅率計算 之名義稅項 | Notional tax on loss before taxation, calculated at statutory tax rates applicable to the respective tax jurisdictions concerned | 69,360 | 26,459 |
| 不可抵扣支出之稅務影響 | Tax effect of non-deductible expenses | (30,237) | (5,468) |
| 合營企業溢利分攤 之稅務影響 | Tax effect of share of profits of joint ventures | – | 646 |
| 毋須課稅收入之稅務影響 | Tax effect of non-taxable income | 3,138 | 46,115 |
| 未確認稅務虧損 之稅務影響 | Tax effect of tax losses not recognised | (43,626) | (78,718) |
| 動用先前未確認稅務虧損 之稅務影響 | Tax effect of utilisation of tax losses previously not recognised | – | 6,891 |
| 本公司於中國成立之 附屬公司之未匯出 盈利之預扣稅 | Withholding tax on unremitted earnings of the Company's subsidiary established in the PRC | (2,429) | – |
| 以往年度撥備過多 | Over-provision in prior years | – | 308 |
| 中國附屬公司獲授 稅務豁免之稅務影響 | Tax effect of tax exemptions granted to PRC subsidiaries | 259 | 361 |
| 所得稅支出 | Income tax charge | (3,535) | (3,406) |

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NOTES TO THE FINANCIAL STATEMENTS

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

10. 董事酬金

根據公司條例第383(1)條及公司(披露董事利益資料)規例第2部披露的董事酬金如下：

10. DIRECTORS' EMOLUMENTS

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

| | | 二零一五年 2015 | | | | | |
|----------------|--|--------------------|--|------------------------|---|-----------------------------|-----------------|
| | | 董事袍金 | 薪金、津貼及 實物福利 | 酌情花紅 | 退休福利 計劃供款 | 以股份為基礎 之付款 | 總計 |
| | | Directors' fees | Salaries, allowances and benefit- in-kind | Discretionary bonus | Retirement benefits scheme contributions | Share- based payments | Total |
| | | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 |
| 執行董事 | Executive directors | | | | | | |
| 蔣泉龍先生 | Mr. Jiang Quanlong | - | 1,430 | - | - | - | 1,430 |
| 錢元英女士(附註) | Ms. Qian Yuanying (note) | - | 1,984 | - | - | - | 1,984 |
| 蔣才南先生 | Mr. Jiang Cainan | - | 213 | - | - | - | 213 |
| | | - | 3,627 | - | - | - | 3,627 |
| 獨立非執行董事 | Independent non-executive directors | | | | | | |
| 黃春華先生 | Mr. Huang Chunhua | 72 | - | - | - | - | 72 |
| 金重先生 | Mr. Jin Zhong | 44 | - | - | - | - | 44 |
| 王國珍先生 | Mr. Wang Guozhen | 74 | - | - | - | - | 74 |
| | | 190 | - | - | - | - | 190 |
| 總計 | Total | 190 | 3,627 | - | - | - | 3,817 |

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NOTES TO THE FINANCIAL STATEMENTS

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

10. 董事酬金 (續)

10. DIRECTORS' EMOLUMENTS (Continued)

| | | 二零一四年 | | | | | |
|--------------------|--|--|---------------------------------------|-----------------------------|----------|----------|--|
| | | 2014 | | | | | |
| 董事袍金 | 薪金、津貼及 實物福利 | 酌情花紅 | 退休福利 計劃供款 | 以股份為基礎 之付款 | | 總計 | |
| Directors' fees | Salaries, allowances and benefit- in-kind | Discretionary bonus | Retirement scheme contributions | Share- based payments | | Total | |
| 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | |
| HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| 執行董事 | | Executive directors | | | | | |
| 蔣泉龍先生 | Mr. Jiang Quanlong | - | 1,430 | - | - | 1,430 | |
| 錢元英女士(附註) | Ms. Qian Yuanying (note) | - | 1,936 | - | - | 1,936 | |
| 蔣才南先生 | Mr. Jiang Cainan | - | 255 | - | - | 255 | |
| | | - | 3,621 | - | - | 3,621 | |
| 獨立非執行董事 | | Independent non-executive directors | | | | | |
| 黃春華先生 | Mr. Huang Chunhua | 72 | - | - | - | 72 | |
| 金重先生 | Mr. Jin Zhong | 46 | - | - | - | 46 | |
| 王國珍先生 | Mr. Wang Guozhen | 76 | - | - | - | 76 | |
| | | 194 | - | - | - | 194 | |
| 總計 | Total | 194 | 3,621 | - | - | 3,815 | |

附註：錢元英女士為本公司主要行政人員。

截至二零一五年及二零一四年十二月三十一日止年度內，概無董事向本集團收取任何酬金，作為鼓勵加入本集團或加入本集團時之獎勵或離職補償，於該兩個年度，概無董事放棄或同意放棄任何酬金。

Note: Ms. Qian Yuanying is the chief executive of the Company.

During the years ended 31 December 2015 and 2014, no director received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office. No director has waived or agreed to waive any emoluments during both years.

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

11. 最高薪人士及高級管理人員酬金

(i) 五名最高薪人士

截至二零一五年十二月三十一日止年度，本集團五名最高薪人士中，其中兩名（二零一四年：三名）為本公司董事，其酬金於附註10披露。其餘三名（二零一四年：兩名）最高薪人士之酬金總額如下：

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 |
|-----------|--|----------------------------------|----------------------------------|
| 薪金及其他酬金 | Salaries and other emoluments | 2,565 | 2,038 |
| 酌情花紅 | Discretionary bonus | – | – |
| 退休福利計劃供款 | Retirement benefits scheme contributions | 66 | 51 |
| 以股份為基礎之付款 | Share-based payments | – | – |
| | | 2,631 | 2,089 |

其餘三名（二零一四年：兩名）最高薪人士之酬金介乎於下列範圍：

| | | 二零一五年 2015 人數 Number of individuals | 二零一四年 2014 人數 Number of individuals |
|---------------------------|-------------------------------|---|---|
| 範圍： | Bands: | | |
| 零 – 1,000,000港元 | Nil – HK\$1,000,000 | 1 | 1 |
| 1,000,001港元 – 1,500,000港元 | HK\$1,000,001 – HK\$1,500,000 | 2 | 1 |
| | | 3 | 2 |

11. INDIVIDUALS WITH HIGHEST EMOLUMENTS AND SENIOR MANAGEMENT'S EMOLUMENTS

(i) Five highest paid individuals

During the year ended 31 December 2015, out of the five highest paid individuals in the Group, two (2014: three) are directors of the Company whose emoluments are disclosed in note 10. The aggregate emoluments in respect of the remaining three (2014: two) highest paid individuals are as follows:

The emoluments of the remaining three (2014: two) highest paid individuals are within the following band:

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

11. 最高薪人士及高級管理人員酬金(續)

(i) 五名最高薪人士(續)

截至二零一五年及二零一四年十二月三十一日止年度，本集團並無向五位最高薪人士支付或應付任何酬金，作為鼓勵其加入或於加入本集團時的報酬或離職賠償。

(ii) 高級管理人員酬金

已付或應付予高級管理人員之酬金介乎下列範圍：

11. INDIVIDUALS WITH HIGHEST EMOLUMENTS AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(i) Five highest paid individuals (Continued)

No emoluments were paid or payable by the Group to the five highest paid individuals as inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2015 and 2014.

(ii) Senior management's emoluments

The emoluments paid or payable to senior management are within the following bands:

| | | 二零一五年 2015 人數 Number of individuals | 二零一四年 2014 人數 Number of individuals |
|--------------------------|-------------------------------|---|---|
| 範圍： | Bands: | | |
| 零 – 1,000,000港元 | Nil – HK\$1,000,000 | 5 | 6 |
| 1,000,001元 – 1,500,000港元 | HK\$1,000,001 – HK\$1,500,000 | 2 | 1 |
| | | 7 | 7 |

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12. 僱員退休福利

如中國有關規則及條例的規定，本公司於中國成立之附屬公司須為其全體僱員向國家資助退休計劃（一項界定供款退休金計劃）供款，供款額為僱員基本薪金的若干百分比。僱員退休後的生活津貼由國家資助退休計劃負責支付。該等附屬公司除每年供款外，毋須支付實際退休金，亦毋須負責僱員的退休後福利。截至二零一五年十二月三十一日止年度，退休計劃供款額約為5,961,000港元（二零一四年：6,895,000港元）。該計劃供款即時歸屬。

本集團自二零零零年十二月一日起已參與強制性公積金計劃（「強積金計劃」）。該計劃為界定供款退休金計劃。本集團每月按僱員基本薪金若干百分比向該計劃供款。截至二零一五年十二月三十一日止年度，本集團向強積金計劃供款約63,000港元（二零一四年：58,000港元）。強積金的資產與本集團的資產分開持有，並由獨立專業基金經理管理。該計劃供款按時歸屬。

13. 股息

本公司董事不建議派付截至二零一五年十二月三十一日止年度之股息（二零一四年：無）。

12. EMPLOYEE RETIREMENT BENEFITS

As stipulated by the relevant rules and regulations in the PRC, the Company's subsidiaries established in the PRC are required to contribute to a state-sponsored retirement plan, which is a defined contribution pension scheme, for all of their employees based on certain percentages of the employee's basic salary. The state-sponsored retirement plan is responsible for the entire pension obligations payable to retired employees and these subsidiaries have no further obligations for the actual pension payments or other post-retirement benefits beyond the annual contributions. For the year ended 31 December 2015, the retirement plan contributions amounted to approximately HK\$5,961,000 (2014: HK\$6,895,000). Contributions to the plan vest immediately.

The Group has participated in Mandatory Provident Fund Scheme ("MPF Scheme"), which is a defined contribution pension scheme, since 1 December 2000. The Group makes monthly contributions to the scheme based on certain percentage of the employees' basic salaries. For the year ended 31 December 2015, the Group's contributions to the MPF Scheme were approximately HK\$63,000 (2014: HK\$58,000). The assets of the fund are held separately from the Group and are managed by independent professional fund managers. Contributions to the scheme vest progressively.

13. DIVIDENDS

The directors of the Company do not recommend the payment of a dividend for the year ended 31 December 2015 (2014: Nil).

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14. 每股虧損

每股基本虧損

本公司擁有人之每股基本虧損乃根據下列數據計算：

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 (已重列) (Restated) |
|--------------------------------|---|----------------------------------|---|
| 就計算每股基本虧損 之本公司擁有人 應佔年度虧損 | Loss for the year attributable to owners of the Company for the purpose of basic loss per share | 256,650 | 92,972 |
| | | Number of shares 股份數目 | |
| | | 二零一五年 2015 千股 '000 | 二零一四年 2014 千股 '000 (已重列) (Restated) |
| 計算每股基本虧損之 普通股份加權平均數 | Weighted average number of ordinary shares for the purpose of basic loss per share | 2,141,900 | 2,007,172 |

計算截至二零一四年十二月三十一日止年度之每股基本虧損之分母已經調整，以反映於二零一五年八月按每持有五股現有普通股份獲發兩股供股股份之基準進行供股之紅利因素。

每股攤薄虧損

由於本公司於截至二零一五年及二零一四年十二月三十一日止年度期間並無尚未行使之潛在攤薄普通股，因此每股攤薄虧損與每股基本虧損相同。

14. LOSS PER SHARE

Basic loss per share

The calculation of the basic loss per share to owners of the Company is based on the following data:

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 (已重列) (Restated) |
|--------------------------------|---|----------------------------------|---|
| 就計算每股基本虧損 之本公司擁有人 應佔年度虧損 | Loss for the year attributable to owners of the Company for the purpose of basic loss per share | 256,650 | 92,972 |
| | | Number of shares 股份數目 | |
| | | 二零一五年 2015 千股 '000 | 二零一四年 2014 千股 '000 (已重列) (Restated) |
| 計算每股基本虧損之 普通股份加權平均數 | Weighted average number of ordinary shares for the purpose of basic loss per share | 2,141,900 | 2,007,172 |

The denominator for the purpose of calculating basic loss per share for the year ended 31 December 2014 has been adjusted to reflect the bonus element of the rights issue in August 2015 on the basis of two rights shares for every five existing ordinary shares.

Diluted loss per share

Diluted loss per share equals to the basic loss per share as the Company has no potential dilutive ordinary shares outstanding during the years ended 31 December 2015 and 2014.

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15. 分部報告

本集團按業務性質劃分分部及進行管理。於採納香港財務報告準則第8號「經營分部」及與向被確認為本集團首席營運決策人（「首席營運決策人」）之行政總裁內部呈報用以資源分配及表現評估之資料一致，本集團呈列了兩個呈報分部。並無合併經營分部以形成下列呈報分部：

稀土：製造及銷售稀土產品（包括熒光產品）

耐火：製造及銷售耐火產品（包括高溫陶瓷產品及鎂砂）

a) 分部業績、資產及負債

就評估分部表現及分部間分配資源而言，本集團之首席營運決策人按照下列基準監察各個呈報分部應佔之業績、資產及負債：

分部資產包括所有有形及無形資產及流動資產，但不包括遞延稅項資產、可收回稅項、未分配現金及現金等值項目以及未分配至個別呈報分部之其他企業資產。分部負債包括個別分部之製造及銷售活動應佔之應付賬款、應計款項及其他應付款。

15. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines. On adoption of HKFRS 8 “Operating Segments”, and in a manner consistent with the way in which information is reported internally to the Chief Executive Officer, who has been identified as the Group’s chief operating decision maker (“CODM”), for the purposes of resource allocation and performance assessment, the Group has presented two reportable segments. No operating segments have been aggregated to form the following reportable segments:

Rare earth: Manufacture and sales of rare earth products (including fluorescent products)

Refractory: Manufacture and sales of refractory products (including high temperature ceramics products and magnesium grains)

a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group’s CODM monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible and intangible assets, and current assets with the exception of deferred tax assets, tax recoverable, unallocated cash and cash equivalents, and other corporate assets which are unallocated to an individual reportable segment. Segment liabilities include trade payables, accruals and other payables attributable to the manufacturing and sales activities of the individual segments.

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

15. 分部報告 (續)

a) 分部業績、資產及負債 (續)

收入及開支乃經參考呈報分部之銷售額及開支或該等分部應佔資產之折舊或攤銷所引致之開支，分配至該等分部。

呈報分部溢利／(虧損)所使用之計量方法為「經調整扣除利息及稅項前溢利」(「經調整EBIT」)。為計算經調整EBIT，本集團之溢利／(虧損)會就並非特定個別呈報分部應佔之項目作出進一步調整，如利息收入、利息開支及其他未分配企業開支。

除獲得有關經調整EBIT之分部資料外，首席營運決策人亦獲提供有關收入(包括分部間銷售)、由分部直接管理之現金結餘及借款之利息收入及開支、折舊、攤銷、減值虧損、出售及收購股本權益之收益、合營企業業績之分攤及分部於營運中所使用之非流動分部資產添置之分部資料。分部間銷售參考就同類訂單收取外部第三方之價格訂價。

15. SEGMENT REPORTING (Continued)

a) Segment results, assets and liabilities (Continued)

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

The measure used for reporting segment profit/(loss) is "adjusted profit before interest and taxes" ("Adjusted EBIT"). To arrive at the Adjusted EBIT, the Group's profit/(loss) further adjusted for items not specifically attributed to an individual reportable segment, such as interest income, interest expenses and other unallocated corporate expenses.

In addition to the receiving of segment information concerning the Adjusted EBIT, the CODM is provided with segment information concerning revenue (including inter-segment sales), interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation, impairment losses, gain on disposal and acquisition of equity interests, share of results of joint ventures and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

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

15. 分部報告 (續)

a) 分部業績、資產及負債 (續)

年內，就提供予首席營運決策人用作分配資源及評估分部表現之本集團呈報分部資料載列如下：

15. SEGMENT REPORTING (Continued)

a) Segment results, assets and liabilities (Continued)

Information regarding the Group's reportable segments as provided to the CODM for the purposes of resource allocation and assessment of segment performance for the year is as follows:

| | | 稀土 Rare earth | | 耐火 Refractory | | 總計 Total | |
|--------------------------|---|----------------------------------|---|----------------------------------|---|----------------------------------|---|
| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 (已重列) (Restated) | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 (已重列) (Restated) | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 (已重列) (Restated) |
| 來自對外客戶之收入 | Revenue from external customers | 500,419 | 842,628 | 342,691 | 341,158 | 843,110 | 1,183,786 |
| 分部間收入 | Inter-segment revenue | 35 | 44 | - | - | 35 | 44 |
| 呈報分部收入 | Reportable segment revenue | 500,454 | 842,672 | 342,691 | 341,158 | 843,145 | 1,183,830 |
| 呈報分部(虧損)/溢利 (經調整EBIT) | Reportable segment (loss)/profit (Adjusted EBIT) | (287,249) | (118,844) | 4,950 | 30,823 | (282,299) | (88,021) |
| 利息收入 | Interest income | 2,607 | 2,801 | 2,825 | 3,296 | 5,432 | 6,097 |
| 財務成本 | Finance costs | (1,436) | (3,337) | - | - | (1,436) | (3,337) |
| 物業、廠房及設備 之折舊 | Depreciation of property, plant and equipment | (41,183) | (35,923) | (37,254) | (40,044) | (78,437) | (75,967) |
| 經營租約下預付土地 租金之攤銷 | Amortisation of prepaid lease payments on land under operating leases | (2,027) | (2,221) | (2,484) | (2,570) | (4,511) | (4,791) |
| 應收賬款之減值虧損 | Impairment loss on trade receivables | (1,207) | (3,154) | (479) | (6,876) | (1,686) | (10,030) |
| 其他應收款之減值虧損 | Impairment loss on other receivables | - | (18) | (191) | (235) | (191) | (253) |
| 應收賬款之減值虧損 撥回 | Reversal of impairment loss on trade receivables | 928 | 172 | 9,218 | 6,133 | 10,146 | 6,305 |
| 其他應收款之減值虧損 撥回 | Reversal of impairment loss on other receivables | 160 | 86 | 64 | 38 | 224 | 124 |
| 物業、廠房及設備 之減值虧損 | Impairment loss on property, plant and equipment | (94,916) | - | - | - | (94,916) | - |
| 經營租約下預付土地租金 之減值虧損 | Impairment loss on prepaid lease payments on land under operating leases | (14,753) | - | - | - | (14,753) | - |
| 出售合營企業權益之收益 | Gain on disposal of interest in a joint venture | - | - | - | 11,974 | - | 11,974 |
| 被視作出售合營企業權益 之收益 | Gain on deemed disposal of interest in a joint venture | - | 2,750 | - | - | - | 2,750 |
| 議價購買附屬公司 權益之收益 | Gain on bargain purchase of interest in a subsidiary | - | 24,225 | - | - | - | 24,225 |
| 出售附屬公司之收益 | Gain on disposal of subsidiary | - | 77,379 | - | - | - | 77,379 |
| 合營企業(虧損)/溢利之 分攤 | Share of (losses)/profits of joint ventures | - | (2,377) | - | 4,960 | - | 2,583 |
| 呈報分部資產 | Reportable segment assets | 1,885,800 | 1,837,723 | 1,861,815 | 1,961,327 | 3,747,615 | 3,799,050 |
| 添置非流動分部資產： - 物業、廠房及設備 | Additions to non-current segment assets: - Property, plant and equipment | 1,389 | 46,271 | 7,504 | 23,831 | 8,893 | 70,102 |
| 呈報分部負債 | Reportable segment liabilities | 675,758 | 652,391 | 172,253 | 174,624 | 848,011 | 827,015 |

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15. 分部報告 (續)

b) 呈報分部收入、溢利或虧損、資產及負債之對賬

15. SEGMENT REPORTING (Continued)

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

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 (已重列) (Restated) |
|----------------------|--|----------------------------------|---|
| 收入 | Revenue | | |
| 呈報分部收入 | Reportable segment revenue | 843,145 | 1,183,830 |
| 撇銷分部間收入 | Elimination of inter-segment revenue | (35) | (44) |
| 綜合收入 | Consolidated revenue | 843,110 | 1,183,786 |
| 溢利或虧損 | Profit or loss | | |
| 呈報分部虧損 | Reportable segment loss | (282,299) | (88,021) |
| 撇銷分部間溢利或虧損 | Elimination of inter-segment profit or loss | - | - |
| 來自本集團對外客戶 之呈報分部虧損 | Reportable segment loss derived from Group's external customers | (282,299) | (88,021) |
| 其他收入 | Other income | 5,600 | 6,098 |
| 出售可供出售權益證券 之收益 | Gain on disposal of available-for-sale equity securities | 29,491 | - |
| 財務成本 | Finance costs | (1,436) | (3,337) |
| 未分配企業開支 | Unallocated corporate expenses | (15,439) | (13,362) |
| 綜合除稅前虧損 | Consolidated loss before taxation | (264,083) | (98,622) |
| 所得稅支出 | Income tax charge | (3,535) | (3,406) |
| 綜合除稅後虧損 | Consolidated loss after taxation | (267,618) | (102,028) |
| 資產 | Assets | | |
| 呈報分部資產 | Reportable segment assets | 3,747,615 | 3,799,050 |
| 撇銷分部間應收款項 | Elimination of inter-segment receivables | (605,313) | (642,897) |
| 未分配現金及現金等值項目 | Unallocated cash and cash equivalents | 3,142,302 | 3,156,153 |
| 未分配企業資產 | Unallocated corporate assets | 38,693 | 7,560 |
| 遞延稅項資產 | Deferred tax assets | 962 | 18,222 |
| 可收回稅項 | Tax recoverable | 4,695 | 5,465 |
| | | 1,258 | 3,010 |
| 綜合資產總值 | Consolidated total assets | 3,187,910 | 3,190,410 |
| 負債 | Liabilities | | |
| 呈報分部負債 | Reportable segment liabilities | 848,011 | 827,015 |
| 撇銷分部間應付款項 | Elimination of inter-segment payables | (605,313) | (642,897) |
| 未分配企業負債 | Unallocated corporate liabilities | 242,698 | 184,118 |
| 遞延稅項負債 | Deferred tax liabilities | 5,248 | 4,744 |
| 應付稅項 | Tax payable | 886 | 962 |
| | | 2,554 | 2,976 |
| 綜合負債總值 | Consolidated total liabilities | 251,386 | 192,800 |

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15. 分部報告 (續)

c) 地區資料

(i) 來自對外客戶之收入

下表載列有關本集團來自對外客戶之收入所在地區的資料。客戶所在地區按貨品付運地點劃分。

15. SEGMENT REPORTING (Continued)

c) Geographical information

(i) Revenues from external customers

The following table sets out information about the geographical location of the Group's revenues from external customers. The geographical location of customers is based on the location at which the goods were delivered.

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 |
|----------|------------------------------|----------------------------------|----------------------------------|
| 中國(註冊地點) | The PRC (place of domicile) | 616,089 | 888,541 |
| 歐洲 | Europe | 83,785 | 67,037 |
| 日本 | Japan | 73,638 | 107,237 |
| 美國 | The United States of America | 40,520 | 61,504 |
| 其他 | Others | 29,078 | 59,467 |
| | | 227,021 | 295,245 |
| | | 843,110 | 1,183,786 |

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NOTES TO THE FINANCIAL STATEMENTS

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

15. 分部報告 (續)

c) 地區資料 (續)

(ii) 特定非流動資產

本集團之特定非流動資產，包括物業、廠房及設備、經營租約下預付土地租金、其他非流動資產、無形資產及商譽。

該等特定非流動資產之地區位置乃根據(i)資產實際所在地點(就物業、廠房及設備、經營租約下預付土地租金及其他非流動資產而言)；及(ii)所分配之營運所在地點(就無形資產及商譽而言)劃分。於二零一五年及二零一四年十二月三十一日，所有該等特定非流動資產均位於中國。

d) 有關主要客戶之資料

本集團之客戶基礎分散及於截至二零一四年十二月三十一日止年度，只有一名稀土分部客戶之銷售額約為236,171,000港元，佔本集團收入之10%或以上。

截至二零一五年十二月三十一日止年度，稀土分部或耐火分部並無客戶之銷售額佔本集團收入之10%或以上。

15. SEGMENT REPORTING (Continued)

c) Geographical information (Continued)

(ii) Specified non-current assets

The Group's specified non-current assets comprise property, plant and equipment, prepaid lease payments on land under operating leases, other non-current asset, intangible asset and goodwill.

The geographical location of these specified non-current assets is based on (i) the physical location of the assets, in the case of property, plant and equipment, prepaid lease payments on land under operating leases, and other non-current asset and (ii) the location of the operation to which they are allocated, in the case of intangible asset and goodwill. All these specified non-current assets are all located in the PRC as at 31 December 2015 and 2014.

d) Information about major customer

The Group's customer base was diversified and included only one customer in rare earth segment with whom sales amounted to approximately HK\$236,171,000 for the year ended 31 December 2014 that amounted to 10% or more of the Group's revenue.

There was no customer in either rare earth segment or refractory segment with whom sales amounted to 10% or more of the Group's revenue during the year ended 31 December 2015.

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16. 商譽

16. GOODWILL

千港元
HK\$'000

| 成本 | Cost | |
|-----------------------------|--|-------------|
| 於二零一四年一月一日 | At 1 January 2014 | 242,564 |
| 出售附屬公司時終止確認(附註35) | Derecognised on disposal of a subsidiary (note 35) | (22,310) |
| 匯兌差異 | Exchange differences | (431) |
| | | <hr/> |
| 於二零一四年十二月三十一日 及二零一五年一月一日 | At 31 December 2014 and 1 January 2015 | 219,823 |
| 匯兌差異 | Exchange differences | (4,861) |
| | | <hr/> |
| 於二零一五年十二月三十一日 | At 31 December 2015 | 214,962 |
| | | <hr/> |
| 累計減值 | Accumulated impairment | |
| 於二零一四年一月一日 | At 1 January 2014 | 242,564 |
| 出售附屬公司時抵銷(附註35) | Eliminated on disposal of a subsidiary (note 35) | (22,310) |
| 匯兌差異 | Exchange differences | (431) |
| | | <hr/> |
| 於二零一四年十二月三十一日及 二零一五年一月一日 | At 31 December 2014 and 1 January 2015 | 219,823 |
| 匯兌差異 | Exchange differences | (4,861) |
| | | <hr/> |
| 於二零一五年十二月三十一日 | At 31 December 2015 | 214,962 |
| | | <hr/> |
| 賬面值 | Carrying amount | |
| 於二零一五年及二零一四年 十二月三十一日 | At 31 December 2015 and 2014 | - |
| | | <hr/> <hr/> |

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

16. 商譽(續)

於二零一五年十二月三十一日，收購下列附屬公司之100%股權所產生之商譽指收購成本超過本集團於收購日期所收購可識別資產及負債之公平值權益之款項：

| 附屬公司名稱 Name of subsidiary | 收購日期 Date of acquisition | 分部 Segment | 主要業務 Principal activities |
|--|--------------------------------------|----------------------------|--|
| 無錫新威高溫陶瓷 有限公司(「高溫陶瓷」) Wuxi Xinwei High Temperature Ceramics Co., Ltd. ("High Temperature Ceramics") | 二零零四年 一月二十九日 29 January 2004 | 耐火分部 Refractory segment | 製造及銷售高溫陶瓷產品 Manufacturing and sales of high temperature ceramics products |
| 海城市蘇海鎂礦 有限公司(「蘇海鎂礦」) Haicheng City Suhai Magnesium Ore Co., Ltd. ("Suhai Magnesium") | 二零零五年 十二月二十三日 23 December 2005 | 耐火分部 Refractory segment | 製造及銷售鎂砂產品 Manufacturing and sales of magnesium products |

收購高溫陶瓷及蘇海鎂礦之股權所產生之商譽已於以往年度全數減值。

收購和平縣東冶稀土新材料有限公司(「東冶稀土」)之100%股權時所產生之商譽(已於以往年度全數減值)已於截至二零一四年十二月三十一日止年度出售東冶稀土之100%股權時抵銷。出售詳情於附註35披露。

16. GOODWILL (Continued)

As at 31 December 2015, the goodwill arising from the acquisition of 100% equity interests in the following subsidiaries represented the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities acquired at the date of acquisition:

The goodwill arising from the acquisition of equity interests in High Temperature Ceramics and Suhai Magnesium was fully impaired in previous years.

The goodwill arising from acquisition of 100% equity interest in Heping County Dongye Rare Earth Company Limited ("Dongye Rare Earth"), which was fully impaired in previous years, was eliminated upon disposal of 100% equity interest in Dongye Rare Earth during the year ended 31 December 2014. Details of the disposal are disclosed in note 35.

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17. 物業、廠房及設備

17. PROPERTY, PLANT AND EQUIPMENT

| | | 持作 自用樓宇 Buildings held for own use 千港元 HK\$'000 | 機器及設備 Machinery and equipment 千港元 HK\$'000 | 辦公室設備 及裝置 Office equipment and fixtures 千港元 HK\$'000 | 汽車 Motor vehicles 千港元 HK\$'000 | 在建工程 Construction- in-progress 千港元 HK\$'000 | 總值 Total 千港元 HK\$'000 |
|--------------------------|--|---|---|--|--|---|--------------------------------|
| 成本 | Cost | | | | | | |
| 二零一四年一月一日 (原先呈列) | At 1 January 2014 (originally stated) | 175,924 | 868,004 | 9,259 | 14,022 | 34,342 | 1,101,551 |
| 會計政策變動 (附註3(ii)) | Change in accounting policy (note 3(ii)) | 146,739 | - | - | - | - | 146,739 |
| 於二零一四年一月一日(已重列) | At 1 January 2014 (restated) | 322,663 | 868,004 | 9,259 | 14,022 | 34,342 | 1,248,290 |
| 添置 | Additions | 851 | 14,635 | 202 | 4,240 | 50,196 | 70,124 |
| 由在建工程轉入 | Transfer from construction-in- progress | 3,173 | 61,411 | - | - | (64,584) | - |
| 透過收購附屬公司而獲得 (附註34(a)) | Acquired through acquisition of a subsidiary (note 34(a)) | 107,707 | 45,695 | 864 | 1,022 | 203 | 155,491 |
| 處置 | Disposals | (414) | (11,075) | - | - | - | (11,489) |
| 出售附屬公司時終止確認 (附註35(b)) | Derecognised on disposal of a subsidiary (note 35(b)) | (11,677) | (3,256) | (259) | (873) | - | (16,065) |
| 匯兌差異 | Exchange differences | (1,336) | (3,169) | (33) | (59) | (94) | (4,691) |
| 於二零一四年十二月三十一日 | At 31 December 2014 | 420,967 | 972,245 | 10,033 | 18,352 | 20,063 | 1,441,660 |
| 於二零一五年一月一日 (原先呈列) | At 1 January 2015 (originally stated) | 253,831 | 972,245 | 10,033 | 18,352 | 20,063 | 1,274,524 |
| 會計政策變動 (附註3(ii)) | Change in accounting policy (note 3(ii)) | 167,136 | - | - | - | - | 167,136 |
| 於二零一五年一月一日(已重列) | At 1 January 2015 (restated) | 420,967 | 972,245 | 10,033 | 18,352 | 20,063 | 1,441,660 |
| 添置 | Additions | - | 7,263 | 5 | 234 | 1,391 | 8,893 |
| 由在建工程轉入 | Transfer from construction-in- progress | - | 3,817 | - | - | (3,817) | - |
| 處置 | Disposals | (7,943) | - | (2) | - | - | (7,945) |
| 匯兌差異 | Exchange differences | (24,339) | (57,070) | (562) | (1,078) | (1,100) | (84,149) |
| 於二零一五年十二月三十一日 | At 31 December 2015 | 388,685 | 926,255 | 9,474 | 17,508 | 16,537 | 1,358,459 |

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17. 物業、廠房及設備(續)

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

| | | 持作 自用樓宇 Buildings held for own use 千港元 HK\$'000 | 機器及設備 Machinery and equipment 千港元 HK\$'000 | 辦公室設備 及裝置 Office equipment and fixtures 千港元 HK\$'000 | 汽車 Motor vehicles 千港元 HK\$'000 | 在建工程 Construction- in-progress 千港元 HK\$'000 | 總值 Total 千港元 HK\$'000 |
|------------------------|--|---|---|--|--|---|--------------------------------|
| 累計折舊及減值 | Accumulated depreciation and impairment | | | | | | |
| 於二零一四年一月一日 (原呈列) | At 1 January 2014 (originally stated) | - | 593,734 | 8,587 | 8,449 | - | 610,770 |
| 會計政策之變動 (附註3(ii)) | Change in accounting policy (note 3(ii)) | 180,946 | - | - | - | - | 180,946 |
| 於二零一四年一月一日(已重列) | At 1 January 2014 (restated) | 180,946 | 593,734 | 8,587 | 8,449 | - | 791,716 |
| 本年度計提 | Charge for the year | 19,769 | 53,058 | 577 | 2,571 | - | 75,975 |
| 處置撥回 | Written back on disposals | (414) | (11,075) | - | - | - | (11,489) |
| 出售附屬公司時抵銷 (附註35(b)) | Eliminated on disposal of a subsidiary (note 35(b)) | (3,751) | (2,252) | (194) | (873) | - | (7,070) |
| 匯兌差異 | Exchange differences | (660) | (2,108) | (30) | (36) | - | (2,834) |
| 於二零一四年十二月三十一日 | At 31 December 2014 | 195,890 | 631,357 | 8,940 | 10,111 | - | 846,298 |
| 於二零一五年一月一日 (原呈列) | At 1 January 2015 (originally stated) | - | 631,357 | 8,940 | 10,111 | - | 650,408 |
| 會計政策變動 (附註3(ii)) | Change in accounting policy (note 3(ii)) | 195,890 | - | - | - | - | 195,890 |
| 於二零一五年一月一日(已重列) | At 1 January 2015 (restated) | 195,890 | 631,357 | 8,940 | 10,111 | - | 846,298 |
| 本年度計提 | Charge for the year | 18,735 | 56,058 | 540 | 3,110 | - | 78,443 |
| 出售時撥回 | Written back on disposals | (7,943) | - | (2) | - | - | (7,945) |
| 已確認減值虧損(附註(iii)) | Impairment loss recognised (note (iii)) | 57,598 | 37,318 | - | - | - | 94,916 |
| 匯兌差異 | Exchange differences | (13,424) | (39,569) | (515) | (681) | - | (54,189) |
| 於二零一五年十二月三十一日 | At 31 December 2015 | 250,856 | 685,164 | 8,963 | 12,540 | - | 957,523 |
| 賬面值 | Carrying amount | | | | | | |
| 於二零一五年十二月三十一日 | At 31 December 2015 | 137,829 | 241,091 | 511 | 4,968 | 16,537 | 400,936 |
| 於二零一四年十二月三十一日(已重列) | At 31 December 2014 (restated) | 225,077 | 340,888 | 1,093 | 8,241 | 20,063 | 595,362 |
| 於二零一四年一月一日(已重列) | At 1 January 2014 (restated) | 141,717 | 274,270 | 672 | 5,573 | 34,342 | 456,574 |

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NOTES TO THE FINANCIAL STATEMENTS

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

17. 物業、廠房及設備 (續)

附註：

- i) 於二零一五年及二零一四年十二月三十一日，持作自用樓宇乃位於中國根據中期租約持有之土地。
- ii) 於二零一五年十二月三十一日，本集團賬面值約18,822,000港元(二零一四年：21,573,000港元)之若干樓宇仍未取得正式樓宇擁有權證，有關樓宇於上文計入持作自用樓宇內。本公司董事認為，該等樓宇欠缺正式擁有業權並不會損害彼等於申報期間結算日之賬面值，因為本集團已支付該等樓宇所座落之土地權益之大部份購買代價。因欠缺正式業權而被驅逐之機會極微。
- iii) 截至二零一五年十二月三十一日止年度，本集團知悉由於中國國家政策變動及全球經濟不穩定導致稀土分部之稀土產品需求及售價下跌，顯示稀土業務之非流動資產(包括位於中國之物業、廠房及設備以及經營租約下預付租賃款項)可能出現減值。本集團根據使用價值計算法並參考與本集團並無關連之獨立合資格專業估值師威格斯資產評估顧問有限公司進行之估值評估現金產生單位之可收回金額。該計算法使用經管理層批准涵蓋未來五年之最近財務預測以現金流量預測及稅前貼現率19.5%至19.7%(反映有關分部之特定風險)作出。五年後之現金流量乃按估計增長率2.4%推算。此增長率並未超過稀土分部之現金產生單位(「稀土現金產生單位」)所經營業務之長期平均增長率。

截至二零一五年十二月三十一日止年度，本公司董事已進行減值評估，而稀土現金產生單位之資產減值虧損撥備約109,669,000港元(二零一四年：無)已於損益確認。稀土現金產生單位之已確認減值虧損為資產之可收回金額少於賬面值之數額。

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

- i) As at 31 December 2015 and 2014, the buildings held for own use are situated on lands held under medium-term leases in the PRC.
- ii) As at 31 December 2015, the Group has not obtained the formal building ownership certificates for certain of its buildings with carrying amount of approximately HK\$18,822,000 (2014: HK\$21,573,000) included in buildings held for own use above. In the opinion of the directors of the Company, the absence of formal ownership titles of these buildings do not impair their carrying amount at the end of the reporting period as the Group has paid substantially the full purchase consideration of land interests where these buildings are erected. The probability of being evicted on the ground of an absence of formal title is considered remote.
- iii) During the year ended 31 December 2015, the Group noted that the decline in demand and selling prices of its rare earth products from rare earth segment, as a result of the changes in national policies in the PRC and the instabilities in the global economy, was indications that non-current assets of the rare earth operations, comprising mainly property, plant and equipment and prepaid lease payments under operating leases located in the PRC, may be impaired. The Group assessed the recoverable amount of the cash-generating unit on the basis of value-in-use calculations with reference to the valuations carried out by Vigers Appraisal & Consulting Limited, independent qualified professional valuers not connected with the Group. The calculations use cash flows projections with pre-tax discount rates at 19.5% to 19.7%, which reflect specific risks relating to the relevant segment, based on the most recent financial budgets for the next five years approved by the management. Cash flows beyond the five-year period are extrapolated using the estimated growth rate at 2.4%. The growth rate does not exceed the long term average growth rate for the business in which the cash-generating unit of rare earth segment ("Rare Earth CGU") operates.

The impairment assessment was conducted by the directors of the Company and provision for impairment loss on the assets in Rare Earth CGU amounting to approximately HK\$109,669,000 (2014: Nil) was recognised in profit or loss for the year ended 31 December 2015. The impairment loss was recognised for Rare Earth CGU for which the recoverable amount of the assets was less than its carrying amount.

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

17. 物業、廠房及設備(續)

附註：(續)

減值虧損明細載列如下：

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes: (Continued)

The breakdown of impairment loss is as follows:

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 |
|-----------------------|--|----------------------------------|----------------------------------|
| 稀土現金產生單位之 減值虧損撥備： | Provision for impairment loss in Rare Earth CGU: | | |
| 物業、廠房及設備 | Property, plant and equipment | 94,916 | — |
| 經營租約下預付土地租金 (附註18) | Prepaid lease payments on land under operating leases (note 18) | 14,753 | — |
| 總計 | Total | 109,669 | — |

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NOTES TO THE FINANCIAL STATEMENTS

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

18. 經營租約下預付土地租金

18. PREPAID LEASE PAYMENTS ON LAND UNDER OPERATING LEASES

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 |
|--------------------------|--|----------------------------------|----------------------------------|
| 於一月一日之賬面值 | Carrying amount at 1 January | 187,376 | 188,431 |
| 本年度攤銷(附註(i)) | Amortisation for the year (note (i)) | (4,511) | (4,791) |
| 透過收購附屬公司而獲得 (附註34(a)) | Acquired through acquisition of a subsidiary (note 34(a)) | – | 11,048 |
| 出售附屬公司時終止確認 (附註35(b)) | Derecognised on disposal of a subsidiary (note 35(b)) | – | (6,635) |
| 已確認減值虧損(附註(ii)) | Impairment loss recognised (note (ii)) | (14,753) | – |
| 匯兌差異 | Exchange differences | (10,375) | (677) |
| 於十二月三十一日之賬面值 | Carrying amount at 31 December | 157,737 | 187,376 |
| 於中國之租賃土地： | Leasehold lands in the PRC: | | |
| 中期租約 | Medium-term leases | 157,737 | 187,376 |
| 就報告目的而作出之分析如下： | Analysed for reporting purposes as: | | |
| 流動資產 | Current asset | 4,379 | 4,651 |
| 非流動資產 | Non-current asset | 153,358 | 182,725 |
| | | 157,737 | 187,376 |

附註：

Notes:

- i) 截至二零一五年十二月三十一日止年度之攤銷支出約823,000港元(二零一四年：983,000港元)及3,688,000港元(二零一四年：3,808,000港元)分別計入綜合損益表中銷售成本及管理費用內。
- ii) 截至二零一五年十二月三十一日止年度，經營租約預付土地租金之減值虧損約14,753,000港元(二零一四年：無)已於損益表確認。減值評估之基準詳情於附註17(iii)披露。

- i) The amortisation charges of approximately HK\$823,000 (2014: HK\$983,000) and HK\$3,688,000 (2014: HK\$3,808,000) for the year ended 31 December 2015 are included in cost of sales and administrative expenses, respectively, in the consolidated statement of profit or loss.
- ii) During the year ended 31 December 2015, impairment loss on prepaid lease payments on land under operating leases amounting to approximately HK\$14,753,000 (2014: Nil) was recognised in profit or loss. The details of basis of impairment assessment are disclosed in note 17(iii).

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

19. 無形資產

19. INTANGIBLE ASSET

稀土金屬產品之
技術專業知識
Technical
know-how
for rare earth
metal products
千港元
HK\$'000

| 成本 | Cost | |
|--|---|-----------|
| 於二零一四年一月一日 | At 1 January 2014 | 129,924 |
| 出售附屬公司時終止確認(附註35(b)) | Derecognised on disposal of a subsidiary (note 35(b)) | (129,087) |
| 匯兌差異 | Exchange differences | (837) |
| | | - |
| 於二零一四年十二月三十一日、 二零一五年一月一日及 二零一五年十二月三十一日 | At 31 December 2014, 1 January 2015 and 31 December 2015 | - |
| 累計攤銷及減值 | Accumulated amortisation and impairment | |
| 於二零一四年一月一日 | At 1 January 2014 | 129,924 |
| 出售附屬公司時抵銷(附註35(b)) | Eliminated on disposal of a subsidiary (note 35(b)) | (129,087) |
| 匯兌差異 | Exchange differences | (837) |
| | | - |
| 於二零一四年十二月三十一日、 二零一五年一月一日及 二零一五年十二月三十一日 | At 31 December 2014, 1 January 2015 and 31 December 2015 | - |
| 賬面值 | Carrying amount | |
| 於二零一五年及二零一四年 十二月三十一日 | At 31 December 2015 and 2014 | - |

該技術專業知識與生產金屬形態稀土產品之技術有關，並作為本集團於截至二零零八年十二月三十一日止年度內收購東冶稀土業務合併之組成部份。本集團已於截至二零一四年十二月三十一日止年度期間出售東冶稀土。出售詳情於附註35披露。

The technical know-how related to the technology on manufacturing of rare earth products in metal form and was acquired by the Group as part of the business combination of Dongye Rare Earth during the year ended 31 December 2008. Dongye Rare Earth was disposed of by the Group during the year ended 31 December 2014. Details of the disposal are disclosed in note 35.

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NOTES TO THE FINANCIAL STATEMENTS

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

20. 附屬公司之投資

於二零一五年十二月三十一日，本公司附屬公司之詳情如下：

20. INVESTMENTS IN SUBSIDIARIES

As at 31 December 2015, the particulars of the Company's subsidiaries are as follows:

| 附屬公司名稱 | 註冊成立／成立 之地點及日期 | 營運地點 | 已發行及已繳足 股本之詳情 | 所有權權益比例 | | | 主營業務 |
|---|--|----------------------|---|---------------------------------------|---------------------------|----------------------------|--|
| | | | | 本集團 實際權益 | 本公司 持有 | 一間附屬 公司持有 | |
| Name of subsidiary | Place and date of incorporation/ establishment | Place of business | Particulars of issued and paid up capital | Effective interest of the Group | Held by the Company | Held by a subsidiary | Principal activities |
| 利成控股有限公司 | 英屬處女群島 一九九八年十二月三日 | 附註(d) | 20股每股面值 1美元之普通股 | 100% | 100% | - | 投資控股 |
| Lee Shing Holdings Limited | British Virgin Islands 3 December 1998 | Note (d) | 20 ordinary shares of US\$1 each | 100% | 100% | - | Investment holding |
| 龍科國際貿易(上海)有限公司 (附註(a)) | 中國 二零零零年二月二十四日 | 中國 | 註冊資本 200,000美元 | 100% | 100% | - | 貿易稀土氧化物 |
| Wellfire (Shanghai) Company Limited (note (a)) | The PRC 24 February 2000 | The PRC | Registered capital US\$200,000 | 100% | 100% | - | Trading of rare earth oxide products |
| Dynamic Goal Worldwide Inc. | 英屬處女群島 二零零零年五月三十一日 | 附註(d) | 2股每股面值 1美元之普通股 | 100% | - | 100% | 投資控股 |
| Dynamic Goal Worldwide Inc. | British Virgin Islands 31 May 2000 | Note (d) | 2 ordinary shares of US\$1 each | 100% | - | 100% | Investment holding |
| 利成稀土(附註(b)) | 中國 一九九三年七月十七日 | 中國 | 註冊資本 15,660,000美元 | 95% | - | 95% | 製造及銷售 稀土氧化物產品 |
| Leeshing Rare Earth (note (b)) | The PRC 17 July 1993 | The PRC | Registered capital US\$15,660,000 | 95% | - | 95% | Manufacturing and sales of rare earth oxide products |
| 利成耐火(附註(a)) | 中國 一九九九年七月三十日 | 中國 | 註冊資本 17,000,000美元 | 100% | - | 100% | 製造及銷售 耐火產品 |
| Leeshing Refractory (note (a)) | The PRC 30 July 1999 | The PRC | Registered capital US\$17,000,000 | 100% | - | 100% | Manufacturing and sales of refractory products |
| 無錫新威熒光材料有限公司 (附註(a)) | 中國 二零零一年十二月二十日 | 中國 | 註冊資本 8,520,000美元 | 100% | - | 100% | 暫無業務 |
| Wuxi Xinwei Fluorescent Materials Co., Ltd. (note (a)) | The PRC 20 December 2001 | The PRC | Registered capital US\$8,520,000 | 100% | - | 100% | Dormant |

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20. 附屬公司之投資(續)

20. INVESTMENTS IN SUBSIDIARIES (Continued)

| 附屬公司名稱 Name of subsidiary | 註冊成立/成立 之地點及日期 Place and date of incorporation/ establishment | 營運地點 Place of business | 已發行及已繳足 股本之詳情 Particulars of issued and paid up capital | 所有權權益比例 Proportion of ownership interest | | | 主營業務 Principal activities |
|---|---|------------------------------|---|--|--|--|--|
| | | | | 本集團 實際權益 Effective interest of the Group | 本公司 持有 Held by the Company | 一間附屬 公司持有 Held by a subsidiary | |
| | | | | | | | |
| 微科資源有限公司 Microtech Resources Limited | 香港 一九九八年十月二十三日 Hong Kong 23 October 1998 | 香港 Hong Kong | 普通股 2港元 Ordinary shares HK\$2 | 100% | - | 100% | 貿易稀土氧化物 Trading of rare earth oxide products |
| 中國稀土貿易有限公司 China Rare Earth Trading Limited | 香港 二零零零年三月二十四日 Hong Kong 24 March 2000 | 香港 Hong Kong | 普通股 2港元 Ordinary shares HK\$2 | 100% | - | 100% | 暫無業務 Dormant |
| 高溫陶瓷(附註(a)) High Temperature Ceramics (note (a)) | 中國 二零零二年四月一日 The PRC 1 April 2002 | 中國 The PRC | 註冊資本 30,000,000港元 Registered capital HK\$30,000,000 | 100% | - | 100% | 製造及銷售 高溫陶瓷產品 Manufacturing and sales of high temperature ceramics products |
| 蘇海鎂礦(附註(c)) Suhai Magnesium (note (c)) | 中國 二零零二年四月二十七日 The PRC 27 April 2002 | 中國 The PRC | 註冊資本 人民幣25,000,000元 Registered capital RMB25,000,000 | 100% | - | 100% | 製造及銷售 鎂砂產品 Manufacturing and sales of magnesium products |
| 宜興威爾發非金屬材料有限公司 (附註(a)) Yixing Wellfire Nonmetal Materials Co., Ltd. (note (a)) | 中國 二零零六年九月二十七日 The PRC 27 September 2006 | 中國 The PRC | 註冊資本 3,000,000美元 Registered capital US\$3,000,000 | 100% | - | 100% | 製造及銷售 耐火相關產品 Manufacturing and sales of refractory related products |

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20. 附屬公司之投資(續)

20. INVESTMENTS IN SUBSIDIARIES (Continued)

| 附屬公司名稱 Name of subsidiary | 註冊成立/成立 之地點及日期 Place and date of incorporation/ establishment | 營運地點 Place of business | 已發行及已繳足 股本之詳情 Particulars of issued and paid up capital | 所有權權益比例 Proportion of ownership interest | | | 主營業務 Principal activities |
|--|---|------------------------------|---|--|--|--|---|
| | | | | 本集團 實際權益 Effective interest of the Group | 本公司 持有 Held by the Company | 一間附屬 公司持有 Held by a subsidiary | |
| 海城新威利成鎂資源有限公司 (附註(a)) Hai Cheng Xinwei Leeshing Magnesium Resources Co., Ltd. (note (a)) | 中國 二零零六年九月二十八日 The PRC 28 September 2006 | 中國 The PRC | 註冊資本 3,500,000美元 Registered capital US\$3,500,000 | 100% | - | 100% | 製造及銷售 鎂砂產品 Manufacturing and sales of magnesium products |
| 宜興銀茂熒光材料有限公司 (「宜興銀茂」)(附註(a)) Yixing Silver Mile Fluorescent Materials Co., Ltd. ("Yixing Silver Mile") (Note (a)) | 中國 二零一零年五月二十日 The PRC 20 May 2010 | 中國 The PRC | 註冊資本 14,500,000歐元 Registered capital Euro14,500,000 | 100% | - | 100% | 製造及銷售 熒光產品 Manufacturing and sales of fluorescent products |
| 銀茂控股有限公司 Silver Mile Holdings Limited | 香港 二零零八年一月二十三日 Hong Kong 23 January 2008 | 附註(d) Note (d) | 普通股 1港元 Ordinary share HK\$1 | 100% | - | 100% | 投資控股 Investment holding |
| 宜興常容貿易發展有限公司 (附註(a)) Yixing Changrong Trading Development Co., Ltd. (note (a)) | 中國 二零一零年十一月二十六日 The PRC 26 November 2010 | 中國 The PRC | 註冊資本 200,000,000港元 Registered capital HK\$200,000,000 | 100% | - | 100% | 暫無業務 Dormant |
| 金茂控股有限公司 Golden Mile Holdings Limited | 香港 二零一零年十二月六日 Hong Kong 6 December 2010 | 附註(d) Note (d) | 普通股 1港元 Ordinary share HK\$1 | 100% | - | 100% | 投資控股 Investment holding |

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

20. 附屬公司之投資 (續)

附註：

- a) 該等公司根據中國法例註冊成立為外商獨資企業。
- b) 該公司根據中國法例註冊成立為中外合營企業。
- c) 該公司根據中國法例註冊成立為有限責任公司。
- d) 該等公司為並無特定主要營業地點之投資控股公司。

概無附屬公司擁有任何於年結日或年內任何時間持續有效之債務證券。

截至二零一五年及二零一四年十二月三十一日止年度，本集團並無附屬公司持有重大非控股權益。

21. 合營企業之權益

於二零一三年九月二十七日，本集團與另一名合營方訂立協議，以收購宜興銀茂(本集團前合營企業，主要從事製造及銷售熒光產品業務)之餘下50.1%股權，現金代價約為15,133,000港元。有關收購已於截至二零一四年十二月三十一日止年度完成，宜興銀茂隨後成為本公司之全資附屬公司，詳情載於附註34。

於二零一四年七月九日，本集團與另一名合營方訂立協議，以出售宜興旭硝子工業陶瓷有限公司(「宜興旭硝子」，本集團之前合營企業，主要從事製造及銷售耐火產品業務)之40%股權，現金代價約為71,300,000港元。有關出售已於截至二零一四年十二月三十一日止年度完成，並於截至二零一四年十二月三十一日止年度在綜合損益表確認出售收益約11,974,000港元。

20. INVESTMENTS IN SUBSIDIARIES (Continued)

Notes:

- a) These companies are registered under the laws of the PRC as wholly-owned foreign enterprises.
- b) This company is registered under the laws of the PRC as a sino-foreign equity enterprise.
- c) This company is registered under the laws of the PRC as limited liability enterprises.
- d) These companies are investment holding companies which have no specific principal place of business.

None of the subsidiaries had any debt securities subsisting at the end of the year or within any time during the year.

The Group had no subsidiary which has material non-controlling interests for the years ended 31 December 2015 and 2014.

21. INTERESTS IN JOINT VENTURES

On 27 September 2013, the Group entered into an agreement with the other joint venturer to acquire the remaining 50.1% equity interest of Yixing Silver Mile, the Group's former joint venture, which was engaged in manufacture and sales of fluorescent products, at a cash consideration of approximately HK\$15,133,000. The acquisition was completed during the year ended 31 December 2014 and Yixing Silver Mile became the wholly-owned subsidiary of the Company thereafter. The details of which are set in note 34.

On 9 July 2014, the Group entered into an agreement with the other joint venturer to dispose of its 40% equity interest in Yixing AGC Ceramics Co., Ltd. ("Yixing AGC"), the Group's former joint venture, which was engaged in manufacture and sales of refractory products, at a cash consideration of approximately HK\$71,300,000. The disposal was completed during the year ended 31 December 2014 and a gain on disposal of approximately HK\$11,974,000 was recognised in the consolidated statement of profit or loss during the year ended 31 December 2014.

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21. 合營企業之權益(續)

於截至二零一四年十二月三十一日止年度收購宜興銀茂之餘下50.1%股權及出售宜興旭硝子之40%股權後，本集團於二零一五年及二零一四年十二月三十一日並無任何合營企業。

22. 可供出售權益證券

按公平值列賬之香港上市
權益證券

Listed equity securities in Hong Kong,
at fair value

上市權益證券之公平值乃根據聯交所提供之市場買入價報價釐定。

截至二零一五年十二月三十一日止年度，可供出售權益證券之公平值收益約18,931,000港元(二零一四年：7,600,000港元)已於其他全面收益確認。

截至二零一五年十二月三十一日止年度，本集團出售於上市權益證券之全部權益，代價約為36,211,000港元，於截至二零一五年十二月三十一日止年度，出售可供出售權益證券之收益約29,491,000港元已於損益表確認。

於二零一四年十二月三十一日，本公司獨立非執行董事黃春華先生為該等權益證券之上市公司之副主席。

21. INTERESTS IN JOINT VENTURES (Continued)

Subsequent to the acquisition of the remaining 50.1% equity interest of Yixing Silver Mile and the disposal of 40% equity interest in Yixing AGC during the year ended 31 December 2014, the Group did not have any joint ventures as at 31 December 2015 and 2014.

22. AVAILABLE-FOR-SALE EQUITY SECURITIES

| 二零一五年 | 二零一四年 |
|----------|----------|
| 2015 | 2014 |
| 千港元 | 千港元 |
| HK\$'000 | HK\$'000 |

– 17,280

The fair value of the listed equity securities were determined based on the quoted market bid prices available on the Stock Exchange.

The fair value gain on available-for-sale equity securities of approximately HK\$18,931,000 (2014: HK\$7,600,000) was recognised in other comprehensive income during the year ended 31 December 2015.

During the year ended 31 December 2015, the Group disposed of its entire interest in the listed equity securities at a consideration of approximately HK\$36,211,000 and a gain on disposal of available-for-sale equity securities of approximately HK\$29,491,000 was recognised in profit or loss during the year ended 31 December 2015.

As at 31 December 2014, Mr. Huang Chunhua, an independent non-executive director of the Company, was the deputy chairman of the listed company for these equity securities.

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23. 其他非流動資產

本集團其他非流動資產指丁蜀鎮人民政府(「丁蜀政府」)將予賠償之一幅租賃土地之成本。

於截至二零一二年十二月三十一日止年度，本公司之附屬公司利成稀土收到丁蜀政府頒令，就新政府城鎮規劃，需要徵用一幅拋光粉生產廠房所處之租賃土地，並以另一幅土地及若干現金作為賠償。現金代價已於以往年度全數收取。

於二零一五年十二月三十一日，丁蜀政府已確定新土地之位置，惟本集團仍須待各政府機關授出正式土地使用權證。本公司董事認為，於二零一五年十二月三十一日無需確認任何其他非流動資產之減值虧損。

23. OTHER NON-CURRENT ASSET

Other non-current asset of the Group represents the cost of piece of leasehold land to be compensated by Dingshu Town People's Government ("Dingshu Government").

During the year ended 31 December 2012, Leeshing Rare Earth, the Company's subsidiary, received an order from Dingshu Government to confiscate a piece of leasehold land, on which a factory for polishing powder production plant was located, due to a new government town plan with compensation for another piece of land and certain amount of cash. Cash consideration was received in full in previous years.

As at 31 December 2015, the location for the new piece of land has been ascertained by Dingshu Government but the grant of the formal land use right certificate from respective government authority to the Group is still in progress. In the opinion of the directors of the Company, no impairment loss on the other non-current asset should be recognised as at 31 December 2015.

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24. 存貨

a) 綜合財務狀況表之存貨包括：

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 |
|-----|------------------|----------------------------------|----------------------------------|
| 原材料 | Raw materials | 55,745 | 92,068 |
| 在製品 | Work in progress | 92,756 | 129,574 |
| 產成品 | Finished goods | 192,720 | 252,699 |
| | | 341,221 | 474,341 |

b) 確認為開支之存貨金額之分析如下：

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 (已重列) (Restated) |
|----------|---------------------------------------|----------------------------------|---|
| 已售存貨之賬面值 | Carrying amount of inventories sold | 857,352 | 1,180,087 |
| 存貨撇除 | Write down of inventories | 86,223 | 121,929 |
| 存貨撇除撥回 | Reversal of write down of inventories | - | (9,684) |
| | | 943,575 | 1,292,332 |

產生存貨撇除撥回乃由於年內市況變動導致若干產品之估計可變現淨值增加。

The reversal of write down of inventories arose due to an increase in the estimated net realisable value of certain products during the year as a result of change in market conditions.

24. INVENTORIES

a) Inventories in the consolidated statement of financial position comprise:

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25. 應收賬款及其他應收款、預付款項及按金

25. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 |
|-----------------------------|---|----------------------------------|----------------------------------|
| 應收賬款及應收票據 | Trade debtors and bills receivables | 368,912 | 401,179 |
| 減：應收賬款及應收票據之 減值虧損(附註(c)) | Less: Impairment loss on trade debtors and bills receivables (note (c)) | (30,318) | (40,920) |
| 應收賬款及應收票據淨額 (附註(b)) | Trade debtors and bills receivables, net (note (b)) | 338,594 | 360,259 |
| 其他應收款 | Other receivables | 11,029 | 11,515 |
| 減：其他應收款之 減值虧損(附註(c)) | Less: Impairment loss on other receivables (note (c)) | (1,595) | (1,728) |
| 其他應收款淨額 | Other receivables, net | 9,434 | 9,787 |
| 應收關連公司款項(附註(e)) | Amount due from a related company (note (e)) | 5,293 | 5,621 |
| 貸款及應收款 | Loan and receivables | 353,321 | 375,667 |
| 其他可退回稅項 | Other tax refundable | 63,259 | 64,115 |
| 應收賬款及其他應收款 | Trade and other receivables | 416,580 | 439,782 |
| 就購買稀土材料向供應商 預付款項(附註(f)) | Prepayments to suppliers for purchase of rare earth materials (note (f)) | 403,843 | 37,794 |
| 其他預付款項及按金 | Other prepayments and deposits | 10,997 | 21,479 |
| 預付款項及按金 | Prepayments and deposits | 414,840 | 59,273 |
| 總計 | Total | 831,420 | 499,055 |

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

25. 應收賬款及其他應收款、預付款項及按金(續)

附註：

- a) 所有應收賬款及其他應收款、預付款項及按金預期可於一年內收回或確認為開支。
- b) 應收賬款按發票日期及應收票據按發出日期(與收入確認日期相若)呈列之賬齡分析如下：

25. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

Notes:

- a) All of the trade and other receivables, prepayments and deposits are expected to be recovered or recognised as expense within one year.
- b) The presentation of ageing analysis of the trade debtors based on the invoice date and the bills receivables based on the issuance date, which is approximate to the revenue recognition date, is as follows:

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 |
|----------------------|---|----------------------------------|----------------------------------|
| 6個月以內 | Less than 6 months | 208,747 | 253,291 |
| 6個月至1年以內 | 6 months to less than 1 year | 46,823 | 99,690 |
| 1至2年以內 | 1 year to less than 2 years | 84,816 | 18,951 |
| 2年以上 | Over 2 years | 28,526 | 29,247 |
| | | 368,912 | 401,179 |
| 減：應收賬款及應收票據 之減值虧損 | Less: Impairment loss on trade debtors and bills receivables | (30,318) | (40,920) |
| | | 338,594 | 360,259 |

於截至二零一五年及二零一四年十二月三十一日止年度，本集團給予其客戶0至180日之平均信貸期。

本集團信貸於評估客戶的財政能力及付款往績後授出。本集團為所有客戶制定信貸限額，僅在管理層之批准下方可超過信貸限額。管理層亦監督已逾期之應收賬款及應收票據並跟進收回該等應收款項。

During the years ended 31 December 2015 and 2014, the Group allows an average credit period of 0 to 180 days to its customers.

Credit is offered to customers following an assessment of their financial abilities and payment track record. Credit limits are set out for all customers and these can be exceeded only with the approval from management. Management also monitors overdue trade debtors and bills receivables, and follows up the collection of these receivables.

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

25. 應收賬款及其他應收款、預付款項及按金(續)

附註：(續)

- c) 應收賬款及應收票據以及其他應收款之減值

呆賬撥備之變動如下：

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 |
|----------|-----------------------------|----------------------------------|----------------------------------|
| 於一月一日 | At 1 January | 40,920 | 37,329 |
| 已確認減值虧損 | Impairment loss recognised | 1,686 | 10,030 |
| 減值虧損撥回 | Reversal of impairment loss | (10,146) | (6,305) |
| 匯兌差異 | Exchange differences | (2,142) | (134) |
| 於十二月三十一日 | At 31 December | 30,318 | 40,920 |

應收賬款及應收票據以及其他應收款之減值虧損採用準備賬列賬，除非本集團認為該款項之收回性微乎其微，在該情況下，減值虧損將在應收賬款及應收票據以及其他應收款直接撇銷(見附註2(j)(i))。

應收賬款及應收票據以及其他應收款減值虧損撥回指先前認為予以減值之該等應收款之債項回收。過往年度就該等應收賬款作出之準備相應予以撥回。

於二零一五年十二月三十一日，本集團分別為數約30,318,000港元(二零一四年：40,920,000港元)及1,595,000港元(二零一四年：1,728,000港元)之應收賬款及應收票據以及其他應收款個別釐定為減值並已作出全數撥備。該等個別減值應收款為於申報期間結算日超過1年尚未償還或為應收陷入財務困境債務人之款項。因此，應收賬款及應收票據以及其他應收款之特定呆賬準備分別約1,686,000港元(二零一四年：10,030,000港元)及191,000港元(二零一四年：253,000港元)已於年內確認。本集團並無就該等結餘持有任何抵押品。

25. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

Notes: (Continued)

- c) Impairment of trade debtors and bills receivables, and other receivables

The movements of allowance for doubtful debts is as follows:

| Impairment of trade debtors and bills receivables 應收賬款及應收票據之減值 | | Impairment of other receivables 其他應收款之減值 | |
|---|----------------------------------|---|----------------------------------|
| 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 |
| 40,920 | 37,329 | 1,728 | 1,604 |
| 1,686 | 10,030 | 191 | 253 |
| (10,146) | (6,305) | (224) | (124) |
| (2,142) | (134) | (100) | (5) |
| 30,318 | 40,920 | 1,595 | 1,728 |

Impairment loss in respect of trade debtors and bills receivables, and other receivables is recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors and bills receivables, and other receivables directly (see note 2(j)(i)).

Reversal of impairment loss on trade debtors and bills receivables, and other receivables represents the recovery of debts due from these debtors previously considered to be impaired. An allowance for these receivable amounts that had been made in previous years was reversed back accordingly.

As at 31 December 2015, trade debtors and bills receivables, and other receivables amounting to approximately HK\$30,318,000 (2014: HK\$40,920,000) and HK\$1,595,000 (2014: HK\$1,728,000), respectively, were individually determined to be impaired and full allowance had been made. These individually impaired receivables had been outstanding for over one year as at the end of the reporting period or were due from debtors with financial difficulties. Accordingly, specific allowances for doubtful debts of trade debtors and bills receivables, and other receivables of approximately HK\$1,686,000 (2014: HK\$10,030,000) and HK\$191,000 (2014: HK\$253,000), respectively, were recognised during the year. The Group does not hold any collateral over these balances.

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25. 應收賬款及其他應收款、預付款項及按金(續)

附註：(續)

- d) 並無減值之應收賬款及應收票據

並無個別或共同視為將出現減值之應收賬款及應收票據之賬齡分析如下：

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 |
|--------------|--|----------------------------------|----------------------------------|
| 未逾期且未減值 | Neither past due nor impaired | 186,974 | 217,859 |
| 逾期少於6個月 | Less than 6 months past due | 68,109 | 135,098 |
| 逾期超過6個月但少於1年 | More than 6 months but less than 1 year past due | 82,154 | 4,547 |
| 逾期超過1年 | More than 1 year past due | 1,357 | 2,755 |
| | | 151,620 | 142,400 |
| | | 338,594 | 360,259 |

未逾期且未減值之應收款乃與多名近期沒有拖欠紀錄之客戶有關。

已逾期但未減值之應收款與多名與本集團保持良好往績記錄之獨立客戶有關。按照過往經驗，管理層相信，由於信貸質素並無重大變動，且該等結餘仍被視為可全數收回，故毋須就有關結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品。

- e) 應收關連公司無錫泛亞環保科技有限公司(「無錫泛亞」)款項為無抵押、免息及按要求時償還。本公司董事蔣泉龍先生亦為無錫泛亞之董事。於截至二零一五年十二月三十一日止年度，未償還最高款項約為5,621,000港元(二零一四年：18,297,000港元)。
- f) 於二零一五年十二月三十一日，本集團就購買稀土材料向多名供應商預付合共約403,843,000港元(二零一四年：37,794,000港元)。該等預付款項預期將於一年內確認為開支。

25. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

Notes: (Continued)

- d) Trade debtors and bills receivables that are not impaired

The ageing analysis of trade debtors and bills receivables that are neither individually nor collectively considered to be impaired are as follows:

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

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

- e) The amount due from a related company, Wuxi Pan Asia Environmental Protection Technologies Limited ("Wuxi Pan-Asia") is unsecured, interest-free and repayable on demand. Mr. Jiang Quanlong, a director of the Company, is also a director of Wuxi Pan-Asia. The maximum amount outstanding during the year ended 31 December 2015 is approximately HK\$5,621,000 (2014: HK\$18,297,000).
- f) As at 31 December 2015, the Group prepaid an aggregate amount of approximately HK\$403,843,000 (2014: HK\$37,794,000) to several suppliers for purchase of rare earth materials. These prepayments are expected to be recognised as expenses within one year.

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26. 應付董事款項

| | | 二零一五年 | 二零一四年 |
|-------|--------------------|--------------|--------------|
| | | 2015 | 2014 |
| | | 千港元 | 千港元 |
| | | HK\$'000 | HK\$'000 |
| 蔣泉龍先生 | Mr. Jiang Quanlong | 2,592 | 2,141 |
| 錢元英女士 | Ms. Qian Yuanying | 45 | 45 |
| 蔣才南先生 | Mr. Jiang Cainan | 167 | 127 |
| | | 2,804 | 2,313 |

應付董事款項為無抵押、免息及按要求時償還。

The amounts due to directors are unsecured, interest-free and repayable on demand.

27. 受限制銀行存款

受限制銀行存款指銀行就向若干供應商發出信用證所限制之銀行存款。受限制銀行存款按介乎年利率0.3%至2.75% (二零一四年：0.35%至2.75%)之浮動年利率計息。

27. RESTRICTED BANK DEPOSITS

The restricted bank deposits represents bank deposits restricted by banks for issuance of letters of credit to certain suppliers. The restricted bank deposits carried variable interest rates ranging from 0.3% to 2.75% (2014: 0.35% to 2.75%) per annum.

28. 現金及現金等值項目

| | | 二零一五年 | 二零一四年 |
|---------|------------------------|------------------|-----------|
| | | 2015 | 2014 |
| | | 千港元 | 千港元 |
| | | HK\$'000 | HK\$'000 |
| 銀行結餘及現金 | Bank balances and cash | 1,396,365 | 1,386,003 |

現金及現金等值項目包括本集團持有之現金及按現行市場年利率介乎0%至0.3% (二零一四年：0%至0.35%)計息之銀行結餘。

Cash and cash equivalents comprise cash held by the Group and bank balances at prevailing market interest rates ranging from 0% to 0.3% (2014: 0% to 0.35%) per annum.

於二零一五年十二月三十一日，本集團不可自由轉換或須遵守中國外匯管制之銀行結餘及現金約為1,337,639,000港元 (二零一四年：1,366,498,000港元)。

As at 31 December 2015, the Group had bank balances and cash that were either not freely convertible or were subject to exchange controls in the PRC amounting to approximately HK\$1,337,639,000 (2014: HK\$1,366,498,000).

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NOTES TO THE FINANCIAL STATEMENTS

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

29. 應付賬款及應付票據、應計款項及其他應付款

29. TRADE AND BILLS PAYABLES, ACCRUALS AND OTHER PAYABLES

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 |
|------------|-------------------------------------|----------------------------------|----------------------------------|
| 應付賬款及應付票據 | Trade and bills payables | 166,894 | 91,119 |
| 預提費用及其他應付款 | Accrued expenses and other payables | 74,959 | 87,177 |
| 預收款項 | Receipts in advance | 3,289 | 5,496 |
| 其他應付稅項 | Other tax payables | – | 2,757 |
| 應計款項及其他應付款 | Accruals and other payables | 78,248 | 95,430 |
| 總額 | Total | 245,142 | 186,549 |

應付賬款按發票日期及應付票據按發出日期之賬齡分析如下：

The ageing analysis of trade and bills payables presented based on the invoice date of trade payables and the issuance date of bills payables is as follows:

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 |
|----------|------------------------------|----------------------------------|----------------------------------|
| 6個月以內 | Less than 6 months | 143,233 | 81,729 |
| 6個月至1年以內 | 6 months to less than 1 year | 16,135 | 4,957 |
| 1至2年以內 | 1 year to less than 2 years | 4,869 | 1,109 |
| 2年以上 | Over 2 years | 2,657 | 3,324 |
| | | 166,894 | 91,119 |

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

30. 於綜合財務狀況表之所得稅

- a) 年內，綜合財務狀況表之應付／(可收回)稅項之變動載列如下：

30. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

- a) The movement of tax payable/(recoverable) in the consolidated statement of financial position during the year are as follows:

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 |
|--------------------------|---|----------------------------------|----------------------------------|
| 於一月一日 | At 1 January | (34) | 2,164 |
| 本年度撥備(附註9(a)) | Provision for the year (note 9(a)) | | |
| — 中國企業所得稅 | — PRC Enterprise Income Tax | 663 | 1,878 |
| 未匯出盈利之預扣稅 (附註9(a)) | Withholding tax on unremitted earning (note 9(a)) | 2,429 | — |
| 以往年度撥備過多 (附註9(a)) | Over-provision in prior years (note 9(a)) | | |
| — 中國企業所得稅 | — PRC Enterprise Income Tax | — | (308) |
| 年內已退回所得稅 | Income tax refunded during the year | 1,624 | — |
| 本年度已付所得稅 | Income tax paid during the year | (3,493) | (4,663) |
| | | 1,189 | (929) |
| 出售附屬公司時 終止確認(附註35(b)) | Derecognised on disposal of a subsidiary (note 35(b)) | — | 887 |
| 匯兌差異 | Exchange differences | 107 | 8 |
| 於十二月三十一日 | At 31 December | 1,296 | (34) |
| 於綜合財務狀況表確認 之可收回稅項 | Tax recoverable recognised in the consolidated statement of financial position | (1,258) | (3,010) |
| 於綜合財務狀況表確認 之應付稅項 | Tax payable recognised in the consolidated statement of financial position | 2,554 | 2,976 |
| 應付／(可收回)稅項淨值 | Net tax payable/(recoverable) | 1,296 | (34) |

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NOTES TO THE FINANCIAL STATEMENTS

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

30. 於綜合財務狀況表之所得稅(續)

b) 已確認之遞延稅項資產及負債

於本報告期間及上一個報告期間已確認遞延稅項資產/(負債)之主要組成部份及其變動如下:

30. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

b) Deferred tax assets and liabilities recognised

The major components of deferred tax assets/(liabilities) recognised and movements thereon during the current and prior reporting period:

| | | 持作 自用樓宇 之重估 | 物業、廠房 及設備之 公平值調整 | 經營 租約下預付 土地租金之 公平值調整 | 遞延開支 及其他 | 總值 |
|--------------------------|--|--|--|---|--|---------------------------|
| | | Revaluation of buildings held for own use 千港元 HK\$' 000 | Fair value adjustment on property, plant and equipment 千港元 HK\$' 000 | Fair value adjustment on prepaid lease payments on land under operating leases 千港元 HK\$' 000 | Deferred expenditures and others 千港元 HK\$' 000 | Total 千港元 HK\$' 000 |
| 就下列各項產生之遞延稅項: | Deferred tax arising from: | | | | | |
| 於二零一四年一月一日 (原先呈列) | At 1 January 2014 (originally stated) | (5,991) | (410) | 2,335 | 2,414 | (1,652) |
| 會計政策變動(附註3(ii)) | Change in accounting policy (note 3(ii)) | 5,991 | - | - | - | 5,991 |
| 於二零一四年一月一日(已重列) | At 1 January 2014 (restated) | - | (410) | 2,335 | 2,414 | 4,339 |
| 損益表計入/(列支) (附註9(a)) | Credited/(charged) to profit or loss (note 9(a)) | - | 9 | (25) | (1,820) | (1,836) |
| 收購附屬公司所產生 (附註34(a)) | Arising from acquisition of a subsidiary (note 34(a)) | - | 4,968 | (990) | - | 3,978 |
| 出售附屬公司時終止確認 (附註35(b)) | Derecognised on disposal of a subsidiary (note 35(b)) | - | 375 | (2,269) | (61) | (1,955) |
| 匯兌差異 | Exchange differences | - | (6) | (13) | (4) | (23) |
| 於二零一四年十二月三十一日 | At 31 December 2014 | - | 4,936 | (962) | 529 | 4,503 |
| 於二零一五年一月一日 (原先呈列) | At 1 January 2015 (originally stated) | (5,020) | 4,936 | (962) | 529 | (517) |
| 會計政策變動(附註3(ii)) | Change in accounting policy (note 3(ii)) | 5,020 | - | - | - | 5,020 |
| 於二零一五年一月一日(已重列) | At 1 January 2015 (restated) | - | 4,936 | (962) | 529 | 4,503 |
| 損益表計入/(列支) (附註9(a)) | Credited/(charged) to profit or loss (note 9(a)) | - | 49 | 21 | (513) | (443) |
| 匯兌差異 | Exchange differences | - | (290) | 55 | (16) | (251) |
| 於二零一五年十二月三十一日 | At 31 December 2015 | - | 4,695 | (886) | - | 3,809 |

財務報表附註

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

30. 於綜合財務狀況表之所得稅(續)

b) 已確認之遞延稅項資產及負債(續)

以下乃就財務報告目的而言之遞延稅項資產／(負債)分析：

30. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

b) Deferred tax assets and liabilities recognised (Continued)

The following is the analysis of the deferred tax assets/(liabilities) for financial reporting purposes:

| | 於 二零一五年 十二月三十一日 At 31 December 2015 千港元 HK\$'000 | 於 二零一四年 十二月三十一日 At 31 December 2014 千港元 HK\$'000 (已重列) (Restated) | 於 二零一四年 一月一日 At 1 January 2014 千港元 HK\$'000 (已重列) (Restated) |
|-----------------------|---|--|---|
| 於綜合財務狀況表 確認之遞延稅項資產 | 4,695 | 5,465 | 4,749 |
| 於綜合財務狀況表 確認之遞延稅項負債 | (886) | (962) | (410) |
| | 3,809 | 4,503 | 4,339 |

c) 尚未確認之遞延稅項資產

於二零一五年十二月三十一日，未於該等財務報表確認有關稅項虧損之可扣減暫時差異約為1,425,690,000港元(二零一四年：1,285,259,000港元)。由於難以預測未來溢利來源，故並無就有關可扣減暫時差異確認遞延稅項資產。上述已計入僅可結轉最多五年之稅項虧損約989,047,000港元(二零一四年：851,517,000港元)。其他虧損可無限期結轉。

c) Deferred tax assets not recognised

As at 31 December 2015, deductible temporary differences in respect of tax losses not recognised in these financial statements were approximately HK\$1,425,690,000 (2014: HK\$1,285,259,000). No deferred tax asset has been recognised in respect of such deductible temporary differences due to the unpredictability of future profit streams. Included in the above are tax losses of approximately HK\$989,047,000 (2014: HK\$851,517,000) which can only be carried forward for a maximum period of five years. Other losses may be carried forward indefinitely.

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

30. 於綜合財務狀況表之所得稅(續)

d) 未確認遞延稅項負債

根據於二零零八年一月一日起生效之中國企業所得稅法，並無於中國成立或設有業務之非駐居企業或於中國成立或設有業務但相關收入並非實際與於中國成立或設有業務相關，則將須就各類被動收入(如源自中國之股息)按10%稅率繳納預扣所得稅。於二零零八年二月二十二日，財政部及國家稅務總局批准財稅(2008)1號，據此，於二零零七年十二月三十一日前自外資企業保留溢利作出之股息分派將獲豁免繳納預扣所得稅。

於二零一五年十二月三十一日，有關於中國成立之附屬公司自二零零八年之未分配溢利之暫時差異約為458,651,000港元(二零一四年：495,759,000港元)。由於本集團能控制暫時差異之撥回時間，且於可見將來不大可能撥回暫時差異，故尚未就該等暫時差異確認遞延稅項負債約45,865,000港元(二零一四年：49,576,000港元)。

31. 股本及儲備

- a) 本集團綜合權益之各項部份於年初及年末之對賬載於綜合權益變動表內。有關本公司權益之個別部份於年初至年末期間之變動詳情，載列如下：

30. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

d) Deferred tax liabilities not recognised

Under the PRC Enterprise Income Tax Law with effect from 1 January 2008 onwards, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business but the relevant income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding income tax at the rate of 10% on various types of passive income such as dividends derived from sources in the PRC. On 22 February 2008, the Ministry of Finance and State Administration of Tax approved Caishui (2008) No. 1, pursuant to which dividend distributions out of retained profits of foreign investment enterprises prior to 31 December 2007 will be exempted from withholding income tax.

As at 31 December 2015, temporary differences relating to the undistributed profits of subsidiaries established in the PRC since 2008 amounted to approximately HK\$458,651,000 (2014: HK\$495,759,000). Deferred tax liabilities of approximately HK\$45,865,000 (2014: HK\$49,576,000) have not been recognised in respect of these temporary differences as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

31. CAPITAL AND RESERVES

- a) The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

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31. 股本及儲備 (續)

a) (續)

31. CAPITAL AND RESERVES (Continued)

a) (Continued)

| | | 股本 Share capital 千港元 HK\$'000 | 股份溢價 Share premium 千港元 HK\$'000 | 公平值儲備 Fair value reserve 千港元 HK\$'000 | 累計虧損 Accumulated losses 千港元 HK\$'000 | 總值 Total 千港元 HK\$'000 |
|--------------------------------|---|---|---|---|--|--------------------------------|
| 於二零一四年一月一日 | At 1 January 2014 | 167,264 | 1,920,050 | 2,960 | (11,839) | 2,078,435 |
| 二零一四年之權益變動: | Changes in equity for 2014: | | | | | |
| 本年度虧損 | Loss for the year | - | - | - | (4,629) | (4,629) |
| 其他全面收益 | Other comprehensive income | | | | | |
| - 可供出售權益證券之 公平值收益 (附註22) | - Fair value gain on available-for-sale equity securities (note 22) | - | - | 7,600 | - | 7,600 |
| 本年度全面收益總值 | Total comprehensive income for the year | - | - | 7,600 | (4,629) | 2,971 |
| 於二零一四年十二月三十一日 及二零一五年一月一日 | At 31 December 2014 and 1 January 2015 | 167,264 | 1,920,050 | 10,560 | (16,468) | 2,081,406 |
| 二零一五年之權益變動: | Changes in equity for 2015: | | | | | |
| 本年度溢利 | Profit for the year | - | - | - | 14,108 | 14,108 |
| 其他全面收益 | Other comprehensive income | | | | | |
| - 可供出售權益證券之 公平值收益 (附註22) | - Fair value gain on available-for-sale equity securities (note 22) | - | - | 18,931 | - | 18,931 |
| - 出售可供出售權益證券 公平值儲備轉出(附註22) | - Release of fair value reserve upon disposal of available-for-sale equity securities (note 22) | - | - | (29,491) | - | (29,491) |
| 本年度全面收益總值 | Total comprehensive income for the year | - | - | (10,560) | 14,108 | 3,548 |
| 供股(附註31(b)) | Rights issue of shares (note 31(b)) | 66,906 | 334,528 | - | - | 401,434 |
| 就供股發行新普通股股份之 交易成本(附註31(b)) | Transaction costs attributable to issue of new ordinary shares from rights issues (note 31(b)) | - | (11,322) | - | - | (11,322) |
| 於二零一五年十二月三十一日 | At 31 December 2015 | 234,170 | 2,243,256 | - | (2,360) | 2,475,066 |

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

31. 股本及儲備 (續)

b) 法定及已發行股本

每股面值0.10港元之普通股

Ordinary shares of HK\$0.10 each

31. CAPITAL AND RESERVES (Continued)

b) Authorised and issued share capital

股份數目

金額

Number

of shares

Amount

千股

千港元

'000

HK\$'000

法定

Authorised

於二零一四年一月一日、 At 1 January 2014, 31 December 2014

二零一四年 and 1 January 2015

十二月三十一日及

二零一五年一月一日

2,000,000

200,000

增加法定股本(附註(i)) Increase in authorised share capital (note (i))

2,000,000

200,000

於二零一五年 At 31 December 2015

十二月三十一日

4,000,000

400,000

已發行及繳足

Issued and fully paid

於二零一四年一月一日、 At 1 January 2014, 31 December 2014

二零一四年 and 1 January 2015

十二月三十一日及

二零一五年一月一日

1,672,643

167,264

供股(附註(ii)) Rights issue of shares (note (ii))

669,057

66,906

於二零一五年 At 31 December 2015

十二月三十一日

2,341,700

234,170

普通股持有人有權獲得不時宣派之股息及於本公司會議上享有每股一票之投票權。所有普通股對本公司之剩餘資產均享有相等權益。

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

附註：

Notes:

(i) 本公司之法定股本透過增設2,000,000,000股每股面值0.10港元之額外普通股份，已增加至4,000,000,000港元。本公司之增加法定股本已於二零一五年七月二日舉行之股東特別大會上獲批准。

(i) The Company's authorised share capital was increased to HK\$4,000,000,000 by creation of an additional 2,000,000,000 ordinary shares of HK\$0.10 each. The increase in the authorised share capital of the Company was approved at the extraordinary general meeting held on 2 July 2015.

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31. 股本及儲備 (續)

b) 法定及已發行股本 (續)

附註：(續)

- (ii) 於二零一五年八月七日，本公司按每持有五股現有普通股份可獲發兩股供股股份之基準，按認購價每股供股股份0.60港元配發669,057,222股每股面值0.10港元之供股股份。本集團籌得約390,112,000港元(扣除直接開支約11,322,000港元)，已用於本集團之一般營運資金。

c) 儲備之性質及目的

i) 股份溢價

根據開曼群島公司法(經修訂)，股份溢價賬可供分派予本公司股東，惟於緊隨建議分派股息之日期後，本公司將有能力於日常業務過程中償還其到期債務。

本公司之股份溢價包括實繳盈餘約149,950,000港元，即本公司交換利成控股有限公司全部已發行股份所發行股份之面值，與本公司於一九九九年九月二十九日收購利成控股有限公司所持有附屬公司當日彼等之相關淨資產價值之差額。

ii) 資本儲備

資本儲備指本集團因應集團重組而已資本化之分配至法定儲備之總額。

iii) 法定儲備

自保留盈利撥至法定儲備金乃根據有關之中國規則及規例以及本公司於中國成立之附屬公司之公司章程而作出，並經由各自之董事會批准。

31. CAPITAL AND RESERVES (Continued)

b) Authorised and issued share capital (Continued)

Notes: (Continued)

- (ii) On 7 August 2015, the Company allotted 669,057,222 rights shares of HK\$0.10 each at a subscription price of HK\$0.60 per rights share on the basis of two rights shares for every five existing ordinary shares held. The Company raised approximately HK\$390,112,000 (net of directly attributable expenses of approximately HK\$11,322,000) which was used for general working capital of the Group.

c) Nature and purpose of reserves

i) Share premium

Under the Companies Law (Revised) of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

The share premium of the Company included the contribution surplus of approximately HK\$149,950,000 which represented the difference between the nominal value of the shares of the Company issued in exchange for the entire issued share capital of Lee Shing Holdings Limited and the value of the underlying net assets of the subsidiaries held by Lee Shing Holdings Limited at the date they were acquired by the Company on 29 September 1999.

ii) Capital reserve

The capital reserve represents the capitalised aggregate appropriations to the statutory reserves made by the Group as a result of group reorganisation.

iii) Statutory reserves

Transfers from retained earnings to statutory reserve fund were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC and were approved by the respective boards of directors.

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31. 股本及儲備 (續)

c) 儲備之性質及目的 (續)

iii) 法定儲備 (續)

法定儲備金可用於抵銷過往年度之虧損(如有)並可轉換為實繳資本,惟於進行該轉換後之法定儲備金結餘不得少於實體註冊資本之25%。

本公司若干於中國之附屬公司須最低限度向法定儲備轉撥按中國會計規則及規例釐定之純利之10%,直至該儲備結餘達至註冊資本之50%為止。作出之轉撥須於向擁有人分派股息之前進行。

iv) 匯兌儲備

匯兌儲備包括因換算境外經營業務之財務報表而產生之所有匯兌差額。該儲備乃根據附註2(t)所載之會計政策予以處理。

v) 公平值儲備

公平值儲備包括於申報期間結算日所持有可供出售權益證券之公平值之累計變動淨額,並根據附註2(f)所載之會計政策予以處理。

31. CAPITAL AND RESERVES (Continued)

c) Nature and purpose of reserves (Continued)

iii) Statutory reserves (Continued)

Statutory reserve fund can be used to offset previous years' losses, if any, and may be converted into paid-up capital provided that the balance of the statutory reserve fund after such conversion is not less than 25% of the entity's registered capital.

The Company's certain subsidiaries in the PRC are required to transfer a minimum of 10% of their net profits, as determined in accordance with the PRC accounting rules and regulations to the statutory reserves until the reserve balances reaches 50% of the registered capital. The transfer must be made before distribution of dividends to owners.

iv) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 2(t).

v) Fair value reserve

The fair value reserve comprises the cumulative net change in fair value of available-for-sale equity securities held at the end of the reporting period and is dealt with in accordance with the accounting policies in note 2(f).

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NOTES TO THE FINANCIAL STATEMENTS

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31. 股本及儲備 (續)

d) 儲備之可供分派情況

於二零一五年十二月三十一日，可供分派予本公司擁有人之本公司儲備總額約為2,240,896,000港元（二零一四年：1,914,142,000港元），其中包括本公司股份溢價約2,243,256,000港元（二零一四年：1,920,050,000港元）、公平值儲備約零港元（二零一四年：10,560,000港元）及累計虧損約2,360,000港元（二零一四年：16,468,000港元）。該等儲備可作出分派，惟緊隨建議宣派股息之日，本公司必須有能力償還於日常業務中到期的債項，方能作出分派。

e) 資本管理

本集團管理資本之主要目標乃保障本集團持續經營之能力以為股東帶來回報及讓其他股權持有人獲益，並維持優化之資本架構以減少資金成本。

本集團會積極及定期審閱及管理其資金架構，以在盡可能提高股東回報與穩健資本狀況可承受之較高貸款水平帶來的好處及保障之間取得平衡，並因應經濟狀況之變動對資本架構作出調整。為維持或調整資本架構，本集團可透過調整向股東支付之股息金額、發行新股、退還資本予股東或出售資產以減債。

31. CAPITAL AND RESERVES (Continued)

d) Distributability of reserves

As at 31 December 2015, the aggregate amount of the Company's reserves available for distribution to owners of the Company was approximately HK\$2,240,896,000 (2014: HK\$1,914,142,000) which included the Company's share premium of approximately HK\$2,243,256,000 (2014: HK\$1,920,050,000), fair value reserve of approximately HK\$Nil (2014: HK\$10,560,000) and accumulated losses of approximately HK\$2,360,000 (2014: HK\$16,468,000). These reserves are available for distribution provided that immediately following the date on which the dividend is proposed, the Company will be able to pay off its debts as they fall due in the ordinary course of business.

e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher stakeholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders or sell assets to reduce debt.

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31. 股本及儲備 (續)

e) 資本管理 (續)

與業界慣例一致，本集團以資產負債比率監控資本架構。該比率以本集團之銀行貸款減現金及現金等值項目除以本公司擁有人應佔權益總值計算。本集團於二零一五年及二零一四年十二月三十一日並無淨債項。截至二零一五年十二月三十一日止年度期間，本集團之策略與二零一四年相同。

本公司及其任何附屬公司毋須遵守外界實施之資本規定。

32. 購股權計劃

舊購股權計劃

於二零零四年六月四日舉行之股東週年大會上，本公司股東批准採納一項購股權計劃（「舊購股權計劃」），其已於二零一四年六月三日屆滿。

根據舊購股權計劃，本公司董事可酌情邀請對本集團有所貢獻或將有貢獻之本集團全職僱員（包括本公司及其附屬公司之董事）、任何股東、供應商、客戶、專家顧問、顧問及合作夥伴或業務聯盟在舊購股權計劃條款及條件之規限下接受購股權認購本公司股份。合資格參與者將就每次授出之購股權支付象徵式代價。購股權可於董事在提出要約時所釐定及指定予各承授人之期間內任何時間行使，惟不得超過各購股權授出日起計十年之期間，惟可遵照舊購股權計劃予以提早終止。

截至二零一四年十二月三十一日止年度內，並無舊購股權計劃項下之購股權獲授出、行使、沒收或尚未行使。

31. CAPITAL AND RESERVES (Continued)

e) Capital management (Continued)

Consistent with industry practice, the Group monitors its capital structure on the basis of the gearing ratio. This ratio is calculated as the Group's bank borrowings less cash and cash equivalents over its total equity attributable to owners of the Company. There was no net debt for the Group as at 31 December 2015 and 2014. During the year ended 31 December 2015, the Group's strategy was unchanged from year 2014.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

32. SHARE OPTION SCHEME

Old Share Option Scheme

At the annual general meeting of the Company held on 4 June 2004, the shareholders of the Company approved the adoption of a share option scheme (the "Old Share Option Scheme") and expired on 3 June 2014.

Under the Old Share Option Scheme, the directors of the Company may, at their discretion, invite full-time employees of the Group, including directors of the Company and its subsidiaries, any of its shareholders, suppliers, customers, consultants, advisers and joint venture partners or business alliance who have contributed or will contribute to the Group to take up options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. A nominal consideration will be paid by the eligible participants for each lot of share options granted. An option may be exercised at any time during a period to be determined and identified by the directors to each grantee at the time of making the offer, but in any event, shall not exceed the period of ten years from the date of grant of the particular option, subject to the early termination of the Old Share Option Scheme.

There were no share options granted, exercised, forfeited nor outstanding under the Old Share Option Scheme during the year ended 31 December 2014.

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32. 購股權計劃 (續)

新購股權計劃

於二零一四年六月六日舉行之股東週年大會上，本公司股東批准採納一項購股權計劃（「新購股權計劃」），將於採納日期起計十年有效。

根據新購股權計劃，本公司董事可向對本集團之發展及增長有所貢獻或將有貢獻之合資格人士（包括本公司及其附屬公司之董事、任何股東、供應商、客戶、專家顧問、顧問及合作夥伴或業務聯盟在該計劃條款及條件之規限下接受購股權認購本公司股份。合資格參與者將就每次授出之購股權支付象徵式代價。購股權可於本公司董事在提出要約時所釐定及指定予各承授人之期間內任何時間行使，惟不得超過各購股權授出日起計十年之期間，惟可遵照新購股權計劃予以提早終止。

截至二零一五年及二零一四年十二月三十一日止年度內，並無新購股權計劃項下之購股權獲授出、行使、沒收或尚未行使。

32. SHARE OPTION SCHEME (Continued)

New Share Option Scheme

At the annual general meeting of the Company held on 6 June 2014, the shareholders of the Company approved the adoption of a share option scheme (the “New Share Option Scheme”), which will be valid for 10 years from the date of its adoption.

Under the New Share Option Scheme, the directors of the Company may grant share options to eligible persons, including directors of the Company and its subsidiaries, any of its shareholders, suppliers, customers, consultants, advisers and joint venture partners or business alliance who have contributed or will contribute to the development and growth of the Group, to take up options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. A nominal consideration will be paid by eligible participants for each lot of share options granted. An option may be exercised at any time during a period to be determined and identified by the directors of the Company to each grantee at the time of making the offer, but in any event, shall not exceed the period of ten years from the date of grant of the particular option, subject to the early termination of the New Share Option Scheme.

There were no share options granted, exercised, forfeited nor outstanding under the New Share Option Scheme during the years ended 31 December 2015 and 2014.

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33. 重大關連人士交易

a) 與關連人士之交易

除該等財務報表其他地方所披露之交易及結餘外，本公司董事認為，下列為截至二零一五年及二零一四年十二月三十一日止年度內本集團訂立之重大關連人士交易：

| 關連人士名稱 | 與本集團之關係 | 交易性質 | 二零一五年 | 二零一四年 |
|--|--|---|-------------------------|-------------------------|
| Name of related party | Relationship with the Group | Nature of transaction | 2015 千港元 HK\$'000 | 2014 千港元 HK\$'000 |
| 蔣泉龍先生 Mr. Jiang Quanlong | 本公司執行董事 Executive director of the Company | 本集團支付租金費用 Payment of rental expenses by the Group | 885 | 914 |
| 無錫泛亞 Wuxi Pan-Asia | 本公司董事 蔣泉龍先生亦為 其董事之公司 A company of which Mr. Jiang Quanlong, a director of the Company, is also a director | 本集團支付租金費用 Payment of rental expenses by the Group | 65 | 67 |
| 宜興銀茂(附註(i)) Yixing Silver Mile (note (i)) | 本集團當時的合營企業 The Group's joint venture at the time | 本集團銷售貨品 Sales of goods by the Group | - | 10,381 |
| 宜興旭硝子(附註(ii)) Yixing AGC (note (ii)) | 本集團當時的合營企業 The Group's joint venture at the time | 本集團銷售貨品及 收取加工費 Sales of goods and proceeding fees received by the Group | - | 8,683 |

附註：

- (i) 宜興銀茂於二零一四年一月成為本公司之全資附屬公司。
- (ii) 宜興旭硝子於二零一四年八月不再為本公司之合營企業。

33. MATERIAL RELATED PARTY TRANSACTIONS

a) Transactions with related parties

In addition to the transactions and balances disclosed elsewhere in these financial statements, the directors of the Company consider that the followings are the material related party transactions entered into by the Group during the years ended 31 December 2015 and 2014:

Notes:

- (i) Yixing Silver Mile became a wholly-owned subsidiary of the Company in January 2014.
- (ii) Yixing AGC ceased to be a joint venture of the Group in August 2014.

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NOTES TO THE FINANCIAL STATEMENTS

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33. 重大關連人士交易 (續)

a) 與關連人士之交易 (續)

本公司董事認為，上述交易乃於一般業務過程中根據規管該等交易之協議條款訂立。

b) 與主要管理人員之交易

主要管理人員之酬金(包括支付予附註10所披露之本公司董事及附註11所披露之最高薪酬人士及高級管理人員之金額)如下：

33. MATERIAL RELATED PARTY TRANSACTIONS

(Continued)

a) Transactions with related parties (Continued)

The directors of the Company are of the opinion that the above transactions were entered into under the normal course of business and in accordance with the terms of the agreements governing such transactions.

b) Transactions with key management personnel

Emoluments for key management personnel, including amounts paid to the Company's directors as disclosed in note 10, and the highest paid employees and senior management as disclosed in note 11 are as follows:

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 |
|--------|------------------------------|----------------------------------|----------------------------------|
| 短期僱員福利 | Short-term employee benefits | 6,731 | 6,214 |
| 退休後福利 | Post-employment benefits | 71 | 56 |
| | | 6,802 | 6,270 |

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34. 收購附屬公司

於二零一三年九月二十七日，本集團與宜興銀茂之另一名合營方訂立協議，以現金代價約15,133,000港元收購宜興銀茂餘下50.1%股權。本公司董事認為，由於中國熒光材料市場擁有業務發展潛力，因此收購宜興銀茂餘下股權對本集團有利。整合及增加本集團於宜興銀茂之權益將為本集團提供良機進一步提升其於熒光材料市場之知名度及加強本集團之競爭力以及增加業務覆蓋範圍。有關收購已於二零一四年一月完成，於收購後，本集團於宜興銀茂之股權已由49.9%增加至100%。有關收購之詳情如下：

34. ACQUISITION OF A SUBSIDIARY

On 27 September 2013, the Group entered into an agreement with the other joint venturer of Yixing Silver Mile to acquire the remaining 50.1% equity interest in Yixing Silver Mile at a cash consideration of approximately HK\$15,133,000. The directors of the Company considered that the acquisition of the remaining equity interest in Yixing Silver Mile is beneficial to the Group as there are business potentials in fluorescent materials market in the PRC. Consolidating and increasing the Group's interest in Yixing Silver Mile will provide a good opportunity for the Group to further strengthen its presence in the fluorescent materials market and to enhance the Group's competitiveness and expanding its business coverage. The acquisition was completed in January 2014 and subsequent to the acquisition, the Group's equity interest in Yixing Silver Mile increased from 49.9% to 100%. Details of the acquisition are as follows:

- a) 宜興銀茂於收購日期可識別資產及負債之公平值：

- a) Fair value of the identifiable assets and liabilities of Yixing Silver Mile at the date of acquisition:

| | | 千港元 HK\$'000 |
|-------------|---|-----------------|
| 物業、廠房及設備 | Property, plant and equipment | 155,491 |
| 經營租約下預付土地租金 | Prepaid lease payments on land under operating leases | 11,048 |
| 遞延稅項資產 | Deferred tax assets | 3,978 |
| 存貨 | Inventories | 38,504 |
| 應收賬款及其他應收款 | Trade and other receivables | 79,250 |
| 現金及現金等值項目 | Cash and cash equivalents | 3,971 |
| 應付賬款 | Trade payables | (66,170) |
| 應計款項及其他應付款 | Accruals and other payables | (62,433) |
| 銀行貸款 | Bank borrowings | (85,079) |
| 已確認淨資產之公平值 | Fair value of the net assets recognised | <u>78,560</u> |

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34. 收購附屬公司(續)

b) 被視作出售合營企業權益之收益：

| | | 千港元 HK\$'000 |
|---------------------------|--|-----------------|
| 以往持有合營企業49.9% 股本權益之公平值 | Fair value of 49.9% equity interest in a joint venture previously held | 39,202 |
| 減：以往持有49.9%股本權益 之賬面值 | Less: Carrying value of 49.9% equity interest previously held | (45,158) |
| 重新計量合營企業權益引致的虧損 | Loss from re-measurement of interest in a joint venture | (5,956) |
| 加：被視作出售合營企業權益 匯兌儲備轉出 | Add: Release of translation reserve upon deemed disposal of interest in a joint venture | 8,706 |
| 被視作出售合營企業權益之收益 | Gain on deemed disposal of interest in a joint venture | <u>2,750</u> |

c) 議價購買附屬公司權益之收益：

| | | 千港元 HK\$'000 |
|-------------------------|---|-----------------|
| 收購資產淨值之公平值 | Fair value of net assets acquired | 78,560 |
| 減：代價轉讓 | Less: Consideration transferred | |
| — 現金代價支付 | — Cash consideration paid | (15,133) |
| — 以往持有49.9%股本權益之 公平值 | — Fair value of 49.9% equity interests previously held | (39,202) |
| 議價購買附屬公司權益之收益 | Gain on bargain purchase of interest in a subsidiary | <u>24,225</u> |

本集團於截至二零一四年十二月三十一日止年度之損益中確認議價購買收益約24,225,000港元，主要來自賣方為撤離該投資而提供之誘因。

34. ACQUISITION OF A SUBSIDIARY (Continued)

b) Gain on deemed disposal of interest in a joint venture:

c) Gain on bargain purchase of interest in a subsidiary:

The Group recognised a gain on bargain purchase of approximately HK\$24,225,000 in profit or loss during the year ended 31 December 2014, which was primarily attributable to the incentive given by the vendor for its desire to exit the investment.

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34. 收購附屬公司(續)

d) 有關收購之現金流量分析：

| | | 千港元 HK\$'000 |
|-------------|------------------------------------|-----------------|
| 收購現金及現金等值項目 | Cash and cash equivalents acquired | 3,971 |
| 減：已付現金代價 | Less: Cash consideration paid | (15,133) |
| 收購之現金流出淨額 | Net cash outflows on acquisition | <u>(11,162)</u> |

e) 收購對本集團業績之影響

本集團於截至二零一四年十二月三十一日止年度之收入及虧損包括完成收購後來自宜興銀茂之收入約138,131,000港元及虧損約23,360,000港元。

倘收購於二零一四年一月一日生效，本集團於截至二零一四年十二月三十一日止年度之收入及虧損將分別約為1,192,639,000港元及106,226,000港元。本公司董事認為此等「備考」數字代表合併後集團按年化基準計量之概約業績，並可作為與未來期間比較之參考業績。

就假設於本年初已收購宜興銀茂而釐定本集團之「備考」收入及虧損時，本公司董事已計算物業、廠房及設備之折舊以及所收購經營租約下預付土地租金之攤銷，基準為按有關收購之初步會計處理所產生之公平值計算，而非收購前財務報表所確認之賬面值。

34. ACQUISITION OF A SUBSIDIARY (Continued)

d) An analysis of cash flows in respect of the acquisition:

| | | 千港元 HK\$'000 |
|------------------------------------|--|-----------------|
| Cash and cash equivalents acquired | | 3,971 |
| Less: Cash consideration paid | | (15,133) |
| Net cash outflows on acquisition | | <u>(11,162)</u> |

e) Impact of the acquisition on the results of the Group

Included in the revenue and the loss of the Group for the year ended 31 December 2014 is a revenue of approximately HK\$138,131,000 and a loss of approximately HK\$23,360,000 from Yixing Silver Mile since the date of completion of the acquisition.

Had the acquisition been effected on 1 January 2014, the revenue of the Group and the loss of the Group for the year ended 31 December 2014 would have been approximately HK\$1,192,639,000 and HK\$106,226,000 respectively. The directors of the Company consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

In determining the 'pro-forma' revenue and loss of the Group had Yixing Silver Mile been acquired at the beginning of the current year, the directors of the Company have calculated depreciation of property, plant and equipment, and amortisation of prepaid lease payments on land under operating leases acquired on the basis of the fair values arising from the initial accounting for the acquisition rather than the carrying amounts recognised in the pre-acquisition financial statements.

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35. 出售附屬公司

於二零一四年十一月二十八日，本集團與一名獨立第三方訂立協議以現金代價約161,759,000港元出售東冶稀土之100%股權。東冶稀土主要從事製造及銷售稀土金屬產品業務。

a) 已收代價

現金及現金等值項目之已收代價

35. DISPOSAL OF A SUBSIDIARY

On 28 November 2014, the Group entered into an agreement with an independent third party to dispose of its 100% equity interest in Dongye Rare Earth at a cash consideration of approximately HK\$161,759,000. Dongye Rare Earth is principally engaged in manufacturing and sales of rare earth metal products.

a) Consideration received

千港元
HK\$'000

Consideration received in cash and cash equivalents

161,759

b) 失去控制權資產及負債分析

商譽
物業、廠房及設備
經營租約下預付土地租金
無形資產
遞延稅項資產
現金及現金等值項目
應收賬款及其他應收款
可收回稅項
存貨
應付賬款及其他應付款

b) Analysis of assets and liabilities over which control was lost

千港元
HK\$'000
(已重列)
(Restated)

Goodwill

-

Property, plant and equipment

8,995

Prepaid lease payments on land under operating leases

6,635

Intangible asset

-

Deferred tax assets

1,955

Cash and cash equivalents

58

Trade and other receivables

72,218

Tax recoverable

887

Inventories

12,039

Trade and other payables

(480)

出售資產淨值

Net assets disposed of

102,307

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35. 出售附屬公司 (續)

c) 出售附屬公司之收益

| | | 千港元 HK\$' 000 (已重列) (Restated) |
|--|---|---|
| 已收代價 | Consideration received | 161,759 |
| 出售資產淨值 | Net assets disposed of | (102,307) |
| 就失去附屬公司之控制權由權益 重分類為損益之附屬公司資產 淨值之累計匯兌收益 | Cumulative exchange gain in respect of the net assets of the subsidiary reclassified from equity to profit or loss on loss of control in the subsidiary | 17,927 |
| 於損益中確認出售附屬公司之收益 | Gain on disposal of a subsidiary recognised in profit or loss | 77,379 |

d) 出售附屬公司之現金流入淨額

| | | 千港元 HK\$' 000 |
|----------------|---|------------------|
| 現金及現金等值項目之已收代價 | Consideration received in cash and cash equivalents | 161,759 |
| 減：出售之現金及現金等值項目 | Less: Cash and cash equivalents disposed of | (58) |
| 出售之現金流入淨額 | Net cash inflows on disposal | 161,701 |

於二零一四年一月一日至出售完成日期期間，東冶稀土並無為本集團之收入、業績及現金流量帶來重大貢獻。

During the period from 1 January 2014 to the date of completion of the disposal, Dongye Rare Earth did not have any significant contribution to the Group's revenue, results and cash flows.

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36. 承擔

- a) 於申報期間結算日，本集團於該等財務報表內有關物業、廠房及設備之收購及建築之已訂約但未撥備的資本承擔如下：

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 |
|--------------------|--|----------------------------------|----------------------------------|
| 物業、廠房及設備 之收購及建築 | Acquisition and construction of property, plant and equipment | 9,364 | 10,705 |

- b) 於各申報期間結算日，本集團根據不可撤銷之土地及樓宇經營租賃於日後所須繳付的最低租金款項承擔之到期日如下：

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 |
|---------|--------------------------------------|----------------------------------|----------------------------------|
| 1年內 | Within one year | 2,203 | 2,687 |
| 1年後但5年內 | After one year but within five years | 944 | 3,262 |
| | | 3,147 | 5,949 |

經營租賃付款指本集團就其若干辦公室應付之租金。租約及租金乃通過磋商釐定，為期一至五年。概無租賃涉及或然租金。

36. COMMITMENTS

- a) At the end of the reporting period, the Group had capital commitments in respect of acquisition and construction of property, plant and equipment contracted but not provided for in these financial statements as follows:

- b) At the end of each reporting period, the Group had operating lease commitments for future minimum lease payments under non-cancellable operating leases in respect of land and buildings which fall due as follows:

Operating lease payments represent rentals payable by the Group for certain of its offices. Leases and rentals are negotiated and fixed for a period of one to five years. None of the leases includes contingent rentals.

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36. 承擔 (續)

b) (續)

上述承擔包括於附註33所披露之本公司董事蔣泉龍先生及關連人士無錫泛亞之未來租金付款約1,866,000港元(二零一四年: 2,962,000港元), 到期日如下:

36. COMMITMENTS (Continued)

b) (Continued)

The above commitments included future lease payments to Mr. Jiang Quanlong, a director of the Company, and Wuxi Pan-Asia, a related party as disclosed in note 33, of approximately HK\$1,866,000 (2014: HK\$2,962,000) which fall due as follows:

| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 |
|---------------------|--|----------------------------------|----------------------------------|
| 應付予蔣泉龍先生之 未來租金付款 | <i>Future lease payments to Mr. Jiang Quanlong</i> | | |
| – 1年內 | – Within one year | 859 | 913 |
| – 1年後但5年內 | – After one year but within five years | 859 | 1,825 |
| | | 1,718 | 2,738 |
| 應付予無錫泛亞之 未來租金付款 | <i>Future lease payments to Wuxi Pan-Asia</i> | | |
| – 1年內 | – Within one year | 63 | 67 |
| – 1年後但5年內 | – After one year but within five years | 85 | 157 |
| | | 148 | 224 |
| | | 1,866 | 2,962 |

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

37. 按類別劃分之金融工具

37. FINANCIAL INSTRUMENTS BY CATEGORIES

| | | 二零一五年 | 二零一四年 |
|---------------------|---|------------------|-----------|
| | | 2015 | 2014 |
| | | 千港元 | 千港元 |
| | | HK\$'000 | HK\$'000 |
| 金融資產 | Financial assets | | |
| 應收賬款及應收票據 | Trade and bills receivables | 338,594 | 360,259 |
| 其他應收款 | Other receivables | 9,434 | 9,787 |
| 應收關連公司款項 | Amount due from a related company | 5,293 | 5,621 |
| 受限制銀行存款 | Restricted bank deposits | 36,178 | 3,296 |
| 現金及現金等值項目 | Cash and cash equivalents | 1,396,365 | 1,386,003 |
| | | | |
| 貸款及應收款 | Loans and receivables | 1,785,864 | 1,764,966 |
| | | | |
| 可供出售權益證券 | Available-for-sale equity securities | - | 17,280 |
| | | | |
| 按攤銷成本計量之金融負債 | Financial liabilities measured at amortised cost | | |
| 應付賬款及應付票據 | Trade and bills payables | 166,894 | 91,119 |
| 預提費用及其他應付款 | Accrued expenses and other payables | 74,959 | 87,177 |
| 應付董事款項 | Amounts due to directors | 2,804 | 2,313 |
| | | | |
| | | 244,657 | 180,609 |

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38. 財務風險管理及金融工具之公平值

金融工具之風險包括本集團在日常業務過程中產生之信貸風險、流動資金風險、利率風險、貨幣風險及股份價格風險。

a) 信貸風險

信貸風險指交易對手無法履行合約責任導致本集團財務虧損之風險。本集團所採用的政策為僅與信譽良好之交易對手進行買賣，並取得足夠抵押品（如適用），以減輕無法履行合約責任導致財務虧損之風險。

為盡量減低應收賬款及其他應收款之信貸風險，管理層已訂立一項信貸政策，並對有關信貸風險進行持續監察。本集團會定期對各主要客戶之財務狀況及條件進行信貸評估。該等評估針對客戶過往支付到期款項之歷史及目前之支付能力，並考慮客戶特定資料及客戶經營所處經濟環境之資料。本集團並無就其金融資產要求任何抵押品。

本集團須承受之信貸風險主要受各名客戶之個別特點所影響。客戶所經營行業及國家之拖欠風險亦會對信貸風險有所影響，但程度較低。於各申報期間結算日，本集團承受來自其最大客戶及五大客戶應收賬款總額之集中信貸風險分別為27%（二零一四年：34%）及47%（二零一四年：51%）。

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The risks associated with the financial instruments include credit risk, liquidity risk, interest rate risk, currency risk and equity price risk arises in the normal course of the Group's business.

a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

In respect of trade and other receivables, in order to minimise credit risk, the management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of its customers' financial position and condition are performed on each major customer periodically. These evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. The Group does not require collateral in respect of its financial assets.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and the country in which customers operate also has an influence on credit risk but to a lesser extent. At the end of each reporting period, the Group has concentration of credit risk as 27% (2014: 34%) and 47% (2014: 51%) of the total trade debtors was due from the Group's largest customer and the five largest customers respectively.

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38. 財務風險管理及金融工具之公平值 (續)

a) 信貸風險 (續)

有關本集團來自應收賬款及其他應收款之信貸風險之進一步量化披露載於附註25。

由於銀行現金、銀行存款及受限制銀行存款乃存放於多間信貸評級良好之銀行，因此該等款項承擔之信貸風險極微，故並無重大集中信貸風險。

於二零一五年及二零一四年十二月三十一日，本集團並無提供任何擔保導致本集團須承擔信貸風險。

b) 流動資金風險

本集團旗下之獨立營運實體須負責其各自之現金管理，包括現金盈餘之短期投資及籌措貸款以滿足預期現金需求，惟須獲董事會批准後，方可作實。本集團之政策為定期監察當前及預計之流動資金需求，以及遵守貸款契諾，確保本集團能維持充裕的現金及從主要金融機構取得足夠的承諾信貸融資，以滿足其短期及較長期流動資金需要。

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

a) Credit risk (Continued)

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 25.

The credit risk for cash at banks, bank deposits and restricted bank deposits is considered minimal as these amounts are placed with various banks with good credit ratings and there is no significant concentration of credit risk.

As at 31 December 2015 and 2014, the Group did not provide any guarantees which expose the Group to credit risk.

b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to the approval from board of directors. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

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38. 財務風險管理及金融工具之公平值
(續)

b) 流動資金風險(續)

下表載列本集團之金融負債於申報期間結算日，基於合約未折現現金流量(包括使用合約利率計得之利息付款或，如按浮息，則按申報期間結算日之利率計)及本集團可被要求償還之最早日期所得之餘下合約期：

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

b) Liquidity risk (Continued)

The following table set out the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates at the end of the reporting period) and the earliest date the Group can be required to pay:

| | | 二零一五年 2015 | | | 二零一四年 2014 | | |
|---|--------------------------------------|--|---------------------------|------------------|--|------------------|---------------------------|
| | | 合約未折現現金流量 Contractual undiscounted cash flow | | | 合約未折現現金流量 Contractual undiscounted cash flow | | |
| 一年內或 按要求償還 Within 1 year or on demand | | 總額 Total | 賬面值 Carrying amount | 千港元 HK\$' 000 | 一年內或 按要求償還 Within 1 year or on demand | 總額 Total | 賬面值 Carrying amount |
| | | 千港元 HK\$' 000 | 千港元 HK\$' 000 | 千港元 HK\$' 000 | 千港元 HK\$' 000 | 千港元 HK\$' 000 | 千港元 HK\$' 000 |
| 非衍生金融負債 | Non-derivative financial liabilities | | | | | | |
| 應收賬款及應付票據 | Trade and bills payables | 166,894 | 166,894 | 166,894 | 91,119 | 91,119 | 91,119 |
| 預提費用及其他應付款 | Accrued expenses and other payables | 74,959 | 74,959 | 74,959 | 87,177 | 87,177 | 87,177 |
| 應付董事款項 | Amounts due to directors | 2,804 | 2,804 | 2,804 | 2,313 | 2,313 | 2,313 |
| | | 244,657 | 244,657 | 244,657 | 180,609 | 180,609 | 180,609 |

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38. 財務風險管理及金融工具之公平值
(續)

c) 利率風險

本集團之利率風險主要來自現金及現金等值項目及受限制銀行存款。由於現金及現金等值項目及受限制銀行存款結餘之利率預期不會重大變動，因此本集團預期將不會對現金及現金等值項目及受限制銀行存款造成重大利率風險。

i) 利率組合

下表詳細載列本集團的現金及現金等值項目及受限制銀行存款於申報期間結算日的利率組合：

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

c) Interest rate risk

The Group's interest rate risk arises primarily from cash and cash equivalents and restricted bank deposits. The Group does not anticipate significant interest rate risk to cash and cash equivalents and restricted bank deposits because the interest rates of these balances are not expected to change significantly.

i) Interest rate profile

The following table details the interest rate profile of the Group's cash and cash equivalents and restricted bank deposits at the end of the reporting period:

| | | 二零一五年 2015 | | 二零一四年 2014 | |
|-----------|---------------------------|------------------------------------|-----------------|------------------------------------|-----------------|
| | | 實際利率 Effective interest rate | 千港元 HK\$'000 | 實際利率 Effective interest rate | 千港元 HK\$'000 |
| 現金及現金等值項目 | Cash and cash equivalents | 0%-0.3% | 1,396,365 | 0%-0.35% | 1,386,003 |
| 受限制銀行存款 | Restricted bank deposits | 0.3%-2.75% | 36,178 | 0.35%-2.75% | 3,296 |
| 結餘總額 | Total balance | | 1,432,543 | | 1,389,299 |

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38. 財務風險管理及金融工具之公平值
(續)

c) 利率風險(續)

ii) 敏感度分析

於二零一五年十二月三十一日，在所有其他變數保持不變的情況下，估計利率整體上升／下降50個基點將減少／增加本集團本年度除稅後虧損及減少／增加本集團累計虧損約5,671,000港元(二零一四年：減少／增加本集團除稅後虧損及增加／減少本集團保留溢利約5,718,000港元)。利率整體上升或下降對綜合權益的其他部份並無影響。

上述敏感度分析乃根據於申報期間結算日所承擔之利率風險而釐定。有關分析乃假設於申報期結算日之未償還金融工具於整個年度尚未償還而編製。50個基點上升或下降為內部向主要管理人員匯報利率風險所使用之基點，並為管理層對利率的合理可能變動的評估。二零一四年已以相同基準作出分析。

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

c) Interest rate risk (Continued)

ii) Sensitivity analysis

As at 31 December 2015, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's loss after taxation for the year and decrease/increase the Group's accumulated losses by approximately HK\$5,671,000 (2014: decrease/increase the Group's loss after taxation and increase/decrease the Group's retained profits by approximately HK\$5,718,000). Other components of consolidated equity would not change in response to the general increase or decrease in interest rates.

The sensitivity analysis above has been determined based on the exposure to interests rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. The 50 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible changes in interest rates. The analysis is performed on the same basis for year 2014.

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38. 財務風險管理及金融工具之公平值
(續)

d) 貨幣風險

本集團主要因以與有關集團實體的功能貨幣以外的貨幣進行買賣所產生應收款、應付款及現金及現金等值項目而面對貨幣風險。導致貨幣風險之貨幣主要為港元及美元。

i) 所承擔之貨幣風險

下表詳列本集團就來自以與集團實體有關之功能貨幣以外貨幣計值之已確認資產或負債所承受貨幣風險。

| | | | | | |
|------------|-----------------------------------|-------|---------|---|---------|
| 應收賬款及其他應收款 | Trade and other receivables | - | 38,736 | - | 51,856 |
| 現金及現金等值項目 | Cash and cash equivalents | 5,500 | 19,175 | - | 15,849 |
| 其他應付款 | Other payables | - | (1,173) | - | (1,179) |
| 所承擔之整體貨幣風險 | Overall exposure to currency risk | 5,500 | 56,738 | - | 66,526 |

本集團現時並無就外幣應收款及負債採取外幣對沖政策。本集團將密切監察外幣風險，並將在有需要時考慮對沖重大貨幣風險。

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables, and cash and cash equivalents that are denominated in a currency other than the functional currency of the group entities to which they relate. The currencies giving rise to currency risk are primarily HK\$ and United States dollars ("US\$").

i) Exposure to currency risk

The following table details the Group's exposure to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the group entities to which they relate.

| 所承擔之貨幣風險 (以千港元列值) | | | |
|---|---------|-------|---------|
| Exposure to currency risk (expressed in HK\$'000) | | | |
| 二零一五年 | | 二零一四年 | |
| 2015 | | 2014 | |
| 港元 | 美元 | 港元 | 美元 |
| HK\$ | US\$ | HK\$ | US\$ |
| - | 38,736 | - | 51,856 |
| 5,500 | 19,175 | - | 15,849 |
| - | (1,173) | - | (1,179) |
| 5,500 | 56,738 | - | 66,526 |

The Group currently does not have a foreign currency hedging policy in respect of its foreign currency receivables and debts. The Group will monitor its foreign currency exposure closely and will consider hedging significant currency exposure should the need arises.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

37. 財務風險管理及金融工具之公平值
(續)

d) 貨幣風險(續)

ii) 敏感度分析

下表列示本集團之除稅後虧損及(累計虧損)/保留溢利因應本集團於申報期間結算日面對重大風險之外幣匯率於該日可能出現之合理變動而隨即產生之變動，並假定其他風險變數維持不變。

| 外幣匯率 增加/(減少) | 除稅後虧損 減少/(增加)及累計 虧損減少/(增加) | | 外幣匯率 增加/(減少) | 除稅後虧損 減少/(增加)及保留 溢利增加/(減少) | |
|-----------------|---|---------|-----------------|--|---------|
| | Decrease/(increase) in loss after taxation and in foreign in accumulated losses | | | Decrease/(increase) in loss after taxation and increase/(decrease) in retained profits | |
| | 二零一五年 2015 千港元 HK\$'000 | | | 二零一四年 2014 千港元 HK\$'000 | |
| 港元 HK\$ | 5% | 206 | 5% | - | - |
| | (5%) | (206) | (5%) | - | - |
| 美元 US\$ | 5% | 1,090 | 5% | 1,567 | 1,567 |
| | (5%) | (1,090) | (5%) | (1,567) | (1,567) |

上表所示之分析結果代表對本公司於中國成立之各附屬公司按各自之功能貨幣計算並按各申報期間結算日之匯率換算為港元以供呈列之用的除稅後溢利或虧損及權益之即時影響總和。

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

d) Currency risk (Continued)

ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after taxation and (accumulated losses)/retained profits that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

Results of the analysis as presented in the above table represent an aggregate of the instantaneous effects on profit or loss after taxation and equity for each of the Company's subsidiaries established in the PRC measured in their respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of each reporting period for presentation purposes.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

38. 財務風險管理及金融工具之公平值
(續)

d) 貨幣風險 (續)

ii) 敏感度分析 (續)

上述敏感度分析乃假設外幣匯率之變動已用於重新計量本集團於申報期間結算日所持有之金融工具而釐定。此項分析依二零一四年之相同基準進行。

e) 股份價格風險

本集團及本公司因按公平值計量之若干可供出售權益證券而承擔股份價格風險，其公平值是根據各申報期間結算日之市場報價計算。本集團會密切監察可能影響該等投資價值之價格變動及市況轉變來管理風險。

於二零一四年十二月三十一日，估計股票價格上升或下降10%，所有其他變數維持不變，會使本集團之公平值儲備增加或減少約1,728,000港元（二零一五年：無）。

於二零一四年十二月三十一日，由於本集團之投資組合只有一項上市權益證券，因此本集團就可供出售權益證券承擔集中權益價格風險。本集團之可供出售權益證券承擔權益價格風險乃由於上市權益證券於相關股票市場之價格波動。

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

d) Currency risk (Continued)

ii) Sensitivity analysis (Continued)

The sensitivity analysis above has been determined assuming that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group at the end of the reporting period. The analysis is performed on the same basis for year 2014.

e) Equity price risk

The Group was exposed to equity price risk through certain available-for-sale equity securities that were measured at fair value at the end of each reporting period with reference to the quoted market prices. The Group managed its exposure by closely monitoring the price movements and the changes in market conditions that may affect the value of these investments.

As at 31 December 2014, it was estimated that an increase or decrease of 10% in equity prices, with all other variables held constant, would have increased or decreased the Group's fair value reserve by approximately HK\$1,728,000 (2015: Nil).

As at 31 December 2014, the Group had concentration of equity price risk on the available-for-sale equity securities as the Group only held one listed equity security in their investment portfolio. The Group's available-for-sale equity securities were exposed to equity price risk due to the fluctuation of prices of the listed equity security in the relevant stock market.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

38. 財務風險管理及金融工具之公平值
(續)

f) 公平值計量

i) 按公平值計量之金融資產及負債
公平值級別

下表呈列本集團金融工具於各申報期間結算日按經常性基準計量的公平值，並分類為香港財務報告準則第13號「公平值計量」所界定的三級公平值級別。將公平值計量分類的等級乃經參考以下估值方法所用輸入數據的可觀察性及重要性後釐定：

- 第1級估值：僅使用第1級輸入數據（即於計量日期相同資產或負債於活躍市場的未經調整報價）計量的公平值
- 第2級估值：使用第2級輸入數據（即未能達到第1級的可觀察輸入數據）且並非使用重大不可觀察輸入數據計量的公平值。不可觀察輸入數據為市場數據欠奉下的輸入數據
- 第3級估值：使用重大不可觀察輸入數據計量的公平值

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

f) Fair value measurement

i) *Financial assets and liabilities measured at fair value*
Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 "Fair Value Measurement". The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

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

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

38. 財務風險管理及金融工具之公平值
(續)

f) 公平值計量(續)

i) 按公平值計量之金融資產及負債
(續)

| 經常性公平值計量 | Recurring fair value measurements |
|--------------|--|
| 可供出售權益 證券 | Available-for-sales equity securities |

於截至二零一五年及二零一四年十二月三十一日止年度期間，第一級與第二級之間並無轉撥，亦無自第三級轉入或轉出。本集團之政策為於發生轉撥之申報期間結算日確認公平值級別間之轉撥。

截至二零一五年十二月三十一日止年度，本集團已出售其所有於上市權益證券之股權(見附註22)。

ii) 按公平值以外價值計量之金融資產及負債之公平值

於二零一五年及二零一四年十二月三十一日，本集團及本公司按成本或攤銷成本計值之金融工具之賬面值與彼等之公平值並無重大差異。

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

f) Fair value measurement (Continued)

i) Financial assets and liabilities measured at fair value
(Continued)

| 二零一四年 2014 | | | | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|---|
| 公平值計量分類為 Fair value measurement categorised into | | | | |
| 公平值 Fair value 千港元 HK\$'000 | 第一級 Level 1 千港元 HK\$'000 | 第二級 Level 2 千港元 HK\$'000 | 第三級 Level 3 千港元 HK\$'000 | |
| | 17,280 | - | - | - |

During the years ended 31 December 2015 and 2014, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

During the year ended 31 December 2015, the Group disposed of its entire interest in the listed equity securities (see note 22).

ii) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2015 and 2014.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

39. 訴訟

於截至二零一二年十二月三十一日止年度，本集團前合營企業宜興銀茂就其廠房建造之質素及付款問題上與一建造商存在爭議。於截至二零一四年十二月三十一日止年度，宜興銀茂已成為本公司之全資附屬公司。於二零一四年十二月三十一日，該建造商向宜興銀茂就廠房建造索償餘下未付之合同款項約34,854,000港元。同時，宜興銀茂向該建造商就建造質素低劣未能符合有關建造標準索償退還合同款項約62,426,000港元。於二零一四年十二月三十一日，宜興銀茂尚未接獲法院之判決。

於二零一五年十二月三十一日，本公司董事已就此尋求其中國法律顧問之意見。根據法律意見，該訴訟時效已於截至二零一五年十二月三十一日止年度屆滿，因此，宜興銀茂已於該訴訟中解除。

39. LITIGATIONS

During the year ended 31 December 2012, Yixing Silver Mile, the Group's former joint venture, was in dispute with a contractor about the quality and settlement of its plant construction. Yixing Silver Mile became a wholly-owned subsidiary of the Company during the year ended 31 December 2014. As at 31 December 2014, the contractor claimed Yixing Silver Mile for settling the remaining contract fee of approximately HK\$34,854,000 for the plant construction. At the same time, Yixing Silver Mile counter-claimed the contractor for returning the contract fee of approximately HK\$62,426,000 for poor construction quality that cannot meet the relevant construction standards. As at 31 December 2014, no judgement had been received by Yixing Silver Mile from the court yet.

As at 31 December 2015, the directors of the Company have sought advice from its PRC lawyers in this aspect. Based on the legal advice, the litigation time has been expired during the year ended 31 December 2015 and Yixing Silver Mile has been discharged from these litigations.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

40. 公司層面之財務狀況表

40. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

| | | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 |
|----------------|--------------------------------------|------------|----------------------------------|----------------------------------|
| | | 附註 Note | | |
| 非流動資產 | Non-current assets | | | |
| 設備 | Equipment | | 21 | 28 |
| 附屬公司之投資 | Investments in subsidiaries | 20 | 151,707 | 151,707 |
| 可供出售權益證券 | Available-for-sale equity securities | | - | 17,280 |
| | | | 151,728 | 169,015 |
| 流動資產 | Current assets | | | |
| 預付款項及按金 | Prepayments and deposits | | 941 | 822 |
| 應收附屬公司款項 | Amounts due from subsidiaries | | 2,291,433 | 1,911,261 |
| 現金及現金等值項目 | Cash and cash equivalents | | 36,212 | 5,051 |
| | | | 2,328,586 | 1,917,134 |
| 流動負債 | Current liabilities | | | |
| 應計款項及 其他應付款 | Accruals and other payables | | 4,843 | 4,407 |
| 應付董事款項 | Amounts due to directors | | 405 | 336 |
| | | | 5,248 | 4,743 |
| 流動資產淨值 | Net current assets | | 2,323,338 | 1,912,391 |
| 資產淨值 | NET ASSETS | | 2,475,066 | 2,081,406 |
| 資本及儲備 | CAPITAL AND RESERVES | 31 | | |
| 股本 | Share capital | | 234,170 | 167,264 |
| 儲備 | Reserves | | 2,240,896 | 1,914,142 |
| 權益總額 | TOTAL EQUITY | | 2,475,066 | 2,081,406 |

經由董事會於二零一六年三月三十日批准及授權刊發，並由以下人士代表簽署：

Approved and authorised for issue by the board of directors on 30 March 2016, and are signed on its behalf by:

蔣泉龍
董事

錢元英
董事

Jiang Quanlong
Director

Qian Yuanying
Director

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

41. 於截至二零一五年十二月三十一日止年度已頒佈但尚未生效之修訂本、新訂準則及詮釋之可能影響

截至此等財務報表刊發日期，香港會計師公會已頒佈下列於截至二零一五年十二月三十一日止年度尚未生效且並無於此等財務報表中採納的修訂本及新訂準則。其中包括以下可能與本集團有關者。

| | |
|-------------------------------------|---|
| 香港財務報告準則第9號 | 金融工具 ¹ |
| 香港財務報告準則第15號 | 來自客戶合約之收益 ¹ |
| 香港會計準則第1號之修訂本 | 披露計劃 ³ |
| 香港會計準則第16號及 香港會計準則第38號 之修訂本 | 澄清折舊及攤銷之可接受 方法 ³ |
| 香港會計準則第27號之修訂本 | 獨立財務報表之權益法 ³ |
| 香港財務報告準則第10號及 香港會計準則第28號 之修訂本 | 投資者與其聯營公司或合營 企業間出售或注入資產 ² |
| 香港財務報告準則第11號 之修訂本 | 收購合營業務權益之 會計處理 ³ |
| 香港財務報告準則之修訂本 | 二零一二年至二零一四年 週期之香港財務報告準則 年度改進 ³ |

¹ 於二零一八年一月一日或之後開始之年度期間生效

² 於將予釐定日期或之後開始之年度期間生效

³ 於二零一六年一月一日或之後開始之年度期間生效

本集團正在評估該等修訂本及新訂準則在首次應用期間預期產生之影響。直至今為止，本公司認為採納該等新訂及經修訂香港財務報告準則不大可能對綜合財務報表造成重大影響。

41. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2015

Up to the date of issuance of these financial statements, the HKICPA has issued the following amendments and new standards which are not yet effective for the year ended 31 December 2015 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

| | |
|---------------------------------------|--|
| HKFRS 9 | Financial Instruments ¹ |
| HKFRS 15 | Revenue from Contracts with Customers ¹ |
| Amendments to HKAS 1 | Disclosure Initiative ³ |
| Amendments to HKAS 16 and HKAS 38 | Clarification of Acceptable Methods of Depreciation and Amortisation ³ |
| Amendments to HKAS 27 | Equity Method in Separate Financial Statements ³ |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ² |
| Amendments to HKFRS 11 | Accounting for Acquisitions of Interests in Joint Operations ³ |
| Amendments to HKFRSs | Annual Improvements to HKFRSs 2012-2014 Cycle ³ |

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

² Effective for annual periods beginning on or after a date to be determined

³ Effective for annual periods beginning on or after 1 January 2016

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

財務概要

FINANCIAL SUMMARY

| | | 截至十二月三十一日止年度 For the year ended 31 December | | | | |
|----------------------|--|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 | 二零一三年 2013 千港元 HK\$'000 | 二零一二年 2012 千港元 HK\$'000 | 二零一一年 2011 千港元 HK\$'000 |
| 收入 | Revenue | 843,110 | 1,183,786 | 1,488,282 | 2,101,918 | 2,213,354 |
| 銷售成本 | Cost of sales | (943,575) | (1,292,332) | (1,701,158) | (2,540,035) | (1,163,362) |
| (毛虧)/毛利 | Gross (loss)/profit | (100,465) | (108,546) | (212,876) | (438,117) | 1,049,992 |
| 除稅前(虧損)/溢利 | (Loss)/profit before taxation | (264,083) | (98,622) | (375,771) | (680,725) | 727,457 |
| 所得稅(支出)/抵免 | Income tax (charge)/credit | (3,535) | (3,406) | 9,961 | (13,411) | (178,815) |
| 持續經營業務本年度 (虧損)/溢利 | (Loss)/profit for the year from continuing operations | (267,618) | (102,028) | (365,810) | (694,136) | 548,642 |
| 已終止經營業務 之溢利 | Profit from discontinued operation | - | - | - | - | 16,599 |
| 本年度(虧損)/溢利 | (Loss)/profit for the year | (267,618) | (102,028) | (365,810) | (694,136) | 565,241 |
| 應佔： 本公司擁有人 | Attributable to: Owners of the Company | (256,650) | (92,972) | (350,847) | (674,488) | 533,070 |
| 非控股權益 | Non-controlling interests | (10,968) | (9,056) | (14,963) | (19,648) | 32,171 |
| | | (267,618) | (102,028) | (365,810) | (694,136) | 565,241 |

| | | 於十二月三十一日 As at 31 December | | | | |
|----------------|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 二零一五年 2015 千港元 HK\$'000 | 二零一四年 2014 千港元 HK\$'000 | 二零一三年 2013 千港元 HK\$'000 | 二零一二年 2012 千港元 HK\$'000 | 二零一一年 2011 千港元 HK\$'000 |
| 流動資產 | Current assets | 2,610,821 | 2,370,356 | 2,504,164 | 2,864,609 | 3,590,246 |
| 非流動資產 | Non-current assets | 577,089 | 820,054 | 779,222 | 738,774 | 919,635 |
| 資產總值 | Total assets | 3,187,910 | 3,190,410 | 3,283,386 | 3,603,383 | 4,509,881 |
| 流動負債 | Current liabilities | 250,500 | 191,838 | 135,797 | 179,443 | 357,597 |
| 非流動負債 | Non-current liabilities | 886 | 962 | 410 | 19,227 | 22,395 |
| 負債總值 | Total liabilities | 251,386 | 192,800 | 136,207 | 198,670 | 379,992 |
| 資產淨值 | Net assets | 2,936,524 | 2,997,610 | 3,147,179 | 3,404,713 | 4,129,889 |
| 股本 | Share capital | 234,170 | 167,264 | 167,264 | 167,264 | 167,264 |
| 儲備 | Reserves | 2,688,629 | 2,804,461 | 2,943,985 | 3,187,873 | 3,893,393 |
| 本公司擁有人 應佔權益 | Equity attributable to owners of the Company | 2,922,799 | 2,971,725 | 3,111,249 | 3,355,137 | 4,060,657 |
| 非控股權益 | Non-controlling interests | 13,725 | 25,885 | 35,930 | 49,576 | 69,232 |
| 權益總值 | Total equity | 2,936,524 | 2,997,610 | 3,147,179 | 3,404,713 | 4,129,889 |

附註： 過往年度之數字已重列以反映綜合財務報表附註3(ii)所述會計政策之變動。

Note: Prior years figures have been restated to reflect the change in accounting policy as described in note 3(ii) to the consolidated financial statements.



中國稀土控股有限公司

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