

Sunlit

無錫盛力達科技股份有限公司

Wuxi Sunlit Science and Technology Company Limited*

(a joint stock company established in the People's Republic of China with limited liability)

(在中華人民共和國註冊成立的股份有限公司)

Stock Code 股份代號 : 1289

*For identification purpose only 僅供識別



2016
ANNUAL REPORT
年度報告

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公司資料

CORPORATE INFORMATION

董事會

執行董事

張德剛先生(主席)
張德強先生

非執行董事

張靜華女士
高峰先生

獨立非執行董事

劉朝建先生
高富平先生
何育明先生

監事

彭加山先生(主席)
危奕女士
楊靜華女士

審核委員會

何育明先生(主席)
劉朝建先生
高峰先生

薪酬與考核委員會

劉朝建先生(主席)
高富平先生
張德強先生

提名委員會

張德剛先生(主席)
何育明先生
高富平先生

戰略委員會

張德剛先生(主席)
張德強先生
劉朝建先生

公司秘書

何詠欣女士(ACIS, ACS(PE))

授權代表

張德剛先生
何詠欣女士(ACIS, ACS(PE))

BOARD OF DIRECTORS

Executive Directors

Mr. Zhang Degang (Chairman)
Mr. Zhang Deqiang

Non-executive Directors

Ms. Zhang Jinghua
Mr. Gao Feng

Independent non-executive Directors

Mr. Liu Chaojian
Mr. Gao Fuping
Mr. Ho Yuk Ming, Hugo

SUPERVISORS

Mr. Peng Jiashan (Chairman)
Ms. Wei Yi
Ms. Yang Jinghua

AUDIT COMMITTEE

Mr. Ho Yuk Ming, Hugo (Chairman)
Mr. Liu Chaojian
Mr. Gao Feng

REMUNERATION AND APPRAISAL COMMITTEE

Mr. Liu Chaojian (Chairman)
Mr. Gao Fuping
Mr. Zhang Deqiang

NOMINATION COMMITTEE

Mr. Zhang Degang (Chairman)
Mr. Ho Yuk Ming, Hugo
Mr. Gao Fuping

STRATEGIC COMMITTEE

Mr. Zhang Degang (Chairman)
Mr. Zhang Deqiang
Mr. Liu Chaojian

COMPANY SECRETARY

Ms. Ho Wing Yan (ACIS, ACS(PE))

AUTHORISED REPRESENTATIVES

Mr. Zhang Degang
Ms. Ho Wing Yan (ACIS, ACS(PE))

註冊辦事處

中國
江蘇省
無錫
惠山經濟開發區
堰新東路1號

總辦事處及中國主要營業地點

中國
江蘇省
無錫
惠山經濟開發區
堰新東路1號

香港主要營業地點

香港
灣仔
港灣道6-8號
瑞安中心33樓

核數師

羅兵咸永道會計師事務所

本公司法律顧問

柯伍陳律師事務所(有關香港法律)
大成律師事務所(有關中國法律)

H股過戶登記處

聯合證券登記有限公司
香港
北角
英皇道338號
華懋交易廣場二期
33樓3301-04室

主要往來銀行

招商銀行
無錫分行
中國
江蘇省
無錫市
學前街9號

股份代號

1289

公司網站

www.wxsunlit.com

REGISTERED OFFICE

1 Yanxin Road East
Huishan Economic Development Zone
Wuxi
Jiangsu Province
PRC

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN PRC

1 Yanxin Road East
Huishan Economic Development Zone
Wuxi
Jiangsu Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

33rd Floor, Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

AUDITOR

PricewaterhouseCoopers

LEGAL ADVISERS TO OUR COMPANY

ONC Lawyers (as to Hong Kong law)
Dacheng Law Offices (as to PRC law)

H SHARE REGISTRAR

Union Registrars Limited
Suites 3301-04, 33/F.,
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

PRINCIPAL BANKER

China Merchants Bank
Wuxi branch
No. 9, Xueqian Street
Wuxi City
Jiangsu Province
PRC

STOCK CODE

1289

COMPANY'S WEBSITE

www.wxsunlit.com

財務摘要

FINANCIAL HIGHLIGHTS

業績 Results

截至12月31日止年度
Year ended 31 December

		2016年 2016 人民幣千元 RMB'000	2015年 2015 人民幣千元 RMB'000	變動 Change
收入	Revenue	112,284	68,168	64.7%
經營利潤／(虧損)	Operating profit/(loss)	14,283	(96,433)	114.8%
所得稅抵免	Income tax credit	12,748	3,040	319.3%
年內利潤／(虧損)	Profit/(loss) for the year	28,608	(88,804)	132.2%
年內本公司股東應佔每股 盈利／(虧損) (以每股人民幣元列示)	Earnings/(loss) per share attributable to shareholders of the Company for the year (expressed in RMB per share)			
— 基本及攤薄	— Basic and diluted	0.22	(0.69)	131.9%

財務狀況 Financial position

於12月31日
As at 31 December

		2016年 2016 人民幣千元 RMB'000	2015年 2015 人民幣千元 RMB'000	變動 Change
總資產	Total assets	636,191	603,741	5.4%
流動資產淨值	Net current assets	367,320	367,693	-0.1%
總資產減流動負債	Total assets less current liabilities	563,076	534,468	5.4%
總負債	Total liabilities	73,115	69,273	5.5%
總權益	Total equity	563,076	534,468	5.4%

財務數據 Financial statistics

於12月31日
As at 31 December

		2016年 2016	2015年 2015
流動比率 ¹	Current ratio ¹	6.0	6.3
負債比率 ²	Gearing ratio ²	—	—
存貨周轉日數(日) ³	Inventory turnover days (days) ³	149.3	339.1
貿易應收款項周轉日數(日) ⁴	Trade receivables turnover days (days) ⁴	632.1	1,303.1
貿易應付款項周轉日數(日) ⁵	Trade payables turnover days (days) ⁵	42.1	59.1

1. 流動比率相等於流動資產除流動負債

1. Current ratio = current assets/current liabilities

2. 負債比率相等於借貸總額除總權益，再乘以100%

2. Gearing ratio = total borrowings/total equity x 100%

3. 存貨周轉日數相等於存貨結餘除年內收入，再乘以365日

3. Inventory turnover days = inventory balance/revenue for the year x 365 days

4. 貿易應收款項周轉日數相等於貿易應收款項結餘除年內收入，再乘以365日

4. Trade receivables turnover days = trade receivables balance/revenue for the year x 365 days

5. 貿易應付款項周轉日數相等於貿易應付款項結餘除年內收入，再乘以365日

5. Trade payables turnover days = trade payables balance/revenue for the year x 365 days

主席報告書

CHAIRMAN'S STATEMENT

本人謹代表董事(「董事」)會(「董事會」)提呈無錫盛力達科技股份有限公司(「本公司」)及其附屬公司(統稱「本集團」或「盛力達」)截至2016年12月31日止年度(「年內」)之經審核綜合業績。

2016年，中國經濟在供給側改革指導下緩中求穩，製造業氣氛亦有所改善。中國的輪胎工業經過了長期低迷之後開始逐漸復蘇，於2016年見底回升。縱覽全年，市場境況及行業利好因素對推動了本集團扭虧為盈。

業務回顧

自2010年達到高點以後，國內的輪胎企業開始調整，直至2016年，中國經濟築底鞏固，消費和投資雙雙企穩，內需較強勁；各產業平穩增長，供給側改革初見成效，經濟回暖特徵明顯。汽車行業加大供給側改革力度，產銷量呈逐月增長態勢，全年產量超2,800萬輛。受益於汽車輪胎需求的復蘇和供給側改革，子午輪胎鋼簾線需求在第二季度開始復蘇，產品訂單的增大，令本集團銷售額比上年同比(「同比」)增長約64.7%，產品出口額比上年同期增長約80.6%，年內毛利上升約80.8%至人民幣32,900,000元，本集團2016年度淨利潤錄得人民幣28,600,000元。

On behalf of the board (the “Board”) of directors (the “Director(s)”), I am pleased to present the audited consolidated results of 無錫盛力達科技股份有限公司 Wuxi Sunlit Science and Technology Company Limited* (the “Company”) and its subsidiaries (collectively, the “Group” or “Sunlit”) for the year ended 31 December 2016 (the “Year”).

In the year of 2016, China's economy grew steadily under the guidance of supply-side reform, and the atmosphere of manufacturing industry also improved. After a long period of downturn, China's tire industry has recovered gradually and bottomed out in 2016. Looking through the whole year, market situation and favorable industrial factors enabled the Company to recover from loss and turn to a profit.

BUSINESS REVIEW

Domestic tire companies have started to adjust their business since the peak in 2010. As of 2016, China's economic base was consolidated by stable consumption and investment and strong domestic demand. Steady growth were seen in different industries, making the preliminary results of supply-side reform and economic recovery characteristics prominent. As automobile industry strengthened the implementation of supply-side reform, production and sales of automobiles showed a monthly growth trend, with annual output quantity of over 28 million. Benefited from the recovery of tire demand and supply-side reform, radial tire steel cord demand started to recover in the second quarter of the Year. With the increase in order quantity, the Company's sales increased by approximately 64.7% year-on-year (“YoY”), export volume increased by approximately 80.6% YoY and gross profit increased by approximately 80.8% to RMB32.9 million. In 2016, the Company recorded a net profit of RMB28.6 million.

業務回顧 (續)

董事會建議派發截至2016年12月31日止年度之末期股息每股人民幣0.05元。

2016年，本集團概無借款，故本集團的資產負債率持續處於低水準，現金流狀況持續良好，維持了穩健的財務狀況。同時本集團持續加強對應收賬款的管理和風險防範，收回部分已減值貿易應收款項令應收賬款減值撥備轉回。

2016年11月30日，本集團母公司無錫盛力達科技股份有限公司順利繼獲江蘇省科學技術廳、江蘇省財務廳、國家稅務局、地方稅務局頒發的為期三年的高新技術企業證書，可以繼續享有15%之優惠所得稅率。

業務發展

2017年，「供給側改革」仍將是內地經濟政策的焦點，改革將會逐步深化。其中的首要任務是振興實體經濟，去除過剩產能的同時全面提高產品品質。因此，集團將從技術品質創新層面來提升產品競爭力，在新常態下，國家鼓勵傳統製造向智慧製造轉變和升級，增長以質為重，作為中國最大的電鍍黃銅鋼絲生產線製造商，董事會對集團之長遠前景仍持樂觀態度。

BUSINESS REVIEW (Continued)

The Board proposes to pay a final dividend of RMB0.05 per share for the Year.

In 2016, as the Group did not make any borrowings, its asset-liability ratio continued to be low and cash flow remained in a good condition, maintaining a stable financial condition. At the same time, the Group continued to strengthen the management and risk prevention of accounts receivable, and reversed some of the impairment provision for receivables by recovering some of the impairment of trade receivables.

On 30 November 2016, the Group's parent company 無錫盛力達科技股份有限公司 Wuxi Sunlit Science and Technology Company Limited* successfully obtained a three-year high technology enterprise certificate jointly issued by Jiangsu Science and Technology Department, Department of Finance of Jiangsu Province, State Administration of Taxation and Local Taxation Bureau, and was allowed to continue to enjoy a 15% preferential income tax rate.

BUSINESS DEVELOPMENT

In 2017, "supply side reform" will continue to be the focus of national economic policy of China and reforms will gradually be deepened. Among the reforms, the first priority will go to revitalizing the real economy and eliminating overcapacity while improving product quality. Therefore, the Group will enhance its products' competitiveness by means of technological and quality innovation. Under the new normal, the government encouraged the transformation and upgrading of traditional manufacturing to intelligent manufacturing, and emphasized quality improvement. As the largest manufacturer of electroplated brass wire production line in China, the Board of Directors remains optimistic on the long-term prospect of the Group.

展望未來

中國內地經濟將繼續步入新常態，董事會認為中國經濟增速可能進一步放緩並在合理區間內運行。展望2017年，預期中國經濟將繼續保持溫和增長，鋼簾線市場穩中求變，中國市場上過去五年增加的乘用車及商業車輛也將迎來換胎週期，這將推動對輪胎的需求增長。挑戰機遇並存，中長遠而言，鋼簾線市場仍然充滿契機：中國政府對新能源產業不斷出台新的刺激政策，將推動下游領域的光伏產業掀起新一輪安裝潮，促使矽片切割鋼線市場擴容；同時，乘用車和商用車需求持續強勁，產銷兩旺，子午輪胎鋼簾線市場仍具有持續增長潛力；加之「一帶一路」、「供給側改革」之機遇，將振興實體經濟，有利於本集團進一步增大市場份額及拓寬海外市場。

為此，本集團正採取策略性導向，將加大技術開發，培養技術管理人才和技術創新人才，開展品質提升行動，加強品質管制，用心打造高標準產品；開拓新的海外市場邊疆，穩定和擴大現有市場佔有率，保持集團的持續增長並擴大盈利。作為業界翹楚，盛力達相信未來會進一步得到更多海內外客戶的支援，不僅保持於中國市場上的領導地位，更會向世界領先鋼絲製品設備製造商的目標不斷邁進以實現更佳的業績，本集團矢志達成目標，通過不懈奮進，為投資者及股東創造更高價值！

PROSPECTS

China's domestic economy will continue to enter the new normal, the Board believes that China's economic growth may further be slowed down and China's economy will operate within a reasonable range. Looking forward to 2017, it is expected that China's economy will maintain a steady growth, and steel cord market will be seeking changes whilst maintaining overall stability. For domestic market, passenger cars and commercial vehicles added over the past 5 years will soon face the tire-replacing cycle, which implies a growth in tire demand. As challenges and opportunities coexist, steel cord market is still full of opportunities in the medium and long run: The government's continuous introduction of stimulus policies regarding the new-energy industry will promote a new installation trend in downstream photovoltaic industry, and promote the volume expansion of silicon-chip cord-cutting market. At the same time, due to the consistent strong demand for passenger cars and commercial vehicles, both production and selling of automobiles are thriving, maintaining sustainable growth potential in the radial tire steel cord industry. In addition, "One Belt, One Road" and supply-side reform will vitalize the real economy, which is favorable for the Group to further increase market share and expand overseas markets.

In view of this, the Group is taking the strategic guidance approach, will strengthen technological development, train technological management personnel and technological innovation personnel, carry out quality improvement actions, strengthen quality control and create high standard products, so as to open up new overseas markets, maintain and expand the existing market share, maintain the Group's sustainable growth and expand profitability. As a leader in the industry, Sunlit believes that the Group will receive more support from overseas clients, allowing the Group to not only maintain a leading position in domestic market, but also move forward to realise the goals of becoming a global leading producer of steel cord products and equipment and achieving better performance. The Group is committed to achieving the above-mentioned goals, and creating higher values for investors and shareholders through untiring efforts!

致謝

本人謹代表董事會對股東，業務夥伴，供應商和客戶忠誠的支援表示感謝，並對我們全體敬業工作的員工為本集團的發展作出的貢獻表示謝意。

張德剛

董事長
中國江蘇

二零一七年三月二十九日

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to take this opportunity to express my gratitude to our shareholders, business partners, suppliers and customers for their loyal support, and to all our engaged employees for their contributions to the Group's development.

Zhang Degang

Chairman of the Board
Jiangsu, China

29 March 2017

* *For identification purposes only*

管理層討論與分析

MANAGEMENT DISCUSSION AND ANALYSIS

業務回顧

2016年，中華人民共和國（「中國」）經濟緩中趨穩，經濟結構優化，發展方式轉變，經濟增長的品質和效益均有所提高；此外政府政策刺激下汽車的需求有所增長，帶動輪胎及售後市場行情逐漸回暖。

根據中國汽車工業協會資料，2016年中國汽車產銷較快增長，產銷總量再創歷史新高。2016年汽車產銷同比增長約14.5%和13.7%，高於2015年同期約11.2%及9.0%。在宏觀環境改善及輪胎需求增長背景之下，市場對子午輪胎鋼簾線的需求開始復蘇，本集團作為子午輪胎鋼簾線設備的供應商，在市場環境向好帶動下，本集團積極優化調整經營思路，強化風險防範和控制，使本集團的經營實現了穩中有進，進中向好的發展。

年內，本集團整體業績較2015年表現回穩，於2016年，本集團錄得收入為約人民幣112,300,000元，與上年同期相比上升了約64.7%，由於產品訂單的增加，電鍍黃銅鋼絲生產線在銷售組合中的較高佔比，本集團的毛利率同比增長了約2.6%及毛利潤增至約人民幣32,900,000元（2015年：約人民幣18,200,000元）。此外，本集團持續努力下收回了部分已減值的應收款項令應收款項減值撥備轉回淨額約人民幣14,900,000元，本集團經營實現扭虧為盈，錄得淨利潤約人民幣28,600,000元。整體而言，由於上述因素，本公司錄得公司股東應佔溢利約人民幣28,600,000元，而2015年則錄得本公司股東應佔虧損淨額約人民幣88,800,000元。

BUSINESS REVIEW

In 2016, the economy in the People's Republic of China (the "PRC" or "China") grew steadily. Economic structure was optimized and development mode was transformed, resulting in the increase in both quality and efficiency of economic growth. In addition, as the demand for automobiles increased as a result of the government's stimulus policies, the tire market and aftermarket recovered steadily.

According to the data from China Association of Automobile Manufactures, China's automobile manufacturing and selling experienced relatively rapid increases in 2016, causing the total volume of manufacturing and selling to reach a record high. In 2016, automobile production and selling increased by approximately 14.5% YoY and 13.7% YoY respectively, being approximately 11.2% and 9.0% higher than the same period of 2015. Under the dual effect of improved macro-environment and increased tire demand, market demand for radial tire steel cord started to recover. As a radial tire steel cord equipment supplier under a favorable market environment, the Group has optimized and adjusted its management concepts and strengthened risk prevention and control, resulting in steady and good progress of the Group's business development.

During the Year, the Group's overall performance was more stable than in 2015. The Group recorded a revenue of approximately RMB112.3 million in 2016, representing an increase of approximately 64.7% YoY. As a result of the increase in product orders and a higher proportion of the brass electroplating wire production lines in the sales mix, the Group's gross profit margin increased by approximately 2.6% YoY and the gross profit increased to approximately RMB32.9 million accordingly (2015: approximately RMB18.2 million). In addition, with continuous effort, the Group reversed impairment provision for receivables of approximately RMB14.9 million by collecting some of the impaired trade receivables. As a result, the Group successfully recovered from a loss and turned to a profit of approximately RMB28.6 million. Overall, the Company recorded the profit attributable to shareholders of the Company of approximately RMB28.6 million driven by the aforesaid factors, as compared with the net loss attributable to shareholders of the Company of approximately RMB88.8 million for 2015.

財務回顧
收入

FINANCIAL REVIEW
Revenue

截至12月31日止年度
Year ended 31 December

	2016年 2016			2015年 2015		
	售出數量 Unit(s) sold	人民幣千元 RMB'000	%	售出數量 Unit(s) sold	人民幣千元 RMB'000	%
電鍍黃銅鋼絲生產線 Brass electroplating wire production lines	5	59,447	53.0	2	23,571	34.6
其他生產線 Other production lines	7	11,363	10.1	2	1,856	2.7
單機 Standalone machineries	83	10,982	9.8	173	25,718	37.7
修模設備、零部件及 配件 Mould repairing equipment, component parts and accessories	不適用N/A	28,439	25.3	不適用N/A	15,590	22.9
租金收入 Rental income	不適用N/A	2,053	1.8	不適用N/A	1,433	2.1
		112,284	100.0		68,168	100.0

本集團於2016年的收入約為人民幣112,300,000元，較2015年約人民幣68,200,000元增加約人民幣44,100,000元（或約64.7%）。該增幅主要由於下游行業復甦及市場需求增長所致。

電鍍黃銅鋼絲生產線。電鍍黃銅鋼絲生產線於2016年的銷售收入約為人民幣59,400,000元，較2015年約人民幣23,600,000元增加約152.2%。於2016年，有5套電鍍黃銅鋼絲生產線獲客戶接納，而於2015年則有兩套生產線獲客戶接納。鑒於市場需求增長，根據其擴展計劃，2016年經測試後越來越多的電鍍黃銅鋼絲生產線為客戶所接受。

其他生產線。其他生產線於2016年的銷售收入約為人民幣11,400,000元，較2015年約人民幣1,900,000元增加約512.2%。該增幅主要由於我們的客戶於測試後所接納的其他生產線數目由2015年的兩套增加至2016年的7套。

Our revenue increased by approximately RMB44.1 million or approximately 64.7% to approximately RMB112.3 million for 2016 from approximately RMB68.2 million for 2015. The increase is mainly due to the recovery in downstream industry and growth in market demand.

Brass electroplating wire production lines. Revenue from sales of brass electroplating wire production lines increased by approximately 152.2% to approximately RMB59.4 million for 2016 from approximately RMB23.6 million for 2015. 5 sets of brass electroplating wire production lines were accepted by the customers in 2016 while 2 sets were accepted by the customers in 2015. Resulting from the growth of market demand, more brass electroplating wire production lines have been accepted by our customers after testing during 2016 according to their expansion plan.

Other production lines. Revenue from sales of other production lines increased by approximately 512.2% to approximately RMB11.4 million for 2016 from approximately RMB1.9 million for 2015. The increase was mainly due to an increase in the number of other production lines accepted by our customers after testing from 2 sets for 2015 to 7 sets for 2016.

管理層討論與分析 MANAGEMENT DISCUSSION AND ANALYSIS

單機。單機於2016年的銷售收入約為人民幣11,000,000元，較2015年約人民幣25,700,000元減少約57.3%。該減幅係由於單機銷量有所下跌，已售出單機數目由2015年的173套減少至2016年的83套。

修模設備、零部件及配件。修模設備、零部件及配件於2016年的銷售收入為約人民幣28,400,000百萬元，較2015年約人民幣15,600,000元增加約82.4%。該增幅主要由於向客戶提供的設備改裝服務有所增加所致。

租金收入。租金收入來自於2016年及2015年出租予第三方的投資性房地產。由於2016出租的物業增加，故租金收入增加。

毛利及毛利率

本集團的毛利由2015年的約人民幣18,200,000元增加約80.8%至2016年的約人民幣32,900,000元。本集團的整體毛利率由2015年的約26.7%增加至2016年的約29.3%，該增長乃因銷售組合中與其他產品相比毛利率相對較高的電鍍黃銅鋼絲生產線的銷售比例較高所致。

其他收入

本集團的其他收入由2015年的約人民幣3,700,000元下降約48.6%至2016年的約人民幣1,900,000元，主要由於收取政府補助減少所致。

Standalone machineries. Revenue from sales of standalone machineries decreased by approximately 57.3% to approximately RMB11.0 million for 2016 from approximately RMB25.7 million for 2015. The decrease was due to the decrease in sale quantity in the standalone machineries, with the number of standalone machineries being sold decreased from 173 sets in 2015 to 83 sets in 2016.

Mould repairing equipment, component parts, and accessories. Revenue from sales of mould repairing equipment, component parts, and accessories increased by approximately 82.4% to approximately RMB28.4 million for 2016 from approximately RMB15.6 million for 2015. The increase was primarily due to the increase in equipment modification services provided to customers.

Rental income. Revenue from rental income arose from the Group's investment properties, which was rented to third parties for 2016 and 2015. As more properties had been rented out during 2016, the rental income has increased.

Gross profit and gross profit margin

Our gross profit increased by approximately 80.8% from approximately RMB18.2 million for 2015 to approximately RMB32.9 million for 2016. Our overall gross profit margin increased from approximately 26.7% for 2015 to approximately 29.3% for 2016 due to a higher proportion of the brass electroplating wire production lines in the sales mix, with its relatively higher gross profit margin as compared to other products.

Other income

Our other income decreased by approximately 48.6% from approximately RMB3.7 million for 2015 to approximately RMB1.9 million for 2016, primarily due to less government subsidies received.

銷售開支

本集團的銷售開支由2015年的約人民幣3,700,000元增加約16.2%至2016年的約人民幣4,300,000元，主要由於運輸開支增加。

行政開支

本集團的行政開支由2015年的約人民幣117,500,000元減少至2016年的約人民幣19,900,000元。此乃主要由於在本集團不斷努力收回貿易應收款項後而收回部分減值貿易應收款項致使2016年應收款項減值撥備撥回淨額約人民幣6,200,000元，而於2015年作出應收款項減值撥備淨額約人民幣84,500,000元。同時，由於本集團對成本開支的嚴格控制，員工薪酬開支及研發開支亦減少。

其他收益 — 淨額

於2016年，本集團錄得其他收益淨額約人民幣3,700,000元，而2015年則錄得其他收益淨額約人民幣2,800,000元，其他收益主要包括出售以公允價值計量且其變動計入損益的金融資產收益及以公允價值計量且其變動計入權益的金融資產的公允價值變動收益。

財務收入 — 淨額

於2016年，本集團錄得財務收入淨額約為人民幣1,600,000元，而2015年的財務收入淨額約為人民幣4,600,000元，財務收入減少主要由於匯兌收益及利息開支減少所致。

Selling expenses

Our selling expenses increased by approximately 16.2% from approximately RMB3.7 million for 2015 to approximately RMB4.3 million for 2016, primarily due to the increase of transportation expenses.

Administrative expenses

Our administrative expenses decreased from approximately RMB117.5 million for 2015 to approximately RMB19.9 million for 2016. This is primarily because there was a net reversal of allowance for impairment of receivables of approximately RMB6.2 million during 2016 resulting from collection of some impaired trade receivables after the continuous effort of the Group to collect the receivables while a net allowance for impairment of receivables amounting to approximately RMB84.5 million was made during 2015. Meanwhile, the staff remuneration expenses and research and development expenses have also decreased due to the Group's strict control over the cost expenditure.

Other gains — net

The Group recorded net other gains of approximately RMB3.7 million in 2016, compared with the net other gains of approximately RMB2.8 million in 2015. Other gains mainly included the gains on disposal of financial assets at fair value through profit or loss and unrealised fair value gains on financial assets at fair value through profit or loss.

Finance income — net

The Group recorded a net finance income of approximately RMB1.6 million in 2016, compared with the net finance income of approximately RMB4.6 million in 2015. The decrease in finance income was mainly due to the reduction in foreign exchange gain and bank interest income.

所得稅抵免

於2016年，本集團錄得所得稅開支抵免約人民幣12,700,000元，而2015年的所得稅開支抵免則約為人民幣3,000,000元。本集團僅會在很有可能於日後可取得應課稅溢利，而暫時性差異能夠被使用時，方確認遞延所得稅項資產。

貿易應收款項

本集團的總貿易應收款項由2015年12月31日的約人民幣243,300,000元下降約20.1%至2016年12月31日的約人民幣194,400,000元。該減少主要由於本集團對客戶採取更為嚴厲的收款政策及由於下游行業逐漸復甦使得客戶還款能力加強。同時於2016年，本集團收回已減值貿易應收款項約人民幣14,900,000元，且貿易應收款項撥備由2015年年底的約人民幣106,700,000元減至2016年年底的約人民幣87,300,000元。

存貨

本集團的存貨由2015年末的約人民幣63,300,000元下降約27.5%至2016年末的約人民幣45,900,000元，主要由於2016年消耗的存貨更多，及考慮我們的預期生產計劃後收緊存貨控制措施所致。

貿易應付款項

本集團的貿易應付款項由2015年末的約人民幣11,000,000元增加約18.2%至2016年末的約人民幣13,000,000元，主要由於我們在年內增加採購原材料。

Income tax credit

The Group recorded a credit to income tax expense of approximately RMB12.7 million for 2016, compared with the credit to income tax expense of approximately RMB3.0 million for 2015. The Group recognised the deferred income tax assets only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Trade receivables

Our gross trade receivables decreased by approximately 20.1% from approximately RMB243.3 million at 31 December 2015 to approximately RMB194.4 million as at 31 December 2016. The decrease was primarily due to the adoption of more stringent collection policy over the customers and the increase of repayment ability of our customers resulting from the gradual recovery in downstream industries. Meanwhile, the Group collected approximately RMB14.9 million impaired trade receivables during 2016, and the allowance for trade receivables decreased from approximately RMB106.7 million at the end of 2015 to approximately RMB87.3 million at the end of 2016.

Inventories

Our inventories decreased by approximately 27.5% from approximately RMB63.3 million at the end of 2015 to approximately RMB45.9 million at the end of 2016, mainly because more inventories had been consumed during 2016, and our tightening up of inventories control upon taking into account our anticipated production schedule.

Trade payables

Our trade payables increased by approximately 18.2% from approximately RMB11.0 million at the end of 2015 to approximately RMB13.0 million at the end of 2016, primarily due to an increase in our purchase of raw materials during the Year.

流動資金及財務資源

現金狀況及可動用資金

年內，本集團透過經營現金流量撥付營運資金得以維持穩健的流動資金狀況。

於2016年12月31日，本集團現金及銀行結餘總額為約人民幣206,700,000元(2015年：約人民幣182,900,000元)，包括現金及現金等值項目約人民幣193,600,000元(2015年12月31日：約人民幣169,800,000元)及有限制現金約人民幣13,100,000元(2015年：約人民幣13,100,000元)。

於2016年12月31日，本集團流動比率為6.0(2015年：6.3)。流動比率下降主要乃由於若干應收款項按與客戶的協議於一年後收取。

本集團之資產負債比率(按總借款除以總權益計算)為零(2015年12月31日：零)。

於2016年及2015年12月31日，本集團處於強勁淨現金狀況。本集團擁有充足及隨時可用的財務資源滿足一般營運資金需要及可見將來的資本開支。

借款

於2016年12月31日，本集團概無任何借款(2015年：無)。

資本開支

於2016年，本集團資本開支為約人民幣11,300,000元(2015年：約人民幣27,100,000元)，主要與用作興建位於無錫的新製造設施(「無錫新設施」)有關。

資本承諾

本集團資本承諾載於綜合財務報表附註31(a)。

LIQUIDITY AND FINANCIAL RESOURCES

Cash position and fund available

During the Year, the Group maintained a healthy liquidity position, with working capital being financed by our operating cash flows.

As at 31 December 2016, the total cash and bank balances of the Group were approximately RMB206.7 million (2015: approximately RMB182.9 million), comprising cash and cash equivalents of approximately RMB193.6 million (31 December 2015: approximately RMB169.8 million) and restricted cash of approximately RMB13.1 million (2015: approximately RMB13.1 million).

As at 31 December 2016, the current ratio of the Group was 6.0 (2015: 6.3). The decrease was mainly due to certain receivables being collected after 1 year based on the agreement with customers.

The gearing ratio of the Group (calculated as total borrowings divided by total equity) was zero (31 December 2015: zero).

The Group was in a strong net cash position as at 31 December 2016 and 2015. The Group has sufficient and readily available finance resources for general working capital requirement and foreseeable capital expenditure.

Borrowings

As at 31 December 2016, the Group had no borrowings (2015: Nil).

CAPITAL EXPENDITURES

In 2016, the Group's capital expenditures amounted to approximately RMB11.3 million (2015: approximately RMB27.1 million) which was mainly related to the construction of the new manufacturing facility located in Wuxi (the "New Wuxi Facility").

CAPITAL COMMITMENTS

The capital commitments of the Group are set out in note 31(a) to the consolidated financial statements.

外匯風險

外匯風險來自於由非企業功能性貨幣計量的商業交易、已確認的資產或負債。

本集團於中國境內營運，其大部分交易以人民幣為單位及結算。本集團的資產及負債以及源自其營運的交易並無面對重大外匯風險，此乃由於本集團於2016年12月31日的資產及負債按本集團各公司的功能貨幣為單位。

年內，本集團並無採用任何金融工具作對沖目的。管理層將繼續監察外匯風險，並於適當時候採取審慎措施。

上市所得款項淨額的用途

本公司的H股自2014年11月11日（「**上市日期**」）起在香港聯合交易所有限公司（「**聯交所**」）上市（「**上市**」）。經扣除包銷佣金、費用及上市相關開支後，來自上市所得款項淨額約為209,500,000港元（相當於約人民幣165,300,000元）。

為了提高公司暫時閒置募集資金使用效率，公司在確保不影響募集資金專案建設和募集資金使用的情況下，擬使用部分暫時閒置募集資金購買安全性高、流動性好、有保本約定的金融機構理財產品，以提高資金收益，提高公司暫時閒置募集資金的使用效率和效果，進一步提高公司整體收益，為公司和全體股東謀取更好的投資回報。購買理財產品的金額或於任何時間持有未到期理財產品的總金額不得超過人民幣75,000,000元。利用閒置募集資金購買銀行理財產品的期限不得超過12個月。

FOREIGN CURRENCY RISK

Foreign exchange risk arises when transaction or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group operates in the PRC with most of its transactions denominated and settled in RMB. The Group's assets and liabilities, and transactions arising from its operations do not expose the Group to material foreign exchange risk as the Group's assets and liabilities as at 31 December 2016 were denominated in the respective Group companies' functional currencies.

During the Year, the Group did not employ any financial instruments for hedging purposes. The management will continue to monitor foreign currency risk and adopt prudent measures as and when appropriate.

USE OF NET PROCEEDS FROM THE LISTING

The Company's H shares have been listed (the "**Listing**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 11 November 2014 (the "**Listing Date**"). The net proceeds from the Listing after the deduction of underwriting commissions, fees and listing-related expenses amounted to approximately HK\$209.5 million (equivalent to approximately RMB165.3 million).

With a view to improve efficiency in the use of the Company's temporary idle raised proceeds, in the circumstance that the Company shall ensure that there will have no impacts on the projects construction of raised proceeds and the utilization of raised proceeds, the Company has proposed to utilize part of the temporary idle raised proceeds to purchase wealth management products with high security, good liquidity and promised guarantee from financial institutions, in order to increase the capital revenue, improve the efficiency and effectiveness in the use of the Company's temporarily idle raised proceeds, which in turn shall further enhance the overall revenue of the Company and pursue better investment return to the Company and the shareholders as a whole. The amount of purchasing wealth management products or the total amount of unexpired wealth management products held at any time shall be no more than RMB75 million. The duration of purchasing wealth management products from banks by the utilization of idle raised proceeds shall not be more than 12 months.

有見及上述載列的近期業務發展策略及理由，董事會已議決自未動用所得款項中暫定分配不超過人民幣75,000,000元投資於理財產品。連同理財產品將予產生的收入，本公司將按本公司日期為2014年10月30日之招股章程（「**招股章程**」）所述，繼續動用所得款項淨額於建設無錫新設施及新研發中心（「**新設施及新研發中心**」）。有關上市所得款項淨額用途的變更之更多詳情，請參閱本公司日期為2016年3月29日之公告。

上述所得款項用途的變更已獲本公司股東於2016年6月7日舉行的本公司股東週年大會上按特別決議案的方式批准。由於董事會獲授予暫時閒置募集資金購買理財產品之權力將於獲相關批准後一年到期，於本公司下屆股東週年大會上將提呈一項特別決議案以更新董事會的該權力。有關該特別決議案的更多詳情，請參閱本公司日期為2017年4月21日之通函。

截止2016年12月31日，本集團已分別動用約88,500,000港元、9,500,000港元及21,000,000港元以(i)撥付興建無錫新設施及新研發中心；(ii)發展若干目標研發項目；及(iii)作一般營運資金以及其他一般企業用途。此外，本集團於2016年12月31日動用部分所得款項購買理財產品約人民幣30,000,000元。於2016年12月31日，未被動用所得款項約52,700,000港元已存入中國持牌銀行。

In view of the recent business development strategies and reasons set out above, the Board has resolved to temporarily allocate no more than RMB75 million out of the unutilized proceeds for investment in the wealth management products. Together with the income to be generated from the wealth management products, the Company will continue apply the net proceeds for the construction of the New Wuxi Facility and its new research & development centre to be established in the New Wuxi Facility (the “**New Research & Development Centre**”) as stated in the prospectus of the Company dated 30 October 2014 (the “**Prospectus**”). For more details regarding the change of use of net proceeds from the Listing, please refer to the announcement of the Company dated 29 March 2016.

The above-mentioned change of use of proceeds was approved by the shareholders of the Company by way of a special resolution of the Company at the annual general meeting of the Company held on 7 June 2016. Since the authority granted to the Board to purchase wealth management products with the temporary idle proceeds will expire one year after such approval, a special resolution will be proposed at the forthcoming annual general meeting of the Company to renew such authority for the Board. For more details of this special resolution, please refer to the circular of the Company dated 21 April 2017.

Up to 31 December 2016, the Group used approximately HK\$88.5 million, HK\$9.5 million and HK\$21 million for (i) funding the construction of the New Wuxi Facility and the New Research & Development Centre; (ii) developing certain targeted research and development projects; and (iii) general working capital and other general corporate purposes, respectively. In addition, the Group utilised a part of the proceeds for purchasing wealth management products, which amounted to approximately RMB30.0 million as at 31 December 2016. As at 31 December 2016, the unused proceeds of approximately HK\$52.7 million were deposited in licensed banks in the PRC.

業務前景

2017年是本集團挑戰與機遇並存的一年，市場在經歷低迷之後優勝劣汰，大浪淘沙，輪胎行情逐漸回暖。盛力達管理層通過始終如一的嚴謹管理，成本控制及精益生產，致力維持本集團的領先地位。2017年中國供給側改革逐漸深化，汽車行業在2016年產銷量創歷史新高後，相信在2017年行業也將繼續復蘇；此外光伏行業的蓬勃發展也帶動了電鍍黃銅鋼絲的需求。盛力達在此大環境下，將面臨更多的機遇。管理層預計下一個財政年度將繼續穩定增長並持續擴展本集團的業務範圍，本集團正採取財政策略性導向，將加大技術開發，培養技術管理人才和技術創新人才。此外集團積極開拓海外市場，穩定和擴大現有市場佔有率，恢復本集團的長期可持續增長及盈利能力。然而，市場波動可能導致短期表現不明朗，但盛力達相信，本集團為在市場時機成熟時取得進一步突破作好了充足準備，並致力維護本集團股東的利益。同時，本集團會進一步得到更多國內外客戶的支援，不僅保持於中國市場上的領導地位，更會向世界領先鋼絲製品設備製造商的目標不斷邁進以實現最佳的業績。

BUSINESS PROSPECTS

2017 will be a year full of challenges and opportunities. After the market downturn, only the fittest could survive and the tire industry has started to recover in a gradual manner. Through consistent and precise management, cost control and lean manufacturing, Sunlit's management successfully maintained the leading position of the Group during the Year. In 2017, domestic supply-side reform will gradually deepen. It is believed that automobile industry will continue to recover in 2017 after reaching a record high in 2016. In addition, the boom in photovoltaic industry also drove up electroplated brass wire demand. In these circumstances, Sunlit will face more opportunities. The management expected that in this coming financial year, the Group's business will continue to grow steadily and its scale will continue to expand. The Group is taking strategic guidance approach, which will strengthen technological development, and train technological management personnel and technological innovation personnel. In addition, the Group will actively explore overseas markets, stabilize and expand existing market share, in order to restore the Group's long-term sustainable growth and profitability. Although market volatility may lead to short-term uncertainty in performance, Sunlit is confident that it is well prepared to achieve further breakthroughs at market maturity and is committed to maintaining the interests of the Group's shareholders. Meanwhile, the Group will be further supported by more domestic and overseas customers, allowing it to not only maintain a leading position in domestic market, but also move forward to realize the goals of becoming a global leading producer of steel cord products and equipment and achieving better performance.

僱員及薪酬資料

於2016年12月31日，本集團僱用合共132名（2015年：159名）全職僱員，當中包括管理、財務、內部審核、研發、技術應用、品質控制、製造、採購、銷售及營銷員工。截至2016年12月31日止年度，本集團的僱員薪酬總額約為人民幣15,300,000元（2015年：約人民幣19,600,000元）。

本集團十分重視聘用及培訓優秀人才，透過向新僱員提供入職培訓計劃及向現有僱員提供持續內部培訓，提升彼等的行業、技術及產品知識、職業道德以及彼等於行業品質標準及工作安全標準方面的知識。此外，本集團鼓勵其僱員報讀高階課程及考取專業資格。

本集團有信心其僱員將繼續為本集團的成功提供堅實基礎，並將對客戶維持高水準服務。

本集團未曾因勞資糾紛或大量員工流失而導致正常業務營運出現任何受阻情況。董事認為，本集團與其員工維持非常好的關係。

或然負債

於2016年12月31日，本集團概無任何重大或然負債（2015年：無）。

重大投資

除理財產品外，年內，本集團概無持有重大投資。

附屬公司、聯營公司及合營企業的重大收購及出售

年內，本集團概無收購或出售附屬公司、聯營公司或合營企業。

EMPLOYEE AND REMUNERATION INFORMATION

As at 31 December 2016, the Group employed a total of 132 full-time employees (2015: 159), including administration, finance, internal audit, research and development, technical application, quality control, manufacturing, procurement, sales and marketing staff. For the year ended 31 December 2016, the Group's total employee remuneration was approximately RMB15.3 million (2015: approximately RMB19.6 million).

The Group places great emphasis on recruiting and training quality personnel by providing orientation programs to the new employees and on-going internal training to the existing employees to enhance their industry, technical and product knowledge, their work ethics as well as their knowledge of industry quality standards and work safety standards. Furthermore, the Group encourages its employees to take advanced courses and obtain professional certifications.

The Group is confident that its employees will continue to provide a solid foundation for the success of the Group and will maintain a high standard of service to our customers.

The Group has not experienced any disruption of its normal business operations due to labour disputes or significant turnover of staff. The Directors consider that the Group has maintained a very good relationship with its staff.

CONTINGENT LIABILITIES

As at 31 December 2016, the Group did not have any significant contingent liabilities (2015: Nil).

SIGNIFICANT INVESTMENTS

Save and except for the wealth management products, the Group had no significant investments held during the Year.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Year, the Group had no acquisition or disposal of subsidiaries, associates or joint ventures.

集團資產抵押

於2016年12月31日，現金存款約人民幣13,100,000元(2015年12月31日：約人民幣13,100,000元)已質押予銀行作為應付票據的擔保及出口銷售的擔保函。除此之外，於2016年12月31日或2015年12月31日，本集團概無任何資產抵押。

未來重大投資計劃及預期資金來源

日後，本集團將繼續實施其多元化發展策略及積極物色潛在投資機遇。

除在招股章程及本報告其他章節所披露外，於2016年12月31日，本集團概無未來重大投資計劃。

CHARGE ON GROUP ASSETS

As at 31 December 2016, the cash deposits in the amount of approximately RMB13.1 million (31 December 2015: approximately RMB13.1 million) were pledged to banks as security for notes payable and letter of guarantee for export sales. Save for that, the Group did not have any charges on its assets as at 31 December 2016 or 31 December 2015.

FUTURE PLANS FOR MATERIAL INVESTMENTS

In the future, the Group will continue to implement its diversified development strategy and proactively search for potential investment opportunities.

Save as disclosed in the Prospectus or elsewhere in this report, the Group had no future plans for material investments as at 31 December 2016.

董事、監事及高級管理層簡歷

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事

執行董事

張德剛先生，44歲，自2012年7月24日以來是我們的執行董事兼本集團的主席。張先生是本集團的創辦人之一。他主要負責制訂本集團業務發展計劃及監管本集團整體企業策略。他亦是董事會提名委員會及戰略委員會主席。張德剛先生是張德強先生及張靜華女士的胞弟。

張德剛先生於2005年3月透過遙距課程取得南京大學的計算機科學與技術(電子商務)學士學位。張先生於2013年1月獲中國共產黨澄江街道工作委員會澄江街道辦事處肯定為2012年度「明星企業家」。於2013年4月，張先生獲無錫市總工會頒授無錫市五一勞動獎章。張先生於2015年5月被評選為無錫市勞動模範。

自1990年6月起至1994年6月止，張德剛先生在江陰鋼繩廠任職；自1994年6月起至2003年11月止，張先生在中國貝卡爾特鋼簾線有限公司任職，從中在鋼絲業累積相當豐富的經驗。自2002年10月起至2004年4月止，張先生擔任江陰三知工控有限公司(「江陰三知」)的監事，該公司主要從事工業自動化控制設備的安裝、改裝、維修和保養。江陰三知已於2015年12月撤銷註冊。張先生自2005年9月起至2012年7月止期間亦擔任江陰貝特機械工程有限公司的董事長、董事兼總經理，該公司專門銷售和製造工業自動化設備。為了讓張先生專注於本集團的業務，江陰貝特機械工程有限公司已於2012年7月撤銷註冊。

DIRECTORS

Executive Directors

Mr. ZHANG Degang (張德剛), aged 44, is our executive Director and the chairman of the Group since 24 July 2012. Mr. Zhang is one of the founders of the Group. He is primarily responsible for the Group's postulating business development plans and overseeing our Group's overall corporate strategies. He is also the chairman of the nomination committee and strategic committee of the Board. Mr. Zhang Degang is the brother of Mr. Zhang Deqiang and Ms. Zhang Jinghua.

Mr. Zhang Degang obtained a bachelor's degree in computer science and technology (e-business) (計算機科學與技術(電子商務)) through distance learning from Nanjing University (南京大學) in March 2005. In January 2013, Mr. Zhang was accredited by 中國共產黨澄江街道工作委員會澄江街道辦事處 (Chengjiang Road Office of the Chengjiang Road Working Committee of the Communist Party of China*) as the “明星企業家” (Star Entrepreneur*) for the year 2012. In April 2013, Mr. Zhang was awarded with “無錫市五一勞動獎章” (Wuxi City 1 May Labour Medal*) by 無錫市總工會 (Wuxi City General Union*). Mr. Zhang was awarded the Labour Model of Wuxi in May 2015.

From June 1990 to June 1994, Mr. Zhang Degang worked in 江陰鋼繩廠 (Jiangyin Steel Wire Factory*); from June 1994 to November 2003, Mr. Zhang worked in China Bekaert Steel Cord Co., Ltd. (中國貝卡爾特鋼簾線有限公司), where he gained considerable experience in the steel wire industry. From October 2002 to April 2004, Mr. Zhang acted as the supervisor of 江陰三知工控有限公司 (Jiangyin Sanzhi Gongkong Company Limited*) (“**Jiangyin Sanzhi**”), which was principally engaged in the installation, modification, repair and maintenance of industrial automatic control equipment. Jiangyin Sanzhi was deregistered in December 2015. From September 2005 to July 2012, Mr. Zhang acted as the chairman, director and general manager of 江陰貝特機械工程有限公司 (Jiangyin Beite Machinery and Engineering Company Limited*), which specialised in the sale and manufacture of industrial automatic equipment. In order to allow Mr. Zhang to focus on the business of the Group, 江陰貝特機械工程有限公司 (Jiangyin Beite Machinery and Engineering Company Limited*) was deregistered in July 2012.

於2006年3月，張德剛先生(通過配偶朱纓璇女士)與張德強先生設立無錫市盛力達機械工程有限公司(「前身公司」)。張先生亦為本集團提名委員會及戰略委員會主席。他自2009年4月起擔任江陰三知工控機械有限公司(「三知工控」)的董事，並自2009年4月起至2011年12月止擔任三知工控總經理；他自2009年8月起亦擔任江蘇盛力達裝備科技有限公司(「江蘇盛力達」)的董事兼總經理；自2011年7月起擔任無錫海盛軟件科技有限公司(「海盛軟件」)的總經理及自2012年12月起擔任其董事；以及自2011年12月起擔任無錫上達自動化科技有限公司(「無錫上達」)的董事。無錫上達已於2016年4月撤銷註冊。

張德強先生，47歲，是我們的執行董事兼總經理。張先生亦是本集團的創辦人之一。他主要負責日常營運、本集團業務的策略性發展和管理。張德強先生亦是董事會薪酬與考核委員會及戰略委員會成員。張德強先生是張德剛先生的胞兄，張靜華女士的胞弟。

In March 2006, Mr. Zhang Degang (through his spouse, Ms. Zhu Yingxuan) established 無錫市盛力達機械工程有限公司 (Wuxi Sunlit Machinery & Engineering Company Limited*) (the “**Predecessor Company**”) with Mr. Zhang Deqiang. He has been the director of 江陰三知工控機械有限公司 (Jiangyin Sanzhi Gongkong Machinery Company Limited*) (the “**Sanzhi Gongkong**”) since April 2009 and he acted as the general manager of Sanzhi Gongkong from April 2009 to December 2011; he has also been the director and general manager of 江蘇盛力達裝備科技有限公司 (Jiangsu Sunlit Equipment Technology Company Limited*) (the “**Jiangsu Sunlit**”) since August 2009; the general manager of 無錫海盛軟件科技有限公司 (Wuxi Haisheng Software Technology Company Limited*) (the “**Haisheng Software**”) since July 2011 and its director since December 2012; and the director of 無錫上達自動化科技有限公司 (Wuxi Shangda Automation Technology Company Limited*) (the “**Wuxi Shangda**”) since December 2011. Wuxi Shangda was deregistered in April 2016.

Mr. ZHANG Deqiang (張德強), aged 47, is our executive Director and general manager. Mr. Zhang is also one of the founders of the Group. He is primarily responsible for the day-to-day operations, strategic development and management of the Group’s business. Mr. Zhang Deqiang is also a member of the remuneration and appraisal committee and strategic committee of the Board. Mr. Zhang Deqiang is the brother of Mr. Zhang Degang and Ms. Zhang Jinghua.

張德強先生於1991年7月取得東南大學工程學士學位，主修電子精密機械，並於1998年8月獲無錫市工程技術中級任職資格社會化評價委員會授予工程師資格。於2013年11月獲江蘇省無錫市機械工程高級專業技術資格評審委員會授予的高級工程師資格。張德強先生於2011年1月榮獲周鐵鎮人民政府及中國共產黨周鐵鎮委員會授予2010年度「明星廠長(經理)」殊榮。他亦於2010年及2011年連續兩年榮獲無錫市人民政府及中國共產黨無錫市委授予「優秀民營企業家」榮譽。

自1991年8月起至1995年10月止，張德強先生在海鷹企業集團有限責任公司任職，從中獲得機器設計的經驗。張先生自1995年10月起至2006年4月止任職無錫村田電子有限公司的生產及技術部主管，該公司主要從事電子產品及零件的銷售及生產。自2004年4月起至2005年11月止，他擔任江陰三知(其主要從事工業自動化控制設備的安裝、改裝、維修和保養)的監事。江陰三知已於2015年12月撤銷註冊。

張德強先生於2006年3月與張德剛先生(通過配偶朱纓璇女士)創立前身公司。

Mr. Zhang Deqiang obtained a bachelor's degree in engineering majoring in electronic precision machinery (電子精密機械) from Southeast University (東南大學) in July 1991. In August 1998, he was conferred by 無錫市工程技術中級任職資格社會化評價委員會 (Wuxi City Engineer Technology Intermediate Qualification Socialisation Evaluation Committee*) with the qualification of engineer. In November 2013, he was granted the qualification of senior engineer by 江蘇省無錫市機械工程高級專業技術資格評審委員會 (Jiangsu Wuxi City Mechanical Engineering Senior Professional Technique Qualification Evaluation Committee*). In January 2011, Mr. Zhang Deqiang was recognised by 周鐵鎮人民政府 (Zhoutie Town People's Government*) and 中國共產黨周鐵鎮委員會 (Zhoutie Town Committee of the Communist Party of China*) as the “明星廠長(經理)” (Star Factory Director (Manager)*) for the year of 2010. He was also accredited as the “優秀民營企業家” (Outstanding Non-public Entrepreneur*) for two consecutive years of 2010 and 2011 by 無錫市人民政府 (Wuxi People's Government*) and 中國共產黨無錫市委 (Wuxi Municipal Committee of the Communist Party of China*).

From August 1991 to October 1995, Mr. Zhang Deqiang worked in 海鷹企業集團有限責任公司 (Haiying Enterprise Group Company Limited*), where he gained experience in designing machinery. From October 1995 to April 2006, Mr. Zhang worked as the department head of the production and technical department in 無錫村田電子有限公司 (Wuxi Murata Electronics Company Limited*), which was principally engaged in the sale and manufacture of electronic products and components. From April 2004 to November 2005, he acted as the supervisor of Jiangyin Sanzhi, which was principally engaged in the installation, modification, repair and maintenance of industrial automatic control equipment. Jianyin Sanzhi was deregistered in December 2015.

In March 2006, Mr. Zhang Deqiang founded the Predecessor Company with Mr. Zhang Degang (through his spouse, Ms. Zhu Yingxuan).

張德強先生自2006年3月起至2011年3月止期間擔任前身公司的董事。於2011年3月，張德強先生出任本公司的總經理，自2012年7月起亦擔任執行董事。張德強先生自2009年4月起至2011年12月止擔任三知工控的董事，並自2011年12月起擔任監事。他亦自2009年8月起擔任江蘇盛力達的監事；自2011年7月起擔任海盛软件的監事；以及自2011年12月起擔任無錫上達的總經理，無錫上達已於2016年4月撤銷註冊。

非執行董事

張靜華女士，54歲，是我們的非執行董事。張女士是張德剛先生及張德強先生的胞姐。

張靜華女士於1978年7月高中畢業。她分別於2012年2月及2013年2月獲中國共產黨江陰市委及江陰市人民政府授予「優秀總經理」的殊榮。

張靜華女士自1979年3月起至1991年11月止於江陰市要塞中學擔任教師。自1991年10月起至2002年10月止，她在江陰聯通實業有限公司工作。張女士於1998年10月獲由中華人民共和國人事部批准及發出並由中國國家統計局授予的統計專業技術初級資格證書。自2002年10月起至2005年11月止，她擔任江陰三知的董事兼經理。自2004年3月起至2009年11月止，她擔任江陰三佳工控機械有限公司的董事兼總經理，該公司主要從事工業自動化控制系統的設計、銷售及生產。為了讓張女士專注於本集團的業務，江陰三佳工控機械有限公司已於2012年7月撤銷註冊。

From March 2006 to March 2011, Mr. Zhang Deqiang was the director of the Predecessor Company. In March 2011, Mr. Zhang Deqiang took up the role as the general manager of the Company, and he acted as the executive Director since July 2012. From April 2009 to December 2011, Mr. Zhang Deqiang acted as the director of Sanzhi Gongkong and as its supervisor since December 2011. He has also been acting as the supervisor of Jiangsu Sunlit since August 2009; the supervisor of Haisheng Software since July 2011; and the general manager of Wuxi Shangda since December 2011, Wuxi Shangda was deregistered in April 2016.

Non-Executive Directors

Ms. ZHANG Jinghua (張靜華), aged 54, is the non-executive Director. Ms. Zhang is the sister of Mr. Zhang Degang and Mr. Zhang Deqiang.

Ms. Zhang Jinghua graduated from high school in July 1978. In February 2012 and February 2013, respectively, she was recognised by 中國共產黨江陰市委 (Jiangyin Municipal Committee of the Communist Party of China*) and 江陰市人民政府 (People's Government of the Jiangyin City*) as the “優秀總經理” (outstanding general manager*).

From March 1979 to November 1991, Ms. Zhang Jinghua worked as a teacher in 江陰市要塞中學 (Jiangyin City Yaosai Secondary School*). From October 1991 to October 2002, she worked in 江陰聯通實業有限公司 (Jiangyin Liantong Industrial Company Limited*). Ms. Zhang obtained a qualification certificate of speciality and technology in statistics (elementary level) approved and issued by the Ministry of Personnel of the PRC (中華人民共和國人事部) and conferred by the National Bureau of Statistics of the PRC (國家統計局) in October 1998. From October 2002 to November 2005, she acted as the director and manager of Jiangyin Sanzhi. From March 2004 to November 2009, she acted as the director and general manager of 江陰三佳工控機械有限公司 (Jiangyin Sanjia Gongkong Machinery Company Limited*), which was principally engaged in the design, sale and manufacture of industrial automation control system. In order to allow Ms. Zhang to focus on the business of the Group, 江陰三佳工控機械有限公司 (Jiangyin Sanjia Gongkong Machinery Company Limited*) was deregistered in July 2012.

張靜華女士於2009年4月加盟本集團，擔任三知工控的董事，並於2011年12月獲委任為總經理。三知工控已於2015年12月撤銷註冊。自2012年7月起，她擔任我們的副總經理。她於2013年8月獲委任為我們的執行董事。於2015年8月，彼由執行董事調任為非執行董事並辭任副總經理。

高峰先生，49歲，於2012年7月加盟本集團，並自2012年7月24日獲委任為非執行董事。高先生為上海玉道投資管理中心(有限合夥)及上海世道投資發展中心(有限合夥)的普通合夥人，它們分別是玉道天穗(本集團的上市前投資者之一)的普通合夥人及有限合夥人。他亦是董事會審核委員會成員。

高峰先生於1989年7月畢業於杭州大學(現為浙江大學一部分)，獲授法律學士學位。他持有由上海市司法局於1991年1月發出的中國律師執照。自1998年起至2013年止，高先生曾於中國多家享譽盛名的律師事務所任職，現為一家律師事務所的合夥人。

獨立非執行董事

劉朝建先生，51歲，於2012年7月獲委任為獨立非執行董事。他亦是董事會審核委員會成員、薪酬與考核委員會主席及戰略委員會成員。劉先生不參與本集團的研發活動。

劉朝建先生於1987年7月畢業於西安冶金建築學院(現稱西安建築科技大學)，獲授冶金學學士學位。他於1998年11月獲國家冶金工業局頒授高級工程師資格。劉先生自1987年7月起在冶金工業規劃研究院任職，現時職位是副總工程師和高級專業工程師。

Ms. Zhang Jinghua joined the Group in April 2009 as the director of Sanzhi Gongkong, and in December 2011, she was appointed as its general manager. Sanzhi Gongkong was deregistered in December 2015. Since July 2012, she has acted as our vice-general manager (副總經理). In August 2013, she was appointed as the executive Director. In August 2015, she was re-designated from an executive Director to a non-executive Director and resigned as the vice-general manager.

Mr. GAO Feng (高峰), aged 49, joined the Group in July 2012, and was appointed as the non-executive Director since 24 July 2012. Mr. Gao is the general partner of 上海玉道投資管理中心(有限合夥) (Shanghai Yudao Investment Management Centre (Limited Partnership)*) and 上海世道投資發展中心(有限合夥) (Shanghai Shidao Investment Development Centre (Limited Partnership)*), who are the general partner and limited partner of Yudao Tiansui (one of our Pre-Listing Investors), respectively. He is also a member of the audit committee of the Board.

Mr. Gao Feng graduated from Hangzhou University (杭州大學) (now being part of Zhejiang University (浙江大學)) with a bachelor's degree in law in July 1989. He is a holder of PRC lawyer's licence issued by 上海市司法局 (Shanghai City Ministry of Justice*) in January 1991. From 1998 to 2013, Mr. Gao worked in various renowned law firms in the PRC and is currently a partner of a law firm.

Independent Non-Executive Directors

Mr. LIU Chaojian (劉朝建), aged 51, was appointed as the independent non-executive Director in July 2012. He is also a member of the audit committee, the chairman of the remuneration and appraisal committee and a member of the strategic committee of the Board. Mr. Liu is not involved in the Group's research and development activities.

Mr. Liu Chaojian graduated from 西安冶金建築學院 (Xi'an Institute of Metallurgy and Architecture*) (now known as Xi'an University of Architecture and Technology (西安建築科技大學)) with a bachelor's degree in metallurgy in July 1987. In November 1998, he was conferred by the State Bureau of Metallurgical Industry (國家冶金工業局) with the qualification of an advanced level engineer. Since July 1987, Mr. Liu has worked in the China Metallurgical Industry Planning and Research Institute (冶金工業規劃研究院) and his current positions are the deputy chief engineer and senior engineer at professor level.

自2010年9月起至2013年8月止，劉朝建先生擔任寧夏新日恒力鋼絲繩股份有限公司（上海證券交易所股份代號：600165）的獨立董事。

高富平先生，53歲，於2013年8月獲委任為獨立非執行董事。高先生亦是董事會薪酬與考核委員會及提名委員會成員。

高富平先生於1993年7月取得山西大學的法律碩士學位，並於1998年7月在中國政法大學取得民商法學領域的博士學位。高先生於1995年9月獲中國司法部承認為合資格律師。2001年9月，他獲上海市教育委員會及上海市教育發展基金會授予「2001年度第七屆曙光學者」的殊榮。

高富平先生自1998年7月起在華東政法大學授課，擔任講師、副教授及教授。高先生自2004年6月起至2014年2月止期間擔任知識產權學院的院長。自2014年3月起，高先生擔任華東政法大學財產法研究院的院長。

自2011年6月起至2014年3月止，高富平先生擔任方正寬帶網絡服務股份有限公司（一家於中國成立的股份公司，於2014年4月變更為方正寬帶網絡服務有限公司）的獨立非執行董事。

何育明先生，45歲，於2013年8月獲委任為獨立非執行董事。何先生亦是董事會審核委員會主席及提名委員會成員。

From September 2010 to August 2013, Mr. Liu Chaojian acted as the independent director of Ningxia Xinri Hengli Steel Wire Company Limited (寧夏新日恒力鋼絲繩股份有限公司) (Shanghai Stock Exchange Stock Code: 600165).

Mr. GAO Fuping (高富平), aged 53, was appointed as the independent non-executive Director in August 2013. Mr. Gao is also a member of the remuneration and appraisal committee and the nomination committee of the Board.

Mr. Gao Fuping obtained a master's degree in law from Shanxi University (山西大學) in July 1993 and a doctor's degree in civil commercial law (民商法學) from China University of Political Science and Law (中國政法大學) in July 1998. In September 1995, Mr. Gao was admitted as a qualified lawyer by the Ministry of Justice of the PRC. In September 2001, he was recognised as the "2001年度第七屆曙光學者" (dawn scholar of the year 2001 (seventh year)) by 上海市教育委員會 (Shanghai Education Committee*) and 上海市教育發展基金會 (Shanghai Educational Development Foundation*).

Since July 1998, Mr. Gao Fuping has lectured in East China University of Political Science and Law (華東政法大學) and has served as lecturer, deputy professor and professor. From June 2004 to February 2014, Mr. Gao served as the dean of the Intellectual Property School (知識產權學院). Since March 2014, Mr. Gao has served as the dean of 財產法研究院 (Property Law Research Institute*) of East China University of Political Science and Law (華東政法大學).

From June 2011 to March 2014, Mr. Gao Fuping acted as an independent non-executive director of Founder Broadband Network Service Company Limited (方正寬帶網絡服務股份有限公司), a joint stock company established in the PRC, which was converted into Founder Broadband Network Services Co., Ltd. (方正寬帶網絡服務有限公司) in April 2014.

Mr. HO Yuk Ming, Hugo (何育明), aged 45, was appointed as the independent non-executive Director in August 2013. Mr. Ho is also the chairman of the audit committee and a member of the nomination committee of the Board.

董事、監事及高級管理層簡歷 **BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

何育明先生於1996年7月畢業於香港樹仁學院(現稱香港樹仁大學)，獲授會計學榮譽文憑。他於2000年3月成為香港會計師公會的會員，現為香港註冊會計師。

Mr. Ho Yuk Ming, Hugo graduated from Hong Kong Shue Yan College (now known as Hong Kong Shue Yan University) with an honours diploma in accounting in July 1996. He was admitted as an associate of the Hong Kong Society of Accountants (now known as Hong Kong Institute of Certified Public Accountants) in March 2000 and is a certified public accountant in Hong Kong.

何育明先生在審計、會計及財務相關事宜方面擁有逾13年經驗。截至本報告日期，何先生曾或正於下列在聯交所上市的公司任職：

Mr. Ho Yuk Ming, Hugo has over 13 years of experience in auditing, accounting and finance-related matters. As of the date of this report, Mr. Ho has worked or is working in the following companies listed on the Stock Exchange:

名稱 Name	股份代號 Stock Code	職位 Position	任期 Tenure
錦宏集團有限公司 Best Wide Group Limited	464 (已於2001年11月除牌) (delisted in November 2001)	會計經理 accounting manager	2000年5月至2006年7月 May 2000 to July 2006
國家聯合資源控股有限公司 (於關鍵時間的前稱為 光訊控股集團有限公司) National United Resources Holdings Limited (formerly known as eCyberChina Holdings Limited at the material time)	254	執行董事 executive director	2004年3月至2004年9月 March 2004 to September 2004
第一視頻集團有限公司(於關鍵時間的前稱 為益安國際集團有限公司) V1 Group Limited (formerly known as Yanion International Holdings Limited at the material time)	82	執行董事 executive director	2005年1月至2006年2月 January 2005 to February 2006
聯合能源集團有限公司 United Energy Group Limited	467	會計經理 accounting manager	2006年9月至2010年3月 September 2006 to March 2010
		公司秘書 company secretary	2008年4月至2010年2月 April 2008 to February 2010
深圳市明華澳漢科技股份有限公司 Shenzhen Mingwah Aohan High Technology Corporation Limited	8301	公司秘書 company secretary	2013年7月至2014年2月28日 July 2013 to 28 February 2014
高鵬礦業控股有限公司 Future Bright Mining Holdings Limited	2212	財務總監及公司秘書 chief financial officer & company secretary	2014年4月至目前 April 2014 to present
佐力科創小額貸款股份有限公司 Zuoli Kochuang Micro-finance Company Limited	6866	獨立非執行董事 Independent non-executive director	2014年4月至目前 April 2014 to present
冠輝集團控股有限公司 King Force Group Holdings Limited	8315	獨立非執行董事 Independent non-executive director	2016年9月至目前 September 2016 to present

何育明先生自2010年4月起至2014年2月止亦擔任卡聶高國際集團控股有限公司(前稱港豪企業有限公司)的會計經理,自2012年10月起至2014年2月止亦兼職大中華證券有限公司的財務總監。

From April 2010 to February 2014, Mr. Ho Yuk Ming, Hugo has also acted as the accounting manager of Carlico International Group Holdings Limited (formerly known as Kinco Enterprises Limited). Mr. Ho has also acted as the financial controller of Great China Brokerage Limited on a part-time basis from October 2012 to February 2014.

監事

彭加山先生, 53歲, 自2014年8月15日起獲委任為監事, 作為股東代表。他於2002年7月畢業於江蘇大學, 主修機械電子工程。彭先生於2003年9月自無錫市人事局取得工程師資格。

SUPERVISORS

Mr. PENG Jiashan (彭加山), aged 53, was appointed as our Supervisor as a shareholder representative with effect from 15 August 2014. Mr. Peng graduated from 江蘇大學 (Jiangsu University) majoring in mechanical and electronic engineering (機械電子工程) in July 2002. Mr. Peng received the qualification of engineer (工程師) from 無錫市人事局 (Wuxi City Personnel Bureau*) in September 2003.

於1988年7月至1991年9月期間, 彭加山先生在無錫機械製造學校(現稱無錫職業技術學院)任職實習指導老師。於1991年9月至2005年8月期間, 他在江陰市交通職工學校任職教師。自2005年8月至今, 彭先生在江蘇省江陰職業技術教育中心校(現稱江蘇省江陰中等專業學校)任職教師。彭先生分別於2000年2月及2001年1月獲中共江陰市交通局委員會及江陰市交通局聯合頒授先進生產(工作)者名銜。

From July 1988 to September 1991, Mr. Peng Jiashan worked in 無錫機械製造學校 (Wuxi Institute of Machinery Manufacturing*, currently known as 無錫職業技術學院 (Wuxi School of Technology*)) as an internship tutor (實習指導老師). From September 1991 to August 2005, Mr. Peng worked in 江陰市交通職工學校 (Jiangyin City Transport Workers School*) as a teacher. Since August 2005 till now, Mr. Peng has worked in 江蘇省江陰職業技術教育中心校 (Jiangsu Provincial Jiangyin Central School of Vocational Technology Education*, currently known as 江蘇省江陰中等專業學校 (Jiangsu Provincial Jiangyin Secondary Professional School*)) as a teacher. Mr. Peng has been granted jointly by 中共江陰市交通局委員會 (Jiangyin City Transport Bureau Commission*) and 中共江陰市交通局 (Jiangyin City Transport Bureau*) the title of 先進生產(工作)者 (advanced (working) producer*) in February 2000 and January 2001, respectively.

危奕女士, 47歲, 自2014年8月15日起獲委任為監事, 作為股東代表。她於1991年7月獲東南大學頒發工程學學士學位, 主修電子精密機械。危女士於1996年8月至1999年7月期間在西安電子科技大學修讀現代財經會計課程, 並於1997年7月畢業於西安電子科技大學。她於2003年4月獲陝西省財政廳頒發會計專業證書。

Ms. WEI Yi (危奕), aged 47, was appointed as our Supervisor as a shareholder representative with effect from 15 August 2014. Ms. Wei obtained a bachelor's degree in engineering majoring in electronic precision machinery (電子精密機械) from Southeast University (東南大學) in July 1991. From August 1996 to July 1999, Ms. Wei studied Modern Financial Accounting courses at Xidian University (西安電子科技大學) and graduated from Xidian University in July 1997. Ms. Wei received the certificate of accounting professional issued by the Financial Department of Shaanxi Province (陝西省財政廳) in April 2003.

於東南大學畢業後，危女士曾在中國人民解放軍總後勤部任職工程師。於2005年1月至2008年12月期間，她在陝西紅星鍋爐有限公司任職首席財務官。自2009年5月起至今，危女士在卓穗電子科技(深圳)有限公司任職副總經理。

After graduating from Southeast University, Ms. Wei worked as an engineer in 中國人民解放軍總後勤部 (General Logistics Department of the People's Liberation Army*). From January 2005 to December 2008, Ms. Wei worked as the chief financial officer at 陝西紅星鍋爐有限公司 (Shaanxi Red Star Boiler Company Limited*). Since May 2009 till now, Ms. Wei has worked as the deputy general manager of 卓穗電子科技(深圳)有限公司 (Zhuo Sui Electronic Science and Technology (Shenzhen) Company Limited*).

楊靜華女士，35歲，自2012年7月起獲委任為監事，作為員工代表。楊女士於2006年5月畢業於中央廣播電視大學，主修工商管理(現代企業管理)。她自2000年7月起至2006年6月止期間在無錫市阿爾卑斯電子有限公司任職，最後職位為培訓主任。自2006年6月起至2007年2月止，她任職於天宇客貨運輸服務有限公司無錫分公司(現稱日通國際物流(中國)有限公司)，負責統計工作。楊女士自2009年5月起在本公司任職，負責人事相關工作。

Ms. YANG Jinghua (楊靜華), aged 35, was appointed as our Supervisor as the employee representative with effect from July 2012. Ms. Yang graduated with a major in business administration (modern corporate administration) from 中央廣播電視大學 (China Central Radio and TV University*) in May 2006. From July 2000 to June 2006, she worked in Wuxi Alps Electronic Company Limited (無錫市阿爾卑斯電子有限公司) and her last position was training officer. From June 2006 to February 2007, she worked in 天宇客貨運輸服務有限公司無錫分公司 (Nippon Express (China) Company Limited* (now known as 日通國際物流(中國)有限公司)), which was engaged in statistics work. Since May 2009, Ms. Yang has worked in the Company on personnel related work.

高級管理層

SENIOR MANAGEMENT

偶國建先生，50歲，1988年6月畢業於蘇州大學，主修有機化學專門化專業。2000年6月獲常州市專業技術人員職稱工作領導小組辦公室授予的工程師證資格。

Mr. Ou Guojian, aged 50, graduated from Soochow University in June 1988, majoring in Organic Chemistry. In June 2000, he was granted the engineer qualification by Job Title Working Group of Technical Professionals of Changzhou City (常州市專業技術人員職稱工作領導小組辦公室).

偶國建先生於1988年8月至2002年5月，在武進農藥廠任技術質量經理；2002年5月至2004年3月，在常州康麗製藥有限公司任研發工程師；2004年3月至2005年2月，在江陰百川化工有限公司任研發工程師；2005年3月至2011年7月，在江陰澄江化工有限公司任生產技術部長；2011年8月起在本公司擔任銷售總監，2016年10月晉陞為副總經理。

Mr. Ou Guojian served as the technical quality manager in 武進農藥廠 (Wujin Pesticide Factory*) from August 1988 to May 2002, the R&D Engineer in 常州康麗製藥有限公司 (Changzhou Kangli Pharmaceutical Co., Ltd.*) from May 2002 to March 2004; the R&D Engineer in 江陰百川化工有限公司 (Jiangyin Baichuan Chemical Co., Ltd.*) from March 2004 to February 2005, the production technology minister in 江陰澄江化工有限公司 (Jiangyin Chengjiang Chemical Co., Ltd.*) from March 2005 to July 2011. In August 2011, he joined the Company as sales director and was promoted to vice-general manager in October 2016.

黃立明先生，36歲，於2004年7月畢業於無錫職業技術學院，主修自動控制，2015年7月畢業於江南大學，主修工商管理。黃先生於2015年4月在惠山區長安街道總工會組織的2013–2014年度職工勞動競賽活動中榮獲知識型員工稱號。

黃立明先生於2004年7月至2010年3月在江陰三佳工控機械有限公司任電氣主管，江陰三佳工控機械有限公司已於2012年7月撤銷註冊。

黃立明先生於2010年3月起在江陰三知任副總經理，江陰三知已於2015年12月撤銷註冊。

黃立明先生於2015年3月起擔任本公司生產部門負責人，2015年8月晉升為副總經理。

趙元興先生，51歲，2000年6月畢業於南京師範大學，主修財務管理。2002年5月獲由中華人民共和國人事部及中華人民共和國財政部批准及認可的會計專業技術中級資格證書。

Mr. WANG Liming (黃立明), aged 36, graduated with a major in automatic control from 無錫職業技術學院 (Wuxi Institute of Technology*) in July 2004, and a major in business administration from 江南大學 (Jiangnan University*) in July 2015. Mr. Wang was granted the title of “Intelligent Staff” in the 2013–2014 Labour Competition (2013–2014年度職工勞動競賽活動) in April 2015, which was organised by the Federation of Trade Unions of Changan Street, Huishan (惠山區長安街道總工會).

Mr. Wang Liming acted as the head of electric department of 江陰三佳工控機械有限公司 (Jiangyin Sanjia Gongkong Machinery Company Limited*) from July 2004 to March 2010. 江陰三佳工控機械有限公司 (Jiangyin Sanjia Gongkong Machinery Company Limited*) was deregistered in July 2012.

Mr. Wang Liming acted as the vice-general manager of Jiangyin Sanzhi since March 2010. Jiangyin Sanzhi was deregistered in December 2015.

Mr. Wang Liming acted as the director of the production department of the Company, and was promoted to be vice-general manager in August 2015.

Mr. ZHAO Yuanxing (趙元興), aged 51, was graduated with a major in financial management from 南京師範大學 (Nanjing Normal University*) in June 2000, and obtained a qualification certificate of speciality and technology in accounting (intermediate level) approved and recognized by the Ministry of Personnel of the PRC (中華人民共和國人事部) and the Ministry of Finance of the PRC (中華人民共和國財政部) in May 2002.

趙元興先生於1984年11月至1987年9月，在江陰興澄鋼材有限公司工作；1987年9月至1989年7月，在江蘇省冶金經濟管理學校全職學習；1989年7月至2001年5月，在江陰興澄特種鋼鐵有限公司任財務科長；2001年5月至2011年2月，在無錫興澄鋼材有限公司任財務負責人；2011年2月至2012年2月，在無錫市中達電機有限公司任財務總監；2012年2月至2012年9月，在本公司任財務經理，2012年10月至2013年5月，在本公司任內部審計部部長，2013年5月至2015年8月，在本公司綜合管理部項目辦任經理，2015年8月份開始擔任本公司財務總監。

Mr. Zhao Yuanxing worked for 江陰興澄鋼材有限公司 (Jiangyin Xingcheng Steel Limited Company*) from November 1984 to September 1987; studied full-time in 冶金經濟管理學校 (Metallurgical Economic Management School*) in Jiangsu Province; acted as the financial supervisor of 江陰興澄特種鋼鐵有限公司 (Jiangyin Xingcheng Special Steel Limited Company*) from July 1989 to May 2001; acted as the financial principal of 無錫興澄鋼材有限公司 (Wuxi Xingcheng Steel Products Co., Ltd*) from May 2001 to February 2011; acted as the chief financial officer of 無錫市中達電機有限公司 (Wuxi Zhongda Motors Company Limited*) from February 2011 to February 2012. He acted as the financial manager of the Company from February 2012 to September 2012, the head of the internal audit department of the Company from October 2012 to May 2013, a manager of the integrated management department unit from May 2013 to August 2015, and the Chief Financial Officer of the Company since August 2015.

* For identification purposes only

監事會報告

REPORT OF THE BOARD OF SUPERVISORS

2012年7月20日，本公司現屆監事會經本公司創立大會批准成立。現屆監事會由三名監事組成，分別為彭加山先生、危奕女士及楊靜華女士。

截至2016年12月31日止年度，本公司監事會嚴格遵照相關法律、法規、規章、監管文件、本公司組織章程細則（「**組織章程細則**」）及聯交所證券上市規則（「**上市規則**」）行事，認真履行監督對本公司董事及高級管理層行動的責任，維護本公司的長遠利益及股東權益。監事會於2016年的主要工作範疇概述如下：

I. 監事會舉行的會議

截至2016年12月31日止年度，本公司監事會召開了兩次會議。

II. 監事會工作

第二屆監事會的主要工作如下：

1. 檢查股東大會決議案執行情況

本公司監事會通過監察及列席董事會會議及股東大會，對董事會及高級管理層執行股東大會決議案的情況進行監督檢查。監事會認為，本公司董事及高級管理層已經按照股東大會的決議案，勤勉履行職責。本公司董事及高級管理層在執行職務中未發現違法、違規、違反組織章程細則或損害本公司或本公司股東利益的行為。

On 20 July 2012, the current session of the board of supervisors of the Company was established upon the approval of the inaugural meeting of the Company. The current session of the board of supervisors comprises of three supervisors, namely Mr. Peng Jiashan, Ms. Wei Yi and Ms. Yang Jinghua.

During the year ended 31 December 2016, for the Company's long term interests and its shareholders' interests, the board of supervisors of the Company acted in strict compliance with relevant laws, regulations, rules, regulatory documents, the articles of association of the Company (the "**Articles of Association**") and the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and earnestly performed their duties of supervision as to the acts of the Directors and senior management of the Company. The main area of work of the board of supervisors in 2016 is summarised as follows:

I. MEETINGS CONDUCTED BY THE BOARD OF SUPERVISORS

The board of supervisors of the Company convened two meetings during the year ended 31 December 2016.

II. WORK OF THE BOARD OF SUPERVISORS

The work of the second session of the board of supervisors mainly comprised of the followings:

1. Inspection over implementation of resolutions of the general meetings

The board of supervisors of the Company exercised supervision and inspection of the implementation of the resolutions in general meetings by the Board and the senior management through observation and attendance at the board meetings and general meetings. The board of supervisors is of the opinion that the Directors and senior management of the Company have diligently performed their duties in compliance with resolutions of the general meetings. No violation of any laws or regulations or the Articles of Association or any act which jeopardises the interests of the Company or shareholders of the Company has been found in the performance of duties by the Directors and senior management of the Company.

II. 監事會工作(續)

2. 檢查本集團依法運作情況

本公司監事會在日常工作中，定期對本集團經營及管理的合法性及合理性進行監督，亦對董事會及高級管理層的工作表現進行監督。監事會認為，本集團運作正常且規範，並遵守所有適用法律、法規、規則及組織章程細則。董事會成員及本集團高級管理層盡職勤勉，忠於職守，且彼等概無作出損害本集團或本公司股東利益的行為。

3. 檢查本集團日常經營活動情況

本公司監事會對本集團經營活動進行監督。監事會認為本集團已經建立完善的內部控制制度，大大改善內部工作流程的制定和執行，有效地控制各項經營風險。本集團的經營均遵守中國的法律、法規及組織章程細則。

II. WORK OF THE BOARD OF SUPERVISORS

(Continued)

2. Inspection over legal compliance of the Group's operations

The board of supervisors of the Company exercised supervision on a regular basis over the legal compliance and rationality of the Group's operation and management in its ordinary works. It has also exercised supervision over work performance of the Board and senior management. The board of supervisors is of the opinion that the Group's operation is sound and rational, and is in compliance with all applicable laws, regulations and rules and the Articles of Association. The members of the Board and senior management of the Group have conscientiously and diligently performed their duties, and none of their acts would prejudice the interests of the Group or the shareholders of the Company.

3. Inspection over the Group's daily operating activities

The board of supervisors of the Company exercised supervision over the Group's operating activities. The board of supervisors is of the opinion that the Group has a sound internal control system and has made a great progress in the formulation and implementation of its internal work procedures, thus effectively controlled its exposure to various operating risks. The Group's operation is in compliance with the PRC laws and regulations and the Articles of Association.

II. 監事會工作(續)

4. 檢查本集團的財務狀況

本公司監事會已核實本集團的2016年綜合財務報表，監督及檢查本集團執行相關財務政策及法規情況以及本集團資產及財務收支的詳細情況。監事會認為，2016年綜合財務報表能公平反映其財務狀況及經營業績。

展望未來，本公司監事會將繼續嚴格遵守組織章程細則以及相關法律及法規，履行其職務，維護本公司股東的權益。

監事會主席
彭加山

中國江蘇，2017年3月29日

II. WORK OF THE BOARD OF SUPERVISORS

(Continued)

4. Inspection over the Group's financial condition

The board of supervisors of the Company has verified the Group's 2016 consolidated financial statements, supervised and inspected the Group's implementation of relevant financial policies and legislations as well as details on the Group's assets, financial income and expenditure. The board of supervisors is of the opinion that the consolidated financial statements for 2016 fairly reflected its financial position and operating results.

Looking forward, the board of supervisors of the Company will continue to carry out its duties in strict compliance with the Articles of Association and the relevant laws and regulations and protect the interests of the shareholders of the Company.

Peng Jiashan
Chairman of the Board of Supervisors

Jiangsu, China, 29 March 2017

企業管治報告

CORPORATE GOVERNANCE REPORT

企業管治常規

董事會致力秉持高度企業管治及商業道德標準。本公司確信，這對提升投資者信心及給予股東最佳回報而言至關重要。董事會不時檢討其企業管治常規，以符合持份人日益提高的期望、遵守日益嚴謹的監管規定並履行其對卓越企業管治的承諾。

董事會經審閱本公司的企業管治常規及上市規則附錄十四所載企業管治守則及企業管治報告(「**企業管治守則**」)的相關規例後，信納本公司截至2016年12月31日止年度已遵守企業管治守則條文。

證券交易的標準守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則(「**標準守則**」)作為本公司董事及監事進行證券交易的行為守則。經向本公司全體董事及監事作出特定查詢後，本公司全體董事及監事確認，彼等於年內，已各自全面遵守標準守則所載的規定準則。

因受聘於本公司而可能獲得內幕消息的高級管理層亦須遵守標準守則的條文。

董事會

董事會承諾為本公司提供有效及負責任的領導。董事必須個別及共同地為本公司及其股東的最佳利益真誠行事。董事會已成立四個董事委員會，分別為審核委員會、薪酬與考核委員會、提名委員會及戰略委員會(各為「**董事委員會**」及統稱「**該等董事委員會**」)，以監察本公司不同範疇的事務。

CORPORATE GOVERNANCE PRACTICES

The Board is committed to upholding a high standard of corporate governance and business ethics in the firm belief that they are essential for enhancing investors' confidence and maximizing shareholders' returns. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of stakeholders, comply with increasingly stringent regulatory requirements and fulfill its commitment to excellence in corporate governance.

After reviewing the Company's corporate governance practices and the relevant regulations of the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") as set out in Appendix 14 to the Listing Rules, the Board is satisfied that the Company has complied with the CG Code provisions for the year ended 31 December 2016.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as the code of conduct regarding securities transactions by the Directors and supervisors of the Company. Upon making specific enquiries of all the Directors and supervisors of the Company, each of the Directors and supervisors of the Company confirmed that he/she has fully complied with the required standards set out in the Model Code throughout the Year.

Senior management who, because of their office in the Company, are likely to be in possession of inside information, have also been requested to comply with the provisions of the Model Code.

BOARD OF DIRECTORS

The Board is committed to providing effective and responsible leadership for the Company. The Directors, individually and collectively, must act in good faith in the best interests of the Company and its shareholders. The Board has established four Board committees, being the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategic Committee (each a "**Board Committee**") and collectively the "**Board Committees**"), to oversee different areas of the Company's affairs.

董事會 (續)

董事會現時包括兩名執行董事張德剛先生及張德強先生，兩名非執行董事張靜華女士及高峰先生，以及三名獨立非執行董事劉朝建先生、高富平先生及何育明先生。張德剛先生為董事會主席。

彼等的履歷詳情及(如適用)親屬關係載於本年報第20至30頁「董事、監事及高級管理層簡歷」一節。列明董事角色及職能以及獨立非執行董事身份的董事名單可於本公司網站查閱。

執行董事兼董事會主席張德剛先生為張德強先生及張靜華女士(分別為執行董事及本集團總經理以及非執行董事)的胞弟。除已披露者外，董事會成員之間並無任何其他財務、業務、家屬或其他重大／相關關係。

董事會制訂本集團的整體目標及策略、監察及評估其營運及財務表現並審閱本集團的企業管治準則，亦就年度及中期業績、主要交易、董事委任或續聘、投資政策、股息及會計政策等事宜作出決定。董事會已將執行其業務策略及管理本集團業務的日常營運的權力及責任轉授予執行董事及高級管理層成員。董事會定期檢討所轉授的職能及權力，以確保有關轉授仍屬合適。

BOARD OF DIRECTORS (Continued)

The Board currently comprises two executive Directors, namely Mr. Zhang Degang and Mr. Zhang Deqiang, two non-executive Directors, namely, Ms. Zhang Jinghua and Mr. Gao Feng, and three independent non-executive Directors, namely, Mr. Liu Chaojian, Mr. Gao Fuping and Mr. Ho Yuk Ming, Hugo. Mr. Zhang Degang is the chairman of the Board.

Their biographical details and their family relationships (where applicable) are set out in the section headed "Biographies of Directors, Supervisors and Senior Management" on pages 20 to 30 in this annual report. A list of the Directors identifying their roles and functions and whether they are independent non-executive Directors are available on the Company's website.

Mr. Zhang Degang, an executive Director and the chairman of the Board, is the brother of Mr. Zhang Deqiang and Ms. Zhang Jinghua, who are the executive Director and general manager of the Group, and the non-executive Director, respectively. Save as disclosed, there are no other financial, business, family or other material/relevant relationships among the members of the Board.

The Board sets the Group's overall objectives and strategies, monitors and evaluates its operating and financial performance and reviews the corporate governance standard of the Group. It also decides on matters such as annual and interim results, major transactions, directors' appointments or re-appointments, investment policies, dividend and accounting policies. The Board has delegated the authority and responsibility for implementing its business strategies and managing the daily operations of the Group's businesses to the executive Directors and the members of senior management. The functions and powers that have been delegated are reviewed periodically to ensure that they remain appropriate.

董事會 (續)

董事會亦負責制定、檢討及監察本集團的企業管治政策及常規以及遵守法律法規情況，以及董事及高級管理層的培訓及持續專業發展。董事會亦審閱企業管治報告內的披露資料，以確保合規。

全體董事會成員可分別獨立接觸本集團的高級管理層，以履行彼等的職責。相關董事亦可要求徵詢獨立專業意見，以協助彼等履行職責，費用由本集團承擔。本公司於本年度每月向全體董事提供有關本公司表現及財務狀況的最新資料，以便董事會整體及每名董事履行其職責。

全體董事須於首次獲委任時向董事會申報彼等同時在其他公司或機構擔任的董事或其他職務，有關利益申報每年及在有需要時更新。

董事及高級職員的保險

本公司已就其董事及高級職員可能面對的法律行動出適當的投保安排。

BOARD OF DIRECTORS (Continued)

The Board is also responsible for developing, reviewing and monitoring the policies and practices on corporate governance and legal and regulatory compliance of the Group, and the training and continuous professional development of the Directors and senior management. The Board also reviews the disclosures in the Corporate Governance Report to ensure compliance.

All Board members have separate and independent access to the Group's senior management to fulfill their duties. Independent professional advice can be sought to assist the relevant Directors to discharge their duties at the Group's expense upon their request. During the Year, all Directors are provided with monthly updates on the Company's performance and financial position to enable the Board as a whole and each Director to discharge their duties.

All Directors are required to declare to the Board upon their first appointment of directorships or other positions which they are concurrently holding at other companies or organisations. These interests are updated on an annual basis and when necessary.

DIRECTORS' AND OFFICERS' INSURANCE

The Company has arranged appropriate insurance cover in respect of potential legal actions against its Directors and officers.

董事持續培訓及專業發展

全體董事均知悉彼等對本公司股東的責任，履行彼等的職責時已傾注其關注、技術及勤勉，致力發展本集團。每名新任董事均獲提供簡介，確保其對本集團的業務及營運有適當瞭解，並充分理解其於適用規則及規定下身為董事的職責及責任。

為遵守企業管治守則的守則條文A.6.5以確保董事遵守有關法規，以及加深彼等對良好企業管治常規的認識。董事於年內參與以下持續專業發展：

DIRECTORS' CONTINUOUS TRAINING AND PROFESSIONAL DEVELOPMENT

All Directors are aware of their responsibilities to the shareholders of the Company and have exercised their duties with care, skill and diligence, in pursuit of the development of the Group. Every newly appointed Director receives an induction to ensure that he/she has a proper understanding of the business and operations of the Group and that he/she is fully aware of his duties and responsibilities as a director under applicable rules and requirements.

In compliance with the code provision A.6.5 of the CG Code and to ensure compliance and enhance their awareness of good corporate governance practices, the Directors participated in the following continuous professional development in the Year:

**閱讀新訂規則
及法規上
更新之材料
Reading materials
updating on new rules
and regulations**

董事姓名	Name of Directors	
執行董事		
Executive Directors		
張德剛先生	Mr. Zhang Degang	✓
張德強先生	Mr. Zhang Deqiang	✓
非執行董事		
Non-executive Directors		
張靜華女士	Ms. Zhang Jinghua	✓
高峰先生	Mr. Gao Feng	✓
獨立非執行董事		
Independent Non-executive Directors		
劉朝建先生	Mr. Liu Chaojian	✓
何育明先生	Mr. Ho Yuk Ming, Hugo	✓
高富平先生	Mr. Gao Fuping	✓

附註：本公司從各董事處收到關於持續開展專業培訓之確認函。

Note: The Company has received from each of the Directors the confirmations on taking continuous professional training.

主席及行政總裁

董事會主席與行政總裁職權分離，不由同一人擔任，以確保更有效的制衡，從而達到更良好的企業管治。張德剛先生擔任董事會主席一職，主要負責本集團整體策略、規劃及業務發展。張德強先生擔任本集團總經理，主要負責本集團營運。

獨立非執行董事的獨立性

獨立非執行董事的角色乃向董事會提供獨立及客觀的意見，為本集團提供足夠的制約及平衡，以保障股東及本集團整體利益。彼等於董事會及該等董事會委員會上積極提供獨立客觀的意見。

本公司已遵照上市規則第3.10(1)及3.10A條，委任三名獨立非執行董事，佔董事會人數超過三分之一。其中一名獨立非執行董事具備上市規則第3.10(2)條所規定的適當會計專業資格或相關財務管理專長。

各獨立非執行董事已根據上市規則第3.13條以書面形式向本公司提交其年度獨立身分確認書。根據該等確認書的內容，本公司認為全體獨立非執行董事均為獨立，其獨立判斷不會受到任何關係的重大影響。

該等董事會委員會

董事會獲得審核委員會、提名委員會、薪酬與考核委員會及戰略委員會等多個董事會委員會支援。各董事會委員會均有經董事會批准的明確書面職權範圍，涵蓋其職責、權力及職能。彼等的職權範圍於本公司網站可供查閱。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the chairman of the Board and chief executive officer are separate and are not performed by the same individual as this ensures better checks and balances and hence better corporate governance. Mr. Zhang Degang holds the position of the chairman of the Board, who is primarily responsible for the overall strategies, planning and business development of the Group. Mr. Zhang Deqiang serves as the general manager of the Group, who is primarily responsible for the operations of the Group.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The role of the independent non-executive Directors is to provide independent and objective opinions to the Board, giving adequate control and balances for the Group to protect the overall interests of the shareholders and the Group. They serve actively on the Board and Board Committees to provide their independent and objective views.

In compliance with Rules 3.10(1) and 3.10A of the Listing Rules, the Company has appointed three independent non-executive Directors, representing more than one-third of the Board. One of the independent non-executive Directors has the appropriate professional qualifications in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

Each independent non-executive Director has submitted an annual confirmation in writing of his independence to the Company pursuant to Rule 3.13 of the Listing Rules. Based on the contents of such confirmations, the Company considers that all independent non-executive Directors are independent and free of any relationship that could materially interfere with the exercise of their independent judgement.

BOARD COMMITTEES

The Board is supported by a number of the Board Committees, including the Audit Committee, Nomination Committee, Remuneration and Appraisal Committee and Strategic Committee. Each Board Committee has its defined and written terms of reference approved by the Board covering its duties, powers and functions. Their terms of reference are available on the Company's website.

該等董事會委員會(續)

所有該等董事會委員會均獲提供足夠資源以履行其職責，包括於需要時取得管理層或專業人士的意見。

(i) 審核委員會

審核委員會根據企業管治守則所載之職權範圍成立，由三名董事組成，分別為何育明先生(獨立非執行董事)、劉朝建先生(獨立非執行董事)及高峰先生(非執行董事)。何育明先生具備適當專業資格及會計事務經驗，獲委任為審核委員會主席。

審核委員會的主要職責是協助董事會就財務申報系統、風險管理及內部監控系統是否有效及維持與本集團外聘核數師關係提供獨立意見、監督審計過程，以及履行董事會委派的其他職責及責任，其中包括審閱本集團的中期及年度報告。

年內，審核委員會已特別審閱本集團截至2016年6月30日止六個月及截至2015年12月31日止年度的綜合財務報表(包括本集團採納的會計原則及常規)、外聘核數師所編製的報告(當中涵蓋審核過程中的主要調查結果)、外聘核數師的甄選及委任以及本集團風險管理及內部監控制度。

於本年度結束後，審核委員會已審閱截至2016年12月31日止年度的綜合財務報表。

BOARD COMMITTEES (Continued)

All Board Committees are provided with sufficient resources to discharge their duties, including access to management or professional advice if considered necessary.

(i) Audit Committee

The Audit Committee was established with terms of reference in compliance with the CG Code. The Audit Committee consists of three Directors, namely Mr. Ho Yuk Ming, Hugo (independent non-executive Director), Mr. Liu Chaojian (independent non-executive Director) and Mr. Gao Feng (non-executive Director). Mr. Ho Yuk Ming, Hugo, who has appropriate professional qualifications and experience in accounting matters, was appointed as the chairman of the Audit Committee.

The principal responsibilities of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the financial reporting system, risk management and internal control systems, relationship with external auditor of the Group, oversee the audit process and perform other duties and responsibilities as assigned by the Board. These include reviewing the Group's interim and annual reports.

During the Year, the Audit Committee has, inter alia, reviewed the consolidated financial statements of the Group for the six months ended 30 June 2016 and for the year ended 31 December 2015, respectively, including the accounting principles and practices adopted by the Group, the report prepared by the external auditor covering major findings in the course of the audit, the selection and appointment of the external auditor as well as the risk management and internal control systems of the Group.

Subsequent to the end of the Year, the Audit Committee has reviewed the consolidated financial statements for the year ended 31 December 2016.

該等董事會委員會(續)

(i) 審核委員會(續)

年內，審核委員會已舉行四次會議。個別委員會成員的出席記錄載列如下：

成員名稱	Name of member	出席／會議次數 Attendance/ Number of Meetings
何育明先生	Mr. Ho Yuk Ming, Hugo	4/4
劉朝建先生	Mr. Liu Chaojian	4/4
高峰先生	Mr. Gao Feng	4/4

(ii) 薪酬與考核委員會

薪酬與考核委員會根據企業管治守則所載的職權範圍成立，由三名董事組成，分別為劉朝建先生(獨立非執行董事)、高富平先生(獨立非執行董事)及張德強先生(執行董事)。劉朝建先生為薪酬與考核委員會主席。

薪酬與考核委員會的主要職責是檢討全體董事及高級管理層的整體薪酬架構及政策以及執行董事及高級管理層的特定薪酬方案，及就制定此等薪酬政策設立正規而具透明度的程序，並就以上事項向董事會提供建議。概無董事參與有關其本身薪酬的討論。本公司的薪酬政策目標是根據業務需要及行業慣例維持公平及具競爭力的薪酬方案。本公司因應市場水平、各董事的工作量、表現、職責、工作難度及本集團表現等因素，釐定向董事會成員支付的薪酬及袍金水平。

BOARD COMMITTEES (Continued)

(i) Audit Committee (Continued)

During the Year, four meetings of the Audit Committee were held. The attendance records of individual committee members are set out below:

(ii) Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee was established with terms of reference in compliance with the CG Code. The Remuneration and Appraisal Committee comprises three Directors, namely Mr. Liu Chaojian (independent non-executive Director), Mr. Gao Fuping (independent non-executive Director) and Mr. Zhang Deqiang (executive Director). Mr. Liu Chaojian is the chairman of the Remuneration and Appraisal Committee.

The principal responsibilities of the Remuneration and Appraisal Committee are to review and make recommendations to the Board on the overall remuneration structure and policy for all Directors and senior management as well as the specific remuneration packages for the executive Directors and senior management and on the establishment of a formal and transparent process for developing such remuneration policy. No Director takes part in any discussion on his own remuneration. The Company's objective for its remuneration policy is to maintain fair and competitive packages based on business requirements and industry practice. In order to determine the level of remuneration and fees paid to the members of the Board, market rates and factors such as each Director's workload, performance, responsibility, job complexity and the Group's performance are taken into account.

該等董事會委員會 (續)

(ii) 薪酬與考核委員會 (續)

年內，薪酬與考核委員會已特別檢討有關本公司董事及高級管理層的薪酬政策及架構。

年內，薪酬與考核委員會已舉行一次會議。個別委員會成員的出席記錄載列如下：

BOARD COMMITTEES (Continued)

(ii) Remuneration and Appraisal Committee (Continued)

During the Year, the Remuneration and Appraisal Committee has, inter alia, reviewed the remuneration policy and structure relating to the Directors and senior management of the Company.

During the Year, one meeting of the Remuneration and Appraisal Committee was held. The attendance records of individual committee members are set out below:

成員名稱	Name of member	出席／會議次數 Attendance/ Number of Meetings
劉朝建先生	Mr. Liu Chaojian	1/1
高富平先生	Mr. Gao Fuping	1/1
張德強先生	Mr. Zhang Deqiang	1/1

截至2016年12月31日止年度按金額範圍劃分的本集團高級管理層成員薪酬載列如下：

The remuneration of the members of the senior management of the Group by band for the year ended 31 December 2016 is set out below:

薪酬範圍(港元) Remuneration bands (HK\$)	人數 Number of persons
零至250,000 Nil to 250,000	8
250,000至500,000 250,000 to 500,000	5
500,000至1,000,000 500,000 to 1,000,000	2

該等董事會委員會(續)

(iii) 提名委員會

提名委員會根據企業管治守則所載的職權範圍成立，由三名董事組成，分別為張德剛先生(執行董事)、何育明先生(獨立非執行董事)及高富平先生(獨立非執行董事)。張德剛先生為提名委員會主席。

提名委員會的主要職責為至少每年檢討董事會的組成，包括其架構、人數及多元性，以確保董事會具備適合本集團業務所需的均衡專業知識、技能及經驗。提名委員會亦負責考慮及向董事會推薦具備合適資格可擔任董事會成員的人士、監察董事繼任安排及評核獨立非執行董事的獨立性。提名委員會在物色具備合適資格可擔任董事會成員的人士時，亦會考慮董事會多元化政策，而董事將檢討董事會多元化政策，為實施董事會多元化政策訂立可計量目標並加以檢討，以及監察達成有關目標的進度。

年內，提名委員會已特別檢討董事會的架構、人數及組成，並已評核獨立非執行董事的獨立性。

年內，提名委員會已舉行兩次會議。個別委員會成員的出席記錄載列如下：

BOARD COMMITTEES (Continued)

(iii) Nomination Committee

The Nomination Committee was established with terms of reference in compliance with the CG Code and comprises three Directors, namely Mr. Zhang Degang (executive Director), Mr. Ho Yuk Ming, Hugo (independent non-executive Director) and Mr. Gao Fuping (independent non-executive Director). Mr. Zhang Degang is the chairman of the Nomination Committee.

The principal responsibilities of the Nomination Committee are to review the composition of the Board, including its structure, size and diversity, at least annually to ensure that it has a balance of expertise, skills and experience appropriate to the requirements of the business of the Group. It is also responsible to consider and recommend to the Board any suitably qualified person to become a member of the Board, monitor the succession planning of Directors and assess the independence of independent non-executive Directors. The Nomination Committee will also give consideration to the Board Diversity Policy when identifying suitably qualified candidates to become the members of the Board, and the Board will review the Board Diversity Policy, so as to develop and review measurable objectives for implementing the Board Diversity Policy and to monitor the progress on achieving these objectives.

During the Year, the Nomination Committee has, inter alia, reviewed the structure, size and composition of the Board and assessed the independence of the independent non-executive Directors.

During the Year, two meetings of the Nomination Committee were held. The attendance records of individual committee members are set out below:

成員名稱	Name of member	出席／會議次數 Attendance/ Number of Meetings
張德剛先生	Mr. Zhang Degang	2/2
何育明先生	Mr. Ho Yuk Ming, Hugo	2/2
高富平先生	Mr. Gao Fuping	2/2

該等董事會委員會(續)

(iv) 戰略委員會

戰略委員會根據職權範圍成立，由三名董事組成，分別為張德剛先生(執行董事)、張德強先生(執行董事)及劉朝建先生(獨立非執行董事)。張德剛先生為戰略委員會主席。

年內，戰略委員會的主要職責是就本公司的長期發展策略向董事會提供推薦建議。

戰略委員會已特別審閱本公司的融資計劃及長期發展，並就此提供建議。

截至2016年12月31日止年度，戰略委員會已舉行一次會議。個別委員會成員的出席記錄載列如下：

BOARD COMMITTEES (Continued)

(iv) Strategic Committee

The Strategic Committee was established with terms of reference and comprises three Directors, namely Mr. Zhang Degang (executive Director), Mr. Zhang Deqiang (executive Director) and Mr. Liu Chaojian (independent non-executive Director). Mr. Zhang Degang is the chairman of the Strategic Committee.

The primary function of the Strategic Committee is to make recommendations to the Board on the long-term development strategies of the Company.

During the year, the Strategic Committee has, inter alia, reviewed the financing plans and long term development of the Company and given suggestions accordingly.

During the year ended 31 December 2016, one meeting of the Strategic Committee was held. The attendance records of individual committee members are set out below:

成員名稱	Name of member	出席／會議次數 Attendance/ Number of Meetings
張德剛先生	Mr. Zhang Degang	1/1
張德強先生	Mr. Zhang Deqiang	1/1
劉朝建先生	Mr. Liu Chaojian	1/1

企業管治職能

董事會負責履行企業管治守則的守則條文D.3.1所載的職能。

董事會已檢討本公司的企業管治政策及常規、董事及高級管理層的培訓及持續專業發展、本公司在遵守法律及監管規定方面的政策及常規、遵守標準守則的情況、本公司遵守企業管治守則的情況以及在本企業管治報告所作的披露。

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

董事會議事程序

根據組織章程細則，董事會每年須舉行最少四次由董事會主席召開及主持的董事會會議。董事會定期會議須發出至少十四日通知，且臨時董事會會議通知須於會議日期前五日寄發。該通知須列明召開董事會會議的時間、地點及方式、議程及隨附董事會文件須於相關會議舉行前最少三天寄發。

董事會會議的法定人數至少為董事總數的一半。董事可親身出席董事會會議，或以書面形式委任另一董事為其受委代表出席董事會會議。本公司董事會秘書負責編製及備存董事會會議記錄，並確保該等會議記錄可供任何董事查閱。

截至2016年12月31日止年度，董事會已舉行六次會議，出席記錄載列如下：

BOARD PROCEEDINGS

Pursuant to the Articles of Association, the Board is required to hold at least four Board meetings each year, to be convened and hosted by the chairman of the Board. A notice of at least fourteen days shall be dispatched for a regular Board meeting while the notice of an extraordinary Board meeting shall be despatched 5 days prior to the date of the meeting. The notice shall state the time, venue and means by which the Board meeting will be convened, and an agenda and accompanying board papers shall be sent to all the Directors at least 3 days before the relevant meeting.

The quorum for a Board meeting is the presence of at least half of the total number of the Directors. A Director may attend the Board meeting in person, or appoint another Director in writing as his proxy to attend the Board meeting. The secretary to the Board of the Company is responsible for preparing and keeping the minutes of Board meetings and ensuring that such minutes are available for inspection by any Director.

During the year ended 31 December 2016, six Board Meetings were held and the attendance records are set out below:

董事名稱	Name of director	出席／會議次數 Attendance/ Number of Meetings
張德剛先生	Mr. Zhang Degang	6/6
張德強先生	Mr. Zhang Deqiang	6/6
張靜華女士	Ms. Zhang Jinghua	6/6
高峰先生	Mr. Gao Feng	6/6
劉朝建先生	Mr. Liu Chaojian	6/6
何育明先生	Mr. Ho Yuk Ming, Hugo	6/6
高富平先生	Mr. Gao Fuping	6/6

股東大會

截至2016年12月31日止年度，本公司已召開一次本公司股東週年大會、一次H股股東類別大會及一次內資股股東類別大會。所有該等會議已於2016年6月7日舉行，且出席記錄載列如下：

GENERAL MEETINGS

During the year ended 31 December 2016, the Company convened one annual general meeting, one class meeting for holders of H shares and one class meeting for holders of domestic shares of the Company. All these meetings were held on 7 June 2016 and the attendance records are set out below:

董事名稱	Name of director	出席／會議次數 Attendance/ Number of Meetings
張德剛先生	Mr. Zhang Degang	3/3
張德強先生	Mr. Zhang Deqiang	3/3
張靜華女士	Ms. Zhang Jinghua	3/3
高峰先生	Mr. Gao Feng	3/3
劉朝建先生	Mr. Liu Chaojian	3/3
何育明先生	Mr. Ho Yuk Ming, Hugo	3/3
高富平先生	Mr. Gao Fuping	3/3

委任及重選董事

根據組織章程細則，董事須於本公司股東週年大會上獲選任，任期為三年，並可獲重新選任。本公司已就委任新董事實施一套有效程序。提名委員會須按照相關法律法規及組織章程細則的條文，在顧及本公司的實際情況後，考慮董事的甄選準則、甄選程序及任期，並記錄及提交決議案予董事會批准。所有新提名的董事均須經股東大會選任及批准。

除張靜華女士作為非執行董事的服務合約（委任期自2015年8月28日起並於第二屆董事會結束時屆滿）外，各董事已與本公司訂立服務合約，任期自上市日起計初步為期三年。

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Pursuant to the Articles of Association, Directors shall be subject to election at the Company's general meetings with a term of office of three years and may be re-elected. The Company has implemented a set of effective procedures for the appointment of new Directors. The Nomination Committee shall, in accordance with provisions of the relevant laws and regulations and the Articles of Association, take into account the practical situations of the Company, consider the selection criteria, selection procedures and terms of office of the Directors, and record and submit the resolutions to the Board for approval. All newly nominated Directors are subject to election and approval at general meetings.

Except for Ms. Zhang Jinghua's service contract as a non-executive Director for an appointment term commencing from 28 August 2015 and expiring upon the end of the second session of the Board, each of the Directors has entered into a service contract with the Company for an initial term of three years commencing from the Listing Date.

董事會多元化政策

董事會於2015年3月採納董事會多元化政策。本公司明白及信納董事會多元化能提升表現質素裨益。甄選人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。最終將按人選之長處及可為董事會提供之貢獻而作決定。

監事會

本公司監事會由三名成員組成，員工代表監事楊靜華女士由員工選舉產生，其他監事由本公司股東選舉產生。各監事已與本公司訂立服務合約，任期自上市日起初步為期三年。監事會的職能及職責包括但不限於：審閱及核實財務報告，如有任何疑問，委任執業會計師及執業核數師重新審閱本公司的財務資料；監督本公司的業務活動；調查本公司已終止異常經營狀況的時間，監督董事、董事會主席及其他高級管理人員的表現，並監察彼等在履行職責時有否違反法律法規及組織章程細則；要求董事、董事會主席及高級管理人員糾正損害本公司利益的行動；及行使組織章程細則賦予彼等的其他權利。

BOARD DIVERSITY POLICY

The Board adopted the board diversity policy in March 2015. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

BOARD OF SUPERVISORS

The board of supervisors of the Company consists of three members. The employee representative supervisor, namely Ms. Yang Jinghua, was elected by employees, and the other supervisors were elected by the shareholders of the Company. Each of the supervisors has entered into a service contract with the Company for an initial term of three years commencing from the Listing Date. The functions and duties of the board of supervisors include, but are not limited to: reviewing and verifying financial reports and, if in doubt, appointing certified public accountants and practicing auditors to re-examine the Company's financial information; investigate when an unusual operation situation of the Company is discontinued; supervising the performance of the Directors and senior management members, and monitoring whether they had acted in violation of the laws, regulations and Articles of Association in the performance of their duties; requesting the Directors and senior management members to rectify actions which are detrimental to the Company's interests; and exercising other rights given to them under the Articles of Association.

公司秘書

本公司與外聘服務供應商何詠欣女士訂立服務合約，彼獲委任為本公司的公司秘書（「**公司秘書**」）。董事會主席兼執行董事張德剛先生，為何女士於本公司的主要企業聯絡人。

作為公司秘書，何女士於支援董事會方面擔當重任，確保董事會成員間有效交流資訊，以及董事會政策及程序得以遵守。何女士負責就企業管治事宜向董事會提供意見，亦應安排董事的入職培訓及專業發展。年內，公司秘書已遵守上市規則第3.29條項下的相關專業培訓規定。

財務報告

董事明白本身有責任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本公司綜合財務報表，以令綜合財務報表真實而公平地反映本集團於年內的事務狀況、業績及現金流量。本公司已根據審慎合理的判斷及估計，選擇合適的會計政策並貫徹採用。董事會認為本集團具備充足資源於可見未來繼續經營業務，且並不知悉有關可能影響本集團業務或使本集團持續經營能力成疑的事件或狀況出現任何重大不確定因素。

本公司外聘核數師羅兵咸永道會計師事務所就財務報告所承擔的責任，載於本年報「獨立核數師報告」一節。

COMPANY SECRETARY

The Company has engaged in a service contract with an external service provider, Ms. Ho Wing Yan, who was appointed as the company secretary of the Company (the “**Company Secretary**”). Mr. Zhang Degang, the chairman of the Board and executive Director, is the primary corporate contact person of the Company with Ms. Ho.

Being the Company Secretary, Ms. Ho plays an important role in supporting the Board by ensuring good information flow within the Board and that the Board policies and procedures are followed. Ms. Ho is responsible for advising the Board on corporate governance matters and should also facilitate induction and professional development of Directors. During the Year, the Company Secretary has complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

FINANCIAL REPORTING

The Directors acknowledge their responsibility to prepare the Company’s consolidated financial statements which give a true and fair view of the Group’s state of affairs, results and cash flows for the Year and in accordance with the 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. The Company has selected appropriate accounting policies and has applied them consistently based on prudent and reasonable judgments and estimates. The Board considers that the Group has adequate resources to continue in business for the foreseeable future and is not aware of any material uncertainties relating to any events or conditions that may affect the business of the Group or cast doubts on its ability to continue as going concern.

The responsibility of PricewaterhouseCoopers, the Company’s external auditor, with respect to financial reporting is set out in the section headed “Independent Auditor’s Report” in this annual report.

外聘核數師及核數師酬金

羅兵咸永道會計師事務所已獲委任為本公司外聘核數師。年內，就羅兵咸永道會計師事務所為本集團提供審計服務的已付或應付費用為人民幣1,700,000元且並無提供非審計服務。

於回顧年度，董事會與審核委員會之間對外聘核數師的選任及委任事宜並無分歧。

股東通訊及股東權利

本公司旨在透過其企業管治架構，讓全體股東有平等機會在知情情況下行使其權利，並讓全體股東積極參與本公司事務。根據本公司的組織章程細則、股東通訊政策及本公司其他相關內部程序，本公司股東可享有(其中包括)以下權利：

(i) 參加股東大會

本公司的股東大會為董事會與本公司股東提供直接溝通機會。本公司鼓勵股東透過出席股東週年大會及其他股東大會參與本公司事務，會上股東可與董事會會面及交流意見，並行使其表決權利。本公司須安排於舉行相關大會前不少於45日，向股東發出大會通告及載有提呈決議案詳情的通函。在股東大會上，各重大事項(包括選舉個別董事)將會提呈獨立決議案。

EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

PricewaterhouseCoopers has been appointed as the external auditor of the Company. During the Year, the fees paid or payable to PricewaterhouseCoopers in respect of its audit services provided to the Group was RMB1.7 million and no non-audit services were provided.

There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditor during the Year under review.

COMMUNICATION WITH SHAREHOLDERS AND SHAREHOLDERS' RIGHTS

The Company aims to, via its corporate governance structure, enable all its shareholders an equal opportunity to exercise their rights in an informed manner and allow all shareholders to engage actively with the Company. Under the Company's Articles of Association, the shareholder communication policy and other relevant internal procedures of the Company, the shareholders of the Company enjoy, among others, the following rights:

(i) Participation at general meetings

The general meetings of the Company provide an opportunity for direct communication between the Board and the shareholders of the Company. The Company encourages the participation of the shareholders through annual general meetings and other general meetings where the shareholders meet and exchange views with the Board, and to exercise their right to vote at meetings. The Company shall arrange notices of meetings and circulars containing details on proposed resolutions to be sent to the shareholders no less than 45 days before the relevant meeting. At general meetings, separate resolutions are proposed on each substantial issue, including the election of individual Directors.

股東通訊及股東權利 (續)

(ii) 向董事會查詢

本公司鼓勵股東出席股東大會，通過在股東大會向董事會及該等董事會委員會就營運及管治事宜直接提問作出查詢，或將有關查詢的書面通知送交本公司的香港主要營業地點（現時位於香港灣仔港灣道6-8號瑞安中心33樓），註明公司秘書收啟。

(iii) 召開股東特別大會

根據組織章程細則，單獨或合計持有10%或以上股份的股東，有權以書面形式要求董事會召開臨時股東大會。在收到要求後十日內，董事會須根據法律、法規及本組織章程細則發出有關其是否同意召開臨時股東大會的書面回應。

倘董事會同意召開臨時股東大會，須於董事會作出有關決議後五日內發出股東大會通告。倘通告變更原來建議，應當徵得相關股東同意。

倘董事會拒絕召開臨時股東大會，或在收到要求後十日內未作出回覆，單獨或合計持有10%或以上股份的股東，有權以書面形式向本公司監事會提議召開臨時股東大會。

倘本公司監事會同意召開臨時股東大會，應於收到請求後五日內發出股東大會通告。倘通告變更原來建議，應當徵得相關股東同意。

COMMUNICATION WITH SHAREHOLDERS AND SHAREHOLDERS' RIGHTS (Continued)

(ii) Enquiries to the Board

The Company encourages shareholders to attend shareholders' meetings and make enquiries by either directly raising questions on both operational and governance matters to the Board and Board Committees at the general meetings or providing written notice of such enquiries for the attention of the Company Secretary at the principal place of business of the Company in Hong Kong currently situated at 33rd Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong.

(iii) Convening extraordinary general meetings

Pursuant to the Articles of Association, shareholder(s) alone or jointly holding 10% or more of the shares have the right to require the Board to convene a shareholders' extraordinary general meeting by a written request. Within ten days after receipt of the request, the Board shall, in accordance with laws, regulations and the Articles of Association, give a written response in respect of whether or not it agrees to convene a shareholders' extraordinary general meeting.

If the Board agrees to convene a shareholders' extraordinary general meeting, a notice of shareholders' general meeting shall be issued within five days after the Board reaches such a resolution. Where the notice alters the original proposal, the approval of the relevant shareholders shall be required.

If the Board refuses to convene a shareholders' extraordinary general meeting, or fails to respond within ten days after receipt of the request, the shareholder(s) alone or in aggregate holding 10% or more of the Shares have the right to propose to the board of supervisors of the Company by a written requisition the convening of a shareholders' extraordinary general meeting.

If the board of supervisors of the Company agrees to convene a shareholders' extraordinary general meeting, a notice of shareholders' general meeting shall be issued within five days after receipt of the request. Where the notice alters the original proposal, the approval of the relevant shareholders shall be required.

股東通訊及股東權利 (續)

(iii) 召開股東特別大會 (續)

本公司監事會未能於規定期限內發出股東大會通告，應被視為其不召開和主持股東大會，而連續九十日或以上單獨或合計持有本公司10%或以上股份的股東有權召開和主持大會。

股東要求召開臨時股東大會或者類別股東大會，應當按照下列程序辦理：

- (a) 單獨或者合計持有本公司有表決權的本公司股份總數10%或以上的股東，可以簽署一份或者數份同樣格式內容的書面要求，提請董事會召集臨時股東大會或者類別股東大會，並闡明會議的建議決議案。董事會在收到前述書面要求後應當在可行情況下盡快召集臨時股東大會或者類別股東大會。前述持股數按股東提出書面要求日計算。
- (b) 股東大會須根據組織章程細則召開。

股東因董事會未應前述要求舉行會議而自行召開並舉行會議，其所產生的一切合理費用應當由本公司承擔，並從本公司欠付失職董事的款項中扣除。

COMMUNICATION WITH SHAREHOLDERS AND SHAREHOLDERS' RIGHTS (Continued)

(iii) Convening extraordinary general meetings (Continued)

Failure of the board of supervisors of the Company to issue a notice of general meeting within the stipulated period shall be deemed as its failure to convene and preside over a general meeting, and shareholder(s) alone or in aggregate holding 10% or more of the Company's Shares for ninety consecutive days or more shall be entitled to convene and preside over the meeting.

The shareholders require to convene an extraordinary general meeting or class meeting shall follow the following procedures:

- (a) Shareholders who separately or jointly hold 10% or more of the shares of the Company carrying voting rights may request the Board to convene an extraordinary general meeting or class meeting by signing a written request or several copies in the same form and to illustrate the proposed resolutions of the meetings. The Board shall convene an extraordinary general meeting or a class meeting as soon as practicable upon receipt of the foresaid written request. The aforesaid amount of shareholding is calculated as of the date of the submission of the written request by the Shareholders.
- (b) A Shareholder's general meeting shall be convened in accordance with the Articles of Association.

All reasonable expenses incurred by convening and holding the aforesaid meeting by shareholders due to the failure of the Board to hold such meeting in response to the aforesaid request shall be borne by the Company. Such expenses shall be deducted from the amounts due by the Company to the Director(s) who have defaulted their duties.

股東通訊及股東權利(續)

(iv) 在股東大會上提出議案的程序

本公司股東在監察及監控本公司業務營運的過程中，有權提出議案及質詢。單獨或合計持有本公司有表決權的股份3%或以上的股東，有權以書面形式向本公司提出臨時議案，將書面通知送交本公司的主要營業地點(現時位於香港灣仔港灣道6-8號瑞安中心33樓)，註明公司秘書收啟，且如屬股東大會職權範圍內之事項，本公司應當將有關臨時議案列入該次股東大會的議程。

所提出的議案內容須屬於股東大會職責範圍內，須有明確主題及具體議決事宜，並須符合法律、行政法規及組織章程細則的相關規定。

章程文件

於2016年，組織章程細則作出若干修訂，以反映本公司之內資股股東陝西新建實業發展有限公司將其持有的960,000股內資股轉讓給陝西仁仁投資管理有限公司。該等修訂獲本公司股東於2016年6月7日舉行的本公司股東週年大會上正式通過。有關組織章程細則的修訂詳情，請參閱本公司日期分別為2016年3月29日及2016年4月20日的公告及通函。除上文披露者外，組織章程細則於截至2016年12月31日止年度概無變動。

組織章程細則於聯交所及本公司網站可供查閱。

COMMUNICATION WITH SHAREHOLDERS AND SHAREHOLDERS' RIGHTS (Continued)

(iv) Procedures for putting forward proposals at a general meeting

In overseeing and monitoring the business operation of the Company, the shareholders of the Company have the right to put forward proposals and raise inquiries. Shareholders individually or together holding 3% or more of the Company's voting shares have the right to put up ad hoc proposals in writing to the Company for the attention of the Company Secretary at the principal place of business in Hong Kong currently situated at 33rd Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong, and the Company shall include such ad hoc proposals into the agenda for such general meeting if they are the matters which fall within the functions and powers of general meeting.

The contents of the proposals to be raised shall be within the scope of duties of the general meetings. It shall have a clear topic and specific matters to be resolved on, and shall be in compliance with relevant requirements of the laws, administrative regulations and the Articles of Association.

CONSTITUTIONAL DOCUMENTS

In 2016, certain amendments were made to the Articles of Association to reflect the transfer of 960,000 domestic shares of the Company from Shaanxi Xinjian Industrial Development Company Limited to Shaanxi Renten Investment Management Company Limited. These amendments were duly passed by the shareholders of the Company at the annual general meeting of the Company held on 7 June 2016. For details of the amendments to the Articles of Association, please refer to the announcement and circular of the Company dated 29 March 2016 and 20 April 2016 respectively. Save as disclosed above, there was no change in the Articles of Association during the year ended 31 December 2016.

The Articles of Association is available on the websites of the Stock Exchange and the Company.

風險管理及內部監控

年內，董事會已遵守企業管治守則所載風險管理及內部監控的守則條文。董事會有整體責任評估及釐定本集團為達成戰略目標所願承擔的風險性質及程度，並維持本集團適當及有效的風險管理及內部監控系統。該等系統旨在管理有關未能實現業務目標的風險，並僅可為重大錯誤陳述或遺漏提供合理(惟非絕對)的保證。

本公司管理層已在營運、財務及風險控制方面設立一套全面政策、標準及程序，以保障資產不會在未經授權的情況下遭使用或處置；妥善保存會計記錄；及保證財務資料真實可靠以合理保障不會出現潛在的虛假及錯誤情況。

董事會已持續監察本集團的風險管理及內部監控系統。對本集團的風險管理及內部監控系統的有效性的年末檢討已每年進行，而該等系統被視為有效及足夠。本公司亦設有內部審核機制，以就系統的足夠性及有效性進行分析及獨立評估，另設有程序以確保資料機密及管理實質或潛在的利益衝突，並設計嚴密的內部架構，防範不當使用內幕資料及避免利益衝突。

RISK MANAGEMENT AND INTERNAL CONTROL

During the Year, the Board complied with the code provisions on risk management and internal control as set out in the CG Code. The Board has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining appropriate and effective risk management and internal control systems for the Group. The systems are designed to manage the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The management of the Company has established a set of comprehensive policies, standards and procedures in areas of operational, financial and risk controls for safeguarding assets against unauthorized use or disposition; for maintaining proper accounting records; and for ensuring the reliability of financial information to achieve a satisfactory level of assurance against the likelihood of the occurrence of fraud and errors.

The Board has overseen the Group's risk management and internal control systems on an ongoing basis. A year-end review of the effectiveness of the Group's risk management and internal control systems has been conducted annually and the systems are considered to be effective and adequate. The Company also has an internal audit function to carry out the analysis and independent appraisal of the adequacy and effectiveness of the systems, and has procedures in place to keep information confidential and manage actual or potential conflicts of interest. Stringent internal structures have been designed to prevent the misuse of inside information and avoid conflicts of interest.

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

本集團致力推動可持續發展，可持續發展對於為本集團股東、客戶、員工、其他持份者，乃至廣大社群創造長期價值極為重要。本集團關注日常運作對環境及社會的影響，力求為社會樹立良好榜樣，因而在進行業務營運的同時，努力滿足所有持份者、經濟、環境、社會和企業治理之利益，竭力達至最佳平衡。

環境

A1. 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的政策

保護環境乃我們重點關注之一，我們承諾保護環境，在營運上以環保為重，並希望透過緊密監督及嚴謹控制工作，減低我們對環境的長遠負面影響。

1. 能源管理

我們日常運作用電產生的間接溫室氣體排放是本集團碳足跡的最主要來源，我們將透過持續監察及公佈本集團的碳足跡來瞭解及監督我們的日常營運對環境的影響。同時，我們將在各辦公地點實行以下各種節能及能源效益措施減低溫室氣體排放：

- a. 安裝高效能的電機裝置；
- b. 採購部門必須採購高能源效益產品；
- c. 採用自動燈光控制系統；

The Group is committed to promoting sustainable development, which is extremely important to create long-term value for the Group's shareholders, clients, employees, other stakeholders, as well as general public. The Company cares about the impact of its daily operation on environment and society and strives to set a good example for the public; hence in conducting business operation, it also makes great effort to meet the interests of all stakeholders, economy, environment, society and corporate governance and strives to achieve a fine balance.

ENVIRONMENT

A1. Policy on emission of exhaust gas and greenhouse gas, discharging pollution through water and land, producing hazardous and non-hazardous wastes

Protecting environment is one of our key concerns; we are committed to protecting environment and focusing on environmental protection in our operation, hoping through close supervision and stringent control to reduce our long-term negative impact on environment.

1. Energy Management

The indirect greenhouse gas emission, which generated from our daily electricity power consumption, is the main source of the Group's carbon footprint, we will keep monitoring and disclosing the Company's carbon footprint to find out and control the impact of our daily operation on the environment. At the same time, we will implement the following energy-saving and energy efficiency measures at various office locations to reduce greenhouse gas emission:

- a. Install high-performance electrical equipments;
- b. Purchasing department is required to purchase energy-efficient products;
- c. Employ automatic lighting control system;

環境 (續)

A1. 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的政策 (續)

1. 能源管理 (續)

- d. 辦公樓層採用LED照明；
- e. 員工離開時必須關閉燈光及不必要的耗能裝置，以減低能源耗量及避免不必要的能源浪費；
- f. 辦公樓層採用更多自然光；
- g. 安裝副電錶監督用電；及
- h. 其他節能及能源效益措施。

於自2017年1月1日起或之後之財政年度，本集團財務部門須每年收集電力使用情況，供管理層於環境、社會及管治報告(「**環境、社會及管治報告**」)中披露。

ENVIRONMENT (Continued)

A1. Policy on emission of exhaust gas and greenhouse gas, discharging pollution through water and land, producing hazardous and non-hazardous wastes (Continued)

1. Energy Management (Continued)

- d. Deploy LED lighting on office floors;
- e. The employees must turn off the light and any unnecessary energy device to reduce energy consumption and avoid unnecessary waste of energy;
- f. Deploy natural light as much as possible on office floors;
- g. Install auxiliary electricity meter to monitor electricity consumption; and
- h. Other energy-saving and energy efficiency measures.

Our finance department should collect information about usage of electricity annually for the management to disclose in the Environmental, Social and Governance report (the “**ESG report**”) in the financial year starting from 1 January 2017 or later.

環境(續)

A1. 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的政策(續)

2. 廢棄物管理

為減少堆填區的負荷，我們採取負責任的廢棄物管理政策，包括避免產生廢棄物、源頭減廢以及重用、回收及負責任地處置廢棄物。辦公室各處張貼告示及備忘，鼓勵員工減少製造廢物。我們推行廢棄物源頭分類措施：

- a. 廢紙(不包括紙杯、紙碟等)；
- b. 金屬(如鋁罐和其他金屬罐等)；
- c. 塑料(如膠樽、容器和塑膠包裝物料等)；及
- d. 其他可回收物品(如舊衣服、電器、電腦及雜誌等)。

遵守相關法律法規

年內，本集團於所有重大方面已遵守中華人民共和國環境保護法、中華人民共和國水污染防治法、中華人民共和國大氣污染防治法及中華人民共和國環境噪聲污染防治法以及有關環境保護的其他相關法律法規。

ENVIRONMENT (Continued)

A1. Policy on emission of exhaust gas and greenhouse gas, discharging pollution through water and land, producing hazardous and non-hazardous wastes (Continued)

2. Waste Management

In order to lighten the load of landfills, we adopt a responsible waste management policy, including waste avoidance, reducing waste from its source and reuse, recycle and responsible disposal of waste. Our offices should post memos and notices at conspicuous places, encouraging the employees to reduce the production of wastes. We have introduced waste separation measures from the start:

- a. Waste paper (excluding paper cup, paper plate, etc.);
- b. Metal (aluminum can and other metal cans);
- c. Plastics (plastic bottle, container and packaging materials); and
- d. Other recyclables (such as old cloth, electrical appliance, computer, magazine, etc.).

Compliance with relevant laws and regulations

During the Year, the Group has complied with the PRC Environmental Protection Law (中華人民共和國環境保護法), the Law of the PRC on the Prevention and Control of Water Pollution (中華人民共和國水污染防治法), the Law of the PRC on the Prevention and Control of Atmospheric Pollution (中華人民共和國大氣污染防治法) and the Law of the PRC on the Prevention and Control of Environmental Noise Pollution (中華人民共和國環境噪聲污染防治法) and other relevant laws and regulation on environmental protection in all material respects.

環境 (續)

A2. 有效使用資源(包括能源、水及其他原材料)的政策

1. 減少用電

我們將根據本集團「有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的政策」要求減少用電。

2. 減少用紙

減少廢紙的產生，我們制定以下措施：

- a. 擺放廢紙、海報、信函及公文袋回收箱，收集不能再用的紙類製品；
- b. 將廢紙回收箱放置於打印機旁邊，區分廢紙及單面已打印且可重新使用之紙張；
- c. 雙面影印；
- d. 一紙兩面書寫；
- e. 自備水杯，避免使用紙杯；
- f. 重複使用檔案夾和信封等文具；
- g. 重複使用包裝盒；及
- h. 除載有機密資料之廢紙外，廢紙將交給廢紙公司或造紙廠，以便循環再造。

於自2017年1月1日起或之後之財政年度，本集團財務部門須每年收集關於本公司所購紙製品及運往廢紙公司或造紙廠之廢紙方面之資料，供管理層於環境、社會及管治報告中披露。

ENVIRONMENT (Continued)

A2. Policy on effective use of resources (including energy, water and other raw materials)

1. Reducing electricity consumption

We will comply with the Group's policy on emission of exhaust gas and greenhouse gas, discharging pollution through water and land, producing hazardous and non-hazardous wastes to reduce electricity consumption.

2. Paper reduction

In order to reduce waste paper, we have developed the following measures:

- a. Deploy recycling bins to collect used paper products such as waste papers, posters, letters and envelopes;
- b. Place waste paper recycling bins next to printers for setting aside waste papers from papers that have been printed only one-sided and can be reused;
- c. Saving papers by double-sided printing;
- d. Writing on both sides of papers;
- e. Bring your own cup and avoid using paper cup;
- f. Reuse stationeries such as file folders and envelopes;
- g. Reuse packaging boxes; and
- h. Other than the waste papers that contain confidential information, waste papers should be shipped to paper mill or scrap paper company so as to be recycled into new paper.

Each year, our finance department shall collect information about the paper products the Company purchased and the waste papers that shipped to scrap paper company or paper mill for the management to disclose in the ESG report in the financial year starting from January 1, 2017 or later.

環境 (續)

A2. 有效使用資源(包括能源、水及其他原材料)的政策 (續)

3. 節約用水

在香港及內地，淡水是一種珍貴的資源，所以我們應當節約用水，盡力保護水資源，為此我們制定以下措施：

- a. 立即修理滴漏的水龍頭及水喉；
- b. 採用能有效節省用水的生產方法及器械；
- c. 經常查驗耗水量；及
- d. 盡量降低水壓。

4. 綠色採購

綠色採購是基於減輕環境負荷作前提，除根據質量、成本、交貨期考慮採購的物品及供應商外，我們進行採購時，應優先採購環保、節能產品。我們已採取下列措施：

- a. 優先考慮最高級別能源效益產品；
- b. 優先考慮能有效節省用水產品；
- c. 採購時要求減少包裝材料；及
- d. 向供應商反映我們對環保及節能的要求。

ENVIRONMENT (Continued)

A2. Policy on effective use of resources (including energy, water and other raw materials) (Continued)

3. Water conservation

In Hong Kong and the PRC, fresh water is a precious resource. We should economize water, try to protect water resource, and for which we have developed the following measures:

- a. Repair dripping faucet or hose in a timely manner;
- b. Adopt effective water-saving production methods and instruments;
- c. Check water consumption regularly; and
- d. Minimize water pressure.

4. Green procurement

Green procurement is based on reducing environmental load. Quality, cost, delivery time are the main focuses when the Group procures goods or chooses supplier, but on top of that, we give priority to environmental friendly and energy-saving products. We adopt the following measures:

- a. Give priority to energy-efficient products at the highest level;
- b. Give priority to effective water-saving products;
- c. We require the suppliers to reduce packaging material; and
- d. Send the message to suppliers that we value environmental protection, energy saving.

環境 (續)

A3. 減低本集團對環境及天然資源造成重大影響的政策

本集團透過以下方式管理及減低可能對環境產生的直接或間接的影響：

1. 確保業務運作會根據香港及營運地區(包括在中國)的環保法；
2. 建立和完善環保機制確保業務運作沒有污染水及土地；
3. 監察氣體的排放及資源運用，設立減排目標；
4. 確保日常業務運作中，盡量節約能源、水及其他原材料，以減少對環境的直接影響；
5. 在公司宴會中，不食用魚翅及安排可持續發展海鮮。訂購適合份量，以減少浪費；
6. 鼓勵員工減少用紙及其他節能措施；及
7. 與政府機關合作及支持環保機構活動。

ENVIRONMENT (Continued)

A3. Policy on minimizing the Group's significant impact on environment and natural resources

The Group manages and minimizes the impact it may cause to environment, directly or indirectly, through the following methods:

1. Make sure its business operation comply with the environmental laws in Hong Kong and its operating locations including the PRC;
2. Establish and improve environmental protection mechanism to ensure that its operation does not pollute water and land;
3. Monitor gas emission and use of resources, establish emission reduction target;
4. Make sure that in our daily business operation, with all efforts, we conserve energy, water and other raw materials to reduce direct impact on environment;
5. Whenever the Company holds banquet, shark fin is out of question and sustainable seafood should be served. Order reasonable quantity and reduce waste;
6. Urge the employees to reduce paper usage and adopt other energy-saving measures; and
7. Cooperate with government agencies and support environmental organizations' activities.

社會

僱傭及勞工常規

員工為公司重要資產，我們關心他們的福祉、尊重他們的個人特質、確保所有員工都會受到法例保障、亦確保員工在工作上發展及增加員工的歸屬感。

B1. 薪酬及解僱及招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的政策

1. 薪酬

我們按職位要求和個人工作表現提供具競爭力的薪酬及福利予僱員。我們每年會檢討僱員整體薪酬及福利，以確保在當地市場具競爭力，特別是與有關行業和同類型機構相比。每年，我們的主要績效指標會為僱員的個人工作計劃提供方向和指引。我們亦會根據僱員的成就和貢獻，作出評估及獎勵。

2. 解僱

我們確保所有員工根據適用僱傭法律，包括：

- a. 人力資源部在員工主動提出離職或員工被解僱時進行離職面談，瞭解員工離職的原因；
- b. 必需向被解僱員工發出具工作證明的文件；
- c. 僱主在終止僱傭合約時，須給予對方適當的通知期或代通知金，當中有薪年假及產假不可作為終止僱傭合約時的通知期；

SOCIETY

Employment and Labor convention

Employee is an important asset of the Company, we care about their well-being, respect their personal traits, make sure that all employees are subject to legislative protection and have equal opportunity in their career path, also, we strive to increase their sense of belonging to the Group.

B1. Policy on salary, dismissal, recruitment, promotion, working hours, day off, equal opportunity, diversity, anti-discrimination and other benefits

1. Salary

We offer competitive pay and benefits to the employees according to their job requirements and individual performance. We will annually review the overall salary and benefits to ensure the Company's competitiveness in local market, and we will also refer to the relevant industries and similar organizations. Each year, Key Performance Indicators will provide direction and guidance to the employees' individual work plan. We also assess the achievements and contributions of the employees to appraise and reward them.

2. Dismissal

We ensure that all employees are under the applicable employment laws, including:

- a. Whenever an employee offers to resign or being laid off, human resources department should interview him or her before quitting to find out the reason of quitting;
- b. It is required to issue employment verification document to the dismissed employee;
- c. When the employer terminates employment contract, the dismissed employee shall be given due notice or wages in lieu of notice, and the notice should not be given during his or her annual leave and maternity leave;

社會 (續)

B1. 薪酬及解僱及招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的政策 (續)

2. 解僱 (續)

- d. 不可解僱已證實懷孕及已發出懷孕通知的僱員；
- e. 不可在僱員的有薪病假期間解僱僱員；
- f. 不可由於僱員曾在有關執行勞工法例、工業意外或違反工作安全規例而進行的法律程序中提供證據或資料而解僱僱員；
- g. 不可因僱員參與職工會或職工會的活動而解僱僱員；及
- h. 在未與因工受傷的僱員達成工傷補償的協議之前，或在有關的評估證明書仍未發出之前，不可解僱僱員。

SOCIETY (Continued)

B1. Policy on salary, dismissal, recruitment, promotion, working hours, day off, equal opportunity, diversity, anti-discrimination and other benefits (Continued)

2. Dismissal (Continued)

- d. An employee cannot be dismissed when she has been confirmed pregnant or given notice of pregnancy;
- e. An employee cannot be dismissed when he or she takes a paid sick leave;
- f. An employee cannot be dismissed due to his or her giving evidence or information in any legal proceeding relating to enforcement of labor laws, industrial accident or breach of work safety regulation;
- g. An employee cannot be dismissed due to his or her joining labor union or participating in labor union activities; and
- h. If an employee is injured on duty, if a compensation agreement has not yet been reached or the relevant evaluation certificate has not yet been issued, the employee cannot be dismissed.

社會 (續)

B1. 薪酬及解僱及招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的政策 (續)

3. 招聘及晉升

在本集團招聘及晉升時，會對員工採取公平及公開的態度，不受年齡、性別、身體健康或精神狀況、婚姻狀況、家庭崗位、種族、膚色、國籍、宗教、政治聯繫和性取向等因素所影響，按僱員的貢獻、工作表現和技能作出招聘、嘉許及獎勵，為員工提供良好的工作環境及發展機會。

4. 工作時數及假期

員工應按適用法律法規，享有其應得之假期。

以下為員工可享受之假期：

- a. 每名員工每週可休息一天；
- b. 法定假日；
- c. 僱傭合同規定的有薪年假；
- d. 病假；
- e. 婚假；
- f. 分娩假；及
- g. 侍產假。

SOCIETY (Continued)

B1. Policy on salary, dismissal, recruitment, promotion, working hours, day off, equal opportunity, diversity, anti-discrimination and other benefits (Continued)

3. Recruitment and promotion

In the Group, recruitment and promotion should be fair and open for all employees, and cannot be affected by age, sex, physical or mental health status, marital status, family status, race, skin colour, nationality, religion, political affiliation, sexual orientation and other factors, the employees will be recognized and rewarded by their contribution, work performance and skills, the Company will do its best to provide them with good working environment and development opportunity.

4. Working hours and day-off

The employees shall enjoy deserved days-off under the applicable laws and regulations.

Employees are entitled to enjoy the following days-off:

- a. Each employee can take a day off in every 7 days;
- b. Statutory holidays;
- c. Paid annual leave prescribed by employment contract;
- d. Sick leave;
- e. Marriage leave;
- f. Maternity leave; and
- g. Paternity leave.

社會 (續)

B1. 薪酬及解僱及招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的政策
(續)

5. 平等機會、多元化、反歧視以及其他待遇及福利

在招聘、培訓、晉升、調職、薪酬、福利及終止合約等事項提供平等的機會。此等機會並不受年齡、性別、身體健康或精神狀況、婚姻狀況、家庭崗位、種族、膚色、國籍、宗教、政治聯繫和性取向等因素所影響。

遵守相關法律法規

年內，本集團於所有重大方面已遵守中華人民共和國勞動合同法及有關僱傭的其他相關法律法規。

SOCIETY (Continued)

B1. Policy on salary, dismissal, recruitment, promotion, working hours, day off, equal opportunity, diversity, anti-discrimination and other benefits (Continued)

5. Equal opportunity, diversity, anti-discrimination and other benefits

Equal opportunity must be provided on recruitment, training, promotion, transfer, remuneration, benefits and termination of contract. Such opportunities shall not be affected by factors such as age, gender, physical or mental health status, marital status, family status, race, skin colour, nationality, religion, political affiliation and sexual orientation.

Compliance with relevant laws and regulations

During the Year, the Group has complied with the Labour Contract Law of the PRC (中華人民共和國勞動合同法) and other relevant laws and regulation on employment in all material respects.

社會 (續)

B2. 安全工作環境及保障僱員避免職業性危害的政策

我們致力保障僱員及社區的健康和安全，我們要求所有員工遵守所有相關職業健康及安全條例，為僱員提供一個安全和健康的工作環境，並實施以下政策：

1. 制定內部準則，務求辦公室及工廠符合或高於相關法律要求；
2. 為已識別為危險的工作訂立安全執行政序；
3. 為員工提供必需的保護裝備及為員工提供醫療保障；
4. 機器及設備會定期檢查，以確保辦公室及工作環境衛生安全；
5. 建立緊急應急措施，如發生火災或爆炸應變方案；
6. 定期安排急救、防火和疏散逃生演習；
7. 設立機制以記錄及分析工傷意外的發生和原因；
8. 提供及維持一個環保、健康及安全的工作場所；

SOCIETY (Continued)

B2. Policy on safe working environment and safeguarding the employees from occupational hazards

We are committed to protecting the health and safety of the employees and the community, we require all employees to comply with all relevant occupational health and safety regulations, and do our utmost to provide them with safe and healthy working environment. As a result, we have implemented the following measures:

1. Develop internal guidelines to ensure that office and factories are in line with or higher than the requirements of relevant laws;
2. Establish safety procedures for the recognized dangerous work;
3. Provide necessary protective equipment and medical insurance to the employees;
4. Ensure that office and working environment is healthy and safe, regularly check machinery and equipment;
5. Establish emergency measures such as fire or explosion emergency plan;
6. Regularly arrange rescue, fire and evacuation drills;
7. Establish mechanism to record industrial injury and analyze the cause;
8. Provide and maintain an environmental-friendly, healthy and safe working condition;

社會 (續)

B2. 安全工作環境及保障僱員避免職業性危害的政策 (續)

9. 除非預先得到批准，否則員工禁止在工作間飲酒；
10. 積極推動員工的環境保護、健康及安全意識，並支持行業內環境保護、健康及安全之發展；
11. 為所有員工提供所需的工作資訊、指導、培訓及監督；及
12. 提供無煙工作環境。

遵守相關法律法規

年內，本集團於所有重大方面已遵守中華人民共和國社會保險法及有關員工健康與安全的其他相關法律法規。

B3. 提升僱員履行工作職責的知識及技能的政策

人才發展是我們人力資源策略中重要的一環。我們瞭解到僱員的知識和技能對於公司營運及業務增長方面極為重要，良好的工作發展計劃亦為僱員面對日後的業務挑戰作好準備，更可協助他們把握晉升機會，實踐自己的事業抱負。我們為員工提供有效的培訓，制定明確的晉升階梯，以確保僱員具備所需技能，以及為本集團培養優秀的接班人及孕育良好的學習文化。本集團每年進行績效評估，並按評估結果為員工提供合適的培訓，並為表現優秀的員工提供工作發展及晉升機會。人力資源部(「人力資源部」)經理負責按本集團之人力資源管理制度的要求進行有關的評估及培訓工作。

SOCIETY (Continued)

B2. Policy on safe working environment and safeguarding the employees from occupational hazards (Continued)

9. Drinking is not allowed during the working hours unless prior approval;
10. Actively promote environmental protection, health and safety awareness of the employees, and support development of environmental protection, health and safety in the industry;
11. Provide all employees with job information, guidance, training and supervision as required; and
12. Provide smoke-free working environment.

Compliance with relevant laws and regulations

During the Year, the Group has complied with the Social Insurance Law of the PRC (中華人民共和國社會保險法) and other relevant laws and regulation on health and safety of employees in all material respects.

B3. Policy on improving the employees' knowledge and skills to perform their responsibilities

Talent development is an important part of our human resource strategy. We understand that the employees' knowledge and skills are essential to the Company's operation and business growth. Good development plan lays a good foundation for the employees to face business challenge in the future, and it also helps them to grasp promotion opportunities, fulfill their career aspirations. We provide the employees with effective training and develop a clear promotion ladder, ensuring that the employees have the required skills; we also nurture outstanding successors for the Group's and breed academic atmosphere. The Group conducts performance evaluation annually, and based on the assessment result to provide the staff with appropriate training, and offer job, development and promotion opportunities for outstanding employees. Under the Group's Human Resource Management System requirements, manager of our human resources department ("HR") is responsible for carrying out related assessment and training.

社會 (續)

B4. 防止童工或強制勞工的政策

本集團對使用童工及強制勞工堅決採取「零容忍」政策，堅決不允許出現國際標準及營運地區內法規所禁止的使用童工或強制勞工的行為。業務過程中的任何一個環節(包括任何供應商或分包商)均不可使用童工或強制勞工，我們視使用童工或強制勞工的做法為嚴重的犯罪行為。以下是防止使用童工或強制勞工的政策：

1. 童工指未滿16周歲就業年齡而被僱傭的人士，若任何本公司之子公司所處／營運的國家或地區對童工有更嚴格之定義，則以該定義為準；
2. 強制勞工是指人們在違背自己的意願下，以懲罰或威脅的方式進行任何工作服務；
3. 獲聘用員工必須年滿16周歲，本集團禁止聘用童工及強制勞工，亦禁止向已知使用童工或強制勞工的任何供應商或分包商進行採購；
4. 未滿18歲的員工不得從事有可能產生危險的工作及於夜間工作以免影響其學習；
5. 在聘用任何應聘者之前，人力資源部應採取有效程序核實其年齡。人力資源部應檢查可證明應聘者年齡的文件，包括政府部門簽發帶有照片的身份證、出生證明、駕駛證、戶籍文件、學歷證書或者其他任何能夠證明其生日期的有效證件。並確保身份證上的照片與應聘者的長相相符；

SOCIETY (Continued)

B4. Policy on preventing child labor or forced labor

The Group firmly adopts a zero-tolerance policy on child labor and forced labor, such conduct is prohibited by international standard and relevant domestic legislation and shall never be tolerated in here. In any part of the business process (including our subcontractors or suppliers), child labor or forced labor is not allowed and we see child labor or forced labor as a serious crime. The following is the policy on preventing child labor or forced labor:

1. Child labor refers to employment of people under 16 years of age, if any country or region in which the Company or its subsidiary operates has a more stringent definition of child labor, such definition shall prevail;
2. Forced labor refers to people providing labor or service against their will and under the threat of punishment;
3. The hired employees must be at least 16 years of age, the Group shall never recruit child labor and forced labor, and if it knows child labor or forced labor exists in its suppliers or subcontractors, the Group will not conduct business with them anymore;
4. The employees under 18 may not engage in any possible hazardous work and are prohibited to work at night, because it might affect their education;
5. Before hiring any job applicant, HR should take effective procedures to verify their age. HR should check documents that prove the age of the applicant, including government-issued photo identification and birth certificate, driver's license, household register, academic certificates or any other credentials that prove the date of birth. HR must ensure that the applicant's looks is consistent with the photograph on the ID card;

社會 (續)

B4. 防止童工或強制勞工的政策 (續)

6. 針對人力資源部，特別是負責招聘的員工，提供預防童工及強制勞工培訓；
7. 如在本集團中發現未滿法定最低就業年齡的童工，我們將本着對該童工最大利益的角度出發，按照相關法律的要求採取以下措施：
 - a. 立即將該名童工帶離工作場所，以確保童工自身的安全；
 - b. 立即通知人力資源部負責人，核實所有相關資料，證實當事人是否屬於未滿16周歲的童工，並與該名童工即時解除勞動關係，通知當地社會福利機構，並且採取補救措施以保護其最大的利益；
 - c. 將該名童工送往專門的職業勞工健康檢查機構進行體檢，以確認該童工的身心健康狀況，並進行調查，以充分瞭解其處境；
 - d. 當該童工達到法定最低就業年齡之後，將為其提供再就業的機會；及
 - e. 立刻查明該問題營業地點招聘流程中存在的問題，並在90個工作日之內採取改善措施。

SOCIETY (Continued)

B4. Policy on preventing child labor or forced labor (Continued)

6. HR should carry out prevention training about child labor and forced labor, especially those responsible for recruitment;
7. If employment of child labor under the legal minimum age is found in the Group, we will see to the best interests of the child, and take the following measures in line with relevant legislations:
 - a. Take the child away from workplace immediately, and to ensure the safety of the child;
 - b. Immediately notify the person in charge of HR to verify all relevant information, confirm whether the child under 16 years of age, sever labor relations with the child, notify the local social welfare institution, and take remedial measures to protect the child's best interest;
 - c. Send the child to a special occupational health labor inspection institution to do medical check-up as it is required to confirm the child's physical and mental health, and conduct investigation to fully understand the child's situation;
 - d. When the child reaches legal minimum age for employment, we will provide the child with re-employment opportunity; and
 - e. Immediately find out the problems exist in the hiring process of the operating location and take improvement measures within 90 working days.

社會 (續)

B4. 防止童工或強制勞工的政策 (續)

8. 如在本集團中發現強制勞工，我們將按照相關法律的要求採取以下措施：
 - a. 立即將該名勞工帶離工作場所，以確保勞工自身的安全；
 - b. 立即通知人力資源部負責人，核實所有相關資料，證實當事人是否屬於強制勞工；
 - c. 將該名勞工送往專門的職業勞工健康檢查機構進行體檢，以確認其身心健康狀況，並進行調查以充分瞭解其處境；及
 - d. 立刻查明該問題營業地點招聘流程中存在的問題，並在90個工作日之內採取改善措施。

遵守相關法律法規

年內，本集團於所有重大方面已遵守中華人民共和國勞動法及中華人民共和國勞動合同法以及有關僱傭的其他相關法律法規。

SOCIETY (Continued)

B4. Policy on preventing child labor or forced labor (Continued)

8. If forced labor is found in the Group, we will take the following measures in accordance with the requirements of the relevant legislation:
 - a. Take the labor away from workplace immediately, ensure the safety of the labor;
 - b. Immediately notify the person in charge of our human resources department to verify all relevant information, confirm whether the person is subject to compulsory labor;
 - c. Send the labor to a special occupational health labor inspection institution to do medical check-up, it is required to confirm the labor's physical and mental health, and conduct investigation to fully understand the labor's situation; and
 - d. Immediately find out the problems exist in the hiring process of the operating location and take improvement measures within 90 working days.

Compliance with relevant laws and regulations

During the Year, the Group has complied with the Labour Law of the People's Republic of China (中華人民共和國勞動法) and Labour Contract Law of the PRC (中華人民共和國勞動合同法) and other relevant laws and regulation on employment in all material respects.

營運慣例

B5. 管理供應鏈的環境及社會風險政策

我們重視與供應商發展及期待與他們形成長期合作夥伴關係。我們會以公平及公開為原則採購物料及服務。我們只會與具有共同道德價值及標準的供應商合作，本集團亦支持及鼓勵供應商提高資源運用和推動環保以及履行社會企業責任：

1. 我們提倡以公平及公開為原則之競爭，並以互信為基礎與供應商及承辦商發展及維持長遠關係；
2. 我們以嚴格的道德標準採購物料及服務，以保證製成品之品質，及維持客戶、供應商及公眾對本集團一直以來的信心；
3. 我們對供應商進行審查，根據價格、品質、合適度及需要作出評估，只有評定為合格方可成為我們的認可供應商，我們只向認可供應商採購；
4. 定期對供應商進行跟進評估，及在必要時由第三方機構進行審核。當發現供應商有不符公司之政策或合約要求時，公司會終止往後的合作直到情況有所改善；
5. 我們會公正地選擇合適、有能力及負責任之供應商；
6. 支持及鼓勵供應商改善其環保產品及服務，以及其員工福利及保障；
7. 供應商必須遵守有關法律、條例及合約責任；及
8. 我們採用有效之監察系統及管理監控，偵查及防止採購及招標過程中發生賄賂、欺詐或其他不正當行為。

OPERATING PRACTICE

B5. Policy on controlling environmental and social risks in supply chain

We attach importance to developing and maintaining long-term relationships with our suppliers, looking forward to forming long-term partnerships with them. We will take a fair and open principle on procurement of materials and services. We will only cooperate with the suppliers that share common moral values and standards with us. The Group also supports and encourages the suppliers to promote efficient use of resources and environmental protection and fulfill corporate social responsibility:

1. We advocate the principle of fair and open competition, and based on mutual trust, we develop and maintain long-term relationships with the suppliers and contractors;
2. We have strict ethical standards in procurement of materials and services to ensure the quality of the finished products and maintain the continued confidence of the clients, suppliers and general public;
3. We review our suppliers, assess them based on price, quality, suitability and demands, only those being rated as qualified are our approved suppliers. We only purchase from the approved suppliers;
4. We conduct follow-up assessment on the suppliers and, if necessary, review them through a third party organization. When a supplier is found to be inconsistent with the Company's policy or contractual requirements, the Company will cease future cooperation until the situation has been improved;
5. In an unprejudiced way, we choose appropriate, responsible and capable suppliers;
6. Support and encourage the suppliers to improve their environmental products and services, and their employees' benefits and protection;
7. The suppliers must comply with the relevant laws, regulations and contractual obligations; and
8. We shall adopt effective monitoring and management systems to detect and prevent bribery, fraud or other misconducts in procurement and bidding processes.

營運慣例 (續)

B6. 產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的政策

產品和服務的健康與安全

我們承諾向客戶提供高質素的產品與服務，有效處理客戶投訴，持續改善服務水平及確保客戶滿意度。因此採取如下措施：

1. 確保產品及服務付合相關法律及準則；
2. 為客戶提供準確的產品資訊及品質優良的產品，並制定相關產品回收政策及售後服務；
3. 當發現產品出現問題時，會主動向客戶解釋及尋找雙方滿意的解決方案；及
4. 在處理客戶投訴後妥善存檔，與相關部門檢討有關投訴並制定對策，防止同類投訴再次發生，使本集團的服務質素得以不斷提升。

廣告、標籤及保障客戶資料

客戶資料只會用於業務列明的用途，而不會作與此無關的其他用途。所有僱員必須小心處理及使用客戶資料，保障客戶資料，以及遵守個人資料(私隱)條例的法定要求。

遵守相關法律法規

年內，本集團已遵守中華人民共和國安全生產法及有關產品健康與安全及服務的其他相關法律法規。

OPERATING PRACTICE (Continued)

B6. Policy on health, safety, advertising, labeling, privacy and remedies of the products and services

Health and safety of products and services

We are committed to providing the customers with high quality products and services and settling customer complaints effectively, continuously improving service level and ensuring customer satisfaction. Accordingly, the following measures are taken:

1. Make sure that the products and services comply with related laws and guidelines;
2. Provide the customers with accurate product information and high-quality products, and develop return policy and after-sale service for related products;
3. If there is a problem with a product, we will take the initiative to explain the problem and find a mutually satisfactory solution for the customers; and
4. After handling a customer's complaint, proper records should be kept, and the relevant department shall review the complaint and develop measures to prevent the recurrence of similar complaints, so that the Group's service quality keeps improving.

Advertising, labeling and protection of customer information

Customer information will only be used for business purpose, not for other unrelated purposes. All employees should handle and use customer information with extreme caution, protect customer information, and comply with statutory requirements in privacy law.

Compliance with relevant laws and regulations

During the Year, the Group has complied with the Safe Production Law of the People's Republic of China (中華人民共和國安全生產法) and other relevant laws and regulation on health and safety of products and services in all material respects.

營運慣例 (續)

B7. 防止賄賂、勒索、欺詐及洗黑錢的政策

道德及誠信，是公司成功的基石，本集團對賄賂、勒索、營運地區欺詐及洗黑錢行為採取「零容忍」的態度，所有董事、管理層及員工在日常工作中必須遵守國家及營運地區地方政府在防止賄賂、勒索、欺詐及洗黑錢相關的所有法律法規。所有員工都有責任明白及遵守以上防止賄賂、勒索、欺詐及洗黑錢的政策，也有義務向適當人士舉報違反守則的行為。任何人違反守則，將會受到紀律處分。我們會竭力保護作出舉報的員工和所收到的資料。然而，若任何人作出舉報的目的是傷害他人，他們可能會受到紀律處分。

1. 索取或接受利益

本集團任何員工(包括董事、管理層及所有全職、兼職、時薪、臨時員工)不可直接、間接或以任何形式，向第三方索取或接受任何形式的利益或做出任何可能被視為賄賂的行為，包括但不限於金錢、禮物、過度的酬酢及款待、旅遊及住宿資助、貸款及作擔保人、延伸的信貸優惠條款、費用、報酬、職位、受僱工作、合約、服務、優待、免除應履行之全部或部分責任等。倘若接受該等利益會妨礙其客觀處事、誘使其違反或損害本集團利益、引致偏私或不當行為，僱員需拒絕接受任何直接或間接與本集團業務有關之利益。

OPERATING PRACTICE (Continued)

B7. Policy on preventing bribery, extortion, fraud and money laundering

Ethics and integrity is the cornerstone of the Company's success. We adopt a zero tolerance approach to bribery, extortion, fraud and money laundering. In their daily work, the Directors, management and staff must comply with related national and local government laws and regulations on prevention of bribery, extortion, fraud and money laundering. All employees not only have responsibility to understand and comply with the above regulations, but also have obligation to report violation to the appropriate person. Any person, who contravenes the regulations, will be subject to disciplinary sanction. We will make every effort to protect the informer and the received information. However, if an informer's intention is to harm others, they may be subject to disciplinary punishment.

1. Soliciting or accepting benefit

Any employee (including the Directors, management and all full-time, part-time, hourly, temporary workers) of the Group cannot directly, indirectly, or in any form, solicit or accept any form of benefits or do anything that might be seen as bribe from a third party, including, but not limited to, money, gift, excessive entertainment and hospitality, subsidized travel and accommodation, loan, pledging as guarantor, extending preferential credit terms, fee, reward, position, employment, contract, service, privilege, exemption of all or part of the responsibilities that ought to be fulfilled. The employees should reject any direct or indirect interests and benefits relating to the Group's business, should such benefits being accepted, their objective attitude would be hampered, or the interests of the Group would be harmed or invaded, or causing bias or misconduct.

營運慣例 (續)

B7. 防止賄賂、勒索、欺詐及洗黑錢的政策 (續)

1. 索取或接受利益 (續)

考慮到在節日、活動及酬酢等日常工作可能會發生的社交中，拒絕接受適度的饋贈會被視為欠缺社交禮儀或不禮貌。為此，員工可考慮接受對方自願提供之利益：

- a. 接受有關利益但不會影響員工之工作表現及決定；
- b. 員工不會感到有需要向饋贈人作出任何回報；及
- c. 員工可毫不保留地公開討論有關利益。

本集團如發現任何員工進行不當的索取或接受利益行為，將會報警處理以及終止與其僱傭關係。

OPERATING PRACTICE (Continued)

B7. Policy on preventing bribery, extortion, fraud and money laundering (Continued)

1. Soliciting or accepting benefit (Continued)

In social events such as festivals, activities, entertainments and other daily routine, refusing to accept a modest gift may be considered impolite or lack of social grace, with that in mind, under the following principles, the employees may consider accepting benefits on a voluntary basis:

- a. Receiving related benefits will not affect performance and decision of the employee;
- b. The employee will not feel the need to reciprocate; and
- c. The employee can openly discuss the benefits.

If the Company finds out any employee's inappropriate behavior of soliciting or accepting benefits, it will call the police and terminate labor relations with the employee.

營運慣例(續)

B7. 防止賄賂、勒索、欺詐及洗黑錢的政策(續)

2. 提供利益

在任何情況下，任何員工不得向任何人士或機構提供賄賂或不正當利益，以謀取個人私利或集團利益。本集團如發現任何員工進行提供賄賂行為，將會報警處理以及終止與其僱傭關係。

3. 勒索

任何人如為使自己或另一人獲益，或意圖使另一人遭受損失，而以恫嚇的方式作出任何不當的要求，即屬犯勒索罪。所有員工不得參與、協助、掩飾任何勒索行為，本集團如發現任何員工進行勒索行為，將會報警處理以及終止與其僱傭關係。

4. 欺詐

任何人如使用任何欺騙手段，使自己或另一人獲益，或意圖使另一人遭受損失，即屬犯欺詐罪，常見員工欺詐包括挪用公款、工資詐騙和盜竊任何公司資產。所有員工不得參與、協助、掩飾任何欺詐行為，本集團如發現任何員工進行欺詐行為，將會報警處理以及終止與其僱傭關係。

5. 洗黑錢

洗黑錢指個人或機構，試圖以任何途徑掩飾非法資金來源，或使這些資金看似合法的過程。本集團不會容忍任何員工進行、協助及支援任何形式的洗黑錢行為。

OPERATING PRACTICE (Continued)

B7. Policy on preventing bribery, extortion, fraud and money laundering (Continued)

2. Providing benefits

In any case, any employee shall not provide bribe or improper benefits to any person or organization in order to seek personal gain or group interests. If the Company finds out any employee conducting bribery, it will call the police and terminate labor relations with the employee.

3. Extortion

Any person who seeks for the benefits of his own or another person, or with intent to cause loss to another person, and makes any unwarranted demand by extortion, such conduct shall be considered as extortion. All employees shall not participate in, assist, cover up any kind of extortion. If the Company finds out any employee conducting extortion, it will call the police and terminate labor relations with the employee.

4. Fraud

Any person, who uses any means of deception to benefit himself or another person, or with intent to cause loss to another person, such conduct shall be considered fraud. Common employee fraud includes embezzlement, wage fraud and stealing company assets. All employees shall not participate in, assist, cover up any fraud. If the Company finds out any employee conducting fraud, it will call the police and terminate labor relations with the employee.

5. Money Laundering

Money laundering refers to an individual or institution attempts to conceal the source of illicit money, or makes such money looks legitimate in any way. The Company will not tolerate any employee's conduct, support, and assistance in any form of money laundering.

營運慣例 (續)

B7. 防止賄賂、勒索、欺詐及洗黑錢的政策 (續)

5. 洗黑錢 (續)

公司建立反洗黑錢領導小組，總經理任領導小組組長並負責組織反洗黑錢領導小組。反洗黑錢領導小組主要職責包括組織、落實反洗黑錢工作、跟進調查懷疑洗黑錢舉報，組織反洗黑錢培訓、配合監管機關和司法機關對可疑交易資金的調查，以及留意反洗黑錢法律、法規的要求及更新。

反洗黑錢程序包括識別客戶身份、保存交易記錄、報告及跟進調查可疑交易及反洗錢培訓。

a. 識別客戶身份

業務人員在開發客戶時必須樹立高度的反洗錢意識，通過與準客戶的交流，全面瞭解客戶基本信息，做好客戶識別的第一關。客戶成功開發後，亦要跟客戶保持持續聯繫，及時把握客戶最新情況。發現異常情形，及時與相關部門進行溝通。

b. 保存交易記錄

業務人員及會計人員應當保存的客戶身份資料包括記載客戶身份信息的資料以及反映支付機構對客戶身份識別工作情況的各種記錄和資料，亦應當保存各交易記錄包括關於每筆交易的信息、業務憑證、賬簿以及有關規定要求用以反映交易詳情的文件和其他資料，確保足以重現每筆交易。

OPERATING PRACTICE (Continued)

B7. Policy on preventing bribery, extortion, fraud and money laundering (Continued)

5. Money Laundering (Continued)

The Company should establish an anti-money laundering team. General manager should be the team leader and responsible for organizing the anti-money laundering team. The team's main responsibilities include organizing, implementing anti-money laundering tasks, investigating reported money laundering, arranging anti-money laundering training, working with regulatory and judiciary authorities to investigate suspicious transactions of funds, as well as paying attention to requirements and updates in anti-money laundering laws and regulations.

Anti-money laundering procedures include identifying clients, keeping transaction records, reporting and following-up investigation of suspicious transactions, and anti-money laundering training.

a. Identifying clients

In dealing with new clients, sales people must establish a high degree of awareness of anti-money laundering, through communication with prospective clients to comprehensively grasp the clients' information, running the first check on the clients. After successful client acquisition, regular contact is required to grasp the clients' updates. If an abnormal situation occurs, the sales person needs to timely communicate with the relevant departments.

b. Keeping transaction record

Sales people and accounting personnel should keep customer identification information, including register customer identification and related information, keep all sorts of records and information reflecting payment authority's customer identification process, and keep transaction records such as each transaction's information, business voucher, ledger and documents to reflect the details of each transaction and other relevant information to ensure that each transaction is traceable.

營運慣例 (續)

B7. 防止賄賂、勒索、欺詐及洗黑錢的政策 (續)

5. 洗黑錢 (續)

c. 報告及跟進調查可疑交易

業務人員及會計人員若發現可疑交易，應當及時向公司總部反洗錢領導小組報告。反洗錢領導小組對所有可疑交易報告涉及的交易，進行分析、識別，若有合理理由認為該交易或者客戶與洗錢、恐怖主義活動及其他違法犯罪活動有關，會向香港特別行政區政府聯合財富情報組 (JFIU) 等相關機構舉報。

d. 反洗黑錢培訓

全體員工應至少每年進行一次反洗黑錢培訓，培訓內容包括洗黑錢的危害、反洗錢法規、員工在反洗黑錢工作的角色、如何識別可疑交易、舉報可疑交易途徑、未遵守反洗黑錢法規可能導致的後果等。

遵守相關法律法規

年內，本集團已遵守中華人民共和國反洗錢法、中華人民共和國刑法、中華人民共和國反不正當競爭法及有關賄賂、勒索、欺詐及洗錢的其他相關法律法規。

OPERATING PRACTICE (Continued)

B7. Policy on preventing bribery, extortion, fraud and money laundering (Continued)

5. Money Laundering (Continued)

c. Reporting and follow-up investigating of suspicious transaction

For sales people and accounting staff, should they find out a suspicious transaction, they would need to report it immediately to the corporate headquarters' anti-money laundering team. The team analyzes and investigates all suspicious transactions reported, and if there are reasonable grounds to believe that the transaction or the customer has ties with money laundering, terrorism and other criminal activities, relevant authorities including the HKSAR Government JFIU should be notified.

d. Anti money laundering training

All employees should join in anti-money laundering training at least once a year, the training includes learning the danger of money laundering, anti-money laundering regulations, the role of the employees in anti-money laundering, how to identify suspicious transactions, ways to report suspicious transactions, the consequences if one fails to comply with anti-money laundering regulations.

Compliance with relevant laws and regulations

During the Year, the Group has complied the Anti-money Laundering Law of the People's Republic of China (中華人民共和國反洗錢法), the Criminal Law of the People's Republic of China (中華人民共和國刑法), Countering Unfair Competition Law of the People's Republic of China (中華人民共和國反不正當競爭法) and other relevant laws and regulation on bribery, extortion, fraud and money laundering.

社區

B8. 透過社區參與來瞭解本集團營運所在社區需要和確保其業務活動會考慮社區利益的政策

社區參與對於本集團長遠發展有著重要的價值，我們致力參與促進所處社區的發展及建設活動。我們透過各式各樣的行動來造福社羣，包括進行投資或捐獻金錢、時間、產品、服務、影響力、管理知識等資源。

我們主要透過以下三種途徑參與建設社區：

1. 組織、推動和支持員工參與義務工作，例如定期探訪需要幫助的人、為弱勢社群安排戶外活動、舉辦公司捐血日等。
2. 獻贈，我們以捐贈金錢、物資或服務的方式，直接或間接支持或資助各個社會服務機構的項目。除本身捐贈外，亦會呼籲公司的持份者(包括僱員和客戶)捐贈予慈善機構。
3. 我們盡力為弱勢人士提供就業機會，並藉此建立雙贏的局面，如透過僱用已經完成再培訓課程的人士或傷殘人士、優先向僱用該些人士的供應商採購，或參與各種導師計劃。

COMMUNITY

B8. Policy on finding out the needs of the community, at which the Group operates, by means of community involvement, and ensuring that its business activities will take into account the interests of the community

For the Group's long-term development, community participation is important, we are committed to promoting development and construction activities of the community, at which we operate. We benefit the community through a variety of actions, such as investment, contributing money, time, products, services, influence, management knowledge and other resources.

We participate in community building through three main ways:

1. Organize, facilitate and support the staff to take part in volunteer services, such as regularly visiting people who need help, arranging outdoor activities for disadvantaged groups, holding Blood Donation Day.
2. By means of donation, we donate money, goods or services, directly supporting or funding projects of various social service agencies. In addition to donation itself, we also appeal to the Company's stakeholders (including the employees and customers) to donate.
3. We endeavor to provide employment opportunities for the disadvantaged and create a win-win situation. The Group is willing to hire the disabled people who have completed retraining courses, and give priority to purchasing from the suppliers who hired the disabled people, or participate in a variety of mentorship programs.

董事會報告

REPORT OF THE DIRECTORS

董事欣然提呈本集團截至2016年12月31日止年度的本報告連同經審核綜合財務報表。

主要營業地點

本公司在中國註冊成立，並駐於香港，其香港主要營業地點位於香港灣仔港灣道6-8號瑞安中心33樓。本集團的註冊辦事處及其主要營業地點位於中國江蘇省無錫惠山經濟開發區堰新東路1號。

主要業務

本集團的主要業務是在中國提供製造鋼絲製品的生產線的研發、設計、製造、設備供應、安裝、調試及維修保養服務。有關附屬公司的主要業務及其他詳情，載於綜合財務報表附註17。

業務回顧

本集團年內業務回顧載列於本年報管理層討論與分析一節及以下段落。

本集團遵守公司條例(香港法例第622章)、香港聯合交易所有限公司證券上市規則(「**上市規則**」)及證券及期貨條例(香港法例第571章)(「**證券及期貨條例**」)項下有關資料披露及企業管治的規定。本集團亦遵守僱員條例的規定及有關職業安全的條例，以保障本集團僱員的權益。自本財政年度完結起至本年報日期，概無發生影響本集團的重要事項。

The Directors are pleased to present this report together with the audited consolidated financial statements of the Group for the year ended 31 December 2016.

PRINCIPAL PLACE OF BUSINESS

The Company was incorporated in the PRC and has its principal place of business in Hong Kong at 33rd Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong. The Group's registered office and its principal place of business in the PRC as situated at 1 Yanxin Road East, Huishan Economic Development Zone, Wuxi, Jiangsu Province, PRC.

PRINCIPAL ACTIVITIES

The principal activities of the Group are research and development, design, manufacture, equipment supply, installation, testing, repair and maintenance of production lines for manufacturing steel wire products in the PRC. The principal activities and other particulars of the subsidiaries are set out in note 17 to the consolidated financial statements.

BUSINESS REVIEW

The business review of the Group for the Year is set out in the section of Management Discussion and Analysis of this annual report and the paragraphs below.

The Group complies with the requirements under the Companies Ordinance (Cap. 622 of the laws of Hong Kong), the Listing Rules and the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the "**SFO**") for the disclosure of information and corporate governance. No important event affecting the Group has occurred since the end of the financial year to the date of this annual report.

主要風險因素

以下載列本集團面對的主要風險及不明朗因素。

本地及國際法規的影響

本集團的業務營運受政府政策、監管機構制訂的相關法規及指引所限制。未能遵守該等規則及規定可能會被罰款、修正或被該等機構暫停業務營運。本集團密切監察政府政策、法規及市場的轉變，並進行研究以評估該等轉變的影響。

第三方風險

本集團部分業務倚賴第三方服務供應商以改善本集團的表現及效率。儘管可從外部服務供應商受惠，但管理層發現有關營運倚賴性可能造成漏洞，以致受意料之外的惡劣或失誤服務(包括聲譽受損、業務中斷及金錢損失)所威脅。為解決該等不明朗因素，本集團僅聘用信譽良好的第三方服務供應商，並密切監察彼等的表現。

有關本集團面臨的其他風險及不確定因素，請參閱本公司日期為2014年10月30日之招股章程。

與員工、客戶及供應商的主要關係

本集團為員工提供全面的福利計劃、事業發展機會及適合個人需要的內部培訓，以肯定員工的成就。本集團為所有員工提供健康安全的環境。年內，概無發現任何因工傷而導致的罷工或致命個案。

本集團著重與供應商合作以有效迅速滿足我們客戶的需要。部門與供應商緊密合作，確保招標及採購程序公開、公平及公正地進行。本集團亦於項目開始前向供應商清楚傳達本集團的規定及標準。

KEY RISK FACTORS

Set out below are the key risks and uncertainties facing the Group.

Impact of Local and International Regulations

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

Third-Party Risks

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

For other risks and uncertainties facing the Group, please refer to the prospectus of the Company dated 30 October 2014.

Key Relationships with Employees, Customers and Suppliers

The Group recognises the accomplishment of the employees by providing comprehensive benefit package, career development opportunities and internal training appropriate to individual needs. The Group provides a healthy and safe workplace for all employees. No strikes and cases of fatality due to workplace accidents are found in the Year.

The Group places great emphasis on working relationships with suppliers to meet our customers' needs in an effective and efficient manner. Our departments work closely with our suppliers to make sure the tendering and procurement process is conducted in an open, fair and just manner. The Group's requirements and standards are also well-communicated to suppliers before the commencement of a project.

本集團重視所有客戶透過各種方法及渠道提供的看法及意見，包括利用商業情報以理解客戶趨勢及需要，並恆常分析客戶的反饋。本集團亦進行全面測試及檢查，確保僅向客戶提供優質的產品及服務。

主要客戶及供應商

截至2016年12月31日止年度，本集團向最大及五大客戶作出的總銷售額分別佔本集團年內總收入的22.4% (2015年：30.2%) 及76.3% (2015年：78.8%)。

截至2016年12月31日止年度，本集團向最大及五大供應商作出的總採購額分別佔本集團年內採購總額的10.3% (2015年：7.2%) 及37.4% (2015年：29.2%)。

年內，董事、其緊密聯繫人或就董事所知擁有本公司5%以上已發行股本的任何本公司股東概無在本集團的五大客戶、原材料供應商及分包商中擁有任何權益。

五年財務概要

本集團過去五個財政年度的業績及資產與負債概要，載於本年報第172頁。該概要並不屬於經審核綜合財務報表的一部分。

財務報表

本集團截至2016年12月31日止年度的業績及本公司與本集團於該日的事宜狀況，載於本年報第98至171頁的綜合財務報表。

有關本集團年內表現的討論及分析以及其業績及財務狀況的相關重大因素，載於本年報管理層討論與分析一節。

物業、廠房及設備

有關本集團截至2016年12月31日止年度的物業、廠房及設備變動，詳情載於綜合財務報表附註14。

The Group values the views and opinions of all customers through various means and channels, including usage of business intelligence to understand customer trends and needs and regular analyze on customer feedback. The Group also conducts comprehensive tests and checks to ensure that only quality products and services are offered to the customers.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2016, aggregate sales to the Group's largest and five largest customers accounted for 22.4% (2015: 30.2%) and 76.3% (2015: 78.8%), respectively, of the Group's total revenue for the Year.

During the year ended 31 December 2016, aggregate purchases from the Group's largest and five largest suppliers accounted for 10.3% (2015: 7.2%) and 37.4% (2015: 29.2%), respectively, of the Group's total purchases for the Year.

None of the Directors, their close associates or any shareholder of the Company (who or which to the knowledge of the Directors owns more than 5% of the Company's issued shares) had any interest in the group's five largest customers, raw material suppliers and subcontractors during the Year.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the latest five financial years is set out on page 172 of this annual report. This summary does not form part of the audited consolidated financial statements.

FINANCIAL STATEMENTS

The results of the Group for the year ended 31 December 2016 and the state of the Company's and the Group's affairs as at that date are set out in the consolidated financial statements on pages 98 to 171 of this annual report.

A discussion and analysis of the Group performance during the Year and material factors underlying its results and financial position are set out in the Management Discussion and Analysis section of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year ended 31 December 2016 are set out in note 14 to the consolidated financial statements.

儲備及可供分派儲備

有關本公司年內儲備變動的詳情載於綜合財務報表附註33。

於2016年12月31日，本公司可供分派儲備約為人民幣425,000,000元(2015年：人民幣426,400,000元)。

股息

截至2016年12月31日止年度，董事會建議派發末期股息每股人民幣0.05元(稅前)，合共人民幣640萬元(稅前)，則須待本公司股東於將於2017年6月9日(星期五)舉行之應屆股東週年大會(「股東週年大會」)批准後，方可作實。倘於股東週年大會上獲股東批准，將向在2017年6月20日(星期二)本公司股東名冊上登記的股東派發末期股息。應付本公司內資股持有人之股息應以人民幣支付，而應付本公司H股持有人之股息應以港元支付。H股之股息亦須繳中國預扣所得稅。有關分配之詳細計劃載於本公司日期為2017年4月21日之通函。

稅項減免(H股股東)

非居民企業股東

根據自2008年1月1日起施行的《中國企業所得稅法》與其實施條例以及其他相關規定，本公司向名列於本公司H股股東名冊上的非居民企業股東派發建議的2016年末期股息時，須按10%的稅率代扣企業所得稅。任何以非個人股東名義，包括以香港中央結算(代理人)有限公司，其他代理人、受託人，或其他組織或團體名義登記的H股股份皆被視為非居民企業股東所持的股份，故須代扣企業所得稅。

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in reserves of the Company during the Year are set out in note 33 to the consolidated financial statements.

As at 31 December 2016, the distributable reserves of the Company were RMB425.0 million (2015: RMB426.4 million).

DIVIDEND

For the year ended 31 December 2016, the Board has proposed a final dividend of RMB0.05 per share (before tax) totalling RMB6.4 million (before tax), subject to approval by the shareholders of the Company at the forthcoming annual general meeting of the Company to be held on Friday, 9 June 2017 (the "AGM"). The final dividend, if approved by the shareholders of the Company at the AGM, will be paid to the shareholders of the Company whose names appeared on the register of members of the Company on Tuesday, 20 June 2017. Dividends payable to the holders of the Company's domestic shares shall be paid in RMB, whereas dividends payable to the holders of the Company's H shares shall be paid in Hong Kong dollars. Dividends on H share are also subject to PRC Withholding Income Tax. Detailed plan of distribution is set out in the circular of the Company dated 21 April 2017.

TAX REDUCTION AND EXEMPTION (FOR H SHAREHOLDERS)

Non-resident enterprise shareholders

Pursuant to the enterprise income tax law of the PRC and its implementation rules, which came into force on 1 January 2008 and other relevant rules, where the Company distributes the proposed 2016 final dividend to non-resident enterprise shareholders whose names appear on the register of members for H Shares of the Company, it is required to withhold enterprise income tax at the rate of 10%. Any H Shares registered in the name of non-individual registered shareholders, including HKSCC Nominees Limited, other nominees, trustees or other organizations or groups, will be treated as Shares being held by non-resident enterprise shareholders, and consequently will be subject to the withholding of the enterprise income tax.

非居民個人股東

根據國家稅務總局法規(國稅函[2011]348號)及相關法律法規,如H股個人股東為香港或澳門居民或與中國簽訂10%股息稅率稅收協定的國家的居民,本公司最終將按10%的稅率代表股東代扣代繳個人所得稅。如H股個人股東為與中國簽訂低於10%股息稅率稅收協定的國家的居民,本公司將代為辦理根據相關稅收協定享受有關協定優惠待遇的申請。如H股個人股東為與中國簽訂高於10%但低於20%股息稅率的稅收協定的國家的居民,本公司將按相關稅收協定規定的實際稅率代扣代繳個人所得稅。如H股個人股東為與中國簽訂20%股息稅率的稅收協定的國家的居民、與中國並無簽訂任何稅收協定的國家的居民或在任何其他情況下,本公司將按20%的稅率代表股東代扣代繳個人所得稅。

暫停辦理股份過戶登記

本公司將於2017年5月10日(星期三)至2017年6月9日(星期五)期間(首尾兩天包括在內)暫停辦理股份過戶登記手續,在此期間將不會辦理任何股份過戶登記。於2017年6月9日(星期五)本公司股東名冊上登記的股份持有人將有資格出席本公司股東週年大會及將於2017年6月9日(星期五)舉行的H股股東及內資股股東類別大會(「**類別股東大會**」)並於會上投票。為符合資格出席股東週年大會及類別股東大會並於會上表決,所有過戶文件連同相關股票最遲須於2017年5月9日(星期二)下午4時正前送交本公司的H股過戶登記處聯合證券登記有限公司,地址為香港北角英皇道338號華懋交易廣場2期33樓3301-04室(如為H股),或送交本公司位於中國的註冊辦事處,地址為中國江蘇省無錫惠山經濟開發區堰新東路1號(如為內資股)。

Non-resident individual shareholders

According to regulations by the state administration of taxation (Guo Shui Han [2011] No. 348) and relevant laws and regulations, if the individual H Share shareholders are residents of Hong Kong or Macau or those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will finally withhold and pay individual income tax at the rate of 10% on behalf of these Shareholders. If the individual H Share shareholders are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the Company will make applications on their behalf to seek entitlement of the relevant agreed preferential treatments pursuant to the relevant tax treaty. If the individual H Share shareholders are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the actual tax rate stipulated in the relevant tax treaty. If the individual H Share shareholders are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of 20%, or those countries which have not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of these shareholders.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 10 May 2017 to Friday, 9 June 2017, both days inclusive, during which period no transfer of shares will be effected. The holders of shares whose names appear on the register of members of the Company on Friday, 9 June 2017 will be entitled to attend and vote at the AGM and the class meetings of the Company for the holders of H shares and domestic shares of the Company to be held on Friday, 9 June 2017 (the "**Class Meetings**"). In order to be qualified to attend and vote at the AGM and the Class Meetings, all transfer documents accompanied by the relevant share certificates must be lodged with the H Share Registrar of the Company, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong (in respect of H shares), or to the Company's registered office in the PRC at 1 Yanxin Road East, Huishan Economic Development Zone, Wuxi, Jiangsu Province, PRC (in respect of Domestic shares) no later than 4:00 p.m. on Tuesday, 9 May 2017.

本公司將於2017年6月15日(星期四)至2017年6月20日(星期二)期間(首尾兩天包括在內)暫停辦理股份過戶登記手續,在此期間將不會辦理任何股份過戶登記。為符合資格收取截至2016年12月31日止年度的末期股息,所有過戶文件連同相關股票最遲須於2017年6月14日(星期三)下午4時正前送交本公司的H股過戶登記處聯合證券登記有限公司,地址為香港北角英皇道338號華懋交易廣場2期33樓3301-04室(如為H股),或送交本公司位於中國的註冊辦事處,地址為中國江蘇省無錫惠山經濟開發區堰新東路1號(如為內資股)。

銀行借款

於2016年12月31日,本集團並無銀行借款(2015年:無)。

股本

有關本公司年內的股本變動,詳情載於綜合財務報表附註25。

足夠公眾持股量

於本年報日期,根據本公司所得的公開資料及就董事所知,本公司於本年度及直至本年報日期止一直維持上市規則所訂明的最低公眾持股量。

優先購買權

根據組織章程細則及中國法律,本公司毋須受制於任何規定其須按持股比例向現有股東建議進行新發行的優先購買權。

購買、出售或贖回本公司的上市證券

於年內,本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

The register of members of the Company will be closed from Thursday, 15 June 2017 to Tuesday, 20 June 2017, both days inclusive, during which period no transfer of shares will be registered. In order to be qualified for receiving the final dividend for the year ended 31 December 2016, all transfer documents accompanied by the relevant share certificates must be lodged with the H Share Registrar of the Company, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong (in respect of H shares), or to the Company's registered office in the PRC at 1 Yanxin Road East, Huishan Economic Development Zone, Wuxi, Jiangsu Province, PRC (in respect of Domestic shares) no later than 4:00 p.m. on Wednesday, 14 June 2017.

BANK BORROWINGS

As at 31 December 2016, the Group had no bank borrowings (2015: Nil).

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in note 25 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained the prescribed minimum public float under the Listing Rules for the Year and up to the date of this annual report.

PRE-EMPTIVE RIGHTS

Pursuant to the Articles of Association and the laws of the PRC, the Company is not subject to any pre-emptive rights requiring it to propose new issues to its existing shareholders in proportion to their shareholdings.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

股權掛鈎協議

除本年報所披露者外，概無股權掛鈎協議於年內訂立或於年底仍然有效。

EQUITY-LINKED AGREEMENTS

Save as the disclosed in this annual report, no equity-linked agreements were entered into during the Year or subsisted at the end of the Year.

董事及監事

下表載列截至2016年12月31日止年度有關本公司董事及本公司監事的資料。

DIRECTORS AND SUPERVISORS

The following table sets forth information concerning the Directors and supervisors of the Company for the year ended 31 December 2016.

姓名 Name	年齡 Age	職位 Position	獲委任日期 Appointment Date
董事			
Directors			
張德剛先生 Mr. ZHANG Degang	44	執行董事兼主席 Executive Director and Chairman	2012年7月24日 24 July 2012
張德強先生 Mr. ZHANG Deqiang	47	執行董事兼總經理 Executive Director and general manager	2012年7月24日 24 July 2012
張靜華女士 Ms. ZHANG Jinghua	54	非執行董事 Non-executive Director	2015年8月28日 28 August 2015
高峰先生 Mr. GAO Feng	49	非執行董事 Non-executive Director	2012年7月24日 24 July 2012
劉朝建先生 Mr. LIU Chaojian	51	獨立非執行董事 Independent non-executive Director	2012年7月24日 24 July 2012
高富平先生 Mr. GAO Fuping	53	獨立非執行董事 Independent non-executive Director	2013年8月11日 11 August 2013
何育明先生 Mr. HO Yuk Ming, Hugo	45	獨立非執行董事 Independent non-executive Director	2013年8月11日 11 August 2013
彭加山先生 Mr. PENG Jiashan	53	監事 Supervisor	2014年8月15日 15 August 2014
危奕女士 Ms. WEI Yi	47	監事 Supervisor	2014年8月15日 15 August 2014
楊靜華女士 Ms. YANG Jinghua	35	監事兼人事和總務部經理 Supervisor and personnel and general affairs manager	2012年7月24日 24 July 2012

本公司已接獲各獨立非執行董事根據上市規則第3.13條就彼等獨立性發出的年度確認書，並認為全體獨立非執行董事均獨立於本公司。

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

董事、監事及高級管理層履歷

本公司有關董事、監事及高級管理層的履歷詳情載於本年報第20至30頁。

董事資料披露

根據上市規則第13.51(B)(1)條，截至2016年12月31日止年度的董事資料變動如下：

何育明先生自2016年9月19日起獲委任為冠輝集團控股有限公司(其股份於聯交所創業板上市的公司，股份代號：8315)獨立非執行董事。

董事及監事的服務合約

除張靜華女士的服務合約委任年期自2015年8月28日起計並於第二屆董事會完結時屆滿外，本公司各董事及監事已分別於2014年10月24日及2014年10月20日與本公司訂立服務合約，彼等各自服務合約的期限自上市日起初步為期三年。

除上文披露者外，本公司董事或監事並無亦不擬與本集團任何成員公司訂立服務合約，合約可由本集團任何成員公司於一年內終止而毋須作出賠償(法定賠償除外)。

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographical details of Directors, supervisors and senior management of the Company are set out on pages 20 to 30 of this annual report.

DISCLOSURE OF INFORMATION ON DIRECTOR(S)

Pursuant to Rule 13.51(B)(1) of the Listing Rules, the change of information on Director for the year ended 31 December 2016 is as follows:

Mr. Ho Yuk Ming, Hugo has been appointed as independent non-executive director of King Force Group Holdings Limited (a company the shares of which listed on the GEM of the Stock Exchange, Stock Code: 8315) since 19 September 2016.

SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

Except Ms. Zhang Jinghua's service contract for an appointment term commencing on 28 August 2015 and expiring upon the end of the second session of the Board, each of the Directors and supervisors of the Company has entered into a service contract with the Company on 24 October 2014 and 20 October 2014, respectively. Each of their service contracts is for an initial term of three years commencing from the Listing Date.

Save as disclosed above, none of the Directors or supervisors of the Company has or is proposed to have a service contract with any member of the Group which is not determinable by any member of the Group within one year without payment of compensation (other than statutory compensation).

董事及監事以及五名最高薪人士薪酬

有關本公司董事及監事的薪酬，詳情載於綜合財務報表附註34。

五名最高薪人士薪酬之詳情載於綜合財務報表附註9。

管理合約

截至2016年12月31日止年度，概無就本集團整體或任何重大部分業務的管理及行政工作訂立任何合約，亦不存在任何有關合約。

董事的彌償

本公司已為董事及高級職員購買適當的責任保險，而與本公司董事利益有關的獲准許彌償條文目前生效並於年內全年生效。

捐贈

截至2016年及2015年12月31日止年度，並無作出捐贈。

REMUNERATION OF DIRECTORS AND SUPERVISORS AND FIVE HIGHEST PAID EMPLOYEES

Details of the remuneration of the Directors and supervisors of the Company are set out in note 34 to the consolidated financial statements.

Details of the remuneration of the five highest paid employees are set out in note 9 to the consolidated financial statements.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence during the year ended 31 December 2016.

INDEMNITY OF DIRECTORS

The Company has maintained appropriate directors and officers liability insurance and such indemnity provisions for the benefit of the Directors is currently in force and was in force throughout the Year.

DONATIONS

No donation was made during the years ended 31 December 2016 and 2015.

董事、監事及最高行政人員於證券的權益

於2016年12月31日，董事、監事及最高行政人員於股份、本公司或任何其相聯法團（定義見證券及期貨條例第XV部）的相關股份及債權證中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（包括其根據證券及期貨條例的相關規定被當作或視為擁有的權益及淡倉），或根據證券及期貨條例第352條須載入該條所述登記冊內的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉如下：

(i) 董事於本公司股份中的權益

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 31 December 2016, the interests or short positions of the Directors, supervisors and the chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code, will be as follows:

(i) Interests of the Directors in the shares of the Company

董事姓名 Name of Director	股份類別 Class of shares	股份數目 Number of shares	權益性質 Nature of interest	佔相關類別 股本的概約 百分比 ^(附註1) Approximate percentage in the relevant class of share capital ^(Note 1)	佔已發行股本 總額的概約 百分比 ^(附註1) Approximate percentage in the total issued share capital ^(Note 1)
張德剛先生 Mr. Zhang Degang	內資股 Domestic Shares	43,221,504	實益擁有人 Beneficial owner	45.02%	33.77%
	內資股 Domestic Shares	34,010,496	與其他人士共同持有的權益 ^(附註2) Interest held jointly with another person ^(Note 2)	35.43%	26.57%
	內資股 Domestic Shares	4,416,000	於受控制法團的權益 ^(附註3) Interest in controlled corporation ^(Note 3)	4.60%	3.45%
張德強先生 Mr. Zhang Deqiang	內資股 Domestic Shares	29,983,104	實益擁有人 Beneficial owner	31.23%	23.42%
	內資股 Domestic Shares	47,248,896	與其他人士共同持有的權益 ^(附註2) Interest held jointly with another person ^(Note 2)	49.22%	36.91%
	內資股 Domestic Shares	4,416,000	於受控制法團的權益 ^(附註3) Interest in controlled corporation ^(Note 3)	4.60%	3.45%
張靜華女士 Ms. Zhang Jinghua	內資股 Domestic Shares	4,027,392	實益擁有人 Beneficial owner	4.20%	3.15%
	內資股 Domestic Shares	77,620,608	與其他人士共同持有的權益 ^(附註2) Interest held jointly with another person ^(Note 2)	80.85%	60.64%

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|--|---|
| <p>(1) 有關計算以本公司於2016年12月31日已發行合共128,000,000股普通股為基準，當中包括96,000,000股內資股及32,000,000股H股。</p> <p>(2) 張德剛先生、張德強先生及張靜華女士為一致行動人士，因此彼等各自被視為於彼等各自所持股份中擁有權益。根據日期為2013年7月26日的一致行動協議，張德剛先生、張德強先生及張靜華女士各自確認彼等自三知工控於2009年4月17日成立起，共同一致行使彼等於本集團成員公司的股東大會及／或董事會會議上的投票權，且將繼續一致行動。</p> <p>(3) 張德剛先生及張德強先生是無錫順欣投資企業(有限合夥)(「順欣」)的兩名普通合夥人，因此被視為於順欣所持股份中擁有權益。</p> | <p>(1) The calculation is based on the total number of 128,000,000 ordinary shares of the Company in issue as at 31 December 2016, which was comprised of 96,000,000 domestic shares and 32,000,000 H shares.</p> <p>(2) Mr. Zhang Degang, Mr. Zhang Deqiang and Ms. Zhang Jinghua are persons acting in concert and accordingly each of them is deemed to be interested in the Shares held by each other. By the Acting in Concert Agreement dated 26 July 2013, each of Mr. Zhang Degang, Mr. Zhang Deqiang and Ms. Zhang Jinghua confirmed that they have exercised their voting rights at the meetings of the shareholders and/or directors of the members of the Group in unanimity since the establishment of Sanzhi Gongkong on 17 April 2009, and will continue to do so.</p> <p>(3) Mr. Zhang Degang and Mr. Zhang Deqiang are two of the general partners of 無錫順欣投資企業(有限合夥) (Wuxi Shunxin Investment Enterprise (Limited Partnership)) ("Shunxin") and are therefore deemed to be interested in the Shares held by Shunxin.</p> |
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除上文披露者外，於2016年12月31日，概無本公司董事、監事及最高行政人員及彼等各自的緊密聯繫人於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及第8分部條文須知會本公司及聯交所的任何權益或淡倉(包括彼等根據證券及期貨條例有關條文被視作或當作擁有的權益或淡倉)，而記錄於本公司根據證券及期貨條例第352條所須存置的登記冊或根據標準守則須另行知會本公司及聯交所。

主要股東的權益及淡倉

據董事所知，於2016年12月31日，概無人士或法團(除董事、本公司最高行政人員或監事外)於本公司股份、相關股份或債權證中擁有或被視為或當作擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露或記錄於根據證券及期貨條例第336條所須存置的登記冊的權益或淡倉。

Save as disclosed above, as at 31 December 2016, none of the Directors, supervisors and the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO) or as recorded in the register of the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, as at 31 December 2016, no persons or corporations (other than the Directors, chief executive or supervisors of the Company) had or deemed or taken to have an interest or short position in the shares, underlying shares or debentures of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO.

董事及監事於重要交易、安排或合約中的權益

於本年度末或本年度相關期間任何時間，概無本公司、任何其附屬公司或同系附屬公司或其母公司為其中一方且本公司董事或監事或其關聯人士於其中擁有直接或間接重大權益與本集團業務相關之重要交易、安排或合約。

重大合約

年內，本公司或其任何附屬公司概無與本公司或其任何附屬公司的控股股東(定義見上市規則)訂立任何重大合約，或就控股股東或其附屬公司向本公司或其任何附屬公司提供之服務訂立任何合約。概無本公司股東訂立任何安排以放棄或同意放棄任何股息。

競爭業務

於本年度內，本公司董事、控股股東及其各自緊密聯繫人士概無擁有與本公司或其任何附屬公司之業務構成競爭或可能構成競爭之任何業務或權益，亦無與本集團存在任何其他利益衝突。

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transaction, arrangement or contract of significance in relation to the Group's business to which the Company, any of its subsidiaries or fellow subsidiaries or its parent company was a party, and in which a Director or supervisor of the Company or an entity connected with any of them had a material interest, whether directly or indirectly subsisted at the end of the Year or at any time during the Year.

CONTRACTS OF SIGNIFICANCE

During the Year, there had been no contract of significance between the Company or any of its subsidiaries and a controlling shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries, nor any contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries. None of the shareholders of the Company entered into any arrangement to waive or agree to waive any dividend.

COMPETING BUSINESS

None of the Directors, the controlling shareholders of the Company and their respective close associates had any business or interest that competes or may compete with the business of the Company or any of its subsidiaries nor had any other conflicts of interest with the Group during the Year.

遵守不競爭承諾

張德剛先生、張德強先生及張靜華女士(控股股東(定義見上市規則))分別向本公司作出年度聲明, 確認其已遵守其根據日期為2014年3月11日以本公司為受益人之競爭行為契約向本公司作出之不競爭承諾。獨立非執行董事已檢討不競爭承諾的遵守及執行情況, 並確認於截至2016年12月31日止年度已遵守所有承諾。

董事及監事購買股份或債權證的安排

於年內任何時間, 概無向本公司任何董事或監事或彼等各自的配偶或未成年子女授出透過收購本公司或任何其他法團的股份或債權證而獲益的權利, 彼等亦無行使有關權利, 而本公司、其控股公司或其任何附屬公司亦無訂立任何安排以讓本公司董事或監事可透過收購本公司或任何其他法團的股份或債務證券(包括債權證)獲益。

退休計劃

本集團為合資格的中國僱員參與由中國省、市政府機關組織的定額供款退休福利計劃。該等退休計劃的詳情載於綜合財務報表附註9。

COMPLIANCE WITH NON-COMPETE UNDERTAKING

Each of Mr. Zhang Degang, Mr. Zhang Deqiang and Ms. Zhang Jinghua (the controlling shareholders (within the meaning of the Listing Rules) of the Company) has given an annual declaration to the Company confirming that he/she has complied with the non-compete undertakings given by them to the Company under the deed of non-competition made on 11 March 2014 in favour of the Company. The independent non-executive Directors have reviewed the status of compliance and enforcement of the non-compete undertakings and confirmed that all the undertakings thereunder have been complied with for the year ended 31 December 2016.

ARRANGEMENT FOR DIRECTORS AND SUPERVISORS TO PURCHASE SHARES OR DEBENTURES

At no time during the Year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate granted to any Director or supervisors of the Company, or were such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors or supervisors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate.

RETIREMENT SCHEMES

The Group participates in defined contribution retirement benefit schemes organised by the PRC municipal and provincial government authorities for the Group's eligible employees in the PRC. Particulars of these retirement plans are set out in note 9 to the consolidated financial statements.

遵守企業管治守則

於年內，本公司已遵守上市規則附錄14所載企業管治守則的全部守則條文。

關連人士交易

年內關連人士交易之詳情載於綜合財務報表附註32，而該等交易不屬於上市規則界定之關連交易或持續關連交易。

本公司確認其已遵守根據適用香港財務報告準則及上市規則的披露規定。

關連交易

年內概無其他交易已構成本公司的關連交易或持續關連交易。

重大法律訴訟

截至2016年12月31日止年度，本公司並無牽涉任何重大訴訟或仲裁，而據董事所知，本公司亦無任何待決或面臨威脅的重大訴訟或申索。

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company complied with all code provisions of the CG Code contained in Appendix 14 to the Listing Rules throughout the Year.

RELATED PARTY TRANSACTIONS

Details of related party transactions during the Year are set out in note 32 to the consolidated financial statements and these transactions do not fall under the definition of connected transaction or continuing connected transaction of the Listing Rules.

The Company confirmed that it has complied with the disclosure requirements in accordance with applicable Hong Kong Financial Reporting Standards and the Listing Rules.

CONNECTED TRANSACTIONS

There was no other transactions which constituted connected transaction(s) or continuing connected transaction(s) of the Company during the Year.

SIGNIFICANT LEGAL PROCEEDINGS

For the year ended 31 December 2016, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company.

審核委員會

董事會審核委員會與管理層已審閱本集團所採納的會計原則及慣例，並已討論審計、風險管理及內部監控系統、財務申報系統，審閱本集團截至2016年12月31日止年度的綜合財務業績。

核數師

截至2016年12月31日止年度的綜合財務報表已由羅兵咸永道會計師事務所審核，其將退任並符合資格及願意接受續聘。在股東週年大會上將提呈一項決議案，以續聘羅兵咸永道會計師事務所為本公司核數師。

承董事會命

無錫盛力達科技股份有限公司

主席
張德剛

中國江蘇，2017年3月29日

AUDIT COMMITTEE

The audit committee of the Board has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, financial reporting systems, risk management and internal control systems, and has reviewed the Group's consolidated financial results for the year ended 31 December 2016.

AUDITOR

The consolidated financial statements for the year ended 31 December 2016 have been audited by PricewaterhouseCoopers, who shall retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as auditor of the Company is to be proposed at the AGM.

By order of the Board

無錫盛力達科技股份有限公司

(Wuxi Sunlit Science and Technology Company Limited*)
Zhang Degang
Chairman

Jiangsu, China, 29 March 2017

* *For identification purposes only*



羅兵咸永道

致無錫盛力達科技股份有限公司股東

(在中華人民共和國成立的股份有限公司)

To the Shareholders of Wuxi Sunlit Science and
Technology Company Limited

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

意見

我們已審計的內容

無錫盛力達科技股份有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)載列於第98至171頁的綜合財務報表，包括：

- 於二零一六年十二月三十一日的綜合資產負債表；
- 截至該日止年度的綜合收益表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括主要會計政策概要。

我們的意見

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

OPINION

What we have audited

The consolidated financial statements of Wuxi Sunlit Science and Technology Company Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 98 to 171, which comprise:

- the consolidated balance sheet as at 31 December 2016;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

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

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中認別的關鍵審計事項為貿易應收款項減值，如下：

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

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

Key audit matter identified in our audit is related to impairment of trade receivables.

關鍵審計事項

Key Audit Matter

貿易應收款項減值

Impairment of trade receivables

見綜合財務報表附註4(b) (「關鍵會計估計及假設」)及附註19 (「貿易及其他應收款項」)。

Refer to Note 4(b) "Critical accounting estimates and assumptions" and Note 19 "Trade and other receivables" to the consolidated financial statements.

於二零一六年十二月三十一日，貿易應收款項為人民幣192.0百萬元及撥備為人民幣87.3百萬元，導致賬面淨值人民幣104.7百萬元及佔貴集團於二零一六年十二月三十一日總資產的16%。

As at 31 December 2016, the trade receivables amounted to RMB192.0 million and provision amounted to RMB87.3 million, resulting in the net carrying amount of RMB104.7 million and representing 16% of the Group's total assets as at 31 December 2016.

我們關注此方面，是因為管理層於評估貿易應收款項減值時作出了大量判斷。

We focused on this area because management made significant judgment in assessment of impairment of trade receivables.

判斷乃基於管理層進行的個別信用評估。該等評估側重於客戶的以往還款歷史、當前的經營狀況、當前的還款能力及當前的合作關係。

The judgment is based on the individual credit evaluations performed by the management. These evaluations focus on the customer's past repayment history, current operation status, current repayment capabilities and current cooperation relationship.

我們的審計如何處理關鍵審計事項

How our audit addressed the Key Audit Matter

我們從管理層取得了貿易應收款項減值評估並以抽樣基準履行了以下程序：

We obtained the assessment of impairment of trade receivables from the management and performed the following procedures on a sampling basis:

- 1) 測試貿易應收款項賬齡狀況的準確性；
- 1) Tested the accuracy of the aging profile of trade receivables;
- 2) 審查客戶的歷史結算並與還款協議(如有)進行比較；
- 2) Examined the historical settlement from the customers and compared those to repayment agreements, if any;
- 3) 審查客戶的期後結算情況；
- 3) Examined the subsequent settlement from the customers;
- 4) 對公開可得資料進行調查，以識別管理層於評估客戶經營狀況中使用的資料與當前還款能力之間的差異；及
- 4) Performed research on public available information to identify any inconsistency with the information management used in the assessment of the customers' operation status and current repayment capabilities; and
- 5) 審查未完成合約並與客戶確認合約條款，以評估與彼等當前的合作關係。
- 5) Examined the unfinished contracts and confirmed the contract terms with customers to assess the current cooperation relationship with them.

基於履行的上述程序及取得的憑證，我們認為，管理層於評估貿易應收款項減值時所作的判斷有依據性。

Based on above procedures performed and the evidence obtained, we considered that the judgment made by the management in assessment of the impairment of trade receivables is supportable.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

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

董事及審核委員會就綜合財務報表須承擔的責任

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

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

審核委員會須負責監督貴集團的財務報告過程。

OTHER INFORMATION

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

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

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

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

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The audit committee is responsible for overseeing the Group's financial reporting process.

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

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

出具本獨立核數師報告的審計項目合夥人是彭浩賢。

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

The engagement partner on the audit resulting in this independent auditor's report is Pang, Ho Yin.

羅兵咸永道會計師事務所
執業會計師

香港，二零一七年三月二十九日

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 March 2017

綜合收益表

CONSOLIDATED INCOME STATEMENT

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

		截至12月31日止年度 Year ended 31 December		
		附註 Note	2016年 2016	2015年 2015
收入	Revenue	5	112,284	68,168
銷售成本	Cost of sales	6	(79,350)	(49,969)
毛利	Gross profit		32,934	18,199
銷售開支	Selling expenses	6	(4,332)	(3,701)
行政開支	Administrative expenses	6	(19,850)	(117,475)
其他收入	Other income	7	1,871	3,697
其他收益 — 淨額	Other gains — net	8	3,660	2,847
經營利潤／(虧損)	Operating profit/(loss)		14,283	(96,433)
財務收入	Finance income	10	1,577	4,846
財務開支	Finance expense	10	—	(257)
財務收入 — 淨額	Finance income — net		1,577	4,589
除所得稅前利潤／(虧損)	Profit/(loss) before income tax		15,860	(91,844)
所得稅抵免	Income tax credit	11	12,748	3,040
本公司股東應佔年內利潤／(虧損)	Profit/(loss) for the year attributable to shareholders of the Company		28,608	(88,804)
本公司股東年內應佔每股盈利／(虧損)(人民幣)	Earnings/(loss) per share attributable to shareholders of the Company for the year (RMB)			
— 基本及攤薄	— Basic and diluted	12	0.22	(0.69)

第105至171頁的附註為該等綜合財務報表的一部分。

The notes on pages 105 to 171 are an integral part of these consolidated financial statements.

綜合全面收益表

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

		截至12月31日止年度	
		Year ended 31 December	
		2016年	2015年
		2016	2015
年內利潤／(虧損)	Profit/(loss) for the year	28,608	(88,804)
其他全面收益	Other comprehensive income	—	—
本公司股東應佔年內全面收益總額	Total comprehensive income for the year attributable to shareholders of the Company	28,608	(88,804)

第105至171頁的附註為該等綜合財務報表的一部分。

The notes on pages 105 to 171 are an integral part of these consolidated financial statements.

綜合資產負債表

CONSOLIDATED BALANCE SHEET

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

		於12月31日	
		As at 31 December	
	附註	2016年	2015年
	Note	2016	2015
資產	ASSETS		
非流動資產	Non-current assets		
土地使用權	Land use rights	13 25,335	25,785
物業、廠房及設備	Property, plant and equipment	14 109,328	107,994
投資物業	Investment properties	15 20,934	19,671
無形資產	Intangible assets	16 62	200
貿易應收款項	Trade receivables	19 15,922	3,470
遞延所得稅資產 — 淨額	Deferred income tax assets — net	20 24,175	9,655
		195,756	166,775
流動資產	Current assets		
存貨	Inventories	21 45,924	63,318
預付所得稅	Prepaid income tax	—	19
預付款項	Prepayments	23 2,252	9,084
貿易及其他應收款項	Trade and other receivables	19 155,353	181,688
以公允價值計量且其變動計入損益的金融資產	Financial assets at fair value through profit or loss	22 30,248	—
有限制現金	Restricted cash	24 13,096	13,056
現金及現金等值項目	Cash and cash equivalents	24 193,562	169,801
		440,435	436,966
總資產	Total assets	636,191	603,741
權益	EQUITY		
股本	Share capital	25 128,000	128,000
股份溢價	Share premium	25 311,464	311,464
儲備	Reserves	27 56,245	55,463
保留盈利	Retained earnings	26 67,367	39,541
總權益	Total equity	563,076	534,468

綜合資產負債表 CONSOLIDATED BALANCE SHEET

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

		於12月31日	
		As at 31 December	
		附註 Note	2015年 2015
		2016年 2016	
負債	LIABILITIES		
流動負債	Current liabilities		
貿易及其他應付款項	Trade and other payables	28	48,159
預收客戶款項	Advances from customers		21,114
當期所得稅負債	Current income tax liabilities		—
		73,115	69,273
非流動負債	Non-current liabilities		—
總負債	Total liabilities		69,273
總權益及負債	Total equity and liabilities		603,741

第105至171頁的附註為該等綜合財務報表的一部分。

The notes on pages 105 to 171 are an integral part of these consolidated financial statements.

第98至171頁的綜合財務報表已於2017年3月29日獲董事會批准，並由以下人士代表簽署：

The consolidated financial statements on pages 98 to 171 were approved by the Board of Directors on 29 March 2017 and were signed on its behalf by:

董事姓名

董事姓名

Name of Director

Name of Director

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

		附註	股本	股份溢價	儲備	保留盈利	總計
		Note	Share capital	Share premium	Reserves	Retained earnings	Total
於2015年1月1日的結餘	Balance at 1 January 2015		128,000	311,464	56,767	146,241	642,472
全面收益	Comprehensive income						
年內虧損	Loss for the year		—	—	—	(88,804)	(88,804)
全面收益總額	Total comprehensive income		—	—	—	(88,804)	(88,804)
與擁有人的交易	Transaction with owners						
轉撥至安全基金	Transfer to safety fund	27(b)	—	—	1,397	(1,397)	—
已宣派股息	Dividend declared		—	—	—	(19,200)	(19,200)
註銷一間附屬公司	Deregistration of a subsidiary	27(c)	—	—	(2,701)	2,701	—
與擁有人的交易總額	Total transactions with owners		—	—	(1,304)	(17,896)	(19,200)
於2015年12月31日的結餘	Balance at 31 December 2015		128,000	311,464	55,463	39,541	534,468
全面收入	Comprehensive income						
年內利潤	Profit for the year		—	—	—	28,608	28,608
全面收益總額	Total comprehensive income		—	—	—	28,608	28,608
與擁有人的交易	Transaction with owners						
轉播至安全基金	Transfer to safety fund	27(b)	—	—	782	(782)	—
與擁有人的交易總額	Total transactions with owners		—	—	782	(782)	—
於2016年12月31日的結餘	Balance at 31 December 2016		128,000	311,464	56,245	67,367	563,076

第105至171頁的附註為該等綜合財務報表的一部分。

The notes on pages 105 to 171 are an integral part of these consolidated financial statements.

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

		截至12月31日止年度 Year ended 31 December		
		附註 Note	2016年 2016	2015年 2015
經營活動的現金流量		Cash flows from operating activities		
營運所得現金	Cash generated from operations	30(a)	70,561	47,819
已付利息	Interest paid		—	(335)
已付所得稅	Income tax paid		(1,399)	(1,305)
經營活動所得現金淨額	Net cash generated from operating activities		69,162	46,179
投資活動的現金流量		Cash flows from investing activities		
購買物業、廠房及設備及無形資產	Purchase of property, plant and equipment and intangible assets		(18,400)	(21,740)
出售物業、廠房及設備及土地使用權的所得款項	Proceeds from disposal of property, plant and equipment and land use right	30(b)	1	7,424
購買按公平值計入損益的金融資產	Purchase of financial assets at fair value through profit or loss		(494,389)	—
出售按公平值計入損益的金融資產所得收益	Proceeds from disposal of financial assets at fair value through profit or loss		467,427	—
有限制現金的變動	Change in restricted cash		(40)	(2,933)
投資活動所用現金淨額	Net cash used in investing activities		(45,401)	(17,249)
融資活動的現金流量		Cash flows from financing activities		
償還借款	Repayments of borrowings		—	(75,250)
已付股息	Dividends paid	29	—	(19,200)
支付上市相關開支	Payments for listing-related expenses		—	(6,416)
融資活動所用現金淨額	Net cash used in financing activities		—	(100,866)

綜合現金流量表 CONSOLIDATED STATEMENT OF CASH FLOWS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

		截至12月31日止年度 Year ended 31 December	
		附註 Note	2015年 2015
		2016年 2016	
現金及現金等值項目 淨增加／(減少)	Net increase/(decrease) in cash and cash equivalents	23,761	(71,936)
外匯匯率變動影響	Effect of foreign exchange rate changes	—	2,180
年初的現金及現金等值項目	Cash and cash equivalents at beginning of the year	169,801	239,557
年末的現金及現金等值項目	Cash and cash equivalents at end of the year	193,562	169,801

第105至171頁的附註為該等綜合財務報表的一部分。

The notes on pages 105 to 171 are an integral part of these consolidated financial statements.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

1 本集團的一般資料

無錫盛力達科技股份有限公司(「本公司」)及其附屬公司(統稱「本集團」)的主要業務為製造及銷售鋼絲生產線的一系列設備。

本公司為於2006年3月21日在中華人民共和國(「中國」)註冊成立的有限責任公司。於2012年7月24日，本公司根據中國相關法律及法規改制為股份有限公司。本公司的註冊辦事處地址為中國江蘇省無錫市惠山經濟開發區堰新東路1號。

於2014年11月11日，本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市。

除另有註明外，該等綜合財務報表按人民幣千元呈列。

本公司董事會已於2017年3月29日批准刊發該等綜合財務報表。

2 重大會計政策概要

編製該等綜合財務報表時採用的主要會計政策載於下文。除另有註明外，該等政策於所有呈報年度貫徹應用。

2.1 編製基準

本集團的綜合財務報表乃根據所有適用的香港財務報告準則(「香港財務報告準則」)編製。綜合財務報表已按照歷史成本法編製，並就以公允價值計量且其變動計入損益的金融資產而作出修訂。

1 GENERAL INFORMATION OF THE GROUP

Wuxi Sunlit Science and Technology Company Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the manufacturing and sale of a range of equipment for steel wire production lines.

The Company was incorporated in the People’s Republic of China (the “PRC”) as a limited liability company on 21 March 2006. The Company was converted into a joint stock company with limited liabilities under relevant PRC laws and regulations on 24 July 2012. The address of the Company’s registered office is 1 Yanxin Road East, Huishan Economic Development Zone, Wuxi, Jiangsu Province, PRC.

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 11 November 2014.

These consolidated financial statements are presented in Renminbi thousands (RMB’000), unless otherwise stated.

These consolidated financial statements have been approved for issue by the Board of Directors of the Company on 29 March 2017.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated financial statements have been prepared under the historical cost convention, as modified by financial assets at fair value through profit or loss, which are carried at fair value.

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

2 重大會計政策概要(續)

2.1 編製基準(續)

編製符合香港財務報告準則的財務報表須使用若干關鍵會計估計。這亦需要管理層在應用本集團的會計政策過程中作出判斷。

(a) 本集團採納的新訂及經修訂準則

本集團已採納下列於本集團自2016年1月1日開始的財政年度生效的新訂準則及修訂：

香港財務報告準則第14號	監管遞延賬目
香港財務報告準則第11號的修訂	收購合營業務權益
香港會計準則第16號及香港會計準則第38號的修訂	對可接受的折舊及攤銷方法的澄清
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號的修訂	投資實體：應用合併入賬的例外情況
香港會計準則第16號及香港會計準則第41號的修訂	農業：生產性植物
香港會計準則第27號的修訂	獨立財務報表的權益法
香港財務報告準則的修訂	2012年至2014年週期的年度改進
香港會計準則第1號的修訂	披露計劃

採納上述新訂及經修訂準則並未對本集團的綜合財務報表造成任何重大影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

(a) New and amended standards adopted by the Group

The Group had adopted the following new standards and amendments which are effective for the Group's financial year beginning on 1 January 2016:

HKFRS 14	Regulatory Deferral Accounts
HKFRS 11 (Amendment)	Acquisitions of Interests in Joint Operations
HKAS 16 and HKAS 38 (Amendment)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKFRS 10, 12 and HKAS 28 (Amendment)	Investment entities: applying the consolidation exception
HKAS 16 and HKAS 41 (Amendment)	Agriculture: bearer plants
HKAS 27 (Amendment)	Equity Method in Separate Financial Statements
Amendment to HKFRS	Annual Improvements 2012–2014 cycle
HKAS 1 (Amendment)	Disclosure Initiative

The adoptions of the above new standards and amendments have no material impact to the Group's consolidated financial statements.

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

2 重大會計政策概要(續)

2.1 編製基準(續)

(b) 尚未採納之新訂準則及詮釋

編製此等綜合財務報表時並無應用下列於2016年1月1日後開始的年度期間生效的新訂準則及準則修訂以及詮釋：

香港會計準則第12號 所得稅 ¹ 的修訂	香港會計準則第7號 現金流量表 ¹ 的修訂	香港財務報告準則 客戶合約收益 ² 第15號	香港財務報告準則 金融工具 ² 第9號	香港財務報告準則 以股份支付交易之 分類及計量 ² 第2號	香港財務報告準則 租賃 ³ 第16號	香港財務報告準則 投資者與其聯營 公司或合營企業 第10號及香港會計 準則第28號的 修訂	香港會計準則第28號的 修訂
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¹ 於2017年1月1日或之後開始年度期間生效

² 於2018年1月1日或之後開始年度期間生效

³ 於2019年1月1日或之後開始年度期間生效或同時採納香港財務報告準則第15號

⁴ 該等修訂原先於2016年1月1日或之後開始的年度期間生效。該等修訂的生效日期現已押後/撤銷。提早應用該等修訂仍獲允許

本集團現正評估首次應用該等準則及準則修訂對本集團財務報表的影響。採納上述者預期不會對本集團的經營業績或財務狀況構成重大影響。

預期概無尚未生效的其他香港財務報告準則修訂或詮釋將對本集團構成重大影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) New standards and interpretations not yet adopted

The following new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these consolidated financial statements:

HKAS 12 (Amendment)	Income taxes ¹
HKAS 7 (Amendment)	Statement of cash flows ¹
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 9	Financial Instruments ²
HKFRS 2	Classification and Measurement of Share-based Payment Transactions ²
HKFRS 16	Lease ³
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2017

² Effective for annual periods beginning on or after 1 January 2018

³ Effective for annual periods beginning on or after 1 January 2019 or adopt HKFRS 15 at the same time

⁴ The amendments were originally intended to be effective for annual periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continues to be permitted

The Group is in the process of making an assessment on the impact of these standards and amendments to standards on the financial statements of the Group in the initial application. The adoption of the above is not expected to have a material effect on the Group's operating results or financial position.

There are no other amendments or interpretations to HKFRS that are not yet effective that would be expected to have a material impact on the Group.

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

2 重大會計政策概要(續)

2.2 附屬公司

2.2.1 合併

附屬公司乃由本集團控制的實體(包括結構性實體)。當本集團參與實體的業務，就可變動回報承擔風險及享有權益，以及有能力運用對實體的權力影響該等回報時，則本集團控制該實體。附屬公司於控制權轉移至本集團之日起合併入賬。附屬公司在控制權終止之日起停止合併入賬。

(a) 業務合併

本集團採用收購會計法就業務合併入賬。收購附屬公司的轉讓代價為本集團所轉讓資產、所產生負債及所發行股本權益的公平值。所轉讓代價包括或然代價安排產生的任何資產或負債的公平值。收購相關成本於產生時列為開支。於業務合併時所收購的可識別資產及承擔的負債及或然負債，初步按收購日期的公平值計量。

本集團按逐項收購基準確認於被收購人的任何非控股權益。屬現時擁有權權益並賦予其持有人於清盤時按比例分佔實體淨資產的於被收購人的非控股權益，以公平值或現時擁有權權益應佔被收購人可識別淨資產已確認金額的比例計量。除非香港財務報告準則規定須採用其他計量基準，否則非控股權益的所有其他部分均以收購日期的公平值計量。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, 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. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combinations

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

2 重大會計政策概要(續)

2.2 附屬公司(續)

2.2.1 合併(續)

(a) 業務合併(續)

收購相關成本於產生時列為開支。

倘業務合併分階段進行，則收購人於被收購人先前持有的股權於收購日期的賬面值重新計量為收購日期的公平值；重新計量產生的任何收益或虧損於損益確認。

本集團所轉讓的任何或然代價在收購當日按公平值確認。視為資產或負債的或然代價公平值後續變動，根據香港會計準則第39號的規定，在損益中確認或作為其他全面收益的變動確認。分類為權益的或然代價不會重新計量，而其後結算於權益內入賬。

所轉讓代價、被收購人的任何非控股權益金額及被收購人的任何先前股權於收購日期的公平值超過所收購可識別淨資產公平值的部分入賬列作商譽。如所轉讓代價、已確認的非控股權益及已計量的先前股權的總額低於議價購買下的購入附屬公司淨資產的公平值，該差異直接於綜合收益表中確認。

集團間交易、集團內公司間交易的結餘及未變現盈利已予以抵銷。未變現虧損亦予以抵銷，除非交易有證據顯示所轉讓資產出現減值。附屬公司的會計政策已按需要作出改變，以確保與本集團採納的政策一致。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(a) Business combinations (Continued)

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

2 重大會計政策概要(續)

2.2 附屬公司(續)

2.2.1 合併(續)

(b) 出售附屬公司

當集團不再對一間附屬公司擁有控制權時，於實體的任何保留權益按失去控制權當日的公平值重新計量，而賬面值變動則於損益中確認。就其後入賬列作聯營公司、合營企業或金融資產的保留權益而言，公平值指初始賬面值。此外，先前於其他全面收益內確認與該實體有關的任何金額按猶如本集團已直接出售有關資產或負債的相同基準入賬。即先前於其他全面收益內確認的若干金額或會重新分類至損益。

2.2.2 獨立財務報表

於附屬公司的投資按成本值扣除減值列賬。成本包括投資的直接歸屬成本。附屬公司的業績由本公司按已收及應收股息入賬。

倘收到於附屬公司投資的股息時，股息超過附屬公司在股息宣派期間的全面收益總額，或於獨立財務報表的投資賬面值超過被投資方於綜合財務報表淨資產(包括商譽)賬面值，則須對該等投資進行減值測試。

2.3 分部報告

經營分部乃以與提交主要經營決策者的內部報告一致的方式呈報。負責分配資源和評估經營分部表現的主要經營決策者被確定為作出戰略決定的董事會。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(b) Disposal of subsidiaries

When the Group ceases to have control over a subsidiary, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for on the same basis as would be required if the Group had directly disposed of the related assets or liabilities. This means that certain amounts previously recognised in other comprehensive income may be reclassified to profit or loss.

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

2 重大會計政策概要(續)

2.4 外幣換算

(a) 功能及列賬貨幣

本集團各個實體財務報表所列項目均以該實體營運所在的主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以人民幣(「人民幣」)呈報，人民幣為本公司的功能貨幣及本集團的呈報貨幣。

(b) 交易及結餘

外幣交易按交易日或(在重新計量項目情況下)估值日的匯率換算為功能貨幣。

因該等交易結算及按年底匯率換算以外幣計值的貨幣資產及負債而產生的匯兌盈虧，均於綜合收益表內確認。

與現金及現金等值項目有關的匯兌盈虧在綜合收益表內的「財務收入或成本」中呈列。所有其他匯兌盈虧在綜合收益表內的「其他收益／(虧損) — 淨額」中列賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the entities within the Group are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in Renminbi (“RMB”), which is the Company’s functional currency and the Group’s presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the consolidated income statement within ‘finance income or expense’. All other foreign exchange gains and losses are presented in the consolidated income statement within “other gains/(losses) — net”.

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

2 重大會計政策概要(續)

2.5 物業、廠房及設備

所有物業、廠房及設備以歷史成本減折舊列賬。歷史成本包括直接因收購該等項目而產生的支出。

後續成本只有在很可能為本集團帶來與該項目有關的未來經濟利益，而該項目的成本能可靠計量時，才會包括在資產的賬面值或確認為獨立資產(如適用)。其取替部分的賬面值被終止確認。所有其他維修及保養費用在其產生的財政期間內於綜合收益表中扣除。

物業、廠房及設備的折舊按下列估計可使用年期以直線法將其成本攤銷至其剩餘價值計算：

樓宇	20年
機器	10年
汽車	4年
電腦及電子設備	3–5年
辦公室設備	5年
室內裝修	5年

除內部裝修的剩餘價值率為零外，其他物業、廠房及設備的剩餘價值率為5%。

資產的剩餘價值及可使用年期在每個報告期末進行檢討，並於適當時作出調整。

若資產的賬面值高於其估計可收回金額，其賬面值即時撇減至可收回金額(附註2.9)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings	20 years
Machineries	10 years
Vehicles	4 years
Computer and electronic equipment	3–5 years
Office equipment	5 years
Interior decoration	5 years

Except for the residual values rate of interior decoration which is zero, the residual values rates of other property, plant and equipment are 5%.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

2 重大會計政策概要(續)

2.5 物業、廠房及設備(續)

出售收益及虧損按所得款項與賬面值的差異釐定，並於綜合收益表的「其他收益／(虧損)－淨額」內確認。

在建工程指在建的樓宇、廠房及有待安裝的機器，並按成本減去減值虧損入賬。直接歸屬該工程的過往開支包括建築成本、廠房及機器的成本及於建築期間產生的適用借貸成本。在建工程項目直至有關資產完成及可作擬定用途前不作折舊撥備。當有關資產投入使用時，將成本轉撥至物業、廠房及設備，並按上述政策予以折舊。

2.6 投資物業

投資物業主要由租賃土地和樓宇組成，乃為獲得長期租金收益或作為資本增值或兩者兼備而持有，同時並非由本集團佔用。投資物業按成本減累計折舊虧損列賬。投資物業初步以成本計量，其後按成本減累計折舊及累計減值虧損列賬。投資物業乃以直線法按足以在其估計可使用年期20至50年內撇銷其成本的折舊率折舊。於各結算日，本集團會對投資物業的餘值及可使用年期進行複核，並視乎情況作出適當調整。任何修訂的影響會於出現變動時計入綜合收益表。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment (Continued)

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within “other gains/(loss) – net” in the consolidated income statement.

Construction in progress represents buildings, plant and machineries under construction and pending installation and is stated at cost less impairment losses. Historical expenditure that is directly attributable to the construction comprises construction costs, the cost of plant and machineries and applicable borrowing costs incurred during the construction period. No provision for depreciation is made on construction-in-progress until such time as the relevant assets are completed and ready for intended use. When the assets concerned are brought into use, the costs are transferred to property, plant and equipment categories and depreciated in accordance with the policy mentioned above.

2.6 Investment property

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. Investment properties that are stated at cost less accumulated impairment losses. Investment property is initially measured at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Investment properties are depreciated on a straight-line basis, at rates sufficient to write off their costs over their estimated useful lives of 20 to 50 years. The residual values and useful lives of investment properties are reviewed, and adjusted as appropriate at each balance sheet date. The effects of any revision are included in the consolidated income statement when the changes arise.

2 重大會計政策概要(續)

2.7 土地使用權

土地使用權以成本減累計攤銷及減值虧損列賬。成本指各廠房及樓宇所在土地的使用權(年期介乎45至50年不等)所支付的代價。土地使用權的攤銷乃就土地使用權期限按直線法基準計算。

2.8 無形資產

無形資產指按估計可使用年期(不超過五年)攤銷的電腦軟件。

2.9 非金融資產減值

需攤銷的資產於有事項或情況轉變顯示賬面值不可收回時檢討是否出現減值。減值虧損按資產的賬面值超出其可收回金額的差異確認。可收回金額以資產的公平值扣除銷售成本與使用價值兩者的較高者為準。於評估減值時，資產按可分開辨認現金流量的最低層次(現金產生單位)組合。除商譽外，已蒙受減值的非金融資產在每個報告日檢討該減值是否可以回撥。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Land use rights

Land use rights are stated at cost less accumulated amortisation and impairment losses. Cost represents consideration paid for the rights to use the land on which various plants and buildings are situated for periods varying from 45 to 50 years. Amortisation of land use rights is calculated on a straight-line basis over the period of the land use rights.

2.8 Intangible assets

Intangible assets represent computer software, which are amortised over their estimated useful lives not exceeding five years.

2.9 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 重大會計政策概要(續)

2.10 金融資產

2.10.1 分類

本集團將其金融資產分類為以下類別：貸款及應收款項。分類乃視乎購入金融資產的目的而定。管理層應在初始確認時釐定金融資產的分類。

(a) 按公平值計入損益的金融資產

按公平值計入損益的金融資產是持作買賣的金融資產。倘金融資產收購主要用於短期出售，則歸類為此類別。衍生工具除非被指定為對沖，否則亦歸類為持作買賣。倘此類別中的資產預期將在12個月內結算，則歸類為流動資產；否則歸類為非流動資產。

(b) 貸款及應收款項

貸款及應收款項乃於活躍市場並無報價而附帶固定或可釐定付款金額的非衍生金融資產。此等項目包括在流動資產內，但於報告期末後起計超過12個月結算或預期將於該期間結算的款項除外。該等資產被分類為非流動資產。本集團的貸款及應收款項包括於資產負債表中列出的「貿易及其他應收款項」(附註2.14)、「有限制現金」及「現金及現金等值項目」(附註2.15)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Financial assets

2.10.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" (Note 2.14), "restricted cash" and "cash and cash equivalents" in the balance sheet (Note 2.15).

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2 重大會計政策概要(續)

2.10 金融資產(續)

2.10.2 確認和計量

常規購買及出售的金融資產在交易日確認 — 交易日指本集團承諾購買或出售該資產之日。就所有未按公平值計入損益列賬的金融資產，投資將初步按公平值加交易成本予以確認。按公平值計入損益列賬的金融資產初步按公平值予以確認，交易成本開支計入綜合收益表。當收取投資產生的現金流量的權利屆滿或已被轉讓，及本集團已將擁有權的絕大部分風險及回報轉讓時，金融資產即終止確認。按公平值計入損益的金融資產其後將按公平值列賬。貸款及應收款項其後利用實際利率法按攤銷成本列賬。

因「按公平值計入損益的金融資產」類別的公平值變動而產生的收益或虧損在其產生期間呈列於「其他(虧損)/收益 — 淨額」內的綜合收益表中。當集團接收付款的權利得到確立時，來自按公平值計入損益的金融資產的股息收入在綜合收益表內確認，作為其他其他收益的一部分。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Financial assets (Continued)

2.10.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the consolidated income statement within 'Other (losses)/gains — net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated income statement as part of other income when the Group's right to receive payments is established.

2 重大會計政策概要(續)

2.11 抵銷金融工具

金融資產及負債於有合法強制執行權利抵銷已確認金額並擬按淨額基準結算，或同時變現資產及償付負債時，予以抵銷，而有關淨額於資產負債表內呈報。合法強制執行權利不得依賴於未來事項且必須於日常業務過程中及當公司或對手方違約、無力償債或破產時強制執行。

2.12 按攤銷成本計值的金融資產減值

本集團於每個報告期末評估是否存在客觀證據證明某項金融資產或某組金融資產出現減值。只有當存在客觀證據證明，首次確認資產後發生一宗或多宗事件導致出現減值(「損失事項」)，而該宗(或該等)損失事項對該項或該組金融資產的估計未來現金流量構成的影響可以可靠估計，則該項或該組金融資產才算出現減值及產生減值虧損。

減值證據可包括債務人或一組債務人遇上嚴重財政困難、逾期或拖欠償還利息或本金、債務人很有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流量有可計量的減少，例如與違約有相互關連的拖欠情況或經濟狀況改變。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.12 Impairment of financial assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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2 重大會計政策概要(續)

2.12 按攤銷成本計值的金融資產減值(續)

對於貸款及應收款項類別，損失金額乃根據資產賬面值與按金融資產原實際利率貼現的估計未來現金量(不包括仍未產生的未來信用損失)的現值兩者的差異計量。資產賬面值予以削減，而損失金額則於綜合收益表中確認。如貸款有浮動利率，計量任何減值虧損的貼現率為按合同釐定的當前實際利率。在實際應用中，本集團可利用可觀察的市場價格，按工具的公平值計量減值。

如在後續期間，減值虧損的數額減少，而此減少可客觀地聯繫至減值確認後發生的事件(例如債務人的信用評級有所改善)，則之前已確認的減值虧損回撥可在綜合收益表中確認。

2.13 存貨

存貨乃按成本與可變現淨值兩者的較低者入賬。成本乃採用加權平均法釐定。製成品及半成品的成本包括原材料、直接人工、其他直接成本及相關生產間接開支(依據正常營運能力而定)。這不包括借貸成本。可變現淨值為在日常業務過程中的估計銷售價，減適用的變動銷售開支。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Impairment of financial assets carried at amortised cost (Continued)

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2 重大會計政策概要(續)

2.14 貿易及其他應收款項

貿易應收款項指在日常業務過程中就商品銷售或服務執行而應收客戶的款項。如貿易及其他應收款項預期在一年或以內收回，被分類為流動資產；否則按非流動資產呈列。

貿易及其他應收款項最初以公平值確認，其後利用實際利率法按攤銷成本扣除減值撥備計量。

倘原已逾期或減值的貿易及其他應收款項的條款經重新協商，則貿易及其他應收款項會以經修訂的實際利率法(根據重新協商的條款及條件釐定)重新計量。重新協商之前與之後的貿易及其他應收款項的賬面值間的任何差異乃直接於綜合收益表中確認。

2.15 現金及現金等值項目

在綜合現金流量表中，現金及現金等值項目包括庫存現金、銀行活期存款、原定於三個月或以內到期的其他短期高流通性投資。

2.16 股本

普通股被歸類為權益。直接歸屬於發行新股或認股權的新增成本在權益中列為所得款項的減少(經扣除稅項)。

2.17 貿易應付款項

貿易應付款項指在日常業務過程中向供應商購買貨品或服務而應支付的債務。如貿易應付款項在一年或以內到期，被分類為流動負債；否則按非流動負債呈列。

貿易應付款項最初以公平值確認，其後利用實際利率法按攤銷成本計量。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

When the terms of trade and other receivables that would otherwise be past due or impaired have been renegotiated, trade and other receivables are remeasured using the revised effective interest method determined according to the renegotiated terms and conditions. Any difference between the carrying amounts of trade and other receivables before and after the renegotiation is recognised directly in the consolidated income statement.

2.15 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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

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2 重大會計政策概要(續)

2.18 借款

借款初始按公平值減產生的交易成本確認。借款其後按攤銷成本列示；所得款項(扣除交易成本)與贖回價值的任何差額利用實際利率法於借款期間內在綜合收益表確認。

在貸款將很有可能部分或全部提取的情況下，就設立貸款融資支付的費用乃確認為貸款交易成本。在此情況下，該費用將遞延至提取貸款發生時。在並無跡象顯示該貸款將很有可能部分或全部提取的情況下，該費用撥充資本作為流動資金服務的預付款項，並於其相關融資期間內予以攤銷。

除非本集團有權無條件將負債的結算遞延至報告期末後最少12個月，否則借款乃分類為流動負債。

2.19 借款成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間處理以作其預定用途或銷售的資產)的一般及特定借款成本，加入該等資產的成本內，直至資產大致上備妥供其預定用途或銷售時為止。

特定借貸用於合資格資產之前作為短暫投資所賺取之投資收入已於撥充資本之借貸成本中扣除。

所有其他借款成本在其產生期內於綜合收益表中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Borrowings

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.19 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in consolidated income statement in the period in which they are incurred.

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2 重大會計政策概要(續)

2.20 當期及遞延所得稅

本期間的稅項支出包括當期和遞延稅項。稅項在收益表中確認，惟倘與在其他全面收益中或直接在權益中確認的項目有關者除外。在此情況下，稅項亦分別在其他全面收益中或直接在權益中確認。

(a) 當期所得稅

當期所得稅支出根據本公司及其附屬公司營運及產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅法計算。管理層就適用稅法詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

(b) 遞延所得稅

內部基準差異

遞延所得稅乃利用債務法就資產和負債的稅基與資產和負債在綜合財務報表的賬面值的暫時差異確認。然而，若遞延稅項負債因首次確認商譽而產生，則不予確認；若遞延所得稅因在交易(不包括業務合併)中初步確認資產或負債而產生，而在交易時不影響會計或應課稅損益，則不作記賬。遞延所得稅採用在結算日前已頒佈或實質頒佈，並預期於變現有關遞延所得稅資產或結算遞延所得稅負債時將適用的稅率(及稅法)而釐定。

遞延所得稅資產，僅於將來很可能有應課稅利潤抵銷可用的暫時差異時予以確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

2 重大會計政策概要(續)

2.20 當期及遞延所得稅(續)

(b) 遞延所得稅(續)

外部基準差異

遞延所得稅負債乃就於附屬公司的投資所產生的應課稅暫時差異而作出撥備，但假若本集團可控制暫時差異的撥回時間，並於可預見未來可能不會撥回暫時差異的遞延所得稅負債則除外。

遞延所得稅資產就於附屬公司的投資所產生的可扣減暫時差異予以確認，惟暫時差異可能將於日後撥回，且有充足的應課稅利潤抵銷可用的暫時差異。

(c) 抵銷

當有法定執行權力將當期稅項資產與當期稅務負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅實體或不同應課稅實體徵收所得稅但有意向以淨額基準結算結餘時，則可將遞延所得稅資產與負債互相抵銷。

2.21 僱員福利

本集團實行多項僱用後計劃，包括界定供款退休金計劃。

(a) 退休金責任

界定供款計劃是一項退休金計劃，本集團根據該計劃支付固定的供款予一個獨立的實體。倘基金並無足夠資產為所有僱員支付當期及過往期間的僱員服務福利金，本集團並無法定或推定責任進一步支付供款。

對於界定供款計劃，本集團以強制性、合同性或自願性方式向公開或私人管理的退休保險計劃供款。本集團作出供款後，即無進一步付款義務。供款到期時，則會確認為僱員福利開支。預付供款按照現金退款或可減少的未來付款而確認為資產。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.21 Employee benefits

The Group operates various post-employment schemes, including defined contribution pension plans.

(a) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2 重大會計政策概要(續)

2.21 僱員福利(續)

(b) 離職福利

倘本集團於僱員正常退休日期前終止僱傭關係或僱員接受自願遣散以換取離職福利，本集團可給予離職福利。本集團會按以下日期較早者確認離職福利：(a)當本集團無可能撤回提供該等福利；及(b)當實體確認重組成本(香港會計準則第37號範圍內)並涉及支付離職福利。倘提出一項要約以鼓勵自願遣散，則離職福利將按預期接受要約的僱員人數計算。在報告期末後超過12個月到期的福利則貼現至其現值。

2.22 撥備

倘本集團需就過去事項承擔現有法律或推定責任，有可能導致資源流出以履行該責任，並能夠可靠估計金額，我們會確認有關環境恢復、重建成本及法律索償的撥備。不會就日後經營虧損確認撥備。

倘出現多項類似債務，會否導致經濟利益流出以清償債務乃經考慮債務的整體類別後確定。即使同類別債務中任何一項可能流出經濟利益的機會不大，仍會確認撥備。

保養撥備主要指根據過往經驗就質量保證提供保養服務及替換配件的估計成本。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Employee benefits (Continued)

(b) Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.22 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Warranty provision mainly represents the estimation cost of providing maintenance services as well as the replacement of accessories in connection with the quality warranty based on past experience.

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2 重大會計政策概要(續)

2.23 收入確認

收入乃按已收或應收代價的公平值計量，相等於所供應貨物的應收款項減去折扣退貨及增值稅後的數額。當收入的數額能夠可靠計量，未來經濟利益有可能流入有關實體，而本集團每項活動均符合具體條件時(如下文所述)，本集團確認收入。本集團會根據其過往經驗並考慮客戶類別、交易種類和每項安排的特點作出估計。

(a) 銷售貨品

本集團主要從事生產及銷售一系列鋼絲製品生產線的設備。本集團於貨品的風險及回報均轉移至客戶，即通常在(1)交付產品給客戶；(2)完成安裝及現場調試(若銷售合同有此規定)；及(3)客戶已接納設備且並無任何其他未履行責任的情況下，方會確認銷售設備產生的收入。

(b) 租金收入

投資物業租金收入於綜合收益表內按租期以直線法確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts returns and value-added taxes. The Group recognises revenue when the amount of revenue can be reliable measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical experience, taking into consideration the type of customer, the type of transaction and the specification of each arrangement.

(a) Sales of goods

The Group is principally engaged in manufacturing and sale of a range of equipment for steel wire production lines. Revenue from sales of equipment is recognised when the risk and reward of the goods has been transferred to the customer, which is usually upon (1) delivery of products to the customer; (2) completion of the installation and on-site testing (if required in the sale contract); and (3) the acceptance by the customer of the equipment without any further unfulfilled obligation.

(b) Rental income

Rental income from investment property is recognised in the consolidated income statement on a straight-line basis over the term of the lease.

2 重大會計政策概要(續)

2.24 利息收入

利息收入乃採用實際利率法確認。倘一項貸款及應收款項出現減值，本集團會將其賬面值減至其可收回金額（即按工具的原訂實際利率貼現的估計未來現金流量），並繼續將所貼現的金額列作利息收入。減值貸款及應收款項的利息收入按原訂實際利率予以確認。

2.25 政府補助

政府補助於可合理保證將會收取而本集團將能符合其所隨附的所有條件時，按公平值確認。

與成本相關的政府補助於必要期間內於綜合收益表內遞延及確認，以對應其計劃補償的成本。

2.26 股息分派

向本公司股東分派的股息在股息獲本公司股東或董事（以適用者為準）批准的期間內在本集團及本公司的財務報表內確認為負債。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables are recognised using the original effective interest rate.

2.25 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

2.26 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

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(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

3 財務風險管理

3.1 財務風險因素

本集團的業務性質令其須承受各類財務風險：市場風險(包括外匯風險、現金流量及公平值利率風險)、信用風險及流動資金風險。本集團的整體風險管理計劃專注於金融市場的不可預測性，並力求減輕對本集團財務表現造成的潛在不利影響。

(a) 市場風險

(i) 外匯風險

外匯風險來自以非實體功能貨幣計值的交易或已確認的資產或負債／由具有良好信譽的金融機構出具。

本集團於中國境內營運，其大部分交易以人民幣計值及結算。本集團的大部分資產及負債以及源自其營運的交易並無令集團面對重大外匯風險，此乃由於本集團於2016年12月31日的資產及負債以本集團各公司的功能貨幣計值。

(ii) 現金流量及公平值利率風險

由於本集團並無重大計息資產(銀行結餘及現金(詳情於附註24披露)除外)，故本集團的收入及經營現金流量基本不受市場利率變動所影響。本集團於年結日並無計息負債。

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The overall risk management program of the Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance of the Group.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group operates in the PRC with most of the Group's transactions denominated and settled in RMB. The Group's assets and liabilities, and transactions arising from its operations do not expose the Group to material foreign exchange risk as most of the Group's assets and liabilities as at 31 December 2016 are denominated in the respective group companies' functional currencies.

(ii) Cash flow and fair value interests rate risk

As the Group has no significant interest-bearing assets (other than bank balances and cash, details of which have been disclosed in Note 24), the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's has no interest-bearing liabilities as at the year-end date.

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險

信用風險來自銀行存款、按公平值計入損益的金融資產以及貿易及其他應收款項。每類該等金融資產的賬面值或未貼現名義金額(如適用)代表本集團所承受相應類別金融資產的最大信用風險。

為管理信用風險，銀行存款和按公平值計入損益的金融資產存放於具有良好信譽的金融機構／由具有良好信譽的金融機構發行。

本集團已執行政策確保產品售予信貸記錄良好的客戶。本集團透過密切審查多項指標以評估客戶的信譽，這包括其財務及營運狀況(包括客戶的生產設施是否全面運作、設施場地、營運規模，以及客戶的物業、廠房及設備投資額)、其信貸評級及市場競爭格局。本集團將根據該項評估及相關合同價值，為客戶到期款項的未付款項設定最高限額。本集團的財務部門監察逾期的貿易應收款項，並指示銷售人員跟進追收貿易應收款項。本集團銷售部門亦建立每名客戶的信貸記錄。與客戶交易相關的記錄將每月更新，以監察截至月尾的銷售金額、付款、累計未償還金額、逾期及未付金額及累計壞賬。本集團財務部門不時監察及更新客戶貿易應收款項的狀況、跟進貿易應收款項的變動，以及確保未償還的到期款項不超過給予客戶的最高限額。有關逾期貿易應收款項的可收回程度的具體審查乃定期進行。有關貿易應收款項減值撥備的詳情披露載於附註19。本集團應收貿易款項一般無須抵押。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk arises from bank deposits, financial assets at fair value through profit or loss and trade and other receivables. The carrying amounts or the undiscounted nominal amounts, where applicable, of each class of these financial assets represent the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

To manage the credit risk, bank deposits and financial assets at fair value through profit or loss are placed with/issued by highly reputable financial institutions.

The Group has policies in place to ensure that products are sold to customers with appropriate credit history. The Group assesses the creditworthiness of a customer by closely examining a number of indicators which include its financial and operational conditions (including whether the customer's production facilities are in full operation, the site of the facilities, scale of operation, and the customer's amount of investments in property, plant and equipment), its credit rating and competitive landscape of the market. Based on such assessment and the value of the relevant contract, the Group set a maximum balance of amount due allowable for a customer. The finance department of the Group monitors the past due trade receivables and directs the sales personnel to follow up the collection of the trade receivables. The sales department of the Group also set up a credit profile for each customer. Record relating to the transactions with the customer is updated monthly to monitor the amount of sales, payment, accumulated amount outstanding, amount past due and unpaid, and accumulated bad debts made as at the end of the month. The finance department of the Group monitors and updates the customer's trade receivables position from time to time, keeps track of the movement of the trade receivables, and ensures that the outstanding amounts due do not exceed the maximum balance allowable for a customer. Specific review on the recoverability of past due trade receivables is performed on a regular basis and detailed disclosure of allowance for impairment of trade receivables is set out in Note 19. Normally the Group does not require collateral from trade debtors.

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3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險

本集團透過維持充足的現金及現金等值項目以及透過已承諾的足額信貸融資提供資金，以審慎管理流動資金風險。鑑於相關業務的動態性質，本集團致力於透過維持充足的現金及現金等值項目來維持資金靈活性。

下表根據於綜合結算日至合同到期日的剩餘期間分析本集團及本公司於相關到期組別內的非衍生金融負債。表中披露的金額為未貼現合同現金流量。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

The Group exercises prudent liquidity risk management by maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by maintaining adequate amount of cash and cash equivalents.

The table below analyses the Group and the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the consolidated balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

少於1年
Less than
1 year

於2016年12月31日

貿易及其他應付款項(附註(i))

At 31 December 2016

Trade and other payables (Note (i))

46,238

總計

Total

46,238

於2015年12月31日

貿易及其他應付款項(附註(i))

At 31 December 2015

Trade and other payables (Note (i))

45,797

總計

Total

45,797

(i) 不包括其他應付稅項、應付僱員福利及質量保證開支撥備。

(i) Excluding other taxes payable, employee benefits payable and provision for quality warranty expenses.

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3 財務風險管理(續)

3.2 資本管理

本集團管理資本的目標旨在保障本集團持續經營的能力，以為股東提供回報及為其他權益持有人提供利益，並維持最佳資本架構以降低資本成本。

為了維持或調整資本架構，本集團可調整支付股東的股息金額，向股東退還資本，發行新股或出售資產以減少債務。

與業內同行一樣，本集團根據資產負債比率監控資本。該比率按淨債務除以總資本計算。淨債務按借款總額減現金及現金等值項目、定期存款及受限制銀行存款進行計算。資本總額按綜合資產負債表所示之「權益」加淨債務計算。於2016年12月31日，本集團無外部借款。

3.3 公平值估計

按公平值入賬的金融工具透過不同的估值法進行計量。該等估值方法的輸入值在公允值層級當中分為如下三個層級：

- 相同資產或負債在活躍市場的報價(未經調整)(第一級)。
- 有關資產或負債除包括於第一級內的報價外的可觀察資料，不論直接(即價格)或間接(即以價格計算所得)(第二級)。
- 並非基於可觀察市場數據(即不可觀察資料)的資產或負債資料(第三級)。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital management

The Group's 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 benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt calculated as total borrowings less cash and cash equivalents, term deposits and restricted bank deposits. Total capital is calculated as "equity" as shown in the consolidated balance sheet plus net debts. As at 31 December 2016, the Group has no external borrowings.

3.3 Fair value estimation

Financial instruments carried at fair value are measured by different valuation methods. The inputs to valuation methods are categorised into three levels within a fair value hierarchy, as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

3 財務風險管理(續)

3.3 公平值估計(續)

本集團按公平值計入損益的金融資產基於第二級估值法按公平值入賬。第一級與第二級之間在年度內無轉換。

除按公平值計入損益的金融資產外，本集團其他金融資產(包括貿易及其他應收款項、受限制銀行存款及現金以及現金等價物)及短期負債(包括貿易及其他應付款)的賬面金額因其短期到期期限而接近其公平值。

4 重大會計估計及判斷

估計及判斷會被持續評估，並根據過往經驗和其他因素進行評價，包括在有關情況下相信對未來事件的合理預測。

4.1 重大會計估計及假設

本集團就未來作出估計及假設。所得會計估計如其定義，很少會與相關實際結果相同。具有重大風險會導致下個財政年度資產及負債的賬面值須作出重大調整的估計和假設討論如下。

(a) 當期及遞延所得稅

釐定所得稅撥備需要作出重大判斷。於日常業務過程中，若干交易及計算的最終釐定均屬不確定。倘該等事宜的最終稅務結果與最初入賬的金額不同，有關差異將影響作出有關釐定的期間的所得稅及遞延稅項撥備。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

The Group's financial assets at fair value through profit or loss are carried at fair value based on level 2 valuation method. There were no transfers between levels 1 and 2 during the year.

Other than the financial assets at fair value through profit or loss, the carrying amounts of the Group's other financial assets (including trade and other receivables, restricted bank deposits and cash and cash equivalents) and short-term liabilities (including trade and other payables) approximate their fair values due to their short-term maturities

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

4.1 Critical accounting estimates and assumptions

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

(a) Current and deferred income taxes

Significant judgment is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

4 重大會計估計及判斷(續)

4.1 重大會計估計及假設(續)

(a) 當期及遞延所得稅(續)

與若干暫時性差異及稅項虧損有關的遞延稅項資產乃於管理層認為未來可能有應課稅利潤以動用暫時性差異或稅項虧損時確認入賬。如預期者與原先的估計有所不同，該等差異將影響變更該估計的期間對所得稅資產及稅項的確認。

(b) 貿易應收款項減值

就貿易應收款項而言，管理層乃參考其過往還款記錄及其後清償情況以個別評估款項可回收情況，從而估計出有關減值撥備。倘發生任何事件或情況變化，顯示有關餘額可能無法收回，則會為該等應收款項作出撥備。倘預期情況與原先估計不同，此項差異將有關估計作出變更的期間的貿易應收款項的賬面值及減值支出。

本集團截至2016年及2015年12月31日的貿易應收款項賬面值披露於附註19。

(c) 存貨撥備

本集團於各結算日檢討存貨賬面值，以釐定存貨是否按成本與可變現淨值兩者間的較低者列賬。本集團根據其相關售價減額外銷售成本及類似存貨的過往經驗估計各存貨的可變現淨值。作出估計所用假設的任何變動將增加或減少存貨撥備金額。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(a) Current and deferred income taxes (Continued)

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be 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 income tax assets and taxation in the periods in which such estimate is changed.

(b) Impairment of trade receivables

The management estimates the allowance for impairment of trade receivables by assessing their recoverability individually with reference to the past repayment history as well as subsequent settlement status. Allowances are applied to these receivables where events or changes in circumstances indicate that the balances may not be collectible. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade receivables and the impairment charge in the period in which such estimate has been changed.

The carrying amounts of trade receivables of the Group as of 31 December 2016 and 2015 were disclosed in Note 19.

(c) Allowance for inventories

The Group reviews the carrying amounts of inventories at each balance sheet date to determine whether the inventories are carried at lower of cost and net realisable value. The Group estimates the net realisable value of each inventory, based on its related selling price less additional cost to sell and historical experience on similar inventories. Any change in the assumptions used in making the estimates would increase or decrease the amount of allowance of inventories.

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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5 收入

主要經營決策者(「主要經營決策者」)已確定為本公司的董事。主要經營決策者視本集團業務為單一的經營分部，並按此審閱財務報表。

本集團主要從事生產及銷售一系列用於製造鋼絲製品的設備。來自銷售貨品的收入如下：

5 REVENUE

The chief operating decision-maker (“CODM”) has been identified as the board of directors of the Company. The CODM regards the Group’s business as a single operating segment and reviews the financial statements accordingly.

The Group is principally engaged in manufacturing and sale of a range of equipment for manufacturing steel wire products. Revenues from sales of goods are as follows:

		截至12月31日止年度 Year ended 31 December	
		2016年 2016	2015年 2015
生產線	Production lines		
— 電鍍黃銅鋼絲生產線	— Brass electroplating wire production lines	59,447	23,571
— 其他生產線	— Other production lines	11,363	1,856
單機	Standalone machineries	10,982	25,718
其他修模設備、零部件及配件	Other mould repairing equipment, component parts and accessories	28,439	15,590
租金收入	Rental income	2,053	1,433
		112,284	68,168

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

5 收入(續)

截至2016年及2015年12月31日止年度，就收入總額的地理資料如下：

5 REVENUE (Continued)

For the years ended 31 December 2016 and 2015, the geographical information on the total revenue is as follows:

		截至12月31日止年度 Year ended 31 December	
		2016年 2016	2015年 2015
收入	Revenue		
— 中國大陸	— Mainland China	87,146	54,176
— 其他	— Others	25,138	13,992
		112,284	68,168

本集團的收入來自以下外部客戶，該等客戶各自貢獻本集團收入10%以上。

The Group's revenues were derived from the following external customers that individually contributed more than 10% of the Group's revenues.

		截至12月31日止年度 Year ended 31 December	
		2016年 2016	2015年 2015
公司A	Company A	25,138	11,455
公司B	Company B	22,657	382
公司C	Company C	20,067	3,562
公司D	Company D	864	20,611
公司E	Company E	4,316	12,410
		73,042	48,420

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

6 按性質劃分的開支

6 EXPENSES BY NATURE

		截至12月31日止年度 Year ended 31 December	
		2016年 2016	2015年 2015
製成品及在製品的存貨變動	Changes in inventories of finished goods and work in progress	10,890	10,100
原材料耗用	Raw materials used	55,655	31,913
僱員福利開支(附註9)	Employee benefit expenses (Note 9)	15,305	19,555
折舊及攤銷 (附註 13、14、15及16)	Depreciation and amortisation (Notes 13, 14, 15 and 16)	9,296	7,768
存貨減值撥備	Allowance for impairment of inventories	4,379	2,159
專業費用	Professional fees	2,917	5,545
其他稅項支出	Other tax charges	2,358	1,621
差旅開支	Travelling expenses	1,555	2,279
外包安裝費(附註(a))	Outsourced installation fee (Note (a))	1,493	719
運輸費用	Transportation expenses	1,441	717
業務招待費	Entertainment expenses	1,134	1,175
核數師酬金	Auditor's remuneration		
— 審計服務	— Audit services	1,698	1,783
辦公費用	Office expenses	818	940
應收款項(撥備撥回)/減值撥備	(Reversal of allowance)/allowance for impairment of receivables	(6,218)	84,486
其他開支	Other expenses	811	385
總銷售成本、銷售開支及行政開支	Total cost of sales, selling expenses and administrative expenses	103,532	171,145

附註：

(a) 外包安裝費為向按需提供專業安裝服務的公司支付的佣金。

Note:

(a) The outsourced installation fees were commissions paid to companies which provided professional installation services on an as-needed basis.

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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7 其他收入

7 OTHER INCOME

截至12月31日止年度
Year ended 31 December

		2016年 2016	2015年 2015
增值稅(「增值稅」)退稅(附註(a))	Value-added tax ("VAT") refunds (Note (a))	1,856	992
政府補貼(附註(b))	Government subsidies (Note (b))	15	2,705
		1,871	3,697

附註：

Notes:

- (a) 根據相關稅務法規，本公司全資附屬公司無錫海盛軟件科技有限公司(「海盛軟件」)銷售自行開發軟件產品有權自2011年12月至2016年10月間享有增值稅退稅。
- (a) According to the relevant tax regulations, the sales of self-developed software products of a wholly-owned subsidiary of the Company 無錫海盛軟件科技有限公司 (Wuxi Haisheng Software Technology Co., Ltd.*) ("Haisheng Software"), was entitled to VAT refunds from December 2011 to October 2016.
- (b) 政府補貼主要指本集團科研項目補貼及企業發展補貼。
- (b) Government subsidies mainly represented subsidies for the Group's technical research projects and for corporate development.

8 其他收益 — 淨額

8 OTHER GAINS — NET

截至12月31日止年度
Year ended 31 December

		2016年 2016	2015年 2015
出售以公允價值計量且其變動計入損益的金融資產收益	Gains on disposal of financial assets at fair value through profit or loss	3,038	—
以公允價值計量且其變動計入權益的金融資產的公允價值變動收益	Unrealised fair value gain on financial assets at fair value through profit or loss	248	—
外幣匯兌(虧損)/收益	Foreign exchange (loss)/gains	(3)	172
出售廠房及設備及土地使用權的收益淨額	Gains on disposal of plant and equipment and land used right, net	—	2,552
其他	Others	377	123
		3,660	2,847

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

9 僱員福利開支

9 EMPLOYEE BENEFIT EXPENSES

截至12月31日止年度
Year ended 31 December

		2016年 2016	2015年 2015
工資、薪金及酌情花紅	Wages, salaries and discretionary bonuses	10,957	14,048
其他社會保障成本住房福利及其他僱員福利	Other social security costs, housing benefits and other employee benefits	2,378	3,043
退休金成本 — 界定供款計劃	Pension costs — defined contribution plans	1,970	2,464
		15,305	19,555

(a) 五名最高薪人士

年內本集團五名最高薪人士包括兩名(2015年:三名)董事，彼等酬金於附註35所示的分析中反映。年內應付其餘三名(2015年:兩名)人士的酬金載列如下：

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2015: three) directors whose emoluments are reflected in the analysis shown in Note 34. The emoluments payable to the remaining three (2015: two) individuals during the year are as follows:

截至12月31日止年度
Year ended 31 December

		2016年 2016	2015年 2015
工資、薪金及花紅	Wages, salaries and bonuses	683	491
其他僱員福利	Other employee benefits	214	144
		897	635

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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9 僱員福利開支 (續)

(a) 五名最高薪人士 (續)

酬金介乎以下範圍：

9 EMPLOYEE BENEFIT EXPENSES (Continued)

(a) Five highest paid individuals (Continued)

The emoluments fell within the following bands:

		截至12月31日止年度 Year ended 31 December	
		2016年 2016	2015年 2015
酬金範圍(港元)	Emolument bands (in HK\$)		
零-1,000,000港元	Nil-HK\$1,000,000 (equivalent		
(相當於人民幣894,500元)	to nil-RMB894,500)	3	2

10 財務收入淨額

10 FINANCE INCOME – NET

		截至12月31日止年度 Year ended 31 December	
		2016年 2016	2015年 2015
利息開支：	Interest expense:		
— 銀行借款	— Bank borrowings	—	(429)
減：合資格資產資本化金額	Less: amounts capitalised on qualifying assets	—	172
總財務開支	Total finance expense	—	(257)
財務收入：	Finance income:		
— 銀行利息收入	— Bank interest income	1,577	2,666
— 匯兌收益	— Exchange gain	—	2,180
		1,577	4,846
財務收入 — 淨額	Finance income — net	1,577	4,589

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

11 所得稅抵免

11 INCOME TAX CREDIT

截至12月31日止年度
Year ended 31 December

		2016年 2016	2015年 2015
當期所得稅 — 中國企業所得稅	Current income tax — PRC corporate income tax	1,772	1,034
遞延所得稅	Deferred income tax	(14,520)	(4,074)
所得稅抵免	Income tax credit	(12,748)	(3,040)

除下文所述的中國企業所得稅外，本集團毋須繳納其他司法權區的所得稅。

Except for the PRC corporate income tax described below, the Group is not subject to income tax of other jurisdictions.

中國企業所得稅(「企業所得稅」)

本集團就其於中國成立的實體的應課稅收入撥備企業所得稅。

PRC corporate income tax (“CIT”)

CIT is provided on the assessable income of entities within the Group established in the PRC.

根據中國企業所得稅法(「新《企業所得稅法》」)，由2008年1月1日起，所有類型實體的企業所得稅統一為25%。

Pursuant to the PRC Corporate Income Tax Law (the “New CIT Law”), the CIT is unified at 25% for all types of entities, effective from 1 January 2008.

- (a) 根據新《企業所得稅法》，本公司的適用企業所得稅率為25%。根據新《企業所得稅法》的相關法規，本公司於2013年至2015年三年符合高新技術企業資格。於2016年11月，本公司獲得認可於2016年至2018年額外三年適用於高新技術企業。因此，本公司於截至2016年12月31日止年度採用15% (2015年：15%) 的減免企業所得稅率。
- (a) The Company’s applicable CIT rate is 25% according to the New CIT Law. Under the relevant regulations of the New CIT Law, the Company was qualified as High/New Tech Enterprise for three years from 2013 to 2015. In November 2016, the Company was approved to qualify as High/New Tech Enterprise for additional three years from 2016 to 2018. Therefore, the Company applied a reduced CIT rate of 15% for the year ended 31 December 2016 (2015: 15%).
- (b) 本公司附屬公司海盛軟件於2012年取得新《企業所得稅法》項下新成立軟件企業的資格。根據相關稅務法規，海盛軟件獲豁免企業所得稅兩年，而隨後三年(自商業運作的首年或自錄得經營利潤(抵銷往年所產生稅項虧損後)的首年開始)則享有50%適用稅率減免。截至2016年12月31日止年度的適用企業所得稅率為12.5% (2015年：12.5%)。
- (b) Haisheng Software, a subsidiary of the Company, was qualified as a newly established software enterprise under the New CIT Law in 2012. According to relevant tax regulations, Haisheng Software is exempt from CIT for two years, followed by a 50% reduction in the applicable tax rates for the next three years, commencing either from the first year of commercial operations or from the first year of profitable operation after offsetting tax losses incurred in prior years. For the year ended 31 December 2016, the applicable CIT rate is 12.5% (2015: 12.5%).

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

11 所得稅抵免 (續)

中國企業所得稅(「企業所得稅」)(續)

於綜合收益表內的實際所得稅支出與除稅前利潤應用已頒佈稅率而應產生的金額之間的差異，可對賬如下：

11 INCOME TAX CREDIT (Continued)

PRC corporate income tax (“CIT”) (Continued)

The difference between the actual income tax charge in the consolidated income statements and the amount which would result from applying the enacted tax rate to profit before tax can be reconciled as follows:

		截至12月31日止年度 Year ended 31 December	
		2016年 2016	2015年 2015
除所得稅前利潤／(虧損)	Profit/(loss) before income tax	15,860	(91,844)
按法定稅率25%計算的稅項	Taxation calculated at the statutory tax rate of 25%	3,965	(22,961)
以下各項的影響：	Effects of:		
若干集團實體享有優惠所得稅	Preferential income tax enjoyed by certain group entities	(1,884)	3,413
研發開支的額外稅額扣減	Extra deduction allowance for research and development expenses	(250)	(410)
並無確認遞延所得稅資產的稅項虧損	Tax losses for which no deferred income tax asset was recognised	58	607
並無確認遞延所得稅資產的暫時性差異	Temporary differences for which no deferred income tax asset was recognised	817	16,163
確認關於未被確認的遞延所得稅資產之前的暫時性差異	Recognition of temporary differences for which no deferred income tax asset was recognised previously	(15,693)	—
不可就所得稅扣減的開支	Expenses not deducted for income tax purposes	239	148
所得稅抵免	Income tax credit	(12,748)	(3,040)

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

12 每股盈利

每股基本盈利的計算方法為將本公司股東應佔利潤除以年內本公司普通股的加權平均數。

12 EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of ordinary shares of the Company during the year.

		截至12月31日止年度 Year ended 31 December	
		2016年 2016	2015年 2015
本公司股東應佔利潤／(虧損)	Profit/(loss) attributable to shareholders of the Company	28,608	(88,804)
已發行普通股的加權平均數 (千股)	Weighted average number of ordinary shares in issue (thousand)	128,000	128,000
每股基本及攤薄盈利／(虧損) (人民幣)	Basic and diluted earnings/(loss) per share (RMB)	0.22	(0.69)

由於本公司於2016年及2015年12月31日並無任何潛在發行在外攤薄普通股，故每股攤薄盈利等於每股基本盈利。

As the Company did not have any dilutive potential ordinary shares outstanding as at 31 December 2016 and 2015, diluted earnings per share is equal to basic earnings per share.

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

13 土地使用權

13 LAND USE RIGHTS

截至12月31日止年度
Year ended 31 December

		2016年 2016	2015年 2015
於年初	At the beginning of year	25,785	34,251
出售	Disposal	—	(3,410)
劃轉至投資物業	Transfer to investment property	—	(4,324)
攤銷	Amortisation	(450)	(732)
於年末	At the end of year	25,335	25,785

本集團於土地使用權的權益指經營租賃預付款項。本集團所有土地使用權均位於中國內地，並根據租約持有45至50年。

The Group's interests in land use rights represent prepayment for operating leases. All the land use rights of the Group are located in Mainland China and are held on leases for 45 to 50 years.

本集團土地使用權的攤銷已計入行政開支及銷售成本，金額分別為人民幣330,000元及人民幣120,000元(2015年：人民幣732,000元及零)。

Amortisation of the Group's land use rights were included in the administrative expenses and cost of sales in the amount of RMB330,000 and RMB120,000, respectively (2015: RMB732,000 and nil).

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

14 物業、廠房及設備

14 PROPERTY, PLANT AND EQUIPMENT

		樓宇	機器	汽車	電腦及 電子設備	辦公室 設備	室內裝修	在建工程	總計
		Buildings	Machineries	Vehicles	Computer and electronic equipment	Office equipment	Interior decoration	Construction in progress	Total
於2015年1月1日	At 1 January 2015								
成本	Cost	87,620	4,736	6,268	3,651	964	1,259	16,499	120,997
累計折舊	Accumulated depreciation	(8,048)	(1,879)	(2,818)	(2,734)	(777)	(186)	—	(16,442)
賬面淨值	Net book amount	79,572	2,857	3,450	917	187	1,073	16,499	104,555
截至2015年12月31日止年度	Year ended 31 December 2015								
年初賬面淨值	Opening net book amount	79,572	2,857	3,450	917	187	1,073	16,499	104,555
添置	Additions	—	63	760	18	33	—	26,263	27,137
劃轉	Transfers	34,194	2,216	—	—	—	—	(36,410)	—
劃轉至投資物業	Transfer to investment property	(16,265)	—	—	—	—	—	—	(16,265)
出售	Disposals	—	—	(22)	(2)	—	—	(1,438)	(1,462)
折舊費用	Depreciation charge	(3,541)	(562)	(1,197)	(496)	(99)	(76)	—	(5,971)
年末賬面淨值	Closing net book amount	93,960	4,574	2,991	437	121	997	4,914	107,994
於2015年12月31日	At 31 December 2015								
成本	Cost	100,766	7,015	6,587	3,647	997	1,150	4,914	125,076
累計折舊	Accumulated depreciation	(6,806)	(2,441)	(3,596)	(3,210)	(876)	(153)	—	(17,082)
賬面淨值	Net book amount	93,960	4,574	2,991	437	121	997	4,914	107,994
截至2016年12月31日止年度	Year ended 31 December 2016								
年初賬面淨值	Opening net book amount	93,960	4,574	2,991	437	121	997	4,914	107,994
添置	Additions	—	—	—	1,102	452	—	9,752	11,306
劃轉	Transfers	13,945	594	—	—	—	106	(14,645)	—
劃轉至投資物業	Transfer to investment property	(2,498)	—	—	—	—	—	—	(2,498)
出售	Disposals	—	—	—	(1)	—	—	—	(1)
折舊費用	Depreciation charge	(5,085)	(654)	(1,095)	(451)	(99)	(89)	—	(7,473)
年末賬面淨值	Closing net book amount	100,322	4,514	1,896	1,087	474	1,014	21	109,328
於2016年12月31日	At 31 December 2016								
成本	Cost	110,477	7,609	6,587	4,741	1,449	1,256	21	132,140
累計折舊	Accumulated depreciation	(10,155)	(3,095)	(4,691)	(3,654)	(975)	(242)	—	(22,812)
賬面淨值	Net book amount	100,322	4,514	1,896	1,087	474	1,014	21	109,328

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

14 物業、廠房及設備(續)

折舊費用乃計入綜合收益表的以下類別：

14 PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation charges were included in the following categories in the consolidated income statement:

		截至12月31日止年度 Year ended 31 December	
		2016年 2016	2015年 2015
銷售成本	Cost of sales	1,477	138
行政開支	Administrative expenses	5,697	5,551
銷售開支	Selling expenses	299	282
		7,473	5,971

15 投資物業

15 INVESTMENT PROPERTIES

		截至12月31日止年度 Year ended 31 December	
		2016年 2016	2015年 2015
成本	At cost		
於1月1日期初結餘	Opening balance at 1 January	19,671	—
轉撥自業主自用物業	Transfer from owner-occupied property	2,498	20,589
折舊及攤銷費用	Depreciation and amortisation charge	(1,235)	(918)
於12月31日的期終結餘	Closing balance at 31 December	20,934	19,671
於12月31日	At 31 December		
成本	Cost	30,349	26,115
累計折舊及攤銷	Accumulated depreciation and amortisation	(9,415)	(6,444)
賬面淨值	Net book amount	20,934	19,671

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

15 投資物業(續)

本集團位於中國的投資物業由獨立專業合資格估值師江蘇公證天業會計師事務所每年進行重估。於釐定投資物業公平值時，估值師採用反映(除其他因素外)有關活躍市場上的可比較市場交易及現有租賃租金收入的假設及估計，以及根據現行市況、資本化率、最終收益率及復歸收入潛力就未來租賃租金收入的假設。以下所有物業的估值乃基於收入及公開市值法：

15 INVESTMENT PROPERTIES (Continued)

The Group's investment properties, which are located in the PRC, are revalued by an independent professional qualified valuer, Jiangsu Gongzheng Tianye Certified Public Accountants, on an annual basis. In determining the fair value of the investment properties, the valuer uses assumptions and estimates that reflect, amongst other factors, comparable market transactions in an active market, lease income from current leases and assumptions about lease income from future leases in light of current market conditions, capitalisation rates, terminal yield and reversionary income potential. Valuations were based on income and an open market value approach for all properties as follows:

		於12月31日 As at 31 December	
		2016年 2016	2015年 2015
投資物業的公平值	Fair value of the investment properties	33,813	28,900

於估計物業公平值時，物業的最高及最佳用途為其現時用途。本集團投資物業的公平值按第三級公平值計量進行計量。

In estimating the fair value of the properties, the highest and best use of the properties is their current use. The fair value of the Group's investment properties was measured on Level 3 fair value measurement.

以下數額已於投資物業綜合收益表確認：

The following amounts have been recognised in the consolidated income statement for investment properties:

		截至12月31日止年度 Year ended 31 December	
		2016年 2016	2015年 2015
租金收入	Rental income	2,053	1,433
產生租金收入的直接營運開支	Direct operating expenses that generate rental income	(1,235)	(918)
		818	515

綜合財務報表附註 **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

16 無形資產

16 INTANGIBLE ASSETS

**電腦軟件
Computer
software**

截至2015年12月31日止年度	Year ended 31 December 2015	
年初賬面淨值	Opening net book amount	347
攤銷費用	Amortisation charge	(147)
年末賬面淨值	Closing net book amount	200
於2015年12月31日	At 31 December 2015	
成本	Cost	732
累計攤銷	Accumulated amortisation	(532)
賬面淨值	Net book amount	200
截至2016年12月31日止年度	Year ended 31 December 2016	
年初賬面淨值	Opening net book amount	200
攤銷費用	Amortisation charge	(138)
年末賬面淨值	Closing net book amount	62
於2016年12月31日	At 31 December 2016	
成本	Cost	732
累計攤銷	Accumulated amortisation	(670)
賬面淨值	Net book amount	62

無形資產的攤銷已於綜合收益表中的行政開支扣除。

Amortisation of the intangible assets has been charged to administrative expenses in the consolidated income statement.

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

17 附屬公司

下文為2016年12月31日主要附屬公司名單：

17 SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2016:

公司名稱 Name of company	註冊成立地點及 法人類別 Place of incorporation and kind of legal entity	已發行及 繳足/ 註冊資本 Issued and paid up/ registered capital (thousand)	於12月31日持有的 實際權益 Effective interest held as of 31 December		主要業務及經營地點 Principal activities and place of operations
			2016年 2016	2015年 2015	
江蘇盛力達裝備科技有限公司	中國·有限責任公司	人民幣5,000元	100%	100%	在中國進行機械產品貿易
Jiangsu Sunlit Equipment Technology Company Limited	The PRC, Limited liability company	RMB5,000	100%	100%	Machinery products trading in the PRC
海盛軟件	中國·有限責任公司	人民幣1,080元	100%	100%	在中國進行軟件開發及軟件專利權貿易
Haisheng Software	The PRC, Limited liability company	RMB1,080	100%	100%	Software development and software patent rights trading in the PRC
無錫上達自動化科技有限公司(附註a)	中國·有限責任公司	人民幣80,000元	不適用	100%	在中國進行機械產品製造及貿易
Wuxi Shangda Automation Technology Company Limited ("Wuxi Shangda") (Note a)	The PRC, Limited liability company	RMB80,000	N/A	100%	Machinery products manufacture and trading in the PRC

附註：

(a) 無錫上達於其所有資產及負債轉移至本公司後於年內撤銷註冊。

Note:

(a) Wuxi Shangda was deregistered during the year after all its assets and liabilities had been transferred to the Company.

綜合財務報表附註 **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

18 按類別劃分的金融工具

18 FINANCIAL INSTRUMENTS BY CATEGORY

		貸款及 應收款項	按公平值計入 損益的資產 Assets at fair value Loans and through the receivables profit & loss	總計 Total
於2016年12月31日	At 31 December 2016			
列於綜合資產負債表的資產	Assets as per consolidated balance sheet			
貿易及其他應收款項	Trade and other receivables	171,275	—	171,275
按公平值計入損益的 金融資產	Financial assets at fair value through profit or loss	—	30,248	30,248
現金及現金等值項目	Cash and cash equivalents	193,562	—	193,562
有限制現金	Restricted cash	13,096	—	13,096
總計	Total	377,933	30,248	408,181
				按攤銷成本計量 的金融負債 Financial liabilities at amortised cost
列於綜合資產負債表的 負債	Liabilities as per consolidated balance sheet			
貿易及其他應付款項(附註(a))	Trade and other payables (Note (a))			46,238

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

18 按類別劃分的金融工具(續)

18 FINANCIAL INSTRUMENTS BY CATEGORY

(Continued)

貸款及應收款項
Loans and
receivables

於2015年12月31日

At 31 December 2015

列於綜合資產負債表的資產

Assets as per consolidated balance
sheet

貿易及其他應收款項

Trade and other receivables

185,158

現金及現金等值項目

Cash and cash equivalents

169,801

有限制現金

Restricted cash

13,056

總計

Total

368,015

按攤銷成本計量
的金融負債
Financial
liabilities at
amortised cost

列於綜合資產負債表的負債

Liabilities as per consolidated balance sheet

貿易及其他應付款項(附註(a))

Trade and other payables (Note (a))

45,797

附註：

Note:

(a) 不包括其他應付稅項、應付僱員福利及質量保證開支撥備。

(a) Excluding other taxes payable, employee benefits payable and provision for quality warranty expenses.

綜合財務報表附註 **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

19 貿易及其他應收款項

19 TRADE AND OTHER RECEIVABLES

		於12月31日	
		As at 31 December	
		2016年	2015年
		2016	2015
貿易應收款項 — 第三方(附註)	Trade receivables — third parties (Note)	194,441	243,349
減：未實現融資收益	Less: unearned financial income	(2,463)	—
		191,978	243,349
應收票據	Notes receivable	65,673	47,698
應收利息	Interest receivable	378	364
其他應收款項 — 第三方	Other receivables — third parties	718	624
		258,747	292,035
減：	Less:		
貿易應收款項減值撥備	Allowance for impairment of trade receivables	(87,260)	(106,665)
其他應收款項減值撥備	Allowance for impairment of other receivables	(212)	(212)
		(87,472)	(106,877)
		171,275	185,158
非流動部分	Non-current portion	15,922	3,470
流動部分	Current portion	155,353	181,688
		171,275	185,158

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

19 貿易及其他應收款項(續)

附註：

- (a) 除由客戶保留的部分合同款項以作為本集團的產品質量保證金外，本集團並無在銷售合同內向客戶授予信貸期。於2016年12月31日，貿易應收款項包括該等保留款項約人民幣66,112,000元(2015年：人民幣71,290,000元)，佔貿易應收款項約34.0% (2015年：29.3%)。於產品質量保證期(一般由客戶驗收設備起計12個月)屆滿後到期收取。
- (b) 本集團應收票據包括銀行承兌票據及商業承兌票據，且一般於簽發日期起計六個月內結算。
- (c) 非流動應收款項為貿易應收款項於年末起計兩年內到期。

根據總貿易應收款項的確認日期於各結算日的賬齡分析如下：

19 TRADE AND OTHER RECEIVABLES (Continued)

Notes:

- (a) Apart from a portion of the contract sum retained by customers to cover the Group's product quality warranty, the Group does not grant credit terms to customers in the sales contracts. Included in trade receivables as at 31 December 2016 are such retained sums of approximately RMB66,112,000 (2015: RMB71,290,000) representing 34.0% (2015: 29.3%) of trade receivables. These are due for collection upon the expiry of product quality warranty period (which is usually 12 months from the acceptance by the customers of the equipment).
- (b) Notes receivable of the Group include bank acceptance notes and commercial acceptance notes, and are usually settled within six months from the date of issue.
- (c) The non-current receivables are the trade receivables due within two years from the end of the year.

Aging analysis based on recognition date of the gross trade receivables at the respective balance sheet dates is as follows:

		於12月31日 As at 31 December	
		2016年 2016	2015年 2015
1年內	Up to 1 year	42,853	24,812
1至2年	1-2 years	8,369	119,936
2至3年	2-3 years	80,496	54,177
超過3年	Over 3 years	62,723	44,424
		194,441	243,349

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

19 貿易及其他應收款項(續)

以下已逾期但尚未減值的貿易應收款項乃與數名近期並無拖欠記錄的獨立客戶有關。該等貿易應收款項的賬齡分析如下：

19 TRADE AND OTHER RECEIVABLES (Continued)

The following trade receivables were past due but not impaired related to a number of independent customers with no recent history of default. The aging analysis of these trade receivables is as follows:

		於12月31日 As at 31 December	
		2016年 2016	2015年 2015
逾期1年以內	Past due within 1 year	29,311	24,146
逾期1年至2年	Past due for 1 to 2 years	5,787	48,359
逾期2年至3年	Past due for 2 to 3 years	7,253	868
逾期3年以上	Past due over 3 years	225	38
		42,576	73,411

全部或部分減值的貿易應收款項如下：

Trade receivables wholly or partially impaired are as follows:

		於12月31日 As at 31 December	
		2016年 2016	2015年 2015
貿易應收款項	Trade receivables	94,085	119,268
減值撥備	Allowance for impairment	(87,260)	(106,665)
貿易應收款項淨額	Trade receivables — net	6,825	12,603

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

19 貿易及其他應收款項(續)

該等已減值的貿易應收款項的賬齡分析如下：

		於12月31日 As at 31 December	
		2016年 2016	2015年 2015
1年內	Up to 1 year	4,482	15,452
1至2年	1-2 years	5,825	44,672
2至3年	2-3 years	27,396	31,727
超過3年	Over 3 years	56,382	27,417
		94,085	119,268

本集團貿易及其他應收款項的賬面值以下列貨幣計值：

19 TRADE AND OTHER RECEIVABLES (Continued)

The aging analysis of these impaired trade receivables is as follows:

		於12月31日 As at 31 December	
		2016年 2016	2015年 2015
1年內	Up to 1 year	4,482	15,452
1至2年	1-2 years	5,825	44,672
2至3年	2-3 years	27,396	31,727
超過3年	Over 3 years	56,382	27,417
		94,085	119,268

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

		於12月31日 As at 31 December	
		2016年 2016	2015年 2015
人民幣	RMB	257,032	290,431
美元	US dollar	1,715	1,604
		258,747	292,035

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

19 貿易及其他應收款項(續)

貿易及其他應收款項的減值撥備變動如下：

19 TRADE AND OTHER RECEIVABLES (Continued)

Movements of allowance for impairment of trade and other receivables are as follows:

		截至12月31日止年度 Year ended 31 December	
		2016年 2016	2015年 2015
於1月1日期初餘額	Opening balance at 1 January	106,877	23,324
額外減值撥備	Additional allowance for impairment	8,727	97,956
減值撥備撥回	Reversal of allowance for impairment	(14,945)	(13,470)
不可收回的應收款項撇銷	Receivables written off as uncollectible	(13,187)	(933)
於12月31日期末餘額	Closing balance at 31 December	87,472	106,877

應收款項減值撥備的設立及解除已計入綜合收益表「應收款項(撥備撥回)/減值撥備」內(附註6)。計入撥備賬的款項一般在預期不能於收回額外現金時撇減。

The creation and release of allowance for impaired receivables have been included in “(Reversal of allowance)/allowance for impairment of receivables” in the consolidated income statement (Note 6). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

貿易及其他應收款項的其他類別項目並不包含已減值資產。

The other classes within trade and other receivables do not contain impaired assets.

貿易及其他應收款項的公平值與其賬面值相若。

The fair values of trade and other receivables approximate their carrying amounts.

於報告日期所面臨的最大信貸風險乃上述各類別應收款項的賬面值。本集團並無持有任何抵押品作擔保。

The maximum exposure to credit risk at the reporting date is the carrying amounts of each class of receivable mentioned above. The Group does not hold any collateral as security.

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(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

20 遞延所得稅資產淨值

遞延所得稅資產分析如下：

20 DEFERRED INCOME TAX ASSETS – NET

The analysis of deferred income tax assets is as follows:

		於12月31日 As at 31 December	
		2016年 2016	2015年 2015
遞延所得稅資產：	Deferred income tax assets:		
— 將於超過12個月後收回	— to be recovered after more than 12 months	20,554	7,955
— 將於12個月內收回	— to be recovered within 12 months	3,658	1,700
		24,212	9,655
遞延所得稅負債：	Deferred income tax liabilities:		
— 將於12個月內收回	— to be recovered within 12 months	(37)	—
遞延所得稅資產淨值	Deferred income tax assets — net	24,175	9,655

遞延所得稅資產淨值變動如下：

The movements on the deferred income tax assets — net are as follows:

		減值撥備 Allowance for impairment	未變現利潤 Unrealised profit	公平值收益 Fair value gains	稅項虧損 Tax losses	其他 Others	總計 Total
於2015年1月1日	At 1 January 2015	3,890	900	—	620	171	5,581
計入／(扣自)收益表	Credited/(charged) to the income statement	2,451	(775)	—	2,287	111	4,074
於2015年12月31日	At 31 December 2015	6,341	125	—	2,907	282	9,655
計入／(扣自)收益表	Credited/(charged) to the income statement	11,769	213	(37)	2,175	400	14,520
於2016年12月31日	At 31 December 2016	18,110	338	(37)	5,082	682	24,175

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(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

20 遞延所得稅資產淨值(續)

倘有可能透過未來應課稅利潤實現相關稅項利益，則就稅項虧損結轉確認遞延所得稅資產。於2016年12月31日，本集團並無就可結轉以抵銷未來應課稅收入的稅項虧損約人民幣2,781,000元(2015年：人民幣5,867,000元)確認遞延所得稅資產約人民幣695,000元(2015年：人民幣1,467,000元)。於2016年12月31日，未確認稅項虧損人民幣1,035,000元、人民幣1,515,000元、人民幣231,000元分別於2019年、2020年及2021年到期。

於2016年12月31日，本集團可抵扣暫時性差異約人民幣135,996,000元(2015年：人民幣129,333,000元)。就該等可抵扣暫時性差異約人民幣127,879,000元(2015年：人民幣47,120,000元)確認遞延稅項資產。由於未必有應課稅利潤可用以抵銷可動用的可抵扣暫時性差異，故概無就剩餘可抵扣暫時性差異約人民幣8,117,000元(2015年：82,213,000)確認遞延所得稅資產。

20 DEFERRED INCOME TAX ASSETS – NET

(Continued)

Deferred income tax assets are recognised for tax losses carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. As at 31 December 2016, the Group did not recognise deferred income tax assets of approximately RMB695,000 (2015: RMB1,467,000) for tax losses of approximately RMB2,781,000 (2015: RMB5,867,000) that can be carried forward against future taxable income. As at 31 December 2016, the unrecognized tax losses amounting to RMB1,035,000, RMB1,515,000 and RMB231,000 will expire in 2019, 2020 and 2021 respectively.

At 31 December 2016, the Group has deductible temporary differences of approximately RMB135,996,000 (2015: RMB129,333,000). A deferred tax asset has been recognised in respect of approximately RMB127,879,000 (2015: RMB47,120,000) of such deductible temporary differences. No deferred tax asset has been recognised in respect of the remaining deductible temporary differences of approximately RMB8,117,000 (2015: RMB82,213,000) as it is not probable that taxable profit will be available against which the deductible temporary difference can be utilised.

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

21 存貨

21 INVENTORIES

		於12月31日	
		As at 31 December	
		2016年	2015年
		2016	2015
原材料	Raw materials	13,721	18,843
在製品	Work in progress	29,535	33,008
製成品	Finished goods	2,668	11,467
		45,924	63,318

截至2016年12月31日止年度，確認為開支及計入「銷售成本」的存貨成本約為人民幣70,924,000元(2015年：人民幣44,172,000元)，當中包括存貨減值撥備人民幣4,379,000元(2015年：人民幣2,159,000元)。

For the year ended 31 December 2016, the cost of inventories recognised as expense and included in “cost of sales” amounted to approximately RMB70,924,000 (2015: RMB44,172,000), which included the allowance for impairment of inventories of RMB4,379,000 (2015: RMB2,159,000).

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

22 按公平值計入損益的金融資產

22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		於12月31日 As at 31 December	
		2016年 2016	2015年 2015
財富管理產品	Wealth management products	30,248	—

財富管理產品由中國獲授權金融機構管理，投資中國銀行發行的金融資產，具有較高的信貸利率及流動性。

The wealth management products were managed by licensed financial institutions in the PRC to invest in the financial assets issued by the Chinese banks with higher credit rate and liquidity.

財富管理產品保證返還本金，於到期日前可贖回。

The wealth management products were guaranteed of the return of principal and redeemable before maturity date.

按公平值計入損益的金融資產的公平值變動在綜合收益表中的「其他收益 — 淨額」中記錄(附註8)。

Changes in fair values of financial assets at fair value through profit or loss are recorded in 'other gains — net' in the consolidated income statement (Note 8).

23 預付款項

23 PREPAYMENTS

		於12月31日 As at 31 December	
		2016年 2016	2015年 2015
預付增值稅及其他稅項	Prepayments for value added tax and other taxes	1,686	8,229
購買原材料的預付款項	Prepayments for purchase of raw materials	566	628
其他	Others	—	227
		2,252	9,084

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

24 現金及現金等值項目

24 CASH AND CASH EQUIVALENTS

		於12月31日 As at 31 December	
		2016年 2016	2015年 2015
銀行及庫存現金	Cash at bank and on hand	148,660	46,069
短期銀行存款	Short-term bank deposits	57,998	136,788
		206,658	182,857
減：有限制現金(附註(a))	Less: Restricted cash (Note (a))	(13,096)	(13,056)
現金及現金等值項目	Cash and cash equivalents	193,562	169,801

附註：

Note:

(a) 以人民幣計值的有限制現金指質押予銀行作為應付票據保證金的現金存款(附註28)及出口銷售擔保函。

(a) The restricted cash which is denominated in RMB represented cash deposits pledged to banks as security for notes payable (Note 28) and letter of guarantee for export sales.

本集團的現金及現金等值項目及有限制現金以下列貨幣計值：

The Group's cash and cash equivalents and restricted cash are denominated in the following currencies:

		於12月31日 As at 31 December	
		2016年 2016	2015年 2015
人民幣	RMB	206,604	181,640
港元	HK\$	9	11
美元	US\$	45	1,206
		206,658	182,857

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

25 股本及股份溢價

25 SHARE CAPITAL AND SHARE PREMIUM

		普通股 股數 Number of issued shares (股) (shares)	股本 Share capital	股份溢價 Share premium	總計 Total
於2015及2016年12月31日	At 31 December 2016 and 2015	128,000,000	128,000	311,464	439,464

26 保留盈利

26 RETAINED EARNINGS

於2015年1月1日	At 1 January 2015				146,241
年內虧損	Loss for the year				(88,804)
轉撥至安全基金(附註27(b))	Transfer to safety fund (Note 27(b))				(1,397)
已宣派股份	Dividend declared				(19,200)
註銷一間附屬公司(附註27(c))	Deregistration of a subsidiary (Note 27(c))				2,701
					<u>39,541</u>
於2015年12月31日	At 31 December 2015				39,541
於2016年1月1日	At 1 January 2016				39,541
年內利潤	Profit for the year				28,608
轉撥至安全基金(附註27(b))	Transfer to safety fund (Note 27(b))				(782)
					<u>67,367</u>
於2016年12月31日	At 31 December 2016				67,367

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

27 儲備

27 RESERVES

		資本公積 Capital reserves	法定儲備 Statutory reserves (附註(a)) (Note (a))	特別儲備 Special reserve (附註(b)) (Note (b))	總計 Total
於2015年1月1日	At 1 January 2015	17,637	32,156	6,974	56,767
轉撥至安全基金	Transfer to safety fund	—	—	1,397	1,397
註銷一間附屬公司(附註(c))	Deregistration of a subsidiary (Note (c))	—	(500)	(2,201)	(2,701)
於2015年12月31日	At 31 December 2015	17,637	31,656	6,170	55,463
於2016年1月1日	At 1 January 2016	17,637	31,656	6,170	55,463
轉撥至安全基金	Transfer to safety fund	—	—	782	782
於2016年12月31日	At 31 December 2016	17,637	31,656	6,952	56,245

附註：

Notes:

- (a) 根據中國相關法律及法規以及於中國成立的附屬公司(「中國營運實體」)的組織章程細則，中國營運實體必須將抵銷任何往年虧損後的年度純利(按中國會計準則釐定)的適當10%於分派任何純利前轉撥至法定盈餘公積金。倘法定盈餘公積金的結餘達到該等中國營運實體註冊資本的50%，則可由股東酌情決定任何進一步的轉撥。法定盈餘公積金可用於抵銷往年虧損(如有)，並可資本化為註冊資本，惟於有關發行後的法定盈餘公積金結餘不得少於註冊資本的25%
- (a) In accordance with the relevant laws and regulations in the PRC and the Articles of Association of the subsidiaries established in the PRC (the "PRC Operational Entities"), the PRC Operational Entities are required to appropriate 10% of their annual net profit, after offsetting any prior years' losses as determined under the PRC accounting standards, to the statutory surplus reserve fund before distributing any net profit. When the balance of the statutory surplus reserve fund reaches 50% of the registered capital of the PRC Operational Entities, any further transfer is at the discretion of shareholders. The statutory surplus reserve fund can be used to offset prior years' losses, if any, and may be capitalised as registered capital, provided that the remaining balance of the statutory surplus reserve fund after such issue is no less than 25% of registered capital.
- (b) 根據國家安全生產監督管理總局於2012年頒佈的若干法規，部分集團實體須預留收入的一定比例作為安全基金。這筆基金可用於改善機械製造安全，且不可用作向股東分派。於產生安全開支後，會自安全基金轉撥等額款項至保留盈利。
- (b) Pursuant to certain regulations issued by the State of Administration of Work Safety in 2012, certain group entities are required to set aside an amount to a safety fund at certain percentage of revenue. The fund can be used for improvement of safety for machinery manufacturing, and are not available for distribution to shareholders. Upon incurring safety expenditure, an equivalent amount is transferred from safety fund to retained earnings.
- (c) 於截至2015年12月31日止年度期間，附屬公司江陰三知工控有限公司撤銷註冊，相關儲備解除。
- (c) During the year ended 31 December 2015, a subsidiary, Jiangyin Sanzhi Gongkong Machinery Co., Ltd. was deregistered, related reserves were released.

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

28 貿易及其他應付款項

28 TRADE AND OTHER PAYABLES

		於12月31日 As at 31 December	
		2016年 2016	2015年 2015
應付票據(附註(a))	Notes payable (Note (a))	23,008	18,653
貿易應付款項(附註(b))	Trade payables (Note (b))	12,953	11,038
供應商的質保金	Quality warranty deposits from suppliers	3,260	3,940
物業、廠房及設備的應付款項	Payables for property, plant and equipment	2,937	10,030
應付僱員福利	Employee benefits payable	1,618	1,905
其他應付稅項	Other taxes payable	336	357
質保開支撥備	Provision for quality warranty expenses	157	100
其他	Others	4,080	2,136
		48,349	48,159

附註：

Notes:

(a) 應付票據以向銀行抵押現金存款作擔保。

(a) The notes payable are secured by pledge of cash deposits to banks.

(b) 貿易應付款項基於發票日期的賬齡分析如下：

(b) The aging analysis of the trade payables based on invoice date is as follows:

		於12月31日 As at 31 December	
		2016年 2016	2015年 2015
1年內	Up to 1 year	11,655	9,001
1至2年	1-2 years	440	661
2至3年	2-3 years	242	—
3年以上	Over 3 years	616	1,376
		12,953	11,038

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29 股息

2016年並無派付股息。2015年派付的股息為人民幣19,200,000元(每股人民幣0.15元)。

本公司董事會建議派付截至2016年12月31日止年度股息每股人民幣0.05元，合共股息人民幣6,400,000元，須於2017年6月9日舉行之股東週年大會獲股東批准後方可作實。該等財務報表並無反映此應付股息(2015年：無)。

29 DIVIDENDS

No dividend was paid in 2016. The dividend paid in 2015 was RMB19,200,000 (RMB0.15 per share).

A dividend in respect of the year ended 31 December 2016 of RMB0.05 per share, amounting to a total dividend of RMB6,400,000, has been proposed by the board of directors of the Company and is subject to the approval of the shareholders at the annual general meeting to be held on 9 June 2017. These financial statements have not reflected this dividend payable (2015: Nil).

		於12月31日	
		As at 31 December	
		2016年	2015年
		2016	2015
建議末期股息每股普通股 人民幣0.05元(2015年：無)	Proposed final dividend of RMB0.05 (2015: Nil) per ordinary share	6,400	—

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(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

30 經營所得現金

(a) 除所得稅前利潤與經營所得現金的對賬如下：

30 CASH GENERATED FROM OPERATIONS

(a) Reconciliations of profit before income tax to cash generated from operations were as follow:

		截至12月31日止年度 Year ended 31 December	
		2016年 2016	2015年 2015
除稅前利潤／(虧損)	Profit/(loss) before income tax	15,860	(91,844)
就以下各項作調整：	Adjustments for:		
— 折舊(附註14及附註15)	— Depreciation (Notes 14 and 15)	8,708	6,889
— 攤銷(附註13及附註16)	— Amortisation (Notes 13 and 16)	588	879
— 貿易應收款項減值(撥備撥回)／ 撥備(附註19)	— (Reversal of allowance)/ allowance for impairment of receivables (Note 19)	(6,218)	84,486
— 儲備減值撥備	— Allowance for impairment of inventories	4,379	2,159
— 出售物業、廠房及設備以及 土地使用權的收益(附註8)	— Gains on sale of property, plant and equipment and land used rights (Note 8)	—	(2,552)
— 出售按公平值計入損益的金融資產 所得收益(附註8)	— Gains on disposal of financial assets at fair value through profit or loss (Note 8)	(3,038)	—
— 按公平值計入損益的金融資產之 未變現公平值收益	— Unrealised fair value gain on financial assets at fair value through profit or loss	(248)	—
— 財務開支(附註10)	— Finance expenses (Note 10)	—	257
— 匯兌差異	— Foreign exchange difference	—	(2,180)
營運資金變動前的經營利潤	Operating profit before changes in working capital	20,031	(1,906)
營運資金變動	Changes in working capital		
— 存貨	— Inventories	13,015	13,216
— 預付款項	— Prepayments	6,832	2,943
— 貿易及其他應收款項	— Trade and other receivables	20,101	61,521
— 貿易及其他應付款項	— Trade and other payables	7,284	(6,952)
— 預收客戶款項	— Advances from customers	3,298	(21,003)
經營所得現金	Cash generated from operations	70,561	47,819

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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30 經營所得現金 (續)

(b) 於綜合現金流量表中，銷售物業、廠房、設備及土地使用權所得款項包括：

30 CASH GENERATED FROM OPERATIONS

(Continued)

(b) In the consolidated statement of cash flows, proceeds from sale of property, plant and equipment and land use right comprise:

		截至12月31日止年度 Year ended 31 December	
		2016年 2016	2015年 2015
物業、廠房及設備的賬面淨值 (附註14)	Net book amount of the property, plant and equipment (Note 14)	1	1,462
土地使用權的賬面淨值(附註13)	Net book amount of the land use rights (Note 13)	—	3,410
銷售物業、廠房及設備以及 土地使用權的收益(附註8)	Gains on sale of property, plant and equipment and land use rights (Note 8)	—	2,552
		1	7,424

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

31 承諾

(a) 資本承諾

已訂約但尚未於綜合財務報表作撥備的資本開支如下：

		於12月31日	
		As at 31 December	
		2016年	2015年
		2016	2015
物業、廠房及設備	Property, plant and equipment	216	3,172

(b) 營運租賃應收租金 — 集團公司作為出租人

根據不可撤銷營運租賃應收的未來最低租賃付款如下：

		於12月31日	
		As at 31 December	
		2016年	2015年
		2016	2015
不超過一年	No later than 1 year	2,298	1,720
一年至五年	Later than 1 year and no later than 5 years	2,213	2,007
		4,511	3,727

31 COMMITMENTS

(a) Capital commitments

Capital expenditures contracted and not provided for in the consolidated financial statements are as follows:

		於12月31日	
		As at 31 December	
		2016年	2015年
		2016	2015
物業、廠房及設備	Property, plant and equipment	216	3,172

(b) Operating leases rental receivables — group company as lessor

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

		於12月31日	
		As at 31 December	
		2016年	2015年
		2016	2015
不超過一年	No later than 1 year	2,298	1,720
一年至五年	Later than 1 year and no later than 5 years	2,213	2,007
		4,511	3,727

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

32 關聯方交易

本集團由張德剛先生、張德強先生及張靜華女士最終控制，其於2016年12月31日共同直接持有本公司股權的60.34%。

截至2016年及2015年12月31日止年度，無重大交易於本集團與各關聯方之間進行。

(a) 主要管理層補償

主要管理層包括董事、監事及高級管理人員。截至2016年及2015年12月31日止年度的主要管理層補償載列如下：

32 RELATED PARTY TRANSACTIONS

The Group is ultimately controlled by Mr. Zhang Degang, Mr. Zhang Deqiang and Ms. Zhang Jinghua, who collectively held 60.34% direct equity interest in the Company as at 31 December 2016.

During the years ended 31 December 2016 and 2015, no significant transaction has been carried out between the Group and related parties.

(a) Key management compensation

Key management includes directors, supervisors and senior managements. The key management compensation for the years ended 31 December 2016 and 2015 are set out as below:

		截至12月31日止年度 Year ended 31 December	
		2016年 2016	2015年 2015
主要管理層補償	Key management compensation		
— 工資、薪金及花紅	— Wages, salaries and bonuses	2,426	2,525
— 福利及養老金	— Welfare and pension	528	438
		<u>2,954</u>	<u>2,963</u>

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

33 本公司資產負債表及儲備變動

33 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

本公司資產負債表

Balance sheet of the Company

		於12月31日 As at 31 December	
		2016年 2016	2015年 2015
	附註 Note		
資產	ASSETS		
非流動資產	Non-current assets		
土地使用權	Land use rights	30,436	456
物業、廠房及設備	Property, plant and equipment	94,733	92,397
投資物業	Investment properties	20,934	19,671
無形資產	Intangible assets	62	200
於附屬公司的投資	Investments in subsidiaries	24,719	217,936
貿易及其他應收款項	Trade and other receivables	15,922	3,470
遞延所得稅資產	Deferred income tax assets	11,266	4,236
		198,072	338,366
流動資產	Current assets		
存貨	Inventories	48,143	64,031
預付款項	Prepayments	2,274	8,517
貿易及其他應收款項	Trade and other receivables	161,773	190,505
按公平值計入損益的 金融資產	Financial assets at fair value through profit or loss	30,248	—
有限制現金	Restricted cash	10,096	8,845
現金及現金等值項目	Cash and cash equivalents	169,712	160,194
		422,246	432,092
總資產	Total assets	620,318	770,458
權益	EQUITY		
股本	Share capital	128,000	128,000
股份溢價	Share premium	311,464	311,464
儲備	Reserves		
	(附註 Note (a))	73,633	72,851
保留盈利	Retained earnings		
	(附註 Note (a))	39,866	42,067
總權益	Total equity	552,963	554,382
負債	LIABILITIES		
流動負債	Current liabilities		
貿易及其他應付款項	Trade and other payables	42,943	199,132
預收客戶款項	Advances from customers	24,412	16,944
		67,355	216,076
非流動負債	Non-current liabilities	—	—
總權益	Total liabilities	67,355	216,076
總權益及負債	Total equity and liabilities	620,318	770,458

本公司資產負債表已於2017年3月29日獲董事會批准，並由以下人士代表簽署：

The balance sheet of the Company was approved by the Board of Directors on 29 March 2017 and were signed on its behalf by:

董事姓名

董事姓名

Name of Director

Name of Director

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

33 本公司資產負債表及儲備變動

(續)

附註(a)：本公司的儲備變動

33 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

Note (a): Reserve movement of the Company

		資本公積 Capital reserves	法定儲備 Statutory reserves	特別儲備 Special reserve	儲備總額 Total reserve	保留盈利 Retained earnings
於2015年1月1日	At 1 January 2015	37,956	28,616	4,773	71,345	90,169
年內虧損	Loss for the year	—	—	—	—	(27,505)
轉撥至安全基金	Transfer to safety fund	—	—	1,397	1,397	(1,397)
已宣派股息	Dividend declared	—	—	—	—	(19,200)
註銷一間附屬公司	Deregister of a subsidiary	109	—	—	109	—
於2015年12月31日	At 31 December 2015	38,065	28,616	6,170	72,851	42,067
於2016年1月1日	At 1 January 2016	38,065	28,616	6,170	72,851	42,067
年內虧損	Loss for the year	—	—	—	—	(1,419)
轉撥至安全基金	Transfer to safety fund	—	—	782	782	(782)
於2016年12月31日	At 31 December 2016	38,065	28,616	6,952	73,633	39,866

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

34 董事及監事福利及權益

(a) 董事及監事的酬金

各董事及監事截至2016年12月31日止年度的酬金載列如下：

34 BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS

(a) Directors' and supervisors' emoluments

The remuneration of every director and supervisor for the year ended 31 December 2016 is set out below:

姓名	Name	袍金	薪金	酌情分紅	退休金成本 — 界定供款 計劃	津貼及 實物福利	總計
		Fees	Salaries	Discretionary bonus	Pension costs — defined contribution plans	Allowances and benefits in kind	Total
執行董事	Executive Directors						
張德剛	Zhang Degang	—	460	38	37	36	571
張德強(附註(i))	Zhang Deqiang (Note (i))	—	450	37	37	36	560
非執行董事	Non-executive Directors						
高峰	Gao Feng	—	—	—	—	—	—
張靜華	Zhang Jinghua	—	—	—	—	—	—
獨立非執行董事	Independent Non-executive Directors						
劉朝建	Liu Chaojian	100	—	—	—	—	100
何育明	Ho Yuk Ming Hugo	100	—	—	—	—	100
高富平	Gao Fu Ping	100	—	—	—	—	100
監事	Supervisors						
楊靜華	Yang Jinghua	—	107	9	23	23	162
危奕	Wei Yi	—	—	—	—	—	—
彭加山	Peng Jiashan	—	—	—	—	—	—

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

34 董事及監事福利及權益(續)

(a) 董事及監事的酬金(續)

各董事及監事截至2015年12月31日止年度的酬金載列如下：

姓名	Name	袍金 Fees	薪金 Salaries	酌情分紅 Discretionary bonus	退休金成本 — 界定供款 計劃 Pension costs — defined contribution plans	津貼及 實物福利 Allowances and benefits in kind	總計 Total
執行董事 Executive Directors							
張德剛	Zhang Degang	—	460	38	37	36	571
張德強(附註(i))	Zhang Deqiang (Note (i))	—	450	37	37	36	560
非執行董事 Non-executive Directors							
高峰	Gao Feng	—	—	—	—	—	—
張靜華	Zhang Jinghua	—	187	—	—	—	187
獨立非執行董事 Independent Non- executive Directors							
劉朝建	Liu Chaojian	100	—	—	—	—	100
何育明	Ho Yuk Ming Hugo	100	—	—	—	—	100
高富平	Gao Fu Ping	100	—	—	—	—	100
監事 Supervisors							
楊靜華	Yang Jinghua	—	107	11	23	23	164
危奕	Wei Yi	—	—	—	—	—	—
彭加山	Peng Jiashan	—	—	—	—	—	—

附註：

(i) 本公司最高行政人員為董事張德強先生。

於截至2016年12月31日止年度，概無董事收取本集團酬金作為加入本集團或入職時支付的獎金或離職補償。概無董事放棄或同意放棄任何酬金(2015年：無)。

34 BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (Continued)

(a) Directors' and supervisors' emoluments (Continued)

The remuneration of every director and supervisor for the year ended 31 December 2015 is set out below:

Name	Name	Fees	Salaries	Discretionary bonus	Pension costs — defined contribution plans	Allowances and benefits in kind	Total
Executive Directors							
Zhang Degang	Zhang Degang	—	460	38	37	36	571
Zhang Deqiang (Note (i))	Zhang Deqiang (Note (i))	—	450	37	37	36	560
Non-executive Directors							
Gao Feng	Gao Feng	—	—	—	—	—	—
Zhang Jinghua	Zhang Jinghua	—	187	—	—	—	187
Independent Non- executive Directors							
Liu Chaojian	Liu Chaojian	100	—	—	—	—	100
Ho Yuk Ming Hugo	Ho Yuk Ming Hugo	100	—	—	—	—	100
Gao Fu Ping	Gao Fu Ping	100	—	—	—	—	100
Supervisors							
Yang Jinghua	Yang Jinghua	—	107	11	23	23	164
Wei Yi	Wei Yi	—	—	—	—	—	—
Peng Jiashan	Peng Jiashan	—	—	—	—	—	—

Note:

(i) The chief executive of the Company is Mr. Zhang Deqiang, who is a director.

During the year ended 31 December 2016, no directors received emoluments from the Group as inducement to join or upon joining the Group or as compensation for loss of office. No directors waived or had agreed to waive any emoluments (2015: Nil).

綜合財務報表附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(除非另有所指，否則所有數額均以人民幣千元列示) (All amounts in RMB thousands unless otherwise stated)

34 董事及監事福利及權益(續)

(b) 董事退休金福利

概無董事於年內已收取或將收取任何退休福利(2015年：無)。

(c) 董事的終止福利

概無董事於年內已收取或將收取任何退終止福利(2015年：無)。

(d) 就提供董事服務而向第三方提供的代價

於截至2016年12月31日止年度期間，本集團並無向任何第三方支付提供董事服務的對價(二零一五年：無)。

(e) 向董事、受該等董事控制的法人團體及該董事的關連主體提供的貸款、準貸款和其他交易的資料

於截至2016年12月31日止年度期間，概無作出以董事、由董事控制的法團及與董事有關連的實體為受益人的貸款、準貸款及其他交易安排(二零一五年：無)。

(f) 董事於交易、安排或合約的重大權益

於年末或年內任何時間，概無存續本公司作為訂約方且本公司董事於當中擁有重大權益(不論直接或間接)的與本公司業務有關的重大交易、安排及合約(二零一五年：無)。

34 BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (Continued)

(b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the year (2015: Nil).

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year (2015: Nil).

(d) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2016, the Group did not pay consideration to any third parties for making available directors' services (2015: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year ended 31 December 2016, there are no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled body corporates and connected entities of such directors (2015: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2015: Nil).

五年財務數據摘要

FIVE-YEAR FINANCIAL SUMMARY

		截至12月31日止年度				
		Year ended 31 December				
		2016年	2015年	2014年	2013年	2012年
		2016	2015	2014	2013	2012
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
收入	Revenue	112,284	68,168	314,298	318,948	323,597
經營利潤／(虧損)	Operating Profit/(loss)	14,283	(96,433)	141,862	153,347	149,685
所得稅(抵免)／開支	Income tax (credit)/expense	(12,748)	(3,040)	28,438	22,469	25,257
年內利潤／(虧損)	Profit/(loss) for the year	28,608	(88,804)	111,602	130,992	125,269
年內本公司股東應佔 每股盈利／(虧損) (以每股人民幣元列示)	Earnings/(loss) per share attributable to shareholders of the Company for the year (expressed in RMB per share)					
— 基本及攤薄	— Basic and diluted	0.22	(0.69)	1.11	1.36	1.30
毛利率	Gross profit margin	29.33%	26.70%	48.60%	58.26%	59.75%
經營利潤／(虧損)率	Operating profit/(loss) margin	12.72%	-141.46%	45.14%	48.08%	46.26%
純利／(淨虧損)率	Net profit/(loss) margin	25.48%	-130.27%	35.51%	41.07%	38.71%

		於12月31日				
		As at 31 December				
		2016年	2015年	2014年	2013年	2012年
		2016	2015	2014	2013	2012
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
非流動資產	Non-current assets	195,576	166,775	171,734	138,552	104,638
流動資產	Current assets	440,435	436,966	646,986	631,254	577,289
流動負債	Current liabilities	73,115	69,273	176,248	271,822	314,934
流動資產淨值	Net current assets	367,320	367,693	470,738	359,432	262,354
總資產減流動負債	Total assets less current liabilities	563,076	534,468	642,472	497,984	366,992
資產淨值	Net assets	563,076	534,468	642,472	497,984	366,992
股本	Capital	128,000	128,000	128,000	96,000	96,000
儲備	Reserves	56,245	55,463	56,767	40,902	28,585
總權益	Total equity	563,076	534,468	642,472	497,984	366,992

