

CHIHO-TIANDE GROUP LIMITED
齊合天地集團有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 976

ANNUAL REPORT 2015 年報

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Tu Jianhua (*Chairman*)

Mr. Zhang Mingjie

Mr. Zhang Jun (*Chief Executive Officer*)

Independent Non-Executive Directors

Dr. Loke Yu

Ms. Zhang Jingdong

Mr. Zhu Dajian

EXECUTIVE COMMITTEE

Mr. Tu Jianhua (*Chairman*)

Mr. Zhang Mingjie

Mr. Zhang Jun

AUDIT COMMITTEE

Dr. Loke Yu (*Chairman*)

Ms. Zhang Jingdong

Mr. Zhu Dajian

REMUNERATION COMMITTEE

Mr. Zhu Dajian (*Chairman*)

Dr. Loke Yu

Ms. Zhang Jingdong

NOMINATION COMMITTEE

Mr. Tu Jianhua (*Chairman*)

Dr. Loke Yu

Ms. Zhang Jingdong

Mr. Zhu Dajian

PRICING COMMITTEE

Mr. Tu Jianhua (*Chairman*)

Mr. Koon Wai Hung

Mr. Zhu Patrick Xiangdong

Mr. Goh Kian Guan

Mr. Gan Jun

董事會

執行董事

涂建華先生 (*主席*)

張明杰先生

張軍先生 (*行政總裁*)

獨立非執行董事

陸海林博士

章敬東女士

諸大建先生

執行委員會

涂建華先生 (*主席*)

張明杰先生

張軍先生

審核委員會

陸海林博士 (*主席*)

章敬東女士

諸大建先生

薪酬委員會

諸大建先生 (*主席*)

陸海林博士

章敬東女士

提名委員會

涂建華先生 (*主席*)

陸海林博士

章敬東女士

諸大建先生

定價委員會

涂建華先生 (*主席*)

官偉雄先生

朱向東先生

吳健源先生

甘軍先生

Corporate Information (continued)

公司資料(續)

STRATEGY AND INVESTMENT COMMITTEE

Mr. Tu Jianhua (*Chairman*)
Mr. Zhang Mingjie
Mr. Zhang Jun

戰略與投資委員會

涂建華先生(主席)
張明杰先生
張軍先生

AUTHORISED REPRESENTATIVES

Mr. Tu Jianhua
Ms. Yu Miu Cheung

授權代表

涂建華先生
余妙章女士

QUALIFIED ACCOUNTANT AND CHIEF FINANCIAL OFFICER

Mr. Koon Wai Hung

合資格會計師兼首席財務官

官偉雄先生

COMPANY SECRETARY/BOARD SECRETARY AND HEAD OF BOARD OFFICE

Ms. Yu Miu Cheung

公司秘書／董事會秘書兼 董事會辦公室主任

余妙章女士

AUDITOR

Deloitte Touche Tohmatsu

核數師

德勤 • 關黃陳方會計師行

LEGAL ADVISORS

Conyers Dill & Pearman (Cayman Islands)
Cadwalader, Wickersham & Taft (Hong Kong)
Van den Boomen Advocaten B.V. (Dutch)

法律顧問

Conyers Dill & Pearman (開曼群島)
凱威萊德國際律師事務所(香港)
Van den Boomen Advocaten B.V. (荷蘭)

PRINCIPAL BANKERS

Agriculture Bank of China
Bank of China
DBS Bank (Hong Kong) Limited
Shanghai Pudong Development Bank
The Hongkong and Shanghai Banking Corporation Limited
OCBC Wing Hang Bank Limited

主要往來銀行

中國農業銀行
中國銀行
星展銀行(香港)有限公司
上海浦東發展銀行
香港上海滙豐銀行有限公司
華僑永亨銀行有限公司

REGISTERED OFFICE

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

註冊辦事處

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

Corporate Information (continued)

公司資料(續)

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

48 Wang Lok Street
Yuen Long Industrial Estate
Hong Kong

香港總公司及主要營業地點

香港
元朗工業邨
宏樂街48號

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 8, Baijin Road
Taizhou Renewable Metal Resources Industry Base
Luqiao, Taizhou
Zhejiang
The PRC

中國總公司及主要營業地點

中國
浙江省
台州市路橋區
台州金屬資源再生產業基地
白金路8號

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

香港股份登記及過戶分處

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

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

開曼群島主要股份登記及過戶處

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

WEBSITE

www.chiho-tiande.com

公司網站

www.chiho-tiande.com

STOCK CODE

Hong Kong Stock Exchange 976

股份代號

香港聯交所976

Chairman's Statement 主席報告



Taizhou Production Plant 台州廠房

On behalf of the Board of Directors (the "Board") of Chiho-Tiande Group Limited (齊合天地集團有限公司) (the "Company"), I present the audited results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2015.

The Group had a disappointing result for the 2015 financial year with a net loss of HK\$1,138.8 million attributable to owners of the Company. During the year, with the continuous decrease in global commodity prices for the year 2015, the Group continued to record a substantial decrease in revenue from HK\$5.9 billion in 2014 to HK\$3.1 billion in 2015, representing a reduction of 47.5%; and inventory provision significantly increased to HK\$ 64.3 million during the year, which resulted in a gross loss of HK\$45.3 million for the year ended 31 December 2015, when compared to that of HK\$17.4 million in 2014.

During the year, the Group continued to record a net loss attributable to the owners of the Company of HK\$1,138.8 million, as compared to that of HK\$1,058.0 million recorded in 2014. Loss on fair value changes of derivative financial instruments decreased from HK\$773.8 million in 2014 to HK\$387.3 million in 2015, representing a reduction of 49.9%. However, an accounting loss of approximately HK\$305.5 million was derived from the change in the fair value of the embedded derivative components of the convertible bonds issued by the Company, due to a non-cash accounting treatment solely for the purpose of complying with Hong Kong Financial Reporting Standards ("HKFRSs") as a result of the conversion of convertible bonds at a high share market price of the Company during the year 2015.

本人謹代表齊合天地集團有限公司(「本公司」)董事會(「董事會」)，提呈本公司及其附屬公司(「本集團」)截至二零一五年十二月三十一日止年度的經審核全年業績。

本集團二零一五年財政年度的業績不甚理想，錄得本公司擁有人應佔虧損1,138,800,000港元。於年內，隨著二零一五年的全球商品價格持續下滑，本集團的收益繼續錄得重大跌幅，由二零一四年的5,900,000,000港元減少至二零一五年的3,100,000,000港元，佔跌幅的47.5%；及於年內，存貨撥備顯著增加至64,300,000港元，導致截至二零一五年十二月三十一日止年度的毛損為45,300,000港元，而二零一四年的毛損為17,400,000港元。

於年內，本集團繼續錄得本公司擁有人應佔虧損1,138,800,000港元，而二零一四年錄得本公司擁有人應佔虧損1,058,000,000港元。衍生金融工具公平值變動虧損由二零一四年的773,800,000港元下跌至二零一五年的387,300,000港元，佔跌幅49.9%。然而，由本公司所發行的可換股債券嵌入式衍生工具部份的公平值變動，引致會計虧損約305,500,000港元，此款項視為僅為遵守香港財務報告準則(「香港財務報告準則」)而作非現金會計處理，乃由於於二零一五年本公司於股份市價高位轉換可換股債券引致。

Chairman's Statement (continued)

主席報告(續)

With the overall decreasing global metal prices throughout the year 2015, the Group faced various challenges to achieve its procurement volume to meet its processing needs even with its well established overseas procurement network. The Group sold in aggregate over 465,400 tonnes of mixed metal scrap within its three business segments throughout the year. This represents a decrease of 20.8% when compared to the 587,400 tonnes sold in 2014.

During the year, the Group continued to follow its usual practices of consistently buying mixed metal scrap and selling its recycled metal in accordance with its processing ability so as to mitigate the short-term impact of price volatility on the overall performance of the Group.

Basic loss per share attributable to owners of the Company amounted to HK\$0.82 in 2015 (2014: Basic loss per share HK\$1.01).

With a strong presence in our Hong Kong operation since 2012, the Company believes that the Group is now in a well-placed position to establish a more diversified scrap metal and electronic waste processing platform in Hong Kong.

During the year 2015, USUM Investment Group Hong Kong Limited became the single largest shareholder of the Company. By virtue of its familiarity with the metal market, including the market of scrap and recycled metal, combined with the Group's well established procurement network, we believe that it will help further enhance the Group's future development. The Group is consolidating the existing procurement network and supply chain while broadening procurement channels to maintain its competitive advantage.

With regard to the Group's investment in establishing new processing facilities in the Development Zone in Yantai City, the People's Republic of China (the "PRC"), we have recently acquired a piece of land nearby our existing processing facilities in the Development Zone in Yantai City for the purpose of expanding our production capacity of recycled metals in the future.

Further to our announcements dated 1 December 2014, 29 May 2015 and 27 January 2016 in relation to the proposed acquisition of 60% effective equity interest in Yantai Liheng Environmental Protection Technology Co., Limited (煙台立衡環保科技有限公司), all conditions precedent of the acquisition agreements have been satisfied and the acquisition was completed on 27 January 2016. We aim to obtain the production permit to start renewable oil operations progressively in the coming year.

整個二零一五年全球金屬價格整體下跌，但本集團透過其完善的海外採購網絡，正視各種考驗，達到採購量，以應付加工所需。本集團在整個年度合共售出旗下三個業務分部的混合廢金屬超過465,400噸，較二零一四年所售出的587,400噸減少20.8%。

年內，本集團秉承一貫做法，根據自身的加工能力，持續買入混合廢金屬並出售其再生產品，以減低價格波動對本集團整體表現的短期影響。

於二零一五年，本公司擁有人應佔每股基本虧損為0.82港元(二零一四年：每股基本虧損1.01港元)。

自二零一二年起本公司於香港奠定強大業務實力，本公司相信本集團現時具備優越的條件，在香港成立更多元化的廢金屬及廢電子加工平台。

於二零一五年，渝商投資集團(香港)有限公司成為本公司單一最大股東，憑藉其對金屬市場(包括廢金屬及再生金屬市場)的熟悉，加上本集團已建立的採購網絡，我們相信將進一步協助本集團的未來發展。本集團正鞏固現有採購網絡及供應鏈，同時擴展新採購管道，以維持競爭優勢。

有關本集團於中華人民共和國(「中國」)煙台市開發區投資建立新加工設施，我們最近收購了一幅鄰近煙台市開發區現有加工設施的地塊，旨在擴大日後再生金屬的產能。

繼日期為二零一四年十二月一日、二零一五年五月二十九日及二零一六年一月二十七日有關建議收購煙台立衡環保科技有限公司60%有效股權的公告後，所有收購協議的先決條件已達成，而收購已於二零一六年一月二十七日完成。我們的目標為取得生產許可，以便於來年開始逐步地營運再生油業務。

Chairman's Statement (continued)

主席報告(續)

The Group is still the largest importer of mixed metal scrap used for recycling, reuse and processing in terms of the total import volume as approved by the Ministry of Environmental Protection in the PRC. The Group developed a strong international procurement network with established and developed suppliers which cover Europe, North America, Oceania and the Middle East. Looking forward, we plan to expand our procurement network in East and Southeast Asia for the purposes of expanding the purchase volume of mixed metal and developing new varieties of renewable resources recycling process. We believe this will largely reduce the transportation cost and shorten the logistics time, as well as lower the impact of the volatility of global commodity price on the Group's profitability.

Following the subscriptions of the Company's shares as described in the Company's announcement and circular dated 27 March 2015 and 28 April 2015 respectively (the "Subscriptions") and the completions of such Subscriptions on 30 April 2015 and 29 May 2015, the proceeds from the Subscriptions (after deduction of all relevant costs and expenses) (the "Proceeds") amounted to approximately HK\$4.1 billion, which has significantly improved the overall financial position of the Group when compared with the year 2014. We originally intended to apply all the Proceeds to finance any potential acquisitions of businesses or assets in metal recycling as well as environmental recycling industry.

As disclosed in the Company's announcement dated 11 March 2016, the Board has resolved to allocate approximately RMB1,350 million (equivalent to approximately HK\$1,614.7 million) out of the unutilised Proceeds for investment in the financial industry, as well as for working capital and funding for other general corporate purposes. The remaining unutilised Proceeds (i.e. approximately HK\$1,439.0 million) is expected to be used as originally intended. Approximately HK\$301 million of Proceeds was used for investment in listed securities and wealth management products as at the date of the report.

按中國環境保護部核定的進口總量計算，本集團仍是為將混合廢金屬進口作回收、循環再用及加工用途之最大進口商。本集團的絕大部分混合廢金屬均來自進口，且於多年來已建立強大的國際採購網絡，遍及歐洲、北美、大洋洲及中東地區。展望未來，我們計劃拓展其採購網絡至東亞及東南亞地區，旨在擴大其混合金屬的採購總量及開發新的再生資源的回收加工品種。我們相信此舉有望大幅降低運輸成本和縮短物流時間，亦有助於減少大宗商品價格波動對本集團盈利能力的影響。

誠如本公司日期分別為二零一五年三月二十七日及二零一五年四月二十八日之公告及通函所載認購本公司股份(「認購」)及有關認購於二零一五年四月三十日及二零一五年五月二十九日完成後，認購所得款項(「所得款項」)(於扣除所有相關成本及開支後)約4,100,000,000港元，與二零一四年比較，大幅改善本集團整體的財務狀況。我們原本有意將本公司所得款項悉數用作撥資任何再生金屬及環保回收工業的業務或資產的潛在收購。

誠如本公司日期為二零一六年三月十一日的公告所披露，董事會決議調配未使用所得款項中約人民幣1,350,000,000元(約等於1,614,700,000港元)以用作投資金融業，以及營運資金及應付其他一般企業用途，而未使用所得款項餘額(即約1,439,000,000港元)預期用作原來的用途。於本報告日期，約301,000,000港元的所得款項已用作投資於上市證券及財富管理產品。

Chairman's Statement (continued)

主席報告(續)

The Group remains committed to further expanding its processing capability in metal recycling facilities in order to further strengthen its principal business of metal recycling, which is environmental friendly and the Company believes, is a sector encouraged by the central government of the PRC. The Group will continue to focus on its existing production facilities, including those in Taizhou, Yantai and Hong Kong, while it will also continue to be on the lookout for potential opportunities. In addition to the existing business operations, the Group is also seeking for other recycling and environmental projects related to its business in the PRC.

The Group is also actively looking for suitable acquisition opportunities within the scrap metal recycling sector in mature overseas markets. Likely targets are global recyclers based overseas with the necessary technology, management techniques and know-how to help upskill the PRC recycling market and further strengthen its operations. In addition, the Group will continue to explore new business and investment opportunities in other areas and in PRC or overseas, including, without limitation, investment in financial industry.

We believe that the development of the Group in the coming year will be full of challenges, but we are hopeful about the prospects of the Group and we will proceed with our business plans cautiously.

Tu Jianhua
Chairman

Hong Kong, 23 March 2016

本集團保持承諾進一步擴大其金屬再生設施的加工能力，以進一步加強其環保再生金屬的主要業務，本公司相信再生金屬亦為中國中央政府鼓勵發展的行業。本集團將繼續集中於台州、煙台及香港的現有生產設施，同時本集團亦將繼續物色潛在機遇，除這業務經營外，本集團亦正努力在中國尋找其他同本集團業務相關的再生及環保項目。

本集團亦正積極於成熟海外市場廢金屬再生領域尋找合適的收購機會。可能的目標乃擁有所需技術、管理技巧及知道如何提昇中國回收市場且能進一步加強營運，而基地設於海外的全球回收商。此外，本集團將繼續於其他區域及於中國或海外發掘新業務及投資機會(包括但不限於)，投資於金融行業。

我們相信本集團來年的發展將充滿挑戰，但我們對本集團前景充滿希望，我們亦將審慎落實我們的業務計劃。

涂建華
主席

香港，二零一六年三月二十三日

Management Discussion and Analysis

管理層討論及分析



Workshop (1) Crushing and milling workshop
工作間(1) 破碎洗床車間

BUSINESS REVIEW AND OUTLOOK

With the prolonged downward bias in the global metal market seen in the last 5 years, the management continued to face exceptional challenges as the metal prices were in 2015 at their lowest levels since the financial crisis in 2008, resulting in the Group's disappointing performance in 2015. With the U.S. economy still being in recovery and economic uncertainty overclouding Europe and the PRC (given that the U.S. interest rate is expected to increase in the coming months and the depreciation of Renminbi against the U.S. Dollar), volatility in the global metal market is expected to continue in the coming year. However, the management believes in the long term prospects of the Group's performance.

In 2015, the Group continued to face challenges arising from the difficult business environment, including the generally low global metal prices and the anticipated slower economic growth in the PRC. With the continuous decrease in global commodity prices during the year 2015, the Group continued to record a substantial decrease in revenue from HK\$5.9 billion in 2014 to HK\$3.1 billion in 2015, representing a reduction of 47.5%; and inventory provision significantly increased to HK\$ 64.3 million during the year, which resulted in a gross loss of HK\$45.3 million for the year 2015, when compared to that of HK\$17.4 million in 2014.

業務回顧及展望

伴隨過去五年全球金屬市場一直偏向下滑，金屬價格處於二零零八年金融危機以來最低水平，管理層繼續面臨異常挑戰，導致本集團二零一五年上半年表現頗弱。美國經濟仍然正在復甦，而歐洲及中國經濟充斥不明朗因素（鑒於美國息率預期於未來數月上升及人民幣兌美元貶值），全球金屬市場預期於未來數年持續波動。然而，管理層相信本集團的表現具長遠展望。

於二零一五年，本集團持續面對複雜業務環境帶來的挑戰，包括全球金屬價值普遍低迷，並預計中國經濟增長放緩。隨著二零一五年全球商品價值持續下跌，本集團的收益繼續錄得大幅減少，由二零一四年的5,900,000,000港元減至二零一五年的3,100,000,000港元，減幅為47.5%；而年內存貨撥備大幅上升至64,300,000港元，導致於二零一五年的毛損為45,300,000港元，二零一四年則為17,400,000港元。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

BUSINESS REVIEW AND OUTLOOK (continued)

During the year, the Group continued to record a net loss attributable to the owners of the Company of HK\$1,138.8 million, as compared to that of HK\$1,058.0 million recorded in 2014. Loss on fair value changes of derivative financial instruments decreased from HK\$773.8 million in 2014 to HK\$387.3 million in 2015, representing a reduction of 49.9%. However, an accounting loss of approximately HK\$305.5 million was derived from the change in the fair value of the embedded derivative components of the convertible bonds issued by the Company. Nevertheless, given that the loss derived from the fair value change of the embedded derivative components of the Company's convertible bonds is a non-cash accounting treatment solely for compliance with HKFRSs, it will not have an impact on the operating cash flow of the Group. As announced by the Company in its announcement and circular dated 5 March 2015 and 11 April 2015 respectively, the maturity date of the convertible bonds issued by the Company in the aggregate principal amount of HK\$815,800,000 was extended for a further two years to 1 March 2017, subject to the modifications set out in the said announcement and circular. The extension was approved by the shareholders of the Company on 27 April 2015.

With a number of unforeseeable circumstances impacting the global metal scrap market, the Group continued to experience a reduction in purchase of metal scrap. During the year, mixed metal scrap purchase by the Group remained at the same low level as recorded in 2014. The Group sold in aggregate over 465,400 tonnes of processed products within its three business segments throughout the year. This represents a decrease of 20.8% when compared to the 587,400 tonnes sold in 2014.

During the year, the Group continued to follow its usual practices of consistently buying mixed metal scrap and selling its recycled products in accordance with its processing ability so as to mitigate the short-term impact of price volatility on the overall performance of the Group.

Basic loss per share attributable to owners of the Company amounted to HK\$0.82 in 2015 (2014: Basic loss per share HK\$1.01).

業務回顧及展望(續)

年內，本集團持續錄得本公司擁有人應佔淨虧損1,138,800,000港元，二零一四年則錄得1,058,000,000港元。衍生金融工具的公平值變動虧損由二零一四年的773,800,000港元減至二零一五年的387,300,000港元，減幅為49.9%。然而，源自本公司發行可換股債券嵌入式衍生部分公平值變動的會計虧損約為305,500,000港元。儘管如此，由於源自本公司可換股債券嵌入式衍生部分公平值變動產生的虧損為非現金會計處理(僅就符合香港財務報告準則)，其將不會對本集團的經營現金流造成影響。誠如本公司日期分別為二零一五年三月五日及二零一五年四月十一日之公告及通函所公佈，本公司發行本金總額為815,800,000港元的可換股債券的到期日已進一步延長兩年二零一七年三月一日，可按照上述公告及通函所載者作出調整。有關延長於二零一五年四月二十七日獲本公司股東批准。

隨著若干不可預見情況影響全球廢金屬供應，本集團面臨廢金屬採購減少。於年內，本集團購得的混合廢金屬的採購量仍低，與二零一四年所錄得的低水平相同。本集團在整個年度合共售出旗下三個業務分部的加工產品超過465,400噸，較二零一四年所售出的587,400噸減少20.8%。

年內，本集團秉承一貫做法，根據自身的加工能力，持續買入混合廢金屬並出售其再生產品，以減低價格波動對本集團整體表現的短期影響。

於二零一五年，本公司擁有人應佔每股基本虧損為0.82港元(二零一四年：每股基本虧損1.01港元)。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

BUSINESS REVIEW AND OUTLOOK (continued)

業務回顧及展望(續)



Workshop (2) Shovel loader shovels motors into hopper

工作間(2)鏟車將電機鏟入料斗

Our Procurement Network

The Group is still the largest importer of mixed metal scrap used for recycling, reuse and processing in terms of the total import volume as approved by the Ministry of Environmental Protection in the PRC. The Group developed a strong international procurement network with established and developed suppliers which covers Europe, North America, Oceania and the Middle East, which are critical to our success. Looking forward, we plan to expand our procurement network in East and Southeast Asia for the purpose of expanding the purchase volume of mixed metal and developing new varieties of renewable resources recycling process. We believe this will largely reduce the transportation cost and shorten the logistics time, as well as lower the impact of the volatility of global commodity price on the Group's profitability.

Our sales

A majority of our sales are made to customers located and based in the PRC. As our recycled metals products are raw materials by nature for which there is a ready market, as long as our selling price is in line with the market price, our customers select us mainly for our good credibility and steady supply of quality recycled metal products.

本集團的採購網絡

按中國環境保護部核定的進口總量計算，本集團仍是將混合廢金屬進口作回收、循環再用及加工用途之最大進口商。本集團與歐洲、北美、大洋洲及中東地區各地發展成熟的供應商建立強大的國際採購網絡，這是我們成功的關鍵。展望未來，我們計劃拓展其採購網絡至東亞及東南亞地區，旨在擴大其混合金屬的採購總量及開發新的再生資源的回收加工品種。我們相信此舉有望大幅降低運輸成本和縮短物流時間，亦有助於減少大宗商品價格波動對本集團盈利能力的影響。

我們的銷售

我們大部分的銷售乃銷售予位於並以中國為基地的客戶。由於我們的再生金屬產品屬原材料性質並且已具備市場(只要我們的售價與市場價格一致)，客戶選擇我們的主要原因乃由於我們的良好信譽，及高質素的再生金屬產品的供應穩定。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

BUSINESS REVIEW AND OUTLOOK (continued) Corporate and Business Development

With a strong presence in our Hong Kong operation since 2012, the Company believes that the Group is now in a well-placed position to establish a more diversified scrap metal and electronic waste processing platform in Hong Kong.

During the year, USUM Investment Group Hong Kong Limited became the single largest shareholder of the Company. By virtue of its familiarity with the metal market, including the market of scrap and recycled metal, combined with the Group's procurement network, we believe that it will help further enhance the Group's future development. The Group is consolidating the existing procurement network and supply chain whole broadening procurement channels to maintain its competitive advantage.

With regard to the investment in establishing new processing facilities in the Development Zone in Yantai City, PRC, we have recently acquired a piece of land nearby our existing processing facilities in the Development Zone in Yantai City for the purpose of expanding our production capacity of recycled metals in the future.

As indicated in the Company's announcements dated 1 December 2014 and 29 May 2015 and 27 January 2016 in relation to the proposed establishment of a renewable oil investment company in the PRC and the proposed acquisition of 60% effective equity interest in Yantai Liheng Environmental Protection Technology Co., Ltd. (煙台立衡環保科技有限公司), which owns certain production facilities located in Yantai, the PRC, all conditions precedent of the acquisition agreements have been satisfied and the acquisition was completed on 27 January 2016. We aim to obtain the production permit to start renewable oil operations progressively in the coming year.



Yantai renewable oil project -
Distillation column
煙台再生油項目－蒸餾塔

業務回顧及展望(續)

企業及業務發展

自二零一二年起本公司於香港奠定強大業務實力，本公司相信本集團現已準備就緒，務求在香港成立一個更多元化的廢金屬及電子廢物加工平台。

年內，渝商投資集團(香港)有限公司成為本公司最大單一股東，憑藉其熟知金屬市場(包括廢金屬及再生金屬)，加上本集團的採購網絡，我們相信將進一步協助本集團日後的發展。本集團現正整合現有採購網絡及供應鏈，同時擴展新採購管道，以維持競爭優勢。

就投資於中國煙台市發展區成立新加工設施方面，我們最近收購了一幅鄰近煙台市發展區現有加工設施的地塊，旨在擴大日後再生金屬的產能。

誠如本公司於二零一四年十二月一日、二零一五年五月二十九日及二零一六年一月二十七日的公告所指(其內容有關建議於中國成立再生油投資公司及建議收購煙台立衡環保科技有限公司60%有效股本權益，該公司於中國煙台擁有若干生產設施)，收購協議的所有先決條件已獲達成，而收購已於二零一六年一月二十七日完成。我們的目標為取得生產許可，以便於來年開始逐步地營運再生油業務。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

BUSINESS REVIEW AND OUTLOOK (continued) Corporate and Business Development (continued)

In August 2015, the Group entered into (i) an agreement with ITOCHU Corporation and SUZUKI SHOKAI Co., Ltd. (the "Acquisition Agreement"), for acquiring the entire interests in a company which engages in recycle processing and utilisation of metal scrap, discarded appliances, office machines and other wastes and is the only approved recycle processing enterprise in Changxing Island Harbor Industrial Zone in Dalian, the PRC (the "Acquisition"), by issuing consideration shares; and (ii) an agreement with ITOCHU Metals Corporation and SUZUKI SHOKAI Co., Ltd. (the "JV Agreement"), to set up a joint venture which will mainly be engaged in the trading of recycle materials with a focus on the Chinese and Japanese markets (the "JV Formation"). For more details please refer to the Company's announcements dated 19 June 2015, 21 August 2015 and 30 December 2015 respectively. As disclosed in the Company's announcement dated 21 March 2016, all the conditions precedent under the Acquisition Agreement and the JV Agreement have been satisfied, and the Acquisition and JV Formation were completed on 21 March 2016.

The Company believes that the JV Formation will allow the Company to expand its procurement network in Asia, which could largely reduce the on route time of procurements as compared to obtaining international supplies from Europe and North America, resulting in a potential reduction in transportation cost and delivery time, as well as lowering the Group's exposure to the volatility in global metal market price.

業務回顧及展望(續) 企業及業務發展(續)

於二零一五年八月，本集團(i)與伊藤忠商事株式會社及鈴木商會株式會社訂立協議(「收購協議」)，透過發行代價股份收購一間公司全部股權，該公司從事再生加工及使用廢舊金屬、廢舊家電、辦公機器及其他廢棄物及為中國大連長興島臨港工業區唯一獲批准的再生加工企業(「收購事項」)；及(ii)與伊藤忠金屬株式會社及鈴木商會株式會社訂立協議(「合營協議」)，以設立主要從事專注於中國及日本市場之再生物料貿易的合營企業(「成立合營企業」)。更多詳情請參閱本公司日期分別為二零一五年六月十九日、二零一五年八月二十一日及二零一五年十二月三十日之公告。誠如二零一六年三月二十一日之公告所披露，收購協議和合營協議項下之所有先決條件已獲達成，而收購和成立合營企業已於二零一六年三月二十一日完成。

本公司相信成立合營企業可令本公司擴大其於亞洲的採購網絡，與歐洲及北美的其他國際供應商相比，大大減少採購路線時間，可能節省運輸成本及時間，並可減少本集團因全球金屬市價波幅承擔的風險。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

BUSINESS REVIEW AND OUTLOOK (continued)

Corporate and Business Development (continued)

Following the completion of the Subscriptions on 30 April 2015 and 29 May 2015, the Proceeds amounted to approximately HK\$4.1 billion, which has significantly improved the overall financial position of the Group when compared with the year 2014. We intend to apply the Proceeds to finance any potential acquisitions of businesses or assets in metal recycling as well as environmental recycling industry. Meanwhile, the Company is looking for any suitable acquisition opportunities within the recycling business in the PRC as well as the overseas in order to strengthen our procurement network.

As disclosed in the announcement of the Company dated 11 March 2016, the Board has resolved to allocate approximately RMB1,350 million (equivalent to approximately HK\$1,614.7 million) out of the unutilised Proceeds for investment in the financial industry, as well as for working capital and funding for other general corporate purposes. The remaining unutilised Proceeds (i.e. approximately HK\$1,439.0 million) is expected to be used as originally intended.

Going forward, the Group remains committed to further expanding its processing capability in metal recycling facilities in order to further strengthen its principal business of metal recycling, which is environmental friendly and the Company believes that is a sector encouraged by the central government of the PRC. The Group will continue to focus on its existing production facilities, including those in Taizhou, Yantai and Hong Kong, while it will also continue to be on the lookout for any potential opportunities. In addition to the existing business operations, the Group is also seeking for other recycling and environmental projects related to its business in the PRC.

業務回顧及展望(續)

企業及業務發展(續)

於認購於二零一五年四月三十日及二零一五年五月二十九日完成後，所得款項約4,100,000,000港元，與二零一四年比較，大幅改善本集團整體的財務狀況。我們有意將所得款項用作撥資任何再生金屬及環保回收工業的業務或資產的潛在收購。與此同時，本公司正於中國及海外的可再生業務尋找任何合適的收購機遇，以加強我們的採購網絡。

誠如本公司日期為二零一六年三月十一日的公告所披露，董事會決議調配未使用所得款項中約人民幣1,350,000,000元(約等於1,614,700,000港元)將用作金融行業，以及營運資金及應付其他一般企業用途，未使用所得款項餘額(即約1,439,000,000港元)預期用作原來的用途。

展望將來，本集團保持承諾進一步擴大金屬再生設施的加工能力，以進一步加強其環保再生金屬的主要業務，本公司相信再生金屬亦為中國中央政府鼓勵發展的行業。本集團將繼續集中於台州、煙台及香港的現有生產設施，同時本集團亦將繼續物色潛在機遇，除這業務經營外，本集團亦正努力在中國尋找其他同本集團業務相關的再生及環保項目。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

BUSINESS REVIEW AND OUTLOOK (continued)

業務回顧及展望(續)



Workshop (3) Pull out copper string
工作間(3)拉出銅線

Social Responsibilities

We create a positive impact on the environment through our recycling operations which reduces the need for mining and processing of virgin materials. As a responsible recycler, we are committed to doing business in a manner that protects the environment, support sustainable use of natural resources and minimization of waste. A comprehensive environmental management system has been implemented in our yard operations. The system is designed to effectively control the emissions of our factories, ensure our operations adhere to relevant environmental standards, and make recommendations for continuous improvements. In 2015, our management led the implementation of a number of environmentally friendly measures, including various resource conservation initiatives in our operations and workplaces which achieved promising results. We will continue to put more efforts into improving environmental protection measures in respect of all our facilities.

In 2015, we were in compliance with relevant environmental regulations in Hong Kong and the PRC that have a significant impact on the Group's business.

On the environmental protection front, we continued to place great emphasis on ensuring that all of our processing facilities are in line with local and national environmental protection standards.

社會責任

我們的再生業務對環境具有正面的影響，並減少對開礦及原材料加工的需求。作為盡責的回收商，我們承諾以保護環境的方式進行業務，支持持續使用天然資源並減低廢物。我們已於碼頭業務制定全面環境管理系統。該系統的設計能有效地控制我們工廠的排放量，確保我們的營運遵守相關環保標準，並就持續改善提出建議。於二零一五年，我們的管理層帶領制定多個環保措施，包括於我們的營運及工作地點的各個資源措施，相關措施已取得可喜的成果。我們將繼續努力改善應用於我們所有設備之環保措施。

於二零一五年，我們遵守對本集團業務有重大影響之香港及中國的相關環保規例。

在環保方面，我們繼續把重點放在確保旗下所有加工設施均符合當地及國家的環保標準。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

BUSINESS REVIEW AND OUTLOOK (continued)

Social Responsibilities (continued)

Our Taizhou facilities, the main production base, continued to qualify as one of the designated processing units for imported metal scraps recycling and utilisation in Zhejiang Province under the Environmental Protection Department of Zhejiang Province (浙江省環境保護廳). Our production processes do not consume large volumes of electricity and water and therefore produce very small volume of waste materials. We consider that we have adopted sufficient environmental protection measures and controls against air, water, solid and noise pollutions produced during the course of our production processes.



Workshop (4) Classify middle and small scale motors

工作間(4)中、小電機分類

Prospects

With the successful Subscriptions made in the first half of 2015, the Group has received Proceeds amounting to approximately HK\$4.1 billion and is in a much improved and well-placed overall financial position. The Group is actively looking for suitable acquisitions opportunities within the scrap metal recycling sector in mature overseas markets. Likely targets are global recyclers based overseas with the necessary technology, management techniques and know-how to help upskill the PRC recycling market and further strengthen its operations.

業務回顧及展望(續)

社會責任(續)

我們的主要生產基地台州的設施繼續成為浙江省環境保護廳項下合資格在浙江省再生及利用進口廢金屬的指定加工單位之一。本集團的生產流程不會耗用大量水電，故產生的廢料極少。本集團認為，其已採取足夠環境保護措施及監控，以減少生產工序產生的空氣、水、固體及噪音污染。

前景

二零一五年上半年股份認購成功進行，本集團收取所得款項總額約為4,100,000,000港元後，大幅改善本集團整體的財務狀況，並使本集團具優越財務條件。本集團正積極於成熟海外市場廢金屬再生領域尋找合適收購機會。很大機會的目標為以海外為基地並具備所需技術、管理技術及專業知識協助中國回收市場提升技能的全球回收商，進一步加強本集團的營運。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

BUSINESS REVIEW AND OUTLOOK (continued)

Prospects (continued)

During the National People's Congress of the People's Republic of China and the Chinese People's Political Consultative Conference of 2016, Premier Li Keqiang emphasised, in the government work report, on a vigorous development of the energy conservation and environmental protection industry and improvement of the renewable resource recycling network in the PRC. Together with continued strong support from the PRC Government to develop the recycling industry, we remain confident that the metal recycling industry in the PRC will continue to grow and become an important source and an integral part of the metal resources supply chain in the PRC in the future.

Given that the metal recycling industry contributes significantly to the protection of environment and to the preservation of valuable natural resources, we continue to place heavy emphasis on our procurement volume to ensure that it is in line with our processing needs and to cater for our potential expansion for scrap materials in the PRC.

The Group will continue to explore new business and investment opportunities in other areas and in PRC or overseas, including, without limitation, investment in financial industry, as well as to expand its current business in the metals recycling industry in order to maximise the value and return of the Group's business and operations.

We believe that the development of the Group the coming year will be full of challenges, but we are hopeful about the prospectus of the Group and we will proceed with our business plans cautiously.

業務回顧及展望(續)

前景(續)

在二零一六年的中華人民共和國全國人民代表大會和中國人民政治協商會議中，國務院總理李克強在政府工作報告中強調大力發展中國節能環保產業和健全可再生資源回收利用網絡。連同中國政府持續大力支持發展回收行業，我們相信中國的金屬再生行業將繼續發展，並會成為中國未來金屬資源供應鏈的重要來源及不可分割的一部分。

鑒於金屬再生行業對保護環境及保護寶貴天然資源均有重大貢獻，我們將繼續加強重視採購量，以確保迎合我們的加工需求以及符合我們在中國有關廢料行業的潛在擴展。

本集團將繼續於其他區域及於中國或海外發掘新業務及投資機會(包括但不限於)，投資於金融行業，以及擴大其現有的金屬再生行業，以加大本集團的業務及營運的價值及回報。

我們相信本集團來年的發展將充滿挑戰，但我們對本集團前景充滿希望，我們亦將審慎落實我們的業務計劃。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

BUSINESS REVIEW AND OUTLOOK (continued)

業務回顧及展望(續)



Workshop (5) Workers putting wires into copper granule machines
工作間(5)工人將電線放入銅米機

Subsequent Event

On 17 December 2015, USUM Investment Group Hong Kong Limited (the "Offeror") exercised an option granted by HWH Holdings Limited ("HWH") pursuant to a deed dated 23 October 2015 entered into between HWH and the Offeror in respect of 389,787,256 Shares (the "Option Shares"), requiring HWH to transfer to it all of the Option Shares at a price of HK\$3.50 per Share, totaling HK\$1,364,255,396. The Option Shares represented approximately 24.54% of the then issued share capital of the Company.

Immediately prior to the transfer of the Option Shares, the Offeror and its Concert Parties (as defined in the Hong Kong Code on Takeovers and Mergers ("the Code"))(other than HWH) collectively held a total of 509,608,000 Shares, representing approximately 32.08% of the then issued share capital of the Company. Upon completion, the Offeror and its Concert Parties collectively held a total of 899,395,256 Shares, representing approximately 56.62% of the then issued share capital of the Company. Accordingly, pursuant to Rule 26.1 of the Code, the Offeror was required to make an unconditional mandatory general cash offer to purchase a total of 689,119,450 Shares, representing all the issued Shares which were not already owned or agreed to be acquired by the Offeror and its Concert Parties. The Offeror was also required to make an offer to cancel all outstanding share options in exchange for cash and to acquire all the outstanding convertible bonds pursuant to Rule 13 of the Code (collectively, the "Offers").

期後事項

於二零一五年十二月十七日，渝商投資集團(香港)有限公司(「要約人」)根據日期為二零一五年十月二十三日之契據行使購股權，要求HWH Holdings Limited(「HWH」)按每股股份3.50港元之價格轉讓其全部的389,787,256股股份(「購股權股份」)，合共1,364,255,396港元。購股權股份相當於本公司當時已發行股本約24.54%。

緊接購股權股份轉讓前，要約人及其一致行動人士(定義見香港公司收購及合併守則(「守則」)(HWH除外)共同持有合共509,608,000股股份，相當於本公司當時已發行股本約32.08%。於完成後，要約人及其一致行動人士共同持有合共899,395,256股股份，相當於本公司當時已發行股本約56.62%。因此，根據守則規則26.1，要約人須提出無條件強制性全面現金要約以購買合共689,119,450股股份，即要約人及其一致行動人士尚未擁有或同意將予收購之所有已發行股份。要約人亦將須根據守則規則13提出無條件強制性全面現金要約註銷所有尚未行使購股權以換取現金及收購所有尚未轉換可換股債券(統稱「該等要約」)。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

BUSINESS REVIEW AND OUTLOOK (continued)

Subsequent Event (continued)

As at the close of the Offers on 15 February 2016, the Offeror and its Concert Parties were interested in an aggregate of 1,008,993,181 Shares (representing approximately 63.52% of the then issued share capital of the Company), whereas 349,323,535 Shares, representing approximately 21.99% of the then issued share capital of the Company, were held by the public. Accordingly, the minimum public float requirement of 25.0% under Rule 8.08(1)(a) of the Listing Rules is not satisfied. In this regard, the Stock Exchange has granted the Company a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules and further details regarding the sufficiency of public float of the Company are set out under the section titled "Sufficiency of Public Float" in the Directors' Report of this report.

FINANCIAL REVIEW

Revenue

Revenue decreased by approximately HK\$2.8 billion, or 47.5%, from HK\$5.9 billion in 2014 to HK\$3.1 billion in 2015. The decrease was mainly attributable to a decrease in the sales volume and a continuous decrease in the average selling prices of our recycled metal products and foundry products.

Cost of sales

Cost of sales decreased by approximately HK\$2.7 billion, or 45.8%, from HK\$5.9 billion in 2014 to HK\$3.2 billion in 2015. The decrease is in line with the decrease in revenue and primarily due to a decrease in sales volume and reduction in the average purchase prices of raw materials.

Gross loss and gross loss margin

Gross loss of approximately HK\$45.3 million was recorded in 2015 when compared to that of HK\$17.4 million in 2014. The gross loss margin increased from 0.3% in 2014 to 1.4% in 2015. The gross loss was due to the continuous decrease in global commodity prices for the year 2015, which resulted in an inventory provision of HK\$ 64.3 million being recognised during the year 2015 (2014: a reversal of inventory provision of HK\$11.9 million).

業務回顧及展望(續)

期後事項(續)

於二零一六年二月十五日，於該等要約結束時，要約人及其一致行動人士合共於1,008,993,181股股份擁有權益(佔本公司當時已發行股本約63.52%)，而公眾人士則持有349,323,535股，股份中擁有權益(佔本公司當時已發行股本約21.99%)。因此，並未達到上市規則第8.08(1)(a)條所規定25%最低公眾持股量的規定。於此方面，聯交所已向本公司授出臨時豁免嚴格遵守上市規則第8.08(1)(a)條的規定。有關本公司公眾持股量的詳情，請參閱本報告的董事會報告內「足夠公眾持股量」一節。

財務回顧

收益

收益減少約2,800,000,000港元或47.5%，由二零一四年的5,900,000,000港元減至二零一五年的3,100,000,000港元。減少主要是由於再生金屬產品及鑄造產品的銷量下跌及平均售價持續下降所致。

銷售成本

銷售成本減少約2,700,000,000港元或45.8%，由二零一四年的5,900,000,000港元減至二零一五年的3,200,000,000港元。該減少與收益減少一致，主要是由於銷量減少及原料平均採購價下降所致。

毛損及毛損率

於二零一五年毛損錄得約45,300,000港元，二零一四年則錄得17,400,000港元。毛損率由二零一四年的0.3%升至二零一五年的1.4%。毛損乃由於二零一五年全球商品價格持續下跌所致，導致於二零一五年內確認存貨撥備64,300,000港元(二零一四年：撥回存貨撥備11,900,000港元)。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

FINANCIAL REVIEW (continued)

Distribution and selling expenses

Distribution and selling expenses decreased by approximately HK\$13.9 million, or 58.6%, from HK\$23.7 million in 2014 to HK\$9.8 million in the year 2015. This was mainly due to the decrease in selling activities in Hong Kong and the PRC during the year.

Administrative expenses

Administrative expenses increased by approximately HK\$12.1 million, or 9.3%, from HK\$130.5 million in 2014 to HK\$142.6 million in the year 2015. This was mainly due to the increase in staff costs, rental expenses as well as trade related contributions.

Other income

Other income decreased by approximately HK\$5.4 million, or 19.3%, from HK\$28.0 million in 2014 to HK\$22.6 million in the year 2015. This was mainly because government grants received during the year 2015 mainly related to fixed assets and recognised for the deduction of carrying amount of the fixed assets, while government grants received in 2014 was recognised in profit or loss.

Other gains and losses

Other losses increased by approximately HK\$79.8 million from HK\$770.9 million in 2014 to HK\$850.7 million in the year 2015. This was mainly due to the foreign exchange loss arising from the depreciation of Renminbi against the U.S. Dollar, as a result of the reform of the Reminbi middle exchange rate quotation regime, and the loss on the fair value change of embedded derivative components of convertible bonds of the Company arising from a non-cash accounting treatment solely for the purpose of complying with HKFRSs.

財務回顧(續)

分銷及銷售開支

分銷及銷售開支減少約13,900,000港元或58.6%，由二零一四年的23,700,000港元減至二零一五年的9,800,000港元。主要由於年內香港及中國的銷售活動減少所致。

行政開支

行政開支增加約12,100,000港元或9.3%，由二零一四年的130,500,000港元增至二零一五年的142,600,000港元，主要是此乃主要由於員工成本、租金開支及貿易相關貢獻增加所致。

其他收入

其他收入減少約5,400,000港元或19.3%，由二零一四年的28,000,000港元減至二零一五年的22,600,000港元，此乃主要由於於二零一五年主要收取關於固定資產的政府補貼及確認扣減固定資產的賬面值，二零一四年度收取的政府補貼於損益確認。

其他收益及虧損

其他虧損增加約79,800,000港元，由二零一四年的770,900,000港元增至二零一五年850,700,000港元，此乃主要由於人民幣兌美元貶值產生的外匯虧損，原因為人民幣中間匯率報價機制進行改革，以及僅為符合香港財務報告準則作出的非現金會計處理導致本公司可換股債券嵌入式衍生部分公平值變動出現虧損。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

FINANCIAL REVIEW (continued)

Finance costs

Finance costs decreased by approximately HK\$35.9 million, or 23.4%, from HK\$153.3 million in 2014 to HK\$117.4 million in the year 2015. This was mainly due to a decrease in the bank interest expenses as the overall bank borrowings decreased during the year 2015 and a decrease in effective interest expenses on convertible bonds due to the conversion during the year.

Loss for the year

As a result of the factors discussed above, the Company incurred a net loss for the year of approximately HK\$1,144.0 million, as compared to a net loss of HK\$1,071.2 million in 2014. The overall increase in net loss was mainly due to the loss on fair value changes of the embedded derivative components of the convertible bonds of the Company arising from a non-cash accounting treatment solely for the purpose of complying with HKFRSs; and foreign exchange loss.

Key Financial Ratios

The following table sets forth certain of our financial ratios as of the date for the periods indicated:

		At 31 December 2015 於二零一五年 十二月三十一日	At 31 December 2014 於二零一四年 十二月三十一日
Liquidity Ratios	流動資金比率		
Current ratio	流動比率	3.33	0.90
Quick ratio	速動比率	2.67	0.52
Gearing ratio (%)	資產負債比率(%)	22.5	58.8
		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年	2014 二零一四年
Inventory turnover days	存貨周轉日數	120	114
Debtor's turnover days	應收賬周轉日數	11	13
Creditor's turnover days	應付賬周轉日數	13	12

財務回顧(續)

財務成本

財務成本減少約35,900,000港元或23.4%，由二零一四年的153,300,000港元減至二零一五年的117,400,000港元，此乃主要由於二零一五年整體銀行借款減少以致銀行利息開支減少及年內兌換導致可換股債券的實際利息開支減少所致。

年內虧損

由於上文所討論的因素，本公司年內產生淨虧損約1,144,000,000港元，二零一四年的淨虧損則為1,071,200,000港元。淨虧損的整體增加主要由於僅為符合香港財務報告準則作出的非現金會計處理導致本公司可換股債券嵌入式衍生部分的公平值變動出現變現虧損，以及外匯虧損所致。

關鍵財務比率

下表載列於所示日期及期間本公司的若干財務比率：

Management Discussion and Analysis (continued)

管理層討論及分析(續)

FINANCIAL REVIEW (continued)

Liquidity and Financial Resources and Capital Structure

The net current assets which included cash and various bank balances and margin deposits amounted to HK\$3,717.7 million as at 31 December 2015 (31 December 2014: HK\$707.4 million). Total bank borrowings were HK\$1.1 billion as at 31 December 2015 (31 December 2014: HK\$1.3 billion), and those were mainly used to purchase the mixed metal scrap from overseas. Such borrowings were mainly denominated in U.S. Dollars and Renminbi.

The gearing ratio of the Group as at 31 December 2015 was 22.5% (31 December 2014: 58.8%) which is calculated based on the total borrowings over total assets. The decrease was mainly due to total Proceeds of approximately HK\$4.1 billion received from the Subscriptions, the decrease of principal amount of convertible bonds of HK\$435.6 million following the exercise of such convertible bonds and the issue of conversion shares in relation and instalments paid thereto, and the decrease in bank borrowings. Details of the completion of the Subscriptions and issue of conversion shares were disclosed in the announcements of the Company dated 30 April 2015, 29 May 2015, 10 June 2015 and 15 June 2015.

Debtor's turnover days decreased from 13 days for the year ended 31 December 2014 to 11 days for the year ended 31 December 2015 and the creditor's turnover increased from 12 days for the year ended 31 December 2014 to 13 days for the year ended 31 December 2015.

Inventory turnover days increased from 114 days for the year ended 31 December 2014 to 120 days for the year ended 31 December 2015.

財務回顧(續)

流動資金及財務資源及資本架構

淨流動資產包括現金及多項銀行結餘及保證金，於二零一五年十二月三十一日為數3,717,700,000港元(二零一四年十二月三十一日：707,400,000港元)。銀行借款總額於二零一五年十二月三十一日為1,100,000,000港元(二零一四年十二月三十一日：1,300,000,000港元)，該等金額主要用於購買海外混合廢金屬。有關借款主要以美元及人民幣計值。

本集團於二零一五年十二月三十一日的資產負債比率為22.5%(二零一四年十二月三十一日：58.8%)(根據借款總額除以資產總值計算)。有關減幅主要由於認購的所得款項總額約4,100,000,000港元、行使可換股債券及就此發行換股股份後，435,600,000港元之可換股債券的本金額減少及已付的分期付款；以及銀行借款減少所致。完成認購及發行換股股份的詳情已分別於本公司日期為二零一五年四月三十日、二零一五年五月二十九日、二零一五年六月十日及二零一五年六月十五日的公告披露。

應收賬周轉日數由截至二零一四年十二月三十一日止年度的13日減少至截至二零一五年十二月三十一日止年度的11日，而應付賬周轉日數由截至二零一四年十二月三十一日止年度的12日增加至截至二零一五年十二月三十一日止年度的13日。

存貨周轉日數由截至二零一四年十二月三十一日止年度的114日增加至截至二零一五年十二月三十一日止年度的120日。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

FINANCIAL REVIEW (continued)

Funds raised by Subscriptions of the Company's new shares and use of Proceeds

Following the completion of the Subscriptions on 30 April 2015 and 29 May 2015, the total Proceeds from such Subscriptions amounted to approximately HK\$4.1 billion after the deduction of all relevant expenses.

During the year ended 31 December 2015, the Proceeds were utilised as follows:

Expansion of production capacity	增加產能
Purchase raw materials	購買原材料

The remaining Proceeds from the Subscriptions amounted to approximately HK\$3,055.7 million as at 31 December 2015. As disclosed in the announcement of the Company dated 11 March 2016, the Board has resolved to allocate approximately RMB1,350 million (equivalent to approximately HK\$1,614.7 million) out of the unutilised Proceeds for investment in the financial industry, as well as for working capital and funding for other general corporate purposes, the remaining unutilised Proceeds (i.e. approximately HK\$1,439.0 million) is expected to be used as originally intended. Approximately HK\$1,589.2 million of Proceeds was used for investment in listed securities and wealth management products as at the latest practicable date for ascertaining information referred to in this Annual Report (the "Latest Practicable Date").

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2015, we had pledged certain plant and buildings, land use rights and bank deposits with an aggregate carrying value of approximately HK\$445.8 million (2014: approximately HK\$577.9 million) to secure bank borrowings.

As at 31 December 2015, we had capital commitments in respect of acquisition of a subsidiary, property, plant and equipment, prepaid lease payments, additions in construction in progress and formation of subsidiaries but not provided for in the consolidated financial statements amounted to HK\$519.0 million (2014: HK\$257.2 million).

財務回顧(續)

認購本公司新股份籌集的資金及所得款項

於認購於二零一五年四月三十日及二零一五年五月二十九日完成，該股份認購所得款項總額於扣除所有相關開支後約為4,100,000,000港元。

於截至二零一五年十二月三十一日止年度，所得款項已用於以下用途：

HK\$ million
百萬港元

146.2
892.7

於二零一五年十二月三十一日，來自認購的餘下所得款項約為3,055,700,000港元。誠如本公司日期為二零一六年三月十一日的公告所披露，董事會決議調配未使用所得款項中約人民幣1,350,000,000元(約等於1,614,700,000港元)將用作金融行業，以及營運資金及應付其他一般企業用途，未使用所得款項餘額(即約1,439,000,000港元)預期用作原來的用途。於確定本年度報告所述資料的最後可行日期(「最後可行日期」)，約1,589,200,000港元的所得款項已用作投資於上市證券及財富管理產品。

資本承擔及或然負債

於二零一五年十二月三十一日，我們抵押賬面總值約445,800,000港元的若干廠房及樓宇、土地使用權及銀行存款(二零一四年：約577,900,000港元)，以為銀行借款作擔保。

於二零一五年十二月三十一日，我們就有關附屬公司、收購物業、廠房及設備以、預付租金添置在建工程及成立附屬公司已訂約但未於綜合財務報表計提撥備的資本開支為519,000,000港元(二零一四年：257,200,000港元)。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES (continued)

Save as disclosed below, the Board is not aware of any material contingent liabilities.

A writ of summons was issued by Delco Participation B.V. ("Delco"), as plaintiff on 21 December 2015 in the High Court of Hong Kong (High Court Action No. 3040 of 2015, "HCA 3040/2015") against the Company as defendant for a sum of HK\$57,827,118 together with interest and costs. The claim relates to an alleged non-payment of a portion of the loans advanced by Delco Asia Company Limited ("Delco Asia") to subsidiaries of the Company in accordance with the terms of a Shareholders Loan Assignment and Capitalisation Agreement dated 24 June 2010 between, amongst others, Delco Asia and the Company. Delco alleged that it acquired all the assets and receivables of Delco Asia pursuant to an Assets & Liabilities Transfer Agreement dated 3 October 2011 between itself and Delco Asia. The Company gave notice of intention to contest the proceedings on 4 January 2016. On 26 February 2016, a summons was issued by the Company in the High Court of Hong Kong for an order that the claim dated 21 December 2015 to be struck out. The proceedings are now in progress.

Each of Mr. Fang Ankong ("Mr. Fang"), a former Director, and HWH Holdings Limited ("HWH"), undertook to the Company to indemnify and hold harmless on demand (on an after-tax basis) the Company against all losses arising out of, inter alia, HCA 3040/2015 in accordance with the terms of a letter of indemnity signed by Mr. Fang and HWH in favour of the Company on 17 December 2015. Further, HWH has also agreed that a sum including the amount of HK\$57,827,118 be held in escrow as security for any liability of the Company in respect of, inter alia, HCA 3040/2015.

Whilst the Board does not consider HCA 3040/2015 to be a claim of material importance for the reasons set out above, details of HCA 3040/2015 are disclosed herein for the sake of completeness.

資本承擔及或然負債(續)

除下文披露者外，就董事會所知，概無任何重大或然負債。

Delco Participation B.V. (「Delco」) 作為原告於二零一五年十二月二十一日有關本公司作為被告索償 57,827,118 港元連同利息及成本向香港高等法院提交訴狀(高院案例 2015 年第 3040 號，「HCA 3040/2015」)。索償與聲稱未根據(其中包括) Delco Asia Company Limited (「Delco Asia」) 與本公司於二零一零年六月二十四日訂立的股東貸款轉讓及資本化條款支付 Delco Asia 向本公司附屬公司墊付貸款的部分款項有關。Delco 稱其已根據其與 Delco Asia 於二零一一年十月三日的資產及負債轉讓協議收購 Delco Asia 的全部資產及應收款項。本公司於二零一六年一月四日發出有意質疑訴訟的通知。於二零一六年二月二十六日，本公司於香港高等法院發出傳訊，有關剔除日期為二零一五年十二月二十一日的索償。訴訟現正在進行中。

方安空先生(「方先生」，前任董事)及 HWH Holdings Limited (「HWH」) 各自向本公司承諾，根據方先生與 HWH 以本公司為受益人於二零一五年十二月十七日簽署的彌償函件的條款，彌償本公司因其中包括 HCA 3040/2015 產生的所有損失及使本公司不受到損失(按除稅後基準)。此外，HWH 亦同意，信託持有的包括 57,827,118 港元的款項金額作為本公司有關(其中包括) HCA 3040/2015 的任何責任的擔保。

而董事會因上文所載理由認為 HCA 3040/2015 並非重大申索，為保持完備於文件中披露 HCA 3040/2015 的詳情。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES (continued)

With regard to the legal proceedings in the PRC between Shanghai Chiho-Tiande Resource Recycling Co., Ltd. (上海齊合天地再生資源有限公司) (“Shanghai JV”), an indirect 51%-owned subsidiary of the Company, and Shanghai Science and Technology Co., Ltd. (上海民營科技實業發展公司) (“SST”) in relation to certain housing and land lease contracts, disclosures have been made by the Company in its announcements dated 14 December 2012, 15 January 2014, 22 January 2014 as well as its interim reports for the six months ended 30 June 2014 and 2015 and its annual report for the year ended 31 December 2014. On 18 December 2015, the Shanghai JV applied to Shanghai High People’s Court for re-trial and seek for further legal relief. On the same date, Shanghai High People’s Court accepted the re-trial application. The re-trial application is currently in the process of being reviewed.

The Board takes the view that these legal proceedings will not have any material adverse effect on the business, operations or financial results of the Group.

RISK MANAGEMENT

The Group in its ordinary course of business is exposed to market risks such as commodities price risk, foreign currencies risk, interest rate risk, credit risk and liquidity risk. The Group’s risk management strategy aims to minimise the adverse effects of these risks on its financial performance.

On 26 March 2015, the Board resolved to adopt a new policy regarding dealings in metal futures contracts in order to better reflect and restate the Group’s current business requirements with regard to dealings in metal futures contracts. Details were disclosed in the Company’s announcement made on the same date and the full policy is available on the Company’s website, www.chiho-tiande.com. In October 2015, all metal future contracts of the Group were settled and closed.

As part of its foreign currency hedging strategy, the Board will closely monitor the Group’s foreign currency borrowings in the view of the volatile exchange rate for Reminbi to U.S. Dollars and other currencies as a result of the reform of the Reminbi middle exchange rate quotation regime, and consider various measures to minimise the foreign currency risk.

資本承擔及或然負債(續)

就本公司間接擁有51%的附屬公司上海齊合天地再生資源有限公司(「上海合營公司」)與上海民營科技實業發展公司(「SST」)有關若干住房及租賃合約的中國法律訴訟而言，本公司已於其日期為二零一二年十二月十四日、二零一四年一月十五日、二零一四年一月二十二日的公告及截至二零一四年及二零一五年六月三十日止六個月的中期報告及截至二零一四年十二月三十一日止年度年報中作出披露。於二零一五年十二月十八日，上海合營公司向上海高等人民法院申請複審及尋求進一步法律救濟。於同日，上海高等人民法院接受複審申請。複審申請現正處於評審階段。

董事會認為法律訴訟不會對本集團的業務、營運或財務業績造成任何重大不利影響。

風險管理

在日常業務過程中，本集團面對的市場風險包括商品價格風險、外匯風險、利率風險、信貸風險及流動資金風險等。我們的風險管理策略旨在減低該等風險對本集團財務表現的不利影響。

於二零一五年三月二十六日，董事會議決採納有關買賣金屬期貨合約的新政策，以更好地反映及重申本集團有關買賣金屬期貨合約的現有業務規定。有關詳情載於本公司於同日刊發的公告。政策全文可於本公司網站www.chiho-tiande.com查閱。於二零一五年十月，本集團所有金屬期貨合約已結算及結束。

根據本集團的外幣對沖策略，鑒於人民幣中間匯率報價形成機制改革，以致人民幣兌美元及其他貨幣匯率波動，因此董事會將密切監察本集團的外幣借款，其考慮多個措施以減少外匯風險。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

RISK MANAGEMENT (continued)

With the relatively low interest rates in 2015, the Group has not entered into any interest rate hedging contracts or any other interest rate related derivative financial instruments. However, the Group continues to monitor its related interest rate exposure closely and will consider hedging significant interest rate exposure when the need arises.

As for credit risk, the Group continues to follow the trade practices of cash on collection from sales of all of its metal recycling products in order to minimise the carrying amounts of the financial assets in the Group's financial statements. In addition, the Group will continue to monitor closely its trade debtors to minimise potential impairment losses.

With regard to the liquidity risk, the Group will continue to maintain a balance between the continuity of funding and the flexibility through the use of bank borrowings.

EMPLOYEES

As at 31 December 2015, we had a workforce of 461 employees. In addition, we engaged approximately 2,380 separation and selection workers through local recognised contractors. We have not experienced any strikes, work stoppages or significant labor disputes which have affected its operations in the past. We have not experienced any significant difficulties in recruiting and retaining qualified staff. We continue to maintain good relationships with our employees.

THE REMUNERATION POLICY

We remunerate employees based on their performance, experience and prevailing industry practices so as to retain competent employees. In addition to benefits normally provided in line with industry practices, the Company also has a share option scheme in place for the purpose of providing incentives and rewards to eligible persons including employees of Group companies for their contributions to the long term success of our Group.

風險管理(續)

由於二零一五年的利率相對較低，故本集團並無訂立任何利率對沖合約或任何其他利率相關衍生金融工具。然而，本集團繼續密切監察其所面對的相關利率風險，有需要時將會考慮對沖重大利率風險。

信貸風險方面，本集團所有金屬再生產品的銷售交易一直奉行款到付貨的貿易慣例，旨在減低本集團財務報表中的金融資產賬面值。此外，本集團亦將繼續密切監察鑄造業務的應收賬情況，以減低潛在減值虧損。

至於流動資金風險，本集團將繼續透過利用銀行借款，在持續獲取資金與保持靈活程度之間維持平衡。

僱員

於二零一五年十二月三十一日，我們共有461名僱員。此外，我們透過當地認可工頭僱用約2,380名拆解及選料工人。我們過去並無經歷任何影響經營的罷工、停工或重大勞資糾紛。我們在招聘及挽留合資格僱員方面亦無遇到重大困難。我們與僱員一直維持良好的關係。

薪酬政策

我們根據僱員的表現、經驗及現有行業慣例釐定其薪酬，以挽留有能力的僱員。除按照行業慣例提供的一般福利外，本公司亦設有購股權計劃，目的是為包括本集團成員公司僱員在內的合資格人士提供激勵及獎勵，以答謝彼等對本集團長期取得成功所作出的貢獻。

Profile of Directors and Senior Management

董事及高級管理人員履歷

EXECUTIVE DIRECTORS

Mr. Tu Jianhua (涂建華), aged 53, is the Executive Director, Chairman of the Company. He was appointed as an Executive Director on 29 April 2015. Mr. Tu serves as the Chairman of Executive Committee, Nomination Committee, Pricing Committee and Strategy and Investment Committee of the Company and he is also a director of certain subsidiaries of the Group. Mr. Tu Jianhua was appointed as the Chief Executive Officer of the Company during the period from 16 February 2016 to 31 March 2016. He has been the chairman of USUM Investment Group Limited since April 2014. He has been the director of Loncin Group Co., Ltd. (隆鑫集團有限公司) since January 1996 and the director of Loncin Holdings Co., Ltd (隆鑫控股有限公司) since January 2003. USUM Investment Group Limited, Loncin Group Co., Ltd. (隆鑫集團有限公司) and Loncin Holdings Co., Ltd. (隆鑫控股有限公司) are substantial shareholders of the Company.

He served as the chairman of the board of Loncin Holdings Co., Ltd. (隆鑫控股有限公司) in the period from January 2003 to July 2010 and from February 2013 to December 2013, the executive director of Loncin Group Co., Ltd. (隆鑫集團有限公司) from January 1996 to January 1997, and the chairman of the board of Loncin Group Co., Ltd. (隆鑫集團有限公司) from January 1997 to December 2013. He served as the general manager of Chongqing Loncin Gasoline Engine Company (Sino-American Joint Venture) (中美合資重慶隆鑫汽油機公司), a company that used to be controlled by Mr. Tu during its existence, from 1995 to 1996, and served as the chairman of Chongqing Loncin Transportation and Machinery Factory (重慶隆鑫交通機械廠), a company that used to be controlled by Mr. Tu during its existence, from 1993 to 1995. He served as the chairman of Chongqing City Jiulongpo District Loncin Metal Factory (重慶市九龍坡區隆鑫金屬廠), a company that used to be controlled by Mr. Tu during its existence, from 1991 to 1993 and the factory director of Chongqing Cinhua Metals Factory (重慶鑫華金屬製品廠), from 1983 to 1990.

Mr. Tu graduated from the Economic Management (經濟管理專業) of the Open College in Chongqing City Municipal Party School (重慶市委黨校函授學院) in December 1998. Mr. Tu previously acted as the deputy to the 11th National People's Congress, the deputy to the Second and Third Chongqing Municipal People's Congress. He currently serves as the deputy to the 12th National People's Congress and to the Fourth Chongqing Municipal People's Congress, and the member of the Finance Committee of the Fourth Chongqing City Municipal People's Congress, the Executive Committee Member of All-China Federation of Industry & Commerce (全國工商聯), the vice president of Chongqing City Industry and Commerce Federation (重慶市工商聯), the vice president of Chongqing City Charity Federation (重慶市慈善總會) and the vice president of Chongqing City Enterprises Confederation (重慶市企業聯合會).

Mr. Tu is a non-executive director of Hanhua Financial Holding Co., Ltd., a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 3903), and a director of Loncin Motor Co., Ltd., a company whose shares are listed on the Shanghai Stock Exchange (stock code: 603766).

執行董事

涂建華先生，53歲，本公司執行董事、主席。彼於二零一五年四月二十九日獲委任為執行董事。涂先生為本公司執行委員會、提名委員會、定價委員會及戰略與投資委員會主席，彼亦為本集團若干附屬公司之董事。涂建華先生於二零一六年二月十六日至二零一六年三月三十一日期間獲委任為本公司行政總裁。彼自二零一四年四月起擔任渝商投資集團股份有限公司董事長。彼自一九九六年一月至今任隆鑫集團有限公司董事，自二零零三年一月至今任隆鑫控股有限公司董事。渝商投資集團有限公司、隆鑫集團有限公司及隆鑫控股有限公司為本公司主要股東。

彼於二零零三年一月至二零一零年七月期間及自二零一三年二月至二零一三年十二月期間擔任隆鑫控股有限公司董事長，於一九九六年一月至一九九七年一月期間任隆鑫集團有限公司執行董事，於一九九七年一月至二零一三年十二月期間擔任隆鑫集團有限公司董事長。彼於一九九五年至一九九六年擔任中美合資重慶隆鑫汽油機公司(存在時由涂先生控制的公司)總經理，於一九九三年至一九九五年擔任重慶隆鑫交通機械廠(存在時由涂先生控制的公司)董事長，於一九九一年至一九九三年擔任重慶市九龍坡區隆鑫金屬廠(存在時由涂先生控制的公司)董事長，以及於一九八三年至一九九零年擔任重慶鑫華金屬製品廠廠長。

涂先生於一九九八年十二月畢業於重慶市委黨校函授學院經濟管理專業。涂先生曾擔任第十一屆全國人民代表大會代表、第二屆及第三屆重慶市人民代表大會代表。彼目前擔任第十二屆全國人民代表大會代表和第四屆重慶市人民代表大會代表及財經委委員、全國工商聯執行委員、重慶市工商聯副主席、重慶市慈善總會副會長及重慶市企業聯合會副會長。

涂先生為瀚華金控股份有限公司非執行董事(該公司股份於香港聯交所上市(股份代號: 3903))，以及隆鑫通用動力股份有限公司董事(該公司股份於上海證券交易所上市(股份代號: 603766))。

Profile of Directors and Senior Management (continued) 董事及高級管理人員履歷 (續)

Mr. Zhang Mingjie (張明杰), aged 41, is an Executive Director. He was appointed as an Executive Director on 22 August 2015. Mr. Zhang serves as a member of the Executive Committee and Strategy and Investment Committee of the Company. Mr. Zhang has been the executive director and president of Beijing Suncorps Financing Investment Fund Management Co., Ltd.* (北京中睿融創投資基金管理有限公司) since December 2012. Mr. Zhang served as assistant to the chairman of Sincere Land Holdings Co., Ltd.* (協信地產控股有限公司) in the period from January 2012 to November 2012 and served as financial general manager of Sincere Land Holdings Co., Ltd.* (協信地產控股有限公司) in the period from May 2011 to December 2011. From July 2001 to May 2012, he was a partner of Zhonghao Law Firm. Mr. Zhang is specialised in merger and reorganization of capital markets.

Mr. Zhang obtained a bachelor's degree from Southwest University of Political Science and Law in Chongqing, the PRC and a master's degree from Macquarie University in Australia.

Mr. Zhang is a director of Good Union Hong Kong Investment Limited and Tai Security Holding Limited, both of which are substantial shareholders of the Company.

Mr. Zhang Jun (張軍), aged 49, is the Chief Executive Officer and Executive Director of the Company. He was appointed as a Chief Executive Officer and Executive Director on 1 April 2016. Mr. Zhang serves as a member of the Executive Committee and Strategy and Investment Committee of the Company. Mr. Zhang was the secretary of Party Working Committee and deputy director of the raw materials department of Chongqing Iron & Steel Company Limited (stock code: 1053) from July 2014 to March 2016, and was responsible for managing the procurement of certain raw materials. From January 2013 to July 2014, Mr. Zhang was the factory director of a steelworks factory of Chongqing Iron & Steel Company Limited, and was responsible for the preparation, construction, installation, debugging, production and operations of the factory. From February 2009 to January 2013, Mr. Zhang was the general manager and director of Chongqing Tung Wah Special Steel Co., Ltd.* (重慶東華特殊鋼有限責任公司) and was responsible for overall administrative work, with a focus on marketing and finance. From January 2004 to February 2009, Mr. Zhang was the deputy general manager and director of Chongqing Tung Wah Special Steel Co., Ltd.* (重慶東華特殊鋼有限責任公司), and was responsible for production technology and supply related matters. From July 2003 to January 2004, Mr. Zhang was an assistant to general manager and director of the production department of Chongqing Special Steel Group Company* (重慶特殊鋼集團公司). From August 1999 to July 2003, he was the factory director of two steelworks factories of Chongqing Special Steel Group Company* (重慶特殊鋼集團公司). Mr. Zhang possess indepth knowledge to the metal industry and he has over 10 years of experience in managerial roles in this industry.

張明杰先生，41歲，執行董事。彼於二零一五年八月二十二日獲委任為執行董事。張先生為本公司執行委員會及戰略與投資委員會成員。張先生自二零一二年十二月至今擔任北京中睿融創投資基金管理有限公司執行董事、總裁。張先生於二零一二年一月至二零一二年十一月期間擔任協信地產控股有限公司的董事長助理，於二零一一年五月至二零一一年十二月期間擔任協信地產控股有限公司的財務總經理，於二零零一年七月至二零一二年五月期間擔任中豪律師集團的合夥人律師。張先生擅長資本市場併購與重組。

張先生擁有中國重慶西南政法大學學士學位及澳洲麥考里大學碩士學位。

張先生為星滙香港投資有限公司及Tai Security Holding Limited的董事，該等公司均為本公司主要股東。

張軍先生，49歲，本公司行政總裁及執行董事。彼於二零一六年四月一日獲委任為本公司行政總裁及執行董事。張先生為本公司執行委員會及戰略與投資委員會成員。張先生於二零一四年七月至二零一六年三月任重慶鋼鐵股份有限公司(股份代號：1053)原材料處黨委書記兼副處長，分管部分原材料的採購工作。二零一三年一月至二零一四年七月任重慶鋼鐵股份有限公司一間下屬煉鋼廠廠長，負責該廠的籌備、工程建設、安裝、調試、生產經營。二零零九年二月至二零一三年一月任重慶東華特殊鋼有限責任公司總經理、董事，主管全面行政工作，重點為行銷、財務。二零零四年一月至二零零九年二月任重慶東華特殊鋼有限責任公司副總經理、董事，主管生產技術及供應。二零零三年七月至二零零四年一月任重慶特殊鋼集團公司總經理助理兼生產處處長。一九九九年八月至二零零三年七月任重慶特殊鋼集團公司兩間下屬煉鋼廠廠長。張先生對金屬行業擁有深入知識，並於此行業擁有十多年擔任管理角色之經驗。

* for identification purpose only

Profile of Directors and Senior Management (continued) 董事及高級管理人員履歷 (續)

Mr. Zhang graduated from Chongqing University with a bachelor degree in iron and steel metallurgy in July 1990. He further obtained a certificate as a qualified senior engineer (professional in iron and steel metallurgy) in 2001. In 2011, Mr. Zhang completed an advanced business management course at Tsinghua University School of Economics and Management.

張先生於一九九零年七月重慶大學鋼鐵冶金專業本科學士畢業。二零零一年獲得高級工程師(鋼鐵冶金專業)資格證書。二零一一年在清華大學經濟管理學院完成工商管理高級課程。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Loke Yu alias Loke Hoi Lam (陸海林), aged 66, is an Independent Non-Executive Director. He was appointed as an Independent Non-Executive Director on 23 June 2010. Dr. Loke serves as the Chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee of the Company. Dr. Loke has over 40 years of experience in accounting and auditing for private and public companies, financial consultancy and corporate management. He holds a Master of Business Administration degree from Universiti Teknologi Malaysia and a Doctor of Business Administration degree from University of South Australia. He is a Fellow of The Institute of Chartered Accountants in England and Wales; Hong Kong Institute of Certified Public Accountants; The Hong Kong Institute of Directors; and The Hong Kong Institute of Chartered Secretaries.

獨立非執行董事

陸海林博士，66歲，獨立非執行董事。彼於二零一零年六月二十三日獲委任為獨立非執行董事。陸博士為本公司審核委員會主席、薪酬委員會及提名委員會成員。陸博士於私人及上市公司之會計及審計工作、財務顧問及企業管理等方面擁有逾四十年經驗，持有馬來西亞科技大學工商管理碩士學位和南澳大學工商管理博士學位。彼為英格蘭與威爾斯特許會計師學會、香港會計師公會、香港董事學會及香港特許秘書公會之資深會員。

He is currently the company secretary of Minth Group Limited and serves as an independent non-executive director of the following companies whose shares are listed on the Stock Exchange: V1 Group Limited, Matrix Holdings Limited, China Beidahuang Industry Group Holdings Limited (formerly known as Sino Distillery Group Limited), China Fire Safety Enterprise Group Limited, Winfair Investment Company Limited, SCUD Group Limited, Zhong An Real Estate Limited, Tianjin Development Holdings Limited, China Household Holdings Limited, MEGA MEDICAL TECHNOLOGY LIMITED (formerly known as Wing Tai Investment Holdings Limited), Tianhe Chemicals Group Limited and China New Energy Power Group Limited.

彼現為敏實集團有限公司之公司秘書，亦為股份於聯交所上市之下列多家公司之獨立非執行董事：第一視頻集團有限公司、美力時集團有限公司、中國北大荒產業集團控股有限公司(前稱中國釀酒集團有限公司)、中國消防企業集團有限公司、永發置業有限公司、飛毛腿集團有限公司、眾安房產有限公司、天津發展控股有限公司、中國家居控股有限公司、美加醫學科技有限公司(前稱永泰投資控股有限公司)、天合化工集團有限公司及中國新能源動力集團有限公司。

Profile of Directors and Senior Management (continued) 董事及高級管理人員履歷 (續)

Ms. Zhang Jingdong (章敬東), aged 70, is an Independent Non-Executive Director. She joined the Group on 23 June 2010. Ms. Zhang is also a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. She was the vice-secretary-general of Financial Trust Association of Zhejiang Province (浙江省金融信託業協會) before joining our Group and she served as chief, general manager and independent director and held various positions in various Chinese banking and corporate finance sectors including the People's Bank of China Heilongjiang Branch (中國人民銀行黑龍江省分行), the People's Bank of China Zhejiang Branch (中國人民銀行浙江省分行), Financial Intermediation Centre of Zhejiang Province (浙江省資金融通中心), and office of Hangzhou Financial Supervision of People's Bank of China Shanghai Branch (中國人民銀行上海分行杭州金融監管辦公室).

Ms. Zhang holds a master's degree in Economic Management (經濟管理) from the Academy of Social Sciences of Hei Longjiang (黑龍江省社會科學院).

Mr. Zhu Dajian (諸大建), aged 61, is an Independent Non-Executive Director. He joined the Group on 17 December 2014. Mr. Zhu serves as the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company. He is a distinguished professor of the School of Economics & Management, a director of the Institute of Governance for Sustainable Development (可持續發展與管理研究所), the head of the Department of Public Management and Policy (公共管理系), and the vice chairman of the Tongji University Academic Committee (同濟大學學術委員會), at Tongji University in Shanghai (上海同濟大學), the People's Republic of China. He was awarded the special allowance by the China's State Council in 2000. He was also a senior research scholar at Harvard University in 2005 and a senior visiting fellow at Melbourne University in Australia from 1994 to 1995. Moreover, he is appointed as a member of The State Foundation for Social Sciences, a member of the Social Science Commission under the Chinese Education Ministry, a member of the Experts Commission on Sustainable Development & Resource and Environment (可持續發展及資源及環境之專家委員會) under the Chinese Construction Ministry, and a special policy advisor (決策諮詢特聘專家) for the Shanghai Municipal Government. He is also a member of the International Expert Committee of Enel Foundation in Italy, the Ellen MacArthur Foundation in the United Kingdom and Firmenich in Switzerland, respectively. Mr. Zhu was appointed as an independent non-executive director of China Taiping Insurance Holdings Company Limited on 21 August 2014, a company listed on The Stock Exchange of Hong Kong Limited (stock code: 966).

章敬東女士，70歲，獨立非執行董事。於二零一零年六月二十三日加入本集團。章女士亦為本公司審核委員會、薪酬委員會及提名委員會成員。章女士加入本集團前擔任浙江省金融信託業協會副秘書長，且曾從事中國的多家銀行及企業財務行業，包括中國人民銀行黑龍江省分行、中國人民銀行浙江省分行、浙江省資金融通中心及中國人民銀行上海分行杭州金融監管辦公室等處長、總經理及獨立董事等多個職位。

章女士持有黑龍江省社會科學院經濟管理碩士學位。

諸大建先生，61歲，獨立非執行董事。彼於二零一四年十二月十七日加入本集團。諸先生為本公司薪酬委員會主席、審核委員會及提名委員會成員。彼為中華人民共和國上海同濟大學經濟及管理學院特聘教授、可持續發展與管理研究所所長、公共管理系主任及同濟大學學術委員會副主任。彼於二零零零年享受中國國務院特殊津貼。於二零零五年，彼於哈佛大學出任高級研究學者，及於一九九四年至一九九五年，彼於澳洲墨爾本大學出任高級訪問學者。此外，彼亦委任為國家哲學社會科學規劃專家、中國教育部社會科學委員會成員、中國建設部可持續發展及資源及環境之專家委員會成員以及上海市政府之決策諮詢特聘專家。彼亦分別為意大利Enel Foundation、英國Ellen MacArthur Foundation及瑞士Firmenich之國際專家委員會成員。諸先生於二零一四年八月二十一日獲委任為中國太平保險控股有限公司的獨立非執行董事，該公司於香港聯合交易所有限公司上市(股份代號：966)。

Profile of Directors and Senior Management (continued) 董事及高級管理人員履歷 (續)

SENIOR MANAGEMENT

Mr. Koon Wai Hung (官偉雄), aged 48, is the Qualified Accountant and Chief Financial Officer of the Group. He joined the Group on 20 February 2016. Mr. Koon obtained a Bachelor of Commerce degree, majoring in Accounting in 1992 and a Bachelor of Information Technology degree, majoring in Business Information and MRP System in 1993, both from Bond University in Australia. He is an associate of CPA Australia and a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Koon has approximately 20 years of extensive experience in accounting, financial management and auditing. Prior to joining the Company, he had worked for Deloitte Touche Tohmatsu since January 2008 and his last held position was senior manager. Mr. Koon was mainly involved in audit of Hong Kong listed companies that engaged in manufacturing and real estate industries, and developed audit training materials for the Deloitte Global worldwide network. He had previously also worked in Ernst & Young and PricewaterhouseCoopers for a cumulative period of approximately 8 years. Mr. Koon had also served as the finance and administration manager of a Hong Kong listed company for more than 4 years.

Ms. Yu Miu Cheung (余妙章), aged 41, is the Vice President, Board Secretary and Head of Board Office of the Group. Ms. Yu has served as the Company Secretary of the Company since 15 March 2010. Ms. Yu is an associate member of the Institute of Chartered Secretaries and Administrators and an associate member of the Hong Kong Institute of Company Secretaries. Ms. Yu has over 20 years of experience in company management and secretarial fields, as well as the general disclosure and the corporate compliance issue of listed companies.

Mr. Zhu Patrick Xiangdong (朱向東), aged 49, is the Vice President and Chief Operation Officer of the Group and also a director of certain subsidiaries of the Group. He joined the Group on 1 June 2015.

Mr. Zhu has extensive experience for over 20 years in the field of international trading such as renewable resources and commodities. Before joining the Company, he was manager of Hong Kong Gang Ao International (Holdings) Company Limited, general manager of Ningbo Tianshun Metal Processing Co., Ltd., and general manager of Ningbo Three Sources Trade Development Co., Ltd.

Mr. Zhu graduated from Foreign Economic and Trade University in 1989, and obtained a Bachelor degree in Economics, majoring in International Trade. Between the year 2000 and 2001, he graduated from University of Auckland in New Zealand and Auckland Business School, and obtained MCom and MBA, respectively.

高級管理人員

官偉雄先生，48歲，本集團合資格會計師及首席財務官。彼於二零一六年二月二十日加入本集團。官先生於一九九二年取得商業學士學位，主修會計以及於一九九三年取得資訊科技學士學位，主修商業資訊及物料需求計劃系統，學位均由澳大利亞的邦德大學頒發。彼為澳洲會計師公會及香港會計師公會會員。

官先生於會計、財務管理及審計方面擁有約二十年豐富的經驗。於加入本公司前，彼曾自二零零八年一月起於德勤•關黃陳方會計師行任職，最後職位是高級經理。官先生主要為從事製造及房地產業的香港上市公司進行審計工作，以及參與編制德勤全球網絡的審計培訓教材。彼亦曾於安永會計師事務所及羅兵咸永道會計師事務所任職，為期合計約八年。官先生亦於一家香港上市公司擔任財務及行政經理超過四年。

余妙章女士，41歲，本集團副總裁、董事會秘書兼董事會辦公室主任。余女士於二零一零年三月十五日起擔任本公司的公司秘書。余女士為英國特許秘書及行政人員公會資深會員及香港特許秘書公會資深會員。余女士於公司管理及秘書行業，以及上市公司的一般信息披露及企業合規事宜擁有逾二十年的經驗。

朱向東先生，49歲，本集團副總裁兼營運總監，亦為本集團若干附屬公司之董事。彼於二零一五年六月一日加入本集團。

朱先生在再生資源與大宗商品等國際貿易領域擁有二十年以上的豐富實戰經歷與管理經驗。加入本公司前，分別擔任香港港澳國際集團有限公司分公司經理、寧波天舜金屬加工有限公司總經理以及寧波三源貿易發展有限公司總經理等職務。

朱先生在一九八九年畢業於對外經濟貿易大學，取得經濟學學士學位，主修國際貿易。在二零零零年與二零零一年分別畢業於紐西蘭的奧克蘭大學與奧克蘭商學院，分別取得國際商業碩士學位(MCom)與工商管理碩士學位(MBA)。

Profile of Directors and Senior Management (continued)

董事及高級管理人員履歷 (續)

Ms. Gong Jing (宮靜), aged 46, is the Vice President of the Group and chairman of Lu Xin Cheng Clean Energy Limited, which is one of the Company's subsidiaries in China. She joined the Group on 1 June 2015.

Ms. Gong Jing has over 10 years in the field of renewable resources and environmental protection research and practice, and has extensive experience in project investment, corporate management, industrial development, policy coordination, construction of the park experience. Before joining the Group, from February 2004, she led the construction of Yantai Resource Recycling Processing Demonstration Zone, and her most senior position was deputy secretary of Party member. In November 2010, she took a part-time job in planning of Yantai International Comprehensive Logistics Park, and her most senior position was deputy director of control management committee and Party member. She was also the part-time professor of Shandong Business Vocational College. She was awarded Shandong Soft Science Outstanding Achievement First Prize in September 2008, she was also the vice president of Yantai City Renewable Resources Association, director of China Non-ferrous Metals Industry Association Renewable Metal Branch.

Ms. Gong was qualified as a senior accountant in January 2002, and graduated from part-time postgraduate class in economic administration in June 2011.

Mr. Goh Kian Guan (吳健源), aged 40, is the Chief Investment Officer of the Group and General Manager of Investment & Development Department and he is also a Director of certain subsidiaries of the Group. He joined the Group since 1 January 2016. Before joining the Group, Mr. Goh was the Managing Director for investments at USUM Investment Group Limited ("USUM Group"). Prior to USUM Group, Mr. Goh was the head of international Merger & Acquisition at an investment firm in Shanghai. Before that, Mr. Goh served in Standard Chartered Corporate Advisory and BNP Paribas Investment Banking Energy & Commodities team. Prior to banking, Mr. Goh was with the strategic investment team for Singapore Telecom working on Merger & Acquisition. Mr. Goh has many years of experiences with both buy-side and sell-side, covering energy, commodities, transportation, telecom-media-technology (TMT) and high end manufacturing. Prior to that, Mr. Goh served 6 years as an engineer, working on various projects, including oil fields, refineries, petrochemical plants, pharmaceutical plants, power plants, oil rigs, real estates and advance equipment manufacturing, covering technical, commercial and financial management.

Mr. Goh graduated with a Master of Finance degree from the Royal Melbourne Institute of Technology of Australia, and a Bachelor of Engineering in Civil from the Nanyang Technological University of Singapore.

宮靜女士，46歲，本集團副總裁兼綠鑫誠清潔能源有限公司(本公司中國附屬公司之一)董事長。彼於二零一五年六月一日加入本集團。

宮女士於再生資源及環保領域研究和實踐長達十多年，積累了豐富的項目投資、企業管理、產業發展、政策協調、園區建設經驗。加入本集團前，彼曾於二零零四年二月起牽頭建設煙台資源再生加工示範區，最高職位是副局長黨組成員。二零一零年十一月同時兼職籌建煙台國際綜合物流園區，最高職位是管委會副主任黨組成員。期間曾是山東商務職業學院兼職教授。二零零八年九月榮獲山東軟科學優秀成果一等獎，曾兼任煙台市再生資源協會副會長、中國有色金屬工業協會再生金屬分會理事。

宮女士於二零零二年一月取得高級會計師，二零一一年六月在職研究生經濟管理專業畢業。

吳健源先生，40歲，本集團首席投資總監兼投資發展部總經理，亦為本集團若干附屬公司之董事。彼於二零一六年一月一日加入本集團。吳先生此前就職於渝商投資集團股份有限公司(「渝商集團」)，擔任投資管理部董事總經理。在加入渝商集團之前，吳先生就職於上海一家投資公司，任國際併購部負責人。在此之前，吳先生就職於渣打銀行和法國巴黎銀行投行部。吳先生在加入投行前任職於新加坡電信有限公司戰略投資部，從事投資和併購工作。吳先生在買方和賣方都擁有多年的經驗，涉及能源、大宗商品、運輸業、電信／媒體／科技和高端製造業。吳先生還擁有六年的工程師經歷，參與過多項工業項目，涉及油田、煉化廠、製藥廠、發電廠、海上鑽井平台、房地產、高端設備製造的技術、商務、財務管理。

吳先生擁有澳大利亞皇家墨爾本理工大學金融碩士學位和新加坡南洋理工大學工程學士學位。

Directors' Report

董事會報告

The Directors present the audited consolidated financial statements for the Group for the year ended 31 December 2015.

PRINCIPAL BUSINESSES

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 44 to the consolidated financial statements.

RESULTS

The results of the Company for the year ended 31 December 2015 are set out in the consolidated statement of profit or loss and other comprehensive income of the Group on page 90.

FINAL DIVIDENDS

The Board of Directors did not recommend the payment of final dividend for the year ended 31 December 2015.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2015 is set out in sections headed "Chairman's Statement", "Management Discussion and Analysis" from pages 5 to 8 and 9 to 26 respectively of this Annual Report which also form part of this Directors' Report.

董事提呈本集團截至二零一五年十二月三十一日止年度的經審核綜合財務報表。

主要業務

本公司為一間投資控股公司。其附屬公司的主要業務載於綜合財務報表附註44。

業績

本公司截至二零一五年十二月三十一日止年度業績載於第90頁的本集團綜合損益及其他全面收益表。

末期股息

董事會不建議派發截至二零一五年十二月三十一日止年度末期股息。

業務回顧

有關本集團截至二零一五年十二月三十一日止年度的業務回顧分別載於本年報(亦構成本董事會報告之一部分)第5至8頁及第9至26頁「主席報告」及「管理層討論及分析」內。

Directors' Report (continued)

董事會報告(續)

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENT OR CONTRACTS AND CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDER

Mr. Tu Jianhua, the Chairman and Executive Director of the Company, is indirectly interested in and has control over USUM Investment Group Hong Kong Limited ("USUMHK"). Details of Mr. Tu's interest is stated under Note 2 in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporation", i.e. page 57 of this report.

On 21 March 2015, the Company and USUMHK entered into the second subscription agreement (as amended and restated on 27 March 2015) (the "Second Subscription Agreement") pursuant to which Company conditionally agreed to issue and USUMHK conditionally agreed to subscribe for 253 million shares (the "Second Subscription Shares") in the aggregate amount of HK\$2,279.53 million at the initial price of HK\$9.01 per share, subject to adjustments.

The completion of the Second Subscription Agreement was conditional upon the completion of the first subscription agreement between the Company and USUMHK dated 21 March 2015 (the "First Subscription Agreement"), pursuant to which 203.9 million shares were allotted and issued to USUMHK on 30 April 2015 (the "First Subscription"). Immediately after the completion of the First Subscription, USUMHK held approximately 16.23% of the issued share capital of the Company and hence became a substantial shareholder and a connected person of the Company.

Accordingly, the Second Subscription Agreement constituted a connected transaction for the Company and was subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. On 15 May 2015, an extraordinary general meeting of the Company was convened and the Second Subscription Agreement was duly approved.

On 29 May 2015, the Second Subscription Agreement was completed and the Second Subscription Shares were allotted and issued to USUMHK. Immediately after the completion of the Second Subscription Agreement, USUMHK was interested in 456.9 million shares, representing approximately 30.27% of the enlarged share capital of the Company and became a controlling shareholder of the Company.

董事於交易、安排或合約及控股股東的重要合約之重大權益

涂建華先生(本公司主席及執行董事)於渝商投資集團(香港)有限公司(「渝商香港」)間接持有權益及對渝商香港的控制權。有關涂先生權益的詳情載列於「董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉」一節附註2(即本年報第57頁)。

於二零一五年三月二十一日,本公司與渝商香港訂立第二份認購協議(於二零一五年三月二十七日修訂及重列)(「第二份認購協議」),據此,本公司已有條件同意發行,而渝商香港已有條件同意以初始價認購價每股9.01港元認購253,000,000股股份(「第二批認購股份」),總金額為2,279,530,000港元,可作調整。

第二份認購協議須待本公司與渝商香港於二零一五年三月二十一日訂立之第一份認購協議(「第一份認購協議」)完成後,方可完成。根據第一份協議,203,900,000股股份已於二零一五年四月三十日配發及發行予渝商香港(「第一次認購事項」)。緊接第一次認購事項完成後,渝商香港持有本公司已發行股本約16.23%,因而成為本公司之主要股東及關連人士。

因此,第二份認購協議構成本公司之關連交易,須遵守上市規則第14A章項下有關申報、公告及獨立股東批准之規定。於二零一五年五月十五日,本公司召開股東特別大會,而第二份認購協議已獲正式通過。

於二零一五年五月二十九日,第二次認購協議已告完成,而第二批認購股份已配發及發行予渝商香港。緊接第二份認購協議完成後,渝商香港於456,900,000股股份中擁有權益,佔本公司經擴大股本約30.27%,並成為本公司控股股東。

Directors' Report (continued)

董事會報告(續)

DIRECTORS

The Directors who held office during the year and up to the Latest Practicable Date are:

Executive Directors

Mr. Tu Jianhua (*Chairman*)

(*Chief Executive Officer for the period from 16 February 2016 to 31 March 2016*)

(*appointed on 29 April 2015*)

Mr. Fang Ankong (*Vice Chairman*)

(*Chief Executive Officer for the period from 1 January 2015 to 15 February 2016*)

(*resigned on 16 February 2016*)

Mr. Stephanus Maria van Ooijen (*Vice President*)

(*resigned on 12 March 2015*)

Mr. Gu Liyong (*Vice President*)

(*resigned on 30 November 2015*)

Mr. Zhang Mingjie

(*appointed on 22 August 2015*)

Mr. Meng Yi

(*appointed on 22 August 2015 and resigned on 1 April 2016*)

Mr. Zhang Jun (*Chief Executive Officer*)

(*appointed on 1 April 2016*)

Non-Executive Director

Mr. Michael Charles Lion

(*resigned on 16 February 2015*)

Independent Non-Executive Directors

Dr. Loke Yu

Ms. Zhang Jingdong

Mr. Zhu Dajian

In accordance with the Articles of Association of the Company:

- (i) Mr. Zhu Dajian and Ms. Zhang Jingdong shall retire from office and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company; and
- (ii) Mr. Zhang Mingjie and Mr. Zhang Jun, who were appointed under Article 83(3) as an addition to the Board, shall hold office until the forthcoming annual general meeting of the Company and then being eligible, offer themselves for re-election as well.

董事

年內及截至最後可行日期董事包括：

執行董事

涂建華先生(主席)

(由二零一六年二月十六日至二零一六年三月三十一日期間為行政總裁)

(於二零一五年四月二十九日獲委任)

方安空先生(副主席)

(由二零一五年一月一日至二零一六年二月十五日日期間為行政總裁)

(於二零一六年二月十六日辭任)

Stephanus Maria van Ooijen先生(副總裁)

(於二零一五年三月十二日辭任)

顧李勇先生(副總裁)

(於二零一五年十一月三十日辭任)

張明杰先生

(於二零一五年八月二十二日獲委任)

孟怡先生

(於二零一五年八月二十二日獲委任及於二零一六年四月一日辭任)

張軍先生(行政總裁)

(於二零一六年四月一日獲委任)

非執行董事

Michael Charles Lion先生

(於二零一五年二月十六日辭任)

獨立非執行董事

陸海林博士

章敬東女士

諸大建先生

根據本公司組織章程細則：

- (i) 諸大建先生及章敬東女士均須告退，惟彼等均合資格並願意於本公司應屆股東週年大會上膺選連任；及
- (ii) 張明杰先生及張軍先生乃根據細則第83(3)條委任為董事會增添人選，彼等須擔任董事直至本公司應屆股東週年大會，並符合資格膺選連任。

Directors' Report (continued)

董事會報告(續)

DIRECTORS' SERVICE CONTRACTS

The Company entered into service contracts with Mr. Fang Ankong (resigned on 16 February 2016), Dr. Loke Yu and Ms. Zhang Jingdong on 24 June 2013 for a period of three years. On 17 December 2014, the Company entered into an appointment letter with Mr. Zhu Dajian for a term of 3 years commencing from 17 December 2014 to 16 December 2017. On 29 April 2015, the Company entered into a service contract with Mr. Tu Jianhua for a term of 3 years commencing from 29 April 2015 to 28 April 2018. On 22 August 2015, the Company entered into service contracts with Mr. Zhang Mingjie and Mr. Meng Yi (resigned on 1 April 2016) for a term of 3 years commencing from 22 August 2015 to 21 August 2018. The Company also entered into an appointment letter with Mr. Zhang Jun for his appointment as an Executive Director, which commenced from 1 April 2016. Mr. Zhang Jun is subject to retirement by rotation and re-election at the annual general meeting of the Company and in accordance with the Articles of Association of the Company and the Listing Rules. In the event that Mr. Zhang Jun ceases to be Chief Executive Officer, Mr. Zhang Jun shall immediately resign as Executive Director and the Company may immediately terminate his appointment as Executive Director by providing written notice. None of the Directors of the Company proposed for re-election at the forthcoming annual general meeting has any service contract with the Company and/or any of its subsidiaries which is not determinable within one year without payment of compensation other than statutory compensation.

PERMITTED INDEMNITY PROVISION

The Articles of Association of the Company provide that every Director shall be indemnified out of the assets and profits of the Company against liabilities (to the extent permitted by the Companies Ordinance (Cap 622)) incurred by him as such Director in the execution of his duties or otherwise in relation thereto, provided that such indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any such director.

The Company has taken out insurance against the liabilities and costs associated with defending any proceedings which may be brought against the Directors of the Company.

董事服務合約

於二零一三年六月二十四日，本公司與方安空先生(於二零一六年二月十六日辭任)、陸海林博士及章敬東女士訂立服務合約，為期三年。於二零一四年十二月十七日，本公司與諸大建先生訂立一份委任函，委任期自二零一四年十二月十七日起至二零一七年十二月十六日止，為期三年。於二零一五年四月二十九日，本公司與涂建華先生訂立一份服務合約，委任期自二零一五年四月二十九日起至二零一八年四月二十八日止，為期三年。於二零一五年八月二十二日，本公司分別與張明杰先生及孟怡先生(於二零一六年四月一日辭任)訂立服務合約，委任期自二零一五年八月二十二日起至二零一八年八月二十一日止，為期三年。本公司亦與張軍先生就其獲委任為執行董事訂立委任函。該委任函自二零一六年四月一日起生效。根據本公司組織章程細則及上市規則，張軍先生須在本公司股東週年大會上輪值退任及重選。倘張軍先生不再擔任行政總裁，張軍先生應即時辭任執行董事，而本公司可即時發出書面通知終止其執行董事任期。擬於應屆股東週年大會上膺選連任的本公司董事概無與本公司及/或其任何附屬公司訂有不可於一年內不付補償(法定補償除外)而終止的任何服務合約。

獲准許的彌償條文

本公司組織章程細則規定，每位董事有權就因執行其董事職務或相關的其他事宜而可能發生與此相關之一切的債務(按公司條例(第622章)容許的最大程度)，將獲本公司從其資產及利潤中賠償，惟本彌償保證不延伸至任何與該董事欺詐或不忠誠有關之事宜。

本公司就可能對本公司董事提起的任何法律訴訟相關的負債及成本投保。

Directors' Report (continued)

董事會報告(續)

DIRECTORS OF SUBSIDIARIES

The name of persons who have served on the board of the subsidiaries of the Group during the year and up to the Latest Practicable Date are:

Tu Jianhua
Zhu Patrick Xiangdong
Goh Kian Guan
Gan Jun
Kwok Chun Sing
Zhu Shihong
Kwok Suk Ling
Dohi Toshihiro

附屬公司的董事

於本年度及直至最後可行日期，於本集團附屬公司董事會擔任董事的人士如下：

涂建華
朱向東
吳健源
甘軍
郭晉昇
朱詩虹
郭淑玲
Dohi Toshihiro

EQUITY-LINKED AGREEMENTS

Save as disclosed in "1. Connected transaction in relation to the agreements with certain bondholders to extend the maturity date of the convertible bonds" under the section headed "Connected Transactions And Continuing Connected Transactions" on page 40, the section headed "Share Option Scheme" on pages 48 to 55 and note 29 to the consolidated financial statements of the Group in this Annual Report, no equity-linked agreements were entered into during the year or which subsisted at the end of the year.

股權掛鈎協議

除本年報第40頁「關連交易及持續關連交易」一節內的「1. 有關與若干債券持有人之可換股債券到期日延期之關連交易」、第48至55頁「購股權計劃」一節以及本集團綜合財務報表附註29披露者外，於本年度概無訂立股權掛鈎協議或於年底仍然生效。

DIRECTOR'S RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section headed "Share Option Scheme" on pages 48 to 55 of this Annual Report, during the year, none of the Company, its parent company, or any of its subsidiaries or fellow subsidiaries was a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

董事購買股份或債券之權利

除本年報第48至55頁「購股權計劃」一節所披露者外，於本年度，概無本公司、其母公司或其任何附屬公司或同系附屬公司訂立任何安排，致使董事可藉購入本公司或任何其他法人團體之股份或債券而獲益。

PROPERTY, PLANT AND EQUIPMENT

Details of the movement in property, plant and equipment during the year are set out in note 17 to the consolidated financial statements of the Group.

物業、廠房及設備

有關本集團物業、廠房及設備的變動詳情載於本集團綜合財務報表附註17。

BORROWINGS

Details of the borrowings are set out in note 28 to the consolidated financial statements of the Group.

借款

有關本集團借款的詳情載於本集團綜合財務報表附註28。

SHARE CAPITAL

Details of the movements during the year in the share capital of the Company are set out in note 30 to the consolidated financial statements of the Group.

股本

年內本公司股本變動詳情載於本集團綜合財務報表附註30。

Directors' Report (continued)

董事會報告(續)

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

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

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands, being the jurisdiction in which the Company is incorporated under, which would oblige the Company to offer new Shares on a pro-rata basis to its existing shareholders.

FUNDS RAISED BY SUBSCRIPTIONS OF THE COMPANY'S NEW SHARES AND USE OF PROCEEDS

Following the completion of the Subscriptions on 30 April 2015 and 29 May 2015, the total Proceeds from such Subscriptions amounted to approximately HK\$4.1 billion after the deduction of all relevant expenses.

During the year ended 31 December 2015, the Proceeds were utilised as follows:

Expansion of production capacity	增加產能
Purchase raw materials	購買原材料

The remaining Proceeds from the Subscriptions amounted to approximately HK\$3,055.7 million as at 31 December 2015. As disclosed in the announcement of the Company dated 11 March 2016, the Board has resolved to allocate approximately RMB1,350 million (equivalent to approximately HK\$1,614.7 million) out of the unutilised Proceeds for investment in the financial industry, as well as for working capital and funding for other general corporate purposes, the remaining unutilised Proceeds (i.e. approximately HK\$1,439.0 million) is expected to be used as originally intended. Approximately HK\$1,589.2 million of Proceeds was used for investment in listed securities and wealth management products as at the Latest Practicable Date.

購買、出售或贖回本公司上市證券

截至二零一五年十二月三十一日止財政年度內，本公司或其任何附屬公司均無購買、出售或贖回任何本公司上市證券。

優先購買權

本公司組織章程細則或開曼群島(即本公司註冊成立所在司法權區)法律並無有關優先購買權的任何條文，規限本公司須向其現有股東按持股比例發售新股。

認購本公司新股份籌集的資金及所得款項

於認購於二零一五年四月三十日及二零一五年五月二十九日完成，該股份認購所得款項總額於扣除所有相關開支後約為4,100,000,000港元。

於截至二零一五年十二月三十一日止年度，所得款項已用於以下用途：

HK\$ million
百萬港元

於二零一五年十二月三十一日，來自認購的餘下所得款項約為3,055,700,000港元。誠如本公司日期為二零一六年三月十一日的公告所披露，董事會決議調配未使用所得款項中約人民幣1,350,000,000元(約等於1,614,700,000港元)將用作金融行業，以及營運資金及應付其他一般企業用途，未使用所得款項餘額(即約1,439,000,000港元)預期用作原來的用途。於最後可行日期，約1,589,200,000港元的所得款項已用作投資於上市證券及財富管理產品。

Directors' Report (continued)

董事會報告(續)

RESERVES

Details of the movement in the reserves of the Group during the year are set out in the consolidated statement of changes in equity. As at 31 December 2015, the distributable reserves of the Company amounted to approximately HK\$5,431,189.

DONATIONS

The donations made by the Group during the year amounted to approximately HK\$1,562,235 (2014: HK\$100,000).

MAJOR CUSTOMERS AND SUPPLIERS

In 2015, the Group's largest supplier accounted for 10.85% (2014: 11.82%) of the total purchases. The five largest suppliers comprised 38.41% (2014: 33.36%) of the total purchases.

Aggregate sales attributable to the Group's five largest customers were less than 30% of total revenue in 2015 and 2014.

None of the Directors of the Company or any of their respective associates or any shareholder of the Company (which, to the knowledge of the Directors, owns more than 5% of the Company's share capital) had any beneficial interest in the Group's other five largest suppliers or five largest customers during the year.

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business were entered into or subsisted during the year.

儲備

年內本集團儲備變動詳情載於綜合權益變動表。於二零一五年十二月三十一日，本公司的可分派儲備約為5,431,189港元。

捐贈

本集團於年內捐贈約1,562,235港元(二零一四年：100,000港元)。

主要客戶及供應商

於二零一五年，本集團的最大供應商佔總採購額10.85%(二零一四年：11.82%)。五大供應商佔總採購額38.41%(二零一四年：33.36%)。

於二零一五年及二零一四年，本集團的五大客戶銷售總額佔總收益少於30%。

本公司董事或彼等各自之任何聯繫人或本公司任何股東(就董事所知擁有本公司超過5%股本)年內概無於本集團其他五大供應商或五大客戶擁有任何實益權益。

管理合約

除僱用合約外，年內概無訂立或存續有關本公司業務整體或任何重要部分的管理及行政合約。

Directors' Report (continued)

董事會報告(續)

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Certain related party transactions as disclosed in note 37 to the consolidated financial statements also constitute connected transactions or continuing connected transactions of the Company and are required to be disclosed in accordance with Chapter 14A of the Listing Rules and are set out in this section. The Company has complied with all the applicable requirements in accordance with Chapter 14A of the Listing Rules in respect of the following transactions:

1. Connected transactions in relation to the agreements with certain bondholders to extend the maturity date of the convertible bonds

On 1 March 2012, the Company issued to Delco, HWH and Sims Metal Management Dragon Holdings Limited ("Sims") three-year 4% coupon convertible bonds (the "Convertible Bonds") in the aggregate principle amount of HK\$815,800,000. The Convertible Bonds were to mature on the third anniversary of the date of issues (i.e. 1 March 2015), subject to extension. On 3 and 4 March 2015, the Company agreed with the holders of the Convertible Bonds to extend the maturity date of the Convertible Bonds to 1 March 2017 (the "Extensions"), subject to certain undertakings given by the Company. Subsequently, the undertaking given to Delco was amended and supplemented by a supplemental undertaking on 18 March 2015.

As of 5 March 2015, Delco and HWH were holders of 30.37% and 10.97% of the issued share capital of the Company respectively, and hence substantial shareholders and connected persons of the Company. Accordingly, the extension of maturity date of those Convertible Bonds held by Delco and the extension of maturity date of those Convertible Bonds Held by HWH constituted connected transactions for the Company and were subject to the reporting, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. On 27 April 2015, an extraordinary general meeting of the Company was convened and the Extensions were duly approved.

關連交易及持續關連交易

於綜合財務報表附註37披露的若干關連方交易亦構成本公司的關連交易或持續關連交易，須按照上市規則第14A章的規定予以披露並載於本節。本公司已就以下交易遵守上市規則第14A章的所有適用規定：

1. 有關與若干債券持有人之可換股債券到期日延期之關連交易

於二零一二年三月一日，本公司向Delco、HWH及Sims Metal Management Dragon Holdings Limited(「Sims」)發行本金總額815,800,000港元之三年4%票息之可換股債券(「可換股債券」)。可換股債券於發行日期第三個週年(即二零一五年三月一日)到期，並可予延期。於二零一五年三月三日及四日，本公司與可換股債券持有人協定將可換股債券延期至二零一七年三月一日(「延期」)，惟須遵守本公司作出的若干承諾。期後，本公司對Delco作出的承諾於二零一五年三月十八日被補充承諾修改及修訂。

於二零一五年三月五日，Delco及HWH為分別持有本公司已發行股本之30.37%及10.97%，故成為本公司之主要股東及關連人士。因此，Delco所持有的可換股債券的延期及HWH所持有的可換股債券的延期構成本公司之關連交易，須遵守上市規則第14A章項下有關申報、公告及獨立股東批准之規定。於二零一五年四月二十七日，本公司召開特別股東大會，而延期已獲正式通過。

Directors' Report (continued)

董事會報告(續)

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (continued)

2. Connected transactions in relation to the second subscription agreement with USUMHK

On 21 March 2015, the Company and USUMHK entered into the Second Subscription Agreement, pursuant to which Company conditionally agreed to issue and USUMHK conditionally agreed to subscribe for 253 million shares (the "Second Subscription Shares") in the aggregate amount of HK\$2,279.53 million at the initial price of HK\$9.01 per share, subject to adjustments.

The completion of the Second Subscription Agreement was conditional upon the completion of the First Subscription Agreement between the Company and USUMHK dated 21 March 2015, pursuant to which 203.9 million shares were allotted and issued to USUMHK on 30 April 2015 (the "First Subscription"). Immediately after the completion of the First Subscription, USUMHK held approximately 16.23% of the issued share capital of the Company and hence became a substantial shareholder and a connected person of the Company.

Accordingly, the Second Subscription Agreement constituted a connected transaction for the Company and was subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. On 15 May 2015, an extraordinary general meeting of the Company was convened and the Second Subscription Agreement was duly approved.

On 29 May 2015, the Second Subscription Agreement was completed and the Second Subscription Shares were allotted and issued to USUMHK. Immediately after the completion of the Second Subscription Agreement, USUMHK was interested in 456.9 million shares, representing approximately 30.27% of the enlarged share capital of the Company.

關連交易及持續關連交易(續)

2. 有關與渝商香港訂立第二份認購協議之關連交易

於二零一五年三月二十一日，本公司與渝商香港訂立第二份認購協議，據此，本公司已有條件同意發行，而渝商香港則已有條件同意以初始認購價每股9.01港元認購253,000,000股股份(「第二批認購股份」)，總金額為2,279,530,000港元(可予調整)。

第二份認購協議須待本公司與渝商香港於二零一五年三月二十一日訂立之第一份認購協議完成後，方可完成。根據第一份協議，203,900,000股股份已於二零一五年四月三十日配發及發行予渝商香港(「第一次認購事項」)。緊隨第一次認購事項完成後，渝商香港持有本公司約16.23%之已發行股本，因而成為本公司之主要股東及關連人士。

因此，第二份認購協議構成本公司之關連交易，須遵守上市規則第14A章項下有關申報、公告及獨立股東批准之規定。於二零一五年五月十五日，本公司召開股東特別大會，而第二份認購協議已獲正式通過。

於二零一五年五月二十九日，第二次認購協議已告完成，而第二批認購股份已配發及發行予渝商香港。緊隨第二份認購協議完成後，渝商香港持有456,900,000股股份中之權益，佔本公司經擴大股本約30.27%。

Directors' Report (continued)

董事會報告(續)

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (continued)

3. Connected transactions in relation to the convertible bonds purchase agreement between USUMHK and Sims (the "CB Purchase Agreement")

On 9 April 2015, USUMHK and Sims entered in the CB Purchase Agreement pursuant to which Sims conditionally agreed to sell, and USUMHK conditionally agreed to purchase, all of the Convertible Bonds owned by Sims (the "Sims Bonds") for a sum equivalent to the total of (i) the principal amount of the Sims Bonds of HK\$315.6 million and (ii) the amount of interest which has accrued and remained unpaid upon the Sims Bonds on and from 2 March 2015 up to and including the date of the completion of the CB Purchase Agreement.

The CB Purchase Agreement was conditional upon, among other things, (i) completion of the First Subscription Agreement and the Second Subscription Agreement; (ii) the extension of maturity date of the Sims Bonds (the "Sims CB Extension") having been approved by the Shareholders at a general meeting of the Company by way of poll; and (iii) the CB Purchase Agreement having been approved by the independent Shareholders (i.e. Shareholders other than USUMHK and its associates) at a general meeting of the Company.

As set out in paragraph (2) above, the First Subscription Agreement and the Second Subscription Agreement were completed on 30 April 2015 and 29 May 2015 respectively. In addition, an extraordinary general meeting of the Company was convened on 27 April 2015, during which the Sims CB Extension and CB Purchase Agreement were duly approved. Accordingly, the CB Purchase Agreement was subsequently completed on 3 June 2015.

For the reasons set out in paragraph (2) above, USUMHK is a connected person of the Company. Therefore, the CB Purchase Agreement constituted a connected transaction of the Company and was subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

關連交易及持續關連交易(續)

3. 有關渝商香港及 Sims 訂立之可換股債券購買協議(「可換股債券購買協議」)之關連交易

於二零一五年四月九日，渝商香港與 Sims 訂立可換股債券購買協議，據此，Sims 已有條件同意出售，而渝商香港則已有條件同意購買 Sims 所擁有的全部可換股債券(「Sims 債券」)，金額相當於(i) Sims 債券本金額 315,600,000 港元及(ii) 於二零一五年三月二日及自二零一五年三月二日起直至可換股債券購買協議完成日期(包括該日)止 Sims 債券應計但仍未支付的利息的總和。

可換股債券購買協議須待(其中包括)(i) 第一份認購協議及第二份認購協議完成；(ii) 股東於股東大會上以投票表決方式批准 Sims 債券延期(「Sims 債券延期」)；及(iii) 獨立股東(即除渝商香港及其聯繫人以外的股東)於股東大會上批准可換股債券購買協議後，方可作實。

誠如上文第(2)段所載，第一份認購協議及第二份認購協議已分別於二零一五年四月三十日及二零一五年五月二十九日完成。此外，本公司已於二零一五年四月二十七日召開股東特別大會，會上正式批准 Sims 債券延期及可換股債券購買協議。因此，可換股債券購買協議其後於二零一五年六月三日完成。

由於上文第(2)段載列之理由，渝商香港為本公司之關連人士。因此，可換股債券購買協議構成本公司之關連交易，須遵守上市規則第 14A 章項下有關申報、公告及獨立股東批准之規定。

Directors' Report (continued)

董事會報告(續)

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (continued)

4. Continuing connected transactions in relation to the new master purchase agreement with Sims Metal Management Asia Limited ("Sims Asia")

In order to renew the then existing arrangements under the old master purchase agreement dated 16 February 2012 between the Company and Sims Asia, on 28 March 2012, the Company entered into the new master purchase agreement (the "New Master Purchase Agreement") with Sims Asia pursuant to which the relevant member(s) of Sims Asia, its subsidiaries and associates (the "Sims Asia Group") may purchase from the relevant member(s) of the Group certain products including copper scrap at prevailing market prices for the term of three years from 1 June 2012 to 31 May 2015. The aggregate values of the transactions between the Group and the Sims Asia Group under the New Master Purchase Agreement in the relevant periods during the term were capped at the following annual caps:

Relevant periods during the term

於期限內相關期間

1 June 2012 – 31 December 2012
二零一二年六月一日至二零一二年十二月三十一日
1 January 2013 – 31 December 2013
二零一三年一月一日至二零一三年十二月三十一日
1 January 2014 – 31 December 2014
二零一四年一月一日至二零一四年十二月三十一日
1 January 2015 – 31 May 2015
二零一五年一月一日至二零一五年五月三十一日

關連交易及持續關連交易(續)

4. 有關與Sims Metal Management Asia Limited(「Sims Asia」)的新主採購協議之持續關連交易

為延續本公司與Sims Asia於二零一二年二月十六日訂立之原主採購協議下當時之安排，於二零一二年三月二十八日，本公司與Sims Asia訂立新主採購協議(「新主採購協議」)，據此，Sims Asia、其附屬公司及聯繫人(「Sims Asia集團」)相關成員公司可於二零一二年六月一日至二零一五年五月三十一日止三個年度之期限內按現行市價向本集團相關成員公司採購包括廢銅在內之若干產品。本集團與Sims Asia集團於期限內相關期間根據新主採購協議進行交易之總值以下列年度上限為上限：

Annual caps

年度上限

US\$37 million (approximately HK\$288.6 million)
37,000,000 美元(約 288,600,000 港元)
US\$74 million (approximately HK\$577.2 million)
74,000,000 美元(約 577,200,000 港元)
US\$81 million (approximately HK\$628.1 million)
81,000,000 美元(約 628,100,000 港元)
US\$45 million (approximately HK\$348.9 million)
45,000,000 美元(約 348,900,000 港元)

Directors' Report (continued)

董事會報告(續)

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (continued)

4. Continuing connected transactions in relation to the new master purchase agreement with Sims Metal Management Asia Limited ("Sims Asia") (continued)

Sims Asia is the intermediate holding company of Sims which held approximately 15.88% of the issued share capital of the Company when the New Master Purchase Agreement was entered into. Therefore, Sims Asia was a substantial shareholder and hence a connected person of the Company. The transactions contemplated under the New Master Purchase Agreement therefore constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of the annual caps were more than 5%, the transactions contemplated under the New Master Purchase Agreement constituted non-exempt continuing connected transactions for the Company under Rule 14A.31 of the Listing Rules and the New Master Purchase Agreement was therefore subject to the reporting, announcement, annual review and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

On 5 March 2015, Sims disposed of its entire shareholding in the Company and has become an independent third party of the Company. Therefore, Sims Asia ceased to be a connected person to the Company and the transactions contemplated under the New Master Purchase Agreement no longer constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As disclosed in note 37 to the consolidated financial statements, no transaction was carried out between the parties under the New Master Purchase Agreement during the period from 1 January 2015 up to 5 March 2015 (2014: nil).

關連交易及持續關連交易(續)

4. 有關與Sims Metal Management Asia Limited(「Sims Asia」)的新主採購協議之持續關連交易(續)

Sims Asia為Sims之中介控股公司，而Sims於新主採購協議簽訂時持有本公司已發行股本之約15.88%。因此，Sims Asia於當時為主要股東，故成為本公司之關連人士。根據上市規則第14A章，新主採購協議項下擬進行之交易因此構成本公司之持續關連交易。由於有關年度上限之適用百分比率超過5%，根據上市規則第14A.31條，新主採購協議項下擬進行之交易構成本公司之不獲豁免持續關連交易。因此，新主採購協議須遵守上市規則第14A章項下有關申報、公告、年度審閱及獨立股東批准之規定。

於二零一五年三月五日，Sims出售其於本公司擁有的全部股權並成為本集團之獨立第三方。因此，Sims Asia不再為本公司之關連人士。根據上市規則第14A章，新主採購協議項下擬進行之交易不再構成本公司之持續關連交易。

如綜合財務報表附註37中所披露，雙方於二零一五年一月一日至二零一五年三月五日期間並未就新主採購協議進行任何交易(二零一四年：無)。

Directors' Report (continued)

董事會報告(續)

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (continued)

5. Continuing connected transactions in relation to the new master supply agreement for the purchase of scrap metals from Sims Asia

In order to renew the then existing arrangements under the old master supply agreement dated 16 January 2012 entered into between the Company and Sims Asia, on 15 November 2012, the Company entered into the new master supply agreement (the "New Master Supply Agreement") with Sims Asia pursuant to which the relevant member(s) of the Group may purchase from the relevant member(s) of the Sims Asia Group certain products including scrap metals at prevailing market prices for the term of three years from 1 January 2013 to 31 December 2015. The aggregate values of the transactions between the Group and the Sims Asia Group under the New Master Supply Agreement in the relevant periods during the term were capped at the following annual caps:

Relevant periods during the term

於期限內相關期間

Annual caps

年度上限

1 January 2013 – 31 December 2013 二零一三年一月一日至二零一三年十二月三十一日	US\$200 million (approximately HK\$1,560 million) 200,000,000 美元 (約 1,560,000,000 港元)
1 January 2014 – 31 December 2014 二零一四年一月一日至二零一四年十二月三十一日	US\$350 million (approximately HK\$2,714 million) 350,000,000 美元 (約 2,714,000,000 港元)
1 January 2015 – 31 December 2015 二零一五年一月一日至二零一五年十二月三十一日	US\$500 million (approximately HK\$3,876 million) 500,000,000 美元 (約 3,876,000,000 港元)

For the reasons set out in paragraph (4) above, Sims Asia was a connected person of the Company and the transactions contemplated under the New Master Supply Agreement therefore constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of the annual caps were more than 5%, the transactions contemplated under the New Master Supply Agreement constituted non-exempt continuing connected transactions for the Company under Rule 14A.31 of the Listing Rules. The New Master Supply Agreement was therefore subject to the reporting, announcement, annual review and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Subsequently, for the reasons set out in paragraph (4) above, on 5 March 2015, Sims Asia ceased to be a connected person to the Company and the transactions contemplated under the New Master Supply Agreement no longer constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

關連交易及持續關連交易(續)

5. 有關自Sims Asia採購廢金屬的新主供應協議之持續關連交易

為延續本公司與Sims Asia於二零一二年一月十六日訂立之原主供應協議下當時之已有安排，於二零一二年十一月十五日，本公司與Sims Asia訂立新主供應協議(「新主供應協議」)，據此，本集團相關成員公司可於二零一三年一月一日至二零一五年十二月三十一日止三個年度之期限內按現行市價自Sims Asia集團相關成員公司採購包括廢金屬在內之若干產品。本集團與Sims Asia集團於期限內相關期間根據新主供應協議進行交易之總值以下列年度上限為上限：

由於上文第(4)段載列之理由，Sims Asia曾經為本公司之關連人士，根據上市規則第14A章，新主供應協議項下擬進行之交易因此構成本公司之持續關連交易。由於有關年度上限之適用百分比率超過5%，新主供應協議項下擬進行之交易構成本公司於上市規則第14A.31項下之不獲豁免持續關連交易。因此，新主供應協議須遵守上市規則第14A章項下有關申報、公告、年度審閱及獨立股東批准之規定。其後，由於上文第(4)段載列之理由，於二零一五年三月五日，Sims Asia不再為本公司之關連人士。根據上市規則第14A章，新主供應協議項下擬進行之交易不再構成本公司之持續關連交易。

Directors' Report (continued)

董事會報告(續)

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (continued)

5. Continuing connected transactions in relation to the new master supply agreement for the purchase of scrap metals from Sims Asia (continued)

As disclosed in note 37 to the consolidated financial statements, scrap metals in the amount of HK\$56.8 million (2014: HK\$524.7 million) was purchased from Sims Asia by the Group under the New Master Supply Agreement during the period from 1 January 2015 up to 5 March 2015.

Review by Independent Non-Executive Directors and the auditor of the Company

The continuing connected transactions mentioned above not being exempted under Rule 14A.73 of the Listing Rules have been reviewed by the Independent Non-Executive Directors of the Company who have confirmed that the transactions have been entered into:

1. in the ordinary and usual course of business of the Group;
2. either on normal commercial terms or better; and
3. according to the agreements governing the transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The auditor of the Company was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants and has issued his unqualified letter containing his findings and conclusions in respect of the abovementioned continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

關連交易及持續關連交易(續)

5. 有關自Sims Asia採購廢金屬的新主供應協議之持續關連交易(續)

如綜合財務報表附註37中所披露，本集團於二零一五年一月一日至二零一五年三月五日期間就新主供應協議一共向Sims Asia購買56,800,000港元(二零一四年：524,700,000港元)之廢金屬。

本公司獨立非執行董事及核數師之審閱

本公司獨立非執行董事經審閱上文所述於上市規則第14A.73條項下之不獲豁免持續關連交易後確認該等交易：

1. 乃於本集團一般及日常業務過程中訂立；
2. 按一般或更優商業條款訂立；及
3. 根據規管該等交易且條款屬公平合理並符合股東整體利益之協議訂立。

本公司核數師獲委託遵照香港會計師公會頒佈的香港核證委聘準則第3000號(經修訂)「審核或審閱過往財務資料以外的核證委聘工作」，並參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」，就本集團的持續關連交易作出報告，並已根據上市規則第14A.56條發出無保留意見函件，當中載有其有關上述持續關連交易的結果及結論。本公司已將核數師函件副本呈交聯交所。

Directors' Report (continued)

董事會報告(續)

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year ended 31 December 2015, none of the Directors (except Mr. Tu Jianhua, details as set out below) has interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules:

董事於競爭業務中的權益

於截至二零一五年十二月三十一日止年度，根據上市規則，概無董事(涂建華先生除外，詳情載列如下)於與本集團業務直接或間接構成競爭或可能構成競爭的業務中擁有權益：

Name of Director 董事姓名	Name of entity which businesses are considered to compete or likely to compete with the business of the Group 被視為與本集團業務構成競爭或可能構成競爭的業務實體名稱	Description of businesses of the entity which are considered to compete or likely to compete with the Group 被視為與本集團業務構成競爭或可能構成競爭的實體從事的業務	Nature of interest of the Director in the entity 董事於實體的權益性質
Mr. Tu Jianhua 涂建華先生	Chongqing USUM Recycling Resources Development Co., Ltd. 重慶渝商再生資源開發有限公司	According to the business scope as registered with the State Administration For Industry & Commerce of the PRC, this entity may engage in, inter alia, recycling, processing, marketing and sale of recycling resources, scrap metal related businesses. 根據於中國國家工商行政管理局登記的經營範圍，此實體可能從事(其中包括)再生資源、廢舊金屬回收、加工、銷售之相關業務。	Substantial Shareholder 主要股東

Although the scope of business of the above entity allows it to engage in businesses that are considered likely to compete with the Group, Mr. Tu Jianhua reported to the Board that the above entity is currently only engaged in the disintegration of automobile and trading of steel scrap, which are not same as nor compete with the businesses of the Group. Further, the above entity has no intention to engage in businesses that compete with or are likely to compete with the Group's businesses.

The Board of the Company and the above entity are independent of each other. Therefore, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of the above entity in which Mr. Tu Jianhua has declared interests.

儘管上述實體的業務範圍容許其從事被視為可能與本集團構成競爭的業務，涂建華先生向董事會報告，上述實體現時僅從事汽車解體及廢鋼貿易業務，與本集團的業務不同，亦不構成競爭。再者，上述實體無意從事與本集團業務構成競爭或可能構成競爭的業務。

本公司董事會與上述實體互相獨立於對方。因此，本集團有能力獨立於涂建華先生已宣佈於其中擁有利益之上述實體之業務公正地經營其業務。

Directors' Report (continued)

董事會報告(續)

SHARE OPTION SCHEME

The Company adopted a post-IPO share option scheme on 23 June 2010 (the "Post-IPO Share Option Scheme").

The Post-IPO Share Option Scheme was approved by written resolutions of the shareholders of the Company and is valid and effective for a period of 10 years commencing on 23 June 2010. It is a share incentive scheme established to recognize and acknowledge the contributions that the eligible participants have or may have made to the Group. Pursuant to the Post-IPO Share Option Scheme, the Board may, at its discretion, offer to grant an option to any Director, employee, advisor, consultant, distributor, contractor, supplier, customer, agent, business partner, joint venture business partner, promoter, service provider of any member of the Group.

When the Post-IPO Share Option Scheme was adopted on 23 June 2010 and as approved by the Listing Committee of the Stock Exchange, the original scheme mandate limit in respect of which share options could be granted under the Post-IPO Share Option Scheme was 100,000,000 Shares.

Pursuant to the extraordinary general meeting of the Company held on 23 May 2013 and the approval granted by the Listing Committee of the Stock Exchange, the scheme mandate limit in respect of which share options may be granted under the Post-IPO Share Option Scheme had been refreshed such that the maximum number of Shares which may be issued upon exercise of all share options to be granted under the Post-IPO Share Option Scheme shall not exceed 104,449,920 Shares. No share option has been granted under the Post-IPO Share Option Scheme since the refreshment of the scheme mandate limit on 23 May 2013.

購股權計劃

本公司於二零一零年六月二十三日採納首次公開發售後購股權計劃(「首次公開發售後購股權計劃」)。

首次公開發售後購股權計劃經本公司股東書面決議案批准，有效期為二零一零年六月二十三日起計10年。該購股權計劃是一項股份獎勵計劃，旨在肯定及認可合資格參與人士曾經或可能對本集團作出的貢獻。根據首次公開發售後購股權計劃，董事會可酌情向本集團任何成員公司的任何董事、僱員、顧問、專家顧問、批發商、承包商、供應商、客戶、代理、業務夥伴、合營企業合作夥伴、創辦人、服務供應商授出購股權。

首次公開發售後購股權計劃於二零一零年六月二十三日獲採納，並經聯交所上市委員會批准，原有的計劃授權限額(可根據首次公開發售後購股權計劃授出的購股權)為100,000,000股股份。

根據本公司於二零一三年五月二十三日舉行的股東特別大會及聯交所上市委員會授出的批准，首次公開發售後購股權計劃下可授出購股權的計劃授權限額已更新，因此於行使首次公開發售後購股權計劃下授出的所有購股權時可予發行的最高股份數目不得超過104,449,920股。於二零一三年五月二十三日計劃授權限額更新後，概無根據首次公開發售後購股權計劃授出購股權。

Directors' Report (continued)

董事會報告(續)

SHARE OPTION SCHEME (continued)

During the period from the date of listing of the Company on 12 July 2010 to 31 December 2015, the total number of the share options exercised, lapsed and cancelled under the Post-IPO Share Option Scheme is 83,127,000 Shares.

As of 31 December 2015, the total number of securities available for issue under the Post-IPO Share Option Scheme remains the refreshed scheme mandate limit, being 104,449,920 Shares, representing:

- (i) 6.575% of the total number of Shares of the Company as at 31 December 2015; and
- (ii) 6.45% of the total number of Shares of the Company as at the Latest Practicable Date.

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Post-IPO Share Option Scheme to eligible participants in any 12 months period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the approval of shareholders in a general meeting.

The subscription price of a Share in respect of any particular option granted under the Post-IPO Share Option Scheme shall not be less than the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant; or (iii) the nominal value of a Share.

購股權計劃(續)

由本公司於二零一零年七月十二日上市至二零一五年十二月三十一日的期間內，於首次公開發售後購股權計劃下已行使、失效及註銷的購股權總數為83,127,000股股份。

截至二零一五年十二月三十一日，可根據首次公開發售後購股權計劃發行的證券總數仍然為經更新的計劃授權限額，即104,449,920股股份，相等於：

- (i) 於二零一五年十二月三十一日本公司股份總數6.575%；及
- (ii) 截至最後可行日期本公司股份總數6.45%。

截至授出日期止十二個月內因行使有關合資格參與人士根據首次公開發售後購股權計劃所獲授購股權而發行及可發行的股份總數不得超過授出日期已發行股份的1%。額外授出超過該1%上限的購股權須經股東於股東大會批准。

根據首次公開發售後購股權計劃所授出的任何個別購股權的相關股份認購價，不得少於下列三者之最高者：(i)在授出日期股份於聯交所每日報價表所報收市價；(ii)股份在緊接授出日期前五個交易日於聯交所每日報價表所報收市價的平均價；或(iii)股份面值。

Directors' Report (continued)

董事會報告(續)

SHARE OPTION SCHEME (continued)

As at 31 December 2015, details of the share options granted under the Post-IPO Share Option Scheme were as follows:

購股權計劃(續)

於二零一五年十二月三十一日，根據首次公開發售後購股權計劃所授出的購股權詳情如下：

Grantees 承授人	Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註1)	Exercise price per share (HK\$) 每股行使價 (港元)	Exercisable period (dd/mm/yyyy) 行使期 (日/月/年)	Number of shares subject to outstanding options as at 1 January 2015 於二零一五年 一月一日尚未 行使之購股權涉 及之股份數	Number of options granted during the year 年內授出 購股權數目	Number of options exercised during the year 年內行使 購股權數目	Number of options lapsed during the year 年內失效 購股權數目	Number of shares subject to outstanding options as at 31 December 2015 於二零一五年 十二月三十一日 尚未行使之 購股權涉及之 股份數目	Approximate percentage of shareholding in the Company (Note 2) 佔本公司 之股權 概約百分比 (附註2)
				(i) Directors 董事					
Mr. Fang Ankong (Resigned on 16 February 2016) 方安空先生 (於二零一六年 二月十六日辭職)	03/05/2011 二零一一年 五月三日 (Note 5) (附註5)	6.388	04/05/2014 – 03/05/2015 二零一四年五月四日至 二零一五年五月三日 (Note 3) (附註3)	6,600,000	0	0	6,600,000	0	-
Mr. Stephanus Maria van Ooijen (Resigned on 12 March 2015) Stephanus Maria van Ooijen 先生 (於二零一五年 三月十二日辭職)	03/05/2011 二零一一年 五月三日 (Note 5) (附註5)	6.388	04/05/2014 – 03/05/2015 二零一四年五月四日至 二零一五年五月三日 (Note 3) (附註3)	400,000	0	0	400,000	0	-
Mr. Gu Liyong (Resigned on 30 November 2015) 顧李勇先生 (於二零一五年 十一月三十日辭職)	03/05/2011 二零一一年 五月三日 (Note 5) (附註5)	6.388	04/05/2014 – 03/05/2015 二零一四年五月四日至 二零一五年五月三日 (Note 3) (附註3)	350,000	0	0	350,000	0	-

Directors' Report (continued)

董事會報告(續)

SHARE OPTION SCHEME (continued)

購股權計劃(續)

Grantees 承授人	Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註1)	Exercise price per share (HK\$) 每股行使價 (港元)	Exercisable period (dd/mm/yyyy) 行使期 (日/月/年)	Number of shares subject to outstanding options as at 1 January 2015 於二零一五年 一月一日尚未 行使之購股權涉 及之股份數	Number of options granted during the year 年內授出 購股權數目	Number of options exercised during the year 年內行使 購股權數目	Number of options lapsed during the year 年內失效 購股權數目	Number of shares subject to outstanding options as at 31 December 2015 於二零一五年 十二月三十一日 尚未行使之 購股權涉及之 股份數目	Approximate percentage of shareholding in the Company (Note 2) 佔本公司 之股權 概約百分比 (附註2)
(i) Directors (continued)									
董事(續)									
Dr. Loke Yu 陸海林博士	03/05/2011 二零一一年 五月三日	6.388	04/05/2014 – 03/05/2015 二零一四年五月四日至 二零一五年五月三日 (Note 3) (附註3)	60,000	0	0	60,000	0	-
	28/03/2012 二零一二年 三月二十八日	4.186	28/03/2013 – 27/03/2016 二零一三年三月二十八日至 二零一六年三月二十七日 28/03/2014 – 27/03/2016 二零一四年三月二十八日至 二零一六年三月二十七日 28/03/2015 – 27/03/2016 二零一五年三月二十八日至 二零一六年三月二十七日 (Note 4) (附註4)	22,500	0	22,500	0	0	-
				22,500	0	22,500	0	0	-
				30,000	0	30,000	0	0	-
				75,000	0	75,000	0	0	-

Directors' Report (continued)
董事會報告 (續)

SHARE OPTION SCHEME (continued)

購股權計劃 (續)

Grantees 承授人	Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註1)	Exercise price per share (HK\$) 每股行使價 (港元)	Exercisable period (dd/mm/yyyy) 行使期 (日/月/年)	Number of shares subject to outstanding options as at 1 January 2015 於二零一五年 一月一日尚未 行使之購股權涉 及之股份數	Number of options granted during the year 年內授出 購股權數目	Number of options exercised during the year 年內行使 購股權數目	Number of options lapsed during the year 年內失效 購股權數目	Number of shares subject to outstanding options as at 31 December 2015 於二零一五年 十二月三十一日 尚未行使之 購股權涉及之 股份數目	Approximate percentage of shareholding in the Company (Note 2) 佔本公司 之股權 概約百分比 (附註2)
				(i) Directors (continued) 董事 (續)					
Ms. Zhang Jingdong 章敬東女士	03/05/2011 二零一一年 五月三日	6.388	04/05/2014 – 03/05/2015 二零一四年五月四日至 二零一五年五月三日 (Note 3) (附註3)	60,000	0	60,000	0	0	-
	28/03/2012 二零一二年 三月二十八日	4.186	28/03/2013 – 27/03/2016 二零一三年三月二十八日至 二零一六年三月二十七日 28/03/2014 – 27/03/2016 二零一四年三月二十八日至 二零一六年三月二十七日 28/03/2015 – 27/03/2016 二零一五年三月二十八日至 二零一六年三月二十七日 (Note 4) (附註4)	22,500	0	22,500	0	0	-
				22,500	0	22,500	0	0	-
				30,000	0	30,000	0	0	-
				75,000	0	75,000	0	0	-
				7,620,000	0	210,000	7,410,000	0	-

Directors' Report (continued)

董事會報告(續)

SHARE OPTION SCHEME (continued)

購股權計劃(續)

Grantees 承授人	Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註1)	Exercise price per share (HK\$) 每股行使價 (港元)	Exercisable period (dd/mm/yyyy) (日/月/年)	Number of shares subject to outstanding options as at 1 January 2015 於二零一五年 一月一日尚未 行使之購股權涉 及之股份數	Number of options granted during the year 年內授出 購股權數目	Number of options exercised during the year 年內行使 購股權數目	Number of options lapsed during the year 年內失效 購股權數目	Number of shares subject to outstanding options as at 31 December 2015 於二零一五年 十二月三十一日 尚未行使之 購股權涉及之 股份數目	Approximate percentage of shareholding in the Company (Note 2) 佔本公司 之股權 概約百分比 (附註2)
(ii) Employees and other participants 僱員及其他參與者	03/05/2011 二零一一年 五月三日	6.388	04/05/2014 – 03/05/2015 二零一四年五月四日至 二零一五年五月三日 (Note 3) (附註3)	4,180,000	0	2,400,000	1,780,000	0	-
	28/03/2012 二零一二年 三月二十八日	4.186	28/03/2013 – 27/03/2016 二零一三年三月二十八日至 二零一六年三月二十七日 28/03/2014 – 27/03/2016 二零一四年三月二十八日至 二零一六年三月二十七日 28/03/2015 – 27/03/2016 二零一五年三月二十八日至 二零一六年三月二十七日 (Note 4) (附註4)	2,805,000	0	2,725,000	0	80,000	0.00504%
				2,805,000	0	2,289,000	0	516,000	0.03248%
				3,740,000	0	1,948,000	200,000	1,592,000	0.10022%
				9,350,000	0	6,962,000	200,000	2,188,000	0.13774%
				13,530,000	0	9,362,000	1,980,000	2,188,000	0.13774%
Total 合計				21,150,000	0	9,572,000	9,390,000	2,188,000	0.13774%

Directors' Report (continued)

董事會報告(續)

SHARE OPTION SCHEME (continued)

Notes:

- (1) The date on which the Company offered to the grantees the share options under the Post-IPO Share Option Scheme (the "Date of Grant").
- (2) As at 31 December 2015, the total number of issued Shares of the Company was 1,588,514,706 Shares.
- (3) Each of the grantees to whom share options have been conditionally granted under the Post-IPO Share Option Scheme were entitled to exercise:
 - (i) up to 30% of the total number of share options granted at any time during the period commencing from the first anniversary of the Date of Grant, i.e. 3 May 2012, to the date of the second anniversary of the Date of Grant, i.e. 3 May 2013 (both dates inclusive);
 - (ii) up to 30% of the total number of share options granted at any time during the period commencing from the date immediately following the second anniversary of the Date of Grant, i.e. 4 May 2013 to the date of the third anniversary of the Date of Grant, i.e. 3 May 2014 (both dates inclusive); and
 - (iii) up to 40% of the total number of share options granted, at any time during the period commencing from the date immediately following the third anniversary of the Date of Grant, i.e. 4 May 2014 to the date of the fourth anniversary of the Date of Grant, i.e. 3 May 2015 (both dates inclusive).
- (4) Each of the grantees to whom share options have been conditionally granted under the Post-IPO Share Option Scheme will be entitled to exercise:
 - (i) as to 30% of the total number of share options granted at any time during the period commencing from the first anniversary of the Date of Grant, i.e. 28 March 2013, to the date immediately before the fourth anniversary of the Date of Grant, i.e. 27 March 2016 (both dates inclusive);
 - (ii) as to 30%, from the second anniversary of the Date of Grant, i.e. 28 March 2014, to the date immediately before the fourth anniversary of the Date of Grant, i.e. 27 March 2016 (both dates inclusive); and
 - (iii) as to 40%, from the third anniversary of the Date of Grant, i.e. 28 March 2015, to the date immediately before the fourth anniversary of the Date of Grant, i.e. 27 March 2016 (both dates inclusive).

購股權計劃(續)

附註:

- (1) 此為本公司根據首次公開發售後購股權計劃向承授人授出購股權的日期(「授出日期」)。
- (2) 於二零一五年十二月三十一日,本公司的已發行股份總數為1,588,514,706股股份。
- (3) 根據首次公開發售後購股權計劃有條件獲授購股權的各承授人,有權:
 - (i) 自授出日期後第一週年(即二零一二年五月三日)起至授出日期後第二週年當日(即二零一三年五月三日)止之期間內(包括首尾兩天在內),隨時行使獲授購股權總數不超過30%;
 - (ii) 自授出日期後第二週年之翌日(即二零一三年五月四日)起至授出日期後第三週年當日(即二零一四年五月三日)止之期間內(包括首尾兩天在內),隨時行使獲授購股權總數不超過30%;及
 - (iii) 自授出日期後第三週年之翌日(即二零一四年五月四日)起至授出日期後第四週年當日(即二零一五年五月三日)止之期間內(包括首尾兩天在內),隨時行使獲授購股權總數不超過40%。
- (4) 根據首次公開發售後購股權計劃有條件獲授購股權的各承授人,將有權:
 - (i) 自授出日期後第一週年(即二零一三年三月二十八日)起至緊接授出日期後第四週年當日前之日(即二零一六年三月二十七日)止之期間內(包括首尾兩天在內),最多行使獲授購股權總數30%;
 - (ii) 自授出日期後第二週年(即二零一四年三月二十八日)起至緊接授出日期後第四週年當日前之日(即二零一六年三月二十七日)止(包括首尾兩天在內),最多行使30%;及
 - (iii) 自授出日期後第三週年(即二零一五年三月二十八日)起至緊接授出日期後第四週年當日前之日(即二零一六年三月二十七日)止(包括首尾兩天在內),最多行使40%。

Directors' Report (continued)

董事會報告(續)

SHARE OPTION SCHEME (continued)

Notes: (continued)

- (5) On 3 May 2011, 16,500,000 share options and 1,000,000 share options were granted to each of Mr. Fang Ankong ("Mr. Fang") and Mr. Stephanus Maria van Ooijen ("Mr. van Ooijen") respectively, among which 30% of the total number of share options granted had an exercisable period expiring on the second anniversary of the Date of Grant (i.e. 3 May 2013) and another 30% of the total number of share options granted had an exercisable period expiring on the third anniversary of the Date of Grant (i.e. 3 May 2014) as mentioned in Note 3 above. In addition, these share options were subject to the vesting condition that the net profit of the Group for the financial year of the Company ended 31 December 2011 is equal to or exceeds 130% of the net profit of the Group for the financial year ended 31 December 2010. As the aforesaid condition was not met, the share options granted to Mr. Fang and Mr. van Ooijen on 3 May 2011 did not duly vest and were not exercisable. Notwithstanding this, these share options should be taken into account for the purpose of determining whether the limits under Rule 17.04(1) of the Listing Rules are exceeded.
- (6) The weighted average closing prices of the Company's shares immediately before the dates on which the share options were exercised were HK\$7.24 and HK\$9.55 for the exercise prices of HK\$6.388 and HK\$4.186 respectively.

Save as disclosed above, no share options were granted, cancelled or lapsed as at 31 December 2015. An offer of the grant of a share option shall be accepted by the eligible participants within a period of 28 days from the date of grant of share option. The consideration paid by each grantee for the acceptance and grant of each share option is HK\$1.00, which has to be paid within 28 days.

購股權計劃(續)

附註：(續)

- (5) 於二零一一年五月三日向方安空先生(「方先生」)及Stephanus Maria van Ooijen先生(「van Ooijen先生」)分別授出16,500,000份購股權及1,000,000份購股權，如上文附註3所述，其中30%的已授出購股權總數可於授出日期第二個週年屆滿當日(即二零一三年五月三日)行使，另外30%的已授出購股權總數可於授出日期第三個週年屆滿當日(即二零一四年五月三日)行使。此外，該等購股權受限於截至二零一一年十二月三十一日止本公司財政年度本集團淨溢利相等於或超逾截至二零一零年十二月三十一日止財政年度本集團淨溢利的130%的歸屬條件。由於上述條件並未達成，因此，於二零一一年五月三日授予方先生及van Ooijen先生的購股權並未正式歸屬及不可行使。儘管如此，釐定有否超逾上市規則第17.04(1)條時，仍應計及該等購股權。
- (6) 於緊接購股權行使日期前本公司股份的加權平均收市價分別是7.24港元(就行使價6.388港元而言)及9.55港元(就行使價4.186港元而言)。

除上文所披露外，於二零一五年十二月三十一日並無購股權授出、註銷或失效。授出購股權之要約可由合資格參與人士於自授出購股權要約日期起28日內接受。各承授人每次接納及授出購股權時所付代價為1.00港元並須於28日內繳付。

Directors' Report (continued)

董事會報告(續)

DISCLOSURE OF INTERESTS

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporation

As at 31 December 2015, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"), were as follows:

Long positions in Shares:

權益披露

董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉

於二零一五年十二月三十一日，本公司董事及主要行政人員於本公司或其任何相聯法團(定義見《證券及期貨條例》(「證券及期貨條例」)第XV部)的股份、相關股份及債券中擁有本公司須根據證券及期貨條例第352條須予存置的登記冊中所記錄或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及香港聯合交易所有限公司(「聯交所」)的權益或淡倉如下：

股份的好倉：

Name of Director 董事名稱	Capacity/Nature of Interest 身份／權益性質	Total number of Shares interested 持有權益的股份總數	Approximate percentage of shareholding in the Company (Note 1) 佔本公司股權 概約百分比 (附註1)
Mr. Tu Jianhua 涂建華先生	Interest in controlled corporations 於受控制法團之權益	899,287,256 (Note 2) (附註2)	56.61%
Mr. Zhang Mingjie 張明杰先生	Interest in controlled corporations 於受控制法團之權益	230,197,990 (Note 3) (附註3)	14.49%
Mr. Meng Yi (resigned on 1 April 2016) 孟怡先生 (於二零一六年四月一日辭任)	Beneficial owner 實益擁有人	108,000	0.01%

Directors' Report (continued)

董事會報告(續)

DISCLOSURE OF INTERESTS (continued) Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporation (continued)

Notes:

- (1) As at 31 December 2015, the total number of issued Shares of the Company was 1,588,514,706 Shares.
- (2) The 899,287,256 Shares were held by USUM Investment Group Hong Kong Limited ("USUMHK"), a company in which Mr. Tu Jianhua ("Mr. Tu") was indirectly interested. USUMHK is directly wholly owned by USUM Investment Group Limited ("USUM Group"), a limited liability company incorporated in the PRC. The single largest shareholder of USUM Group is Loncin Holdings Co., Ltd. ("Loncin Holdings"), with an equity interest in USUM Group of 46.78%. The remaining equity interests in USUM Group are held by 21 individuals and 30 companies, all of whom are independent third parties of Loncin Holdings and Mr. Tu, and they each hold between 0.32% to 8.12% equity interests in USUM Group. Loncin Holdings is 98% owned by Loncin Group Co., Ltd. ("Loncin Group") and 2% owned by Mr. Tu. Loncin Group is 98% owned by Mr. Tu; 1% owned by Ms. Tu Jianmin and 1% owned by Ms. Tu Jianrong, both being sisters of Mr. Tu. USUMHK held 899,287,256 Shares as at 31 December 2015. Therefore, Mr. Tu was deemed to be interested in the Shares held by USUMHK pursuant to the SFO.
- (3) Of the 230,197,990 Shares, 110,197,990 Shares and 120,000,000 Shares were directly held by Tai Security Holding Limited ("Tai Security") and Good Union Hong Kong Investment Limited ("Good Union") respectively, as beneficial owners. Tai Security and Good Union are companies directly wholly-owned by Mr. Zhang Mingjie ("Mr. Zhang") and Mr. Zhang was therefore deemed to be interested in the same number of Shares held by each of Tai Security and Good Union pursuant to the SFO. Please refer to Notes 3 and 4 in the section headed "Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares in the Company" below.

Save as disclosed above, as at 31 December 2015, none of the Directors and chief executives 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 which would 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 or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

權益披露(續)

董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉(續)

附註:

- (1) 於二零一五年十二月三十一日，本公司已發行股份的總數為1,588,514,706股股份。
- (2) 899,287,256股股份乃由渝商投資集團(香港)有限公司(「渝商香港」)持有，渝商香港為一間涂建華先生(「涂先生」)間接擁有權益的公司。渝商香港由渝商投資集團股份有限公司(「渝商集團」)直接全資擁有，渝商集團為一間於中國註冊成立之公司。渝商集團的最大單一股東為隆鑫控股有限公司(「隆鑫控股」)，其於渝商集團的股本權益為46.78%。渝商集團的餘下權益由21名個人及30間公司(均為獨立於隆鑫控股及涂先生的第三方)持有。該等個人及公司分別持有渝商集團0.32%至8.12%之股權。隆鑫控股分別由隆鑫集團有限公司(「隆鑫集團」)擁有98%及涂先生擁有2%。隆鑫集團由涂先生擁有98%；由涂建敏女士及涂建容女士(均為涂先生的姊妹)分別擁有1%。截至二零一五年十二月三十一日，渝商香港持有899,287,256股股份。因此，根據證券及期貨條例，涂先生被視為於渝商香港持有的股份中擁有權益。
- (3) 於230,197,990股股份中，110,197,990股股份及120,000,000股股份分別由Tai Security Holding Limited(「Tai Security」)及星滙香港投資有限公司(「星滙」)作為實益擁有人直接持有。Tai Security及星滙均由張明杰先生(「張先生」)直接全資擁有。因此，根據證券及期貨條例，張先生被視為與Tai Security及星滙持有的相同數目股份中擁有權益。有關詳情請參閱下文「主要股東於本公司的股份及相關股份的權益及淡倉」一節附註3及4。

除上文所披露外，於二零一五年十二月三十一日，本公司董事及主要行政人員概無於本公司或其任何相聯法團之股份、相關股份或債券中擁有須根據證券及期貨條例第XV部第7及8分部須予知會本公司及聯交所(包括根據證券及期貨條例有關條文規定，彼等被當作或視作擁有之權益或淡倉)；或本公司根據證券及期貨條例第352條所存置之登記冊中所記錄；或根據標準守則須予知會本公司及聯交所之任何權益或淡倉。

Directors' Report (continued)

董事會報告(續)

DISCLOSURE OF INTERESTS (continued) Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company

As at 31 December 2015, the interests and short positions of the persons, other than the Directors and chief executives of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Long positions in Shares:

權益披露(續)

主要股東於本公司的股份及相關股份的權益及淡倉

於二零一五年十二月三十一日，除本公司董事及主要行政人員外，以下人士於本公司股份及相關股份中擁有須根據證券及期貨條例第336條須予存置之登記冊中所記錄的權益及淡倉如下：

股份的好倉：

Name of Shareholder 股東名稱	Capacity/Nature of Interest 身份／權益性質	Total number of Shares interested 持有權益的股份總數	Approximate percentage of Shareholding in the Company (Note 1) 佔本公司股權 概約百分比 (附註1)
USUM Investment Group Hong Kong Limited 渝商投資集團(香港)有限公司	Beneficial owner 實益擁有人	899,287,256 (Note 2) (附註2)	56.61%
USUM Investment Group Limited 渝商投資集團股份有限公司	Interest in controlled corporations 於受控制法團之權益	899,287,256 (Note 2) (附註2)	56.61%
Loncin Holdings Co., Ltd. 隆鑫控股有限公司	Interest in controlled corporations 於受控制法團之權益	899,287,256 (Note 2) (附註2)	56.61%
Loncin Group Co., Ltd. 隆鑫集團有限公司	Interest in controlled corporations 於受控制法團之權益	899,287,256 (Note 2) (附註2)	56.61%
Mr. Tu Jianhua 涂建華先生	Interest in controlled corporations 於受控制法團之權益	899,287,256 (Note 2) (附註2)	56.61%

Directors' Report (continued)

董事會報告(續)

DISCLOSURE OF INTERESTS (continued) Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company (continued)

權益披露(續)

主要股東於本公司的股份及相關股份的權益及淡倉(續)

Name of Shareholder 股東名稱	Capacity/Nature of Interest 身份／權益性質	Total number of Shares interested 持有權益的股份總數	Approximate percentage of Shareholding in the Company (Note 1) 佔本公司股權 概約百分比 (附註1)
Good Union Hong Kong Investment Limited 星滙香港投資有限公司	Beneficial owner 實益擁有人	120,000,000 (Note 3) (附註3)	7.55%
Tai Security Holding Limited	Beneficial owner 實益擁有人	110,197,990 (Note 4) (附註4)	6.94%
Central Huijin Investment Ltd. 中央匯金投資有限責任公司	Person having a security interest in shares 擁有股份抵押權益之人士	100,000,000	6.30%
China Construction Bank Corporation 中國建設銀行股份有限公司	Person having a security interest in shares 擁有股份抵押權益之人士	100,000,000	6.30%
Mr. Zhang Mingjie 張明杰先生	Interest in controlled corporations 於受控制法團之權益	230,197,990 (Notes 3 & 4) (附註3 & 4)	14.49%

Directors' Report (continued)

董事會報告(續)

DISCLOSURE OF INTERESTS (continued) Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company (continued)

Notes:

- (1) As at 31 December 2015, the total number of issued Shares of the Company was 1,588,514,706 Shares.
- (2) The 899,287,256 Shares were held by USUMHK, a company in which Mr. Tu was indirectly interested. USUMHK is directly wholly owned by USUM Group, a limited liability company incorporated in the PRC. The single largest shareholder of USUM Group is Loncin Holdings, with an equity interest in USUM Group of 46.78%. The remaining equity interests in USUM Group are held by 21 individuals and 30 companies, all of whom are independent third parties of Loncin Holdings and Mr. Tu, and they each hold between 0.32% to 8.12% equity interests in USUM Group. Loncin Holdings is 98% owned by Loncin Group and 2% owned by Mr. Tu. Loncin Group is 98% owned by Mr. Tu; 1% owned by Ms. Tu Jianmin and 1% owned by Ms. Tu Jianrong, both being sisters of Mr. Tu. USUMHK held 899,287,256 Shares as at 31 December 2015. Therefore, Mr. Tu was deemed to be interested in the Shares held by USUMHK pursuant to the SFO.
- (3) The 120,000,000 Shares were held by Good Union as beneficial owner and Good Union is directly wholly-owned by Mr. Zhang as at 31 December 2015. Therefore, Mr. Zhang was deemed to be interested in the same number of Shares as held by Good Union pursuant to the SFO.
- (4) The 110,197,990 Shares were held by Tai Security as beneficial owner and Tai Security is directly wholly-owned by Mr. Zhang as at 31 December 2015. Therefore, Mr. Zhang was deemed to be interested in the same number of Shares as held by Tai Security pursuant to the SFO.
- (5) According to the disclosure of interest forms filed by each of Delco Participation B.V. ("Delco"), Mr. Fang, HWH Holdings Limited ("HWH"), SVO Company B.V. ("SVO") and Mr. van Ooijen, the arrangement pursuant to Section 317 of the SFO between Mr. Fang, Mr. van Ooijen, Mr. Herman Maurits de Leeuw ("Mr. de Leeuw"), HWH and Delco no longer existed since 1 September 2015. Delco was 50%-owned by each of SVO and H.P.L. Metals B.V. ("HPL"). SVO was wholly-owned by Mr. van Ooijen. HPL was wholly-owned by Stichting Beheer Aandelen H.P.L. Metals ("Stichting HPL"), a foundation for the sole benefit of Mr. de Leeuw. Therefore, notwithstanding no further disclosure of interest forms were filed subsequent to 1 September 2015 by Mr. de Leeuw, HPL and Stichting HPL, Mr. de Leeuw, HPL and Stichting HPL were considered to have no interests in the Shares by the Directors since 1 September 2015.

權益披露(續)

主要股東於本公司的股份及相關股份的權益及淡倉(續)

附註：

- (1) 於二零一五年十二月三十一日，本公司已發行股份的總數為1,588,514,706股股份。
- (2) 899,287,256股股份乃由渝商香港持有，渝商香港為一間由涂先生間接擁有權益的公司。渝商香港由渝商集團直接全資擁有，渝商集團為一間於中國註冊成立之公司。渝商集團的最大單一股東為隆鑫控股，其於渝商集團的股本權益為46.78%。渝商集團的餘下權益由21名個人及30間公司(均為獨立於隆鑫控股及涂先生的第三方)持有。該等個人及公司分別持有渝商集團0.32%至8.12%之股權。隆鑫控股分別由隆鑫集團擁有98%及涂先生擁有2%。隆鑫集團由涂先生擁有98%；由涂建敏女士及涂建容女士(均為涂先生的姊妹)分別擁有1%。截至二零一五年十二月三十一日，渝商香港持有899,287,256股股份。因此，根據證券及期貨條例，涂先生被視為於渝商香港持有的股份中擁有權益。
- (3) 於二零一五年十二月三十一日，星滙作為實益擁有人持有120,000,000股股份，而星滙由張先生全資擁有。因此，根據證券及期貨條例，張先生被視為與星滙持有的相同數目股份中擁有權益。
- (4) 於二零一五年十二月三十一日，Tai Security作為實益擁有人持有110,197,990股股份，而Tai Security由張先生直接全資擁有。因此，根據證券及期貨條例，張先生被視為與Tai Security持有的相同數目股份中擁有權益。
- (5) 根據Delco Participation B.V. (「Delco」)、方先生、HWH Holdings Limited (「HWH」)、SVO Company B.V. (「SVO」)及van Ooijen先生存檔的權益披露表格，方先生、van Ooijen先生、Herman Maurits de Leeuw先生 (「de Leeuw先生」)、HWH及Delco根據證券及期貨條例第317節的安排自二零一五年九月一日起不再存在。Delco由SVO及H.P.L. Metals B.V. (「HPL」)各自擁有50%。SVO由van Ooijen先生全資擁有。HPL由Stichting Beheer Aandelen H.P.L. Metals (「Stichting HPL」)全資擁有，Stichting HPL為de Leeuw先生享有唯一利益的基金會。因此，儘管de Leeuw先生、HPL及Stichting HPL於二零一五年九月一日後並無再存檔權益披露表格，董事認為自二零一五年九月一日起，de Leeuw先生、HPL及Stichting HPL被視為於股份中並無擁有權益。

Directors' Report (continued)

董事會報告(續)

DISCLOSURE OF INTERESTS (continued) Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company (continued)

Save as disclosed above, as at 31 December 2015, the Company had not been notified by any persons (other than the Directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set by the senior management of the Group based on their performance, experience, and prevailing industry practices so as to retain competent employees.

The emolument of the Directors is decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to the Directors and eligible employees, details of the scheme are set out in note 36 to the consolidated financial statements.

SENIOR MANAGEMENT REMUNERATION BY BAND

The remuneration of the Company's senior management for the year ended 31 December 2015 are set out below:

		Number of individuals 人數
Remuneration Band:	薪酬組別:	
HK\$0 to HK\$1,000,000	0港元至1,000,000港元	9
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1

Certain member of the Company's senior management were appointed in 2016 and the remuneration payable to them are set out below:

		Number of individuals 人數
Remuneration Band:	薪酬組別:	
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	2

權益披露(續)

主要股東於本公司的股份及相關股份的權益及淡倉(續)

除上文所披露外，於二零一五年十二月三十一日，本公司並不知悉任何人士(本公司董事及主要行政人員除外)於本公司股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部條文規定予以披露或本公司根據證券及期貨條例第336條須予存置的登記冊所記錄的權益或淡倉。

薪酬政策

本集團的高級管理層根據本集團僱員的表現、經驗及現有行業慣例設立薪酬政策以挽留有能力僱員。

薪酬委員會經考慮本公司的經營業績、個人表現及比較市場數據釐定董事的薪酬。

本公司已採納購股權計劃作為激勵董事及合資格僱員，計劃詳情載於綜合財務報表附註36。

高級管理人員之薪酬組別

於二零一五年十二月三十一日年度本公司高級管理人員之薪酬載列如下：

Directors' Report (continued)

董事會報告(續)

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report contained in this Annual Report.

SUFFICIENCY OF PUBLIC FLOAT

On 13 July 2015, the Company announced that a reduction in the shares of the Company held by the public after the transfer of the entire share capital of Tai Security Holding Limited ("Tai Security") to Mr. Zhang Mingjie ("Mr. Zhang") on 8 July 2015 (the "Tai Security Transfer"). As a result of and immediately after the Tai Security Transfer, Mr. Zhang, through his entire shareholdings in Tai Security and Good Union Hong Kong Investment Limited ("Good Union"), was indirectly interested in 295,197,990 shares (approximately 18.60% of the then total issued share capital of the Company) on 8 July 2015, among which 175,197,990 shares and 120,000,000 shares were held by Tai Security and Good Union respectively (representing approximately 11.04% and 7.56% of the then total issued share capital of the Company respectively). As a result of the Tai Security Transfer, Mr. Zhang has become a substantial shareholder and core connected person (as defined under the Listing Rules) of the Company. Pursuant to the Listing Rules, the shares held by Tai Security and Good Union cannot be counted towards the public float of the Company. The Company became aware of the insufficiency of public float during a routine review of the shareholdings of its shareholders after office hour on 10 July 2015. The Company had since communicated with Mr. Zhang and had been advised that Mr. Zhang was in the process of disposing of some of the shares acquired through the acquisition of Tai Security to independent third parties.

As announced by the Company on 15 July 2015, it had been informed by Mr. Zhang on 14 July 2015 that Tai Security had disposed of 65,000,000 shares (representing approximately 4.10% of the then issued share capital of the Company) on the open market on 13 July 2015. As a result of the said disposal, 405,800,460 shares had been held in the public hands, representing approximately 25.57% of the issued share capital of the Company as at the date of the announcement dated 15 July 2015. Accordingly, the public float requirement under Rule 8.08(1)(a) of the Listing Rules had been restored and complied with.

Save as disclosed above, based on the information that is publicly available to the Company and with the knowledge of the Directors, the Company had maintained sufficient public float throughout 31 December 2015.

企業管治

本公司採用的主要企業管治常規載於本年報企業管治報告。

足夠公眾持股量

於二零一五年七月十三日，本公司宣佈本公司股份的公眾持股量於二零一五年七月八日，在 Tai Security Holding Limited (「Tai Security」) 的全部股本均轉讓予張明杰先生(「張先生」)(「轉讓 Tai Security」)後減少。由於及緊隨轉讓 Tai Security 後，於二零一五年七月八日，張先生透過其於 Tai Security 及星滙香港投資有限公司(「星滙」)的全部股權間接於 295,197,990 股股份(約佔當時本公司全部已發行股本 18.60%) 中擁有權益，其中 175,197,990 股股份及 120,000,000 股股份分別由 Tai Security 及星滙持有，分別佔當時本公司全部已發行股本約 11.04% 及 7.56%。由於轉讓 Tai Security，張先生已成為本公司的主要股東及核心關連人士(定義見上市規則)。根據上市規則，Tai Security 及星滙持有的股份不能計入本公司的公眾持股量。本公司於二零一五年七月十日辦公時間後對其股東股權進行例行審查時知悉公眾持股量不足。本公司此後已與張先生進行溝通及已獲告知張先生正在向獨立第三方出售若干通過收購 Tai Security 獲得的股份。

誠如本公司於二零一五年七月十五日宣佈，二零一五年七月十四日，本公司獲張先生告知，Tai Security 已於二零一五年七月十三日於公開市場出售 65,000,000 股股份(佔當時本公司已發行股本約 4.10%)。因上述出售，公眾人士已持有 405,800,460 股股份，佔於日期為二零一五年七月十五日的公告日期本公司已發行股本約 25.57%。因此，本公司已重新達到及遵守上市規則第 8.08 (1)(a) 條公眾持股量之規定。

除上文披露者外，根據本公司所擁有之公眾資料並就董事所知悉，於二零一五年十二月三十一日整個年度，本公司已維持足夠公眾持股量。

Directors' Report (continued)

董事會報告(續)

SUFFICIENCY OF PUBLIC FLOAT (continued)

As disclosed in the Company's announcements dated 15 February 2016 and 23 February 2016, upon the close of the Offers, 349,323,535 Shares, representing approximately 21.99% of the then issued share capital of the Company, were held by the public. Accordingly, upon the close of the Offers, the minimum public float requirement of 25% under Rule 8.08(1)(a) of the Listing Rules was not satisfied. The Company has made an application to the Stock Exchange for and the Stock Exchange has granted a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for a period of three months from 15 February 2016 to 14 May 2016.

As further disclosed in the Company's announcement dated 21 March 2016, after the completion of the Acquisition and the JV Formation, 349,323,535 Shares, representing approximately 21.57% of the then issued share capital of the Company, are held by the public (other than Sellers).

Mr. Meng Yi resigned as Executive Director on 1 April 2016 and ceased to be a core connected person of the Company, hence his shareholding in the Company counts towards the Company's public float. As at 1 April 2016, 351,923,628 shares are held by the public, which represented approximately 21.73% of the issued capital of the Company.

As at the Latest Practicable Date, the minimum public float requirement of 25% under Rule 8.08(1)(a) of the Listing Rules is still not satisfied. Further announcement(s) will be made by the Company regarding the restoration of public float as and when appropriate pursuant to the Listing Rules.

AUDITORS

The consolidated financial statements for the year ended 31 December 2015 have been audited by Deloitte Touche Tohmatsu. A resolution for the re-appointment of Deloitte Touche Tohmatsu as the Company's auditor is to be proposed at the forthcoming annual general meeting.

For and on behalf of the Board

Chiho-Tiande Group Limited

Tu Jianhua

Chairman

Hong Kong, 23 March 2016

足夠公眾持股量(續)

誠如本公司日期為二零一六年二月十五日及二零一六年二月二十三日的公告所披露，於該等要約結束後，349,323,535股股份乃由公眾持有，佔本公司當時已發行股本約21.99%。因此，該等要約結束後，並未達到上市規則第8.08(1)(a)條所規定25%最低公眾持股量的規定。因此，本公司已向聯交所申請臨時豁免嚴格遵守上市規則第8.08(1)(a)條的規定，而聯交所已向本公司授出暫時豁免，將期限由二零一六年二月十五日延長三個月至二零一六年五月十四日。

誠如本公司日期為二零一六年三月二十一日的公告進一步披露，於收購事項及成立合營企業完成後，349,323,535股股份(佔本公司當時已發行股本約21.57%)乃由公眾人士持有(賣方除外)。

孟怡先生於二零一六年四月一日辭任執行董事，並不再為本公司之核心關連人士，因此彼於本公司的股權計入本公司的公眾持股量。於二零一六年四月一日，351,923,628股股份乃由公眾人士持有，佔本公司已發行股本約21.73%。

於最後可行日期，上市規則第8.08(1)(a)條所規定25%最低公眾持股量的規定仍未達成。本公司將適時根據上市規則就恢復最低公眾持股量另行刊發公告。

核數師

截至二零一五年十二月三十一日止年度的綜合財務報表由德勤•關黃陳方會計師行審核。本公司將於應屆股東週年大會提呈續聘德勤•關黃陳方會計師行為本公司核數師的決議案。

代表董事會

齊合天地集團有限公司

涂建華

主席

香港，二零一六年三月二十三日

Corporate Governance Report

企業管治報告

INTRODUCTION

The Company recognizes the importance of corporate transparency and accountability. The Company is committed in achieving a high standard of corporate governance and leading the Group to attain better results and improve our image with effective corporate governance procedures.

On 26 March 2015, taking into account the movement in the world commodity market, the Group adopted a new set of policies regarding dealings in metal futures contracts that better reflects the current requirements of our business.

Throughout the year ended 31 December 2015 (the “Year”), the Company has adopted, applied and complied with all the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) except for the deviations set out below:

- (i) During the period from 1 January 2015 to 28 April 2015, the roles of the chairman and chief executive officer of the Company had not been segregated as required by provision A.2.1 of the CG Code because Mr. Fang Ankong was both the Chairman and Chief Executive Officer of the Company during that period. On 29 April 2015, Mr. Tu Jianhua was appointed as the Executive Director and Chairman of the Board, and Mr. Fang Ankong was re-designated as the Vice Chairman of the Board and remained as Chief Executive Officer of the Company until his resignation on 16 February 2016.
- (ii) Due to conflicts with other engagements, Mr. Tu Jianhua, who was appointed as Chairman of the Board on 29 April 2015, Mr. Zhu Dajian, the chairman of Remuneration Committee, and Mr. Fang Ankong, the former chairman of Nomination Committee, were unable to attend the annual general meeting of the Company held on 22 May 2015, as required by provision E.1.2 of the CG Code. However Dr. Loke Yu, the chairman of Audit Committee and member of Remuneration Committee and Nomination Committee was invited to, and attended such annual general meeting of the Company.

緒言

本公司深知企業透明度及問責制度相當重要，致力達致高水平的企業管治，並通過有效的企業管治程序引領本集團創造佳績及提升公司形象。

於二零一五年三月二十六日，經考慮全球商品市場之變動後，本集團已採納一套可更好地反映目前業務規定的有關買賣金屬期貨合約的新政策。

於截至二零一五年十二月三十一日止年度（「本年度」）整個年度，本公司已採納、應用及遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載企業管治守則（「企業管治守則」）之所有守則條文，惟下文所載之偏離者除外。

- i) 由二零一五年一月一日至二零一五年四月二十八日期間，因為方安空先生擔任本公司主席兼行政總裁，本公司主席及行政總裁的職責在該期間並無根據企業管治守則條文A.2.1所要求予以區分。於二零一五年四月二十九日，涂建華先生獲委任為執行董事兼董事會主席，方安空先生調任為董事會副主席，並仍然出任本公司行政總裁，直至於二零一六年二月十六日辭職為止。
- ii) 涂建華先生（於二零一五年四月二十九日獲委任為董事會主席）、諸大建先生（薪酬委員會主席）及方安空先生（前提名委員會主席）因與其他事務的時間抵觸，無法根據企業管治守則條文E.1.2的要求出席本公司於二零一五年五月二十二日舉行的股東週年大會。然而，陸海林博士（審核委員會主席及薪酬委員會及提名委員會成員）獲邀請出席本公司該股東週年大會。

Corporate Governance Report (continued)

企業管治報告(續)

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as the guidelines for the Directors' dealings in the securities of the Company. Upon specific enquiries with all the Directors, each of them confirmed that they have complied with the required standards set out in the Model Code throughout the Year in relation to their securities dealings, if any.

The Model Code has extended to be applicable to senior management and relevant employees who likely possess inside information of the Company.

THE BOARD

The Board is responsible for the leadership and control of the Company and overseeing the Group's business, strategic decisions and performances and comprises six Directors, including three Executive Directors namely Mr. Tu Jianhua (appointed on 29 April 2015), Mr. Zhang Mingjie (appointed on 22 August 2015) and Mr. Zhang Jun (appointed on 1 April 2016) and three Independent Non-Executive Directors namely Ms. Zhang Jingdong, Dr. Loke Yu and Mr. Zhu Dajian. Mr. Michael Charles Lion resigned as a Non-Executive Director and a member of the Audit Committee of the Company on 16 February 2015. Mr. Stephanus Maria van Ooijen resigned as an Executive Director and a member of the Remuneration Committee, Nomination Committee and Executive Committee on 12 March 2015. Mr. Gu Liyong resigned as an Executive Director and a member of the Executive Committee on 30 November 2015. Mr. Fang Ankong resigned as an Executive Director, the chairman of the Executive Committee and Pricing Committee and member of Nomination Committee and Remuneration Committee on 16 February 2016. Mr. Meng Yi was appointed as Executive Director on 22 August 2015 and resigned as Executive Director, member of the Executive Committee and Strategy and Investment Committee on 1 April 2016. The management is delegated with the authority and responsibility by the Board for the day-to-day operation and management of the Group under the Board's instruction. In addition, the Board has also established various Board committees and has delegated various responsibilities to the Board committees, including the Executive Committee (the "Executive Committee"), the Audit Committee (the "Audit Committee"), the Remuneration Committee (the "Remuneration Committee"), the Nomination Committee (the "Nomination Committee"), the Pricing Committee (the "Pricing Committee") and the Strategy and Investment Committee (the "Strategy and Investment Committee") (together, the "Board Committees"). All the Board Committees perform their distinct roles in accordance with their respective terms of reference and further details of these committees are set out hereunder. The Directors' and senior management's remuneration and the Group's annual results for the Year were approved in the board meetings of the Company.

遵守董事進行證券交易的標準守則

本公司已採納上市規則附錄十上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事買賣本公司證券的指引。經向全體董事作出具體查詢後，各董事確認，於整個年度，彼等進行的證券買賣(如有)已遵守標準守則所列明的規定準則。

標準守則已擴展至適用於高級管理人員及有可能擁有本公司內幕消息之有關僱員。

董事會

董事會負責領導及監控本公司，並監管本集團的業務、策略方針及表現。董事會由六名董事組成，包括三名執行董事(即涂建華先生(於二零一五年四月二十九日獲委任)、張明杰先生(於二零一五年八月二十二日獲委任)及張軍先生(於二零一六年四月一日獲委任))，及三名獨立非執行董事(即章敬東女士、陸海林博士及諸大建先生)。Michael Charles Lion先生已於二零一五年二月十六日辭任本公司非執行董事及審核委員會成員。Stephanus Maria van Ooijen先生已於二零一五年三月十二日辭任本公司執行董事及薪酬委員會、提名委員會及執行委員會成員。顧李勇先生已於二零一五年十一月三十日辭任執行董事及執行委員會成員。方安空先生已於二零一六年二月十六日辭任執行董事、執行委員會及定價委員會主席及提名委員會及薪酬委員會成員。孟怡先生於二零一五年八月二十二日獲委任為執行董事，並於二零一六年四月一日辭任執行董事、執行委員會及戰略與投資委員會成員。董事會已向管理層授出權力及責任，根據董事會的指示進行本集團的日常營運及管理事宜。此外，董事會亦已成立多個董事委員會，並將各項職責分派予各董事委員會，包括執行委員會(「執行委員會」)、審核委員會(「審核委員會」)、薪酬委員會(「薪酬委員會」)、提名委員會(「提名委員會」)、定價委員會(「定價委員會」)及戰略與投資委員會(「戰略與投資委員會」)(統稱「董事委員會」)。全部董事委員會均會按其各自的職權範圍履行其特定的職務，而有關該等委員會的進一步詳情載於下文。董事及高級管理人員的薪酬以及本集團於本年度的全年業績已於本公司董事會會議通過。

Corporate Governance Report (continued)

企業管治報告(續)

THE BOARD (continued)

To the best knowledge of the Company, there is no financial, business, family or other material relationships among members of the Board.

All of the Independent Non-Executive Directors are appointed for a term of three years. None of them hold any other offices in the Company or any of its subsidiaries or is interested in any shares of the Company. The Company has received from each of the Independent Non-Executive Directors a confirmation of his independence in accordance with Rule 3.13 of the Listing Rules. The Company considers that all of the Independent Non-Executive Directors are independent.

The Board reviews its own structure, size and composition regularly to ensure that it has a balance of expertise, skills, experience and diversity appropriate to the requirements of the business of the Company.

The Board has convened four regular meetings during the Year. The attendance of all Directors at the Board Meetings, Annual General Meeting (“AGM”) and Extraordinary General Meetings (“EGM”) of the Company held during the Year are as follows:

董事會(續)

就本公司所深知，董事會成員之間概無財務、業務、家族或其他重大關係。

所有獨立非執行董事的任期為期三年。彼等概無擔任本公司或其任何附屬公司的任何其他職務，亦無於本公司任何股份中持有權益。本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的獨立性確認書。本公司認為全體獨立非執行董事均為獨立人士。

董事會定期檢討其架構、人數及組成，確保董事會具備適合本公司業務所需的專業知識、技能、經驗及多元化。

於本年度，董事會共召開四次定期會議。本年度各董事出席本公司召開的董事會會議、股東週年大會(「股東週年大會」)及股東特別大會(「股東特別大會」)如下：

Name of Directors 董事姓名		No. of Meetings attended/ No. of Meetings held 出席會議數目/舉行會議數目	
		Regular Board Meetings 董事會定期會議	AGM/EGM 股東週年大會/ 股東特別大會
Executive Directors	執行董事		
Tu Jianhua (Chairman since 29 April 2015) (appointed on 29 April 2015)	涂建華 (自二零一五年四月二十九日起為主席) (於二零一五年四月二十九日獲委任)	2/2	0/2
Fang Ankong (Chairman for the period from 1 January 2015 to 28 April 2015) (resigned on 16 February 2016)	方安空 (由二零一五年一月一至二零一五年 四月二十八日期間為主席) (於二零一六年二月十六日辭任)	4/4	0/3
Stephanus Maria van Ooijen (resigned on 12 March 2015)	Stephanus Maria van Ooijen (於二零一五年三月十二日辭任)	0/0	0/0

Corporate Governance Report (continued)

企業管治報告(續)

THE BOARD (continued)

董事會(續)

Name of Directors 董事姓名		No. of Meetings attended/ No. of Meetings held 出席會議數目/舉行會議數目	
		Regular Board Meetings 董事會定期會議	AGM/EGM 股東週年大會/ 股東特別大會
Gu Liyong (resigned on 30 November 2015)	顧李勇 (於二零一五年十一月三十日辭任)	3/3	3/3
Zhang Mingjie (appointed on 22 August 2015)	張明杰 (於二零一五年八月二十二日獲委任)	1/1	0/0
Meng Yi (appointed on 22 August 2015 and resigned on 1 April 2016)	孟怡 (於二零一五年八月二十二日獲委任 及於二零一六年四月一日辭任)	1/1	0/0
Non-Executive Director	非執行董事		
Michael Charles Lion (resigned on 16 February 2015)	Michael Charles Lion (於二零一五年二月十六日辭任)	0/0	0/0
Independent Non-Executive Directors	獨立非執行董事		
Loke Yu	陸海林	4/4	3/3
Zhang Jingdong	章敬東	4/4	0/3
Zhu Dajian	諸大建	4/4	0/3

The Company adopted a procedure to enable the Directors to seek independent professional advice in appropriate circumstances at the Company's expense. Subject to the prior approval by the Chairman of the Board and notification to the Chief Executive Officer of the Company, the Directors may seek independent legal, financial or other professional advice from advisors independent of those advising the Company as and when necessary in appropriate circumstances to enable them to discharge their responsibilities effectively, either on the Company's affairs or in respect of their fiduciary or other duties, at the Company's expense.

Mr. Tu Jianhua, the Chairman of the Company held two meetings with the Independent Non-Executive Directors without the Executive Directors present in 2015.

本公司已採納一項程序讓董事在適當情況下尋求獨立專業意見，費用由本公司支付。經董事會主席事先批准及向本公司行政總裁發出通知，董事可於有需要時在適當情況下就本公司事務或彼等的受托責任或其他職責向獨立於本公司提供意見之人士的顧問尋求獨立的法律、財務或其他專業意見，從而使彼等有效履行其責任，費用由本公司支付。

本公司主席涂建華先生與獨立非執行董事於二零一五年已舉行兩次會議，而無執行董事出席。

Corporate Governance Report (continued)

企業管治報告(續)

EXECUTIVE COMMITTEE

The Board has established the Executive Committee in March 2011 with written terms of reference, which is responsible for the management and administration of the business of the Company and any matters which are within the ordinary course of the Company's business under the control and supervision of the Board and in accordance with the provisions of the terms of reference of the Executive Committee for ensuring a high standard of corporate governance and compliance of the Company. The written terms of reference of the Executive Committee are available on the Stock Exchange's website and the Company's website.

The Executive Committee currently consists of Mr. Tu Jianhua (appointed on 29 April 2015), Mr. Zhang Mingjie (appointed on 22 August 2015) and Mr. Zhang Jun (appointed on 1 April 2016), all of the Executive Directors of the Company, and is chaired by Mr. Tu Jianhua. Mr. Stephanus Maria van Ooijen, Mr. Gu Liyong and Mr. Meng Yi resigned as the members of the Executive Committee of the Company on 12 March 2015, 30 November 2015 and 1 April 2016 respectively. Mr. Fang Ankong resigned and ceased to be the chairman of the Executive Committee and Mr. Tu Jianhua has been appointed as chairman of the Executive Committee, with effect from 16 February 2016.

The Board delegated certain corporate governance functions to the Executive Committee, which develops and reviews the Company's policies and practices on corporate governance and makes recommendations to the Board; reviews and monitors (i) the training and continuous professional development of Directors and senior management of the Company; (ii) compliance with legal and regulatory requirements; and (iii) the code of conduct and Model Code applicable to the Directors or employees.

Directors' Training and Professional Development

Every newly appointed Director of the Company receives a comprehensive, formal and tailored induction on the first occasion of his appointment to make sure that he has proper understanding of the operations and business of the Company and that he is fully aware of his responsibilities in the Company.

During the Year, all Directors received regular updates and presentation on changes and developments to the Group's business and on the latest developments in the laws, rules and regulations relating to the Directors' duties and responsibilities.

執行委員會

董事會已於二零一一年三月成立執行委員會，並訂明書面職權範圍。執行委員會負責本公司的管理及行政事務，以及本公司日常業務過程中的任何事宜，受董事會控制及監管，並按執行委員會職權範圍所規定行事，以確保本公司高水準的企業管治及合規。執行委員會的書面職權範圍於聯交所網站及本公司網站可供閱覽。

執行委員會現時由涂建華先生(於二零一五年四月二十九日獲委任)、張明杰先生(於二零一五年八月二十二日獲委任)及張軍先生(於二零一六年四月一日獲委任)組成，均為本公司執行董事，涂建華先生為主席。Stephanus Maria van Ooijen先生、顧李勇先生及孟怡先生分別於二零一五年三月十二日、二零一五年十一月三十日及二零一六年四月一日辭任本公司執行委員會成員。方安空先生辭任及不再為執行委員會主席，涂建華先生獲委任為執行委員會主席，自二零一六年二月十六日起生效。

董事會已授權執行委員會若干企業管治職能，制定及審閱本公司企業管治政策及常規，並向董事會作出意見，檢討及監察(i)本公司董事及高級管理人員的培訓及持續專業發展；(ii)遵守法律及監管規定；及(iii)檢討及監察適用於董事或僱員的行為守則及標準守則。

董事培訓及專業發展

本公司每名新委任董事於首次獲委任時將會獲得全面、正式兼特為其而設的就任須知，確保其均有適當的理解本公司運作及業務，以及全面知悉其於本公司的責任。

於本年度，所有董事已獲得本集團業務變更及發展的定期更新及說明，以及有關董事職責及責任的法律、法規及規定的最新發展。

Corporate Governance Report (continued)

企業管治報告(續)

EXECUTIVE COMMITTEE (continued) Directors' Training and Professional Development (continued)

The Company recommends Directors to attend relevant seminars for continuous professional development to develop and refresh their knowledge and skills. During the Year, all Directors have participated in continuous professional development programmes by attending seminars, in-house briefings and reading materials. The Company organized a training session in December 2015 on issues in relation to the disclosure of inside information and regulatory investigations involving listed companies.

Directors' training is an ongoing process. All Directors are encouraged to attend relevant training courses at the Company's expense and they have provided their respective training records to the Company Secretary for record, as set out below:

執行委員會(續) 董事培訓及專業發展(續)

本公司推薦董事參加持續專業發展的相關研討會以發展及更新彼等的知識及技能。於本年度，所有董事通過出席研討會、內部簡報及閱讀材料以參加持續專業發展計劃。本公司就於二零一五年十二月已組織一節培訓課程，內容有關內幕信息披露與涉及上市公司的監管調查。

董事培訓是個持續過程。所有董事均獲鼓勵參加相關培訓課程，費用由本公司支付，且彼等已向公司秘書提供彼等各自的培訓記錄如下：

Name of Directors 董事姓名	Attending seminars/In-house briefing/ Reading materials 參加研討會/內部簡報/閱讀材料	
Directors	執行董事	
Tu Jianhua (Chairman since 29 April 2015) (appointed on 29 April 2015)	涂建華 (自二零一五年四月二十九日起為主席) (於二零一五年四月二十九日獲委任)	✓
Fang Ankong (Chairman for the period from 1 January 2015 to 28 April 2015) (resigned on 16 February 2016)	方安空 (由二零一五年一月一至 二零一五年四月二十八日期間為主席) (於二零一六年二月十六日辭任)	✓
Stephanus Maria van Ooijen (resigned on 12 March 2015)	Stephanus Maria van Ooijen (於二零一五年三月十二日辭任)	N/A 不適用
Gu Liyong (resigned on 30 November 2015)	顧李勇 (於二零一五年十一月三十日辭任)	✓
Zhang Mingjie (appointed on 22 August 2015)	張明杰 (於二零一五年八月二十二日獲委任)	✓
Meng Yi (appointed on 22 August 2015 and resigned on 1 April 2016)	孟怡 (於二零一五年八月二十二日獲委任及 於二零一六年四月一日辭任)	✓
Non-Executive Director	非執行董事	
Michael Charles Lion (resigned on 16 February 2015)	Michael Charles Lion (於二零一五年二月十六日辭任)	N/A 不適用
Independent Non-Executive Directors	獨立非執行董事	
Loke Yu	陸海林	✓
Zhang Jingdong	章敬東	✓
Zhu Dajian	諸大建	✓

Corporate Governance Report (continued)

企業管治報告(續)

AUDIT COMMITTEE

The Audit Committee was established in June 2010 with written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The Company has adopted a set of the revised terms of reference of the Audit Committee on 15 December 2015, which has included changes in line with the amendments to the Main Board Listing Rules relating to the risk management and internal control section of the Corporate Governance Code and Corporate Governance Report which has come into effect for accounting periods beginning on or after 1 January 2016. The written terms of reference of the Audit Committee are available on the Stock Exchange's website and the Company's website. The Audit Committee has established a whistleblowing policy of the Company in December 2012 and set out the procedures on reporting possible improprieties in financial reporting matters of the Company.

The primary duties of the Audit Committee include reviewing and supervising the financial reporting process, risk management and internal control procedures of the Group and nominating and monitoring external auditors. The Audit Committee currently consists of all three Independent Non-Executive Directors, Dr. Loke Yu, Ms. Zhang Jingdong and Mr. Zhu Dajian, and is chaired by Dr. Loke Yu. Mr. Michael Charles Lion resigned and ceased to be a member of the Audit Committee on 16 February 2015. In compliance with Rule 3.21 of the Listing Rules, the chairman of the Audit Committee possesses the appropriate professional and accounting qualifications.

The Audit Committee convened three meetings during the Year with the attendance of each member as follows:

審核委員會

本公司已遵照上市規則附錄十四所載企業管治守則於二零一零年六月成立審核委員會，並訂明書面職權範圍。本公司已於二零一五年十二月十五日採納一套審核委員會經修訂的職權範圍，當中包括與二零一六年一月一日起生效之主板上市規則有關企業管治守則及企業管治報告之修訂一致之變動。審核委員會的書面職權範圍於聯交所網站及本公司網站可供閱覽。審核委員會已於二零一二年十二月制定本公司的舉報政策，並列明舉報本公司的財務申報事宜中可能存在之不恰當行為的程序。

審核委員會的主要職責包括檢討及監督本集團的財務報告程序及內部監控程序，以及提名及監察外聘核數師。審核委員會現時包括所有三名獨立非執行董事，即陸海林博士、章敬東女士及諸大建先生。陸海林博士為審核委員會主席。Michael Charles Lion先生已於二零一五年二月十六日辭任並不再為審核委員會成員。為符合上市規則第3.21條規定，審核委員會主席具備適當專業及會計資格。

於本年度，審核委員會共召開三次會議，各成員出席如下：

Name of Committee members		No. of Meetings attended/ No. of Meetings held
委員會成員姓名		出席會議數目／舉行會議數目
Independent Non-Executive Directors	獨立非執行董事	
Loke Yu (Chairman)	陸海林(主席)	2/3
Zhang Jingdong	章敬東	3/3
Zhu Dajian	諸大建	3/3
Non-Executive Director	非執行董事	
Michael Charles Lion (resigned on 16 February 2015)	Michael Charles Lion (於二零一五年二月十六日辭任)	0/0

Corporate Governance Report (continued)

企業管治報告(續)

AUDIT COMMITTEE (continued)

The Audit Committee has reviewed and discussed in its Committee meetings the audited financial results for the year ended 31 December 2014, the unaudited interim results of the Company for the six months ended 30 June 2015, the connected transactions report for the year ended 31 December 2014, the whistleblowing policy reports for the period from 1 July 2014 to 31 December 2014 and for the six months ended 30 June 2015, the internal control reports for the year ended 31 December 2014, the engagement terms and remuneration of auditors and the effectiveness of the Group's risk management and internal control systems.

REMUNERATION COMMITTEE

The Remuneration Committee was established in June 2010 with written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The written terms of reference of the Remuneration Committee are available on the Stock Exchange's website and the Company's website.

The primary duties of the Remuneration Committee include (i) making recommendations to the Board on the remuneration packages and conditions of employment for the Directors and senior management of the Group; (ii) evaluating and making recommendations on employee benefit arrangements; (iii) assessing performance of Executive Directors. The Remuneration Committee currently consists of Dr. Loke Yu, Ms. Zhang Jingdong and Mr. Zhu Dajian, Independent Non-Executive Directors, and is chaired by Mr. Zhu Dajian. Mr. Stephanus Maria van Ooijen and Mr. Fang Ankong resigned and ceased to be the members of the Remuneration Committee on 12 March 2015 and 16 February 2016 respectively.

審核委員會(續)

審核委員會已於其委員會會議上檢討及討論截至二零一四年十二月三十一日止年度的經審核財務業績、本公司截至二零一五年六月三十日止六個月的未經審核中期業績、截至二零一四年十二月三十一日止年度的關連交易報告、由二零一四年七月一日至二零一四年十二月三十一日期間及截至二零一五年六月三十日止六個月的舉報政策報告、截至二零一四年十二月三十一日止年度的內部監控報告、核數師的委聘條款及薪酬及本集團風險管理及內部監控系統的有效性。

薪酬委員會

本公司已遵照上市規則附錄十四所載企業管治守則於二零一零年六月成立薪酬委員會，並訂明書面職權範圍。薪酬委員會的書面職權範圍於聯交所網站及本公司網站可供閱覽。

薪酬委員會的主要職責包括(i)就本集團董事及高級管理人員的薪酬組合及聘用條件向董事會提出建議；(ii)評估員工福利安排及就此提出建議；及(iii)評估執行董事之表現。薪酬委員會目前包括獨立非執行董事陸海林博士、章敬東女士及諸大建先生。諸大建先生為薪酬委員會主席。Stephanus Maria van Ooijen先生及方安空先生已分別於二零一五年三月十二日及二零一六年二月十六日辭任及不再為薪酬委員會成員。

Corporate Governance Report (continued)

企業管治報告(續)

REMUNERATION COMMITTEE (continued)

The Remuneration Committee convened two meetings during the Year with the attendance of each member as follows:

薪酬委員會(續)

於本年度，薪酬委員會共召開兩次會議，各成員出席如下：

Name of Committee members		No. of Meetings attended/ No. of Meetings held
委員會成員姓名		出席會議數目／舉行會議數目
Executive Directors		
執行董事		
Fang Ankong	方安空	2/2
(Chairman for the period from 1 January to 25 March 2015)	(由二零一五年一月一至二零一五年三月二十五日期間為主席)	
(resigned on 16 February 2016)	(於二零一六年二月十六日辭任)	
Stephanus Maria van Ooijen	Stephanus Maria van Ooijen	0/0
(resigned on 12 March 2015)	(於二零一五年三月十二日辭任)	
Independent Non-Executive Directors		
獨立非執行董事		
Loke Yu	陸海林	2/2
Zhang Jingdong	章敬東	2/2
Zhu Dajian	諸大建	2/2
(Chairman since 26 March 2015)	(自二零一五年三月二十六日為主席)	

Throughout the Year, the Remuneration Committee has discussed and recommended to the Board for approval of the Directors' and senior managements' remuneration of the Group for the year of 2015, the service contracts and remuneration for the appointment of Mr. Tu Jianhua, Mr. Zhang Mingjie and Mr. Meng Yi as the Executive Directors, the bonus payments to the resigned Directors and senior management, and the renewal of service contracts of senior management of the Company in 2015.

於整個年度，薪酬委員會已討論及建議董事會批准於二零一五年本集團董事及高級管理人員的薪酬、委任涂建華先生、張明杰先生及孟怡先生為執行董事的服務合約及薪酬、向退任董事及高級管理人員支付的獎金，及續簽本公司高級管理人員於二零一五年服務合約。

NOMINATION COMMITTEE

The Nomination Committee was established in June 2010 with written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The Company has adopted a set of the revised terms of reference of the Nomination Committee on 15 August 2013. The written terms of reference of the Nomination Committee are available on the Stock Exchange's website and the Company's website.

提名委員會

本公司已遵照上市規則附錄十四所載企業管治守則於二零一零年六月成立提名委員會，並訂明書面職權範圍。本公司已於二零一三年八月十五日採納一套提名委員會之經修訂職權範圍。提名委員會的書面職權範圍於聯交所網站及本公司網站可供閱覽。

Corporate Governance Report (continued)

企業管治報告(續)

NOMINATION COMMITTEE (continued)

The duties of the Nomination Committee include:

1. to formulate nomination policy for consideration of the Board and implement the nomination policy laid down by the Board;
2. to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
3. to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;
4. to assess the independence of independent non-executive directors, having regard to the requirements under the Listing Rules;
5. to make recommendations to the Board on the appointment or reappointment of directors and succession planning for directors in particular the chairman and the chief executive;
6. to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
7. to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation.

The Nomination Committee currently comprises Mr. Tu Jianhua, Executive Director, and Dr. Loke Yu, Ms. Zhang Jingdong and Mr. Zhu Dajian, Independent Non-Executive Directors, and is chaired by Mr. Tu Jianhua. Mr. Stephanus Maria van Ooijen and Mr. Fang Ankong resigned and ceased to be the members of the Nomination Committee on 12 March 2015 and 16 February 2016 respectively.

提名委員會(續)

提名委員會的職責包括：

1. 制定提名政策供董事會考慮，實施董事會規定的提名政策；
2. 至少每年檢討董事會的架構、人數和組成(包括技能、知識和經驗方面)，並就任何為配合本公司的企業策略而擬對董事會作出的變動提出建議；
3. 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見；
4. 依照上市規則的要求，評估獨立非執行董事的獨立性；
5. 就董事(特別是主席和行政總裁)的委任或重新委任和繼任計劃向董事會提供建議；
6. 採取一切措施確保本委員會履行董事會賦予的權力和職能；及
7. 遵守董事會、本公司章程或法律不時規定的任何要求、指令和管理規定。

提名委員會目前包括執行董事涂建華先生以及獨立非執行董事陸海林博士、章敬東女士及諸大建先生。涂建華先生為提名委員會主席。Stephanus Maria van Ooijen先生及方安空先生已分別於二零一五年三月十二日及二零一六年二月十六日辭任及不再為提名委員會成員。

Corporate Governance Report (continued)

企業管治報告(續)

NOMINATION COMMITTEE (continued)

The Nomination Committee convened one meeting during the Year with the attendance of each member as follows:

提名委員會(續)

提名委員會於本年度共召開一次會議，各成員出席如下：

Name of Committee members		No. of Meeting attended/ No. of Meeting held
委員會成員姓名		出席會議數目／舉行會議數目
Executive Directors	執行董事	
Tu Jianhua (Chairman since 29 April 2015)	涂建華 (自二零一五年四月二十九日起為主席)	0/0
Fang Ankong (Chairman for the period from 1 January 2015 to 28 April 2015) (resigned on 16 February 2016)	方安空 (由二零一五年一月一至二零一五年 四月二十八日期間為主席) (於二零一六年二月十六日辭任)	1/1
Stephanus Maria van Ooijen (resigned on 12 March 2015)	Stephanus Maria van Ooijen (於二零一五年三月十二日辭任)	0/0
Independent Non-Executive Directors	獨立非執行董事	
Loke Yu	陸海林	1/1
Zhang Jingdong	章敬東	1/1
Zhu Dajian	諸大建	1/1

Throughout the Year, the Nomination Committee has reviewed and discussed the composition, size and structure of the Board, the independence of the Independent Non-Executive Directors, re-election of Directors and appointment of Mr. Tu Jianhua, Mr. Zhang Mingjie and Mr. Meng Yi as Executive Directors.

於整個年度，提名委員會已檢討及討論董事會的組成、人數及架構、獨立非執行董事的獨立性、重選董事及委任涂建華先生、張明杰先生及孟怡先生為執行董事。

In considering the nomination of new directors, the Company will propose the candidates to the Nomination Committee, which will review and make recommendation to the Board on the expertise, skills and experience of the candidates appropriate to the requirements of the business of the Company.

於考慮提名新董事時，本公司會向提名委員會建議候選人，而委員會將檢討符合本公司業務要求的候選人的專業知識、技能及經驗並就此向董事會提供推薦意見。

The composition of the Board has a significant element of diversity, in terms of skills, regional and industry experience, background and gender.

董事會組成須在技能、地區及行業經驗、背景及性別方面有多元化重要元素。

Corporate Governance Report (continued)

企業管治報告(續)

NOMINATION COMMITTEE (continued)

Board Diversity Policy

The Company has established a board diversity policy (the “Board Diversity Policy”) on 15 August 2013 which sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service.

The Board sets measurable objectives to implement the Board Diversity Policy and reviews such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. During the Year, the Nomination Committee considered the age, education background and working experience of the candidates when selecting the Executive Directors, and noted that there was no legal and investment expert on the Board. Subsequently, the Nomination Committee recommended and the Company appointed Mr. Zhang Mingjie, who is a lawyer and familiar with merger and reorganization in capital markets, as an Executive Director.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time.

PRICING COMMITTEE

The Company established the Pricing Committee in June 2010 to review and determine the offer and selling prices of the Group’s physical stock, the Group’s inventory level and hedging positions requirements on a daily basis; to enhance the risk management of commodity price fluctuations and to ensure an effective risk monitoring system. The Pricing Committee currently comprises Mr. Tu Jianhua, Mr. Koon Wai Hung, Mr. Zhu Patrick Xiangdong, Mr. Goh Kian Guan and Mr. Gan Jun, and is chaired by Mr. Tu Jianhua. Ms. Chan Tung Tung and Mr. Chow Wan Hoi Paul resigned and ceased to be members of the Pricing Committee on 22 October 2015 and 20 November 2015 respectively. Mr. Wong Heung Ming Henry was appointed as a member of the Pricing Committee on 20 November 2015 in replacement of Mr. Chow Wan Hoi Paul but resigned on 20 February 2016 and Mr. Koon Wai Hung has been appointed as a member of the Pricing Committee on 20 February 2016 in replacement of Mr. Wong Heung Ming Henry. Mr. Fang Ankong resigned and ceased to be the chairman of the Pricing Committee and Mr. Tu Jianhua has been appointed as chairman of the Pricing Committee, with effect from 16 February 2016. Mr. Xu Jialiang and Mr. Zhu Zhonghui resigned and ceased to be the members of Pricing Committee on 31 March 2016. Mr. Zhu Patrick Xiangdong and Mr. Goh Kian Guan were appointed as the members of Pricing Committee on 1 April 2016.

提名委員會(續)

董事會成員多元化政策

本公司於二零一三年八月十五日制定董事會成員多元化政策(「董事會成員多元化政策」)，當中載列董事會為達致及維持成員多元化以提升董事會之有效性而採取之方針。

本公司為尋求達致董事會成員多元化會考慮眾多因素，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。

董事會制定可衡量目標，以實施董事會成員多元化政策及不時審閱該等目標，確保其適用性及把握為達至該等目標而作出之進展。於本年度，於挑選執行董事時，提名委員會考慮候選人的年齡、教育背景及工作經驗，並留意到董事會並無法律及投資專家。隨後，提名委員會建議，而本公司委任張明杰先生(為律師及熟識合併及資本市場重組)為本公司執行董事。

提名委員會將審閱董事會成員多元化政策，如適合，不時確保其繼續保持有效。

定價委員會

本公司已於二零一零年六月成立定價委員會，負責審閱及釐定本集團每日之現貨買入及賣出價，本集團的存貨水平以及每日對沖形勢的要求，以提高對商品價格波動的風險管理，並確保風險監察系統的效能。定價委員會現時包括涂建華先生、官偉雄先生、朱向東先生、吳健源先生及甘軍先生，並由涂建華先生主席。陳彤彤女士及周雲海先生分別於二零一五年十月二十二日及二零一五年十一月二十日辭任及不再為定價委員會成員。黃向明先生於二零一五年十一月二十日獲委任為定價委員會成員，以替任周雲海先生，但於二零一六年二月二十日辭任，而官偉雄先生於二零一六年二月二十日獲委任為定價委員會成員，以替任黃向明先生。方安空先生辭任及不再為定價委員會主席，而涂建華先生已委任定價委員會主席，自二零一六年二月十六日起生效。許加良先生及朱忠輝先生已於二零一六年三月三十一日辭任及不再為定價委員會成員。朱向東先生及吳健源先生於二零一六年四月一日獲委任為定價委員會成員。

Corporate Governance Report (continued)

企業管治報告(續)

PRICING COMMITTEE (continued)

The Pricing Committee convened eleven meetings during the Year with the attendance of each member as follows:

定價委員會(續)

於本年度，定價委員會共召開十一次會議，各成員出席如下：

Name of Committee Members 委員會成員姓名	No. of Meetings attended/ No. of Meetings held 出席會議數目／舉行會議數目
Chairman of Pricing Committee Fang Ankong (resigned on 16 February 2016)	定價委員會主席 方安空 (於二零一六年二月十六日辭任) 9/9
Committee Members Chow Wan Hoi Paul (resigned on 20 November 2015)	委員會成員 周雲海 (於二零一五年十一月二十日辭任) 9/9
Xu Jialiang (resigned on 31 March 2016)	許加良 (於二零一六年三月三十一日辭任) 9/9
Zhu Zhonghui (resigned on 31 March 2016)	朱忠輝 (於二零一六年三月三十一日辭任) 9/9
Gan Jun	甘軍 9/9
Chan Tung Tung (resigned on 22 October 2015)	陳彤彤 (於二零一五年十月二十二日辭任) 9/9
Wong Heung Ming Henry (appointed on 20 November 2015 and resigned on 20 February 2016)	黃向明 (於二零一五年十一月二十日獲委任並 於二零一六年二月二十日辭任) 0/0

Throughout the Year, the Pricing Committee has reviewed the Group's monthly physical stock price and commodities transactions. The Pricing Committee held three quarterly review meetings with the Board of Directors in 2015 to review and discuss the Pricing Committee Report. In the review meetings, the Pricing Committee and the Board of Directors reviewed and discussed the Group's commodity future contracts' exposure level, the corresponding procurement and inventory management strategy of each quarter in 2015, and reviewed the Group's Policy regarding dealings in metal futures contracts.

於整個年度，定價委員會已審閱本集團每月現貨價格及商品交易。於二零一五年，定價委員會與董事會舉行三次季度審議會議，以審閱及討論定價委員會報告。於審議會議中，定價委員會及董事會已審閱及討論本集團於二零一五年每季度的商品期貨合約的風險水平、相應採購及存貨管理策略，及審閱本集團有關買賣金屬期貨合約的政策。

Corporate Governance Report (continued)

企業管治報告(續)

STRATEGY AND INVESTMENT COMMITTEE

The Company established the Strategy and Investment Committee in December 2015. The written terms of reference of the Strategy and Investment Committee have been subsequently adopted on 2 February 2016 and are available on the Company's website.

The duties of the Strategy and Investment Committee include the following aspects:

- (i) to act as a delegate for the Board generally;
- (ii) to make decisions and pass resolutions, and to exercise all powers of the Board on all matters of the Company in relation to its daily operations and investment activities, including any non-connected transaction if the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules less than 5%; and
- (iii) to make recommendations to the Board concerning matters of corporate significance not otherwise dealt by any other committees of the Board, recommendations must be submitted to the Board for approval in respect of all transactions if the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules equal to or are more than 5%.

The Strategy and Investment Committee currently consists of Mr. Tu Jianhua, Mr. Zhang Mingjie and Mr. Zhang Jun, the Executive Directors, and is chaired by Mr. Tu Jianhua. Mr. Meng Yi resigned and ceased to be a member of the Strategy and Investment Committee on 1 April 2016.

The Strategy and Investment Committee was only set up in December 2015 and no meeting was convened during the Year.

COMPANY SECRETARY

The Company Secretary provides support to the Chairman, Board and Board Committees by ensuring good information flow and that Board policies and procedures are followed. The draft Minutes of all Board Meetings and Committee Meetings were circulated to the Board and Board Committees within a reasonable time. All signed Minutes and Resolutions of all Board Meetings and Committee Meetings were circulated to all the Directors and Committee Members for record.

The Company Secretary is an employee of the Company and has day-to-day knowledge of the Company's affairs.

戰略與投資委員會

本公司於二零一五年十二月成立戰略與投資委員會。戰略與投資委員會的書面職權範圍其後於二零一六年二月二日採納，於本公司網站可供閱覽。

戰略與投資委員會的主要職責如下：

- (i) 主要作為董事會的代表行事；
- (ii) 作出決策及通過決議，以及就有關本公司日常營運及投資活動的所有事宜（包括根據上市規則第14.07條所計算的適用百分比率低於5%的任何非關連交易）行使一切董事會權力；及
- (iii) 就任何其他董事委員會未處理的重大企業事宜向董事會提供推薦建議，倘根據上市規則第14.07條所計算的適用百分比率相等於5%或以上之所有交易，必須提交建議予董事會審批。

戰略與投資委員會現時由執行董事涂建華先生、張明杰先及張軍先生組成，涂建華先生為主席。孟怡先生於二零一六年四月一日辭任及不再為戰略與投資委員會成員。

戰略與投資委員會僅於二零一五年十二月成立，於本年度並無召開會議。

公司秘書

公司秘書負責支援主席、董事會及董事委員會，確保資訊流通無阻，而董事會的政策及程序得到遵守。公司秘書於合理時間內傳閱所有董事會會議及委員會會議的會議記錄草擬本。所有董事會會議及委員會會議的所有經簽署會議記錄及決議案供所有董事及委員會成員傳閱以作存檔。

公司秘書為本公司員工，並對本公司事務有日常理解。

Corporate Governance Report (continued)

企業管治報告(續)

COMPANY SECRETARY (continued)

The Company Secretary has attended relevant professional seminars to update her skills and knowledge. She has complied with Rule 3.29 of the Listing Rules and has taken no less than 15 hours of relevant professional training during the Year.

AUDITORS' REMUNERATION

During the Year, the fees paid or payable to Deloitte Touche Tohmatsu in respect of its audit services and non-audit services are as follows:

		HK\$ 港元
Type of services	服務種類	
Audit fee for the Group	本集團審核費用	2,460,000
Review of the Group's Interim Result	審閱本集團中期業績	670,000
Review of the Group's indebtedness and working capital sufficiency	審閱本集團債務及營運資金充足度	640,000
Review of Continuing Connected Transaction	審閱持續關連交易	20,000
Total	總計	3,790,000

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibilities for preparing all information and representations contained in the financial statements of the Company for the Year which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. The Directors consider that the financial statements have been prepared in conformity with all appropriate accounting standards and requirements and reflect amounts that are based on the best estimates and reasonable, informed and prudent judgment of the Board and the management. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements of the Company on a going concern basis.

The statements of the auditor of the Group about its reporting responsibilities on the financial statements of the Group is set out in the section headed "Independent Auditor's Report" on page 88 of this report.

公司秘書(續)

公司秘書已出席相關專業研討會以更新其技能及知識。彼一直遵守上市規則第3.29條，且於本年度已參與不少於十五個小時的相關專業培訓。

核數師酬金

於本年度，就審核服務及非審核服務已付或應付予德勤•關黃陳方會計師行的酬金如下：

問責及審核

董事承認彼等有責任編製本公司本年度的財務報表所載的一切資料及陳述，並真實公平地反映本集團的狀況以及期內的業績及現金流量。董事認為財務報表已遵照所有適用會計準則及規定編製，並反映根據董事會及管理層的最佳估計、合理知情及審慎的判斷所得的數額。就董事所知，並無有關任何事件或情況的重大不明朗因素可能對本公司持續經營的能力產生重大質疑。因此，董事已按照持續經營基準編製本公司的財務報表。

本集團核數師就其對本集團財務報表的呈報責任作出的聲明載於本報告第88頁的「獨立核數師報告」一節。

Corporate Governance Report (continued)

企業管治報告(續)

INTERNAL CONTROL

The Board is responsible for establishing, maintaining and operating an effective system of internal controls. The Company leverages on the expertise offered by internal and external professionals to develop its internal control system, which includes a well-established corporate structure and an organisation with clearly defined lines of responsibility and authority. The Company's Internal Control Department is to provide independent assurance to the Board and executive management on the adequacy and effectiveness of internal controls for the Group. The internal control system of the Company is reviewed and assessed on an on-going basis by the Executive Directors, and will be further reviewed and assessed at least once each year by the Audit Committee and the Board.

The Company's Internal Control Department adopts a risk-and-control based audit approach. The annual work plan of the Company's Internal Control Department covers major activities and processes of the Group's business units whilst audit plan is reviewed and agreed by the Audit Committee. In addition to the agreed schedule of work, the Company's Internal Control Department conducts other review and investigative work as may be required. All audit reports are communicated to the Audit Committee and key members of executive and senior management. Audit issues are tracked and followed up for proper implementation, with progress reported to the Audit Committee, executive and senior management periodically.

Policy regarding dealings in metal futures contracts

As disclosed in the Annual Report 2014, on March 2015 the Board adopted a new policy regarding dealings in metal futures contracts (the "Policy") to better reflect the current requirement of the Group's business. The major changes in the Policy regarding dealings in metal futures contracts are summarised as below:

- (a) the Board considered it important to lock in our profits and mitigate any potential for loss or diminution of our profit margin, so it has increased the limit on the total quantity of futures contracts that the Group may sell for hedging purposes (the "Hedging Limit") to 100% of the then latest available quantity of physical inventories.

內部監控

董事會負責建立、維持及運作有效的內部監控。本公司憑藉公司內外的專業人員的專業知識發展內部監控系統，包括良好的公司架構及職責與權力的明確分立。本公司的內部監控部門就本集團內部控制的充足性及有效性向董事會及執行管理層提供獨立保證。本公司的內部監控系統由執行董事持續檢討及評估，並由審核委員會及董事會至少每年一次進一步檢討與評估。

本公司的內部監控部門採納以風險及控制為本的審核方式。本公司的內部監控部門的年度工作計劃涵蓋本集團業務單位的主要活動及程序，而審核計劃則由審核委員會檢討及批准。除經同意的工作安排外，本公司的內部監控部門會按要求從事其他審閱及調查工作。所有審核報告均交予審核委員會及行政及高級管理層的主要成員。為求妥善實行審核事項，有關進展會定期匯報予審核委員會、行政及高級管理層，予以追查及跟進。

有關買賣金屬期貨合約的政策

誠如二零一四年年報所披露，於二零一五年三月，董事會已採納一套可更好地反映目前業務規定的有關買賣金屬期貨合約的新政策（「政策」）。該政策中之主要變動概述如下：

- (a) 董事會認為，鎖定溢利，避免引致任何潛在虧損或本集團利潤率減少十分重要，故董事會將本集團就對沖目的而出售的期貨合約總數量限額（「對沖限額」）提高至其時本集團所知實際存貨的100%。

Corporate Governance Report (continued)

企業管治報告(續)

INTERNAL CONTROL (continued)

Policy regarding dealings in metal futures contracts (continued)

- (b) the Board introduced a maximum amount of metal futures that the Group may enter daily for each type of metal for the purposes of cash flow and inventory management (the “Daily Limits”), in order to avoid any sudden movement in open positions held by the Group.

The Pricing Committee which, as referred to earlier in this report, comprises the Group’s executive directors and senior management with appropriate qualifications and experiences, has been established and delegated with the operations of the Policy. It determines the range of metal futures contracts the Group that may enter into during the month. On a daily basis, the Pricing Committee reviews the open positions of the Group and determines (i) the offer and sell price of our physical stock and our hedging requirements; and (ii) the quantity and the price of the metal futures contracts that the Group is going to buy or sell.

The Board receives a monthly report from the Pricing Committee on the Group’s metal futures activities carried out during the preceding month. Should the Pricing Committee determine that any long-long or short-short positions are to be taken, it must inform the Board and provide supporting reasons in its report. In addition, the Company’s Finance Department assesses and reports to the Board on the open positions of the Group based on the Group’s cash position.

In the event the report from the Company’s Finance Department demonstrates that the Group is not in strict compliance with the Hedging Limit and the Daily Limit, the Group will put in place and implement a plan to decrease the open positions of the Group within a reasonable time in order to comply with the limits.

After taking into account the volatilities in the global commodity market and the Group’s hedging and inventory requirements, the Pricing Committee had been reducing the Group’s positions in all futures contracts in 2015. By October 2015, all metal futures contracts were settled and no such future contract was held as at 31 December 2015.

內部監控(續)

有關買賣金屬期貨合約的政策(續)

- (b) 為避免本集團所持期貨合約數量出現任何劇烈波動，董事會為以實現現金流和庫存管理目的而買賣之每種金屬期貨合約交易量引進每日上限(「每日限額」)。

按本報告較早前提及，由本集團之執行董事及具合適資歷和經驗的高級管理層組成的定價委員會已經成立，並被授權營運該政策。其釐定本集團於該月可買賣的金屬期貨合約的範圍。就每日而言，定價委員會審閱本集團的未平倉交易並釐定：(i)我們的現貨庫存的報價和售價以及我們的對沖要求；及(ii)本集團準備買入或賣出的金屬期貨合約的數量和價格。

定價委員會每月就本集團於前一個月進行的金屬期貨活動向董事會提交報告。倘定價委員會釐定將持有任何好倉或淡倉，定價委員會須於報告中通知董事會，並提供理由。此外，本公司的財務部根據本集團的現金狀況評估本集團未平倉交易並向董事會報告。

倘本公司財務部的報告顯示，本集團並無嚴格遵守對沖限額及每日限額，本集團將制定及落實計劃，以於合理時間內減低本集團的未平倉交易，以符合限額。

經考慮全球商品市場波動及本集團的對沖及存貨規定後，於二零一五年，定價委員會已減低本集團於所有期貨合約的倉位。於二零一五年十月，所有金屬期貨合約已結算。截止二零一五年十二月三十一日，並無持有該期貨合約。

Corporate Governance Report (continued)

企業管治報告(續)

INTERNAL CONTROL (continued)

Strategy and Investment Committee

In order to cope with the Group's development needs, enhance scientific planning and decision-making, promote the effectiveness of material investment decision-makings and improve the corporate governance structure of the Group, the Company established the Strategy and Investment Committee on 21 December 2015 with written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules.

The principal functions and responsibilities of the Strategy and Investment Committee are to (i) study on the development strategies and planning; and (ii) advise on the decision-makings on material investments and capital operation of the Company.

Notwithstanding that the Strategy and Investment Committee is entitled to exercise all powers of the Board on all matters of the Company in relation to its daily operations and investment activities, recommendations must be submitted to the Board for approval for all transactions with a percentage ratio equal to or higher than 5% according to the testing result of the Stock Exchange.

COMMUNICATION WITH SHAREHOLDERS

The Company has established a shareholders' communication policy (the "Shareholders' Communication Policy") in March 2012 for setting out the policies, communication strategies and practices of the Company for communication with its shareholders. The Shareholders' Communication Policy enables the shareholders (the "Shareholders") of the Company to obtain comprehensive and plain information of the Company, to exercise their powers on an informed basis and to strengthen their communication with the Company.

The Company has established and maintained a dialogue with Shareholders by conveying information to the Shareholders and investors through the Company's financial reports (interim and annual reports); annual general meeting and other meetings that may be held; and all the information submitted to the Stock Exchange for disclosure, as well as corporate communications and other publications which shall be posted on the website of the Company.

內部監控(續)

戰略與投資委員會

為適應本集團的發展需求、增強戰略規劃決策的科學性、促進重大投資決策的有效性及改善本集團的企業管治架構，本公司於二零一五年十二月二十一日成立戰略與投資委員會，並已遵照上市規則附錄十四所載企業管治守則訂明職權範圍。

戰略與投資委員會的主要職能及職責為：(i) 研究本公司的發展策略及規劃；及(ii) 就本公司的重大投資及資本運作的決策提供建議。

儘管戰略與投資委員會有權就本公司的日常運作及投資活動的所有事宜行使一切董事會權力，但根據聯交所的測試結果計算，百分比率等於或高於5%的所有交易，則必須提交建議予董事會審批。

與股東的溝通

於二零一二年三月，本公司建立一項股東通訊政策（「股東通訊政策」），當中載有本公司與其股東通訊有關的政策、通訊策略及常規。股東通訊政策能使本公司股東（「股東」）獲得本公司全面及容易理解的資料，以在知情情況下行使權利及加強彼等與本公司的溝通。

本公司已與股東建立及保持對話，向股東及投資者傳達信息，途徑包括本公司財務報告（中期及年度報告）；股東週年大會及可能舉行的其他大會；及提交至聯交所以供披露的所有資料以及將於本公司網站刊發的公司通訊及其他出版資料。

Corporate Governance Report (continued)

企業管治報告(續)

COMMUNICATION WITH SHAREHOLDERS (continued)

The Company undertakes to convey information to the Shareholders and investors in a timely and effective manner at all times. If there are any questions about the Shareholders' Communication Policy, it shall be delivered to the Company Secretary or the Head of Investor Relations Department of the Company.

SHAREHOLDERS' RIGHTS Shareholders general enquiries

Shareholders should direct their questions about their shareholdings to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited.

Shareholders and the investment community may at any time make a request for the Company's information to the extent such information is publicly available.

Procedures for putting forward enquiries to the Board

Shareholders may at any time forward enquires to the Board in writing through the Company Secretary who will direct the enquiries to the Board for handling. The contact details of the Company Secretary are as follows:

The Company Secretary
48 Wang Lok Street
Yuen Long Industrial Estate
Hong Kong

Fax: (852) 2587 7799
Email Address: cosec@chiho-tiande.com

與股東的溝通(續)

本公司承諾始終以適時及有效的方式向股東及投資人士傳達信息。倘對股東通訊政策有任何疑問，須諮詢本公司秘書或本公司投資者關係部主管。

股東權利 股東一般查詢

股東如對名下股權有任何問題，應向本公司的香港股份登記及過戶分處香港中央證券登記有限公司提出。

股東及投資人士可隨時要求索取本公司可供公開查閱的資料。

向董事會提出查詢之程序

股東可隨時透過公司秘書向董事會提出書面查詢，而公司秘書會轉交有關查詢予董事會處理。公司秘書之聯絡詳情如下：

公司秘書
香港
元朗工業邨
宏樂街48號

傳真：(852) 2587 7799
電子郵件地址：cosec@chiho-tiande.com

Corporate Governance Report (continued)

企業管治報告(續)

SHAREHOLDERS' RIGHTS (continued)

Procedures for Shareholders to Convene General Meetings

Subject to the provisions of the articles of association of the Company ("Articles of Association"), the Listing Rules and the applicable laws and regulations, Shareholders may convene general meetings of the Company in accordance with the following procedures:

1. One or more Shareholders holding at the date of the deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company (the Requisitionist(s)) may require the Board to convene an extraordinary general meeting of the Company (an "EGM") by depositing a written requisition (the "Requisition") at the registered office of the Company at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and a copy thereof at the principal place of business of the Company in Hong Kong at 48 Wang Lok Street, Yuen Long Industrial Estate, Hong Kong, for the attention of the Board or the Company Secretary.
2. The Requisition must clearly state the name(s) and shareholding in the Company of the Requisitionist(s), specify the purposes of the EGM and the details of the business proposed to be transacted in the EGM and be signed by the Requisitionist(s) and may consist of several documents in like form, each signed by one or more of the Requisitionists.
3. Upon receipt of the Requisition, the Directors shall verify the Requisition with the Company's branch share registrar and upon this confirmation that the Requisition is proper and in order, shall forthwith proceed duly to convene the EGM, and such EGM shall be held within two (2) months after the deposit of the Requisition.
4. If the Directors do not within twenty-one (21) days from the date of the deposit of the Requisition proceed duly to convene the EGM, the Requisitionist(s), may himself or themselves convene the EGM in the same manner and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Board shall be reimbursed to the Requisitionist(s) by the Company.

股東權利(續)

股東召開股東大會之程序

根據本公司組織章程細則(「章程細則」)條文、上市規則及適用法律和法規，股東可根據以下程序召開本公司股東大會：

1. 一名或多名於提出該請求日期持有不少於獲賦予權利於本公司股東大會上投票之本公司繳足股本十分之一的股東(「請求人」)可請求董事會召開本公司股東特別大會(「股東特別大會」)，該請求須以書面請求形式(「請求書」)送至本公司註冊辦事處(地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands)及其副本須送至本公司香港主要營業地點(地址為香港元朗工業邨宏樂街48號)，收件人為董事會或公司秘書。
2. 請求書須清楚寫明請求人之姓名及於本公司之股權，列明股東特別大會之目的及擬於股東特別大會上處理之事項的詳情，並由請求人簽署；該請求書可包括多份相同形式之文件，每份由一位或多位請求人簽署。
3. 收到請求書後，董事須與本公司之股份登記分處核實該請求書，並於確認該請求書為妥善及適當時，應立即正式召開股東特別大會，該股東特別大會須於請求書送交後兩(2)個月內舉行。
4. 倘送交請求書後二十一(21)日內，董事未正式召開股東特別大會，則請求人可自發以同樣方式召開股東特別大會，而請求人因董事會未有召開股東特別大會而合理產生之所有開支須由本公司向請求人作出償付。

Corporate Governance Report (continued)

企業管治報告(續)

SHAREHOLDERS' RIGHTS (continued)

Procedures for Shareholders to Convene General Meetings (continued)

5. Under the Articles of Association and pursuant to the requirements of the Listing Rules, a notice specifying the time and place and the general nature of the proposed business to be transacted at the EGM shall be given to all Shareholders entitled to attend the EGM for consideration in the following manner:
- (i) notice of not less than 21 clear days or 10 clear business days, whichever is the longer, if a special resolution is to be passed at the EGM; and
 - (ii) notice of not less than 14 clear days or 10 clear business days, whichever is the longer, in all other cases, provided that a EGM may be called by a shorter notice if it is so agreed by a majority in number of the Shareholders having the right to attend and vote at the EGM, being a majority together holding not less than 95% in nominal value of the issued shares of the Company giving such right.

The notice period is exclusive of (i) the day on which the notice is served or deemed to be served; and (ii) the day on which the EGM is to be held.

Procedures for Shareholders to Make Proposals at General Meetings

Subject to the provisions of the Articles of Association, the Listing Rules and the applicable laws and regulations, Shareholders may propose a resolution at general meetings of the Company by following the "Procedures for Shareholders to Convene General Meetings" to convene an extraordinary general meeting and propose a resolution to be resolved at that extraordinary general meeting. Please refer to the document titled "Procedures for Shareholders to Convene General Meetings" on the Company's website.

股東權利(續)

股東召開股東大會之程序(續)

5. 根據章程細則及上市規則之規定，一份指明時間、地點及擬於股東特別大會上處理之事項之一般性質之通告應按照以下方式向所有有權出席股東特別大會之股東發出：
- (i) 倘將於股東特別大會上通過特別決議案，則須發出不少於21整日或10個完整營業日的通告(以較長者為準)；及
 - (ii) 於所有其他情況下，須發出不少於14整日或10個完整營業日的通告(以較長者為準)，惟倘獲大多數有權出席股東特別大會並於會上有投票權之股東(該大多數股東合共持有不少於賦予該權利之本公司已發行股份之面值95%)同意，則可以較短期的通告召開股東特別大會。

通告期不包括(i)通告送達或被視為送達當日；及(ii)舉行股東特別大會當日。

股東於股東大會上提呈建議之程序

根據組織章程細則的條文、上市規則及適用法例及法規，股東可遵照「股東召開股東大會之程序」於本公司股東大會上提呈決議案，以召開股東特別大會及提呈將於股東特別大會上決議的決議案。請參考本公司網站「股東召開股東大會之程序」一節的文件。

Corporate Governance Report (continued)

企業管治報告(續)

SHAREHOLDERS' RIGHTS (continued)

Procedures for Shareholders to Propose a Person for Election as a Director

Subject to the provisions of the Articles of Association, the Listing Rules and the applicable laws and regulations, the Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director.

1. Shareholder(s) may propose a person (the "Candidate") for election as a Director at general meeting in accordance with the following procedures:
 - (a) a Shareholder or a group of Shareholders holding not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company may requisition an extraordinary general meeting to propose the Candidate to be elected as a Director in the manner provided in "Procedures for Shareholders to Convene General Meetings"; or
 - (b) Election of directors whether by rotation or otherwise in the place of those retiring would be considered ordinary business at an annual general meeting of the Company (the "AGM") and if the notice of an AGM includes the election of Directors, any Shareholder may propose the election of any person as a Director at the AGM;

Provided that, in each case, no Candidate other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless:

- (i) a notice signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such Candidate for election; and
- (ii) a notice signed by the Candidate of his willingness to be elected,

shall have been lodged to the Company at its principal place of business in Hong Kong at 48 Wang Lok Street, Yuen Long Industrial Estate, Hong Kong within the period of at least seven (7) days commencing on the day after the despatch of the notice of the general meeting and ending no later than seven (7) days prior to the date appointed for such general meeting.

股東權利(續)

股東建議推選一名人士為董事之程序

根據組織章程細則條文、上市規則及適用法律和法規，本公司可不時於股東大會通過普通決議案選出任何人士成為董事，以填補臨時空缺或作為新增董事。

1. 股東可根據以下程序於股東大會上建議推選一名人士(「候選人」)為董事：
 - (a) 持有不少於獲賦予權利於本公司股東大會上投票之本公司繳足股本十分之一的一名或多名股東可要求股東特別大會按「股東召開股東大會之程序」所規定之方式建議推選候選人為董事；或
 - (b) 於本公司股東週年大會(「股東週年大會」)上選舉董事，不論通過輪席或以其他方式取代退任之董事，將被視為一般事務及倘股東週年大會通告包括選舉董事，任何股東可於股東週年大會上建議推選任何人士為董事；

於各情況下，除非獲董事推薦參選，否則除董事於股東大會上退任外，概無候選人合資格於任何股東大會上參選，除非：

- (i) 由正式合資格出席大會並於會上表決之股東(除擬參選人外)簽署通告，其表明建議提名該候選人參選之意向；及
- (ii) 由候選人簽署表示願意參選之通告，

於寄發股東大會通告後開始最少須為七(7)天至不遲於該股東大會指定舉行日期前七(7)天結束之期間內，送至本公司香港主要營業地點(地址為香港元朗工業邨宏樂街48號)。

Corporate Governance Report (continued)

企業管治報告(續)

SHAREHOLDERS' RIGHTS (continued)

Procedures for Shareholders to Propose a Person for Election as a Director (continued)

2. In addition, the notice must contain the information as specified in Rule 13.51(2) of the Listing Rules about the Candidate, including but not limited to the following:
- (i) full name;
 - (ii) age;
 - (iii) business and residence addresses;
 - (iv) principal occupation or employment;
 - (v) experience including (a) other directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas, and (b) the major appointments and professional qualifications; and
 - (vi) interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 576 of the Laws of Hong Kong).

CONSTITUTIONAL DOCUMENTS

During the Year, there was no change in the Company's constitutional documents.

INVESTOR RELATIONS

The management of the Company believes that effective and proper investor relations play a vital role in creating shareholders' value, enhancing the corporate transparency as well as establishing market confidence. As such, the Company has adopted a stringent internal control system to ensure true, accurate, complete and timely disclosure of relevant information pursuant to requirements of relevant laws and regulations in order to ensure all shareholders equal access to information. To strive for effective communication and transparency of the Company, the personnel in charge have frequent contact with Shareholders and investors through various channels such as via interviews, presentations, internet, telephone and email.

股東權利(續)

股東建議推選一名人士為董事之程序(續)

2. 此外，該通告須包含上市規則第13.51(2)條所載有關候選人之資料，包括但不限於以下內容：
- (i) 全名；
 - (ii) 年齡；
 - (iii) 業務及居住地址；
 - (iv) 主要職業或受僱工作；
 - (v) 經驗，包括(a)過往三年於其證券在香港或海外任何證券市場上市之公眾公司擔任之其他董事職務，及(b)主要的任命及專業資格；及
 - (vi) 持有本公司之股份權益(定義見證券及期貨條例第XV部(香港法例第576章))。

章程文件

於本年度，本公司章程文件並無變動。

投資者關係

本公司管理層相信，有效及正確的投資者關係對創造股東價值、提高企業透明度及建立市場信心尤為重要。因此，本公司已採納嚴謹的內部監控系統，確保根據相關法例及規例的規定真確、準確、完整及適時披露相關資料，從而確保所有股東均可獲取相同的資訊。為達致有效溝通及提高本公司透明度，負責人經常透過訪問、演講、互聯網、電話及電郵等不同渠道聯絡股東及投資者。

Corporate Governance Report (continued)

企業管治報告(續)

INVESTOR RELATIONS (continued)

In addition, the Company has during the Year organized numerous site visits to the Group's facilities with several fund managers and equity market analysts. Through the site visits, the visitors managed to have a better understanding of the Group's operations and an opportunity to know more about the Group's development strategy.

We will continue to establish communication opportunities in order to enhance investors' understanding of and confidence in the Company.

WHISTLEBLOWING POLICY

To deter wrongdoing and to promote standards of good corporate practices, the Company has adopted a whistleblowing policy in December 2012. This policy aims at encouraging and enabling employees of the Group at all levels and others to report violations or suspected violations and to raise serious concerns about possible improprieties in matters of financial reporting or other matters of the Group.

INFORMATION DISCLOSURE

The Company discloses information in compliance with the securities regulations of the Stock Exchange, and publishes periodic reports and announcements to the public in accordance with relevant laws and regulations. Our primary focus is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling Shareholders, investors as well as the public, to make rational and informed decisions.

投資者關係(續)

此外，本公司於本年度為數位基金經理及股票市場分析員安排了數次到本集團設施的實地考察。透過該等實地考察，到訪者能更好的了解本集團的運作並有機會了解本集團的發展策略。

我們將繼續建立溝通機會以增強投資者對本公司的了解及信心。

舉報政策

為遏止不恰當行為及提升良好企業管治水平，本公司已於二零一二年十二月採納舉報政策。該政策旨在鼓勵及促使本集團各級僱員及其他人士舉報違規行為或涉嫌違規行為，及高度關注本集團之財務報告事宜或其他事項中可能存在之不恰當行為。

資料披露

本公司根據聯交所證券規例披露資料，並根據有關法律法規向公眾人士刊發定期報告及公告。本集團致力確保適時披露資料，而有關資料為公正、準確、真實及完整，務求使股東、投資者及公眾人士能作出合理及知情的決定。

Independent Auditor's Report

獨立核數師報告

Deloitte.

德勤

TO THE MEMBERS OF CHIHO-TIANDE GROUP LIMITED
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Chiho-Tiande Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 90 to 231, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

致：齊合天地集團有限公司股東
(於開曼群島註冊成立的有限公司)

我們已審核載於第90頁至第231頁的齊合天地集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，其中包括於二零一五年十二月三十一日的綜合財務狀況表及於該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及重大會計政策概要連同其他解釋資料。

董事就綜合財務報表須負的責任

貴公司董事須遵照香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實公平的綜合財務報表，並對董事釐定就編製不存在由於欺詐或錯誤而導致的重大錯誤陳述的綜合財務報表而言屬必要的內部監控負責。

核數師的責任

我們的責任是根據我們的審核工作對該等綜合財務報表發表意見，並根據委聘的協定條款僅向整體股東報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。我們是按照香港會計師公會頒佈的香港核數準則進行審核工作，這些準則要求我們須遵守相關道德規範，並計劃及執行審核，以合理確定該等綜合財務報表是否不存有任何重大錯誤陳述。

Independent Auditor's Report (continued)

獨立核數師報告(續)

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

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

Opinion

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

Deloitte Touche Tohmatsu

Certified Public Accountants
Hong Kong
23 March 2016

審核涉及執程序以獲取有關綜合財務報表所載金額及披露事項的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與實體編製真實公平的綜合財務報表相關的內部監控，以設計適合不同情況的審核程序，但並非旨在對實體內部監控的有效性發表意見。審核亦包括評價董事所採用會計政策的合適性及所作會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證充足及適當地為我們的審核意見建立基礎。

意見

我們認為，按照香港財務報告準則編製的綜合財務報表已真實公平地反映 貴集團於二零一五年十二月三十一日的財務狀況及 貴集團截至該日止年度的虧損及現金流量，並已按照香港公司條例之披露規定妥善編製。

德勤•關黃陳方會計師行

執業會計師
香港
二零一六年三月二十三日

Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表

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

		NOTES 附註	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Revenue	收益	7	3,136,633	5,877,970
Cost of sales	銷售成本	8	(3,181,909)	(5,895,336)
Gross loss	毛損		(45,276)	(17,366)
Other income	其他收入	9	22,587	27,977
Other gains and losses	其他收益及虧損	10	(850,678)	(770,923)
Distribution and selling expenses	分銷及銷售開支		(9,785)	(23,722)
Administrative expenses	行政開支		(142,604)	(130,534)
Finance costs	財務成本	11	(117,383)	(153,327)
Share of (loss) profit of an associate	應佔聯營公司(虧損)溢利	20	(545)	284
Loss before tax	除稅前虧損		(1,143,684)	(1,067,611)
Income tax expense	所得稅開支	12	(337)	(3,629)
Loss for the year	年內虧損	13	(1,144,021)	(1,071,240)
Other comprehensive (expense) income	其他全面(開支)收入			
Item that will not be reclassified subsequently to profit or loss:	其後將不會重新分類至損益的項目：			
Exchange difference arising on translation to presentation currency	換算成呈報貨幣產生的匯兌差額		(38,466)	(9,623)
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益的項目：			
Reclassification to profit or loss on disposal of available-for-sale investment	就出售可供出售投資重新分類至損益		(4,606)	499
Fair value gain on available-for-sale investment	可供出售投資公平值收益		4,606	918
			-	1,417
Other comprehensive expense for the year	年內其他全面開支		(38,466)	(8,206)
Total comprehensive expense for the year	年內全面開支總額		(1,182,487)	(1,079,446)
Loss for the year attributable to:	以下各方應佔年內虧損：			
Owners of the Company	本公司擁有人		(1,138,804)	(1,057,980)
Non-controlling interests	非控股權益		(5,217)	(13,260)
			(1,144,021)	(1,071,240)
Total comprehensive expense for the year attributable to:	以下各方應佔年內全面開支總額：			
Owners of the Company	本公司擁有人		(1,181,800)	(1,066,423)
Non-controlling interests	非控股權益		(687)	(13,023)
			(1,182,487)	(1,079,446)
Loss per share	每股虧損			
- basic	- 基本	16	(0.82)	(1.01)
- diluted	- 攤薄	16	(0.82)	(1.01)

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2015 於二零一五年十二月三十一日

			2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
	NOTES 附註			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	548,129	508,265
Prepaid lease payments	預付租金	18	507,853	421,461
Investment properties	投資物業	19	20,954	22,351
Interest in an associate	於聯營公司權益	20	2,064	2,609
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備所付按金	21	25,546	19,033
Deferred tax assets	遞延稅項資產	22	486	8,189
			1,105,032	981,908
Current assets	流動資產			
Inventories	存貨	23	975,784	1,107,789
Trade, bills and other receivables	貿易、票據及其他應收款項	24	215,230	431,443
Prepaid lease payments	預付租金	18	12,603	10,620
Derivative financial instruments	衍生金融工具	25	73	391,476
Tax recoverable	可退回稅項		11,460	10,382
Pledged bank deposits	已抵押銀行存款	26	132,022	182,559
Margin deposits	保證金	26	-	253,292
Bank balances and cash	銀行結餘及現金	26	3,585,720	271,556
			4,932,892	2,659,117
Current liabilities	流動負債			
Trade, bills and other payables	貿易、票據及其他應付款項	27	222,351	412,209
Derivative financial instruments	衍生金融工具	25	-	402,932
Tax payable	應付稅項		1,989	3,771
Bank borrowings and overdrafts	銀行借款及透支	28	1,095,156	1,324,831
Other borrowings	其他借款	29	161,559	-
Debt component of convertible bonds	可換股債券的債務部分	29	-	816,421
			1,481,055	2,960,164
Net current assets (liabilities)	流動資產(負債)淨值		3,451,837	(301,047)
Total assets less current liabilities	資產總值減流動負債		4,556,869	680,861

Consolidated Statement of Financial Position (continued)

綜合財務狀況表(續)

At 31 December 2015 於二零一五年十二月三十一日

		NOTES 附註	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Capital and reserves	股本及儲備			
Share capital	股本	30	15,885	10,494
Share premium and reserves	股份溢價及儲備		4,472,090	713,556
Equity attributable to owners of the Company	本公司擁有人應佔權益		4,487,975	724,050
Non-controlling interests	非控股權益	31	(74,141)	(80,694)
Total equity	總權益		4,413,834	643,356
Non-current liabilities	非流動負債			
Other borrowings	其他借款	29	44,775	–
Debt component of convertible bonds	可換股債券的債務部分	29	58,812	–
Embedded derivative components of convertible bonds	可換股債券嵌入式衍生 工具部分	29	9,615	–
Deferred tax liabilities	遞延稅項負債	22	29,833	37,505
			143,035	37,505
			4,556,869	680,861

The consolidated financial statements on pages 90 to 231 were approved and authorised for issue by the Board of Directors on 23 March 2016 and are signed on its behalf by:

載於第90頁至231頁的綜合財務報表於二零一六年三月二十三日獲董事會批准及授權公佈，並由下列董事代表簽署：

Mr. Tu Jianhua
DIRECTOR

Mr. Zhang Mingjie
DIRECTOR

涂建華先生
董事

張明杰先生
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

Attributable to owners of the Company

本公司擁有人應佔

		Share capital	Share premium	Capital redemption reserve	Share option reserve	Statutory Capital reserve	Enterprise expansion fund	Investment revaluation reserve	Foreign currency translation reserve	Accumulated profits (losses)	Sub-total	Attributable to non-controlling interests	Total	
		股本	股份溢價	資本贖回儲備	購股權儲備	資本儲備	企業發展基金	投資重估儲備	外幣匯兌儲備	(虧損)溢利累計	小計	權益應佔	總計	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
					(note i)	(note ii)	(note ii)							
					(附註i)	(附註ii)	(附註ii)							
At 1 January 2014	於二零一四年一月一日	10,446	892,493	224	31,835	222,760	104,376	104,376	(1,417)	171,611	237,656	1,774,360	(67,671)	1,706,689
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(1,057,980)	(1,057,980)	(13,260)	(1,071,240)	
Exchange difference arising on translation to presentation currency	換算成呈報貨幣產生的匯兌差額	-	-	-	-	-	-	-	(9,860)	-	(9,860)	237	(9,623)	
Fair value gain on available-for-sale investment	可供出售投資公平值收益	-	-	-	-	-	-	918	-	-	918	-	918	
Reclassified to profit or loss on disposal of available-for-sale investment	就出售可供出售投資重新分類至損益	-	-	-	-	-	-	499	-	-	499	-	499	
Total comprehensive expense for the year	年內全面開支總額	-	-	-	-	-	-	1,417	(9,860)	(1,057,980)	(1,066,423)	(13,023)	(1,079,446)	
Exercise of share options (Note 30 (note ii))	行使購股權(附註30(附註i))	48	16,568	-	(4,070)	-	-	-	-	-	12,546	-	12,546	
Lapse of share options	購股權失效	-	-	-	(10,949)	-	-	-	-	10,949	-	-	-	
Recognition of equity-settled share-based payments (Note 36)	確認以股權結算及以股份為基礎之付款(附註36)	-	-	-	3,567	-	-	-	-	-	3,567	-	3,567	
Transfer of reserves	儲備轉撥	-	-	-	-	670	670	-	-	(1,340)	-	-	-	
At 31 December 2014	於二零一四年十二月三十一日	10,494	909,061	224	20,383	222,760	105,046	105,046	-	161,751	(810,715)	724,050	(80,694)	643,356

Consolidated Statement of Changes in Equity (continued)

綜合權益變動表(續)

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

	Attributable to owners of the Company 本公司擁有人應佔										Attributable to non-controlling interests 非控股權益應佔	Total 總計		
	Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元 (note i) (附註i)	Statutory general reserve 法定一般儲備 HK\$'000 千港元 (note ii) (附註ii)	Enterprise expansion fund 企業發展基金 HK\$'000 千港元 (note ii) (附註ii)	Investment revaluation reserve 投資重估儲備 HK\$'000 千港元	Foreign currency translation reserve 外幣匯兌儲備 HK\$'000 千港元	Accumulated profits (losses) 累計(虧損)溢利 HK\$'000 千港元			Sub-total 小計 HK\$'000 千港元	
Loss for the year Exchange difference arising on translation to presentation currency Fair value gain on available-for-sale investment Reclassified to profit or loss on disposal of available-for-sale investment Total comprehensive expense for the year Issue of shares Cost of issuance of shares Conversion of convertible bonds (Notes 29 and 30) Capital contribution from non-controlling interests Exercise of share options Lapse of share options Recognition of equity-settled share-based payments (Note 36) Transfer of reserves At 31 December 2015	年內虧損 換算成呈報貨幣產生的匯兌差額 可供出售投資公平值收益 於出售可供出售投資時重新分類至損益 年內全面開支總額 發行認購股份(附註30(附註ii)) 發行認購股份之成本 轉換可換股債券(附註29及30) 非控股權益注資 行使購股權(附註30(附註i)) 購股權失效 確認以股權結算及以股份為基礎之付款(附註36) 儲備轉撥 於二零一五年十二月三十一日	-	-	-	-	-	-	-	(1,138,804)	(1,138,804)	(5,217)	(1,144,021)		
								(42,996)	-	(42,996)	4,530	(38,466)		
							4,606	-	-	4,606	-	4,606		
							(4,606)	-	-	(4,606)	-	(4,606)		
								(42,996)	(1,138,804)	(1,181,800)	(687)	(1,182,487)		
		4,569	4,112,100	-	-	-	-	-	-	4,116,669	-	4,116,669		
		-	(22,100)	-	-	-	-	-	-	(22,100)	-	(22,100)		
		726	804,517	-	-	-	-	-	-	805,243	-	805,243		
		-	-	-	-	-	-	-	-	-	7,240	7,240		
		96	61,225	-	(15,836)	-	-	-	-	45,485	-	45,485		
		-	-	-	(3,621)	-	-	-	3,621	-	-	-		
		-	-	-	428	-	-	-	-	428	-	428		
		-	-	-	-	43	43	-	(86)	-	-	-		
		15,885	5,864,803	224	1,354	222,760	105,089	105,089	-	118,755	(1,945,984)	4,487,975	(74,141)	4,413,834

notes:

- (i) Capital reserve represents the sum of (a) the difference between the nominal value of the aggregate share capital and share premium of the subsidiaries acquired by the Company upon a group reorganisation in 2008 and the nominal value of the Company's shares issued in exchange and (b) a capitalisation of shareholders' loans in 2010.
- (ii) Statutory general reserve and enterprise expansion fund represent the appropriation of 10% of profit after tax determined based on the relevant accounting rules and regulations of the People's Republic of China (the "PRC") as required by the Articles of Association of the Company's PRC subsidiaries. The appropriation may cease to apply if the balance of the statutory general reserve and enterprise expansion fund has reached 50% of the PRC subsidiaries' registered capital. The statutory general reserve and enterprise expansion fund can be used to make up prior year losses or to increase share capital.

附註：

- (i) 資本儲備指(a)本公司於二零零八年集團重組時所收購附屬公司股本及股份溢價總額之面值與本公司交換股權所發行股份之面值的差額及(b)二零一零年資本化股東貸款。
- (ii) 本公司中國附屬公司的組織章程細則規定，須根據中華人民共和國(「中國」)相關會計規則及法規釐定將除稅後溢利10%撥入法定一般儲備及企業發展基金。倘法定一般儲備及企業發展基金餘額達中國附屬公司註冊資本的50%，則可終止撥備。法定公積金及企業發展基金可用於彌補過往年度虧損或增加股本。

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動		
Loss before taxation	除稅前虧損	(1,143,684)	(1,067,611)
Adjustments for:	對下列各項之調整：		
Finance costs	財務成本	117,383	153,327
Interest income	利息收入	(13,890)	(7,671)
Dividend income from available-for-sale investment	可供出售投資股息收入	-	(301)
Depreciation of investment properties	投資物業折舊	1,397	1,631
Depreciation of property, plant and equipment	物業、廠房及設備折舊	28,958	36,122
Amortisation of prepaid lease payments	預付租金攤銷	10,542	10,593
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益	(2,084)	(335)
Gain on disposal of an investment property	出售投資物業收益	-	(29,216)
Recovery of doubtful debts	呆賬收回	(1,613)	-
Impairment loss on trade, bills and other receivables	貿易、票據及其他應收款項減值虧損	53,166	1,807
Share-based payment expense	以股份為基礎付款之開支	428	3,567
Share of loss (profit) of an associate	應佔聯營公司虧損(溢利)	545	(284)
Reclassified to profit or loss on disposal of available-for-sale investment	於出售可供出售投資時重新分類至損益	(4,606)	499
Loss (gain) on fair value of embedded derivative components of convertible bonds	可換股債券嵌入式衍生工具部分之公平值虧損(收益)	305,463	(13,353)
Gain on fair value of warrants	認股權證公平值收益	-	(1,331)
Loss on derecognition of convertible bonds	確認可換股債券之虧損	1,210	-
Net foreign exchange losses	匯兌虧損淨額	112,012	34,005
Allowance (reversal of allowance) for inventories	存貨撥備(撥備撥回)	64,290	(11,906)
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	(470,483)	(890,457)
Decrease in inventories	存貨減少	14,646	1,460,898
Decrease in trade, bills and other receivables	貿易、票據及其他應收款項減少	156,439	318,799
(Increase) decrease in derivative financial instruments	衍生金融工具(增加)減少	(11,529)	110,841
Decrease (increase) in margin deposits	按金減少(增加)	253,292	(78,359)
(Decrease) increase in trade, bills and other payables	貿易、票據及其他應付款項(減少)增加	(172,860)	4,809
Cash (used in) generated from operations	經營(所用)所得現金	(230,495)	926,531
Interest paid	已付利息	(73,906)	(95,468)
Tax paid	已付稅項	(3,189)	(2,198)
Tax refunded	已退還稅項	-	98
NET CASH (USED IN) FROM OPERATING ACTIVITIES	經營活動(所用)所得現金淨額	(307,590)	828,963

Consolidated Statement of Cash Flows (continued)

綜合現金流量表(續)

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

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
INVESTING ACTIVITIES	投資活動		
Placement of pledged bank deposits	存入已抵押銀行存款	(337,726)	(276,812)
Purchases of property, plant and equipment	購置物業、廠房及設備	(137,017)	(175,108)
Payment for additions of prepaid lease payments	支付新增預付租金	(130,170)	-
Purchase of available-for-sale investment	購買可供出售投資	(128,513)	-
Deposit paid for acquisition of property, plant and equipment	收購物業、廠房及設備支付按金	(16,168)	(17,736)
Investment in an associate	投資於聯營公司	-	(2,325)
Withdrawal of pledged bank deposits	提取已抵押銀行存款	379,313	235,786
Proceeds from disposal of available-for-sale investment	出售可供出售投資所得款項	124,405	14,971
Proceeds from government grant	政府補貼之所得款項	44,612	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	13,874	1,281
Interest received	已收利息	16,735	4,166
Proceeds from disposal of an investment property	出售投資物業所得款項	-	34,176
Dividend received from available-for-sale investment	收取可供出售投資的股息	-	301
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(170,655)	(181,300)
FINANCING ACTIVITIES	融資活動		
Repayment of bank borrowings	償還銀行借款	(2,808,208)	(5,193,076)
Repayment of other borrowings	償還其他借款	(89,000)	-
Repayment to a director	償還一名董事款項	(62,021)	-
Net proceeds from issue of shares	發行股份所得款項淨額	4,094,569	-
New bank borrowings raised	新增銀行借款	2,545,696	4,533,757
Advance from a director	來自一名董事的墊款	62,021	-
Proceeds from issue of shares through exercise of share options	透過行使購股權發行股份之所得款項	45,485	12,546
Capital contribution from non-controlling interests	非控股權益注資	7,240	-
NET CASH FROM (USED IN) FINANCING ACTIVITIES	融資活動所得(所用)現金淨額	3,795,782	(646,773)
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目淨值增加	3,317,537	890
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日現金及現金等值項目	270,835	270,779
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外匯匯率變動的影響	(2,652)	(834)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於十二月三十一日現金及現金等值項目	3,585,720	270,835
ANALYSIS OF CASH AND CASH EQUIVALENTS	現金及現金等值項目分析		
Bank balances and cash	銀行結餘及現金	3,585,720	271,556
Bank overdrafts (Note 28)	銀行透支(附註28)	-	(721)
		3,585,720	270,835

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company is incorporated and registered as an exempted company in the Cayman Islands under the Companies Law of the Cayman Islands with limited liability. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 12 July 2010. The Company's registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its main place of business is located at Taizhou Industrial Zone of Metal Recycling Fengjiang, Luqiao, Taizhou, Zhejiang, the PRC.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 44.

Since 22 December 2015, the Company's ultimate holding company has been Loncin Group Co., Ltd. ("Loncin Group"), a limited liability company incorporated in the PRC, and the Company's immediate holding company has been USUM Investment Group Hong Kong Limited ("USUMHK"), a company incorporated in Hong Kong with limited liability. Loncin Group is 98% owned by Mr. Tu Jianhua ("Mr. Tu"), an executive director of the Company since 29 April 2015.

The functional currency of the Company is Renminbi ("RMB"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$") for the convenience of the shareholders as the Company is listed in Hong Kong.

1. 一般資料

本公司根據開曼群島公司法於開曼群島註冊成立及註冊為獲豁免有限公司。本公司股份於二零一零年七月十二日於香港聯合交易所有限公司(「聯交所」)上市。本公司之註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands及其主要營業地點位於中國浙江省台州市路橋區峰江鎮台州金屬再生工業園區。

本公司為投資控股公司。其附屬公司的主要業務載於附註44。

自二零一五年十二月二十二日起，本公司之最終控股公司為隆鑫集團有限公司(「隆鑫集團」)，一間於中國註冊成立之有限責任公司。本公司的直接控股公司為渝商投資集團(香港)有限公司(「渝商香港」)，一間於香港註冊成立之有限公司。隆鑫集團之98%的股份由涂建華先生擁有。涂建華先生(「涂先生」)自二零一五年四月二十九日起為本公司執行董事。

本公司的功能貨幣為人民幣(「人民幣」)。由於本公司在香港上市，為方便股東，綜合財務報表以港元(「港元」)呈列。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

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

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time in the current year:

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

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

本集團已於本年度首次應用下列由香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則之修訂：

香港會計準則第19號 (修訂本)	退休福利計劃： 僱員供款
香港財務報告準則 (修訂本)	二零一零年至 二零一二年周期 香港財務報告準則 之年度改進
香港財務報告準則 (修訂本)	二零一一年至 二零一三年周期 香港財務報告準則 之年度改進

於本年度應用香港財務報告準則之修訂對本集團於目前及以往年度之財務表現及狀況及／或此等綜合財務報表所載之披露並無重大影響。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

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

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations ²
Amendments to HKAS 1	Disclosure Initiative ²
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle ²
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants ²
Amendments to HKAS 27	Equity Method in Separate Financial Statements ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception ²

¹ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted

² Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted

³ Effective for annual periods beginning on or after a date to be determined

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團並未提前應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	客戶合約收益 ¹
香港財務報告準則第11號(修訂本)	收購共同經營權益的會計處理 ²
香港會計準則第1號(修訂本)	披露計劃 ²
香港會計準則第16號及香港會計準則第38號(修訂本)	澄清折舊及攤銷的可接受方式 ²
香港財務報告準則(修訂本)	二零一零年至二零一二年週期香港財務報告準則的年度改進 ²
香港會計準則第16號及香港會計準則第41號(修訂本)	農業：生產性植物 ²
香港會計準則第27號(修訂本)	獨立財務報表的權益法 ³
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合資公司之間的資產出售或投入 ³
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(修訂本)	投資實體：應用綜合入賬之例外情況 ²

¹ 於二零一八年一月一日或其後開始之年度期間生效，允許提早應用。

² 於二零一六年一月一日或其後開始之年度期間生效，允許提早應用。

³ 於將予釐定的日期或其後開始之年度期間生效，允許提早應用。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

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

HKFRS 9 *Financial Instruments*

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a ‘fair value through other comprehensive income’ (“FVTOCI”) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9:

- all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號金融工具

香港財務報告準則第9號於二零零九年頒佈，引進有關金融資產分類和計量的新要求。香港財務報告準則第9號隨後於二零一零年修訂，加入有關金融負債分類和計量及終止確認的規定，並於二零一三年進一步修訂，加入一般對沖會計處理新規定。香港財務報告準則第9號另一個經修訂版本於二零一四年頒佈，主要加入a)有關金融資產之減值規定；及b)藉為若干簡單債務工具引入「透過其他全面收入按公平價值列賬」(「透過其他全面收入按公平值入賬」)計量類別，對分類及計量規定作出有限修訂。

香港財務報告準則第9號的主要規定：

- 所有符合香港會計準則第39號金融工具：確認和計量範圍內的所有已確認金融資產其後按攤銷成本或公平值計量。特別是，目標為集合合約現金流量的業務模式中持有及合約現金流量均為本金及尚未償還本金的利息付款的債務投資，一般按後續會計期末的攤銷成本計量。於目的為同時收取合約現金流及出售財務資產之業務模式中持有之債務工具，以及財務資產合約條款令於特定日期產生之現金流純粹為支付本金及尚未償還本金之利息的債務工具，均按透過其他全面收入按公平值列賬之方式計量。所有其他債務投資及權益性投資均按後續報告期末的公平值計量。此外，根據香港財務報告準則第9號，實體可能不可撤回地選擇在其他全面收益中呈列股本投資(並非持作買賣)之其後公平值變動，並一般只在損益中確認股息收入。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

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

HKFRS 9 *Financial Instruments* (continued)

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss (“FVTPL”), HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities’ credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as FVTPL is presented in profit or loss.
- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號金融工具(續)

- 就指定為按公平值計入損益(「按公平值計入損益」)的金融負債之計量而言，香港財務報告準則第9號規定，因金融負債信貸風險有變而導致其公平值變動的款額乃於其他全面收益呈列，除非於其他全面收益呈報該負債信貸風險變動的影響會產生或增加損益的會計錯配，則作別論。因金融負債之信貸風險而導致其公平值變動其後不會重新分類至損益。根據香港會計準則第39號，指定為按公平值計入損益的金融負債的全部公平值變動款額均於損益中呈列。
- 就金融資產之減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件方確認信貸虧損。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

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

HKFRS 9 *Financial Instruments* (continued)

The directors of the Company anticipate that the adoption of HKFRS 9 may have an impact on the Group’s financial assets and financial liabilities based on the analysis of the Group’s financial assets and financial liabilities as at 31 December 2015. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 9 until the Group performs a detailed review.

HKFRS 15 *Revenue from Contracts with Customers*

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

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

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號 *金融工具* (續)

本公司董事預計，根據對於二零一五年十二月三十一日本集團金融資產及金融負債所作的分析，應用香港財務報告準則第9號可能對本集團的金融資產及金融負債造成影響。然而，本公司董事進行詳細審閱前，對香港財務報告準則第9號之影響作出合理估計並不可行。

香港財務報告準則第15號 *客戶合約收益*

香港財務報告準則第15號制定一項單一全面模式供實體用作將來自客戶合約所產生的收益入賬。於香港財務報告準則第15號生效後，將取代現時載於香港會計準則第18號 *收益*、香港會計準則第11號 *建築合約* 及相關詮釋的 *收益確認指引*。

香港財務報告準則第15號的核心原則為實體所確認描述向客戶轉讓承諾貨品或服務的收益金額，應為能反映該實體預期就交換該等貨品或服務有權獲得的代價。具體而言，該準則引入確認收益的五個步驟：

- 第一步：識別與客戶訂立的合約
- 第二步：識別合約中的履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中的履約責任
- 第五步：於實體完成履約責任時(或就此)確認收益

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

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

HKFRS 15 Revenue from Contracts with Customers (continued)

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

The directors of the Company do not anticipate that the application of HKFRS 15 in the future will have a material impact on the amounts reported and disclosures made in the Group’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Except as described above, the directors of the Company anticipate that the application of other new and revised HKFRSs in issue but not yet effective will not have material impact on the Group’s consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第15號客戶合約收益(續)

根據香港財務報告準則第15號，實體於完成履約責任時(或就此)確認收益，即當特定履約責任相關的商品或服務的「控制權」轉讓予客戶時。香港財務報告準則第15號已就特別情況的處理方法加入更明確的指引。此外，香港財務報告準則第15號要求更詳盡的披露。

本公司董事並不預期，於未來應用香港財務報告準則第15號會對本集團的綜合財務報表中的已呈報金額及披露資料造成重大影響。然而，本集團必須在完成詳細審閱後，才可能提供對香港務報告準則第15號的影響的合理估計。

除上文所述者外，本公司董事預期應用已頒佈但未生效的其他新訂及經修訂香港財務報告準則將不會對本集團的綜合財務報表造成重大影響。

3. 重大會計政策

綜合財務報表按香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則(「上市規則」)及香港公司條例規定的適用披露。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 重大會計政策(續)

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

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values, at the end of each reporting period, as explained in the accounting policies set out below.

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

上市規則所載有關年度賬目之披露規定已參考新香港公司條例(第622章)有關編製賬目及董事報告及審核之條文而修訂並藉此與香港財務報告準則精簡一致。因此，截至二零一五年十二月三十一日止財政年度綜合財務報表內之資料呈列及披露已予更改以遵守此等新規定。有關截至二零一四年十二月三十一日止財政年度之比較資料已根據新規定於綜合財務報表內呈列或披露。根據前香港公司條例或上市規則在以往須予披露但根據新香港公司條例或經修訂上市規則毋須披露之資料，在本綜合財務報表中已再無披露。

如下文會計政策所述，於各報告期末，除若干金融工具以公平值計量外，綜合財務報表按歷史成本法編製。

歷史成本一般按交換貨品及服務之代價之公平值計算。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 重大會計政策(續)

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

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

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

公平值為於計量日期市場參與者在有序交易中出售資產可收取或轉讓負債須支付之價格，不論價格可直接觀察或使用另外估值法估計。於估計資產或負債的公平值時，本集團會考慮市場參與者於計量日對資產或負債定價時所考慮的資產或負債特點。該等綜合財務報表中作計量及／或披露用途的公平值乃按此基準釐定，惟屬於香港財務報告準則第2號之以股份為基礎之付款、香港會計準則第17號租賃之租賃交易及與公平值擁有一些類似地方但非公平值的計量(如香港會計準則第2號存貨之可變現淨值或香港會計準則第36號資產減值之使用價值)除外。

此外，就財務呈報而言，公平值計量根據公平值計量的輸入數據可觀察程度及公平值計量的輸入數據對其整體的重要性分類為第一、第二或第三級，詳情如下：

- 第一級輸入數據為實體有能力於計量日獲得的同類資產或負債於活躍市場的報價(未調整)；
- 第二級輸入數據為除第一級所載報價外資產或負債的可直接或間接觀察的輸入數據；及
- 第三級輸入數據為資產或負債的不可觀察輸入數據。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The principal accounting policies set out below.

Basis of consolidation

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

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

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

3. 重大會計政策(續)

重大會計政策載列如下。

綜合基準

綜合財務報表包括本公司及本公司所控制實體及其附屬公司之財務報表。倘屬以下情況，則本公司獲得控制權：

- 可對投資方行使權力；
- 因參與投資方業務而可獲得或有權獲得可變回報；及
- 有能力藉行使其權力而影響其回報。

倘有事實及情況顯示上述三項控制權要素有一項或以上出現變動，本集團會重新評估其是否對被投資方擁有控制權。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

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

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

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

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

Investment in an associate

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

3. 重大會計政策(續)

綜合基準(續)

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

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

如有需要，會對附屬公司的財務報表作出調整，使其會計政策與本集團會計政策一致。

所有集團內公司間資產及負債、權益、收入、開支以及與本集團成員公司之間交易有關之現金流量均於綜合賬目時悉數對銷。

於聯營公司投資

聯營公司為本集團對其有重大影響的實體。重大影響為參與被投資方的財務及經營決策的權力，但並非對該等政策的控制或共同控制。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment in an associate (continued)

The results and assets and liabilities of an associate are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. 重大會計政策(續)

於聯營公司投資(續)

聯營公司的業績及資產及負債按權益會計法納入該等綜合財務報表。根據權益法，於聯營公司投資最初按成本於綜合財務狀況表內確認，其後予以調整以確認本集團應佔聯營公司的損益及其他全面收益。當本集團應佔聯營公司虧損超過本集團於該聯營公司的權益(包括任何實質上構成本集團於聯營公司的投資淨額的長期權益)時，本集團取消確認應佔額外進一步虧損。僅當本集團須代表聯營公司承擔法定或推定責任或作出付款時，方會確認應佔額外虧損。

於聯營公司投資自被投資方成為聯營公司之日起採用權益法入賬。收購於聯營公司投資時，投資成本超出本集團應佔被投資方可辨認資產及負債公平值淨額的部分確認為商譽，納入該項投資的賬面值。本集團應佔可辨認資產及負債公平值淨額超出投資成本的部分，於重新評估後在取得該項投資的當期立即於損益內確認。

應用香港會計準則第39號的規定，以釐定是否需要就本集團於聯營公司投資確認任何減值虧損。如有需要，該項投資的全部賬面值(包括商譽)會根據香港會計準則第36號*資產減值*，以一項單項資產通過對其可收回金額(使用價值與公平值減出售成本的較高者)與賬面值來進行減值測試。任何已確認的減值虧損構成該項投資賬面值的一部分。有關減值虧損的任何撥回根據香港會計準則第36號確認，惟以於該項投資的可收回金額其後增加為限。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment in an associate (continued)

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

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

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

Dividend and interest income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

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

3. 重大會計政策(續)

於聯營公司投資(續)

當集團實體與本集團聯營公司進行交易時，與聯營公司交易產生的損益僅於聯營公司的權益與本集團無關時方會於本集團綜合財務報表內確認。

收益確認

收益按已收或應收代價之公平值計量。收益乃經扣除估計客戶退貨、回扣及其他類似撥備。

銷售貨品

貨品銷售收益於貨品交接及物權轉移時，即下列條件全部達成時確認：

- 本集團已將貨品所有權之絕大部分風險及回報轉移予買方；
- 本集團並無參與一般與已售貨品所有權有關的持續管理，亦無保留有關已售貨品的實際控制權；
- 收益金額可以可靠地計量；
- 與交易相關之經濟利益有可能會流入本集團；及
- 交易已產生或將產生之成本可以可靠地計量。

股息及利息收入

投資之股息收入，於股東收取股息之權利確立時確認，惟經濟利益極有可能歸本集團所有及當收益能可靠地計算時方被確認。

當經濟利益有可能會流入本集團及收益金額可以可靠地計量時，金融資產之利息收入將獲確認。利息收入參照未償還本金額及按適用實際利率以時間基準累計。適用實際利率指於金融資產預計可使用年內估計日後現金收入準確折現至有關資產於初始確認時賬面淨值之利率。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Rental income

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

Leasing

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

The Group as lessor

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

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives is recognised as a reduction of rental expense on a straight-line basis.

Leasehold land and building

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

3. 重大會計政策(續)

收益確認(續)

租金收入

本集團確認經營租賃收益之政策載於下文租賃之會計政策。

租賃

當租賃條款將所有權之絕大部份風險及回報轉讓予承租人時，有關租賃將列為融資租賃。所有其他租賃則一概列作經營租賃。

本集團作為出租人

來自經營租賃之租金收入乃按相關租賃年期以直線法於損益表確認。在磋商及安排營業租約時產生之初步直接成本加入租賃資產之賬面值，於租約年期以直線法確認為開支。

本集團作為承租人

經營租賃款項於相關租賃期間按直線法確認為開支。倘訂立經營租賃可以獲得租賃優惠，該等優惠作為負債確認。激勵措施的總利益按直線法確認為租金開支的減少。

租賃土地及樓宇

凡租賃包括土地及樓宇部分，本集團須評估各部份擁有權所承擔之絕大部份風險及回報是否已轉移本集團作為獨立評估其分類屬於融資或經營租賃的依據，除非在兩個部分均為經營租賃的明確情況下，整個租賃被歸類為經營租賃。具體而言，最低租賃款項(包括任何一次性預付款)被分配到的土地及樓宇部分的比例，以其租賃在開始時土地租賃權益和樓宇租賃權益的比例分配。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing (continued)

Leasehold land and building (continued)

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

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

3. 重大會計政策(續)

租賃(續)

作自用之租賃土地(續)

倘能可靠地分配租賃款項，則被列作經營租賃的租賃土地的權益將作為「預付租金」於綜合財務狀況表列賬及按租賃年期以直線法攤銷。在租賃款項不能在土地及樓宇之間作可靠分配之情況下，全數租賃款項均被納入作為物業、廠房及設備之融資租賃。

外幣

編製個別集團實體的財務報表時，以該實體非功能貨幣(外幣)進行的交易按交易日期當時的匯率列賬。於各呈報期結算日，以外幣計值的貨幣項目均按結算日當日的匯率重新換算。以外幣計值按歷史成本計量的非貨幣項目則毋須重新換算。

貨幣項目的匯兌差額均於產生期間在損益確認，惟以下項目除外：

- 有關用作未來生產用途之在建資產之外幣借款之匯兌差異，該等差異被視為外幣借款之利息成本調整時計入該等資產之成本；
- 為對沖若干外幣風險進行之交易之匯兌差額(參閱下文會計政策)；及
- 應收或應付海外業務之貨幣項目之匯兌差額，既無計劃結算且出現之可能性亦不大(因此為海外業務淨投資之一部分)，初步於其他全面收益確認，並於償還貨幣項目時由權益重新分類至損益。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of Group's entities are translated into the presentation currency of the Group (i.e. HK\$) using the exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve (attributed to non-controlling interests as appropriate).

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are 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 profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

3. 重大會計政策(續)

外幣(續)

就呈列綜合財務報表而言，本集團實體的資產及負債按各呈報期結算日的匯率換算成本集團的呈列貨幣(即港元)，而收支項目則按期內平均匯率換算，惟匯率於期內大幅波動則除外，在該情況下，將使用交易當日的匯率換算。所產生匯兌差額(如有)確認為其他全面收入並於外幣換算儲備(如適合，非控股權益應佔)項下累計股權。

借款成本

收購、興建或生產符合條件資產(即須經過一段長時間才可達致其擬定用途或可供出售之資產)之直接借款成本須作為該等資產成本之一部份，直至該等資產大體上達致其擬定用途或可供出售時。

倘符合條件資產之特定貸款於支付其支出前暫作投資之用，其投資收入須用作減低已資本化的借款成本。

所有其他借款成本乃於產生之期間在損益賬確認。

政府補助

在合理地保證本集團會遵守政府補助的附帶條件以及將會得到補助後，政府補助方會予以確認。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Government grants (continued)

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme ("MPF Scheme") are recognised as an expense when employees have rendered service entitling them to the contributions.

Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 36.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in share option reserve.

3. 重大會計政策(續)

政府補助(續)

政府補助乃就本集團確認之有關開支(預期補助可予抵銷成本開支)期間按系統化之基準於損益中確認。尤其是，以要求本集團購買、建造或收購非流動資產為主要條件的政府補助乃於綜合財務狀況表確認為遞延收入並按系統及合理基準於相關資產的可用年期內轉撥至損益中。

作為已產生開支或損失的賠償或給予本集團即時財務資助而應收的政府補助(不計未來相關成本)在應收期間於損益內確認。

退休福利成本

向國家管理的退休福利計劃及強制性公積金計劃(「強積金計劃」)作出之供款於僱員提供服務而有權獲得有關供款時列為開支。

以股份為基礎之付款安排

授予僱員及其他提供類似服務者之股本結算以股份為基礎之付款按權益工具於授出日期之公平值計算。有關釐定股本結算以股份為基礎的付款的公平值的詳情載於附註36。

公平值於股本結算以股份為基礎的付款授出日期釐定，按直線法於歸屬期內列為支出，且基於本集團對最終歸屬之權益工具之估計，而購股權儲備亦相應增加。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment arrangements (continued)

At the end of the reporting period, the Group revises its estimates of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated profits/losses.

Taxation

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

Current tax

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. 重大會計政策(續)

以股份為基礎之付款安排(續)

於報告期末，本集團修訂其對預期歸屬的股本工具數目之估計。修訂原先估計的影響(如有)於損益中確認，令累計開支反映經修訂之估計，並於購股權儲備作出相應調整。

購股權獲行使時，先前於購股權儲備中確認之款項將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於到期日仍未獲行使，則先前於購股權儲備中確認之款項將撥入累計溢利/虧損。

稅項

所得稅開支指即期應付稅項與遞延稅項的總和。

即期稅項

即期應付稅項乃根據年內的應課稅溢利計算。由於其他年度應課稅的收入或可扣稅開支及毋須課稅或不可扣稅收支項目的緣故，應課稅溢利與綜合損益及其他全面收益表內列賬的「除稅前溢利」不同。本集團的即期稅項負債乃採用於報告期末已實施或實際已實施的稅率計算。

遞延稅項按綜合財務報表內資產及負債賬面值與計算應課稅溢利時採用的相應稅基之間的暫時差額確認。所有應課稅暫時差額一般確認為遞延稅項負債。倘可能出現應課稅溢利可用作抵銷可扣減暫時差額，則所有可扣減暫時差額一般確認為遞延稅項資產。若因初步確認一項交易(業務合併除外)之其他資產與負債而產生並無影響應課稅溢利或會計溢利的暫時差額，則不會確認該等資產與負債。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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

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

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

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

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. 重大會計政策(續)

稅項(續)

遞延稅項負債按於附屬公司投資及於聯營公司之權益的相關應課稅暫時差額確認，惟本集團可控制有關暫時差額撥回且於可見將來應不會撥回有關差額則除外。該等投資及權益相關可扣減暫時差額產生的遞延稅項資產僅在可能產生足夠應課稅溢利可用作抵銷可動用暫時差額利益並預期在可見將來撥回時確認。

於各報告期末均會檢討遞延稅項資產的賬面值，並扣減至不可能再有足夠應課稅溢利可收回全部或部分資產為止。

遞延稅項資產及負債按償還負債或變現資產期間的預期適用稅率(根據各報告期末已實施或實際已實施之稅率(及稅法))計算。

遞延稅項負債及資產之計算反映按照本集團所預期方式於各報告期末收回或清償其資產及負債賬面值之稅務後果。

本年度即期及遞延稅項

即期及遞延稅項於損益中確認，除非該等稅項與於其他全面收益或直接於權益中確認的項目有關，於此情況下，即期及遞延稅項亦分別於其他全面收益或直接於權益中確認。就因對業務合併進行初步會計處理而產生的即期稅項或遞延稅項而言，稅務影響乃計入業務合併的會計處理內。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment including buildings and leasehold land (classified as finance leases) held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress), are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such property, plant and equipment are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

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

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

3. 重大會計政策(續)

物業、廠房及設備

物業、廠房及設備包括樓宇及持作生產或提供貨品或服務或作行政用途的租賃土地(列為金融租賃，但不包括在建工程)以成本減其後累計折舊及累計減值虧損(如有)於綜合財務狀況表中列賬。

用於生產、供應或行政用途的在建物業、廠房及設備乃按成本減任何已確認減值虧損列賬。成本包括專業費用及就合資格資產而言，根據本集團會計政策資本化。該等物業、廠房及設備已完成及用作擬定用途時，將會劃分至物業、廠房及設備的適當類別。該等資產乃按其他物業、廠房及設備資產之相同基準，於該等資產可用於其擬定用途時開始計算折舊。

折舊乃按資產(在建工程除外)的可使用年期以直線法撇銷成本減其剩餘價值確認。估計可使用年期、剩餘價值及折舊法於各報告期末檢討，而任何估計變動的影響按預期基準入賬。

於出售物業、廠房及設備項目或預期繼續使用有關資產不會產生未來經濟利益時，終止確認物業、廠房及設備項目。出售或報廢物業、廠房及設備項目而產生的任何損益按出售所得款項與資產賬面值之間的差額釐定，並於損益中確認。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties

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

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

Impairment of tangible and intangible assets other than goodwill

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

3. 重大會計政策(續)

投資物業

投資物業指持作賺取租金及／或資本升值之物業。投資物業初步按成本(包括任何直接應佔開支)計量。於初步確認後，投資物業按成本減其後累計折舊及任何累計減值虧損列賬。折舊獲確認以按投資物業之估計可使用年期並計及其估計剩餘價值後以直線法撇銷其成本。

於投資物業出售或永久停止使用及預計不會從出售中獲得未來經濟收益時，會被取消確認。取消確認該資產所產生之任何收益或虧損(按出售所得款項淨額與該資產之賬面值差額計算)於被取消確認之期間內計入損益。

有形資產及無形資產(商譽除外)之減值

於報告期末，本集團對其有形資產及無形資產的賬面值進行審閱，以確定該等資產是否出現減值虧損的跡象。倘出現任何該等跡象，將對資產的可收回金額進行估計以釐定減值虧損(倘有)。倘不能估計單一資產的可回收金額，則本集團可估計資產所屬的現金產生單位的可回收金額。於可識別合理及一貫的分配基準下，企業資產亦被分配到個別現金產生單位，否則會被分到可合理地及按一貫分配基準識別的最小現金產生單位中。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of tangible and intangible assets other than goodwill (continued)

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

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

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined by the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and cost necessary to make the sale.

3. 重大會計政策(續)

有形資產及無形資產(商譽除外)之減值(續)

可收回金額為公平值減銷售成本及使用價值的較高者。評估使用價值時，估計未來現金流量乃使用稅前折現率折現至其現值，該折現率反應現行市場對資金時間值的評估以及估計未來現金流量未經調整的資產的獨有風險。

倘估計某項資產的可收回金額(或現金產生單位)低於其賬面值，該項資產(或現金產生單位)的賬面值須減低至可收回金額。減值虧損將即時於損益賬中確認。

倘減值虧損隨後撥回，該資產(或現金產生單位)的賬面值將增加至其經修訂估計可收回金額，惟增加的賬面值不得超過以往年度資產(或現金產生單位)確認為並無減值虧損時所釐定的賬面值。減值虧損的撥回會即時於損益賬中確認。

存貨

存貨按成本與可變現淨值兩者的較低者入賬。存貨成本按加權平均法釐定。可變現淨值指存貨的估計售價減完成的所有估計成本及進行銷售所需的成本。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

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

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

Financial instruments

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

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

Financial assets

Financial assets are classified into the following specified categories: financial assets at FVTPL, available-for-sale ("AFS") financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. 重大會計政策(續)

撥備

倘本集團因過往事件而須承擔現有法定或推定責任，且本集團很可能須履行該責任，並能可靠地估計所須承擔之金額，則須確認撥備。

確認為撥備之金額乃對於報告期末履行現時責任所需代價作出之最佳估計，並計及有關責任之風險及不確定因素。當撥備按履行現時責任估計所需之現金流量計量時，其賬面值為有關現金流量之現值(如貨幣時間價值之影響重大)。

金融工具

當集團實體成為工具合約條文的訂約方時，確認金融資產及金融負債。

金融資產及金融負債初步按公平值計量。因收購或發行金融資產及金融負債(按公平值計入損益的金融資產或金融負債除外)而直接產生的交易成本於首次確認時於該項金融資產或金融負債的公平值中計入或扣除(如適用)。因收購按公平值計入損益的金融資產或金融負債而直接產生的交易成本會即時於損益中確認。

金融資產

金融資產按下列指定種類劃分：按公平值計入損益的金融資產、可供出售(「可供出售」)金融資產及貸款及應收款項。有關分類須視乎金融資產的性質及用途，並於初始確認時釐定。常規買賣的所有金融資產根據買賣日期確認及終止確認。常規買賣指須於規例或市場慣例形成的時間框架內交付資產而進行的金融資產買賣。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Effective interest method

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

實際利率法

實際利率法為計算債務工具之攤銷成本以及按有關期間分配利息收入之方法。實際利率指將債務工具於整個預計可用年期或(倘適用)較短期間內的估計未來現金收入(包括構成實際利率一部分的所有已付或已收費用及折讓、交易成本及其他溢價或折讓)準確折算至首次確認之賬面淨值的利率。

債務工具的收入按實際利率基準確認，惟按公平值計入損益的金融資產則作別論。

按公平值計入損益之金融資產

當金融資產為持作買賣或指定為按公平值計入損益，金融資產分類為按公平值計入損益。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Financial assets at FVTPL (continued)

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising from remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in Note 6.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

按公平值計入損益之金融資產(續)

金融資產會被分類為持作買賣，倘：

- 主要的收購目的是於近期內將其出售；或
- 於初始確認時，其為本集團共同管理的金融工具的已識別的金融組合的一部分，並於近期錄得實質短期完成獲利的模式；或
- 其為並未指定及有效成為對沖工具之一項衍生工具。

按公平值計入損益的金融資產乃按公平值列賬，重新計量產生的任何收益或虧損則直接於損益中確認。於損益中確認的收益或虧損淨額包括金融資產賺取的任何股息或利息，並計入「其他收益及虧損項目」內。公平值以附註6所述方式釐定。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) financial assets at FVTPL or (b) loans and receivables.

Equity securities held by the Group that are classified as AFS financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the fair value of AFS equity investments are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see accounting policy in respect of impairment loss on financial assets below).

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade, bills and other receivables, pledged bank deposits, margin deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

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

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

可供出售金融資產

可供出售金融資產指指定為可供出售或並非分類為(a)按公平值計入損益之金融資產或(b)貸款及應收款項的非衍生工具。

本集團持有的分類為可供出售金融資產之股本證券於活躍市場交易並於報告期末按公平值計量。可供出售股權投資之公平值變動於其他全面收益內確認並於投資重估儲備中累計。當金融資產出售或釐定減值，於此時，先前於投資重估儲備累計之累計收益或虧損重新分類至損益(見下列有關金融資產減值虧損之會計政策)。

可供出售股權工具之股息於本集團有權收取股息時於損益內確認。

貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款，並沒有在活躍市場報價的非衍生金融資產。於初始確認後，貸款及應收款項(包括貿易、票據及其他應收款項、已抵押銀行存款、保證金及銀行結餘及現金)減任何減值後以實際利率法計算並按攤銷成本計量。

利息收入乃使用實際利率確認，惟確認利息影響不大的短期應收款項除外。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

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

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

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

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

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值

於各報告期末，按公平值計入損益表以外之金融資產被評定是否有減值跡象。當有客觀證據顯示金融資產之預期未來現金流量因於初步確認該金融資產後發生之一項或多項事件出現而受到影響時，該等金融資產即已被視作減值。

就可供出售之股本投資而言，證券之公平值大幅或長期低於其成本時可被考慮為減值之客觀證據。

就所有其他金融資產而言，減值之客觀證據可包括：

- 發行人或交易方出現重大財政困難；或
- 違反合約，如未能繳付或延遲償還利息或本金；或
- 借款人有可能面臨破產或財務重組。

就金融資產若干類別(如貿易應收款項資產)而言，倘按個別基準評估為無需減值，則需額外按整體基準作減值評估。應收款項組合減值之客觀證據可包括本集團過往收款紀錄、組合拖欠付款超逾各自信貸期的次數增加，及與拖欠應收款項有關的國家或地方經濟狀況出現客觀變動。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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

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

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

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

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

就按攤銷成本列賬的金融資產而言，已確認之減值虧損金額為資產賬面值與按原實際利率折現之估計日後現金流量現值之差額。

所有金融資產之減值虧損會直接於金融資產之賬面值中作出扣減，惟貿易應收款項除外，其賬面值會透過撥備賬作出扣減。當貿易應收款項視為不可收回時，則於撥備賬內撇銷。其後撥回過往所撇銷的款項將計入損益。

當可供出售之金融資產被認為已減值時，以往於其他全面收益中已確認之累計收益或虧損重分類至損益中。

就按已攤銷成本值列賬之金融資產而言，如在其後之期間減值虧損金額減少，而有關減少在客觀上與確認減值虧損後發生之事件有關，則先前已確認之減值虧損將透過損益予以撥回，惟該資產於減值被撥回當日之賬面值不得超過並無確認減值下之已攤銷成本。

就可供出售股本投資而言，以往於損益確認之減值虧損將不會透過損益撥回。於確認減值虧損後之任何公平值增加於其他全面收益中確認並於投資重估儲備中累計。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments

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

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at FVTPL

Financial liabilities classified as FVTPL are derivatives that are not designated and effective as hedging instruments.

Financial liabilities at FVTPL are measured at fair value, with any gain or loss arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any interest paid on the financial liability and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in Note 6.

Other financial liabilities

Other financial liabilities (including trade, bills and other payables, bank borrowings and overdrafts and other borrowings) are subsequently measured at amortised cost using the effective interest method.

3. 重大會計政策(續)

金融工具(續)

金融負債及股權工具

集團實體發行之債項及股權工具乃根據合約安排之主旨與金融負債及股權工具之定義分類為金融負債或股權。

股權工具

股權工具乃證明實體於扣減其所有負債後之資產中擁有剩餘權益之任何合約。集團實體發行之股權工具按已收所得款項(扣除直接發行成本)確認。

本公司購回本身之股權工具於權益直接確認及扣除。購買、出售、發行或註銷本公司本身之股權工具概不會於損益確認收益或虧損。

金融負債

金融負債分類為按公平值計入損益之金融負債或其他金融負債。

按公平值計入損益之金融負債

並非指定及有效作對沖工具之按公平值計入損益之金融負債為衍生工具。

按公平值計入損益之金融資產乃按公平值列賬，而再計量後所產生之任何損益於損益表中確認。於損益表中確認之收益或虧損淨額則包括就金融負債所付的任何利息並計入「其他收益及虧損」項目內。公平值以附註6所述方式釐定。

其他金融負債

其他金融負債(包括貿易、票據及其他應付款項、銀行借款及透支以及其他借款)隨後以攤銷成本使用實際利率法計量。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Effective interest method

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

Interest expense is recognised on an effective interest basis other than those financial liabilities classified as at FVTPL.

Convertible bonds and warrants

Convertible bonds

The component parts of compound instruments (convertible bonds) issued by the Company are classified separately as financial liabilities and derivative in accordance with the substance of the contractual arrangements and the definition of a financial liability and a derivative. A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is a conversion option derivative.

At the date of issue, both the liability and derivative components are recognised at fair value. In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The derivative components are measured at fair value with changes in fair value recognised in profit or loss.

3. 重大會計政策(續)

金融工具(續)

金融負債及股權工具(續)

實際利率法

實際利率法為計算金融負債攤銷成本及於相關期間分配利息收入之方法。實際利率為於初步確認時確切貼現金融負債預期使用期或於較短年期(倘適用)之估計未來現金收入(包括構成整體實際利率之所有已付或已收費用及基點、交易成本及其他溢價或折讓)至賬面淨值的利率。

利息開支按實際利率基準確認，惟按公平值計入損益的金融負債則作別論。

可換股債券及認股權證

可換股債券

本公司發行的組合工具(可換股債券)的組成部分根據合約安排及金融負債及衍生工具的定義於初步確認時單獨分類為金融負債及衍生工具。兌換權如透過以定額現金或另一項金融資產交換定額的本公司本身股權工具以外的方式結算，則屬轉換權衍生工具。

於發行日期，負債及衍生工具部分均按公平值確認。於往後期間，可換股債券的負債部分會利用實際利率法按攤銷成本列賬。該衍生工具部分按公平值計量，而公平值變動則於損益確認。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Convertible bonds and warrants (continued)

Convertible bonds (continued)

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and derivative components in proportion to their relative fair values. Transaction costs relating to the derivative components are charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the lives of the convertible loan notes using the effective interest method.

Warrants

Warrants that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments are classified as derivatives and are initially recognised at fair value and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Derivative financial instruments

The Group's derivative financial instruments include commodity futures, provisional pricing arrangements and foreign currency forwards contracts.

Contracts to buy or sell a non-financial item at a future date that can be settled net in cash are accounted for as derivatives unless they were entered into and continue to be held for the purpose of the receipt of the non-finance item in accordance with the Group's expected purchase, sale or usage requirement.

Such derivative financial instruments are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

3. 重大會計政策(續)

金融工具(續)

可換股債券及認股權證(續)

可換股債券(續)

有關發行可換股債券的交易成本按負債及衍生工具部份的相對公平值比例分配至該兩部份。有關衍生工具部分的交易成本即時於損益中扣除。有關負債部份的交易成本會計入負債部份的賬面值並以實際利息法於可換股債券票據期內攤銷。

認股權證

認股權證將透過以定額現金或另一項金融資產交換定額的本公司本身股權工具以外的方式結算並於衍生合約訂立日期分類為衍生工具及按公平值初步確認，隨後於報告期末按公平值重新計量。所產生之收益或虧損於損益即時確認。

衍生金融工具

本集團的衍生金融工具包括商品期貨、臨時定價安排及外匯遠期合約。

於日後買賣的可以淨現金結算的非金融項目的合約計作衍生工具，除非該等合約訂立及繼續持有的目的乃為根據本集團的預期購買、銷售或使用安排收取非金融項目。

相關衍生金融工具於衍生合約訂立日期以公平值初步確認，並隨後於報告期末重新計入其公平值。導致的收益或虧損立即於損益中確認。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derivative financial instruments (continued)

Derivatives of the Group do not qualify for hedge accounting thus they are deemed as financial assets held-for-trading or financial liabilities held-for-trading. Changes in fair values of such derivatives are recognised directly in profit or loss.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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

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

3. 重大會計政策(續)

金融工具(續)

衍生金融工具(續)

本集團的衍生工具並不適合作對沖會計，因此視為持作買賣的金融資產或持作買賣的金融負債。該等衍生工具公平值變動直接於損益表確認。

嵌入式衍生工具

倘非衍生主合約所包括的工具符合衍生工具的定義，且其風險及特質與主合約之風險及特質並無密切關係，及主合約並非按公平值計量時，非衍生主合約內含之衍生工具乃被視作獨立衍生工具。

終止確認

僅當資產現金流量的合約權利到期時，或將其金融資產或該資產擁有權的絕大部分風險及回報轉移至另一實體時，本集團方會終止確認金融資產。

終止確認整項金融資產時，資產賬面值與已收及應收代價之差額以及於其他全面收益確認及於股權中累積之累計損益將於損益確認。

當且僅當本集團的責任解除、取消或屆滿時，本集團方會終止確認金融負債。終止確認的金融負債之賬面值與已付及應付代價之差額於損益確認。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derecognition (continued)

When the contractual terms of convertible bonds are modified such that the revised terms would result in a substantial modification from the original terms, after taking into account all relevant facts and circumstances including qualitative factors, such modification is accounted for as derecognition of the original convertible bonds and the recognition of new convertible bonds. The difference between the carrying amounts of convertible bonds derecognised and the fair value of consideration paid or payable, including any liabilities assumed and derivative components recognised, is recognised in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Write down on inventories

Management of the Group reviews the inventories listing on a category-by-category basis at the end of the reporting period, and assesses whether the cost of the finished products will exceed their net realisable value. Management estimates the net realisable value for such inventories based primarily on the latest resale value and quoted prices on applicable commodity exchanges. If the market price of inventories are to decline, additional write down may be required. The Group's inventories are stated at the lower of cost and net realisable value in the consolidated statement of financial position at the end of the reporting period. The carrying amount of inventories is disclosed in Note 23.

3. 重大會計政策(續)

金融工具(續)

終止確認(續)

當經考慮所有相關事實及情況(包括質量因素)後,可換股債券的合約條款被修訂以致經修訂條款導致大幅修訂,該修訂入賬列為取消確認原有可換股債券及確認新可換股債券。取消確認的可換股債券賬面值與已支付或應付的代價公平值(包括任何所承擔負債及已確認的衍生工具部份)之間的差額於損益內確認。

4. 估計不確定因素的主要來源

以下為有關日後的主要假設及於報告期末很可能會引致下個財政期間資產及負債賬面值大幅調整的其他估計不確定因素的主要來源。

存貨撇減

本集團管理層於報告期末按類別檢討存貨,並估計製成品的成本會否超逾可變現淨值。管理層主要按最新轉售價值及相關商品交易所報價估計有關存貨的可變現淨值。倘存貨市價下跌,則或須作出額外撇減。本集團於報告期末的所有存貨均按成本及淨現值(以較低者為準)於綜合財務狀況表列賬。存貨之賬面值於附註23披露。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimated impairment of property, plant and equipment, and prepaid lease payments

When there is indication that an item of property, plant and equipment, or prepaid lease payments has suffered an impairment loss, management of the Group takes into consideration of the estimation of its recoverable amount. The recoverable amount calculation requires the Group to estimate the higher of fair value less costs of disposal and value in use expected to arise from the property, plant and equipment, and prepaid lease payments and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The carrying amount of property, plant and equipment, and prepaid lease payments are disclosed in Notes 17 and 18, respectively.

The management conducts an impairment review of the property, plant and equipment, and prepaid lease payments and assesses the recoverable amount of the cash-generating units to which they are allocated. As explained in Note 7, the Group has three operating segments and each segment represents the lowest level cash-generating unit within the Group for internal management purpose. As a result of the segment loss identified in the metal recycling business segment (the "Recycling CGU"), the management assesses the recoverable amount of the property, plant and equipment and prepaid lease payments that are allocated to this segment.

4. 估計不確定因素的主要來源(續)

物業、廠房及設備以及預付租金的減值估計

倘有跡象顯示物業、廠房及設備項目或預付租金已出現減值虧損，本集團管理層會考慮估計物業、廠房及設備的可回收金額。計算可回收金額要求本集團估計較高的公平值減出售成本及對預期物業、廠房及設備以及預付租金所產生之使用價值及適當之貼現率以計算現值。倘實際未來現金流量少於預期，則可能出現重大減值虧損。物業、廠房及設備以及預付租金之賬面值分別於附註17及18披露。

管理層對物業、廠房及設備以及預付租金進行減值審閱及評估被分配的現金產生單位之可收回金額。如附註7所述，本集團有三個經營分部及各個分部即為本集團作內部管理目的之最低級現金產生單位。由於金屬再生業務分部(「再生現金產生單位」)確認分部虧損，管理層評估被分配至該分部之物業、廠房及設備以及預付租金之可收回金額。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimated impairment of property, plant and equipment, and prepaid lease payments (continued)

The recoverable amount of the Recycling CGU has been determined based on the value in use calculation. The calculation of the value in use for the Recycling CGU uses cash flow projections based on financial budgets approved by the management covering a 5-year period, and a discount rate of 11% (2014: 11%). The cash flows beyond the 5-year period are extrapolated using zero growth rate. The key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows which include budgeted sales and budgeted gross margin, which are determined based on the Recycling CGU's past performance and management's expectation for the market development.

The recoverable amount of the prepaid lease payments belonging to the metal recycling business segment has been determined based on the fair value less costs of disposal. The fair value was determined based on direct comparison approach by reference to recent market transaction prices for similar properties in similar locations and conditions and adjusted for the remaining useful lives of the land use rights.

The estimated recoverable amount of the Recycling CGU as well as that of the prepaid lease payments exceeded the carrying amount of the respective CGU and asset. The management believes that any reasonably possible change in any of the above assumptions would not cause the carrying amount to exceed the recoverable amount. No impairment loss is recognised for the years ended 31 December 2015 and 2014.

Depreciation of property, plant and equipment

Property, plant and equipment (other than construction in progress) are depreciated on a straight-line basis over their estimated useful lives, after taking into account their estimated residual value. The Group assesses annually the residual value and the useful lives of property, plant and equipment. If the expectation differs from the original estimate, such difference will impact the depreciation charge in the year in which such estimate is changed.

4. 估計不確定因素的主要來源(續)

物業、廠房及設備以及預付租金的減值估計(續)

再生現金產生單位可收回金額已按使用價值釐定。再生現金產生單位的使用價值使用基於管理層所批准五年期財政預算之現金流預測及11%(二零一四年: 11%)折現率計算。五年以上期間之現金流量採用0增長率推算。使用價值計演算法之主要假設涉及現金流入/流出估計, 包括預算銷售及預算毛利率乃根據再生現金產生單位之過往業績及管理層對市場發展預期而釐定。

屬於金屬再生業務分部的預付租金的可收回金額根據公平值減出售成本釐定。公平值乃以直接比較法, 經參考類似物業於類似地區及條件的近期市場交易價格, 並經調整土地使用權的餘下可用年期釐定。

再生現金產生單位及預付租金的估計可收回金額超過各自的現金產生單位及資產的賬面值。管理層相信, 任何上述假設之任何合理可能變動均不會導致賬面值超逾其可收回金額。於截至二零一五年及二零一四年十二月三十一日止年度並無確認減值虧損。

物業、廠房及設備折舊

物業、廠房及設備(在建工程除外)經計及其估計剩餘價值後, 以直線法按估計可用年期折舊。本集團每年就評估物業、廠房及設備之剩餘價值及可使用年期進行評估, 倘預期有別於原定估計, 則有關差異將影響估計更改年內之折舊開支。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Fair value of embedded derivative components of convertible bonds

As described in Note 29, the directors of the Company use their judgment in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. The fair values of the embedded derivative components of convertible bonds are determined using the Binomial Option Pricing Model adjusted for specific terms and conditions of the respective instruments. Major inputs into the model include quoted market prices, risk free rates, expected volatility, dividend yields and the option's life.

5. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remained unchanged from prior years.

The capital structure of the Group consists of debt, which includes bank borrowings and overdrafts, other borrowings and convertible bonds disclosed in Note 28 and Note 29, respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising capital, various reserves and accumulated losses.

The directors of the Company review the capital structure periodically. The directors of the Company also balance the overall capital structure through the payment of dividends, new share issues and share repurchases as well as the issue of new debt or the redemption of existing debt. No changes were made in the objectives, policies or processes during the year ended 31 December 2015.

4. 估計不確定因素的主要來源(續)

可換股債券內嵌入式衍生工具的公平值

誠如附註29所述，本公司董事採用彼等之判斷就並無於活躍市場報價之金融工具選用適當之估值技術。採納市場從業員一般應用之估值技術。可換股債券內嵌入式衍生工具的公平值乃使用二項期權定價模式釐定，以適應各自工具的特定條款及條件。該模式所輸入之主要數據包括所報市價、無風險利率、預期波動、股息回報率及期權期限。

5. 資本管理

本集團管理資本旨在保障本集團屬下實體可持續經營，並透過維持債務與股權的最佳平衡而為股東提供最大回報。本集團的整體策略與過往年度相同。

本集團的資本架構包括債務(包括附註28及29分別所披露的銀行借款及透支、其他借款以及可換股債券，扣除現金及現金等值項目)及本公司擁有人應佔權益(包括資本、多項儲備及累計虧損)。

本公司董事定期審閱資本架構。本公司董事亦透過支付股息、發行新股及股份購回以及發行新債務或贖回現有債務平衡本集團整體資本架構。截至二零一五年十二月三十一日止年度，有關目標、政策或程序並無變動。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS

6a. Categories of financial instruments

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Financial assets	金融資產		
Derivative financial instruments	衍生金融工具	73	391,476
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等值項目)	3,858,134	860,668
Financial liabilities	金融負債		
Derivative financial instruments	衍生金融工具	-	402,932
Embedded derivative components of convertible bonds	可換股債券嵌入式衍生工具部分	9,615	-
Amortised cost	攤銷成本	1,498,567	2,455,290

6b. Financial risk management objectives and policies

The Group's major financial instruments include trade, bills and other receivables, derivative financial assets, pledged bank deposits, margin deposits, bank balances and cash, trade, bills and other payables, derivative financial liabilities, bank borrowings and overdrafts, other borrowings, debt component of convertible bonds and embedded derivative components of convertible bonds. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

6. 金融工具

6a. 金融工具的種類

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Financial assets	金融資產		
Derivative financial instruments	衍生金融工具	73	391,476
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等值項目)	3,858,134	860,668
Financial liabilities	金融負債		
Derivative financial instruments	衍生金融工具	-	402,932
Embedded derivative components of convertible bonds	可換股債券嵌入式衍生工具部分	9,615	-
Amortised cost	攤銷成本	1,498,567	2,455,290

6b. 金融風險管理目標及政策

本集團的主要金融工具包括貿易、票據及其他應收款項、衍生金融資產、已抵押銀行存款、保證金、銀行結餘及現金、可供出售投資、貿易、票據及其他應付款項、衍生金融負債、銀行借款及透支、其他借款、可換股債券的債務部分及可換股債券嵌入式衍生工具部分。該等金融工具詳情於相關附註披露。有關該等金融工具的風險包括市場風險(貨幣風險、利率風險及其他價格風險)、信貸風險及流動資金風險。為減輕該等風險而制訂的政策載於下文。管理層管理及監控該等風險以確保及時有效地採取適當措施。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Market risk

(i) Currency risk

The Group has foreign currency sales, purchases, trade, bills and other receivables, pledged bank deposits, margin deposits, bank balances and cash, trade, bills and other payables, derivative financial instruments and bank borrowings and overdrafts, which expose the Group to market risk arising from changes in foreign exchange rates. The Group currently does not have a foreign currency hedging policy. However, the management closely monitors its foreign currency risk exposure and considers any foreign currency forward contracts should the need arise.

In addition, the Group had entered into several foreign currency forward contracts with a bank to reduce its exposure to currency fluctuation risk of payments for trade payables which were denominated in United States dollars ("USD"). The derivatives were not accounted for under hedge accounting. The Group was required to estimate the fair value of the foreign currency forward contracts at the end of the reporting period, which therefore also exposed the Group to currency risk.

6. 金融工具(續)

6b. 金融風險管理目標及政策

市場風險

(i) 貨幣風險

本集團因有外幣買賣、貿易、票據及其他應收款項、已抵押銀行存款、保證金、銀行結餘及現金、貿易、票據及其他應付款項、衍生金融工具、銀行借款及透支而面對外匯匯率變動帶來的市場風險。本集團現時並無外幣對沖政策。然而，管理層仍密切監控外幣風險，並會於需要時考慮任何外幣遠期合約。

此外，本集團與一間銀行訂立多項遠期外匯合約，以降低其因以美元(「美元」)支付貿易應付款項而面臨的貨幣波動風險。衍生工具未按對沖會計法列賬。本集團須於報告期末估計遠期外匯合約之公平值，由此導致本集團面臨其他貨幣風險。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

The carrying amounts of the Group's monetary assets and liabilities which are denominated in currencies other than the functional currency of the relevant group entities are as follows:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Monetary assets	貨幣資產		
HK\$	港元	5,425	2,562
USD	美元	80,953	118,287
Euro ("EUR")	歐元(「歐元」)	1,634	24,490
RMB	人民幣	308	244
Australian dollars ("AUD")	澳大利亞元(「澳元」)	126,940	-
Monetary liabilities	貨幣負債		
HK\$	港元	-	12,496
USD	美元	771,057	1,068,551
EUR	歐元	125,074	1,147
Net monetary assets (liabilities)	貨幣資產(負債)淨額		
HK\$	港元	5,425	(9,934)
USD	美元	(690,104)	(950,264)
EUR	歐元	(123,440)	23,343
RMB	人民幣	308	244
AUD	澳元	126,940	-

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

本集團貨幣資產及負債之賬面值乃除相關集團實體之功能貨幣以外之以下貨幣計值：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Monetary assets	貨幣資產		
HK\$	港元	5,425	2,562
USD	美元	80,953	118,287
Euro ("EUR")	歐元(「歐元」)	1,634	24,490
RMB	人民幣	308	244
Australian dollars ("AUD")	澳大利亞元(「澳元」)	126,940	-
Monetary liabilities	貨幣負債		
HK\$	港元	-	12,496
USD	美元	771,057	1,068,551
EUR	歐元	125,074	1,147
Net monetary assets (liabilities)	貨幣資產(負債)淨額		
HK\$	港元	5,425	(9,934)
USD	美元	(690,104)	(950,264)
EUR	歐元	(123,440)	23,343
RMB	人民幣	308	244
AUD	澳元	126,940	-

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

The Group is mainly exposed to the foreign currencies of HK\$, USD, EUR, RMB and AUD when such currencies are different from the functional currency of the relevant group entities.

A 5% sensitivity rate is used when reporting foreign currency risk internally to key management personnel because it represents management's assessment of the possible change in foreign exchange rates. On this basis, if the foreign currencies strengthen/weaken against the functional currency of the relevant group entities by 5%, the Group's post-tax loss for the year would increase/decrease by the following magnitude, and vice versa:

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

敏感度分析

本集團主要因港元、美元、歐元、人民幣及澳元並非相關集團實體的功能貨幣而面對該等貨幣的風險。

公司內部向高級管理人員呈報外幣風險時使用5%的敏感度比率，乃因該比率代表管理層所評估匯率可能出現的波動比率。基於此，倘外幣兌換相關集團實體之功能貨幣升值／貶值5%，本集團年內除稅後虧損將增加／減少的幅度如下，反之亦然：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
(Increase) decrease in loss:	虧損(增加)減少：		
Monetary assets and liabilities	貨幣資產及負債		
HK\$ strengthening against RMB	港元兌人民幣升值	227	(415)
USD strengthening against RMB	美元兌人民幣升值	(25,828)	(35,621)
EUR strengthening against RMB/USD	歐元兌人民幣／美元升值	(4,629)	975
RMB strengthening against USD	人民幣兌美元升值	13	10
AUD strengthening against USD	澳元對美元升值	5,300	-

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis (continued)

The sensitivity analysis below had been determined based on the exposure to the Group's forward buying rate risk at the end of the reporting period. If the forward exchange rate of USD strengthens/weakens 5% against RMB while all other input variables of the valuation models were held constant, the Group's post-tax loss for the year would increase/decrease by the following magnitude:

Increase/decrease in loss: 虧損增加/減少:

USD strengthening against RMB 美元兌人民幣升值

In management's opinion, the sensitivity analysis is not necessarily representative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Other than HK\$, USD, EUR, RMB and AUD, the Group does not have any other major exposure to foreign currency risk.

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

敏感度分析(續)

以下敏感度分析乃根據本集團於報告期末所面臨之遠期買入匯率風險釐定。倘美元兌人民幣及美元遠期匯率分別升值/貶值5%，而估值模式之所有其他輸入變量維持不變，則本集團年內除稅後虧損將增加/減少的幅度如下：

	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Increase/decrease in loss: 虧損增加/減少:		
USD strengthening against RMB 美元兌人民幣升值	221	855

管理層認為，由於年終風險無法反映年內風險，故該敏感度分析並不代表固有外匯風險。

除港元、美元、歐元、人民幣及澳元外，本集團並無面對其他主要外幣風險。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits and variable-rate bank borrowings. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of London Interbank Offered Rate arising from the Group's USD denominated borrowings.

The Group considers that the variable-rate bank balances are within short maturity period, and the fluctuation in interest rate and the cash flow interest rate risk arising from the bank balances are insignificant.

The Group's fair value interest rate risk relates primarily to its fixed-rate pledged bank deposits, bank borrowings and overdrafts, other borrowings and debt component of convertible bonds. It is the Group's policy to maintain a majority of borrowings at fixed rate of interest so as to reduce the cash flow interest rate risk.

The Group has not entered into any interest rate hedging contracts. Management monitors the Group's related interest rate exposure closely and will consider hedging significant interest rate exposure when the need arises.

Sensitivity analysis

The carrying amounts of the Group's monetary liabilities which carried variable interest rates at the end of the reporting period are as follows:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Liabilities	負債	333,048	291,783

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險

本集團因銀行存款及浮息銀行借款的當前市場利率波動而面對現金流量利率風險。本集團的現金流量利率風險主要集中於因本集團以美元計值的貸款引起的倫敦銀行同業拆息的波動。

本集團認為浮息銀行結餘乃於短期內到期，而利率波動及因銀行結餘導致的現金流量利率風險屬微乎其微。

本集團的公平值利率風險主要與定息已抵押銀行存款、銀行借款及透支、其他借款及可換股債券的債務部分有關。本集團的政策為將大部分借款維持為定息借款，減低現金流量利率風險。

本集團並無訂立任何利率對沖合約。管理層會密切監管本集團相關利率風險並於必要時考慮對沖重大利率風險。

敏感度分析

於報告期末，按浮息利率計息的本集團貨幣負債賬面值如下：

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis (continued)

The sensitivity analysis below was determined based on the exposure to risk of interest rate changes for variable-rate bank borrowings at the end of the reporting period and management considered that such exposure for variable-rate bank deposits was minimal as the amount involved was not significant.

A 100 basis points increase or decrease was used when reporting interest risk internally to key management personnel because it represented management's assessment of the possible change in interest rate.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's post-tax loss for the year would increase/decrease by the following magnitude:

	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Increase/decrease in loss 虧損增加/減少	2,498	2,188

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險(續)

敏感度分析(續)

下列敏感度分析乃基於報告期末浮息銀行借款的利率變動風險而定，由於所涉數額不大，故管理層認為浮息銀行存款的利率變動風險並不大。

以100個基點的升跌為標準向內部主要管理人員呈報利率風險，是由於此為管理層對利率可能變動的評估。

倘利率增加/減少100個基點而所有其他變數不變，則本集團年內除稅後虧損增加/減少的幅度如下：

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Market risk (continued)

(iii) Commodity price risks

At 31 December 2014, the Group was exposed to commodity price risks through its metal commodities future contracts.

Sensitivity analysis

The sensitivity analysis below is determined based on the exposure to commodity price risk of metal commodities future contracts at 31 December 2014. If the commodity price risk of metal commodities future contracts had been 5% higher/lower, the Group's post-tax loss for the year would decrease/increase by the following magnitude:

Decrease/increase in loss

虧損減少/增加

171,841

(iv) Equity price risk on the Company's shares

At 31 December 2015 and 2014, the Group was also exposed to equity price risk as a result of the fair value change on the embedded derivative components of convertible bonds the Company had issued as set out in Note 29.

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

市場風險(續)

(iii) 商品價格風險

於二零一四年十二月三十一日，本集團因金屬商品期貨合約而面對商品價格風險。

敏感度分析

下列敏感度分析乃基於二零一四年十二月三十一日金屬商品期貨合約以及銷售合約附帶的臨時定價安排面對的商品價格風險而定。倘金屬商品期貨合約的商品價格上升/下降5%，則本集團年內除稅後虧損減少/增加的幅度如下：

2014
二零一四年
HK\$'000
千港元

(iv) 本公司股份之股票價格風險於二零一五年及二零一四年十二月三十一日，本集團亦因本公司已發行的可換股債券之嵌入式衍生工具部份之公平值變動(如附註29所載)而面臨股票價格風險。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Market risk (continued)

(iv) Equity price risk on the Company's shares (continued)

Sensitivity analysis

The sensitivity analysis below is determined based on the exposure to the Company's shares' equity price risk of embedded derivative components of convertible bonds. If the share price of the Company inputted to the valuation model for assessing the fair value of the embedded derivative components of convertible bonds had been 10% higher/lower while all other variables were held constant, the Group's post-tax loss for the year would be changed by the following magnitude:

		Company's share price 10% higher 本公司股價上漲10%		Company's share price 10% lower 本公司股價下跌10%	
		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
(Increase) decrease in loss	虧損(增加)減少	(3,180)	(5)	2,713	-

In management's opinion, the sensitivity analysis is not necessarily representative of the inherent market risk as the pricing model used in the fair value valuation of the embedded derivative components of convertible bonds involves multiple variable where certain variables are interdependent.

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

市場風險(續)

(iv) 本公司股份之股票價格風險(續)

敏感度分析

下列敏感度分析乃根據可換股債券之嵌入式衍生工具部份所面臨之本公司股票價格風險而釐定。倘用於評估可換股債券之嵌入式衍生工具部份公平值而輸入至估值模式之本公司股價上漲/下跌10%，而所有其他變量保持不變，則本集團年內除稅後虧損變動之幅度如下：

管理層認為，敏感度分析未必代表固有市場風險，因為可換股債券之嵌入式衍生工具部份之公平值估值中所使用之定價模式，涉及多個變數，而其中若干變數屬互為影響。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Credit risk

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

At 31 December 2015, the Group had concentration of credit risk as 62% and 78% (2014: 66% and 81%) of its total trade receivables was due from its largest customer and the five largest customers respectively. The five largest customers have good repayment history and credit quality with reference to the track records of these customers under internal assessment by the Group.

At 31 December 2014, the Group was also exposed to concentration of credit risk arising on the deposit paid to a former shareholder with significant influence over the Company for purchase of raw materials of HK\$4,294,000 (2015: nil), and deposits with several banks and commodities future brokers with high credit ratings. The former substantial shareholder has good repayment history and credit quality with reference to the track records under internal assessment by the Group.

In order to minimise the credit risk, management of the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

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

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

信貸風險

於二零一五年十二月三十一日，本集團因交易方無法履行責任而面臨蒙受財務虧損的最大信貸風險額度為綜合財務狀況表所呈列相關已確認金融資產之賬面值。

於二零一五年十二月三十一日，本集團有信貸集中風險，因貿易應收款項總值的62%及78%(二零一四年：66%及81%)分別來自本集團的最大客戶及五大客戶。根據本集團對該等客戶作出內部評估記錄，該等客戶擁有良好還款記錄及信貸質素。

於二零一四年十二月三十一日，本公司亦因就採購原材料向對本集團具重大影響的前股東支付按金4,294,000港元(二零一五年：無)及於若干銀行及具有高信貸評級之商品期貨經紀之存款而承受信貸集中風險。經參照本集團內部評估之過往記錄，前主要股東具有良好的還款記錄及信貸質素。

為減低信貸風險，本集團管理層逐一審查貿易債務於報告期末之可收回款項，確保對不可收回款項作出充足減值虧損撥備。因此，本公司董事認為本集團之信貸風險顯著降低。

由於交易方是國際評級機構評級為信譽良好之銀行，故流動資金之信貸風險有限。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Liquidity risk

The objective of the Group is to maintain a balance between continuity of funding and the flexibility through the use of bank borrowings.

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

In addition, the following table details the Group's liquidity analysis for its derivative financial liabilities. The table was drawn up based on the undiscounted contractual net cash outflows on derivative liabilities that are settled on a net basis, and the undiscounted gross (inflows) and outflows on those derivatives that require gross settlement. The liquidity analysis for the Group's derivative financial liabilities are prepared based on the contractual maturities as the management considers that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

流動資金風險

本集團的目標為保持持續供資、靈活運用銀行借款之間的平衡。

下表詳列本集團非衍生金融負債的剩餘合約年期。列表顯示本集團可能須付款的最早日期的非衍生金融負債未貼現現金流量。倘利息流量為浮息，未貼現金額則按報告期末的利率曲線計算。

此外，下表詳列本集團衍生金融負債的流動資金分析，顯示以淨額結算的衍生負債未貼現現金流出淨額，及以總額結算的衍生負債未貼現總額(流入量)及流出量。由於管理層認為合約年期對理解衍生負債現金流量的時間至關重要，故本集團衍生金融負債的流動資金分析乃基於合約年期而編製。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity and interest risk tables

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

流動資金風險(續)

流動資金及利率風險表格

		On				Total carrying	
	Weighted	demand or	1-3	3 months	1-5	undiscounted	Total end of the
	average	less than	months	to 1 year	years	cash flows	reporting
	interest rate	1 month	months	to 1 year	years	cash flows	period
	加權	按要求或	一至三個月	三個月至	一至五年	未貼現現金	於報告期末之
	平均利率	少於一個月	一至三個月	一年	一至五年	流量總額	賬面總值
	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 31 December 2015							
Non-derivative financial liabilities							
Trade and other payables	-	131,891	-	302	-	132,193	132,193
Bills payable	2.97	15	29	6,208	-	6,252	6,072
Bank borrowings and overdrafts							
- fixed rate	3.03	763,118	-	-	-	763,118	762,108
- variable rate	3.61	333,542	-	-	-	333,542	333,048
Debt component of convertible bonds							
- fixed rate	4.00	-	1,352	1,352	68,952	71,656	58,812
Other borrowings - fixed rate	4.00	-	46,730	137,561	46,050	230,341	206,334
		1,228,566	48,111	145,423	115,002	1,537,102	1,498,567

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity and interest risk tables (continued)

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

流動資金風險(續)

流動資金及利率風險表格(續)

		Weighted average interest rate 加權 平均利率 %	On demand or less than 1 month 少於一個月 HK\$'000 千港元	1-3 months 一至三個月 HK\$'000 千港元	3 months to 1 year 三個月至 一年 HK\$'000 千港元	1-5 years 一至五年 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金 流量總額 HK\$'000 千港元	Total carrying value at the end of the reporting period 於報告期末之 賬面總值 HK\$'000 千港元
At 31 December 2014	二零一四年十二月三十一日							
Non-derivative financial liabilities	非衍生金融負債							
Trade, bills and other payables	貿易、票據及其他應付款項	-	313,736	-	302	-	314,038	314,038
Bank borrowings and overdrafts	銀行借款及透支							
- fixed rate	一定息	3.74	933,387	89,096	12,862	-	1,035,345	1,033,048
- variable rate	一浮息	3.35	292,184	-	-	-	292,184	291,783
Debt component of convertible bonds	可換股債券之債務部分							
- fixed rate	一定息	4.00	-	832,116	-	-	832,116	816,421
			1,539,307	921,212	13,164	-	2,473,683	2,455,290
Derivatives - net settlement	衍生工具-淨額結算							
Metal commodities future contracts	金屬商品期貨合約	-	266,853	126,349	9,715	-	402,917	402,917
Derivatives - gross settlement	衍生工具-總額結算							
Foreign currency forward contracts	外幣遠期合約							
- inflow	一流入	-	-	-	(8,057)	-	(8,057)	(8,057)
- outflow	一流出	-	-	-	8,072	-	8,072	8,072
			-	-	15	-	15	15
Derivative financial liabilities	衍生金融負債		266,853	126,349	9,730	-	402,932	402,932

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Bank borrowings with a repayment on demand clause are included in the “on demand or less than 1 month” time band in the above maturity analysis. As at 31 December 2015, the aggregate carrying amounts of these bank borrowings amounted to HK\$1,095,156,000 (2014: HK\$1,186,895,000). Taking into account the Group’s financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank borrowings will be repaid within one year (2014: within one year) after the reporting date in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows of HK\$1,111,632,000 will be repaid within one year (2014: HK\$1,206,900,000 within one year).

The amounts included above for the variable interest rate instruments are subject to change if changes in actual interest rates differ to those estimated at the end of the reporting period.

6c. Fair value

Fair value of the Group’s financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group’s financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used), as well as the level of fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

流動資金風險(續)

須按要求償還之銀行借款計入上述到期日分析之「按要求或少於一個月」時間範圍內。於二零一五年十二月三十一日，該等銀行借款之賬面值總額達1,095,156,000港元(二零一四年：1,186,895,000港元)。經計及本集團之財務狀況後，董事相信銀行不可能將行使其酌情權以要求即時還款。董事相信，該等銀行借款將於報告日期後一年內(二零一四年：一年內)根據貸款協議所載預定還款日期償還。屆時，本金總額及利息現金流出為1,111,632,000港元，並於一年內償還(二零一四年：1,206,900,000港元，並於一年內償還)。

倘實際利率之變動有別於報告期末釐定之估計利率變動，上述浮息工具之金額或會出現變動。

6c. 公平值

按經常性基準以公平值計量之本集團金融資產及金融負債之公平值

本集團部分金融資產及金融負債於各報告期末按公平值計量。下表提供有關根據公平值計量的輸入數據的可觀測程度如何釐定該等金融資產及金融負債之公平值(特別是所使用的估值技術及輸入數據)，及公平值計量所劃分之公平值級別水平(一至三級)之資料。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6c. Fair value (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

6. 金融工具(續)

6c. 公平值(續)

按經常性基準以公平值計量之本集團金融資產及金融負債之公平值(續)

	於以下日期的公平值		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	Fair value as at 31 December 2015	Fair value as at 31 December 2014				
Financial assets (financial liabilities)	於二零一五年十二月三十一日之公平值	於二零一四年十二月三十一日之公平值	公平值架構	估值技術及主要輸入數據	重大不可觀察輸入數據	不可觀察輸入數據與公平值的關係
金融資產(金融負債)	HK\$'000 千港元	HK\$'000 千港元				
1) Metal commodities future contracts classified as derivative financial instruments in the consolidated statement of financial position	-	390,786 (402,917)	Level 1 第一級	Quoted bid commodity futures prices on the London Metal Exchange and the Shanghai Futures Exchange 倫敦金屬交易所及上海期貨交易所所報商品期貨買入價	N/A 不適用	N/A 不適用
1) 於綜合財務狀況表中分類為衍生金融工具之金屬商品期貨合約						
2) Foreign currency forward contracts classified as derivative financial instruments in the consolidated statement of financial position	73	690 (15)	Level 2 第二級	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates. 根據遠期外幣兌換率(於報告期末可觀察的遠期外幣兌換率)及已訂約的遠期比率來估計未來現金流。	N/A 不適用	N/A 不適用
2) 於綜合財務狀況表中分類為衍生金融工具之外幣遠期合約						

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6c. Fair value (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

6. 金融工具(續)

6c. 公平值(續)

按經常性基準以公平值計量之本集團金融資產及金融負債之公平值(續)

	於以下日期的公平值		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	Fair value as at 31 December 2015	Fair value as at 31 December 2014				
Financial assets (financial liabilities)	於二零一五年十二月三十一日之公平值	於二零一四年十二月三十一日之公平值	公平值架構	估值技術及主要輸入數據	重大不可觀察輸入數據	不可觀察輸入數據與公平值的關係
金融資產(金融負債)	HK\$'000 千港元	HK\$'000 千港元				
3) Embedded derivative components of convertible bonds (note)	9,615	-	Level 3 第三級	Binomial Option Pricing Model. The key inputs are the Company's share price, expected volatility, dividend yield, option life and risk free rate. 二項期權定價模式。 主要輸入數據為本公司股價、預期波動、股息回報率、期權期限及無風險利率。	Expected volatility, taking into account the average historical volatility of the Company's share price as at the date of valuation. 預期波動乃計及本公司股價於估值日期之平均歷史波動。	The higher the expected volatility, the higher the fair value. 預期波動越大，公平值越大。
3) 可換股債券嵌入式衍生工具部分(附註)					Dividend yield, taking into account the Company's most recent dividends payout ratio and management's experience. 股息回報率乃計及本公司歷史股息派發率及管理層經驗。	The higher the dividend yield, the lower the fair value. 股息回報率越高，公平值越小。

note: If the expected volatility to the Binomial Option Pricing Model was 10% higher and lower while all other variables were held constant, the carrying amount of the embedded derivative components of convertible bonds would increase by HK\$1,301,000 (2014: HK\$2,000) and decrease by HK\$1,264,000 (2014: nil) respectively.

No dividend was paid or proposed during the year ended 31 December 2015. Dividend yield as at validation date of 31 December 2015 is nil (31 December 2014: nil), no sensitivity analysis for dividend yield was performed.

附註：倘於其他變數保持不變的情況下，二項期權定價模式的預期波動提高或降低10%，可換股債券嵌入式衍生工具之賬面值將分別增加1,301,000港元(二零一四年：2,000港元)及減少1,264,000港元(二零一四年：零港元)。

於截至二零一五年十二月三十一日止年度，概無派付或建議派付股息。本年度並無就股息收益率進行敏感度分析。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6c. Fair value (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

In management's opinion, the sensitivity analyses are not necessarily representative of the fair value as the pricing model used in the fair value valuation of the embedded derivative components of convertible bonds involves multiple variable where certain variables are interdependent.

Fair value measurements recognised in the consolidated statement of financial position

6. 金融工具(續)

6c. 公平值(續)

按經常性基準以公平值計量之本集團金融資產及金融負債之公平值(續)

管理層認為，敏感度分析未必代表公平值，因為可換股債券之嵌入式衍生工具部分之公平值估值中所使用之定價模式，涉及多個變數，而其中若干變數屬互為影響。

於綜合財務狀況表確認的公平值計量

		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 December 2015	於二零一五年 十二月三十一日				
Financial assets at FVTPL	按公平值計入損益 的金融資產				
Derivative financial instruments	衍生金融工具	-	73	-	73
Financial liabilities at FVTPL	按公平值計入損益 的金融負債				
Embedded derivative components of convertible bonds	可換股債券之嵌入式 衍生工具部分	-	-	9,615	9,615
As at 31 December 2014	於二零一四年 十二月三十一日				
Financial assets at FVTPL	按公平值計入損益 的金融資產				
Derivative financial instruments	衍生金融工具	390,786	690	-	391,476
Financial liabilities at FVTPL	按公平值計入損益 的金融負債				
Derivative financial liabilities	衍生金融負債	402,917	15	-	402,932

There were no transfers between the three levels during either of the years ended 31 December 2015 or 2014.

截至二零一五年或二零一四年十二月三十一日止年度，三個層級之間並無轉移。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6c. Fair value (continued)

Reconciliation of Level 3 fair value measurements of financial liabilities

6. 金融工具(續)

6c. 公平值(續)

金融負債之第三級公平值計量之對賬

		Embedded derivative components of convertible bonds 可換股債券之嵌入式 衍生工具部分 HK\$'000 千港元
Convertible Bonds I (as defined in Note 29)	可換股債券 I (定義見附註 29)	
At 1 January 2014	於二零一四年一月一日	13,353
Gain recognised in profit or loss	於損益中確認的收益	(13,353)
At 31 December 2014 and 31 December 2015	於二零一四年十二月三十一日 及二零一五年十二月三十一日	-
Convertible Bonds II (as defined in Note 29)	可換股債券 II (定義見附註 29)	
At 1 January 2014 and 2015	於二零一四年及二零一五年一月一日	-
Issuance of Convertible Bonds II	發行可換股債券 II	161,239
Conversion during the year	本年度轉換	(457,087)
Loss recognised in profit or loss	於損益內確認虧損	305,463
At 31 December 2015	於二零一五年十二月三十一日	9,615

Included in profit or loss for the current year is unrealised gains of HK\$6,350,000 (2014: HK\$13,353,000) related to embedded derivative components of convertible bonds held at the end of the reporting period. The fair value losses or gains are included in other gains and losses.

Financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the consolidated financial statements approximate their fair values and determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

計入本年度虧損或收益中，未變現收益 6,350,000 港元(二零一四年：13,353,000 港元)乃與於報告期末持有的可換股債券嵌入式衍生工具部分有關。公平值虧損或收益計入其他收益及虧損。

並非按經常性基準以公平值計量之金融資產及負債

管理層認為，於綜合財務報表內按攤銷成本計量的金融資產及金融負債的賬面值與其公平值相若且根據貼現現金流量分析按一般公認定價模式釐定。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6c. Fair value (continued)

Fair value measurements and valuation process

The Chief Financial Officer of the Company determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 and 2 inputs are not available, the Group engages third party qualified valuers to perform the valuation for financial instruments that are measured at fair value on a recurring basis. The Chief Financial Officer works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

The Chief Financial Officer engages the external valuers to perform the valuations of the convertible bonds and the Warrants required for financial reporting purposes, including Level 3 fair value measurements of financial instruments. As a part of the valuation process, the Chief Financial Officer reports the findings to the board of directors of the Company semi-annually, in line with the Group's interim and annual reporting dates.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed above.

6. 金融工具(續)

6c. 公平值(續)

公平值計量及估值程序

本公司財務總監就公平值計量釐定合適的估值方法及輸入數據。

於估計資產或負債的公平值時，本集團運用其獲得的市場觀察數據。倘第一及第二級輸入數據不可用，本集團委聘第三方合資格估值師對按經常性基準以公平值計量之金融工具進行估值。估值團隊與外聘合資格估值師密切合作以制定合適的估值技術及輸入數據模式。

財務總監就財務報告目的聘用外部估值師對可換股債券及認股權證進行估值，包括金融工具第三級公平值計量。作為估值程序的一部分，財務總監每半年向本公司董事會報告估值結果，報告的時間與本集團中期及年度報告日期一致。

有關釐定不同資產及負債公平值所使用的估值方法及輸入數據詳情載於上文。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6c. Fair value (continued)

Business and economic circumstances affecting fair value of measurements

During the years ended 31 December 2015 and 2014, the Group experienced the adverse impact of the prolonged volatility and the overall downward movement of the global metal prices. The Group entered into metal commodities future contracts in order to manage its exposure to the volatility in metals' price risks. The decline in the commodity market prices led to a realised loss on fair value of derivative financial instruments.

In addition, the market price of the Company's shares was highly volatile during the year ended 31 December 2015 that resulted in a significant deviation between the exercise price of the convertible bonds and the shares price of the Company. The volatility in the Company's share led to the fair value loss on the embedded derivative components of convertible bonds recognised in profit or loss.

6d. Financial instruments subject to offsetting

The following table sets out financial assets and financial liabilities that were subjected to offsetting, which were not offset in the Group's consolidated statement of financial position as at 31 December 2014. As at 31 December 2015, no financial assets and liabilities are subjected to offsetting.

6. 金融工具(續)

6c. 公平值(續)

業務及經濟環境影響公平值計量

於截至二零一五年及二零一四年十二月三十一日止年度，本集團承受全球金屬價格長期波動及整體下滑的不利影響。本集團訂立金屬商品期貨合約以管理其金屬價格波動風險。商品市場價格的下跌導致衍生金融工具公平值已變現虧損。

此外，於截至二零一五年十二月三十一日止年度，本公司股份市價大幅波動，導致可換股債券的行使價大幅偏離本公司的股價。本公司股份波動導致於損益內確認的可換股債券嵌入式衍生工具部分的公平值虧損。

6d. 受限於抵銷之金融工具

下表載列於二零一四年十二月三十一日受限於抵銷並未於本集團綜合財務狀況表內抵銷之金融資產及金融負債。於二零一五年十二月三十一日，概無金融資產及負債受限於抵銷。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6d. Financial instruments subject to offsetting (continued)

Financial assets subject to offsetting

As at 31 December 2014

Description	Gross amounts of recognised financial assets	Gross amount of recognised liabilities set off in the consolidated statement of financial position	Net amounts of financial assets presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral received	
概述	已確認金融資產總額	抵銷之已確認金融負債總額	呈列之金融資產淨額	金融工具	已收現金抵押品	淨額
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Margin deposits	253,292	-	253,292	(28,451)	-	224,841
Pledged bank deposits	92,556	-	92,556	-	-	92,556
Derivative financial assets						
- Metal commodities future contracts	390,786	-	390,786	(374,466)	-	16,320
- Foreign currency forward contracts	690	-	690	(15)	-	675

6. 金融工具(續)

6d. 受限於抵銷之金融工具(續)

受限於抵銷之金融資產

於二零一四年十二月三十一日

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6d. Financial instruments subject to offsetting (continued)

Financial liabilities subject to offsetting

As at 31 December 2014

Description	Gross amounts of recognised financial liabilities	Gross amount of recognised financial assets set off in the consolidated statement of financial position	Net amounts of financial liabilities presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral pledged	
概述	已確認金融負債總額	抵銷之已確認金融資產總額	呈列之金融負債淨額	金融工具	已抵押現金	淨額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Derivative financial liabilities	衍生金融負債					
- Metal commodities future contracts	- 金屬商品期貨合約	402,917	-	402,917	(374,466)	(28,451)
- Foreign currency forward contracts	- 外幣遠期合約	15	-	15	(15)	-

6. 金融工具(續)

6d. 受限於抵銷之金融工具(續)

受限於抵銷之金融資產負債

於二零一四年十二月三十一日

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6d. Financial instruments subject to offsetting (continued)

The gross amounts of the recognised financial assets and financial liabilities as presented in the Group's consolidated statement of financial position, both of which have been disclosed in the above tables, are measured as follows:

- Margin deposits and pledged bank deposits – amortised cost
- Derivatives – fair value

The disclosures set out in the tables above include commodities futures contracts traded on the London Metal Exchange or the Shanghai Futures Exchange through brokers and foreign currency contracts contracted with banks. The related collaterals are included in margin deposits and pledged bank deposits. If a default event (included but not limited to default payment, liquidation, bankruptcy or insolvency) occurs, the brokers and the banks are able to exercise the right to offset against any favourable contracts and/or the collaterals placed.

7. REVENUE AND SEGMENT INFORMATION

The Group's revenue represents the amounts received or receivable from the sales of metal scrap, net of sales related taxes, during the year.

Operating and reportable segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("CODM") in order to allocate resources to segments and to assess their performance. The executive directors of the Company are identified as the CODM and they regularly review the internal report on gross profit derived (or gross loss incurred) from different business activities and different products to assess performance and allocate resources of the Group.

6. 金融工具(續)

6d. 受限於抵銷之金融工具(續)

本集團綜合財務狀況表內呈列的已確認金融資產及金融負債的總額(均已披露於上表)計量如下:

- 保證金及已抵押銀行存款—攤銷成本
- 衍生工具—公平值

上表所述披露包括於倫敦金屬交易所或上海期貨交易所透過經紀人及與銀行訂立的外幣合約交易之商品期貨合約。相關抵押品計入保證金及已抵押銀行存款。倘出現違約事件(包括但不限於拖欠付款、清盤、破產或無力償債),經紀人及銀行可行使權利抵銷任何有利合約及/或抵押品。

7. 收益及分部資料

本集團收益指年內銷售廢金屬之已收或應收款項,扣除銷售相關稅項。

業務及可呈報分部的劃分基準與首席營運決策者(「營運總裁」)定期審閱有關本集團業務結構以分配調資及評估分部表現的內部報告的基準一致。本公司執行董事擔任營運總裁角色,定期審閱關於各種業務活動及各類產品所得毛利(或所產生毛損)的內部報告,評估本集團業績並分配資源。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

7. REVENUE AND SEGMENT INFORMATION (continued)

The Group is mainly engaged in the business of metal recycling, involving the recycling of mixed metal scrap into copper scrap, steel scrap, aluminium scrap, iron scrap and other metal scrap. The Group is also engaged in the foundry business which involves the production and sale of aluminium-alloy ingots and copper rod and wire, and wholesales business which involves trading of other metal scrap without processing and copper cathode. The operating and reportable segments are identified based on major products under three categories of business activities:

- (i) metal recycling business (including sales of copper scrap, steel scrap, aluminium scrap, iron scrap and other metal scrap);
- (ii) foundry business (including sales of aluminium-alloy ingots and copper rod and wire); and
- (iii) wholesales business (including sales of other metal scrap without processing and copper cathode).

7. 收益及分部資料(續)

本集團主要從事金屬再生業務，涉及將混合廢金屬回收分成廢銅、廢鋼、廢鋁、廢鐵及其他廢金屬，亦從事涉及生產及銷售鋁錠以及銅桿及銅線等的鑄造業務與涉及買賣其他未加工廢金屬及陰極銅等的批發業務。業務及可呈報分部按主要產品劃分為三類業務活動：

- (i) 金屬再生業務(包括銷售廢銅、廢鋼、廢鋁、廢鐵及其他廢金屬)；
- (ii) 鑄造業務(包括銷售鋁錠及銅桿以及銅線)；及
- (iii) 批發業務(包括銷售其他未加工廢金屬及陰極銅)。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

7. REVENUE AND SEGMENT INFORMATION 7. 收益及分部資料(續)

Segment revenues and segment results

An analysis of the Group's segment revenues and segment results by operating and reportable segment is as below.

分部收益及分部業績

以下為按業務及可呈報分部時本集團分部收益及分部業績所作之分析。

For the year ended 31 December 2015

截至二零一五年十二月三十一日止年度

	Metal recycling business 金屬再生業務				Foundry business 鑄造業務			Wholesales business 批發業務			Total 總計
	Copper scrap 廢銅	Steel scrap 廢鋼	Aluminium scrap 廢鋁	Iron scrap 廢鐵	Other metal scrap 其他廢金屬	Aluminium-ingots 鋁錠	Copper rod and wire 銅桿及銅線	Other metal scrap without processing 其他未加工廢金屬	Copper cathode 陰極銅	Elimination 對銷	
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
REVENUE	收益										
External sales	外部銷售										
Inter-segment sales	分部間銷售										
Total segment revenue	分部收益總額										
Segment (loss) profit	分部(虧損)溢利										
Other income	其他收入										
Other gains and losses	其他收益及虧損										
Distribution and selling expenses	分銷及銷售開支										
Administrative expenses	行政開支										
Finance costs	財務成本										
Share of loss of an associate	應佔聯營公司虧損										
Loss before tax	除稅前虧損										
Income tax expense	所得稅開支										
Loss for the year	年內虧損										
(Allowance) reversal of allowance for inventories included in segment (loss) profit	包括於分部(虧損)溢利內的存貨(撥備)撥備撥回										

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

7. REVENUE AND SEGMENT INFORMATION 7. 收益及分部資料(續)

Segment revenues and segment results (continued)

分部收益及分部業績(續)

For the year ended 31 December 2014

截至二零一四年十二月三十一日止年度

	Metal recycling business 金屬再生業務				Foundry business 鑄造業務			Wholesales business 批發業務			Total 總計
	Copper scrap 廢銅	Steel scrap 廢鋼	Aluminium scrap 廢鋁	Iron scrap 廢鐵	Other metal scrap 其他廢金屬	Aluminium-ingots 鋁錠	Copper rod and wire 銅桿及銅線	Other metal scrap without processing 其他未加工廢金屬	Copper cathode 陰極銅	Elimination 對銷	
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
REVENUE	收益										
External sales	3,661,650	719,266	138,339	154,192	49,259	304,115	33,052	507,055	311,042	-	5,877,970
Inter-segment sales	101,887	30,667	201,513	-	2,571	-	-	1,991,776	-	(2,328,414)	-
Total segment revenue	3,763,537	749,933	339,852	154,192	51,830	304,115	33,052	2,498,831	311,042	(2,328,414)	5,877,970
Segment (loss) profit	(54,323)	1,686	(2,138)	(2,120)	(6,390)	15,754	(5,725)	68,920	(16,266)	(16,764)	(17,366)
Other income											27,977
Other gains and losses											(770,923)
Distribution and selling expenses											(23,722)
Administrative expenses											(130,534)
Finance costs											(153,327)
Share of profit of an associate											284
Loss before tax											(1,067,611)
Income tax expense											(3,629)
Loss for the year											(1,071,240)
Reversal of allowance (allowance) for inventories included in segment (loss) profit	11,495	2,301	1,117	3	(2,025)	-	846	-	(1,831)	-	11,906

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

7. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenues and segment results (continued)

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies described in Note 3. Segment (loss) profit represents the gross (loss) profit resulted in each segment without allocation of other income, other gains and losses, distribution and selling expenses, administrative expenses, finance costs, share of (loss) profit of an associate and income tax expense. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market price.

Segment assets and segment liabilities

Information on segment assets and segment liabilities of the Group are not reviewed by the CODM for the purpose of resource allocation and performance assessment nor otherwise regularly provided to the CODM. As a result, no analysis of segment assets and segment liabilities is presented.

Geographical information

Approximately 92% of external revenue of the Group during the year ended 31 December 2015 (2014: 92%) are attributable to customers established in the PRC, the place of domicile of the Group's major operating entities. The remaining revenue is immaterial for separate disclosure of the Group's geographical information. Substantially all of the Group's non-current assets are located in the PRC.

Information about major customers

No single customer contributed 10% or more to the Group's revenue during the years ended 31 December 2015 and 2014.

7. 收益及分部資料(續)

分部收益及分部業績(續)

業務及可呈報分部之會計政策與附註3所述之本集團會計政策相同。分部(虧損)溢利指各分部產生的毛(損)利，未分配其他收入、其他收益及虧損、分銷及銷售開支、行政開支、財務成本、應佔聯營公司(虧損)溢利及所得稅開支，此乃向主要營運決策者報告以便分配資源及評估業績的計量。

分部間銷售以現行市價扣除。

分部資產及分部負債

由於本集團的分部資產及分部負債資料並未由營運總裁審閱以分配資源及評核表現或以其他方式定期呈交營運總裁，故並無呈列分部資產及分部負債的分析。

地區資料

截至二零一五年十二月三十一日止年度，本集團約92%(二零一四年：92%)的外界收入來自在中國(本集團主要經營實體的註冊地)成立的客戶。餘下影響甚微的收益按本集團地區資料作另行披露。本集團大部分非流動資產位於中國。

主要客戶的資料

於截至二零一五年及二零一四年十二月三十一日止年度，並無單一客戶貢獻本集團收益10%或以上。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

8. COST OF SALES

Included in cost of sales is the following allowance (reversal of allowance) for inventories:

Allowance of inventories to net realisable value recognised	按可變現淨值確認的存貨撥備
Reversal of prior year's inventories allowance	撥回過往年度存貨撥備
Allowance (reversal of allowance) for inventories, net	存貨撥備(撥備撥回)淨額

Management assesses whether the carrying value of inventories exceed their net realisable value at the end of the reporting period. Management estimates the net realisable value for inventories with reference to the ask price of metal scrap in the relevant markets and the quoted prices of metal on applicable commodity exchanges at the end of the reporting period.

During the year, certain inventories for which allowances to net realisable value were previously made are sold. As a result, a reversal of write-down of inventories of HK\$23,887,000 (2014: HK\$35,793,000) had been recognised and included in cost of sales.

8. 銷售成本

銷售成本包括以下存貨撥備(撥備撥回):

2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
88,177	23,887
(23,887)	(35,793)
64,290	(11,906)

管理層於各報告期末評估存貨賬面值是否超過存貨可變現淨值。管理層參考於各報告期末相關市場的廢金屬賣價及相關商品交易所的金屬報價估計存貨可變現淨值。

於本年度的若干早前撥備至可變現淨值的存貨經已出售。因此確認23,887,000港元(二零一四年:35,793,000港元)的撥回存貨備,並計入銷售成本內。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

9. OTHER INCOME

9. 其他收入

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Interest income	利息收入	13,890	7,671
Gross rental income from investment properties	投資物業租金收入總額	1,208	1,530
Less: direct operating expenses	減：直接經營開支	-	(11)
Net rental income from investment properties	投資物業租金收入淨額	1,208	1,519
Government grants (note)	政府補助(附註)	859	15,181
Transportation and scale income	運輸及磅秤收入	896	2,116
Dividend income from AFS investment	可供出售投資股息收入	-	301
Others	其他	5,734	1,189
		22,587	27,977

note: The Group received unconditional government grants from a local municipal government as an encouragement for the development and advancement of business. There are no other conditions attached to the government grants that have been recognised.

附註：地方市政府為鼓勵本集團業務發展與進步而給予本集團的無條件政府補助。已確認政府補助沒有附加其他條件。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

10. OTHER GAINS AND LOSSES

10. 其他收益及虧損

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
(Loss) gain on fair value change of:	公平值變動(虧損)收益:		
– derivative financial instruments (note)	– 衍生金融工具(附註29)		
– realised loss	– 已變現虧損	(387,330)	(762,372)
– unrealised gain (loss)	– 未變現收益(虧損)	73	(11,456)
		(387,257)	(773,828)
– embedded derivative components of convertible bonds (Note 29)	– 可換股債券嵌入式衍生工具部分(附註29)	(305,463)	13,353
– warrants (Note 29)	– 認股權證(附註29)	–	1,331
Loss on derecognition of convertible bonds (Note 29)	可換股債券取消確認虧損(附註29)	(1,210)	–
Net foreign exchange losses	匯兌虧損淨額	(112,012)	(34,005)
Impairment loss on trade, bills and other receivables	貿易、票據及其他應收款項之減值虧損	(53,166)	(1,807)
Recovery of doubtful debts	收回呆賬	1,613	–
Gain on disposal of an investment property (Note 19(iii))	出售投資物業收益(附註19(iii))	–	29,216
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	2,084	335
Reclassified to profit or loss on disposal of AFS investment	就出售可供出售投資重新分類至損益	4,606	(499)
Handling charges on disposal of AFS investment	出售可供出售投資之處理費	(622)	(54)
Net compensation received (paid)	收取(支付)補償淨額	749	(4,965)
		(850,678)	(770,923)

note: The amounts arose from aluminium, copper, lead, zinc, steel rebar and nickel future contracts, provisional pricing arrangements embedded in sales contracts and foreign currency forward contracts. Substantially all of the loss on fair value change of derivative financial instruments is from fair value change in aluminium, copper, zinc, steel rebar and nickel future contracts.

附註：該等金額乃產生自鋁、銅、鉛、鋅、鋼筋及鎳期貨合約、銷售合約附帶的臨時定價安排及外幣遠期合約。幾乎所有的衍生金融工具公平值變動虧損源自鋁、銅、鋅、鋼筋及鎳期貨合約的公平值變動。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

11. FINANCE COSTS

11. 財務成本

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Interest on bank borrowings	銀行借款的利息	38,624	63,680
Effective interest expense on convertible bonds and other borrowings (Note 29)	可換股債券及其他借款之實際利息開支(附註29)	77,561	89,647
Interest on a loan from a former director (Note 37(i))	來自一名前董事之貸款利息(附註37(i))	1,198	-
		117,383	153,327

12. INCOME TAX EXPENSE

12. 所得稅開支

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Current tax:	即期稅項：		
PRC Enterprises Income Tax ("EIT")	中國企業所得稅(「企業所得稅」)	137	2,435
Hong Kong	香港	50	471
Other jurisdiction	其他司法權區	143	138
		330	3,044
(Over) underprovision in prior years:	於過往年度撥備(超出)不足：		
PRC EIT	中國企業所得稅	(8)	11
Hong Kong	香港	(20)	507
		(28)	518
Deferred tax expense (Note 22)	遞延稅項開支(附註22)	35	67
		337	3,629

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

香港利得稅按兩個年度的估計應課稅溢利的16.5%計算。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

12. INCOME TAX EXPENSE (continued)

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Taxation arising in other jurisdiction is calculated at the rate prevailing in the relevant jurisdiction.

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

12. 所得稅開支(續)

根據中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司於兩個年度的稅率為25%。

其他司法權區產生的稅項按相關司法權區的現行匯率計算。

年內稅項開支可與綜合損益及全面收益表內除稅前虧損對賬如下：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Loss before tax	除稅前虧損	(1,143,684)	(1,067,611)
Tax at applicable tax rates (note)	按適用稅率計算之稅項(附註)	(229,934)	(244,864)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	84,504	41,312
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(2,718)	(10,121)
Tax effect of deductible temporary differences not recognised	未確認的可扣減暫時差額的稅務影響	1,294	1,362
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	148,651	215,332
Tax effect of utilisation of tax losses previously not recognised	使用之前未確認稅項虧損的稅務影響	(1,432)	-
Deferred tax provided on dividends withholding tax on PRC subsidiaries	中國附屬公司股息預扣稅之遞延稅項	-	90
(Over) underprovision in respect of prior years	過往年度撥備(超出)不足	(28)	518
Income tax expense for the year	年內所得稅開支	337	3,629

note: As the Group operates in different tax jurisdictions, separate reconciliations using the domestic tax rate in each individual tax jurisdiction have been aggregated and presented.

附註：由於本集團於不同稅務司法權區經營，按各稅務司法權區地方稅率計算的獨立對賬已合併呈列。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

13. LOSS FOR THE YEAR

13. 年內虧損

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Loss for the year has been arrived at after charging:	年內虧損，已扣除：		
Directors' emoluments	董事酬金	4,572	3,913
Other staff costs	其他員工成本	177,790	179,213
Retirement benefit scheme contributions, excluding those of directors	退休福利計劃供款，不包括董事之退休福利計劃供款	4,704	3,158
Share-based payments, excluding those of directors	以股份為基礎的付款，不包括董事之以股份為基礎的付款	422	3,390
Total staff costs	員工成本總額	187,488	189,674
Cost of inventories recognised as an expense	確認為開支的存貨成本	3,181,909	5,895,336
Depreciation of investment properties	投資物業折舊	1,397	1,631
Depreciation of property, plant and equipment	物業、廠房及設備折舊	28,958	36,122
Amortisation of prepaid lease payments	預付租金攤銷	10,542	10,593
Total depreciation and amortisation	折舊及攤銷總額	40,897	48,346
Auditor's remuneration	核數師酬金	2,460	2,430

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

14. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Directors

Details of the emoluments paid by the Group to the directors of the Company for the year are as follows:

14. 董事、主要行政人員及僱員酬金

本集團於年內支付本公司董事的酬金詳情如下：

		Salaries and Fees	Performance bonus	Retirement benefit scheme contributions	Share-based payments	Total
		薪金及 袍金	表現花紅	退休福利 計劃供款	以股份為 基礎的付款	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Year ended 31 December 2015:	截至二零一五年十二月三十一日止年度：					
Executive directors:	執行董事					
Mr. Tu (note i)	涂先生(附註i)	-	537	-	-	537
Mr. Fang (note ii)	方先生(附註ii)	-	801	382	17	1,200
Mr. Stephenus Maria Van Ooijen (note iii)	Stephenus Maria Van Ooijen 先生(附註iii)	-	215	-	-	215
Mr. Zhang Mingjie (note i)	張明杰先生(附註i)	-	216	-	-	216
Mr. Meng Yi (note i)	孟怡先生(附註i)	-	216	-	-	216
Mr. Gu Liyong (note ii)	顧李勇先生(附註ii)	-	858	858	16	1,732
Non-executive directors:	非執行董事：					
Dr. Loke Yu	陸海林博士	150	-	-	3	153
Ms. Zhang Jingdong	章敬東女士	150	-	-	3	153
Mr. Michael Charles Lion (note iii)	Michael Charles Lion先生(附註iii)	-	-	-	-	-
Mr. Zhu Dajian	諸大建先生	150	-	-	-	150
		450	2,843	1,240	33	4,572

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

14. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued) Directors (continued)

14. 董事、主要行政人員及僱員酬金(續) 董事(續)

		Fees	Salaries and allowances	Retirement benefit scheme contributions	Share-based payments	Total
		袍金	薪金及津貼	退休福利計劃供款	以股份為基礎的付款	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Year ended 31 December 2014:	截至二零一四年十二月三十一日止年度:					
Executive directors:	執行董事:					
Mr. Fang	方先生	-	1,200	11	-	1,211
Mr. Stephanus Maria van Ooijen (note iii)	Stephanus Maria van Ooijen 先生(附註iii)	-	1,080	-	-	1,080
Mr. Gu Liyong	顧李勇先生	-	947	48	82	1,077
Non-executive directors:	非執行董事:					
Mr. Li Xikui (note iv)	李錫奎先生(附註iv)	144	-	-	31	175
Dr. Loke Yu	陸海林博士	150	-	-	32	182
Ms. Zhang Jingdong	章敬東女士	150	-	-	32	182
Mr. Michael Charles Lion (note iii)	Michael Charles Lion 先生(附註iii)	-	-	-	-	-
Mr. Zhu Dajian (note iv)	諸大建先生(附註iv)	6	-	-	-	6
		450	3,227	59	177	3,913

The executive directors' and non-executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group and for their services as directors of the Company respectively.

Mr. Fang was also the former Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive. Mr. Fang resigned and Mr. Tu was appointed as the Chief Executive on 16 February 2016.

上表所載執行董事及非執行董事的酬金分別為與本公司及本集團的管理事宜相關的服務，及彼等作為本公司董事的服務。

方先生亦為本公司之前主要行政人員及其上述薪酬包括其作為主要行政人員提供服務之薪酬。方先生已辭任及涂先生於二零一六年二月十六日獲委任為行政總裁。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

14. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued)

Employees

Of the five highest paid individuals of the Group, two (2014: three) were directors, whose emoluments are included in the disclosures above. The emoluments of the remaining three (2014: two) individuals were as follows:

	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Salaries, bonus and other allowances	4,173	2,170
Share-based payments	66	366
Retirement benefit scheme contributions	48	28
	4,287	2,564

Analysed into the following bands:

	Number of individual 人士人數	Number of individual 人士人數
HK\$1,000,001 to HK\$1,500,000	2	2
HK\$1,500,001 to HK\$2,000,000	1	-

note:

- (i) Mr. Tu was appointed as executive director on 29 April 2015 and Mr. Zhang Mingjie and Mr. Meng Yi were appointed as executive directors on 22 August 2015.
- (ii) Mr. Gu Liyong and Mr. Fang resigned on 30 November 2015 and 16 February 2016 respectively.
- (iii) Mr. Michael Charles Lion and Mr. Stephanus Maria van Ooijen resigned on 16 February 2015 and 12 March 2015 respectively.
- (iv) Mr. Li Xikui resigned and Mr. Zhu Dajian was appointed as non-executive director on 17 December 2014.
- (v) During both years, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors waived any emoluments during both years.

14. 董事、主要行政人員及僱員酬金(續)

僱員

於本集團五名最高薪酬人士當中，兩名(二零一四年：三名)為董事，其酬金已載於上文的披露。餘下三名(二零一四年：兩名)人士的酬金如下：

酬金範圍分析如下：

附註：

- (i) 涂先生於二零一五年四月二十九日獲委任為董事及張明杰先生及孟怡先生於二零一五年八月二十二日獲委任為執行董事。
- (ii) 顧李勇先生及方先生分別於二零一五年十一月三十日及二零一六年二月十六日辭任。
- (iii) Michael Charles Lion先生及Stephanus Maria van Ooijen先生分別於二零一五年二月十六日及二零一五年三月十二日辭任。
- (iv) 於二零一四年十二月十七日，李錫奎先生已退任及諸大建先生獲委任為非執行董事。
- (v) 於兩個年度內，本集團並無向任何董事或五名最高薪人士支付酬金，作為吸引加入本集團或於加入本集團時的獎勵或離職補償。於兩個年度內，亦無董事放棄任何酬金。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

15. DIVIDENDS

No dividend was paid or proposed during both years, nor has any dividend been proposed by the Company since the end of the respective reporting periods in respect of the years ended 31 December 2015 and 2014.

16. LOSS PER SHARE

The calculations of the basic and diluted loss per share attributable to owners of the Company are based on the following data:

15. 股息

於兩個年度並無派發或建議任何股息，自各別報告期末本公司亦未建議就截至二零一五年及二零一四年十二月三十一日止年度派付任何股息。

16. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃按以下數據計算：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Loss	虧損		
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	用於計算每股基本及攤薄虧損的本公司擁有人應佔年內虧損	(1,138,804)	(1,057,980)
Number of shares	股數		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	用於計算每股基本及攤薄虧損的普通股加權平均數目	1,382,512,563	1,047,387,288

In current and prior years, the potential ordinary shares attributable to the Company's outstanding convertible bonds, warrants and share options have anti-dilutive effect as the assumed conversion and exercise would result in a decrease in loss per share.

於本年度及過往年度，本公司尚未行使可換股債券、認股權證及若干購股權應佔潛在普通股具有反攤薄影響，因假設兌換及行使可能導致每股虧損減少。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Buildings 樓宇 HK\$'000 千港元	Plant and machinery 廠房及 機器 HK\$'000 千港元	Office furniture and equipment 辦公傢俱 及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本							
At 1 January 2014	於二零一四年一月一日	104,254	200,708	22,831	9,122	58,292	109,389	504,596
Exchange adjustments	匯兌調整	(352)	(569)	(93)	(88)	(165)	459	(808)
Additions	添置	-	9,644	1,041	3,012	1,919	198,527	214,143
Transfers	轉讓	-	677	123	-	-	(800)	-
Disposal	出售	-	(2,057)	(41)	(768)	-	-	(2,866)
At 31 December 2014	於二零一四年十二月三十一日	103,902	208,403	23,861	11,278	60,046	307,575	715,065
Exchange adjustments	匯兌調整	(12,208)	(7,708)	(1,007)	(408)	(2,621)	(16,727)	(40,679)
Additions	添置	-	7,375	1,134	869	-	137,294	146,672
Transfers	轉讓	183,295	387	-	-	-	(183,682)	-
Government grants (Note 32)	政府補助(附註32)	(33,676)	(1,273)	-	-	-	-	(34,949)
Disposal	出售	-	(25,776)	(1,645)	(1,259)	(5,931)	-	(34,611)
At 31 December 2015	於二零一五年十二月三十一日	241,313	181,408	22,343	10,480	51,494	244,460	751,498
DEPRECIATION	折舊							
At 1 January 2014	於二零一四年一月一日	38,659	70,482	12,966	4,251	46,708	-	173,066
Exchange adjustments	匯兌調整	(111)	(156)	(46)	(16)	(139)	-	(468)
Provided for the year	年內撥備	4,688	22,849	3,169	1,650	3,766	-	36,122
Eliminated on disposal	出售之對銷	-	(1,503)	(30)	(387)	-	-	(1,920)
At 31 December 2014	於二零一四年十二月三十一日	43,236	91,672	16,059	5,498	50,335	-	206,800
Exchange adjustments	匯兌調整	(2,718)	(3,362)	(780)	(224)	(2,484)	-	(9,568)
Provided for the year	年內撥備	4,716	17,465	2,097	1,600	3,080	-	28,958
Eliminated on disposal	出售之對銷	-	(15,931)	(1,175)	(745)	(4,970)	-	(22,821)
At 31 December 2015	於二零一五年十二月三十一日	45,234	89,844	16,201	6,129	45,961	-	203,369
CARRYING VALUES	賬面值							
At 31 December 2015	於二零一五年十二月三十一日	196,079	91,564	6,142	4,351	5,533	244,460	548,129
At 31 December 2014	於二零一四年十二月三十一日	60,666	116,731	7,802	5,780	9,711	307,575	508,265

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

17. PROPERTY, PLANT AND EQUIPMENT 17. 物業、廠房及設備(續)

notes:

(i) As at 31 December 2015, certain plant and buildings with carrying amount of HK\$126,892,000 (2014: HK\$68,258,000) were pledged as security for bank borrowings granted to the Group.

(ii) As at 31 December 2015 and 2014, all buildings were situated in the PRC.

(iii) The property, plant and equipment, other than construction in progress, are depreciated over their estimated useful lives, after taking into account their residual value, as follows:

Buildings	20 years or the relevant lease term, whichever is shorter
Plant and machinery	9%-20%
Office furniture and equipment	18%-30%
Motor vehicles	18%-30%
Leasehold improvements	30%-50%, the relevant lease term or the estimated useful lives, whichever is shorter

(iv) See Note 4 for details of property, plant and equipment's impairment assessment.

附註:

(i) 於二零一五年十二月三十一日，若干賬面值為126,892,000港元(二零一四年: 68,258,000港元)的廠房及樓宇已抵押作為授予本集團銀行借款的擔保。

(ii) 於二零一五年及二零一四年十二月三十一日，所有樓宇均位於中國。

(iii) 物業、廠房及設備(在建工程除外)經計算其剩餘價值後，按估計可用年期折舊如下：

樓宇	20年或有關租期(以較短者為準)
廠房及機器	9%至20%
辦公傢俱及設備	18%至30%
汽車	18%至30%
租賃物業裝修	30%至50%或有關租期或估計可用年期(以較短者為準)

(iv) 有關物業、廠房及設備減值評估詳情，請參閱附註4。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

18. PREPAID LEASE PAYMENTS

18. 預付租金

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
The prepaid lease payments	預付租金		
comprise leasehold land	包括租賃土地		
– in Hong Kong	– 位於香港	139,207	140,425
– in the PRC	– 位於中國	381,249	291,656
		520,456	432,081
Analysed for reporting purposes as:	以呈報為目的的分析：		
Current asset	流動資產	12,603	10,620
Non-current asset	非流動資產	507,853	421,461
		520,456	432,081

notes:

- (i) As at 31 December 2015, prepaid lease payments with carrying amount of HK\$186,856,000 (2014: HK\$304,746,000) were pledged as security for bank borrowings granted to the Group.
- (ii) During the year ended 31 December 2015, the Group acquired certain leasehold land in the PRC amounting to HK\$130,170,000. During the year ended 31 December 2014, the Group did not acquire any leasehold land.
- (iii) During the year ended 31 December 2015, the Group received government grants of HK\$9,663,000 in relation to leasehold land in the PRC which was included in prepaid lease payments.
- (iv) See Note 4 for details of prepaid lease payments' impairment assessment.

附註：

- (i) 於二零一五年十二月三十一日，若干賬面值為186,856,000港元(二零一四年：304,746,000港元)的預付租金已抵押作為授予本集團銀行貸款的擔保。
- (ii) 截至二零一五年十二月三十一日止年度，本集團於中國購買若干租賃土地，金額為130,170,000港元。於截至二零一四年十二月三十一日止年度，本集團並無購買任何租賃土地。
- (iii) 於截至二零一五年十二月三十一日止年度，本集團就於中國的租賃土地收取9,663,000港元之政府補助(已計入預付租金內)。
- (iv) 有關預付租金減值評估詳情，請參閱附註4。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

19. INVESTMENT PROPERTIES

19. 投資物業

		HK\$'000 千港元
COST	成本	
At 1 January 2014	於二零一四年一月一日	32,052
Disposal	出售	(5,975)
At 31 December 2014 and 31 December 2015	於二零一四年十二月三十一日及 二零一五年十二月三十一日	<u>26,077</u>
DEPRECIATION	折舊	
At 1 January 2014	於二零一四年一月一日	3,110
Provided for the year	年內撥備	1,631
Eliminated on disposal	出售之對銷	(1,015)
At 31 December 2014	於二零一四年十二月三十一日	<u>3,726</u>
Provided for the year	年內撥備	1,397
At 31 December 2015	於二零一五年十二月三十一日	<u>5,123</u>
CARRYING VALUE	賬面值	
At 31 December 2015	於二零一五年十二月三十一日	<u>20,954</u>
At 31 December 2014	於二零一四年十二月三十一日	<u>22,351</u>

notes:

- (i) The above investment properties, which are situated in Hong Kong, are depreciated on a straight-line basis over the remaining useful lives.
- (ii) At 31 December 2014, investment property with carrying amount of HK\$22,351,000 was pledged as security for bank borrowings granted to the Group. The pledge was released during the year ended 31 December 2015.
- (iii) On 19 June 2014, the Group entered into a sale and purchase agreement with an independent third party for the disposal of an investment property at a consideration of HK\$34,560,000 with a gain on disposal of HK\$29,216,000 after deducting the transaction cost of HK\$384,000. The disposal was completed during the year ended 31 December 2014 and the consideration was settled in full upon completion.
- (iv) The fair value of the Group's investment properties at 31 December 2015 was HK\$40,300,000 (2014: HK\$40,300,000). The fair value has been arrived at based on a valuation carried out by Roma Appraisals Limited, independent qualified professional valuers not connected with the Group.

As at 31 December 2015 and 2014, the fair value was determined based on direct comparison approach which is by reference to recent market prices for similar properties in similar locations and conditions.

附註：

- (i) 上述位於香港持有的物業按餘下使用年期以直線基準折舊。
- (ii) 於二零一四年十二月三十一日，賬面值為22,351,000港元的投資物業已抵押作為授予本集團銀行貸款的擔保。於截至二零一五年十二月三十一日止年度，該擔保已經解除。
- (iii) 於二零一四年六月十九日，本集團與獨立第三方訂立買賣協議，以代價34,560,000港元出售投資物業，扣除384,000港元交易成本後，出售收益為29,216,000港元。該出售已於截至二零一四年十二月三十一日止年度完成，有關代價已於完成後悉數結清。
- (iv) 本集團投資物業於二零一五年十二月三十一日的公平值為40,300,000港元(二零一四年：40,300,000港元)。該公平值乃根據羅馬國際評估有限公司(與本集團無關連之獨立合資格專業估值師)所作估值而達致。

於二零一五年及二零一四年十二月三十一日，公平值乃經參考類似位置及條件的類似物業的近期市價，採用直接比較法釐定。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

19. INVESTMENT PROPERTIES (continued)

notes: (continued)

(iv) (continued)

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The key input used in the valuation of the investment properties is transaction prices for similar properties after accounting for floor areas and floor level.

Description	Fair value at 31 December 2015 於二零一五年 十二月三十一日 之公平值 HK\$'000 千港元	Fair value at 31 December 2014 於二零一四年 十二月三十一日 之公平值 HK\$'000 千港元	Valuation techniques	Unobservable input
描述			估值方法	不可觀察輸入數據
Investment properties Commercial – Hong Kong 商業投資物業 – 香港	40,300	40,300	Direct comparison approach 直接比較法	Transaction prices for similar properties after adjusting for floor areas and floor level. 就樓面面積及樓層作調整後 類似物業的交易價

(v) Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2015 and 2014 are as follows:

	2015 Level 3 二零一五年 第三級 HK\$'000 千港元	2014 Level 3 二零一四年 第三級 HK\$'000 千港元
Commercial property units located in Hong Kong 位於香港的 商業物業單位	40,300	40,300

There were no transfers into or out of Level 3 during both years.

兩個年度年內並無轉入或轉出第三級。

19. 投資物業(續)

附註：(續)

(iv) (續)

估計物業公平值時，物業的最高及最佳用途為其當前用途。

投資物業估值的主要輸入數據為計及樓面面積及樓層後類似物業的交易價。

(v) 本集團於二零一五年及二零一四年十二月三十一日的投資物業詳情及公平值等級資料如下：

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

20. INTEREST IN AN ASSOCIATE

20. 於聯營公司權益

	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Cost of unlisted investment in an associate (Note)	2,325	2,325
Share of post-acquisition (losses) profits and other comprehensive income	(261)	284
	2,064	2,609

note: Included in cost of investment is goodwill of HK\$1,548,000.

附註：投資成本中包括商譽 1,548,000 港元。

Details of the Group's associate at the end of the reporting period are as follows:

本集團於報告期末的聯營公司詳情如下：

Name of entity 實體名稱	Form of entity 實體形式	Place of incorporation 註冊成立地點	Principal place of operation 主要營業地點	Class of shares held 所持股份類別	Proportion of ownership interest held by the Group 本集團所持權益比例		Proportion of voting rights held by the Group 本集團所持權益比例		Principal activity 主要業務
					2015 二零一五年	2014 二零一四年	2015 二零一五年	2014 二零一四年	
Poly Metals Company Limited ("Poly Metals") 寶勵金屬有限公司(「寶勵」)	Incorporated 註冊成立	Hong Kong 香港	Hong Kong 香港	Ordinary 普通	20%	20%	20%	20%	Trading of metal scrap 廢金屬交易

Summarised financial information in respect of Poly Metals is set out below. The summarised financial information below represents amounts shown in Poly Metals' financial statements prepared in accordance with HKFRSs.

有關寶勵之財務資料概要載列如下。下文所概述的財務資料指寶勵根據香港財務報告準則所編製的財務報表所示金額。

Poly Metals is accounted for using the equity method in these consolidated financial statements.

於該等綜合財務報表中使用權益法將寶勵入賬。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

20. INTEREST IN AN ASSOCIATE (continued)

20. 於聯營公司權益(續)

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Current assets	流動資產	11,500	10,690
Non-current assets	非流動資產	668	270
Current liabilities	流動負債	(9,590)	(5,656)
Non-current liabilities	非流動負債	-	-
		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Revenue	收益	143,768	129,901
(Loss) profit for the year	年內(虧損)溢利	(2,726)	1,419
Other comprehensive income for the year	年內其他全面收入	-	-
Total comprehensive (expense) income for the year	年內全面(開支)收入總額	(2,726)	1,419
Dividends received from Poly Metals during the year	年內收取自寶勵的股息	-	-

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

20. INTEREST IN AN ASSOCIATE (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Poly Metals recognised in the consolidated financial statements:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Net assets of Poly Metals	寶勵之資產淨值	2,578	5,304
Proportion of the Group's ownership interest in Poly Metals	本集團於寶勵之所持權益比例	20%	20%
Share of net assets of Poly Metals	應佔寶勵資產淨值	516	1,061
Goodwill	商譽	1,548	1,548
Carrying amount of the Group's interest in Poly Metals	本集團於寶勵之權益之賬面值	2,064	2,609

20. 於聯營公司權益(續)

上述概述財務資料與綜合財務報表所確認於寶勵權益的賬面值之對賬如下：

	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Net assets of Poly Metals	2,578	5,304
Proportion of the Group's ownership interest in Poly Metals	20%	20%
Share of net assets of Poly Metals	516	1,061
Goodwill	1,548	1,548
Carrying amount of the Group's interest in Poly Metals	2,064	2,609

21. DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2015 and 2014, the balance mainly represents the deposits paid by the Group in connection with the acquisition of plant and machinery for new production site in Taizhou, the PRC.

22. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is an analysis of the deferred tax balances for financial reporting purposes:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Deferred tax liabilities	遞延稅項負債	29,833	37,505
Deferred tax assets	遞延稅項資產	(486)	(8,189)
		29,347	29,316

21. 收購物業、廠房及設備已付按金

於二零一五年及二零一四年十二月三十一日，結餘主要指本集團就收購廠房及設備用於中國台州新生產場地而已支付的按金。

22. 遞延稅項

為於綜合財務狀況表內呈列，若干遞延稅項資產及負債已被抵銷。以下為就財務呈報目的的遞延稅項結餘分析：

	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Deferred tax liabilities	29,833	37,505
Deferred tax assets	(486)	(8,189)
	29,347	29,316

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

22. DEFERRED TAXATION (continued)

The deferred tax (assets) liabilities recognised by the Group and movements thereon during the current and prior years are as follows:

		Accelerated tax depreciation 加速 稅項折舊	Tax losses 稅項虧損	Inventories provision 存貨撥備	Allowance for doubtful debts 呆賬撥備	Unrealised profit on inventories 未變現 存貨溢利	Change in fair value of derivative financial instruments 衍生金融工具 公平值變動	Distributable profits of subsidiaries 附屬公司的 可分配溢利	Total
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2014	於二零一四年一月一日	10,023	(9,899)	(3,170)	(1,401)	(437)	4,458	29,686	29,260
Charge (credit) to profit or loss	年內扣除(計入)損益	794	(812)	715	(428)	(64)	(228)	90	67
Exchange adjustments	匯兌調整	(12)	-	14	3	-	(16)	-	(11)
At 31 December 2014	於二零一四年十二月三十一日	10,805	(10,711)	(2,441)	(1,826)	(501)	4,214	29,776	29,316
Charge (credit) to profit or loss	年內扣除(計入)損益	2,788	(2,834)	2,396	1,774	29	(4,118)	-	35
Exchange adjustments	匯兌調整	(9)	-	45	34	4	(78)	-	(4)
At 31 December 2015	於二零一五年十二月三十一日	13,584	(13,545)	-	(18)	(468)	18	29,776	29,347

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of the temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to HK\$513,510,000 (2014: HK\$513,510,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

As at 31 December 2015, the Group had unrecognised deferred tax asset on inventories provision and doubtful debts provision of HK\$19,011,000 (2014: HK\$3,531,000) and HK\$5,910,000 (2014: nil) respectively due to the unpredictability of future profit streams. All the unrecognised deferred tax assets may be carried forward indefinitely.

22. 遞延稅項(續)

本集團確認的遞延稅項(資產)負債及其於本年度及以往年度的變動如下:

根據中國企業所得稅法，自二零零八年一月一日起中國附屬公司就所賺溢利而宣派之股息須繳預扣稅。綜合財務報表內並未就中國附屬公司累積溢利應佔之暫時差額513,510,000港元(二零一四年: 513,510,000港元)而作出遞延稅項撥備，因為本集團足以掌控暫時差額撥回之時間，而暫時差額很可能不會於可見將來撥回。

於二零一五年十二月三十一日，由於未來溢利流的不可預測性，本集團並無就存貨撥備及呆賬撥備19,011,000港元(二零一四年: 3,531,000港元)及5,910,000港元(二零一四年: 無)確認遞延稅項資產。所有稅項虧損將無限期承前結轉。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

22. DEFERRED TAXATION (continued)

As at 31 December 2015, the Group had unused tax losses of HK\$2,179,146,000 (2014: HK\$1,552,691,000) available for offset against future profits. A deferred tax asset has been recognised in respect of such losses to the extent of HK\$82,087,000 (2014: HK\$64,912,000). No deferred tax asset has been recognised in respect of the remaining unused tax losses of HK\$2,097,059,000 (2014: HK\$1,487,779,000) due to the unpredictability of future profit streams. All the tax losses may be carried forward indefinitely except for those amounting to HK\$1,849,546,000 (2014: HK\$1,300,285,000) arising from the PRC which may be carried forward for five years.

22. 遞延稅項(續)

於二零一五年十二月三十一日，本集團擁有未動用稅項虧損2,179,146,000港元(二零一四年：1,552,691,000港元)以抵銷未來溢利。就相關虧損確認的遞延稅項資產達82,087,000港元(二零一四年：64,912,000港元)。由於未來溢利流的不可預測性，有關未動用稅項虧損為2,097,059,000港元(二零一四年：1,487,779,000港元)並未確認為遞延稅項資產。所有稅項虧損將無限承前結轉，除在中國產生的可於五年內承前結轉稅項虧損1,849,546,000港元(二零一四年：1,300,285,000港元)外。

23. INVENTORIES

23. 存貨

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Raw materials	原料	485,919	574,724
Finished goods	製成品	489,865	533,065
		975,784	1,107,789

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

24. TRADE, BILLS AND OTHER RECEIVABLES

24. 貿易、票據及其他應收款項

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Trade receivables:	貿易應收款項：		
0-30 days	0至30日	9,915	62,366
31-60 days	31至60日	1,396	-
61-90 days	61至90日	2,010	5,572
91-180 days	91至180日	11,767	17,413
Over 180 days	超過180日	20,698	56,546
		45,786	141,897
Bills receivables:	應收票據：		
0-30 days	0至30日	-	127
Other receivables:	其他應收款項：		
Deposits and prepayments	按金及預付款項	21,113	29,140
Deposits paid for purchase of raw materials (note iii)	購買原料之已付按金 (附註iii)	99,230	221,534
VAT recoverable	可退回增值稅	42,571	28,485
Others	其他	6,530	10,260
		169,444	289,419
		215,230	431,443

notes:

- (i) Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limit. Credit limits to customers are reviewed regularly.

The Group generally allows its trade customers a credit period of 30 to 90 days. A longer credit period may be granted to trade customers with good credit quality upon the approval of management.

- (ii) The aged analysis of the Group's trade receivables, net of allowance for doubtful debts, and bills receivables at the end of the reporting period, was prepared based on the invoice date which approximate to the date of revenue recognition.

- (iii) As at 31 December 2014, included in the balance was an amount of HK\$4,294,000 paid to Sims Metal Management Dragon Holdings Limited ("Sims"), a shareholder with significant influence over the Company, which disposed of its entire shareholdings in the Company to unrelated third parties on 5 March 2015 and has become an independent third party to the Group since then.

附註：

- (i) 於接納新客戶前，本集團將評估潛在客戶的信貨質素及界定客戶的信貨限額，並對給予客戶的限額定期進行檢討。

本集團一般給予貿易客戶30至90日的信貸期。在獲得管理層批准後，本集團可向信貨紀錄良好的貿易客戶授出更長的信貸期。

- (ii) 於報告期末，本集團貿易應收款項扣除呆賬撥備及應收票據後的賬齡分析按發票日期 (與收益確認日期相若) 呈列。

- (iii) 於二零一四年十二月三十一日，計入餘額為已支付對本公司有重大影響之股東Sims Metal Management Dragon Holdings Limited (「Sims」) 的4,294,000港元，Sims於二零一五年三月五日出售其於本公司的全部股權予無關連第三方，自此已成為本集團之獨立第三方。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

24. TRADE, BILLS AND OTHER RECEIVABLES (continued)

notes: (continued)

- (iv) Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of HK\$32,465,000 (2014: HK\$73,959,000) which are past due at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

Ageing of trade receivables which are past due but not impaired

91-180 days	91 至 180 日
Over 180 days	超過 180 日

Management has recognised impairment allowance as follows:

Movement in the allowance for doubtful debts

At 1 January	於一月一日
Impairment losses recognised on receivables	應收賬款減值虧損確認
Amount recovered during the year	年內已收回金額
Amounts written off as uncollectible	撇銷為不可收回的款項
At 31 December	於十二月三十一日

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK\$59,232,000 (2014: HK\$9,511,000) which are in severe financial difficulties.

24. 貿易及其他應收款項(續)

附註：(續)

- (iv) 本集團貿易應收款項結餘包括賬面總值 32,465,000 港元(二零一四年：73,959,000 港元)的應收賬款，於報告日期已逾期，惟本集團並未就此作出減值虧損撥備。本集團並無持有該等結餘之任何抵押。

已逾期但未減值之貿易應收款項

2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
11,767	17,413
20,698	56,546
32,465	73,959

管理層已確認減值撥備如下：

呆賬撥備的變動

2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
9,511	7,817
53,166	1,807
(1,613)	-
(1,832)	(113)
59,232	9,511

包括於呆賬撥備乃處於嚴重財務困難之個別已減值貿易應收款項，累計結餘為 59,232,000 港元(二零一四年：9,511,000 港元)。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

24. TRADE, BILLS AND OTHER RECEIVABLES (continued)

notes: (continued)

- (v) Trade receivables that were denominated in currencies other than the functional currency of the relevant group entities are as follows:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
USD	美元	-	6,187
EUR	歐元	286	28

24. 貿易及其他應收款項(續)

附註：(續)

- (v) 以有關集團實體功能貨幣以外的貨幣計值的貿易及其他應收款項如下：

25. DERIVATIVE FINANCIAL INSTRUMENTS

25. 衍生金融工具

		notes 附註	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Derivative financial assets				
Metal commodities future contracts	金屬商品期貨合約	(i)	-	390,786
Foreign currency forward contracts	外幣遠期合約	(ii)	73	690
			73	391,476
Derivative financial liabilities				
Metal commodities future contracts	金屬商品期貨合約	(i)	-	402,917
Foreign currency forward contracts	外幣遠期合約	(ii)	-	15
			-	402,932

notes:

- (i) Metal commodities future contracts (net settlement)

As at 31 December 2014, the Group entered into aluminium, copper, lead, zinc, steel rebar and nickel future contracts in order to manage its exposure to the price risk of aluminium, copper and other metal inventories. These contracts were actively traded in an active market and were measured at fair values based on unadjusted quoted price as at 31 December 2014, with gain or loss recognised directly in profit or loss. As at 31 December 2015, the Group does not have any outstanding metal commodities future contract.

附註：

- (i) 金屬商品期貨合約(淨額結算)

於二零一四年十二月三十一日，本集團已訂立鋁、銅、鉛、鋅、鋼筋及鎳期貨合約，以管理鋁銅及其他金屬存貨的價格風險。於二零一四年十二月三十一日，該等合約於活躍市場上成交活躍且基於未經調整報價以公平值計量，相關損益直接於損益賬中確認。於二零一五年十二月三十一日，本集團並無訂立任何金屬商品期貨合約。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

25. DERIVATIVE FINANCIAL INSTRUMENTS 25. 衍生金融工具(續)

notes: (continued)

附註：(續)

(i) Metal commodities future contracts (net settlement) (continued)

(i) 金屬商品期貨合約(淨額結算)(續)

Major terms of the metal commodities future contracts outstanding as at 31 December 2014 were set out below:

於二零一四年十二月三十一日未平倉金屬期貨合約的主要條款如下：

Contract price 合約價格	Standard trading unit 標準買賣單位	Total unit 總單位	Maturity date 到期日
<i>Aluminium future contracts:</i> 鋁期貨合約：			
Buy at prices ranging from RMB13,000 to RMB13,525 per tonne 按介乎每噸人民幣13,000元至人民幣13,525元 的價格購買	5 tonnes 5噸	420	From 15 January 2015 to 13 March 2015 自二零一五年一月十五日至 二零一五年三月十三日
Buy at prices ranging from USD1,854 to USD2,075 per tonne 按介乎每噸1,854美元至2,075美元 的價格購買	25 tonnes 25噸	2,982	From 2 January 2015 to 31 March 2015 自二零一五年一月二日至 二零一五年三月三十一日
Sell at prices ranging from USD1,870 to USD2,075 per tonne 按介乎每噸1,870美元至2,075美元 的價格銷售	25 tonnes 25噸	2,602	From 2 January 2015 to 30 March 2015 自二零一五年一月二日至 二零一五年三月三十日
<i>Copper future contracts:</i> 銅期貨合約：			
Buy at prices ranging from RMB44,760 to RMB47,770 per tonne 按介乎每噸人民幣44,760元至人民幣47,770元 的價格購買	5 tonnes 5噸	3,595	From 15 January 2015 to 15 April 2015 自二零一五年一月十五日至 二零一五年四月十五日
Buy at prices ranging from USD6,235 to USD6,843 per tonne 按介乎每噸6,235美元至6,843美元 的價格購買	25 tonnes 25噸	3,966	From 2 January 2015 to 31 March 2015 自二零一五年一月二日至 二零一五年三月三十一日
Sell at prices ranging from USD6,276 to USD6,843 per tonne 按介乎每噸6,276美元至6,843美元 的價格銷售	25 tonnes 25噸	3,366	From 2 January 2015 to 30 March 2015 自二零一五年一月二日至 二零一五年三月三十日

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

25. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

25. 衍生金融工具(續)

notes: (continued)

附註:(續)

(i) Metal commodities future contracts (net settlement) (continued)

(i) 金屬商品期貨合約(淨額結算)(續)

Contract price 合約價格	Standard trading unit 標準買賣單位	Total unit 總單位	Maturity date 到期日
<i>Zinc future contracts:</i> 鋅期貨合約:			
Buy at prices ranging from USD2,203 to USD2,220 per tonne 按介乎每噸2,203美元至2,220美元的價格購買	25 tonnes 25噸	80	21 January 2015 二零一五年一月二十一日
Sell at prices ranging from USD2,203 to USD2,220 per tonne 按介乎每噸2,203美元至2,220美元的價格銷售	25 tonnes 25噸	80	21 January 2015 二零一五年一月二十一日
<i>Steel rebar future contracts:</i> 鋼筋期貨合約:			
Buy at prices ranging from RMB2,480 to RMB2,641 per tonne 按介乎每噸人民幣2,480元至人民幣2,641元的價格購買	10 tonnes 10噸	69,267	15 May 2015 二零一五年五月十五日
<i>Nickel future contracts:</i> 鎳期貨合約:			
Buy at prices ranging from USD15,195 to USD16,398 per tonne 按介乎每噸15,195美元至16,398美元的價格購買	6 tonnes 6噸	487	From 14 January 2015 to 18 March 2015 自二零一五年一月十四日至 二零一五年三月十八日
Sell at prices ranging from USD15,195 to USD16,398 per tonne 按介乎每噸15,195美元至16,398美元的價格銷售	6 tonnes 6噸	487	From 14 January 2015 to 18 March 2015 自二零一五年一月十四日至 二零一五年三月十八日
<i>Lead future contracts:</i> 鉛期貨合約:			
Buy at prices ranging from USD1,838 to USD2,056 per tonne 按介乎每噸1,838美元至2,056美元的價格購買	25 tonnes 25噸	1,553	From 14 January 2015 to 31 March 2015 自二零一五年一月十四日至 二零一五年三月三十一日
Sell at prices ranging from USD1,864 to USD2,070 per tonne 按介乎每噸1,864美元至2,070美元的價格銷售	25 tonnes 25噸	1,410	From 14 January 2015 to 24 March 2015 自二零一五年一月十四日至 二零一五年三月二十四日

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

25. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

notes: (continued)

(ii) Foreign currency forward contracts (gross settlement)

The Group entered into foreign currency forward contracts in order to minimise its exposure to the foreign currency risk. These contracts were measured at fair value using quoted forward exchange rates at the end of the reporting period, with gain or loss recognised directly in profit or loss.

Major terms of the foreign currency forward contracts outstanding at the end of the reporting period are as follows:

31 December 2015

Notional amount 名義金額	Forward contract rates 遠期合約成交率	Maturity date 到期日
2 contracts to sell USD2,727,000 in total 按合共2,727,000美元銷售的2份合約	USD1:RMB6.2879 to RMB6.4252 1美元兌人民幣6.2879元至 人民幣6.4252元	From 4 February 2016 to 30 March 2016 自二零一六年二月四日至 二零一六年三月三十日

31 December 2014

Notional amount 名義金額	Forward contract rates 遠期合約成交率	Maturity date 到期日
2 contracts to buy USD2,091,848 in total 按合共2,091,848美元購買的2份合約	USD1:RMB6.3064 to RMB6.3194 1美元兌人民幣6.3064元至 人民幣6.3194元	From 29 May 2015 to 3 September 2015 自二零一五年五月二十九日至 二零一五年九月三日
2 contracts to sell USD6,888,000 in total 按合共6,888,000美元銷售的2份合約	USD1:RMB6.2969 to RMB6.3315 1美元兌人民幣6.2969元至 人民幣6.3315元	From 30 April 2015 to 11 May 2015 自二零一五年四月三十日至 二零一五年五月十一日

附註：(續)

(ii) 遠期外匯合約(總額結算)

本集團訂立遠期外匯合約以減低外匯風險。該等合約於報告期末遠期報價匯率按公平值計量，相關損益直接於損益賬中確認。

於報告期末未平倉遠期外匯合約主要條款如下：

於二零一五年十二月三十一日

二零一四年十二月三十一日

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

26. PLEDGED BANK DEPOSITS/MARGIN DEPOSITS/BANK BALANCES AND CASH

Pledged bank deposits

These represents deposits pledged to banks to secure general banking facilities granted to the Group. Bank deposits of HK\$132,022,000 (2014: HK\$182,559,000) have been pledged to secure short-term bank borrowings, of which HK\$21,136,000 (2014: HK\$92,556,000) are used as collaterals for foreign currency forward contracts, and are therefore classified as current assets.

At the end of the reporting period, the pledged bank deposits carried fixed interest rates as follows:

		2015 二零一五年	2014 二零一四年
Interest rate per annum	年利率	0.50% to 3.50% 0.50% 至 3.50%	2.80% to 3.75% 2.80% 至 3.75%

Margin deposits

The balance represents deposits placed with financial institutions to secure the Group's margin accounts with these financial institutions for trading metal commodities future contracts. The margin deposits are non-interest bearing. The amounts were released during the year ended 31 December 2015 as the Group does not have any outstanding metal commodity future contract as at 31 December 2015.

Bank balances and cash

These represents cash and short-term bank deposits with an original maturity of three months or less. At the end of the reporting period, the bank balances carried interest rates as follows:

		2015 二零一五年	2014 二零一四年
Interest rate per annum	年利率	0.01% to 1.00% 0.01% 至 1.00%	0.01% to 1.15% 0.01% 至 1.15%

Pledged bank deposits, margin deposits and bank balances and cash held in the PRC with an aggregate amount of HK\$259,139,000 (2014: HK\$447,057,000) were denominated in RMB and were subject to foreign exchange control.

26. 已抵押銀行存款／保證金／銀行結餘及現金

已抵押銀行存款

該等存款指向銀行抵押以為向本集團授出的一般銀行信貸作出擔保的存款。132,022,000港元(二零一四年: 182,559,000港元)的銀行存款已抵押作短期銀行借款的擔保, 其中21,136,000港元(二零一四年: 92,556,000港元)已用作外幣遠期合約的抵押, 因此被分類為流動資產。

於報告期末, 已抵押銀行存款按以下固定利率計算:

	2015 二零一五年	2014 二零一四年
	0.50% to 3.50% 0.50% 至 3.50%	2.80% to 3.75% 2.80% 至 3.75%

保證金

結餘指存放於金融機構的存款, 以擔保本集團就金屬商品期貨買賣於該等金融機構設立之保證金賬戶。該等保證金不計息。該金額已於截至二零一五年十二月三十一日止年度解除, 乃由於於截至二零一五年十二月三十一日止年度, 本集團並無任何金屬期貨買賣合約。

銀行結餘及現金

該等款項包括現金及原到期日為三個月或以下的短期銀行存款。於報告期末, 銀行結餘利率如下:

	2015 二零一五年	2014 二零一四年
	0.01% to 1.00% 0.01% 至 1.00%	0.01% to 1.15% 0.01% 至 1.15%

在中國持有的已抵押銀行存款、保證金與銀行結餘及現金總額為259,139,000港元(二零一四年: 447,057,000港元), 全部以人民幣計值並受外匯管制。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

26. PLEDGED BANK DEPOSITS/MARGIN DEPOSITS/BANK BALANCES AND CASH (continued)

Bank balances and cash (continued)

Pledged bank deposits, margin deposits and bank balances and cash that are denominated in currencies other than the functional currency of the relevant group entities are as follows:

		2015 二零一五年	2014 二零一四年
RMB	人民幣	308	244
HK\$	港元	5,425	631
USD	美元	80,781	108,067
EUR	歐元	1,348	24,462
AUD	澳元	126,940	—

26. 已抵押銀行存款／保證金／銀行結餘及現金(續)

銀行結餘及現金(續)

以有關集團實體功能貨幣以外貨幣計值的已抵押銀行存款、保證金與銀行結餘及現金如下：

27. TRADE, BILLS AND OTHER PAYABLES

27. 貿易、票據及其他應付款項

		2015 二零一五年	2014 二零一四年
Trade payables: (note i)	貿易應付款項：(附註i)		
Sims	Sims	—	71,077
Third parties	第三方	48,042	106,924
		48,042	178,001
Bills payable:	應付票據：		
91-180 days	91至180日	6,072	—
Other payables:	其他應付款項：		
Other payables and accruals (note ii)	其他應付款項及應計費用(附註ii)	59,417	113,211
Provision for pending litigation (Note 39)	待決訴訟撥備(附註39)	48,460	51,464
Government surcharges	政府徵款	22,009	22,655
Payables for acquisition of property, plant and equipment	收購物業、廠房及設備的應付款項	27,032	24,973
Interest payables	應付利息	3,820	6,253
Receipts in advance from customers	預收客戶款項	7,499	15,652
		168,237	234,208
		222,351	412,209

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

27. TRADE, BILLS AND OTHER PAYABLES (continued)

notes:

- (i) Trade payables that are denominated in currencies other than the functional currency of the relevant group entities are as follows:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
EUR	歐元	-	3,050
USD	美元	552	-

- (ii) Included in other payables and accruals are mainly freight charges, accrued salaries and audit fee.

The following is an aged analysis of trade payables presented based on the invoice date.

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Trade payables:	貿易應付款項：		
0-30 days	0至30日	32,138	113,241
31-60 days	31至60日	2,550	56,525
61-90 days	61至90日	669	253
91-180 days	91至180日	407	92
Over 180 days	超過180日	12,278	7,890
		48,042	178,001

附註：

- (i) 以有關集團實體功能貨幣以外貨幣計值的貿易應付款項如下：

- (ii) 其他應付款項及應計費用主要包括運費、應計薪金及審計費用。

以下為貿易應付款項按發票日期呈列的賬齡分析。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

28. BANK BORROWINGS AND OVERDRAFTS

28. 銀行借款及透支

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Fixed-rate borrowings:	定息借款：		
Secured bank loans	有抵押銀行貸款	549,247	797,526
Unsecured bank loans	無抵押銀行貸款	212,861	234,801
Unsecured bank overdrafts	無抵押銀行透支	-	721
Variable-rate borrowings:	浮息借款：		
Secured bank loans	有抵押銀行貸款	315,120	264,146
Unsecured bank loans	無抵押銀行貸款	17,928	27,637
		1,095,156	1,324,831
Carrying amount repayable (note (i)):	應付賬面值(附註(i))：		
Within one year	一年內	1,095,156	1,324,831
Less:	減：		
Amounts due within one year shown under current liabilities without repayment on demand clause	於流動負債下呈列的不需要根據按要 求還款條款一年內到期的金額	-	(137,936)
Amounts due within one year shown under current liabilities with repayment on demand clause	於流動負債下呈列的需要根據按要 求還款條款一年內到期的金額	(1,095,156)	(1,186,895)
Amounts shown under non-current liabilities	非流動負債下呈列的金額	-	-

notes:

- (i) The amounts due are based on scheduled repayment dates set out in the loan agreements.
- (ii) At the end of the reporting period, the effective interest rates of the borrowings are as follows:

附註：

- (i) 到期金額乃按貸款協議所載的預定還款日期計算。
- (ii) 於報告期末，借款的實際利率如下：

		2015 二零一五年	2014 二零一四年
Effective interest rate per annum:	實際年利率：		
Fixed-rate borrowings	定息借款	2.20% to 5.06%	1.50% to 6.44%
		2.20% 至 5.06%	1.50% 至 6.44%
Variable-rate borrowings	浮息借款	3.26% to 5.06%	2.02% to 3.66%
		3.26% 至 5.06%	2.02% 至 3.66%

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

28. BANK BORROWINGS AND OVERDRAFTS (continued)

notes: (continued)

(iii) The Group's borrowings that are denominated in currencies other than the functional currency of the relevant group entities are as follows:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
HK\$	港元	-	830
USD	美元	770,505	1,062,259
EUR	歐元	123,529	-

附註：(續)

(iii) 以有關集團實體功能貨幣以外貨幣計值的本集團借款如下：

29. CONVERTIBLE BONDS AND OTHER BORROWINGS

29. 可換股債券及其他借款

		Debt component 債務部份 HK\$'000 千港元	Embedded derivative components 嵌入式衍生 工具部份 HK\$'000 千港元
Convertible Bonds I at 1 January 2014	可換股債券I於二零一四年一月一日	759,406	13,353
Interest charge	利息費用	89,647	-
Interest paid	已付利息	(32,632)	-
Fair value gain	公平值收益	-	(13,353)
Carrying amount at 31 December 2014	於二零一四年十二月三十一日之賬面值	816,421	-
Derecognition of the Convertible Bonds I	取消確認可換股債券I	(815,800)	-
Issuance of Convertible Bonds II	發行可換股債券II	655,771	161,239
Interest charge	利息費用	77,561	-
Interest paid	已付利息	(31,651)	-
Instalments paid	已付分期付款	(89,000)	-
Conversion during the year	年內兌換	(348,156)	(457,087)
Fair value loss	公平值虧損	-	305,463
Carrying amount at 31 December 2015	於二零一五年十二月三十一日之賬面值	265,146	9,615
Analysed for reporting purposes as:	分析作報告之用為：		
Current liabilities	流動負債	161,559	-
Non-current liabilities	非流動負債	103,587	9,615
		265,146	9,615

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

29. CONVERTIBLE BONDS AND OTHER BORROWINGS (continued) 29. 可換股債券及其他借款(續)

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Analysis of debt component:	債務部分分析		
Debt component of convertible bonds	可換股債券之債務部分		
– current	– 流動	–	816,421
– non-current	– 非流動	58,812	–
		58,812	816,421
Other borrowings (note (xiii))	其他借款(附註(xiii))		
– current	– 流動	161,559	–
– non-current	– 非流動	44,775	–
		206,334	–
		265,146	816,421

notes:

(i) On 1 March 2012 (the "Issue Date"), the Company issued convertible bonds to HWH Holdings Limited ("HWH"), Delco Participation B.V. ("Delco") and Sims (collectively the "Subscribers") with an aggregate principal sum of HK\$815,800,000 (the "Convertible Bonds I") with detachable three-year warrants (the "Warrants") at total consideration of HK\$815,800,000 (the "Subscription"). On 16 January 2013, HWH transferred its convertible bonds with the principal amount of HK\$120,000,000 to independent third party, Greenwoods China Alpha Master Fund ("Greenwoods"). No exercise of the Warrants had taken place since the Issue Date. On 1 March 2015, the Warrants were expired.

(ii) The major terms of Convertible Bonds I are as below:

(a) The Convertible Bonds I carry 4% coupon interest per annum payable in arrears semi-annually. Unless previously converted, the Convertible Bonds I would be fully redeemed by the Company at its principal amount upon maturity on 1 March 2015 (the "Maturity Date"). No early redemption of the Convertible Bonds I was allowed unless the Company committed an event of default under the terms and conditions of the Convertible Bonds I.

附註:

(i) 於二零一二年三月一日(「發行日期」),本公司向HWH Holdings Limited(「HWH」)、Delco Participation B.V.(「Delco」)及Sims(統稱「認購方」)發行三年期可拆分認股權證(「認股權證」)且本金總額為815,800,000港元之可換股債券(「可換股債券I」),總代價為815,800,000港元(「認購事項」)。於二零一三年一月十六日, HWH轉讓本金額120,000,000港元之可換股債券予獨立第三方, Greenwoods China Alpha Master Fund(「Greenwoods」)。自發行日期起概無行使認股權證。於二零一五年三月一日,認股權證已到期。

(ii) 可換股債券I的主要條款載列如下:

(a) 可換股債券I附有4%的年票息,每半年支付一次。除非先前兌換,否則本公司將於二零一五年三月一日到期時(「到期日」)以本金額贖回全部可換股債券I。除非本公司違反可換股債券I的條款及條件,否則不允許提早贖回可換股債券I。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

29. CONVERTIBLE BONDS AND OTHER BORROWINGS (continued)

notes: (continued)

- (ii) The major terms of Convertible Bonds I are as below: (continued)
- (b) The holders of the Convertible Bonds I had the right to convert the principal amount of the Convertible Bonds I into shares of HK\$0.01 each of the Company at an initial conversion price of HK\$6 per share (subject to anti-dilutive adjustments) at any time during the period from the second anniversary of the Issue Date up to 10 business days prior to the Maturity Date, subject to the minimum public float requirement.
- (iii) The Convertible Bonds I comprise debt component and embedded derivative component (including conversion options), which were measured at fair value of HK\$659,611,000 and HK\$142,771,000, respectively, on initial recognition.
- (iv) The fair value of the debt component on initial recognition was calculated as the present value of contractually determined stream of future cash flows discounted at the effective interest rate of 11.756%.
- In subsequent periods, the debt component of the Convertible Bonds I was carried at amortised cost using the effective interest method.
- (v) The fair value of the embedded derivative components was determined using the Binomial Option Pricing Model and the major inputs into the model are as follows:

		At 31 December 2014 於二零一四年 十二月三十一日
Stock price	股價	HK\$2.80 2.80 港元
Exercise price	行使價	HK\$6.00 6.00 港元
Expected volatility (note 1)	預計波幅(附註1)	53.189%
Dividend yield	股息收益率	0.000%
Option life	期權年期	1.5 months 1.5 個月
Risk free rate (note 2)	無風險利率(附註2)	0.028%

notes:

- (1) The expected volatility was determined with reference to the implied volatility of the Company's shares as at the date of valuation.
- (2) The risk free rate was determined with reference to the Hong Kong Government Bond's and treasury bill's yield.

附註：(續)

- (ii) 可換股債券I的主要條款載列如下：(續)
- (b) 可換股債券I持有人有權於發行日期第二週年至到期日前10個營業日之期間任何時間以初步兌換價每股6港元(可予反攤薄調整)將可換股債券I的本金額兌換成本公司每股面值0.01港元的股份，惟須遵守最低公眾持股量的規定。
- (iii) 可換股債券I包括債務部分及嵌入式衍生工具部分(包括兌換權)乃分別按公平值659,611,000港元及142,771,000港元於初步確認時計量。
- (iv) 初始確認時債務部分的公平值乃使用按實際利率11.756%貼現的合約釐定未來現金流的現值計算。
- 於其後期間，可換股債券I之債務部分乃按攤銷成本採用實際利率法列賬。
- (v) 嵌入式衍生工具部分的公平值乃按二項期權定價模式釐定及該模式所輸入之主要數據如下：

附註：

- (1) 預計波幅乃經參照本公司股份於估值日期之引申波動而釐定。
- (2) 無風險利率乃參考香港政府債券及國庫券孳息率而釐定。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

29. CONVERTIBLE BONDS AND OTHER BORROWINGS (continued)

notes: (continued)

(v) (continued)

(3) In subsequent periods, the embedded derivative components were measured at fair value with changes in fair value recognised in profit and loss.

(vi) No conversion of the Convertible Bonds I had taken place from the Issue Date to the Maturity Date.

(vii) On 3 and 4 March 2015, the Company signed extension agreements with all bond holders with a modification of terms of convertible bonds as follows:

(1) the Convertible Bonds I with principal amount of HK\$315,600,000 held by Sims (the "Sims Convertible Bonds") and the Convertible Bonds I with principal amount of HK\$67,600,000 held by HWH (the "HWH Convertible Bonds") together with the respective conversion options were extended for a further two years to 1 March 2017. On 22 July 2015, HWH transferred its entire convertible bonds with a principal amount of HK\$67,600,000 to Great Roc Capital Limited ("Great Roc"), (the "Great Roc Convertible Bonds");

(2) the Convertible Bonds I with principal amount of HK\$312,600,000 held by Delco (the "Delco Convertible Bonds") together with the conversion options were extended for a further two years to 1 March 2017. In addition, if Delco continues to hold the Delco Convertible Bonds after 31 July 2015, the Company should pay Delco the amount of HK\$312,600,000 in seven separate quarterly instalments (the first six instalment payments with the same amount of HK\$44,500,000 each and the last instalment payment of HK\$45,600,000) commencing on 1 September 2015 together with all unpaid interests of 4% per annum accrued thereon from 1 March 2015 up to such date of payment and the interest is calculated by reference to the net principal amount after taking into consideration of the instalment payments, in consideration of which:

附註：(續)

(v) (續)

(3) 於其後期間，嵌入式衍生工具部分按公平值計量，公平值之變動於損益內確認。

(vi) 自發行日期起至到期日概無兌換可換股債券I。

(vii) 於二零一五年三月三日及四日，本公司與所有債券持有人簽訂延長協議，可換股債券的修訂條款如下：

(1) Sims持有的本金額為315,600,000港元的可換股債券I(「Sims可換股債券I」)及HWH持有本金額為67,600,000港元的可換股債券I(「HWH可換股債券I」)，連同兩項可換股債券各自的兌換權再延期兩年至二零一七年三月一日。於二零一五年七月二十二日，HWH悉數轉讓本金額為67,600,000港元的可換股債券予Great Roc Capital Limited(「Great Roc」)(「Great Roc可換股債券I」)。

(2) Delco持有本金額為312,600,000港元可換股債券I(「Delco可換股債券I」)連同兌換權進一步延長兩年於二零一七年三月一日。此外，倘於二零一五年七月三十一日後，Delco繼續持有Delco可換股債券，本公司應支付Delco312,600,000港元之金額，分七期支付(首六期的金額為相同金額44,500,000港元，最後一期為45,600,000港元)，由二零一五年九月一日起，連同所有未支付利息，按年利率4%計息(自二零一五年三月一日至該付款日期所產生的利息)，年息乃經參考淨本金額(經考慮分期付款)及考慮：

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

29. CONVERTIBLE BONDS AND OTHER BORROWINGS (continued)

notes: (continued)

(vii) (continued)

(2) (continued)

- (i) Delco undertakes not to dispose of any of the Delco Convertible Bonds at any time after 31 July 2015 other than to the Company or to such parties as the Company shall introduce and shall waive (1) the right of redemption of the Delco Convertible Bonds upon the maturity of the Delco Convertible Bonds on 1 March 2017; (2) the right to receive interest on the Delco Convertible Bonds from 1 March 2015; and (3) the right to convert the Delco Convertible Bonds, under the terms of the deed poll dated 1 March 2012 (the "Delco Undertakings"); and
- (ii) the Company shall have the right to require Delco to sell the Delco Convertible Bonds to the Company or such parties as the Company shall introduce the Delco Convertible Bonds at any time after 31 July 2015 at a price equivalent to the principal amount of the Delco Convertible Bonds together with all unpaid interest accrued thereon up to such date of purchase by delivering a notice in writing to Delco (the "Purchase Notice"), such purchase shall be completed within one month from the date of the Purchase Notice. Upon completion of such purchase, the obligations of the Company to make the instalment payments which remain outstanding shall cease;

附註：(續)

(vii) (續)

(2) (續)

- (i) Delco承諾於二零一五年七月三十一日後任何時間不出售任何Delco可換股債券(除向本公司或本公司介紹的其他方,並應豁免(1)於Delco可換股債券於二零一七年三月一日到期時的贖回權;(2)收取Delco可換股債券自二零一五年三月一日起產生的利息的權利;及(3)根據日期為二零一二年三月一日的平邊契據條款兌換Delco可換股債券的權利(「Delco承諾」);及
- (ii) 本公司有權要求Delco於二零一五年七月三十一日後任何時間,出售Delco可換股債券予本公司或本公司介紹Delco可換股債券的其他方,價格為相等於Delco可換股債券本金的金額,連同所有直至該購買日所累積的未支付利息,並以書面通知Delco(「購買通知」),該購買須於購買通知日期一個月內完成。該購買完成後,本公司就尚未支付的分期付款的責任應終止;

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

29. CONVERTIBLE BONDS AND OTHER BORROWINGS (continued)

notes: (continued)

(vii) (continued)

- (3) the Convertible Bonds I with the principal amount of HK\$120,000,000 held by Greenwoods (the "Greenwoods Convertible Bonds") together with the conversion options were extended to 1 March 2017 and Greenwoods has the early redemption option to demand for full repayment of principal and accrued interest on any of these date: 1 September 2015, 1 March 2016 or 1 September 2016.

The Convertible Bonds I with modified terms is hereinafter collectively referred to as the "Convertible Bonds II" and considered as substantial modification. Details of the modification of terms of the Convertible Bonds I are set out in the Company's announcements dated 5 March 2015, 10 March 2015, 18 March 2015, 26 March 2015, 1 April 2015, 10 April 2015 and 27 April 2015.

Upon the derecognition of the Convertible Bonds I of HK\$815,800,000 and recognition of the Convertible Bonds II, the difference of HK\$1,210,000 between the carrying amount of Convertible Bonds I and the fair value of Convertible Bonds II is recognised as loss on derecognition of Convertible Bonds I in the profit or loss in other gains and losses. The fair values of the debt component and embedded derivative components of the Convertible Bonds II are determined by the directors of the Company based on the valuation by Roma Appraisals Limited, independent qualified professional valuers not connected to the Group.

附註：(續)

(vii) (續)

- (3) 由Greenwoods持有本金額為120,000,000港元的可換股債券I(「Greenwoods可換股債券I」)連同兌換權延長至二零一七年三月一日，及Greenwoods已選擇提早贖回，並要求悉數償還本金額及於下列任何日期所產生的利息：二零一五年九月一日、二零一六年三月一日或二零一六年九月一日。

具有修訂條款的可換股債券I此後統稱為「可換股債券II」，並被為重大修訂。有關的可換股債券I修訂詳情載於本公司日期為二零一五年三月五日、二零一五年三月十日、二零一五年三月十八日、二零一五年三月二十六日、二零一五年四月一日、二零一五年四月十日及二零一五年四月二十七日之公告。

於取消確認本金額為815,800,000港元之可換股債券I及確認可換股債券II後，可換股債券I的賬面值與可換股債券II的公平值1,210,000港元之差額於損益及其他收益及虧損內確認為取消確認可換股債券I的虧損。可換股債券II債務部份及嵌入式衍生工具部份的公平值乃由本公司董事根據羅馬國際評估有限公司(與本集團無關連之獨立合資格專業估值師)所作估值釐定。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

29. CONVERTIBLE BONDS AND OTHER BORROWINGS (continued)

notes: (continued)

(vii) (continued)

On 9 April 2015, USUMHK purchased the Sims Convertible Bonds from Sims in the aggregate principal amount of HK\$315,600,000 (the "USUMHK Convertible Bonds") without changing any terms of Convertible Bonds II. The purchase of the Sims Convertible Bonds was completed on 3 June 2015. Details of these are set out in the Company's announcements dated 9 April 2015 and 3 June 2015.

On 1 August 2015, Delco still held the Delco Convertible Bonds. Accordingly, the Delco Undertakings came into effect as from that date, in terms of which the Delco Convertible Bonds became a straight debt instrument. Hence, the embedded conversion derivatives in relation to the Delco Convertible Bonds amounting to HK\$38,491,000 as at 31 July 2015 were derecognised against profit and loss, and the amortised cost of the Delco Convertible Bonds was adjusted to reflect the present value of the seven instalments and coupon interests discounted at the original effective interest rate of 16.957% (see note (ix)). The adjustment is recognised as part of the effective interest expense. The Delco Convertible Bonds are presented as 'other borrowings' after the Delco Undertakings came into effect as the Delco Convertible Bonds no longer have conversion options after that date.

(viii) Other than the Delco Convertible Bonds which has been modified as described in note (vii) (2) above and the Greenwoods Convertible Bonds with early redemption option as disclosed in note (vii) (3) above, the major terms of Convertible Bonds I discussed in note (ii)(a) and (b) above remain unchanged in the Convertible Bonds II apart from the extension of maturity date.

(ix) The fair value of the debt component of the Convertible Bonds II on initial recognition was calculated using the present value of contractually determined stream of future cash flows discounted at the effective interest rates of 16.957%, 17.492%, 17.492% and 17.492% for the Delco Convertible Bonds, the HWH/Great Roc Convertible Bonds, the Sims/USUMHK Convertible Bonds and the Greenwoods Convertible Bonds respectively.

In subsequent periods, the debt component of the Convertible Bonds II is carried at amortised cost using the effective interest method.

附註：(續)

(vii) (續)

於二零一五年四月九日，渝商香港向Sims購買本金總額為315,600,000港元之Sims可換股債券(「渝商香港可換股債券」)，而可換股債券II的任何條款並無更改。購買Sims可換股債券已於二零一五年六月三日完成。有關詳情載列於本公司日期為二零一五年四月九日及二零一五年六月三日之公告。

於二零一五年八月一日，Delco仍持有Delco可換股債券。因此，自該日起Delco承諾生效，據此，Delco可換股債券成為直線債務工具。因此，於二零一五年七月三十一日就Delco可換股債券的嵌入式兌換衍生工具合共38,491,000港元於損益內終止確認，而Delco可換股債券的攤銷成本已經作出調整，以反映七期分期付款的現值，及票面利息按原有效利率16.957%折扣(參閱附註(ix))。該調整以部分有效利息開支確認。Delco可換股債券於Delco承諾生效後以「其他借款」呈列，乃由於在該日後，Delco可換股債券不再具有兌換權。

(viii) 除上文附註(vii)(2)所述Delco可換股債券已經修訂及上文附註(vii)(3)所述Greenwoods可換股債券附帶提早贖回權外，上文附註(ii)(a)及(b)所討論可換股債券I之主要條款於可換股債券II維持不變(除到期日延長外)。

(ix) 初始確認時可換股債券II之債務部分的公平值，就Delco可換股債券、HWH/Great Roc可換股債券、Sims/渝商香港可換股債券及Greenwoods可換股債券乃分別使用按實際利率16.957%、17.492%、17.492%及17.492%貼現的合約釐定未來現金流的現值計算。

於其後期間，可換股債券II之債務部分乃按攤銷成本採用實際利率法列賬。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

29. CONVERTIBLE BONDS AND OTHER BORROWINGS (continued)

notes: (continued)

(x) The fair value of the embedded derivative components of the Convertible Bonds II (including conversion options and early redemption option) was determined using the Binomial Option Pricing Model and the major inputs into the model are as follows:

The Delco Convertible Bonds (Principal amount of HK\$312,600,000)

		On issuance 發行時
Stock price	股價	HK\$5.30 5.30 港元
Exercise price	行使價	HK\$6.00 6.00 港元
Expected volatility (note 1)	預計波幅(附註1)	31.404%
Dividend yield	股息收益率	0.000%
Option life	期權年期	6 to 24 months 6至24個月
Risk free rate (note 2)	無風險利率(附註2)	0.475%

The HWH Convertible Bonds/the Great Roc Convertible Bonds (Principal amount of HK\$67,600,000)

		On issuance 發行時	At 31 December 2015 於二零一五年 十二月三十一日
Stock price	股價	HK\$5.47 5.47 港元	HK\$5.17 5.17 港元
Exercise price	行使價	HK\$6.00 6.00 港元	HK\$6.00 6.00 港元
Expected volatility (note 1)	預計波幅(附註1)	31.404%	51.434%
Dividend yield	股息收益率	0.000%	0.000%
Option life	期權年期	24 months 24個月	14 months 14個月
Risk free rate (note 2)	無風險利率(附註2)	0.498%	0.178%

附註：(續)

(x) 可換股債券II(包括兌換權及提早贖回權)嵌入式衍生工具部分的公平值乃按二項期權定價模式釐定及該模式所輸入之主要數據如下：

Delco 可換股債券 (本金額為 312,600,000 港元)

HWH 可換股債券 / Great Roc 可換股債券 (本金額為 67,600,000 港元)

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

29. CONVERTIBLE BONDS AND OTHER BORROWINGS (continued) 29. 可換股債券及其他借款(續)

notes: (continued)

附註：(續)

(x) (continued)

(x) (續)

The Sims Convertible Bonds/the USUMHK Convertible Bonds (Principal amount of HK\$315,600,000)

Sims 可換股債券／渝商香港可換股債券
(本金額為 315,600,000 港元)

		On issuance 發行時	On conversion 兌換時
Stock price	股價	HK\$5.47 5.47 港元	HK\$12.38 12.38 港元
Exercise price	行使價	HK\$6.00 6.00 港元	HK\$6.00 6.00 港元
Expected volatility (note 1)	預計波幅(附註1)	31.404%	40.658%
Dividend yield	股息收益率	0.000%	0.000%
Option life	期權年期	24 months 24 個月	20.5 months 20.5 個月
Risk free rate (note 2)	無風險利率(附註2)	0.498%	0.343%

The Greenwoods Convertible Bonds (Principal amount of HK\$120,000,000)

Greenwoods 可換股債券
(本金額為 120,000,000 港元)

		On issuance 發行時	On conversion 兌換時
Stock price	股價	HK\$5.47 5.47 港元	HK\$11.40 11.40 港元
Exercise price	行使價	HK\$6.00 6.00 港元	HK\$6.00 6.00 港元
Expected volatility (note 1)	預計波幅(附註1)	31.404%	34.274%
Dividend yield	股息收益率	0.000%	0.000%
Option life	期權年期	24 months 24 個月	20.7 months 20.7 個月
Risk free rate (note 2)	無風險利率(附註2)	0.498%	0.381%

notes:

附註：

- (1) The expected volatility was determined with reference to the implied volatility of the Company's shares as at the date of valuation.
- (2) The risk free rate was determined with reference to the Hong Kong Government Bond's and treasury bill's yield.
- (3) In subsequent periods, the embedded derivative components are measured at fair value with changes in fair value recognised in profit and loss.

- (1) 預計波幅乃經參照本公司股份於估值日期之引伸波動而釐定。
- (2) 無風險利率乃參考香港政府債券及國庫券孳息率而釐定。
- (3) 於其後期間，嵌入式衍生工具部分按公平值計量，公平值之變動於損益內確認。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

29. CONVERTIBLE BONDS AND OTHER BORROWINGS (continued)

notes: (continued)

- (xi) During the year ended 31 December 2015, the Greenwoods Convertible Bonds were fully converted into shares of HK\$0.01 each in the Company at the conversion price of HK\$6.00 per share. Accordingly, a total of 20,000,000 ordinary shares of HK\$0.01 each were allotted and issued by conversion of the Greenwoods Convertible Bonds.

During the year ended 31 December 2015, the USUMHK Convertible Bonds were fully converted into shares of HK\$0.01 each in the Company at the conversion price of HK\$6.00 per share. Accordingly, a total of 52,600,000 ordinary shares of HK\$0.01 each were allotted and issued by conversion of the USUMHK convertible bonds.

As at 31 December 2015, the Delco Convertible Bonds and the Great Roc Convertible Bonds remain outstanding with a principal amount of HK\$223,600,000 and HK\$67,600,000 presented as other borrowings and debt component of convertible bonds respectively.

- (xii) During the year ended 31 December 2015, the Company paid the first two instalment payments of HK\$89,000,000 in aggregate to Delco (the "Payment").

附註：(續)

- (xi) 於截至二零一五年十二月三十一日止年度期間，Greenwoods可換股債券以兌換價每股6.00港元悉數兌換成本公司每股面值0.01港元的股份。因此，合共20,000,000股每股面值0.01港元之普通股透過兌換Greenwoods可換股債券予以配發及發行。

於截至二零一五年十二月三十一日止年度期間，渝商香港可換股債券以兌換價每股6.00港元悉數兌換成本公司每股面值0.01港元的股份。因此，合共52,600,000股每股面值0.01港元之普通股透過兌換渝商香港可換股債券予以配發及發行。

於二零一五年十二月三十一日，Delco可換股債券及Great Roc可換股債券本金額分別為223,600,000港元及67,600,000港元尚未發行，分別呈列於其他借款及可換股債券債務部分。

- (xii) 於截至二零一五年十二月三十一日止年度，本公司已向Delco支付累計為89,000,000港元的首兩期的分期付款(「該付款」)。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

29. CONVERTIBLE BONDS AND OTHER BORROWINGS (continued)

notes: (continued)

(xiii) For the sole purpose of illustration, if it is assumed that there had been no Delco Undertakings as stated in note (vii) (2) (i) and the Payment as stated in note (xii) above, the proforma financial impact of the Delco Convertible Bonds as at 31 December 2015 would be as follows:

		Principal amount outstanding	Debt component	Embedded derivative component
		未償還本金額 HK\$'000 千港元	債務部分 HK\$'000 千港元	嵌入式衍生工具部分 HK\$'000 千港元
The Delco Convertible Bonds assuming there had been no Delco Undertakings and the Payment	假設概無 Delco 承諾及該付款的 Delco 可換股債券	312,600	272,960	44,571
			(note)	(note)
The Delco Convertible Bonds considering the Delco Undertakings and the Payment, as recognised in these consolidated financial statements and presented as 'other borrowings'	考慮 Delco 承諾及該付款的 Delco 可換股債券，於此等綜合財務報表內確認並以「其他借款」呈列。	223,600	206,334	-

note: The proforma information is for illustrative purposes only and these values have not been recognised or otherwise reflected in these consolidated financial statements.

附註：(續)

(xiii) 僅供闡述用途，假設概無附註釋(vii) (2) (i)所述的Delco承諾及上文附註(xii)所述的該付款的情況下於二零一五年十二月三十一日對Delco可換股債券的備考財務影響將為如下：

附註：備考資料僅供闡述用途，此等價值並未確認或另行於此等綜合財務報表內反映。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

30. SHARE CAPITAL

30. 股本

		Number of shares 股份數目	Amount 金額 HK\$ 港元
Authorised:	法定：		
Ordinary shares of HK\$0.01 at 1 January 2014, 31 December 2014 and 2015	於二零一四年一月一日、 二零一四年及二零一五年 十二月三十一日 每股面值0.01 港元的普通股	5,000,000,000	50,000,000
Issued and fully paid:	已發行並繳足：		
At 1 January 2014	於二零一四年一月一日	1,044,612,706	10,446,127
Exercise of share options (note i)	行使購股權(附註i)	4,830,000	48,300
At 31 December 2014	於二零一四年十二月三十一日	1,049,442,706	10,494,427
Issue of shares (note ii)	發行股份(附註ii)	456,900,000	4,569,000
Conversion of convertible bonds (Note 29)	兌換可換股債券(附註29)	72,600,000	726,000
Exercise of share options (note i)	行使購股權(附註i)	9,572,000	95,720
At 31 December 2015	於二零一五年十二月三十一日	1,588,514,706	15,885,147

notes:

(i) During the year ended 31 December 2015, 2,460,000 and 7,112,000 share options under the Scheme (as defined in Note 36) (2014: 3,978,000 and 852,000 share options under the Pre-IPO Scheme (as defined in Note 36) and the Scheme) were exercised at subscription prices of HK\$6.388 and HK\$4.186 per share respectively (2014: HK\$2.43 and HK\$3.38 per share respectively), resulting in the total issue of 9,572,000 (2014: 4,830,000) ordinary shares of HK\$0.01 each in the Company.

(ii) On 21 March 2015, the Company entered into the first and second subscription agreements with an independent investor, USUMHK for the first subscription of 203,900,000 shares and second subscription of 253,000,000 shares respectively at the subscription price of HK\$9.01 per share. The first subscription and second subscription were completed on 30 April 2015 and 29 May 2015 respectively, 203,900,000 shares and 253,000,000 shares were allotted and issued to USUMHK respectively. After deducting all relevant costs and expenses, the net proceeds from the first and second subscriptions amounted to HK\$1,826,089,000 and HK\$2,268,480,000 respectively. Upon the completion of the first and second subscriptions, USUMHK becomes a controlling shareholder of the Company since 29 May 2015.

(iii) All the above-mentioned new shares rank pari passu with the existing shares in all respects.

附註：

(i) 於截至二零一五年十二月三十一日止年度，計劃(定義見附註36)項下的2,460,000份及7,112,000份購股權(二零一四年：首次公開發售前計劃(定義見附註36)及計劃(定義見附註36)項下的3,978,000份及852,000份購股權)分別按每股6.388港元及4.186港元(二零一四年：分別為每股2.43港元及3.38港元)的認購價獲行使，導致本公司共發行每股面值0.01港元的9,572,000股(二零一四年：4,830,000股)普通股。

(ii) 於二零一五年三月二十一日，本公司與一名獨立投資者渝商香港訂立第一份及第二份認購協議，以按認購價每股股份9.01港元分別第一批認購203,900,000股股份及第二批認購253,000,000股股份。第一批認購及第二批認購分別已於二零一五年四月三十日及二零一五年五月二十九日完成，而203,900,000股股份及253,000,000股股份分別配發及發行予渝商香港。於扣除所有相關成本及開支後，第一批認購及第二批認購所得款項淨額分別為1,826,089,000港元及2,268,480,000港元。於完成首次及第二次認購後，渝商香港自二零一五年五月二十九日起成為本公司之控股股東。

(iii) 所有上述新股份在所有方面與現有股份享有同等地位。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

31. NON-CONTROLLING INTERESTS

31. 非控股權益

		Share of net liabilities of subsidiaries 所佔附屬公司 淨資產(負債)	
		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
At 1 January	於一月一日	(80,694)	(67,671)
Capital contribution	注資	7,240	–
Share of loss for the year	年內所佔虧損	(5,217)	(13,260)
Share of foreign currency translation reserve	所佔外幣匯兌儲備	4,530	237
At 31 December	於十二月三十一日	(74,141)	(80,694)

32. GOVERNMENT GRANTS

During the year ended 31 December 2015, the Group received government subsidies of HK\$44,612,000 in relation to construction projects in the PRC. The amount has been deducted from the carrying amount of the relevant assets, including buildings, machinery and prepaid lease payments as disclosed in Notes 17 and 18 respectively. The amount is transferred to income in the form of reduced depreciation and amortisation charges over the useful lives of the relevant assets. This policy has resulted in a credit to income in the current year of HK\$241,000. As at 31 December 2015, an amount of HK\$44,371,000 remains to be amortised.

32. 政府補助

於截至二零一五年十二月三十一日止年度，本集團收到有關中國建造項目的政府補貼44,612,000港元。該金額已自有關資產的賬面值扣除。此金額在相關資產，包括樓宇、機器及預付租金(分別於附註17及18披露)之可使用年期內以減少折舊或攤銷費用的形式轉入收益中。此政策導致於本年度收入進賬額為241,000港元。於二零一五年十二月三十一日，金額44,371,000港元仍未被攤銷。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

33. PLEDGE OF ASSETS

At the end of the reporting period, the Group has pledged the following assets to banks to secure general banking facilities granted to the Group:

	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Property, plant and equipment (Note 17) 物業、廠房及設備(附註17)	126,892	68,258
Prepaid lease payments (Note 18) 預付租金(附註18)	186,856	304,746
Investment properties (Note 19) 投資物業(附註19)	–	22,351
Bank deposits (Note 26) 銀行存款(附註26)	132,022	182,559
	445,770	577,914

33. 資產抵押

於報告期末，本集團已向銀行抵押以下資產，以擔保授予本集團之一般銀行信貸：

34. COMMITMENTS

	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
– acquisition of a subsidiary (Note 42(ii)) 已訂約但未於綜合財務報表中撥備的資本開支	419,007	–
– acquisition of property, plant and equipment 收購物業、廠房及設備	18,646	20,405
– acquisition of prepaid lease payments 收購預付租金	–	129,232
– additions in construction in progress 添置在建工程	38,842	107,518
– formation of subsidiaries 成立附屬公司	42,500	–
	518,995	257,155
Capital expenditure authorised but not contracted for in respect of acquisition of a subsidiary 就收購一間附屬公司已授權但未訂約的資本開支	–	81,126

34. 承擔

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

35. RETIREMENT BENEFIT PLANS

The Group operates a MPF Scheme for all qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect of the MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in future years.

The employees employed in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their basic payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes.

36. SHARE-BASED PAYMENT TRANSACTIONS

(i) Pre-IPO Share Option Scheme

Pursuant to a written resolution of all shareholders of the Company on 23 June 2010, a pre-IPO share option scheme (the "Pre-IPO Scheme") was adopted by the Company. Pursuant to the Pre-IPO Scheme, the Company could grant options to directors (including executive directors, non-executive directors and independent non-executive directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters or service providers of any member of the Group ("Participants") to subscribe for shares in the Company. The purpose of the Pre-IPO Scheme was to recognise the contribution that Participants made or might have made to the growth of the Group. It aimed to give Participants an opportunity to acquire a personal stake in the Company and helped motivate Participants to optimise their performance and efficiency, and also to help attract or retain Participants whose contributions are important to the long-term growth and profitability of the Group.

35. 退休福利計劃

本集團根據強制性公積金計劃條例為香港所有合資格僱員設立強積金計劃。強積金計劃之資產透過一名獨立受託人控制之基金與本集團所持資產分開持有。根據強積金計劃的規例，僱主及其僱員分別須按規定訂明的比率向計劃供款。本集團對強積金計劃之唯一責任為根據該計劃作出所需供款。並無已沒收供款可用作扣減日後應付供款。

於中國受僱之僱員可參與中國政府所運作之國家管理退休福利計劃。中國附屬公司須按僱員基本薪酬的若干百分比向該退休福利計劃供款，為該等福利提供資金。本集團對退休福利計劃之唯一責任為根據計劃作出所需供款。

36. 以股份為基礎付款之交易

(i) 首次公開發售前購股權計劃

根據本公司全體股東於二零一零年六月二十三日通過的書面決議案，本公司採納首次公開發售前購股權計劃(「首次公開發售前計劃」)。根據首次公開發售前計劃，本公司可向本集團董事(包括執行董事、非執行董事及獨立非執行董事)及僱員、本集團任何成員公司的任何諮詢人、顧問、分銷商、承包商、供應商、代理、客戶、業務夥伴、合營業務夥伴、發起人或服務供應商(「參與者」)授出購股權，以認購本公司股份。首次公開發售前計劃旨在嘉許參與者對本集團發展作出或可能已作出的貢獻，向參與者提供機會購買本公司私人股票，激勵彼等提升業績表現及效率，並吸納或留任對本集團長遠發展及盈利至關重要的參與者。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

36. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(i) Pre-IPO Share Option Scheme (continued)

The maximum number of shares in respect of which options could be granted is 12,140,000 shares, representing 1.214% of shares of the issued share capital of the Company immediately upon the listing of the Company's shares on the Stock Exchange (the "Listing"), but excluding any shares which could fall to be issued upon the exercise of the options granted or to be granted under the Pre-IPO Scheme, the other schemes and shares that could fall to be issued upon the exercise of the over-allotment option in connection with the Listing.

Share options granted under the Pre-IPO Scheme are exercisable at the initial offer price to the public (i.e. HK\$2.43 per share). Each of the holders of the share options under the Pre-IPO Scheme shall be entitled to exercise his/her options in the following manner:

Service period that share options can be vested after the date of Listing

於上市日期後可歸屬購股權的服務期間

Attaining 1 year
持有一年
Attaining 2 years
持有兩年
Attaining 3 years
持有三年

(i) 首次公開發售前購股權計劃(續)

可授出的購股權所涉最高股份數目為12,140,000股股份，相當於緊隨本公司股份於聯交所上市(「上市」)後本公司已發行股本中股份的1.214%，惟不包括因行使根據首次公開發售前計劃及其他計劃授出或將予授出的購股權而可能將予發行的任何股份，以及因行使與上市有關的超額配股權而可能將予發行的股份。

根據首次公開發售前計劃授出的購股權按給予公眾人士的初步發售價(即每股股份2.43港元)行使。首次公開發售前計劃下各購股權持有人均有權以下列方式行使其購股權：

Maximum percentage of share options exercisable

可行使購股權的百分比上限

30% of the total number of options granted
授出購股權總數的30%
60% of the total number of options granted
授出購股權總數的60%
100% of the total number of options granted
授出購股權總數的100%

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

36. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(i) Pre-IPO Share Option Scheme (continued)

The following table discloses details of the Company's options granted in 2010 under the Pre-IPO Share Option Scheme held by the directors of the Company and employees and the movements during both years:

Category of Eligible Participants	Date of grant	Exercise price per share	Exercisable period	Vesting date	Number of options outstanding as at 1.1.2014	Exercised during the year	Lapsed during the year	Number of options outstanding as at 31.12.2015 and 2015
合資格參與者類別	授出日期 (note a) (附註a)	每股行使價	行使期	歸屬日期	於二零一四年一月一日尚未行使的購股權數目	年內行使 (note b) (附註b)	年內失效/沒收 (note c) (附註c)	於二零一四年及二零一五年十二月三十一日尚未行使的購股權數目
Directors 董事	12.7.2010 二零一零年七月十二日	HK\$2.43 2.43 港元	13.7.2013-12.7.2014 二零一三年七月十三日至二零一四年七月十二日	13.7.2013 二零一三年七月十三日	1,970,000	(1,970,000)	-	-
Employees and other participants 僱員及其他參與者	12.7.2010 二零一零年七月十二日	HK\$2.43 2.43 港元	13.7.2013-12.7.2014 二零一三年七月十三日至二零一四年七月十二日	13.7.2013 二零一三年七月十三日	2,608,000	(2,008,000)	(600,000)	-
					4,578,000	(3,978,000)	(600,000)	-
Number of options exercisable at the end of the year 年終可行使的購股權數目					4,578,000			-
Weighted average exercise price 加權平均行使價		HK\$2.43			HK\$2.43	HK\$2.43	HK\$2.43	

notes:

- (a) The date of grant was the date when Participants accepted the offer of options under the Pre-IPO Scheme.
- (b) In respect of the share options exercised during the year ended 31 December 2014, the share prices at the dates of exercise ranged from HK\$2.84 to HK\$4.47.

附註:

- (a) 授出日期為參與者接納根據首次公開發售前計劃授出之購股權的日期。
- (b) 於截至二零一四年十二月三十一日止年度就獲行使購股權而言，於行使日期之股價介乎2.84港元至4.47港元。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

36. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(i) Pre-IPO Share Option Scheme (continued)

notes: (continued)

- (c) 600,000 share options granted to employees, were lapsed due to maturity of unexercised options in 2014.
- (d) All of these options were fully vested in prior years, no share-based payment expense was recognised for the years ended 31 December 2015 and 2014 in relation to share options granted by the Company under the Pre-IPO Scheme.

(ii) Post-IPO Share Option Scheme

In addition, pursuant to a written resolution of all shareholders of the Company on 23 June 2010, a post-IPO share option scheme (the "Scheme") was adopted.

Pursuant to the Scheme, the Company may grant options to directors (including executive directors, non-executive directors and independent non-executive directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters or service providers of any member of the Group who the board considers, in its sole discretion, have contributed or will contribute to the Group ("Eligible Scheme Participants"). The Scheme is a share incentive scheme and is established to reward Eligible Scheme Participants who have contributed to the Group and to encourage Eligible Scheme Participants to work towards enhancing the value of the Company and the shares for the benefit of the Company and the shareholders as a whole. The Scheme is valid and effective for a period of ten years from 23 June 2010.

36. 以股份為基礎付款之交易(續)

(i) 首次公開發售前購股權計劃(續)

附註：(續)

- (c) 由於二零一四年尚未行使的購股權到期，授予僱員的600,000份購股權已失效。
- (d) 所有該等購股權已於過往年度歸屬，截至二零一五年及二零一四年十二月三十一日止年度，本公司並無就根據首次公開發售前計劃授出的股權確認以股份為基礎之付款開支。

(ii) 首次公開發售後購股權計劃

此外，根據本公司全體股東於二零一零年六月二十三日通過的書面決議案，本公司採納首次公開發售後購股權計劃(「該計劃」)。

根據該計劃，本公司可向董事會全權酌情認為已為或將為本集團作出貢獻的本集團董事(包括執行董事、非執行董事及獨立非執行董事)及僱員、本集團任何成員公司的任何諮詢人、顧問、分銷商、承包商、供應商、代理、客戶、業務夥伴、合營業務夥伴、發起人或服務供應商(「合資格計劃參與者」)授出購股權。該計劃是一項股份獎勵計劃，為獎勵合資格計劃參與者對本集團作出的貢獻以及鼓勵合資格計劃參與者為本公司及股東的整體利益而提升本公司及股份的價值而設立。該計劃自二零一零年六月二十三日起計十年內有效。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

36. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(ii) Post-IPO Share Option Scheme (continued)

The maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme shall not in aggregate exceed 10% of shares of the Company as of the date of the approval by the shareholders in general meeting, without approval from the Company's shareholders. The shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the shares in issue from time to time. The maximum number of shares issued and which may fall to be issued upon exercise of the options granted under the Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible Scheme Participant in any twelve-month period up to the date of grant shall not exceed 1% of the shares in issue as of the date of grant.

Any grant of options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates are required to be approved by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the options). Where granting of options to a substantial shareholder or any independent non-executive director or their respective associates which will result in the number of shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the twelve-month period up to and including the date of such grant exceed of 0.1% of the total number of shares in issue and have an aggregate value in excess of HK\$5 million, based on the official closing price of the shares at the date of each grant, such proposed grant of options will be subject to the issue of a circular by the Company and the approval of the shareholders in general meeting.

Options granted have to be taken up within a period of 28 days from the date of offer upon payment of HK\$1.

(ii) 首次公開發售後購股權計劃(續)

因行使根據該計劃將予授出的所有購股權而可能發行的最高股份數目合共不得超過股東於股東大會批准日期的本公司股份的10% (無須本公司股東批准)。因行使根據該計劃及本公司任何其他購股權計劃所授出但尚未行使的所有購股權而可能發行的股份於任何時候不得超過不時已發行股份的30%。於任何十二個月期間直至授出日期，因行使根據該計劃及本公司任何其他購股權計劃向每名合資格計劃參與者授出的購股權(包括已行使及尚未行使的購股權)而發行及將予發行的最高股份數目不得超過於授出日期已發行股份的1%。

向本公司董事、主要行政人員或主要股東(定義見上市規則)或彼等各自的任何聯繫人授出任何購股權，須經獨立非執行董事(不包括任何身為購股權承授人的獨立非執行董事)批准。當向主要股東或任何獨立非執行董事或彼等各自的任何聯繫人授出購股權，將導致於十二個月期間直至授出日期(包括該日)因行使向該等人士授出及將予授出的購股權(包括已行使、已註銷及尚未行使的購股權)而發行及將予發行的股份數目超過已發行股份總數的0.1%，且根據各授出日期股份的官方收市價計算，總值超過5,000,000港元，則須待本公司發出通函並經股東於股東大會上批准後，方可建議授出上述購股權。

所授購股權須於提呈日期起計28日內接納，接納時須支付1港元。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

36. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(ii) Post-IPO Share Option Scheme (continued)

The exercise price is determined by the board of directors and but in any event shall not be less than the highest of:

- (a) the official closing price of the shares on the Stock Exchange as stated in the daily quotation sheets of the Stock Exchange on the offer date, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (b) the average of the official closing price of the shares on the Stock Exchange as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the offer date; and
- (c) the nominal value of the shares.

Options granted are exercisable for a period to be notified by the board of directors to each grantee and such period shall expire not later than 4 years from the date of grant of options.

36. 以股份為基礎付款之交易(續)

(ii) 首次公開發售後購股權計劃(續)

行使價由董事會釐定，惟無論如何不會低於下列各項之最高者：

- (a) 於提呈日期(該日須為聯交所辦理證券交易業務的日子)聯交所的每日報表所列股份在聯交所的官方收市價；
- (b) 緊接提呈日期前五個營業日聯交所的每日報表所列股份在聯交所的平均官方收市價；及
- (c) 股份的面值。

所授購股權可於董事會知會各承授人的期間行使，而該期間不得於授出購股權日期起計四年後屆滿。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

36. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(ii) Post-IPO Share Option Scheme (continued)

Details of the share options granted under the Scheme and their subsequent movements are as follows:

(ii) 首次公開發售後購股權計劃(續)

根據該計劃授出的購股權及其後變動詳情如下：

Category of Eligible Scheme Participants	Date of grant	Exercise price per share	Exercisable period	Vesting date	Number of options outstanding as at 1.1.2014 於二零一四年一月一日 尚未行使的購股權數目	Reclassified during the year 年內重新分類 (note c) (附註c)	Exercised during the year 年內行使 (note a) (附註a)	Lapsed/forfeited during the year 失效/沒收 (note b) (附註b)	Number of options outstanding as at 31.12.2014 於二零一四年十二月三十一日 尚未行使的購股權數目	Exercised during the year 年內行使 (note a) (附註a)	Lapsed/forfeited during the year 失效/沒收 (note d) (附註d)	Number of options outstanding as at 31.12.2015 於二零一五年十二月三十一日 尚未行使的購股權數目
Directors 董事	3.5.2011 二零一一年五月三日	HK\$6.388 6.388 港元	4.5.2013-3.5.2014 二零一三年五月四日至 二零一四年五月三日	4.5.2013 二零一三年五月四日	397,500	-	-	(397,500)	-	-	-	-
			4.5.2014-3.5.2015 二零一四年五月四日至 二零一五年五月三日	4.5.2014 二零一四年五月四日	530,000	(60,000)	-	-	470,000	(60,000)	(410,000)	-
Directors 董事	28.3.2012 二零一二年三月二十八日	HK\$4.186 4.186 港元	28.3.2013-27.3.2016 二零一三年三月二十八日至 二零一六年三月二十七日	28.3.2013 二零一三年三月二十八日	67,500	(22,500)	-	-	45,000	(45,000)	-	-
			28.3.2014-27.3.2016 二零一四年三月二十八日至 二零一六年三月二十七日	28.3.2014 二零一四年三月二十八日	67,500	(22,500)	-	-	45,000	(45,000)	-	-
			28.3.2015-27.3.2016 二零一五年三月二十八日至 二零一六年三月二十七日	28.3.2015 二零一五年三月二十八日	90,000	(30,000)	-	-	60,000	(60,000)	-	-
Directors 董事	22.3.2013 二零一三年三月二十二日	HK\$3.75 3.75 港元	22.3.2014-21.3.2017 二零一四年三月二十二日至 二零一七年三月二十一日	22.3.2014 二零一四年三月二十二日	195,000	-	-	(195,000)	-	-	-	-
			22.3.2015-21.3.2017 二零一五年三月二十二日至 二零一七年三月二十一日	22.3.2015 二零一五年三月二十二日	195,000	-	-	(195,000)	-	-	-	-
			22.3.2016-21.3.2017 二零一六年三月二十二日至 二零一七年三月二十一日	22.3.2016 二零一六年三月二十二日	260,000	-	-	(260,000)	-	-	-	-
Directors 董事	23.5.2013 二零一三年五月二十三日 (note e) (附註e)	HK\$3.75 3.75 港元	22.3.2014-21.3.2017 二零一四年三月二十二日至 二零一七年三月二十一日	22.3.2014 二零一四年三月二十二日	5,550,000	-	-	(5,550,000)	-	-	-	-
			22.3.2015-21.3.2017 二零一五年三月二十二日至 二零一七年三月二十一日	22.3.2015 二零一五年三月二十二日	5,550,000	-	-	(5,550,000)	-	-	-	-
			22.3.2016-21.3.2017 二零一六年三月二十二日至 二零一七年三月二十一日	22.3.2016 二零一六年三月二十二日	7,400,000	-	-	(7,400,000)	-	-	-	-
					20,302,500	(135,000)	-	(19,547,500)	620,000	(210,000)	(410,000)	-

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

36. SHARE-BASED PAYMENT TRANSACTIONS 36. 以股份為基礎付款之交易(續)

(ii) Post-IPO Share Option Scheme (continued)

(ii) 首次公開發售後購股權計劃(續)

Category of Eligible Scheme Participants	Date of grant	Exercise price per share	Exercisable period	Vesting date	Number of options outstanding as at 1.1.2014 於二零一四年一月一日 尚未行使的購股權數目	Reclassified during the year 重新分類 (note c) (附註c)	Exercised during the year 年內行使 (note a) (附註a)	Lapsed/forfeited during the year 年內失效/沒收 (note b) (附註b)	Number of options outstanding as at 31.12.2014 於二零一四年十二月三十一日 尚未行使的購股權數目	Exercised during the year 年內行使 (note a) (附註a)	Lapsed/forfeited during the year 年內失效/沒收 (note d) (附註d)	Number of options outstanding as at 31.12.2015 於二零一五年十二月三十一日 尚未行使的購股權數目
Employees and other participants 僱員及其他參與者	22.9.2010 二零一零年九月二十二日	HK\$3.38 3.38港元	23.9.2013-22.9.2014 二零一三年九月二十三日至二零一四年九月二十二日	23.9.2013 二零一三年九月二十三日	1,428,000	-	(852,000)	(576,000)	-	-	-	-
Employees and other participants 僱員及其他參與者	3.5.2011 二零一一年五月三日	HK\$6.388 6.388港元	4.5.2013-3.5.2014 二零一三年五月四日至二零一四年五月三日	4.5.2013 二零一三年五月四日	3,381,000 4,508,000	- 60,000	- -	(3,381,000) (388,000)	- 4,180,000	- (2,400,000)	- (1,780,000)	- -
Employees and other participants 僱員及其他參與者	28.3.2012 二零一二年三月二十八日	HK\$4.186 4.186港元	28.3.2013-27.3.2016 二零一三年三月二十八日至二零一六年三月二十七日	28.3.2013 二零一三年三月二十八日	3,163,500	22,500	-	(381,000)	2,805,000	(2,725,000)	-	80,000
			28.3.2014-27.3.2016 二零一四年三月二十八日至二零一六年三月二十七日	28.3.2014 二零一四年三月二十八日	3,163,500	22,500	-	(381,000)	2,805,000	(2,289,000)	-	516,000
			28.3.2015-27.3.2016 二零一五年三月二十八日至二零一六年三月二十七日	28.3.2015 二零一五年三月二十八日	4,218,000	30,000	-	(508,000)	3,740,000	(1,948,000)	(200,000)	1,592,000
					19,862,000	135,000	(852,000)	(5,615,000)	13,530,000	(9,362,000)	(1,980,000)	2,188,000
					40,164,500	-	(852,000)	(25,162,500)	14,150,000	(9,572,000)	(2,390,000)	2,188,000
Number of options exercisable at the end of the year 於年底行使的購股權數目					8,437,500				10,350,000			2,188,000
Weighted average exercise price 加權平均行使價					HK\$4.43 4.43港元	-	HK\$3.38 3.38港元	HK\$4.20 4.20港元	HK\$4.91 4.91港元	HK\$4.75 4.75港元	HK\$6.20 6.20港元	HK\$4.19 4.19港元

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

36. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(ii) Post-IPO Share Option Scheme (continued)

notes:

- (a) In respect of the share options exercised during the year ended 31 December 2015, the share prices at the dates of exercise ranged from HK\$5.05 to HK\$12.46 (2014: HK\$3.66 to HK\$4.47).
- (b) 19,150,000 share options granted to directors were cancelled by forfeiture in 2014 as the Profit Target 2013 (explained and defined below) was not met. In addition, 397,500 and 5,615,000 share options granted to directors and employees, respectively, were lapsed due to maturity of unexercised options or forfeited in 2014 due to resignation of certain employees.
- (c) In 2014, an independent non-executive director resigned from the Company but was retained as a consultant to the Group to provide consultancy services similar to those rendered by employees.
- (d) 410,000 and 1,980,000 share options granted to directors and employees, respectively, were lapsed due to maturity of unexercised options in 2015 or forfeited due to resignation of certain employees.
- (e) This represents the date when the grant of share options under the Scheme to the relevant directors of the Company (namely Mr. Fang and Mr. Stephanus Maria van Ooijen) was approved by the independent shareholders of the Company. Under the Scheme, however, the date of grant is taken to be the date when the board of directors of the Company resolved to make the offer of grant of share options to the relevant directors of the Company, which was 22 March 2013.

Service period that share options can be vested after date of grant 於授出日期後可歸屬購股權的服務期間

Attaining 1 year
持有一年
Attaining 2 years
持有兩年
Attaining 3 years
持有三年

(ii) 首次公開發售後購股權計劃(續)

附註：

- (a) 就於截至二零一五年十二月三十一日止年度行使的購股權而言，於行使日期的股份價格介乎5.05港元至12.46港元(二零一四年：3.66港元至4.47港元)。
- (b) 授予董事的19,150,000份購股權於二零一四年註銷及沒收，原因是二零一三年溢利目標(下文解釋及界定)未達成。此外，分別授予董事及僱員的397,500份及5,615,000份購股權因部分僱員辭職導致尚未行使的購股權於二零一四年到期或沒收而失效。
- (c) 於二零一四年，一名獨立非執行董事從本公司辭任但留任為本集團顧問，提供與其他僱員所提供的服務相類似的諮詢服務。
- (d) 分別授予董事及僱員的410,000份及1,980,000份購股權因於二零一五年未行使的購股權到期而失效或因部分僱員辭職而被沒收。
- (e) 此代表根據該計劃向有關董事(即方先生及Stephanus Maria van Ooijen先生)授出購股權獲本公司獨立股東批准之日。然而，根據該計劃，授出日期被認為乃董事會決定作出建議向本公司有關董事授出購股權的日期，即二零一三年三月二十二日。

Maximum percentage of share options exercisable 可行使購股權的百分比上限

30% of the total number of options granted
授出購股權總數的30%
60% of the total number of options granted
授出購股權總數的60%
100% of the total number of options granted
授出購股權總數的100%

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

36. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(ii) Post-IPO Share Option Scheme (continued)

In addition to satisfying the above service period requirement, 650,000 and 18,500,000 share options granted to the executive directors on 22 March 2013 and 23 May 2013 respectively would only be vested if the Group's profit for the year ended 31 December 2013 was equal to or exceed 130% of the Group's profit for the financial year ended 31 December 2010 ("Profit Target 2013").

In respect of the share options granted without performance condition, taking into account (i) the applicable vesting period and (ii) the number of options expected to ultimately vest, the Group recognised share-based payment expense of HK\$428,000 for the year ended 31 December 2015 (2014: HK\$3,567,000).

(ii) 首次公開發售後購股權計劃(續)

除滿足上述服務期間要求之外，倘本集團截至二零一三年十二月三十一日止年度之溢利等於或超過本集團截至二零一零年十二月三十一日止財政年度溢利的130%（「二零一三年溢利目標」），則於二零一三年三月二十二日及二零一三年五月二十三日分別授予董事之650,000份及18,500,000份購股權方會歸屬。

就授出並無表現條件的購股權而言，鑒於(i)適用歸屬期及(ii)預期最終歸屬的購股權數目，截至二零一五年十二月三十一日止年度本集團確認以股份為基礎的付款開支428,000港元(二零一四年：3,567,000港元)。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

37. RELATED PARTY DISCLOSURES

(i) Transactions

During the year, the Group has the following transactions with related parties:

Name of party 關連方名稱	notes 附註	Nature of transaction 交易性質	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
<i>Related party transactions</i> 關連方交易				
Sims	(a) & (c)	Purchase of scrap metals 購買廢金屬	56,759	524,714
		Interest expense on convertible bonds with principal amount of HK\$315,600,000 本金額315,600,000港元的可換股債券之利息支出	6,538	34,681
		Compensation received 已收補償	-	451
		Compensation paid 已付補償	-	3
Delco	(b) & (c)	Interest expense on convertible bonds 可換股債券之利息支出	11,667	34,351
HWH	(b) & (c)	Interest expense on convertible bonds 可換股債券之利息支出	4,968	7,428

37. 關連方披露

(i) 交易

於年內，本集團與關連方有以下交易：

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

37. RELATED PARTY DISCLOSURES (continued)

(i) Transactions (continued)

37. 關連方披露(續)

(i) 交易(續)

Name of party 關連方名稱	notes 附註	Nature of transaction 交易性質	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
<i>Related party transactions (continued)</i> <i>關連方交易(續)</i>				
USUMHK 渝商香港	(d)	Interest expense on convertible bonds 可換股債券之利息支出	1,606	–
	(e)	Conversion of convertible bonds 兌換可換股債券	315,600	–
Mr. Fang 方先生	(f)	Interest expense of a loan with principal amount of USD8,000,000 本金額8,000,000美元的貸款之利息支出	1,198	–
Poly Metals 寶勵	(g)	Purchase of scrap metals 購買廢金屬	743	25,222

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

37. RELATED PARTY DISCLOSURES (continued)

(i) Transactions (continued)

notes:

- (a) These represent transactions between the Group and Sims up to 5 March 2015, on which Sims disposed of its entire shareholding in the Company and became an independent third party to the Group.
- (b) Delco and HWH, which is wholly-owned by Mr. Fang, disposed of their entire shareholding in the Company and became independent third parties to the Group from 17 April 2015 and 22 December 2015 respectively.
- (c) As set out in Note 29, the Company issued convertible bonds to Sims, Delco and HWH. Sims, Delco and HWH were substantial shareholders with significant influence over the Company up to 5 March 2015, 17 April 2015 and 22 December 2015 as disclosed in (a) and (b).
- (d) On 3 June 2015, the Sims Convertible Bonds were purchased by USUMHK.
- (e) As set out in Note 29, the USUMHK Convertible Bonds with principal amount of HK\$315,600,000 were fully converted into shares of HK\$0.01 each in the Company at the conversion price of HK\$6.00 per share on 15 June 2015.
- (f) In January 2015, the Group borrowed USD8,000,000 (equivalent to HK\$62,021,000) from Mr. Fang who was a director of the Company up to 16 February 2016 as disclosed in Note 14 and a substantial shareholder with significant influence over the Company up to 22 December 2015 as disclosed in (b) above. The balance was unsecured, interest bearing at 4% per annum and fully repaid in July 2015.
- (g) In April 2014, the Group invested in an associate, Poly Metals, with significant influence. The amount represents transactions between the Group and Poly Metals.

37. 關連方披露(續)

(i) 交易(續)

附註:

- (a) 指本集團與Sims 直至二零一五年三月五日的交易，於當日Sims出售其於本公司的全部股權並成為本集團之獨立第三方。
- (b) Delco及HWH(由方先生全資擁有)分別由二零一五年四月十七日及二零一五年十二月二十二日出售其於本公司的全部股權並成為本集團之獨立第三方。
- (c) 如附註29所載，本公司向Sims、Delco及HWH發行可換股債券，Sims、Delco及HWH為對本公司具有重大影響力之主要股東及Sims與Delco直至二零一五年三月五日、二零一五年四月十七日及二零一五年十二月二十二日為對本公司具有重大影響力之主要股東(如(a)及(b)所披露)。
- (d) 於二零一五年六月三日，渝商香港購入Sims可換股債券。
- (e) 誠如附註29所載，本金額為315,600,000港元的渝商香港可換股債券，已於二零一五年六月十五日按兌換價每股6.00港元悉數兌換為本公司面值為0.01港元的股份。
- (f) 於二零一五年一月，本集團向截至二零一六年二月十六日前為本公司董事(如附註14所披露及截至二零一五年十二月二十二日前為對本公司具有重大影響力之主要股東)(如上文(b)所披露)方先生借入8,000,000美元(相等於62,021,000港元)。借款為無抵押，並按4%的年利率計息，已於二零一五年七月悉數償還。
- (g) 於二零一四年四月，本集團(具有重大影響力)投資於一間聯營公司寶勵。該金額指本集團與寶勵之間的交易。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

37. RELATED PARTY DISCLOSURES (continued)

(ii) Balances

The Group has the following balances with related parties at the end of the reporting period:

Name of party 關連方名稱	Nature of balance 結餘性質	At 31 December 2015 於二零一五年 十二月三十一日 HK\$'000 千港元	At 31 December 2014 於二零一四年 十二月三十一日 HK\$'000 千港元
<i>Balances with related parties</i> 與關連方結餘			
Sims	Deposit paid for purchase of raw materials 購置原材料的已付按金	—	4,294
	Trade payables 貿易應付款項	—	71,077
	Warrants 認股權證	—	75,831
	Convertible Bonds 可換股債券	—	315,600
Delco	Convertible Bonds 可換股債券	—	312,600
HWH	Convertible Bonds 可換股債券	—	67,600

All the above amounts are unsecured and interest-free. The average credit period for the trade purchases is 60 days and the amounts are aged less than 60 days.

(iii) Compensation of key management personnel

The directors of the Company and the five highest paid employees are identified as key management members of the Group, details of their compensation during the year are set out in Note 14.

37. 關連方披露(續)

(ii) 結餘

本集團於報告期末與關連方有以下結餘：

上述所有款項均為無抵押及免息。貿易採購的平均信貸期為60日，而該款項的賬齡少於60日。

(iii) 主要管理人員薪酬

本公司董事及五名最高薪酬僱員確認為本集團主要管理人員，彼等於年內的薪酬詳情載於附註14。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

38. OPERATING LEASES The Group as lessee

Minimum lease payments paid under operating leases during the year: 年內根據經營租賃支付的最低租金：

Premises 物業

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

Within one year 第一年內
In the second to fifth years inclusive 第二至第五年(包括首尾兩年)

Operating lease payments represent rentals payable by the Group for certain of its offices and production premises. Leases are negotiated for terms ranging from one to five years with fixed rentals.

38. 經營租賃 本集團作為承租人

	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Premises	11,345	16,328

於報告期末，本集團根據不可撤銷經營租賃將於下列時間到期的未來最低租金承擔如下：

	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Within one year	4,463	12,649
In the second to fifth years inclusive	1,344	6,147
	5,807	18,796

經營租金指本集團就若干辦公室及生產廠房應付租金。租約經協商定為年期介乎一至五年及租金固定。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

38. OPERATING LEASES (continued)

The Group as lessor

Rental income of leasing investment properties during the year ended 31 December 2015 was HK\$1,208,000 (2014: HK\$1,530,000).

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

Within one year

一年內

38. 經營租賃(續)

本集團作為出租人

截至二零一五年十二月三十一日止年度，投資物業租賃的租金收入為1,208,000港元(二零一四年：1,530,000港元)。

於報告期末，本集團與租戶約定以下未來最低租金如下：

2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
403	403

39. PENDING LITIGATIONS

The Group is a defendant in legal claims filed by the lessor of certain properties in Shanghai, the PRC for unpaid rent, management fees, early termination fee and reinstatement costs totalling approximately RMB40.6 million (equivalent to approximately HK\$48.5 million). The Group filed a counterclaim against the lessor of overall expected direct economic loss of approximately RMB108 million (equivalent to approximately HK\$128.9 million) as a result of alleged misrepresentation by the lessor.

The People's Court in Baoshan District, Shanghai, the PRC ("Baoshan District Court") delivered an initial judgement in December 2013. In summary, the initial judgment is in favour of the Group, details of which are set out in the announcement of the Company dated on 15 January 2014. Both the Group and the lessor had applied for an appeal against this judgement. On 12 January 2015, the Baoshan District Court delivered the revised judgement in relation to these legal claims. In summary, the revised judgment is in favour of the Group. The Group applied for an appeal against the judgement given on 12 January 2015. On 19 June 2015, the Shanghai No. 2 Intermediate People's Court revoked the appeal and upheld the judgement made on 12 January 2015. The Group applied for an appeal against the judgement given on 19 June 2015.

39. 待決訴訟

本集團因中國上海若干物業的出租人就未付租金、管理費、提早終止費及重置成本總計約人民幣40,600,000元(約等於48,500,000港元)提出法律訴訟而成為被告。本集團就因出租人之指稱失實陳述而導致的整體預期直接經濟損失約人民幣108,000,000元(約等於128,900,000港元)對出租人提出反申索。

於二零一三年十二月，中國上海寶山區人民法院(「寶山區法院」)作出初步判決，概括而言，初審的判決對本集團有利，其詳情載於本公司日期為二零一四年一月十五日的公告。本集團與出租人均對此判決提出上訴。於二零一五年一月十二日，寶山區法院就該等法律訴訟作出修訂判決。概括而言，修訂判決對本集團有利。本集團已對二零一五年一月十二日作出的判決提出上訴。於二零一五年六月十九日，上海市第二中級人民法院駁回上訴並維持二零一五年一月十二日作出的判決。本集團對於二零一五年六月十九日作出的判決提出上訴。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

39. PENDING LITIGATIONS (continued)

The court case is still in progress. The directors of the Company, after obtaining legal advice and considering the full provision already made by the Group as disclosed in Note 27, are of the opinion that eventual resolution of the above litigations will not have any material adverse impact to the Group's future results and financial position.

40. CONTINGENT LIABILITY

The Company is a defendant to a legal claim by Delco (the "Claim") regarding an alleged non-payment of the loan advanced by Delco Asia Company Limited ("Delco Asia") to subsidiaries of the Company, amounting to approximately HK\$57,827,000 together with interest and costs. Delco alleged that it acquired the assets and liabilities of Delco Asia in 2011. Delco Asia was dissolved by deregistration in 2012. Each of Mr. Fang and HWH undertook to the Company to indemnify and hold the Company harmless on demand against all losses arising out of, inter alia, the Claim in accordance with the terms of a letter of indemnity signed by Mr. Fang and HWH in favour of the Company on 17 December 2015 (the "Indemnity"). In addition, HWH has paid the amount of HK\$57,827,118 to a lawyer in an escrow account ("Escrow Account") as security for any liability of the Company in respect of, inter alia, the Claim.

The court case is still in progress. The directors of the Company, after taking legal advice from its legal advisers and in review of the Indemnity and the Escrow Account, are of the opinion that it is not probable that an outflow of resources embodying economic benefits will be required to settle the Claim. Accordingly, no provision of the claim has been made.

41. MAJOR NON-CASH TRANSACTION

During the year ended 31 December 2015, the Group derecognised the original Convertible Bonds I upon the substantial modification of terms and recognised the new Convertible Bonds II. Details of the derecognition and recognition of convertible bonds are set out in Note 29.

39. 待決訴訟(續)

該訴訟案件仍在進行中，本公司董事經獲得法律意見及考慮本集團所作悉數撥備後(誠如附註27所披露)，認為上述起訴的最終解決將不會對本集團的未來業績及財務狀況造成任何重大不利影響。

40. 或然負債

本公司為Delco就聲稱未償還Delco Asia Company Limited(「Delco Asia」)向本公司的附屬公司作出的貸款金額約57,827,000港元而提起的法律索賠的被告人(「該訴訟」)。Delco稱其已於二零一一年收購Delco Asia的資產及負債。於二零一二年，Delco Asia以撤銷註冊方式解散。方先生及HWH各自向本公司承諾，根據方先生與HWH以本公司為受益人於二零一五年十二月十七日簽署的彌償函件的條款，彌償本公司因其中包括該訴訟產生的所有損失及使本公司不受到損失(「彌償」)。此外，HWH已向律師支付57,827,118港元的信託賬戶(「信託賬戶」)，作為本公司有關(其中包括)該訴訟的任何責任的擔保。

訴訟現正在進行中。經考慮本公司法律顧問的法律意見及審閱彌償及信託賬戶後，本公司董事認為履行該訴訟不可能導致經濟利益的流出因此，並無就索賠作出撥備。

41. 重大非現金交易

於截至二零一五年十二月三十一日止年度期間，本集團對原有可換股債券I的條款作重大修改後，並取消確認原有可換股債券及確認新可換股債券II。取消確認及確認可換股債券的詳情載於附註29。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

42. EVENTS AFTER THE REPORTING PERIOD

The following events took place after the reporting period:

- (i) In January 2016, the Group completed its acquisition of 60% of the effective equity interest of Yantai Liheng Environmental Protection Technology Co., Ltd., which is principally engaged in the sale of hazardous waste, lubricating oil, gas oil, base oil, residual oil, fuel oil and the related additives in the PRC, from independent third parties at a cash consideration of approximately RMB55 million (equivalent to approximately HK\$66 million). Details are set out in the Company's announcement dated 27 January 2016. The assessment of the financial impact is in the process.
- (ii) On 21 August 2015, the Group entered into an acquisition agreement with independent third parties in relation to the acquisition of the entire equity interest in Dalian New Green Recycle & Resources Corporation ("DNG"), at a consideration of RMB345,614,000 (equivalent to HK\$419,007,000) to be settled by way of an issue of 31,037,585 shares of the Company. In March 2016, the acquisition has been completed. DNG is principally engaged in recycle processing and utilisation of scrap metals, discarded appliances, office machines and other wastes. Details are set out in the Company's announcement dated 21 August 2015, 30 December 2015 and 21 March 2016. The assessment of the financial impact is still in progress.

42. 報告期後事項

以下事項於報告期後發生：

- (i) 於二零一六年一月，本集團以代價約人民幣55,000,000元(約等於66,000,000港元)完成自一名獨立第三方收購煙台立衡環保科技有限公司60%有效股權，該公司於中國從事銷售危險廢物、潤滑油、蠟油、基礎油料、渣油、燃料油及相關用品添加劑。詳情載於本公司日期為二零一六年一月二十七日的公告。在對財務影響進行評估。
- (ii) 於二零一五年八月二十一日，本集團與獨立第三方就收購大連新綠再生資源加工有限公司(「大連新綠」)的全部股權訂立收購協議，代價為人民幣345,614,000元(相當於419,007,000港元)，透過發行31,037,585股本公司股份支付。該收購於二零一六年三月完成，大連新綠成主要從事再生加工及使用廢舊金屬、廢舊家電、辦公機器及其他廢棄物。有關詳情載於本公司日期為二零一五年八月二十一日、二零一五年十二月三十日及二零一六年三月二十一日之公告。現正評估其財務影響。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 43. 本公司財務狀況表

The summarised financial position of the Company at the end of the reporting period is as follows:

於報告期末本公司財務狀況概述如下：

	note 附註	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Non-current assets			
Investments in subsidiaries, unlisted		–	–
Current assets			
Amounts due from subsidiaries		5,596,913	1,652,441
Other receivables		370	487
Bank balances		132,377	133
		5,729,660	1,653,061
Current liabilities			
Amounts due to subsidiaries		6,242	6,106
Other borrowings		5	–
Debt component of convertible bonds		161,559	–
		–	816,421
		167,806	822,527
Total assets less current liabilities		5,561,854	830,534
Capital and reserves			
Share capital (Note 30)		15,885	10,494
Reserves	(i)	5,432,767	820,040
Total equity		5,448,652	830,534
Non-current liabilities			
Other borrowings		44,775	–
Debt component of convertible bonds		58,812	–
Embedded derivative components of convertible bonds		9,615	–
		113,202	–
		5,561,854	830,534

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

43. 本公司財務狀況表(續)

(i) Movement in reserves

(i) 儲備變動

		Share premium 股份溢價 HK\$'000 千港元	Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元 (note a) (附註a)	Investment revaluation reserve 投資重估儲備 HK\$'000 千港元	Accumulated profits (losses) 累計溢利(虧損) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2014	於二零一四年一月一日	892,493	224	31,835	216,208	(1,417)	92,838	1,232,181
Loss for the year	年內虧損	-	-	-	-	-	(429,623)	(429,623)
Fair value gain on available-for-sale investment	可供出售投資公平值收益	-	-	-	-	918	-	918
Reclassified to profit or loss on disposal of available-for-sale investment	出售可供出售投資時重新分類至損益	-	-	-	-	499	-	499
Total comprehensive expense for the year	年內全面開支總額	-	-	-	-	1,417	(429,623)	(428,206)
Exercise of share options (Note 30 (note ii))	行使購股權(附註30(附註ii))	16,568	-	(4,070)	-	-	-	12,498
Lapse of share options	購股權失效	-	-	(10,949)	-	-	10,949	-
Recognition of equity-settled share-based payments (Note 36)	確認以股權結算及股份為基礎之付款(附註36)	-	-	3,567	-	-	-	3,567
At 31 December 2014	於二零一四年十二月三十一日	909,061	224	20,383	216,208	-	(325,836)	820,040

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

(i) Movement in reserves (continued)

		Share premium 股份溢價 HK\$'000 千港元	Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元 (note a) (附註a)	Investment revaluation reserve 投資重估儲備 HK\$'000 千港元	Accumulated profits 累計溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Loss for the year	年內虧損	-	-	-	-	-	(327,607)	(327,607)
Fair value gain on available-for-sale investment	可供出售投資 公平值收益	-	-	-	-	4,606	-	4,606
Reclassified to profit or loss on disposal of available-for-sale investment	出售可供出售投資 時重新分類至損益	-	-	-	-	(4,606)	-	(4,606)
Total comprehensive expense for the year	年內全面開支 總額	-	-	-	-	-	(327,607)	(327,607)
Issue of shares	發行股份	4,112,100	-	-	-	-	-	4,112,100
Cost of issuance of shares	發行股份之成本	(22,100)	-	-	-	-	-	(22,100)
Conversion of convertible bonds (Notes 29 and 30)	轉換可換股債券 (附註29及30)	804,517	-	-	-	-	-	804,517
Exercise of share options (Note 30 (note ii))	獲行使購股權 (附註30(附註ii))	61,225	-	(15,836)	-	-	-	45,389
Lapse of share options	購股權失效	-	-	(3,621)	-	-	3,621	-
Recognition of equity-settled share-based payments (Note 36)	確認以股權結算及 以股份為基礎之付款 (附註36)	-	-	428	-	-	-	428
At 31 December 2015	於二零一五年 十二月三十一日	5,864,803	224	1,354	216,208	-	(649,822)	5,432,767

note:

(a) Capital reserve of the Company represents the net effect of (i) the capitalisation of shareholders' loans of HK\$223,708,000 and (ii) the Company issued and allotted an aggregate of 749,999,900 shares of HK\$0.01 each in the Company out of the capital reserve to its shareholders, credited as fully paid at par, in 2010.

附註：

(a) 本公司資本儲備指於二零一零年(i)資本化股東貸款223,708,000港元及(ii)本公司以資本儲備向其股東發行及配發總計749,999,900股入賬列為繳足的每股面值0.01港元的股份之淨影響。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

44. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

44. 本公司附屬公司詳情

44a. General information of subsidiaries

44a. 附屬公司的一般資料

Name of subsidiary 附屬公司名稱	notes 附註	Place/ country of operation 經營地點/國家	Place of incorporation/ establishment 註冊成立/ 成立地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊股本	Attributable equity interest and voting power held by the Group 本集團所持應佔股本權益及投票權		Principal activities 主要業務
					2015 二零一五年	2014 二零一四年	
Chiho-Tiande International Limited ("CT International") 齊合天地國際有限公司 (「齊合國際」)	(i)	Hong Kong 香港	British Virgin Islands 英屬處女群島	US\$2 2美元	100%	100%	Investment holding 投資控股
Profit Gain International Group Limited ("Profit Gain") 百達國際集團有限公司 (「百達」)	(i)	Hong Kong 香港	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	–	Investment holding 投資控股
Jinlian International Group Limited 金煉國際集團有限公司		Hong Kong 香港	Hong Kong 香港	HK\$1 1港元	100%	–	Investment holding 投資控股
Chiho-Tiande Investments Limited 齊合天地投資有限公司		Hong Kong 香港	Hong Kong 香港	HK\$10,000 10,000港元	100%	100%	Investment holding 投資控股
Delco Europe B.V.		The Netherlands 荷蘭	The Netherlands 荷蘭	EUR18,151 18,151歐元	100%	100%	Purchasing agent of the Group 本集團的採購代理
Chiho-Tiande (HK) Limited 齊合天地(香港)有限公司		Hong Kong 香港	Hong Kong 香港	HK\$1 1港元	100%	100%	Purchasing agent of the Group and wholesales of metal scrap without processing 本集團的採購代理及 未加工廢金屬批發

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

44. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

44. 本公司附屬公司詳情(續)

44a. General information of subsidiaries (continued)

44a. 附屬公司的一般資料(續)

Name of subsidiary 附屬公司名稱	notes 附註	Place/ country of operation 經營地點/國家	Place of incorporation/ establishment 註冊成立/ 成立地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊股本	Attributable equity interest and voting power held by the Group 本集團所持應佔股本權益及投票權		Principal activities 主要業務
					2015 二零一五年	2014 二零一四年	
Hefast Holding Corporation Limited		Hong Kong 香港	Hong Kong 香港	HK\$100,000 100,000港元	100%	100%	Investment holding 投資控股
Chiho-Tiande (Hong Kong) Copper Industry Company Limited 齊合天地(香港)銅業有限公司		Hong Kong 香港	Hong Kong 香港	HK\$10,000 10,000港元	100%	100%	Inactive 無業務
Chiho-Tiande (HK) Metals Recycling Co., Limited ("CTHK Metals") 齊合天地(香港)再生金屬有限公司(「齊合香港金屬」)		Hong Kong 香港	Hong Kong 香港	HK\$35,000,000 35,000,000港元	70%	70%	Trading of metal scrap 買賣廢金屬
Chiho-Tiande (HK) Logistics Co. Limited ("CTHK Logistics") 齊合天地(香港)物流有限公司(「齊合香港物流」)	(ii)	Hong Kong 香港	Hong Kong 香港	HK\$10,000 10,000港元	36.4%	36.4%	Provide logistics services 提供物流服務
Chiho-Tiande Investments (BVI) Limited		Hong Kong 香港	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	100%	Investment holding 投資控股
Chiho-Tiande Metals Investment Limited 齊合天地金屬投資有限公司		Hong Kong 香港	Hong Kong 香港	HK\$10,000 10,000港元	100%	100%	Inactive 無業務

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

44. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

44. 本公司附屬公司詳情(續)

44a. General information of subsidiaries (continued)

44a. 附屬公司的一般資料(續)

Name of subsidiary 附屬公司名稱	notes 附註	Place/ country of operation 經營地點/國家	Place of incorporation/ establishment 註冊成立/ 成立地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊股本	Attributable equity interest and voting power held by the Group 本集團所持應佔股本權益及投票權		Principal activities 主要業務
					2015 二零一五年	2014 二零一四年	
Chiho-Tiande Resources Limited		Hong Kong 香港	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	100%	Inactive 無業務
Chiho-Tiande (Ningbo) Metals Recycling Co., Limited 齊合天地(寧波)再生金屬有限公司	(iii)	The PRC 中國	The PRC 中國	US\$20,000,000 20,000,000美元	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬
Taizhou Chiho-Tiande Foundry Company Limited 台州齊合天地鑄造有限公司	(iii)	The PRC 中國	The PRC 中國	US\$7,500,000 7,500,000美元	100%	100%	Processing and sales of metal scrap, production and sales of metal products 加工及銷售廢金屬、 生產及銷售金屬產品
Taizhou Chiho-Tiande Metals Company Limited 台州齊合天地金屬有限公司	(iii)	The PRC 中國	The PRC 中國	US\$62,382,000 (2014: US\$52,682,000) 62,382,000美元 (二零一四年: 52,682,000美元)	100%	100%	Processing and sales of metal scrap, production and sales of metal products 加工及銷售廢金屬、 生產及銷售金屬產品
Shanghai Chiho-Tiande Resource Recycling Co., Limited ("CT Shanghai") 上海齊合天地再生資源有限公司		The PRC 中國	The PRC 中國	RMB52,000,000 人民幣52,000,000元	51%	51%	Processing and sales of metal scrap 加工及銷售廢金屬

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

44. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

44. 本公司附屬公司詳情(續)

44a. General information of subsidiaries (continued)

44a. 附屬公司的一般資料(續)

Name of subsidiary 附屬公司名稱	notes 附註	Place/ country of operation 經營地點/國家	Place of incorporation/ establishment 註冊成立/ 成立地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊股本	Attributable equity interest and voting power held by the Group 本集團所持應佔股本權益及投票權		Principal activities 主要業務
					2015 二零一五年	2014 二零一四年	
Chiho-Tiande (Yantai) Resources Recycling Co. Limited 齊合天地(煙台)再生資源 有限公司	(iii)	The PRC 中國	The PRC 中國	US\$40,000,000 40,000,000美元	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬
Chiho-Tiande (Yantai) Environmental Technology Co., Limited 齊合天地(煙台)環保科技 有限公司	(iii),(iv)	The PRC 中國	The PRC 中國	US\$18,999,970 (2014: US\$7,000,000) 18,999,970美元 (二零一四年: 7,000,000美元)	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬
Lu Xin Cheng Clean Energy Limited 綠鑫城清潔能源有限公司	(v)	The PRC 中國	The PRC 中國	RMB44,468,750 人民幣44,468,750元	60%	-	Inactive 無業務

None of the subsidiaries had issued any debt securities at 31 December 2015 and 2014.

於二零一五年及二零一四年十二月三十一日概無附屬公司發行任何債務權證。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

44. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

44a. General information of subsidiaries (continued)

notes:

- (i) The Company holds CT International and Profit Gain directly and all other subsidiaries indirectly.
- (ii) Although the Group has 36.4% attributable interest in CTHK Logistics, the Group held 52% equity interest in CTHK Logistics through a 70% owned subsidiary, CTHK Metals. The directors of the Company concluded that the Group has the power to direct the relevant activities of CTHK Logistics.
- (iii) These entities are wholly-foreign owned enterprises established in the PRC.
- (iv) The registered capital is US\$88,500,000 as at 31 December 2014 and 2015, and the paid share capital is US\$18,999,970 (2014: US\$7,000,000).
- (v) The registered capital is RMB80,000,000 and the paid share capital is RMB44,468,750 as at 31 December 2015.

44. 本公司附屬公司詳情(續)

44a. 附屬公司的一般資料(續)

附註：

- (i) 本公司直接持有齊合國際及百達及間接持有所有其他附屬公司。
- (ii) 儘管本集團於齊合香港物流擁有36.4%應佔權益，本集團透過擁有70%股權的附屬公司齊合香港金屬而持有齊合香港物流52%股權。本公司董事得出結論，本集團有權力管理齊合香港物流相關業務。
- (iii) 該等實體為在中國成立的外商獨資企業。
- (iv) 於二零一四年及二零一五年十二月三十一日，註冊股本為88,500,000美元，及已繳股本為18,999,970美元(二零一四年：7,000,000美元)。
- (v) 於二零一五年十二月三十一日，註冊股本為人民幣80,000,000元，及已繳股本為人民幣44,468,750元。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

44b. Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點 主要營業地點	Proportion of ownership interests and voting right held by non-controlling interests 非控股權益所持有的所有權權益及投票權比例		(Loss) profit allocated to non-controlling interests 分配至非控股權益的(虧損)溢利		Accumulated non-controlling interests 累計非控股權益	
		2015 二零一五年	2014 二零一四年	2015 二零一五年	2014 二零一四年	2015 二零一五年	2014 二零一四年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
CTHK Metals 齊合香港金屬	Hong Kong 香港	30%	30%	(8,577)	(4,634)	(2,826)	5,752
Individually immaterial subsidiaries with non-controlling interests (note) 擁有非控股權益的個別非重大附屬公司(附註)						(71,315)	(86,446)
						(74,141)	(80,694)

note: Since these subsidiaries did not have significant assets and liabilities, the major balance of accumulated non-controlling interests arose from the share of losses in CT Shanghai.

44b. 擁有重大非控股權益的非全資附屬公司詳情

下表列示擁有重大非控股權益的本集團非全資附屬公司詳情：

附註：由於該等附屬公司並無重大資產及負債，累計非控股權益的重大結餘產生自齊合天地上海應佔虧損。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

44. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

44b. Details of non-wholly owned subsidiaries that have material non-controlling interests (continued)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

CTHK Metals

44. 本公司附屬公司詳情(續)

44b. 擁有重大非控股權益的非全資附屬公司詳情(續)

下文載列有關擁有重大非控股權益的本集團各附屬公司的財務資料概要。下文的財務資料概要指集團內對銷前金額。

齊合香港金屬

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Current assets	流動資產	158,818	180,198
Non-current assets	非流動資產	5,446	7,170
Current liabilities	流動負債	(173,683)	(168,196)
Equity attributable to owners of the Company	本公司擁有人應佔權益	(6,593)	13,420
Non-controlling interests	非控股權益	(2,826)	5,752
Revenue	收益	256,275	557,047
Expenses	開支	(284,866)	(572,494)
Loss for the year	年內虧損	(28,591)	(15,447)
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(20,014)	(10,813)
Loss attributable to non-controlling interests	非控股權益應佔虧損	(8,577)	(4,634)
Total comprehensive expense attributable to owners of the Company	本公司擁有人應佔全面開支總額	(20,014)	(10,813)
Total comprehensive expense attributable to non-controlling interests	非控股權益應佔全面開支總額	(8,577)	(4,634)
Total comprehensive expense for the year	年內全面開支總額	(28,591)	(15,447)
Net cash inflow from operating activities	經營活動現金流入淨額	37,248	85,977
Net cash outflow from investing activities	投資活動現金流出淨額	(4,608)	(3,069)
Net cash inflow (outflow) from financing activities	融資活動現金流入(流出)淨額	28,327	(91,713)
Net cash inflow (outflow)	現金流入(流出)淨額	60,967	(8,805)

5-Year Financial Summary

五年財務摘要

		Year ended 31 December 截至十二月三十一日止年度				
		2011	2012	2013	2014	2015
		二零一一年	二零一二年	二零一三年	二零一四年	二零一五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
RESULTS	業績					
Revenue	收益	9,815,522	8,202,702	7,222,003	5,877,970	3,136,633
Profit (loss) before tax	除稅前溢利(虧損)	204,459	72,034	(381,776)	(1,067,611)	(1,143,684)
Income tax expense	所得稅開支	(88,208)	(32,683)	(25,742)	(3,629)	(337)
Profit (loss) for the year attributable to:	應佔年內溢利(虧損):					
Owners of the Company	本公司擁有人	152,087	88,591	(382,920)	(1,057,980)	(1,138,804)
Non-controlling interest	非控股權益	(35,836)	(49,240)	(24,598)	(13,260)	(5,217)
		116,251	39,351	(407,518)	(1,071,240)	(1,144,021)

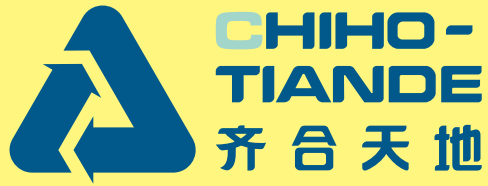
		At 31 December 於十二月三十一日				
		2011	2012	2013	2014	2015
		二零一一年	二零一二年	二零一三年	二零一四年	二零一五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
ASSETS AND LIABILITIES	資產及負債					
Total assets	資產總值	5,314,522	5,201,979	4,917,292	3,641,025	6,037,924
Total liabilities	負債總值	(3,250,502)	(3,128,437)	(3,210,603)	(2,997,669)	(1,624,090)
Net assets	淨資產	2,064,020	2,073,542	1,706,689	643,356	4,413,834

In this report, amounts denominated in US\$ have been converted into HK\$ at the rate of approximately US\$1 = HK\$7.75 for illustration purpose only.

This report is published in both English and Chinese languages. Should there be any inconsistency between the Chinese and English versions, the English version shall prevail.

於本報告內，美元金額已按約1美元兌7.75港元之匯率換算為港元，僅作說明之用。

本報告以中英文兩種語言印製，在兩種文體的說明上存在歧義時，以英文為準。



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