



CHINA FINANCIAL LEASING GROUP LIMITED

中國金融租賃集團有限公司*

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

Stock Code 股份代號 : 2312

ANNUAL REPORT
2016
年報

CONTENTS

目錄

2	Company Profile 公司簡介
3	Directors' Statement 董事報告
6	Management Discussion and Analysis 管理層討論及分析
15	Corporate Governance Report 企業管治報告
32	Environmental, Social and Governance Report 環境、社會及管治報告
36	Biographical Details of Directors 董事履歷詳情
41	Report of the Directors 董事會報告書
50	Independent Auditor's Report 獨立核數師報告書
56	Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表
57	Consolidated Statement of Financial Position 綜合財務狀況表
58	Consolidated Statement of Changes in Equity 綜合權益變動表
59	Consolidated Statement of Cash Flows 綜合現金流量表
61	Notes to the Consolidated Financial Statements 綜合財務報表附註
130	Five Year Financial Summary 五年財務概要
131	Corporate Information 公司資料



COMPANY PROFILE

公司簡介

China Financial Leasing Group Limited (Stock Code: 2312, “CFLG” or the “Company”, with its subsidiaries, collectively the “Group”) is an investment company. Incorporated in the Cayman Islands, the Company’s shares have been listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since October 2002.

CFLG strives to create value for its shareholders, leveraging on favourable market conditions. With strong government industry support, unique investment approach, and in-depth knowledge of the investment market, CFLG would remain highly adaptive to market conditions and would continue to look out for opportunities in potential sectors.

中國金融租賃集團有限公司（股份代號：2312，「中國金融租賃」或「本公司」，及其附屬公司，統稱「本集團」）為一間投資公司。本公司於開曼群島註冊成立，股份自二零零二年十月起在香港聯合交易所有限公司（「聯交所」）上市。

中國金融租賃致力憑藉有利的市場環境為其股東創造價值。通過政府對行業大力支持，本身獨特的投資方式以及對投資市場的深入認識，中國金融租賃始終對市場情況反應靈活，並將持續留意有潛力行業內的機會。

DIRECTORS' STATEMENT

董事報告

Dear Shareholders,

The Board (the "Board") of Directors (the "Directors") are pleased to present you with the 2016 Annual Report of China Financial Leasing Group Limited (the "Company"), with its subsidiaries (collectively the "Group") for the year ended 31 December 2016.

During 2016, the Group's business was mainly investments in Hong Kong listed securities continuously. The main indexes almost flat at the end of 2016 where they started after a volatile twelve months, punctuated by the People's Republic of China (the "PRC") Gross Domestic Product ("GDP") growth continues to decline and the PRC's forex reserves drop as outflow accelerates. The vote of the United Kingdom (the "U.K.") to leave the European Union and Donald Trump's win in the United States of America (the "United States") presidential election.

The losses generated from the first half of 2016 was almost the same as the Group's portfolio investment losses in overall year. The Group's portfolio can also do better performance in the second half of 2016, after the market digested the uncertainty events, the cash flow was going back to capital market and got the support.

PRC ECONOMY

In 2016, the PRC's economic stabilization, fueled by accommodative fiscal and monetary policy. Finally, the PRC's economy grew by 6.7% for the full year. That was in line with estimates from the head of the PRC's state planning agency. The growth momentum in the PRC had actually improved a little bit in the second half of the year, led by the improvement in the industrial sectors and also the financial market recovery in year-on-year growth terms.

However, the Renminbi ("RMB") continues the downtrend since the middle of 2015. The PRC reported that its foreign exchange reserves fell for a sixth straight month in December 2016, declining by United States dollar ("USD") 41 billion for the month, to USD 3.011 trillion, the lowest since early 2011. The PRC would shore the capital controls in an effort to stem

董事(「董事」)會(「董事會」)欣然向閣下呈報中國金融租賃集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)截止二零一六年十二月三十一日止年度之二零一六年年報。

於二零一六年，本集團之業務仍主要為於香港上市證券之投資。受中華人民共和國(「中國」)國內生產總值(「國內生產總值」)增長持續下降、中國的外匯儲備對外加速流出、英國(「英國」)投票離開歐盟及唐納德特朗普於美利堅合眾國(「美國」)總統大選勝出，於二零一六年，主要指數於12個月持續波動，而在二零一六年末幾乎持平。

二零一六年上半年所產生的虧損幾乎與本集團全年度證券投資組合虧損相同。市場消化一連串不確定因素後，現金回流到資本市場支持大市，使得本集團的投資組合於二零一六年下半年能夠有更好表現。

中國經濟

於二零一六年，在寬鬆的財政及貨幣政策推動下，使得中國的經濟穩定。最後，中國全年經濟增長了6.7%並符合中國國家計劃局局長的估計。工業部門的改善及金融市場復甦的同期增長帶動下，中國的增長勢頭的確於下半年改善。

然而，人民幣(「人民幣」)自二零一五年中期持續趨勢下跌，中國報告指出其外匯儲備於二零一六年十二月份連續第六個月下跌。而該月份下降了410億美元(「美元」)至3.011萬億美元，是為二零一一年初以來最低。中國將實行資本管制，致力遏制資



DIRECTORS' STATEMENT

董事報告

outflows. We believe the PRC government pursue a coordinated package of tax cuts and faster reforms of state-owned enterprises to offer the private sector more opportunities.

UNITED STATES AND EUROPEAN ECONOMY

In the United States, keeping on the right track of economic recovery and uptrend in the stock market, that is because the citing higher home prices, low unemployment and improving confidence in the economy. Therefore, the Federal Reserve followed their original plan to raise interest rates by 25 basis points to 0.75% in December 2016. It also projects there are three additional rate hikes in 2017 depending on the progress of economic recovery. The United States stock market rally and Dow hit record highs in the closing weeks of 2016 with the 20,000 level.

In contrast, the unexpected Brexit in June 2016, a major financial event took place. The U.K. voted to leave the European Union in a shocking referendum, causing mass confusion about the future of Eurozone trade, the value of the British Pound and Britain's financial institutions. Furthermore, the upcoming French presidential election and German presidential election in 2017 causing the cash flow continues to outflows and weaken in currency. Euro and British Pound accelerate to depreciate against the USD due to worry on the fate of European countries and the U.K..

PROSPECT

After both circumstances, the U.K.'s vote to leave the European Union and Donald Trump was elected as the next president of the United States, the fear of globalization and suspicion of government institutions and elites powered those black swan events happened. In the coming future, we believe the economic nationalism and trade protectionism extend among countries in European Union and Asia Pacific.

本流出。我們相信中國政府會實行一系列減稅措施及加快改革國有企業，並讓私營企業提供更多機會。

美國及歐洲經濟

在美國，美國正保持著正確的經濟復甦軌道和股市上漲的趨勢。這是因為房價上漲，低失業率以及改善了對經濟的信心。因此美國聯儲局遵循其原有計劃於二零一六年十二月份將利率上調25個基點至0.75%，並計劃著於二零一七年視乎經濟復甦進展進行3次提高利率。美國股市持續創高，道指在二零一六年最後幾個星期創紀錄的高點，達致20,000點水平。

相反，英國於二零一六年六月意外地脫離歐盟成為了主要的經濟事件。英國於震驚的全民投票中決定離開歐盟，令到人們對未來歐元區貿易、英鎊價值及英國財務機構帶來重大混亂。此外，即將於二零一七年舉行法國總統大選及德國總統大選，令到現金外流並使得貨幣疲弱。由於市場擔心英國及歐盟國家命運，歐元及英鎊對美元加速貶值。

前景

由於英國投票退出歐盟和唐納德特朗普被選為下一任美國總統以上兩者帶來的後果，對全球化的恐懼和對政府機構及精英的懷疑都促使這些黑天鵝事件的發生。於未來，我們相信經濟民族主義和貿易保護主義將延伸到歐洲聯盟和亞太地區國家。

DIRECTORS' STATEMENT

董事報告

After the Donald Trump inauguration president in the end of January 2017, he began recasting the role of the United States in the global economy. He withdraw the Trans-Pacific Partnership ("TPP") trade and warned overseas car companies he would impose a border tax of 35% on vehicles imported to the United States market. He specifically blamed the PRC as being a "currency manipulator." Those recent policy would make a big impact on Euro and the PRC capital market reaction. We expect that the global currency and stock market will be more volatile and uncertainty.

After the launch of the Shenzhen-Hong Kong Stock Connect in December 2016, Hong Kong offered a new opportunity for foreign firms to access to the Chinese capital markets, especially the recent United States protection policy and the capital controls in the PRC. Although the upcoming Hong Kong Chief Executive election, Hong Kong's major economic direction is the same. The stock market would pick up pace and volume over time and let both foreign investors to invest in Chinese markets and investors in the PRC access to the foreign markets. As long as we are able to grasp the right timing to make the right investment decision, we would make satisfactory performance from the capital market.

Last but not least, on behalf of the Board, allow me to extend my sincere gratitude to our shareholders for your continuing support. Appreciation also goes to the management team and all staff of the Group for their dedications and contributions in the past year.

Jim Ka Shun

Executive Director

Hong Kong, 28 March 2017

在唐納德特朗普於二零一七年一月尾就職總統後，他開始重申美國在全球經濟中的地位。他撤回了跨太平洋夥伴關係（「跨太平洋夥伴關係」）貿易並警告海外汽車公司他將對進口美國市場的車輛徵收35%的邊境稅。他特別指責中國是一個「貨幣操縱者」。最近這些政策將對歐洲及中國資本市場反應做成重大影響。我們預期全球貨幣及股票市場將會更加波動和不確定。

深港通於二零一六年十二月推出後，香港為外國企業提供進入中國資本市場的新機會，尤其是美國最近的保護政策和對中國的資本管制。儘管香港即將進行行政長官選舉，香港主要的經濟方向都是相同的。股市將隨著時間加快步伐及增加成交量，好讓外國投資者投資中國市場及中國投資者進入外國市場。只要我們能夠掌握正確的時機作出正確的投資決定，我們將能夠從資本市場取得滿意的表現。

最後，本人謹代表董事會對股東之持續支持致以誠摯感謝，同時亦對本集團之管理層及全體員工於過去一年之努力與貢獻表示謝意。

列位股東 台照

詹嘉淳

執行董事

香港，二零一七年三月二十八日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

During the year ended 31 December 2016, China Financial Leasing Group Limited (the “Company”), with its subsidiaries (collectively the “Group”) was mainly engaged in investments in Hong Kong listed securities for the purpose of short to medium term capital appreciation.

In the stock market with uncertainty financial events happened, the Group managed to strive gain in portfolio both in realised and unrealised aspects. It is difficult to against the weakness of Hong Kong stock market in the first half of 2016, so the maximum drawdown was generated before third quarter of 2016. Afterward, the Group’s portfolio performed better in the second half of 2016 due to the in-time strengthening of capital by way of share placement which took place in May and October in 2016. Finally, the losses in the first half of 2016 was almost the same as the Group’s portfolio investment losses in overall year. The Group’s portfolio recorded investment losses (net of realised losses and unrealised gain) for overall year. Based on the above and the operating expenses incurred during the year, the Group recorded losses for the year.

OUTLOOK

The influence of global and the People’s Republic of China (the “PRC”) economy and stock markets on Hong Kong’s capital market continue to grow. It is believed that the economy in the United States of America is on the right path for recovery and there are additional three times interest rate hike in 2017. However, other countries’ economy, especially the United Kingdom, European Union and the PRC may not be able to hold the pace.

Although the board (the “Board”) of directors (the “Directors”) has the confidence that it can overcome all these difficulties, the global GDP growth continues slower compared with previous years and economic nationalism and trade protectionism among countries make unexpected government policies and financial events outcome. We believe the Hong Kong stock market in 2017 has a lot of challenges, at the same time it would have potential investment opportunities. The Board will closely monitor the capital market to get better performance.

業務回顧

截至二零一六年十二月三十一日止年度，中國金融租賃集團有限公司（「本公司」），及其附屬公司（統稱「本集團」）主要業務為投資於香港上市證券，以達致短期資本升值。

隨著股市發生不確定的金融事件，本集團仍致力於投資組合賺取已變現及未變現收益。對於上半年香港股市的疲弱是難以抵銷的，因此最大的跌幅已在二零一六年第三季前產生。隨後，由於及時於二零一六年五月及十月份進行配售股份加強資本，本集團投資組合於二零一六年下半年表現更好。最後，二零一六年上半年的虧損幾乎與本集團全年度證券投資組合虧損相同。而本集團的投資組合最終於整個年度內錄得投資虧損（已變現虧損及未變現收益之淨額）。基於上述各項及於年內產生營運開支，本集團於年內錄得虧損。

展望

全球及中華人民共和國（「中國」）經濟及股市對香港的資本市場影響持續增加。我們相信美利堅合眾國正處於正確的經濟復甦道路上，而且二零一七年預期更會有3次加息。然而，其他國家的經濟，特別是英國、歐洲聯盟及中國並未能夠保持步伐。

儘管董事（「董事」）會（「董事會」）有信心能夠克服所有困難，但全球國內生產總值增長相比較早幾年度放慢，國家之間的經濟民族主義和貿易保護主義使政府制定不能預測的政策及金融事件發生。我們相信香港股市於二零一七年面對很多挑戰，同時，亦會出現潛在投資機會。董事會將密切監察資本市場致力爭取更好表現。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

As at 31 December 2016, the carrying value of the Group's listed equity investments was approximately HK\$66,244,000 (2015: HK\$33,725,000).

The Group recorded sales proceeds from disposals of trading equity securities of approximately HK\$53,427,000 (2015: HK\$100,467,000) for the year ended 31 December 2016 and recorded realised losses of approximately HK\$16,182,000 (2015: HK\$3,312,000) and unrealised gain of approximately HK\$929,000 (2015: losses of HK\$13,904,000). Loss for the year was approximately HK\$37,656,000 (2015: HK\$34,148,000) which was mainly attributable to the operating expenses and equity investments losses (net of unrealised gain and realised losses).

EQUITY INVESTMENTS

Listed below are the particulars of the Group's major listed and unlisted equity investments as at 31 December 2016:

財務回顧

於二零一六年十二月三十一日，本集團上市股本投資之賬面值約為66,244,000港元（二零一五年：33,725,000港元）。

本集團於截至二零一六年十二月三十一日止年度售出股本證券錄得銷售款項約53,427,000港元（二零一五年：100,467,000港元），並錄得已變現虧損約16,182,000港元（二零一五年：3,312,000港元），及未變現收益約929,000港元（二零一五年：虧損13,904,000港元）。本年度之虧損約為37,656,000港元（二零一五年：34,148,000港元），虧損主要由於營運開支以及股本投資虧損（未變現收益及已變現虧損之淨額）所致。

股本投資

本集團於二零一六年十二月三十一日之主要上市及非上市股本投資載列如下：

Name of investees	Principal activities	Number of shares	Percentage of interest held	Cost	Market prices	Market value/fair value	Dividend received for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度收取之股息	Dividend cover	Percentage of investments attributable to the Group's net assets 應佔本集團淨資產之投資百分比
所投資公司名稱	主要業務	股份數目	所持權益百分比	成本 (HK\$'000) (千港元)	市價 (HK\$) (港元)	市值／公平值 (HK\$'000) (千港元)	年度收取之股息 (HK\$) (港元)	股息比率	
Listed equity securities									
上市股本證券									
China Internet Investment Finance Holdings Limited (810) 中國互聯網投資金融集團有限公司(810)	Investment in equity securities and debt securities 投資於股本證券及債務證券	18,480,000	4.06%	7,356	0.345	6,376	-	N/A 不適用	9.04%
KSL Holdings Limited (8170)	Provision of engineering consulting, contracting and project management services in Hong Kong with a focus on geotechnical engineering works 在香港從事提供工程諮詢、承包及項目管理服務，專注於岩土工程領域	4,548,000	1.11%	13,740	2.99	13,599	-	N/A 不適用	19.28%

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Name of investees	Principal activities	Number of shares	Percentage of interest held	Cost	Market prices	Market value/fair value	Dividend received for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度收取之股息 (HK\$)	Dividend cover	Percentage of investments attributable to the Group's net assets 應佔本集團淨資產之投資百分比
所投資公司名稱	主要業務	股份數目	所持權益百分比	成本 (HK\$'000) (千港元)	市價 (HK\$) (港元)	市值／公平值 (HK\$'000) (千港元)	年度收取之股息 (HK\$) (港元)	股息比率	投資百分比
Newtree Group Holdings Limited (1323) 友川集團控股有限公司(1323)	Manufacture and trading of hygienic disposables; trading of coals; sales of household consumables, jewelries and watches; digital technology applications development, and provision of educational technology solutions 製造及買賣一次性衛生用品、買賣煤炭產品、銷售家居消耗品、珠寶及鐘錶、數碼技術應用開發、及提供教育技術解決方案	10,638,000	Less than 1% 少於1%	1,754	0.475	5,053	–	N/A 不適用	7.16%
Long Success International (Holdings) Limited ("Long Success") (8017) (Note 1) 百齡國際(控股)有限公司(「百齡」)(8017)(附註1)	Trading of wine, alcohol and trading of timber 酒及酒精貿易及木材貿易	13,450,000	Less than 1% 少於1%	8,105	–	–	–	N/A 不適用	–
Grand Peace Group Holdings Limited (8108) 福澤集團控股有限公司(8108)	Provision of funeral services, sales of funeral related products and loan financing business 提供殯儀服務、銷售相關殯儀產品及貸款融資業務	6,918,000	1.5%	15,282	2.52	17,433	–	N/A 不適用	24.72%
Zheng Li Holdings Limited (8283) 正力控股有限公司(8283)	Offer passenger car services including maintenance and repair services; and modification, tuning and grooming services, also sell passenger car spare parts and accessories in Singapore and export to other countries 提供乘用車服務，包括保養及維修服務；及改裝、調試及美容服務。亦在新加坡銷售乘用車零件及配件並將之出口至其他國家	1,225,000	Less than 1% 少於1%	6,662	5.25	6,431	–	N/A 不適用	9.12%
King Force Group Holdings Limited (8315) 冠輝集團控股有限公司(8315)	Provision of security guarding services in Hong Kong, and also engaged in mobile game business 於香港提供保安護衛服務，及從事手遊業務	80,000,000	1.12%	10,527	0.044	3,520	–	N/A 不適用	4.99%

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Name of investees	Principal activities	Number of shares	Percentage of interest held	Cost	Market prices	Market value/fair value	Dividend received for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度收取之股息 (HK\$) (港元)	Dividend cover	Percentage of investments attributable to the Group's net assets 應佔本集團淨資產之投資百分比
所投資公司名稱	主要業務	股份數目	所持權益百分比	成本 (HK\$'000) (千港元)	市價 (HK\$) (港元)	市值／公平值 (HK\$'000) (千港元)	股息 (HK\$) (港元)	股息比率	
REXLot Holdings Limited (555) 御泰中彩控股有限公司 (555)	Lottery system and games development business and distribution and marketing of lottery products in PRC 於中國從事彩票系統與遊戲開發業務及彩票產品配送與市場推廣業務	114,950,000	1.15%	17,015	0.115	13,219	–	N/A 不適用	18.74%
Yat Sing Holdings Limited (3708) 日成控股有限公司(3708)	Provide building maintenance and renovation service in Hong Kong 提供香港樓宇維修保養及翻新服務	155,000	Less than 1% 少於1%	440	3.96	613	–	N/A 不適用	Less than 1% 少於1%
Unlisted equity securities									
非上市股本證券									
Grand Leader Limited ("Grand Leader") (Note 2) 承鋒有限公司(「承鋒」)(附註2)	Operation of a coffee house 營運一家咖啡廳	30	30%	1,151	N/A 不適用	518	–	N/A 不適用	Less than 1% 少於1%

Note 1: On 19 October 2016, 9:00am, the listing of the shares of Long Success were cancelled.

附註1：百齡於2016年10月19日上午9時被取消上市地位。

Note 2: During the year, the loss of approximately HK\$633,000 arising from changes in fair value of the investment in Grand Leader was recognised in other comprehensive income and accumulated in the investment valuation reserve.

附註2：年內，於承鋒之投資因公平值變動而產生的虧損約為633,000港元，並在其他全面收益表中確認以及在投資重估儲備中累計。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

As at 31 December 2016, the Group maintained cash and cash equivalents of approximately HK\$751,000 (2015: HK\$6,441,000) which were mainly denominated in Hong Kong dollars. The Group will monitor the exposure and take prudent measures when necessary.

The gearing ratio of the Group as at 31 December 2016 was Nil (2015: Nil).

The Group had net assets of approximately HK\$70,525,000 (2015: HK\$39,986,000) and there were no borrowings or long term liabilities as at 31 December 2016 (2015: Nil).

CAPITAL STRUCTURE

As at 31 December 2016, the Company's total number of issued shares was 741,949,882 of HK\$0.02 each. On 12 May 2016, the Company entered into a placing agreement with Kingston Securities Limited ("Kingston") as placing agent where Kingston agreed to place, on a best effort basis, a maximum of 50,000,000 new shares of the Company ("Placing Share I") of HK\$0.02 each at HK\$0.58 per Placing Share I to not less than six placees who were independent third parties. The placing transaction was completed on 24 May 2016 and a total of 50,000,000 shares were issued. The gross and net proceeds were approximately HK\$29,000,000 and HK\$28,120,000 respectively. The net placing price was approximately HK\$0.56.

流動資金、財務資源及資金

於二零一六年十二月三十一日，本集團維持現金及現金等值項目約751,000港元（二零一五年：6,441,000港元），主要以港元計值。本集團將監察有關風險，並於有需要時採取審慎措施。

於二零一六年十二月三十一日，本集團之資產負債比率為零（二零一五年：零）。

於二零一六年十二月三十一日，本集團擁有淨資產約70,525,000港元（二零一五年：39,986,000港元），且無借款或長期負債（二零一五年：零）。

資本架構

截至二零一六年十二月三十一日，本公司已發行股份總數為741,949,882股，每股面值0.02港元。本公司於二零一六年五月十二日，本公司與金利豐證券有限公司（「金利豐」）（作為配售代理）訂立一項配售協議，據此，金利豐同意盡力以每股配售股份0.58港元配售最多50,000,000股每股面值0.02港元之本公司新股份予不少於六名承配人，而承配人則為獨立第三方。配售交易已於二零一六年五月二十四日完成及合共發行50,000,000股股份。所得款項總額發行及淨額分別約29,000,000港元及28,120,000港元。配售淨價約0.56港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On 12 October 2016, the Company entered into a placing agreement with Supreme China Securities Limited (“Supreme”) as placing agent where Supreme agreed to place, on a best effort basis, a maximum of 120,000,000 new shares of the Company (“Placing Share II”) of HK\$0.02 each at HK\$0.29 per Placing Share II to not less than six placees who were independent third parties. The placing transaction was completed on 27 October 2016 and a total of 120,000,000 shares were issued. The gross and net proceeds were approximately HK\$34,800,000 and HK\$33,875,000 respectively. The net placing price was approximately HK\$0.28.

The intended and actual use of proceeds from the share placement was for general working capital for the Group and potential investments to be identified.

On 12 July 2016, a total of 34,300,000 share options (the “Options”) were granted to eligible participants of the Group. The exercise price of the Options was HK\$0.4 each. The exercise period of the Options was from 12 July 2016 to 11 July 2019. No vesting period or vesting condition was imposed on the abovementioned Options. No share options were exercised or lapsed during the year.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

On 17 March 2016, the Group acquired 100% of the issued share capital of Colour Charm Holdings Limited (“Colour Charm”) at a cash consideration of approximately HK\$2,900,000. Colour Charm did not generate any revenue since its date of incorporation on 2 January 2015. The acquisition of Colour Charm did not constitute a business combination. The acquisition is for the purpose of acquiring a motor vehicle for daily operation.

Except for abovementioned, the Group has not made any material acquisition or disposal of subsidiaries during the year under review.

於二零一六年十月十二日，本公司與智華證券有限公司（「智華」）（作為配售代理）訂立一項配售協議，據此，智華同意盡力以每股配售股份0.29港元配售最多120,000,000股每股面值0.02港元之本公司新股份予不少於六名承配人，而承配人則為獨立第三方。配售交易已於二零一六年十月二十七完成及合共發行120,000,000股股份。所得款項總額及淨額分別約34,800,000港元及33,875,000港元。配售淨價約0.28港元。

股份配售所得款項之擬定及實際用途乃作為本集團之一般營運資金及尚在識別之潛在投資。

於二零一六年七月十二日，共有34,300,000份購股權（「購股權」）授予本集團合資格參與者。購股權行使價為每股0.4港元。購股權行使期由二零一六年七月十二日至二零一九年七月十一日。上述購股權不設歸屬期或歸屬條件。年內並無購股權被行駛或失效。

重大收購及出售附屬公司

於二零一六年三月十七日，本集團已按現金代價約2,900,000港元收購彩昌控股有限公司（「彩昌」）100%已發行股本。彩昌自其於二零一五年一月二日註冊成立日期起並無產生任何收益。收購彩昌並不構成業務合併。該收購事項旨在收購一輛汽車作日常營運。

除上文所述外，本集團於回顧年度並無作出任何重大收購或出售附屬公司。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

EMPLOYEE BENEFITS

As at 31 December 2016, the Group had 11 employees. Total employee benefits expenses (excluding Directors' emoluments) and Directors' emoluments for the year ended 31 December 2016 were approximately HK\$9,342,000 and HK\$3,233,000 respectively. The remuneration policy of the Group is reviewed annually and employees are remunerated based on their performance, experience and the prevailing market practice. No Director or executive is involved in dealing with his own remuneration.

In addition to salary payments, the Group has participated in the Mandatory Provident Fund Scheme ("MPF Scheme") in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority 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. Pursuant to the rules of the MPF Scheme, the Group and its employees are each required to make contributions to the MPF Scheme at 5% of each employee's monthly relevant income.

The Company maintains a share option scheme, pursuant to which share options are granted to selected directors, employees or other eligible participants of the Group, with a view to attract and retain quality personnel and to provide them with incentive to contribute to the business and operation of the Group. During the year, a total of 34,300,000 share options were granted to directors, employees or eligible participants of the Group under the Company's share option scheme. No share options were exercised or lapsed during the year. For details, please refer to the note 23 to the consolidated financial statement under the section headed "Share-based Payments".

僱員福利

於二零一六年十二月三十一日，本集團僱用11名僱員。於截至二零一六年十二月三十一日止年度之總僱員福利開支（除去董事酬金）及董事酬金分別約為9,342,000港元及3,233,000港元。本集團之薪酬政策按年檢討，及僱員根據其表現、經驗及現行市場慣例獲得薪酬。概無董事或行政人員參與決定其自身的薪酬。

除支付薪資外，本集團於香港參與強制性公積金計劃（「強積金計劃」）。強積金計劃是根據強制性公積金計劃條例向強制性公積金計劃管理局登記。強積金計劃之資產與本集團資金分開持有及受獨立信託人管理。根據強積金計劃規則，本集團及其僱員各自須按每位僱員的每月相關收入之5%向強積金計劃供款。

本公司保持一項購股權計劃，據此本集團向選定董事、僱員或其他合資格參與人授予購股權，旨在吸納及留住優秀人才，並鼓勵彼等對本集團之業務及營運作出貢獻。年內，已根據本公司購股權計劃將合共34,300,000份購股權授予本集團董事、僱員或合資格參與人。年內並無購股權被行駛或失效。詳情請參閱綜合財務報表附註23「股份基礎付款」一節內。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CHARGES ON GROUP'S ASSETS

During the year, there were no charges on the Group's assets (2015: Nil).

本集團資產抵押

年內，本集團並無任何資產抵押（二零一五年：無）。

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with such requirements may affect the substantiality of the business. The Group has allocated various resources to ensure ongoing compliance with rules and regulations.

遵守法例及法規

本集團確認法規要求的重要性，不符合該等要求的風險可能影響業務內容。本集團已分配多項資源，確保持續符合規則及規例。

During the year under review, the Group has in material compliance with the relevant laws and regulations in Hong Kong.

於回顧年度內，本集團已在重大方面遵守香港相關法例及法規。

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is principally engaged in short to medium term capital appreciation by investing in a diversified portfolio of investments in listed securities in Hong Kong, which are exposed to certain market risks including price risk, credit risk, liquidity risk and interest rate risk. The details are set out in note 6 to the consolidated financial statements under the section headed "Financial Risk Management".

主要風險及不確定性

本集團主要從事透過投資於香港上市證券的多元化投資組合在短期至中期內達致資本增值，因而面對價格風險、信貸風險、流動資金風險及利率風險等若干市場風險。詳情載於綜合財務報表附註6「財務風險管理」一節內。

FOREIGN EXCHANGE EXPOSURE

During the year, the investments of the Group were mainly denominated in Hong Kong dollars. Therefore, there was no material foreign exchange exposure to the Group.

外匯風險

年內，本集團之投資主要以港元計值。因此，本集團並無面對重大外幣兌換風險。

CONTINGENT LIABILITIES

During the year, there were no contingent liabilities noted by the Directors (2015: Nil).

或然負債

年內，董事未曾知悉有任何或然負債（二零一五年：無）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

SIGNIFICANT INVESTMENTS

As at 31 December 2016, the Group did not have any significant investments.

FINAL DIVIDEND

The Directors did not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: Nil).

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2016.

重大投資

於二零一六年十二月三十一日，本集團並無任何重大投資。

末期股息

董事並不建議派付截至二零一六年十二月三十一日止年度之末期股息（二零一五年：無）。

購買、贖回或出售本公司上市證券

截至二零一六年十二月三十一日止年度，本公司或其附屬公司並無購買、贖回或出售本公司任何上市證券。

CORPORATE GOVERNANCE REPORT

企業管治報告

China Financial Leasing Group Limited (the “Company”), with its subsidiaries (collectively the “Group”) is committed to maintaining good corporate governance standards and procedures to ensure the integrity, transparency and quality of disclosure, thereby enhancing shareholder value.

CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions of The Corporate Governance Code And Corporate Governance Report (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) as its own code of corporate governance practices. During the year ended 31 December 2016, the Company was in compliance with the code provisions set out in the CG Code except for the deviation from code provision A.4.1.

Code provision A.4.1 of the CG Code provides that non-executive directors should be appointed for a specific term and subject to re-election. The independent non-executive directors are not appointed for a specific term but they are subject to retirement by rotation at least once in every three years in accordance with the Articles of Association of the Company (the “Articles”).

Save as aforesaid and in the opinion of the directors (the “Directors”), the Company was in compliance with the code provisions set out in the CG Code during the year ended 31 December 2016.

中國金融租賃集團有限公司（「本公司」）及其附屬公司（統稱「本集團」）致力維持良好企業管治水平及程序，確保行事持正、透明度及披露質素，從而提高股東價值。

企業管治守則

本公司已採納香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載之企業管治守則及企業管治報告中之守則條文（「企業管治守則」），作為本公司之企業管治常規守則。於截至二零一六年十二月三十一日止年度，本公司遵守企業管治守則載列之守則條文，惟偏離守則條文第A.4.1條者除外。

企業管治守則之守則條文第A.4.1條規定，非執行董事應按指定任期獲委任，並膺選連任。獨立非執行董事並未按指定任期獲委任，但須根據本公司章程細則（「細則」）每三年內至少一次輪席退任。

除上述者外，董事（「董事」）認為，本公司於截至二零一六年十二月三十一日止年度已遵守企業管治守則所載之守則條文。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standards of dealings regarding securities transactions by Directors as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

All the Directors have confirmed that they have complied with the required standards as set out in the Model Code throughout the year ended 31 December 2016.

BOARD OF DIRECTORS

The Board (the "Board") of Directors is responsible for the leadership and control of the Company and oversees the Group's businesses, investment and strategic decisions and performance. The Board delegated authority and responsibility for day-to-day portfolio management of the Group to the investment manager, while reserving certain key matters for the approval by the Board. In addition, the Board has also delegated various responsibilities to the Board committees.

Further details of these committees are set out in this report. The Board currently consists of five Directors including one executive Director, and four independent non-executive Directors:

Executive Director

Mr. Jim Ka Shun

Independent non-executive Directors

Mr. Gan Wei Ping

Mr. Yip Ming

Mr. Lau Siu Hang

Mr. Tsang Chung Sing Edward

董事之證券交易

本公司已採納上市規則附錄10所載之上市發行人之董事進行證券交易之標準守則（「標準守則」）所列董事進行證券交易有關交易之規定標準。

全體董事確認，於截至二零一六年十二月三十一日止整個年度內，彼等一直遵守標準守則所載之規定標準。

董事會

董事會（「董事會」）負責領導及監控本公司，以及監督本集團之業務、投資及策略決定和表現。投資經理獲董事會授予權力及責任負責本集團之日常投資組合管理工作，惟若干重要事務須留待董事會批准除外。此外，董事會亦已委託不同責任予董事委員會。

有關該等委員會之詳情，已列載於本報告內。董事會目前由五名董事組成，包括一名執行董事、及四名獨立非執行董事：

執行董事

詹嘉淳先生

獨立非執行董事

甘偉平先生

葉明先生

劉少恒先生

曾松星先生

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board members have no financial, business, family or other material/relevant relationships with each other. Such balanced Board composition is formed to ensure strong independence exists across the Board and has met the recommended practice under the CG Code for the Board to have at least one-third of its members comprising independent non-executive Directors. The biographical information of the Directors are set out under the section headed “Biographical Details of Directors” on pages 36 to 40 of this report.

CHAIRMAN AND GENERAL MANAGER

The office of the chairman of the Board is currently vacant that the roles and duties of which are assumed by the Board. The general manager is responsible for day-to-day management of business. Therefore, a clear division of responsibilities is in place and a balance of power and authority is ensured.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The four independent non-executive Directors are persons of high caliber, with academic and professional qualifications, and extensive experience in several fields including accounting, financial, legal, corporate finance, etc. With their extensive experience, they provide strong support towards the effective discharge of the duties and responsibilities of the Board.

All independent non-executive Directors have given their annual confirmation of independence to the Company, and the Company considered that they are independent under Rule 3.13 of the Listing Rules.

All independent non-executive Directors are not appointed for a specific term, but they are subject to retirement by rotation in accordance with the Articles.

董事會成員彼此之間並無財務、業務、家族或其他重大／相關關係。董事會之組合取得平衡以確保董事會具有強大之獨立性，並已符合企業管治守則中規定董事會成員中最少有三分之一成員為獨立非執行董事之建議常規。董事之履歷載於本報告第36至40頁內之「董事履歷詳情」一節。

主席及總經理

董事會主席一職現時懸空，其角色及職責由董事會承擔。總經理負責日常業務管理。因此，職責已作出清晰劃分，確保權力及權限保持平衡。

獨立非執行董事

四名獨立非執行董事俱為能幹之人士，具備學歷及專業資歷，在多方面（包括於會計、財務、法律及企業融資等）具有豐富經驗。憑藉彼等之豐富經驗，彼等對董事會有效地履行其職責及職務提供強力支援。

全體獨立非執行董事已根據上市規則第3.13條之規定，就其獨立性向本公司發出年度確認函，本公司認為彼等確實為獨立人士。

全體獨立非執行董事之委任並無固定任期，惟彼等均須根據細則輪席告退。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD MEETINGS

During the year ended 31 December 2016, the Board has held 18 meetings. All Directors are given an opportunity to include any matters in the agenda for all Board meetings and are given sufficient time to review documents and information relating to matters to be discussed during the Board meetings in advance. For all regular Board meetings, the Board reviewed the operation and financial performance, and reviewed and approved the annual and interim results. And in order to ensure all Directors could plan in advance their availability, a notice of at least 14 days is given for regular meeting.

Details of the attendance of the board of Directors' meetings are as follows:

董事會會議

截至二零一六年十二月三十一日止年度，董事會已舉行18次會議。全體董事均有機會就所有董事會會議議題提供擬議事宜，亦獲給予充份時間，以預先審閱將於董事會會議上討論事宜之相關文件及資料。於董事會之定期董事會會議內，董事會檢討營運及財務表現，並檢討及批准年度及中期業績。為確保全體董事均能預先規劃時間出席會議，於常規會議董事均會獲發最少14天通知。

董事會會議之出席詳情如下：

Name of Directors

董事姓名

Attendance/Number of meetings

出席次數／會議次數

Executive Directors

執行董事

Mr. John Yen Jong Ling²

嚴中伶先生²

2/2

Mr. Jim Ka Shun¹

詹嘉淳先生¹

18/18

Independent Non-Executive Directors

獨立非執行董事

Mr. Gan Wei Ping

甘偉平先生

18/18

Mr. Yip Ming

葉明先生

18/18

Mr. Kwan Sai Lok Edwin³

關世樂先生³

8/9

Mr. Lam Yuk Kwan³

林玉君先生³

8/9

Mr. Lau Siu Hang

劉少恒先生

18/18

Mr. Tsang Chung Sing Edward

曾松星先生

17/18

Mr. Yun Kwok Wing Edwin³

殷國榮先生³

7/9

1. Mr. Jim Ka Shun was appointed on 1 January 2016.

2. Mr. John Yen Jong Ling resigned on 31 January 2016.

3. Mr. Kwan Sai Lok Edwin, Mr. Lam Yuk Kwan and Mr. Yun Kwok Wing Edwin retired on 25 May 2016.

1. 詹嘉淳先生於二零一六年一月一日獲委任。

2. 嚴中伶先生於二零一六年一月三十一日辭任。

3. 關世樂先生、林玉君先生及殷國榮先生於二零一六年五月二十五日卸任。

CORPORATE GOVERNANCE REPORT

企業管治報告

Board minutes are kept by the Company Secretary and are open for inspection by the Directors. Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary, and has the right to seek external professional advice if so required.

Appropriate insurance cover has been arranged in respect of relevant actions against its Directors.

DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Each newly appointed Director would receive an induction covering the Group's business operations, policies and procedures and the statutory and regulatory obligations of a director of a listed company. The Group also provides briefings and other training to develop and refresh the Directors' knowledge and skills. The Company continuously updates Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. Circulars or guidance notes are issued to Directors and senior management where appropriate, to ensure awareness of best corporate governance practices.

董事會會議記錄由公司秘書存置並公開予董事查閱。每名董事會成員均有權查閱董事會文件及有關資料，並可不受限制地得到公司秘書之意見及服務，並有權於需要時尋求外界專業意見。

本公司已安排適當保險，使其董事於面對有關法律行動時得到保障。

董事就任及持續專業發展

任何獲委任之新董事將獲提供涵蓋本集團業務營運、政策及程序及上市公司董事法定及監管責任之就任須知。本集團亦會提供簡介及其他培訓，讓董事發展及了解最新知識及技能。本公司持續提供有關上市規則及其他適用監管規定之最新信息予董事，以確保董事遵守該等規則及提高彼等對良好企業管治常規之認識。於適當情況下，本公司會向董事及高級管理層發出通函或指引，以確保知悉最佳企業管治常規。

CORPORATE GOVERNANCE REPORT

企業管治報告

According to the records provided by the Directors, during the period from 1 January 2016 to 31 December 2016, the Directors participated in the following trainings:

根據董事提供之記錄，於二零一六年一月一日至二零一六年十二月三十一日期間，董事已參與下列培訓：

Name of Directors 董事姓名		Type of trainings 培訓類型
<i>Executive Directors</i>		
Mr. John Yen Jong Ling ²	嚴中伶先生 ²	—
Mr. Jim Ka Shun ¹	詹嘉淳先生 ¹	A
<i>Independent Non-Executive Directors</i>		
Mr. Gan Wei Ping	甘偉平先生	B
Mr. Yip Ming	葉明先生	A
Mr. Kwan Sai Lok Edwin ³	關世樂先生 ³	—
Mr. Lam Yuk Kwan ³	林玉君先生 ³	—
Mr. Lau Siu Hang	劉少恒先生	A
Mr. Tsang Chung Sing Edward	曾松星先生	A
Mr. Yun Kwok Wing Edwin ³	殷國榮先生 ³	A
A: attending seminars and/or conferences and/or forums relating to directors' duties		A: 出席有關董事職責之研討會及／或會議及／或論壇
B: reading newspaper, journals and updates relating to the economy, general business or directors' duties etc.		B: 閱讀有關經濟、一般業務或董事職責等之報章、刊物及更新資料
1. Mr. Jim Ka Shun was appointed on 1 January 2016.	1. 詹嘉淳先生於二零一六年一月一日獲委任。	
2. Mr. John Yen Jong Ling resigned on 31 January 2016.	2. 嚴中伶先生於二零一六年一月三十一日辭任。	
3. Mr. Kwan Sai Lok Edwin, Mr. Lam Yuk Kwan and Mr. Yun Kwok Wing Edwin retired on 25 May 2016.	3. 關世樂先生、林玉君先生及殷國榮先生於二零一六年五月二十五日卸任。	

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION OF DIRECTORS

The Nomination Committee was established on 21 December 2011 with written terms of reference in compliance with the Listing Rules, and currently consists of three independent non-executive Directors, namely Mr. Yip Ming (Chairperson of the Nomination Committee), Mr. Tsang Chung Sing Edward and Mr. Lau Siu Hang.

The Nomination Committee is mainly responsible for reviewing the structure, size and composition of the Board, identifying qualified individuals to become members of the Board, assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors. Moreover, the committee will ensure that the Board has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance.

Board nomination and appointments will continue to be made on merit basis based on its business needs from time to time while taking into account diversity. Selection of Board candidates shall be based on a range of diversity perspectives with reference to the Group's business model and specific needs, including but not limited to gender, race, language, cultural background, educational background, industry experience and professional experience.

董事之提名

提名委員會於二零一一年十二月二十一日成立，並遵照上市規則設立其職權範圍，其目前由三名獨立非執行董事，即葉明先生（提名委員會主席）、曾松星先生及劉少恒先生組成。

提名委員會主要負責審核董事會之架構、規模以及構成，物色合資格人士加入董事會，評估獨立非執行董事之獨立性以及就委任或再度委任董事向董事會提供推薦意見。此外，委員會將確保董事會成員在技能、經驗及視角的多元化方面達到適當的平衡，從而提升董事會之效率及保持高標準的企業管治。

董事會成員之提名及委任會繼續以用人唯才為原則，以不時的業務需求作基準，並考慮多元化的裨益。董事會成員候選人會根據一系列多元化範疇挑選，並參考本集團的業務模式與特定需求，包括但不局限於性別、種族、語言、文化背景、教育背景、行業經驗及專業經驗。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year, the Nomination Committee held 1 meeting. Details of the attendance of the Nomination Committee meeting are as follows:

年內，提名委員會舉行了1次會議。提名委員會會議之出席詳情如下：

Name of Nomination Committee members 提名委員會成員姓名		Attendance/Number of meetings 出席次數／會議次數
Mr. Kwan Sai Lok Edwin ¹	關世樂先生 ¹	—
Mr. Tsang Chung Sing Edward	曾松星先生	1/1
Mr. Yun Kwok Wing Edwin ¹	殷國榮先生 ¹	—
Mr. Yip Ming ²	葉明先生 ²	1/1
Mr. Lau Siu Hang	劉少恒先生	1/1

1. Mr. Kwan Sai Lok Edwin and Mr. Yun Kwok Wing Edwin retired on 25 May 2016.
2. Mr. Yip Ming was appointed as the Chairperson of Nomination Committee on 31 May 2016.

1. 關世樂先生及殷國榮先生於二零一六年五月二十五日卸任。
2. 葉明先生於二零一六年五月三十一日獲委任為提名委員會主席。

REMUNERATION OF DIRECTORS

The Company established the Remuneration Committee on 28 June 2005 with written terms of reference in compliance with the Listing Rules, and currently consists three independent non-executive Directors, namely Mr. Lau Siu Hang (Chairperson of the Remuneration Committee), Mr. Tsang Chung Sing Edward and Mr. Yip Ming. The Remuneration Committee is mainly responsible for the determination of the specific remuneration packages of all Directors and senior management (including benefits in kind, pension rights and compensation payments), making recommendations to the Board on the matters relating to the Company's policy and structure for the remuneration of the Directors and senior management, and on the establishment of a formal and transparent procedure for developing policy on such remuneration.

董事酬金

本公司於二零零五年六月二十八日成立薪酬委員會，並遵照上市規則設立其職權範圍，其現時由三名獨立非執行董事，即劉少恒先生（薪酬委員會主席）、曾松星先生及葉明先生組成。薪酬委員會主要負責釐定所有董事及高級管理層之具體酬金組合（包括實物利益、退休金權利及補償金額），就本公司有關董事及高級管理層之薪酬政策及架構、就制定有關薪酬政策確立正規及透明之程序向董事會提供建議，以及為制訂該等薪酬相關之政策設定正式及具透明度之程序。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year, the Remuneration Committee held 2 meetings. Details of the attendance of the Remuneration Committee meeting are as follows:

年內，薪酬委員會共舉行了2次會議。薪酬委員會會議之出席詳情如下：

Name of Remuneration Committee members

薪酬委員會成員姓名

Attendance/Number of meetings

出席次數／會議次數

Mr. John Yen Jong Ling ¹	嚴中伶先生 ¹	—
Mr. Kwan Sai Lok Edwin ²	關世樂先生 ²	0/1
Mr. Lau Siu Hang	劉少恒先生	2/2
Mr. Tsang Chung Sing Edward	曾松星先生	2/2
Mr. Yun Kwok Wing Edwin ²	殷國榮先生 ²	0/1
Mr. Yip Ming ³	葉明先生 ³	1/1

1. Mr. John Yen Jong Ling resigned on 31 January 2016.

2. Mr. Kwan Sai Lok Edwin and Mr. Yun Kwok Wing Edwin retired on 25 May 2016.

3. Mr. Yip Ming was appointed as a member of Remuneration Committee on 31 May 2016.

1. 嚴中伶先生於二零一六年一月三十一日辭任。

2. 關世樂先生及殷國榮先生於二零一六年五月二十五日卸任。

3. 葉明先生於二零一六年五月三十一日獲委任為薪酬委員會成員。

AUDITOR'S REMUNERATION

The Audit Committee is mainly responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditor; reviewing the interim and annual reports and accounts of the Group; and overseeing the Group's financial reporting system and internal control procedures. During the year under review, the remuneration paid/payable to the Company's auditor, RSM Hong Kong, is set out below:

核數師酬金

審核委員會主要負責就外聘核數師之委任、重聘及免職向董事會提供推薦意見及批准聘任外聘核數師之薪酬及聘任條款，以及考慮該等核數師辭任或免職之任何問題；審核本集團之中期及年度報告以及賬目；及監督本集團之財務報告系統及內部監控程序。於回顧年度，已付／應付予本公司核數師中瑞岳華（香港）會計師事務所之酬金載列如下：

Fee paid/payable

已付／應付費用

HK\$'000

千港元

Audit services	核數服務	310
Non-audit services	非核數服務	17

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDIT COMMITTEE

The Audit Committee was established on 7 October 2002. The Audit Committee currently consists of three independent non-executive Directors, namely Mr. Tsang Chung Sing Edward (Chairperson of the Audit Committee), Mr. Yip Ming and Mr. Lau Siu Hang.

The terms of reference adopted by the Audit Committee are aligned with the code provisions set out in the CG Code.

The Audit Committee shall meet the external auditor to discuss any area of concern during the audit or review. The Audit Committee reviews the interim and annual reports before submission to the Board. The Audit Committee focuses not only on the impact of standards, but also on the Listing Rules and the legal requirements in the review of the Group's interim and annual reports.

During the year, the Audit Committee held 3 meetings and has reviewed the unaudited interim results and audited annual results of the Group for the year ended 31 December 2016 together with the auditor of the Group. In the opinion of the Audit Committee, the preparation of such results complied with the applicable accounting standards and the Listing Rules.

Major work completed by the Audit Committee during the year includes:

- reviewed the Group's annual report, interim financial information and annual financial statements;
- reviewed significant accounting and audit issues;
- reviewed the external auditor's qualifications, independence and performance;

審核委員會

本公司於二零零二年十月七日成立審核委員會。審核委員會現時由三名獨立非執行董事，即曾松星先生（審核委員會主席）、葉明先生及劉少恒先生組成。

審核委員會採納之職權範圍符合企業管治守則所載之守則條文。

審核委員會應與外聘核數師開會，以討論於審計或審閱期間發現之任何重要事宜。審核委員會將於中期報告及年報呈交董事會前進行審閱。審核委員會於審閱本集團中期報告及年報之時不單關注準則之影響，亦關注上市規則及法律規定之影響。

年內，審核委員會共舉行了3次會議，並連同本集團之核數師審閱截至二零一六年十二月三十一日止年度本集團之未經審核中期業績以及經審核全年業績。審核委員會認為，該等業績之編製符合適用會計準則及上市規則。

審核委員會於年內完成的重要工作包括：

- 審閱本集團的年報、中期財務資料及年度財務報表；
- 審閱主要會計及核數事宜；
- 審閱外聘核數師的資格、獨立身份及表現；

CORPORATE GOVERNANCE REPORT

企業管治報告

- assisted the Board to evaluate on the effectiveness of financial reporting procedures and internal control system;
- assisted the Board to evaluate on the effectiveness of financial reporting procedures and internal control system;
- advised on material event or drawing the attention of the management on related risks; and
- 就重大事件提供意見或敦請管理層垂注有關風險;及
- reviewed the adequacy and effectiveness of the Group's systems of risk management and internal control.
- 審閱本集團風險管理及內部監控系統的合適性及有效性。

Details of the attendance of the Audit Committee meeting are as follows :

審核委員會會議之出席詳情如下：

Name of Audit Committee members 審核委員會成員姓名

Attendance/Number of meetings 出席次數／會議次數

Mr. Tsang Chung Sing Edward	曾松星先生	3/3
Mr. Lam Yuk Kwan ¹	林玉君先生 ¹	2/2
Mr. Yip Ming	葉明先生	3/3
Mr. Lau Siu Hang ²	劉少恒先生 ²	1/1

1. Mr. Lam Yuk Kwan retired on 25 May 2016.

1. 林玉君先生於二零一六年五月二十五日卸任。

2. Mr. Lau Siu Hang was appointed as a member of Audit Committee on 31 May 2016.

2. 劉少恒先生於二零一六年五月三十一日獲委任為審核委員會成員。

COMPANY SECRETARY

During the year ended 31 December 2016, the Company Secretary has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

公司秘書

於截至二零一六年十二月三十一日止年度，公司秘書已妥善遵守上市規則第3.29條項下之相關專業培訓規定。

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

以投票方式表決

根據上市規則第13.39(4)條規定，股東於股東大會上所作的任何表決必須以投票方式進行，惟主席誠意決定以允許純粹與程序或行政事宜相關之決議案可以舉手投票方式表決除外。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS

The Company commits to place shareholders' interests as top priority and protect their rights as provided in the Articles. Shareholders can visit the Company's website (www.cflg.com.hk) to gain access to the Company's up-to-date information. They are entitled to be given due notice to attend all the general meetings of the Company, vote all the resolutions (except for those which shareholders may have conflict of interest and are required to abstain from voting) and raise questions to the management on the Group's status and development plans.

Shareholders as duly registered holders of the ordinary shares of the Company ("Members") are also entitled to requisition to convene an extraordinary general meeting in accordance with the Articles. Details of the requirements and procedures are as follows:

- (i) Any one or more Members 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 send a written requisition to the Board or the Company Secretary to convene a general meeting.
- (ii) The requisition must be duly signed by the requisitionist, specifying the requisitionist's name, contact details and the number of ordinary shares of the Company that the requisitionist is holding and the matters proposed to be discussed and transacted in the general meeting. The requisition must be deposited at the Company's principal place of business in Hong Kong at Room 2202, 22nd Floor, 118 Connaught Road West, Hong Kong.

股東權利

本公司致力將股東權益放在首位，並保障本公司之細則提供予彼等之權利。股東可瀏覽本公司網站(www.cflg.com.hk)以取得本公司之最新資料。彼等有權收取適當通知，出席所有本公司股東大會、投票表決所有決議案（除股東可能有利益衝突並須放棄投票者外）及就本集團之狀況及發展計劃向本公司之管理層提出詢問。

正式註冊為本公司普通股持有人之股東（「股東」）亦有權根據細則提出召開股東特別大會之請求。有關請求及程序之詳情如下：

- (i) 持有本公司繳足股本（附帶權利出席本公司股東大會）不少於十分之一之任何一名或多名股東，有權向董事會或公司秘書發出請求書，要求召開股東大會。
- (ii) 請求書必須由請求人正式簽署，列明請求人之姓名、聯絡資料及請求人持有本公司普通股之數目，以及建議於股東大會討論及處理之事務。請求書必須存放至本公司之香港主要營業地點香港干諾道西118號22樓2202室。

CORPORATE GOVERNANCE REPORT

企業管治報告

(iii) The Company will verify the requisition and upon confirming that the requisition is proper and in order, the Board will proceed with the necessary procedures including the convening of a general meeting.

(iv) The general meeting shall be held within two (2) months after the deposit of the requisition.

If the Board does not within twenty-one (21) days from the date of the deposit of the requisition proceed duly to convene a general meeting, the requisitionist himself may convene a general meeting in the same manner.

INVESTOR RELATIONS

The Company is committed to a policy of open and regular communication and reasonable disclosure of information to its shareholders so that they can exercise their rights in an informed manner. Information about the Company is disseminated to the shareholders through:

- delivery of interim and annual results and reports to all shareholders;
- publication of announcements on interim and annual results on the websites of the Company and the Stock Exchange, and issuance of other announcements and shareholders' circulars in accordance with the continuing disclosure obligations under the Listing Rules; and
- the general meeting of the Company is an effective communication channel between the Board and shareholders. As such, the Board members attended the 2016 annual general meeting and other extraordinary general meetings during the year to provide shareholders with opportunities to understand the latest development of the Group and raise questions.

(iii) 本公司將核實請求書，並於確認請求書屬適合及適當後，董事會將進行召開股東大會之必要程序。

(iv) 股東大會須於存放請求書後兩(2)個月內舉行。

倘董事會於存放請求書日期後二十一(21)日內未正式召開股東大會，則請求人可以相同方式自行召開股東大會。

投資者關係

本公司致力保持開放及定期溝通之政策，並且向其股東及投資者合理地作出資料披露，令彼等可於知情之情況下行使其權利。關於本公司之資料通過以下方式向股東發佈：

- 向全體股東提呈中期和全年業績及報告；
- 根據上市規則之持續披露責任於本公司及聯交所之網站刊登中期及全年業績公佈、發表其他公佈及刊發股東通函；及
- 本公司之股東大會乃董事會與股東之間的有效溝通渠道。因此，年內董事會成員出席二零一六年股東週年大會及其他股東特別大會，為股東提供瞭解本集團最新發展之機會及提出詢問。

CORPORATE GOVERNANCE REPORT

企業管治報告

The 2016 annual general meeting was held on 25 May 2016. The attendance record of the Directors at the general meeting is set out below:

二零一六年股東週年大會於二零一六年五月二十五日舉行。董事於股東大會之出席記錄載列如下：

Name of Directors	Attendance/ Number of general meetings
董事姓名	出席次數／股東大會次數
<i>Executive Director</i>	<i>執行董事</i>
Mr. Jim Ka Shun ¹	詹嘉淳先生 ¹ 1/1
<i>Independent Non-Executive Directors</i>	<i>獨立非執行董事</i>
Mr. Gan Wei Ping	甘偉平先生 0/1
Mr. Yip Ming	葉明先生 1/1
Mr. Kwan Sai Lok Edwin ²	關世樂先生 ² 0/1
Mr. Lam Yuk Kwan ²	林玉君先生 ² 0/1
Mr. Lau Siu Hang	劉少恒先生 1/1
Mr. Tsang Chung Sing Edward	曾松星先生 0/1
Mr. Yun Kwok Wing Edwin ²	殷國榮先生 ² 0/1

1. Mr. Jim Ka Shun was appointed on 1 January 2016.
2. Mr. Kwan Sai Lok Edwin, Mr. Lam Yuk Kwan and Mr. Yun Kwok Wing Edwin retired on 25 May 2016.

1. 詹嘉淳先生於二零一六年一月一日獲委任。
2. 關世樂先生、林玉君先生及殷國榮先生於二零一六年五月二十五日卸任。

During the year ended 31 December 2016, there were no significant changes in the Company's constitutional documents during the year.

截至二零一六年十二月三十一日止年度，本公司之章程文件於年內並無重大改動。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Group's accounts for each financial period and to ensure that the financial statements are in accordance with statutory requirements and applicable accounting standards. The Board also ensures the timely publication of the consolidated financial statements. The Directors, having made appropriate enquiries, confirm that they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

CORPORATE GOVERNANCE FUNCTIONS

The Board as a whole is responsible for performing the corporate governance duties including:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (e) to review the Company's compliance with the code and disclosure in the Corporate Governance Report.

董事對財務報表之責任

董事會確認其負責編製本集團各財務期間之賬目，並須確保財務報表符合法定要求及適用會計準則。董事會亦確保綜合財務報表準時刊發。董事於作出適當查詢後，確認彼等並不知悉任何可能會對本集團持續經營能力造成重大疑慮之事件或情況之重大不確定因素。

企業管治職能

董事會整體負責執行企業管治職責，包括：

- (a) 發展及檢討本公司有關企業管治之政策及常規；
- (b) 檢討及監察董事及高級管理層之培訓及持續專業發展；
- (c) 檢討及監察遵守法定及監管規定之本公司政策及常規；
- (d) 發展、檢討及監察適用於僱員及董事之行為守則及合規手冊（如有）；及
- (e) 檢討本公司遵守企業管治報告之守則及披露。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for overseeing the Group's risk management and internal control systems and reviewing their effectiveness at least annually.

As a part of the Group's risk management and internal control systems, appropriate policies and controls have been designed and established by the Group to ensure that assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the Group's performance are appropriately identified and managed.

However, the risk management and internal control systems can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

The Group has adopted a three-tier risk management approach to identify, evaluate and manage significant risks. The operating units of the Group, as a first line of defence, identify, evaluate, mitigate and monitor the risks, and report such risk management activities to the Group's management on a regularly basis. The Group's management, as the second line of defence, provides support to the operating units and ensure that the significant risks are properly manage and within the acceptable range and report the situation to the Board at each regularly scheduled meeting. The Board, as the final line of defence, conducts an annual review of the overall effectiveness of the Group's risk management and internal control systems.

風險管理及內部監控

董事會確認監督本集團風險管理及內部監控系統以及每年至少檢討一次該系統是否有效的責任。

作為本集團風險管理及內部監控系統的一部分，本集團設計並制訂適當的政策及監控程序，以保證資產免遭不當使用或出售、貫徹及遵守相關規則及規定、根據相關會計標準及監管申報規定進行可靠財務及會計記錄，以及及時發現並管理可能影響本集團表現的重要風險。

然而，就避免重大的失實陳述或損失而言，風險管理及內部監控系統僅能作出合理而非絕對的保證，由於該系統旨在管理而非消除未能達成業務目標的風險。

本集團已採納三級風險管理方法以識別、評估及管理重大風險。本集團營運單位，作為第一道防線，負責識別、評估、降低及監察風險，並定期就有關風險管理活動向本集團管理層報告。作為第二道防線，本集團管理層向營運單位提供支持，確保重大風險得以恰當管理並在可接受範圍內，並於定期召開的會議向董事會報告情況。董事會作為最後一道防線，負責每年審閱本集團風險管理及內部監控系統的整體有效性。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Group does not have an internal audit function and is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. It was decided that the Board would be directly responsible for internal control of the Group and for reviewing its effectiveness. Procedures have been designed for safeguarding assets against unauthorised use or disposition, ensuring the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensuring compliance with applicable laws, rules and regulations. The situation will be reviewed from time to time.

During the year, the Board has reviewed and discussed the risk management and internal control systems and no material internal control failings, weaknesses or deficiencies have been identified during the course of the review.

Based on the above, the Board were not aware of any areas of concern that would have a material impact on the Group's financial position or results of operations and considered the risk management and internal control systems to be generally effective and adequate including the adequacy of resources, staff qualifications and experience, training programs and budget of the accounting, internal control and financial reporting functions.

With respect to the monitoring and disclosure of inside information, the Group has formulated its guidelines, with an aim to ensure that the insiders abide by the confidentiality requirement and fulfill the disclosure obligation of the inside information.

本集團並無內部審核功能及認為根據目前本集團業務之規模、性質及複雜性，毋須即時於本集團內設立內部審核功能。本集團決定直接由董事會負責本集團之內部監控並審閱其效能，並已制訂程序以防止資產未經授權使用或出售、確保存有正確記錄以提供可靠財務資料作內部使用或刊發，以及確保遵守適用法律、法規及規定。該情況將不時進行檢討。

本年度內，董事會已審閱及與本集團管理層討論風險管理及內部監控系統，於審閱過程中概無發現重大內部監控失靈、弱點或缺陷。

根據以上所述，董事會並不知悉任何需關注事項會對本集團的財務狀況或營運業績產生重大影響，並認為風險管理及內部監控系統的運作整體上充足且有效，包括在資源、員工資歷及經驗、培訓計劃及在會計、內部監控及財務匯報職能的預算等方面均屬充足。

關於內幕消息的監控及披露，本集團已就保證內幕人士遵循保密要求及履行內幕消息的披露義務制定相關的指引。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) has raised the compliance levels on Environmental, Social and Governance Report (the “ESG Report”), China Financial Leasing Group Limited (the “Company”), with its subsidiaries (collectively the “Group”) is pleased to present the first ESG Report to demonstrate its commitment to sustainable development. The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide of the Stock Exchange.

CORPORATE SOCIAL RESPONSIBILITY

The Group strives to create positive values and generating economic value for the investors, the Group also dedicates to fulfill its corporate social responsibilities in order to bring lasting value to our community, environment and employees. The Group focuses on four main aspects which are environmental protection, employee wellbeing, lawful governance and community involvement.

ENVIRONMENTAL PROTECTION

The Group is committed to acting in an environmentally responsible manner through its office management and daily operation. We adhere to the principle of recycling and reducing, and implement green office practices to minimise the impact of businesses on the environment.

Below practices are being implemented by the Group for energy saving measure:

1. Double-sided printing and copying, promoting using recycled paper and reducing energy consumption by switching off idle lightings and electrical appliance.
2. Maintain the temperature at 25.5℃, an optimal temperature for comfort and energy savings.
3. Staff is recommended to switch off the lights and air-conditioning in the meeting room when it is not in use.

Being an investment company, we are also aware of our investment decision and its potential impact to the environment. Should the opportunity arise, we would consider the risk of the projects and return dynamics as well as the positive environmental effects it will have.

香港聯合交易所有限公司(「聯交所」)對環境、社會及管治報告制定的合規水平不斷提高，為展示中國金融租賃集團有限公司「本公司」，及其附屬公司(統稱「本集團」)對可持續發展的承諾，本集團撰寫了第一份環境、社會及管治報告(「ESG報告」)。ESG報告的編製是根據聯交所公布的環境、社會及管治報告指引編寫。

企業社會責任

本集團於竭力為投資者創造正面價值及帶來經濟回報外的同時，亦致力於透過持續努力履行其企業社會責任為社區、環境及員工創造長遠的價值。其中，本集團專注於四個主要方面，即環境保護、僱員福利、依法管治及社區參與。

環境保護

本集團於整個辦公室管理及日常營運過程中秉承對環境負責之態度。本集團堅守循環再用及減少使用的原則，並實踐綠色辦公室常規達至盡量減少公司對環境的影響。

以下是本集團已實施在節能方面的措施：

1. 採用雙面列印及複印、推廣環保用紙及透過關掉不使用的照明及電器來減少能源消耗。
2. 把室溫保持在攝氏二十五點五度這個最舒適及節能的溫度。
3. 當會議室閒置時，員工會關掉房中的空調和燈。

作為投資公司，我們亦知悉投資決策及其對環境的潛在影響。倘時機適合，我們可能考慮項目的風險回報機制之餘亦考量其對環境的積極影響。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

EMPLOYEE WELLBEING

The Group provides our employees with fair and competitive remuneration to motivate them. Therefore, share options are granted to selected directors (the "Directors"), employees or other eligible participants of the Group, with a view to attract and retain quality personnel and to provide them with incentive to contribute to the business and operation of the Group. During the year ended 31 December 2016, 34,300,000 share options were issued to Directors, employees and other eligible participants which can enable them to enjoy the performance of the Group.

In addition, the Group's policies and guidelines on recruitment and promotion are formulated based on the principles that:

1. We are an equal opportunity employer.
2. We make decisions to engagement relating to candidate's relevance experiences and qualifications and staff's promotion relating to performance.
3. Working hours, leaves and other fringe benefits are in line with industry practice and/or (if applicable) adjusted based on experience, qualifications and seniority of staff.

Staff breakdown

A breakdown of the number of the Company's staff and Directors as at 31 December 2016 is as follows:

	Staff 員工	Directors 董事	Total 合計
Number (At 31 December 2016) 人數 (於二零一六年十二月三十一日)	11	5	16

僱員福利

本集團給予僱員公平及具競爭力的薪酬以鼓勵彼等。據此本集團向選定董事（「董事」）、僱員或其他合資格參與人授予購股權，旨在吸納及留住優秀人才，並於二零一六年十二月三十一日止年度內向旗下董事、僱員與其他合資格參與人發行34,300,000份購股權，讓彼等從本集團的表現中獲益。

此外，本集團在招聘及晉升方面的政策及指引為：

1. 我們是平等機會僱主。
2. 我們按照應徵者相關經驗及學歷以決定聘用及員工的表現以決定晉升。
3. 工作時數、假期及其他待遇及福利與行業慣例一致，及／或（如適用）按經驗、資格及年資調整。

人數統計

於二零一六年十二月三十一日，本公司在職員工及董事人數統計如下：

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

LAWFUL GOVERNANCE

The Group has complied with the applicable employment-related laws and regulations currently in force in Hong Kong (including but not limited to those relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity diversity, anti-discrimination, other benefits and welfare), as well as we do not employ staffs who are below 18 years of age. The Group provided such rights and benefits to its employees which are no less than those required statutorily. No employees are paid less than the minimum wage specified by the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong). Monthly salary payments are made on time according to respective employment contracts.

The Group strives to uphold the highest standard of business ethics and integrity. We do not tolerate any form of corruption or malpractice such as bribery, money laundering, extortion and fraud. Being a responsible corporation, the Group strictly prohibits any acts of bribery and corruption during its business operation and reminds its employees to avoid any acts which may cause conflict of interest from time to time.

During the year under review, the Group had not been charged for any corruption within the Board, its senior management and its staff, as well as its subsidiaries and their employees, during their employment.

The Company is an investment company. During the year ended 31 December 2016, the Group mainly engages in investments in listed equity securities. It does not have any major supplier of products, raw materials or services.

依法管治

本集團遵守香港現行之適用的僱傭相關法例及法規（包括但不限於與薪酬及解僱、招聘及晉升、工作時數、假期、平等機會多元化、反對歧視、其他待遇及福利有關之法律及規例）同時亦無僱用未滿18歲之員工，並向員工提供不低於法定標準的勞工權利及福利。概無向任何僱員支付低於最低工資條例（香港法律第608章）之工資，每月薪金乃根據各員工的僱傭合約按時支付。

本集團致力堅守最高標準的商業道德及誠信準則，不會容忍賄賂、洗黑錢、敲詐及欺詐等任何形式的貪腐或違規行為。作為負責任的企業，本集團嚴禁在營運過程中有任何賄賂及貪污的行為，亦時刻提醒員工必須避免任何可能產生利益衝突的行為。

於回顧年內，本集團概無因本公司董事會、高級管理層及員工、以及旗下附屬公司或其僱員（於受僱期間）貪污而被起訴。

截至二零一六年十二月三十一日止年度，由於本公司作為一間投資公司，而本集團業務主要為其於上市股本證券之投資，故沒有任何為本集團提供產品、原材料或服務之主要供貨商。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group, together with the current Board, gives the utmost priority to regulatory compliance. The Board advocates a high level of independence so as to make independent judgements. Therefore, the Company has appointed four independent non-executive Directors. In selecting our Board members, the Company already considered the experience, knowledge and background of all four of independent non-executive Directors that can contribute to the diversity and caliber of the Group.

COMMUNITY INVOLVEMENT

The Group always endeavours to serve the community and therefore highly respects its corporate social responsibilities. The Group has also supported charity work/organisations/non-governmental organisation by participating in various activities or making donation in the total sum of approximately HK\$1,700,000. For the sake of social betterment, the Group will also identify charitable, non-profit or educational institutions and foundations that share its beliefs.

本集團，連同現屆董事會，給予監管合規最優先的關注。董事會認為，董事會應具備強烈獨立性，有效行使獨立判斷。因此，本公司已委任四名獨立非執行董事。於遴選董事會成員時，本公司已考量該四名獨立非執行董事可為本集團的多元化及才能作出貢獻的經驗、知識及背景。

社區參與

本集團一向致力回饋社會，重視履行企業的社會責任。本集團亦向慈善工作／組織／非政府組織，參與各項活動或捐款合共約1,700,000港元。本集團日後亦會繼續物色與本公司理念一致的慈善、非牟利或教育機構及基金組織，以回饋社會。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷詳情

EXECUTIVE DIRECTOR

Mr. Jim Ka Shun (“Mr. Jim”), aged 35, was appointed as executive Director of China Financial Leasing Group Limited (the “Company”) on 1 January 2016. Mr. Jim is a holder of Bachelor of Engineering in Computer Engineering from The Hong Kong University of Science and Technology in 2004. Mr. Jim is a Financial Risk Manager (FRM) granted by Global Association of Risk Professionals and a licensed person to carry out type 9 (asset management) regulated activities under the Securities and Futures Ordinance (“SFO”). Mr. Jim has over 10 years of relevant experience in financial industry, including asset management sector. Mr. Jim is the executive director and type 9 responsible officer of Great Wall Securities Limited (“Great Wall”) since April 2015. Great Wall is a licensed corporation under the SFO with regulated activities type 1, 4 and 9 to provide brokerage, asset management and investment advisory service to the clients. Mr. Jim also served as the executive director and type 9 responsible officer of Phoenician Limited, an asset management company under the SFO with regulated activities of type 9, from March 2013 to March 2015. Mr. Jim is responsible for managing the investment portfolio to meet the specific objective and overseeing the trading operation. Currently, Mr. Jim is an independent non-executive director of Sun International Resources Limited, a company listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (stock code: 8029).

Mr. Jim has entered into an appointment letter with the Company with no specific term for appointment. In accordance with the articles of association of the Company, he is subject to retirement by rotation at least once in every three years. The remuneration of Mr. Jim is HK\$600,000 per annum which is determined by the Board with reference to his respective qualifications and experiences, his respective duties and responsibilities with the Company, the Company’s performance and the prevailing market situation.

執行董事

詹嘉淳先生（「詹先生」），35歲，於二零一六年一月一日起獲委任為中國金融租賃集團有限公司（「本公司」）執行董事。詹先生於二零零四年持有香港科技大學計算機工程學士學位。詹先生是全球風險專業管理協會授予的財金風險管理分析師及可以進行證券及期貨條例（「證券及期貨條例」）下的第9類（資產管理）受規管活動之持牌人士。詹先生於金融業擁有逾10年相關經驗，包括資產管理業。自二零一五年四月起，詹先生為長城證券有限公司（「長城」）之執行董事及第9類負責人員。長城為證券及期貨條例下的第1、4及9類受規管活動之持牌法團，向客戶提供經紀、資產管理及投資顧問服務。詹先生亦為富理基有限公司之執行董事及第9類負責人員，該公司自二零一三年三月起至二零一五年三月為證券及期貨條例下的第9類受規管活動之資產管理公司。詹先生負責管理投資組合，以實現具體目標及監察交易業務。詹先生現時於太陽國際資源有限公司（一間於香港聯合交易所有限公司創業板上市之公司）（股份代號：8029）擔任獨立非執行董事。

詹先生與本公司就有關委任訂立並無特定年期之委任書。根據本公司之章程細則，彼須至少每三年輪值告退一次。詹先生之薪酬為每年600,000港元，彼等之薪酬乃由董事會經參考彼等各自之資歷及經驗、其各自於本公司之職責及職務、本公司之表現及目前市況釐定。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷詳情

Save as disclosed above, Mr. Jim does not hold any directorships in other listed public companies in the past three years. Mr. Jim does not have any relationships with other directors, senior management, substantial or controlling shareholders of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Gan Wei Ping (“Mr. Gan”), aged 53, was appointed as independent non-executive Director of the Company on 3 July 2014. Mr. Gan holds a Bachelor’s degree in Science from Hunan University. He has over 27 years of experience in banking system. Mr. Gan is retired and he worked for Shenzhen Development Bank Company Limited since 1997. The last position was sub-branch manager in Shenzhen and he was responsible for overall management and operation of the branch. From 1997 to 2001, he was manager in non-performing assets department and responsible for handling distressed assets. From 2001 to 2003, he was manager of credit department and responsible for credit valuation and monitoring assets valuation.

Mr. Gan has entered into an appointment letter with the Company with no specific term for appointment. In accordance with the articles of association of the Company, he is subject to retirement at the Company’s next annual general meeting and being eligible offer himself for re-appointment. Thereafter he is subject to retirement by rotation at least once in every three years. The remuneration of Mr. Gan is HK\$120,000 per annum which is determined by the Board with reference to his respective qualifications and experiences, his respective duties and responsibilities with the Company, the Company’s performance and the prevailing market situation.

Save as disclosed above, Mr. Gan does not hold any other positions with the Company or its subsidiaries, nor has he held any directorships in other listed public companies in the past three years. Mr. Gan does not have any relationships with other directors, senior management, substantial or controlling shareholders of the Company.

除上述披露者外，詹先生概無於本公司或於過去三年於其他公眾上市公司擔任董事。詹先生與本公司其他董事、高級管理層、主要或控股股東概無任何關連。

獨立非執行董事

甘偉平先生（「甘先生」），53歲，於二零一四年七月三日獲委任為本公司獨立非執行董事。甘先生持有湖南大學理學士學位。彼於銀行體系擁有逾27年經驗。甘先生現已退休，並自一九九七年起任職深圳發展銀行股份有限公司。彼離職前的最後職務為深圳的支行經理，負責該支行的整體管理及營運。自一九九七年至二零零一年，彼擔任不良資產部經理，負責處理不良資產。自二零零一年至二零零三年，彼擔任信貸部經理並負責信貸估值及監察資產估值。

甘先生與本公司就有關委任訂立並無特定年期之委任書。根據本公司之章程細則，甘先生須於本公司下屆股東週年大會上退任，並有資格重選連任。此後，須至少每三年輪值告退一次。甘先生之薪酬為每年120,000港元，彼等之薪酬乃由董事會經參考彼等各自之資歷及經驗、其各自於本公司之職責及職務、本公司之表現及目前市況釐定。

除上述披露者外，甘先生概無於本公司或其附屬公司擔任任何其他職位，或於過去三年於其他上市公眾公司擔任任何董事。甘先生與本公司其他董事、高級管理層、主要或控股股東概無任何關係。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷詳情

Mr. Yip Ming (“Mr. Yip”), aged 63, was appointed as independent non-executive Director of the Company on 19 December 2014. Mr. Yip is a graduate of The Institute of Fire Engineers. He had worked in the Hong Kong Fire Services Department for about 30 years and retired in 2009 at the position of Senior Divisional Officer. During his tenure, he had been seconded to attend professional and management training at The Michigan State Police Training Centre, United States of America in 1997, Fire Services Collages, England in 2003 and Peking University in 2006. He has also been appointed as the Honorary Aides De Camp to the Governor of Hong Kong from 1994 to 1997 and to the Chief Executive of Hong Kong Special Administrative Region (“HKSAR”) from 1998 to 2001. After his retirement in 2009, he worked as consultant in the Pyrotek Technology Limited until May 2014.

Mr. Yip has entered into an appointment letter with the Company with no specific term for appointment. In accordance with the articles of association of the Company, he is subject to retirement at the Company’s next annual general meeting and being eligible offer himself for re-appointment. Thereafter he is subject to retirement by rotation at least once in every three years. The remuneration of Mr. Yip is HK\$200,000 per annum which is determined by the Board with reference to his respective qualifications and experiences, his respective duties and responsibilities with the Company, the Company’s performance and the prevailing market situation.

Mr. Yip does not hold any other positions with the Company or its subsidiaries, nor has he held any directorships in other listed public companies in the past three years. Mr. Yip does not have any relationships with other directors, senior management, substantial or controlling shareholders of the Company.

葉明先生（「葉先生」），63歲，於二零一四年十二月十九日獲委任為本公司獨立非執行董事。葉先生畢業於消防工程師協會（The Institute of Fire Engineers）。彼於香港消防處工作約30年，並於二零零九年退任高級消防區長。於任職期間，彼分別於一九九七年、二零零三年及二零零六年獲調派於美國密歇根州警察培訓中心（The Michigan State Police Training Centre）、英國Fire Services Collages及北京大學接受專業及管理培訓。彼亦自一九九四年至一九九七年獲香港總督及自一九九八年至二零零一年獲香港特別行政區（「香港特別行政區」）行政長官委任為名譽副官。自其於二零零九年退任後，彼於派諾得科技有限公司擔任顧問至二零一四年五月。

葉先生與本公司就有關委任訂立並無特定年期之委任書。根據本公司之章程細則，葉先生須於本公司下屆股東週年大會上退任，並有資格重選連任。此後，須至少每三年輪值告退一次。葉先生之薪酬為每年200,000港元，彼等之薪酬乃由董事會經參考彼等各自之資歷及經驗、其各自於本公司之職責及職務、本公司之表現及目前市況釐定。

葉先生概無於本公司或其附屬公司擔任任何其他職務，或於過去三年內於其他上市公司公眾公司擔任董事。葉先生與本公司其他董事、高級管理層、主要或控股股東概無任何關係。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷詳情

Mr. Lau Siu Hang (“Mr. Lau”), aged 61, was appointed as independent non-executive Director of the Company on 12 June 2015. Mr. Lau obtained a Bachelor’s Degree of Business Administration from University of Western Sydney in 2001, and a Master of Arts Degree in Chinese Culture from The Hong Kong Polytechnic University in 2013. He retired from HKSAR Government as Principal Immigration Officer in 2010 after his 30-year service in HKSAR Government. During his tenure, he worked extensively on human resources matters and administration work. He was once seconded to Security Bureau to assume the position of Assistant Secretary for Security. Before his retirement, Mr. Lau assumed the position of Deputy Director of the Hong Kong Economic and Trade Office in Guangdong province, responsible for enhancing liaison and communication with the mainland China officials and members of trade association of Fujian, Guangdong, Guangxi, Jiangxi and Hainan provinces/ regions. Mr. Lau is currently working as a principal consultant in a consulting company, providing training relation to recruitment interviews, risk management, and services relation to financial and assets management.

Mr. Lau has entered into an appointment letter with the Company with no specific term for appointment. In accordance with the articles of association of the Company, he is subject to retirement by rotation at least once in every three years. The remuneration of Mr. Lau is HK\$200,000 per annum which is determined by the Board with reference to his respective qualification and experiences, his respective duties and responsibilities with the Company, the Company’s performance and the prevailing market situation.

Save as disclosed above, Mr. Lau does not hold any other positions with the Company or its subsidiaries, nor has he held any directorships in other listed public companies in the past three years. Mr. Lau does not have any relationships with other directors, senior management, substantial or controlling shareholders of the Company.

劉少恒先生（「劉先生」），61歲，於二零一五年六月十二日起獲委任為本公司獨立非執行董事。劉先生於二零零一年獲得西悉尼大學工商管理學士學位，及於二零一三年獲得香港理工大學中國文化學系文學碩士學位。彼於香港特別行政區政府服務30年後，於二零一零年退休，最後任職香港特別行政區政府首席入境事務主任。彼於任期內廣泛處理人力資源事宜及行政工作。彼曾暫調至保安局擔任保安局助理秘書。退休前，劉先生曾出任香港特別行政區政府駐粵經濟貿易辦事處副主任，負責加強香港與福建、廣東、廣西、江西及海南省／地區政府官員和商貿機關的聯繫及溝通。劉先生現時於一間提供招聘面試培訓、風險管理以及財務及資產管理服務的顧問公司擔任首席顧問。

劉先生與本公司就有關委任訂立並無特定年期之委任書。根據本公司之章程細則，彼須至少每三年輪值告退一次。劉先生之薪酬為每年200,000港元，乃由董事會經參考其資歷及經驗、於本公司之職責及職務、本公司之表現及目前市況釐定。

除上文披露者外，劉先生概無於本公司或其附屬公司擔任任何其他職位，或於過去三年於其他上市公司擔任董事。劉先生與本公司其他董事、高級管理層、主要或控股股東概無任何關連。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷詳情

Mr. Tsang Chung Sing Edward (“Mr. Tsang”), aged 62, was appointed as independent non-executive Director of the Company on 26 June 2015. Mr. Tsang is a holder of a Bachelor Degree in Commerce from Curtin University, Australia and a Master Degree in Business Accounting from Monash University, Australia. Mr. Tsang is also a fellow member of The Hong Kong Institute of Certified Public Accountants and a member of CPA Australia. Mr. Tsang had held senior positions in a number of Hong Kong listed companies.

Mr. Tsang has entered into an appointment letter with the Company with no specific term for appointment. In accordance with the articles of association of the Company, he is subject to retirement by rotation at least once in every three years. The remuneration of Mr. Tsang is HK\$200,000 per annum which is determined by the Board with reference to his respective qualifications and experiences, his respective duties and responsibilities with the Company, the Company's performance and the prevailing market situation.

Save as disclosed above, Mr. Tsang does not hold any other positions with the Company or its subsidiaries, nor has he held any directorships in other listed public companies. Mr. Tsang does not have any relationships with other directors, senior management, substantial or controlling shareholders of the Company.

曾松星先生（「曾先生」），62歲，於二零一五年六月二十六日獲委任為本公司獨立非執行董事。曾先生於澳洲科廷大學取得商科學士學位及於澳洲蒙納許大學取得商業會計碩士學位，彼亦為香港會計師公會之資深會員及澳洲會計師公會之會員。曾先生於多間香港上市公司擔任高級職位。

曾先生與本公司就有關委任訂立並無特定年期之委任書。根據本公司之章程細則，彼須至少每三年輪值告退一次。曾先生之薪酬為每年200,000港元，乃由董事會經參考其資歷及經驗、於本公司之職責及職務、本公司之表現及目前市況釐定。

除上文披露者外，曾先生概無於本公司或其附屬公司擔任任何其他職位，或於其他上市公司擔任董事。曾先生與本公司其他董事、高級管理層、主要或控股股東概無任何關連。

REPORT OF THE DIRECTORS

董事會報告書

The Board (the “Board”) of Directors (the “Directors”) is pleased to submit their report together with the audited consolidated financial statements of China Financial Leasing Group Limited (the “Company”) and its subsidiaries (collectively the “Group”) for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The Group is principally engaged in short to medium term capital appreciation by investing in a diversified portfolio of investments in listed securities in Hong Kong. Details of the principal activities of the subsidiaries are set out in note 16 to the consolidated financial statements.

Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a description of the principal risks and uncertainties facing the Group and indication of likely future development in the Group’s business, can be found in the Management Discussion and Analysis set out on pages 6 to 14 of this annual report. This discussion forms part of this Report of the Directors.

RESULTS AND APPROPRIATIONS

The Group’s results for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on page 56.

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

DONATIONS

Charitable and other donations made by the Group during the year amounted to HK\$1,700,000.

董事（「董事」）會（「董事會」）欣然提呈彼等之報告，連同中國金融租賃集團有限公司（「本公司」）及其附屬公司（統稱為「本集團」）截至二零一六年十二月三十一日止年度之經審核綜合財務報表。

主要業務

本集團主要從事透過投資於香港上市證券之多元化投資組合達致中短期資本升值。附屬公司主要業務詳情載於綜合財務報表附註16。

載於本年報管理層討論及分析第6至14頁之內容包含按照香港公司條例附表5要求須作出有關該等業務之進一步討論及分析，其中包括闡述本集團面臨的主要風險及不確定性以及本集團日後可能出現的業務發展。該討論構成本董事會報告書一部分。

業績及備撥

本集團截至二零一六年十二月三十一日止年度之業績載於綜合損益及其他全面收益表第56頁。

董事並不建議派付截至二零一六年十二月三十一日止年度之末期股息。

捐款

於本年度，本集團作出慈善及其他捐款1,700,000港元。

REPORT OF THE DIRECTORS

董事會報告書

TOTAL NUMBER OF ISSUED SHARES

Details of the movements in the total number of issued shares of the Company during the year are set out in note 20 to the consolidated financial statements.

SHARE OPTION SCHEME

The Company adopted a new share option scheme (the “SO Scheme”) on 12 January 2012. The purpose of the SO Scheme is to enable the Company to grant options to eligible participants as incentives or rewards for their contribution to the Group. Eligible participants of the SO Scheme include, without limitation, any persons who are employees, officers, agents, consultants or representatives of the Group. The SO Scheme became unconditional upon The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting on 13 January 2012 the approval of the listing of and the permission to deal in the shares falling to be issued pursuant to the exercise of any options to be granted under the SO Scheme and, unless otherwise cancelled or amended, shall remain in force for 10 years from the adoption date.

The maximum number of shares issuable under share options to each eligible participant in the SO Scheme and the other scheme (if any) in any 12-month’s period shall not exceed 1% of the total number of issued shares of the Company for the time being. Any further grant of share options to any eligible participant in excess of this limit is subject to shareholders’ approval in a general meeting. The total number of shares which may be issued upon exercise of all share options to be granted under the SO Scheme and the other schemes (if any) must not in aggregate exceed 10% of the shares of the Company in issue (the “10% Limit”) as at 12 January 2012, being the date of passing the resolution by the shareholders at the extraordinary general meeting approving and adopting the SO Scheme. The Company may seek approval of its shareholders in a general meeting to refresh the 10% Limit at any time in accordance with the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange.

已發行股份總數

本公司年內之已發行股份總數變動詳情載於綜合財務報表附註20。

購股權計劃

本公司於二零一二年一月十二日採納一項新購股權計劃（「購股權計劃」）。購股權計劃旨在令本公司能夠向合資格參與者授出購股權，以激勵或獎勵其為本集團所作貢獻。購股權計劃之合資格參與者包括（但不限於）本集團之僱員、高級職員、代理、顧問或代表。購股權計劃待香港聯合交易所有限公司（「聯交所」）於二零一二年一月十三日批准根據行使購股權計劃項下授出之任何購股權而將予發行之股份上市及准予買賣時成為無條件，除非經註銷或修訂，否則於採納日期起十年內有效。

於任何十二個月期間，根據購股權計劃以及其他購股權計劃（如有）授予各合資格參與者之購股權可予發行股份最高數目不得超過本公司當時之已發行股份總數之1%。向任何合資格參與者進一步授出超越此限額之購股權須先獲股東於股東大會上批准。根據購股權計劃以及其他購股權計劃（如有）將予授出之所有購股權獲行使時可予發行之股份總數，合共不得超過本公司於二零一二年一月十二日（即股東於股東特別大會通過批准及採納購股權計劃之決議案之日期）已發行股份之10%（「10%上限」）。本公司可隨時按照聯交所證券上市規則（「上市規則」）於股東大會上尋求其股東批准更新10%上限。

REPORT OF THE DIRECTORS

董事會報告書

The maximum number of shares which may be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the SO Scheme and other schemes (if any) shall not exceed 30% of the total number of issued shares of the Company from time to time. The making of an offer to any Directors, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Directors who or whose associate is a proposed grantee of the share options).

In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company or any of their respective associates, in excess of 0.1% of the total number of issued shares of the Company at any time or with an aggregate value (based on the closing price of the Company's shares at the date of the offer) in excess of HK\$5,000,000, within any 12-month's period, are subject to the shareholders' approval in a general meeting in accordance with the Listing Rules.

Any offer may be accepted by an eligible participant in respect of less than the number of shares which are offered provided that such number is clearly stated in the duplicate letter comprising acceptance of the offer duly signed by such eligible participants and received by the Company together with a remittance in favour of the Company of HK\$1 (which shall not be later than 21 days from the offer date). The exercise price of the share options is determinable by the Directors, but shall not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the offer date; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the offer date; and (iii) the nominal value of the Company's shares.

因行使合資格參與人根據購股權計劃及其他購股權計劃（如有）授出所有尚未行使之購股權可能配發及發行之股份合共最多不得超過本公司不時已發行股份總數之30%。向本公司之任何董事、主要行政人員或主要股東、或彼等各自之任何聯繫人士作出要約須先獲獨立非執行董事（不包括彼或彼之聯繫人為購股權之建議承授人之任何獨立非執行董事）批准。

此外，於任何十二個月期間內，向本公司之主要股東或獨立非執行董事、或彼等各自之任何聯繫人士授出超過本公司不時已發行股份總數之0.1%，或總值（按本公司股份於授出日期之收市價計算）超過5,000,000港元之購股權，須遵照上市規則於股東大會上獲股東批准。

合資格參與者可就少於所要約建議之股份數目接納任何要約建議，但該數目乃清楚載於本公司於要約建議可能註明之時間（不得遲於要約日期起計二十一日）接獲該合資格參與者妥為簽署之要約建議接納函件副本，連同支付予本公司之匯款1港元。購股權之行使價由董事釐定，惟不可低於(i)本公司股份於要約日期在聯交所每日報價表上所報之收市價；(ii)本公司股份於緊接要約日期前五個交易日在聯交所每日報價表上所報之平均收市價；及(iii)本公司股份之面值（以最高者為準）。

REPORT OF THE DIRECTORS

董事會報告書

On 12 July 2016, a total of 34,300,000 share options (the “Options”) were granted to eligible participants of the Company. The exercise price of the Options was HK\$0.4 each. The exercise period of the Options was from 12 July 2016 to 11 July 2019. No vesting period or vesting condition was imposed on the abovementioned Options. No Options were exercised or lapsed during the year. For details, please refer to the note 23 to the consolidated financial statement under the section headed “Share-based Payments”

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 130 of the annual report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association of the Company (the “Articles”) or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the year ended 31 December 2016.

DISTRIBUTABLE RESERVES

Under the Companies Law (2007 Revision) of the Cayman Islands, approximately HK\$147,041,000 in the share premium account and approximately HK\$19,444,000 in the reserve arising from capital reduction of the Company completed on 10 December 2012, is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. The share premium account may also be distributed in the form of fully paid bonus shares.

於二零一六年七月十二日，共有34,300,000份購股權（「購股權」）授予本公司合資格參與者。購股權行使價為每股0.4港元。購股權行使期由二零一六年七月十二日至二零一九年七月十一日。上述購股權不設歸屬期或歸屬條件。年內並無購股權被行駛或失效。詳情請參閱綜合財務報表附註23「股份基礎付款」一節內。

五年財務概要

最近五個財政年度之本集團業績及資產及負債之概要載於本年報第130頁。

優先購買權

本公司之章程細則（「細則」）或開曼群島（本公司註冊成立之司法權區）法例並無有關本公司須按比例向現有股東提呈新股之優先購買權之條文。

購買、贖回或出售本公司上市證券

截至二零一六年十二月三十一日止年度，本公司或其任何附屬公司並無購買、贖回或出售本公司任何上市證券。

可供分派儲備

根據開曼群島公司法（二零零七年修訂版），為數約147,041,000港元之股份溢價賬及於儲備中由本公司於二零一二年十二月十日完成之資本削減產生之約19,444,000港元可供分派予本公司股東，惟在緊隨建議分派股息當日後，本公司須有能力清償其在日常業務過程中到期之債務。股份溢價賬亦可以繳足紅股之方式分派。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS

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

Executive Directors

Mr. John Yen Jong Ling²
Mr. Jim Ka Shun¹

Independent Non-Executive Directors

Mr. Gan Wei Ping
Mr. Yip Ming
Mr. Kwan Sai Lok Edwin³
Mr. Lam Yuk Kwan³
Mr. Lau Siu Hang
Mr. Tsang Chung Sing Edward
Mr. Yun Kwok Wing Edwin³

1. Mr. Jim Ka Shun was appointed on 1 January 2016.
2. Mr. John Yen Jong Ling resigned on 31 January 2016.
3. Mr. Kwan Sai Lok Edwin, Mr. Lam Yuk Kwan and Mr. Yun Kwok Wing Edwin retired on 25 May 2016.

Pursuant to Article 88(1) of the Articles, Mr. Gan Wei Ping and Mr. Yip Ming will retire by rotation and, being eligible, offered themselves for re-election at the 2017 Annual General Meeting ("2017 AGM").

INDEPENDENCE CONFIRMATION

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

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the 2017 AGM has a service contract with the Company which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

董事

年內及直至本報告日期，本公司之董事如下：

執行董事

嚴中伶先生²
詹嘉淳先生¹

獨立非執行董事

甘偉平先生
葉明先生
關世樂先生³
林玉君先生³
劉少恒先生
曾松星先生
殷國榮先生³

1. 詹嘉淳先生於二零一六年一月一日獲委任。
2. 嚴中伶先生於二零一六年一月三十一日辭任。
3. 關世樂先生、林玉君先生及殷國榮先生於二零一六年五月二十五日卸任。

根據細則第88(1)條，甘偉平先生及葉明先生須在二零一七年股東週年大會（「二零一七年股東週年大會」）上輪席退任，惟符合資格膺選連任。

確認獨立性

本公司已獲得本公司各獨立非執行董事根據上市規則第3.13條發出之年度獨立性確認函。本公司認為全體獨立非執行董事均具備獨立身份。

董事之服務合約

擬於二零一七年股東週年大會膺選連任之董事，概無與本集團訂立不可於一年內在免付賠償之情況下（法定賠償除外）由本公司終止之服務合約。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE GROUP'S BUSINESS

No transaction, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiaries was a party and in which a Director of the Company and the Director's connected party had a material interest, whether directly and indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN SHARES

As at 31 December 2016, the interests or short positions in the shares, underlying shares of the Directors or chief executives of the Company (as defined in the Securities and Futures Ordinance (the "SFO")) and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules, are set out below:

董事於有關本集團業務之重大交易、安排及合約之重大權益

本公司附屬公司概無訂立有關本集團業務，且本公司董事及董事之關連方於其中直接或間接擁有重大權益，並於年末或年內任何時間存續之重大交易、安排及合約。

董事於股份之權益

於二零一六年十二月三十一日，董事或本公司主要行政人員於本公司或任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份（定義見證券及期貨條例（「證券及期貨條例」））及債券中，擁有根據證券及期貨條例第352條已記入該條規定存置之登記冊之權益或淡倉；或根據上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」）已另行知會本公司及聯交所之權益或淡倉載列如下：

Name of Director	Type of interest	Position	Number of underlying shares	Approximate percentage of the Company's total number of issued shares 佔本公司已發行股份總數概約百分比
董事姓名	權益類別	倉盤	相關股份數目	
Mr. Jim Ka Shun 詹嘉淳先生	Beneficial owner 實益擁有人	Long 好倉	5,700,000 (Note 1) (附註1)	0.77%

Note:

1. Please refer to details set out in the note 23 to the consolidated financial statements under the section headed "Share-based Payments".

附註：

1. 詳情請參閱刊載於綜合財務報表附註23「股份基礎付款」一節內。

REPORT OF THE DIRECTORS

董事會報告書

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2016, according to the information publicly disclosed, persons who had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, are set out below:

Name of shareholders	Type of interests	Position	Number of ordinary shares held	Total number of ordinary shares held	Approximate percentage of the Company's total number of issued shares
股東名稱	權益類別	倉盤	所持普通股數目	所持普通股數目總數	佔本公司已發行股份總數概約百分比
Li Denian ("Mr. Li") (Note 1) 李德念 (「李先生」) (附註1)	Beneficial owner 實益擁有人	Long 好倉	77,770,000	167,010,000	22.51%
	Interest of controlled corporation 受控制法團之權益	Long 好倉	89,240,000		
Cheung Man Kun 張文均	Beneficial owner 實益擁有人	Long 好倉	46,120,000	46,120,000	6.22%

Note:

- Dragon Metro Limited ("Dragon Metro") holds 89,240,000 shares. Mr. Li beneficially owns the entire issued share capital of Dragon Metro. Therefore, Mr. Li is deemed, or taken to be, interested in all the shares held by Dragon Metro for the purpose of the SFO.

主要股東

於二零一六年十二月三十一日，依照公開披露之資料，根據證券及期貨條例第336條規定備存之登記冊所載，在本公司之股份及相關股份擁有權益或淡倉之人士載列如下：

附註：

- Dragon Metro Limited (「Dragon Metro」) 持有 89,240,000 股股份。李先生實益擁有 Dragon Metro 全部已發行股本。因此，就證券及期貨條例而言，李先生被視為或被當作於 Dragon Metro 所持全部股份中擁有權益。

REPORT OF THE DIRECTORS

董事會報告書

CONNECTED TRANSACTION

During the year, the Company has paid/payable HK\$660,000 as investment management fee to Avia Asset Management Limited ("Avia Asset"), the investment manager of the Company for the provision of investment management services to the Company. The above transaction constitutes a de minimis continuing connected transaction which is exempted from reporting, annual review, announcement and independent shareholders' approval requirement under Rule 14A.76 (1) of the Listing Rules.

PUBLIC FLOAT

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

AUDIT COMMITTEE

The Audit Committee was established in accordance with the requirements of the code provisions of the Corporate Governance Code and Corporate Governance Report of reviewing and providing supervision over the Group's financial reporting process and internal controls.

As at the date of this report, the Audit Committee comprises three independent non-executive Directors, Mr. Tsang Chung Sing Edward (as Chairperson), Mr. Yip Ming and Mr. Lau Siu Hang.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2016.

關連交易

年內，本公司已支付／應付660,000港元予本公司投資經理輝亞資產管理有限公司（「輝亞資產」）作為投資管理費向本公司提供投資管理服務。上述交易構成一項微不足道之持續關連交易，獲豁免遵守上市規則第14A.76(1)條之申報、年度審核、公佈及獨立股東批准規定。

公眾持股量

根據本公司可公開取閱之資料以及就董事所知，於本年度及直至本報告日期為止，本公司維持上市規則所規定之足夠公眾持股量。

審核委員會

本公司已按企業管治守則及企業管治報告之規定成立審核委員會，以審閱及監察本集團之財務申報程序及內部監控。

於本報告日期，審核委員會由三名獨立非執行董事組成，分別為曾松星先生（作為主席）、葉明先生及劉少恒先生。

審核委員會已審閱本集團截至二零一六年十二月三十一日止年度之經審核綜合財務報表。

REPORT OF THE DIRECTORS

董事會報告書

AUDITOR

The consolidated financial statements for the year ended 31 December 2013 were audited by BDO Limited. The consolidated financial statements for the years ended 31 December 2014, 2015 and 2016 were audited by RSM Hong Kong.

RSM Hong Kong retires and, being eligible, offers itself for re-appointment. A resolution will be submitted to the 2017 AGM for the re-appointment of RSM Hong Kong as auditor of the Company.

On behalf of the Board
China Financial Leasing Group Limited
Jim Ka Shun
Executive Director

Hong Kong, 28 March 2017

核數師

截至二零一三年十二月三十一日止年度之綜合則務報表由香港立信德豪會計師事務所有限公司審核。截至二零一四年、二零一五年及二零一六年十二月三十一日止年度之綜合財務報表由中瑞岳華（香港）會計師事務所審核。

中瑞岳華（香港）會計師事務所已退任，並有資格重選連任。一項決議案將於二零一七年股東週年大會提呈，藉以重新委任中瑞岳華（香港）會計師事務所為本公司核數師。

代表董事會
中國金融租賃集團有限公司
詹嘉淳
執行董事

香港，二零一七年三月二十八日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



TO THE SHAREHOLDERS OF CHINA FINANCIAL LEASING GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

致中國金融租賃集團有限公司全體股東
(於開曼群島註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of China Financial Leasing Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 56 to 129, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

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

意見

我們已審計列載於第56至129頁的中國金融租賃集團有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一六年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表及綜合財務報表附註(包括主要會計政策概要)。

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

意見基礎

我們已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。根據該等準則，我們的責任於本報告核數師就審計綜合財務報表須承擔的責任中進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「守則」)，我們獨立於 貴集團，且我們已根據守則履行我們的其他道德責任。我們相信，我們所獲得的審計憑證能充足和適當地為我們的意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

KEY AUDIT MATTERS

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

We have determined that there are no key audit matters to communicate in our report.

OTHER INFORMATION

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

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

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

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

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對我們審計本期綜合財務報表最為重要的事項。該等事項是在我們審計整體綜合財務報表及出具意見時進行處理，而我們不會對該等事項提供單獨的意見。

我們釐定，在本報告中並無須溝通的關鍵審計事項。

其他資料

董事須對其他資料負責。其他資料包括載入年報的所有資料，但不包括綜合財務報表及我們有關的核數師報告。

我們對綜合財務報表作出的意見並不包括其他資料，我們亦不會對此發表任何形式的核證結論。

就我們審計綜合財務報表而言，我們的責任為閱讀其他資料，並於此過程中，考慮其他資料是否與綜合財務報表或我們於審計中所得知的情況有重大抵觸，或似乎有重大錯誤陳述。

基於我們已執行的工作，倘我們認為此其他資料有重大錯誤陳述，我們須報告有關事實。就此，我們毋須作出報告。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

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

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

董事就綜合財務報表須承擔的責任

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

於擬備綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及採用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或除此之外並無其他實際可行的辦法。

審核委員會協助董事履行彼等就監督貴集團財務申報程序須承擔的責任。

核數師就審計綜合財務報表須承擔的責任

我們的目標為合理確定綜合財務報表整體而言是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並出具載有我們意見的核數師報告。我們僅向閣下（作為整體）報告我們的意見，除此之外別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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

核數師就審計綜合財務報表須承擔的責任（續）

合理確定屬高層次的保證，惟根據香港審計準則進行的審計工作概不保證總能察覺所存在的重大錯誤陳述。錯誤陳述可因欺詐或錯誤而產生，倘個別或整體在合理預期情況下可影響使用者根據該等綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

根據香港審計準則進行審計時，我們運用專業判斷，並於整個審計過程中保持專業懷疑態度。我們亦：

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

核數師就審計綜合財務報表須承擔的責任（續）

- 對董事採用持續經營為會計基礎的恰當性作出結論，並根據所獲得的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，我們須於核數師報告中提請注意綜合財務報表中的相關披露，或倘有關披露不足，則修訂我們的意見。我們的結論乃基於截至核數師報告日期所獲得的審計憑證。然而，未來事項或情況可能導致 貴集團無法持續經營。
- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易及事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足及適當的審計憑證，以就綜合財務報表發表意見。我們須負責集團審計的方向、監督及執行。我們須為我們的審計意見承擔全部責任。

我們與審核委員會就（其中包括）審計的計劃範圍、時間安排及重大審計發現進行溝通，該等發現包括我們在審計過程中識別的內部控制的任何重大缺陷。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ng Wai Kwun.

核數師就審計綜合財務報表須承擔的責任（續）

我們亦向審核委員會作出聲明，說明我們已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響我們獨立性的所有關係及其他事宜，以及相關防範措施（如適用）。

從與審核委員會溝通的事項中，我們釐定對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項的事項。我們在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在報告中溝通某事項造成的負面後果超出產生的公眾利益，則我們決定不應在報告中溝通有關事項。

出具獨立核數師報告的審計項目合夥人為吳慧筠。

RSM Hong Kong

Certified Public Accountants
Hong Kong

28 March 2017

中瑞岳華（香港）會計師事務所

執業會計師
香港

二零一七年三月二十八日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

		Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收入	8	1	1
Other income – Sundry income	其他收入－雜項收入		11	–
Net loss on financial assets at fair value through profit or loss	透過損益按公平值計算之財務資產虧損淨額		(15,253)	(17,216)
			(15,241)	(17,215)
Administrative expenses	行政開支		(22,415)	(16,933)
Loss before tax	除稅前虧損		(37,656)	(34,148)
Income tax expense	所得稅開支	9	–	–
Loss for the year	年度虧損	10	(37,656)	(34,148)
Other comprehensive income, net of tax:	其他全面收益，扣除稅項：			
<i>Item that may be reclassified to profit or loss:</i>	可重新分類至損益之項目：			
Fair value changes of available-for-sale financial assets	可供出售財務資產之公平值變動		(633)	–
Total comprehensive income for the year attributable to owners of the Company	本公司擁有人應佔年度全面收入總額		(38,289)	(34,148)
Loss per share	每股虧損	14		
Basic (cents per share)	基本（每股港仙）		(6.04)	(5.97)
Diluted (cents per share)	攤薄（每股港仙）		(6.04)	(5.97)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2016

於二零一六年十二月三十一日

			2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
	Note 附註			
Non-current assets		非流動資產		
Property, plant and equipment	15	物業、廠房及設備	3,054	1,037
Available-for-sale financial assets	17	可供出售財務資產	518	–
			3,572	1,037
Current assets		流動資產		
Financial assets at fair value through profit or loss	18	透過損益按公平值計算之財務資產	66,244	33,725
Deposits and prepayments	19	按金及預付款項	345	198
Bank and cash balances		銀行及現金結餘	751	6,441
			67,340	40,364
Current liabilities		流動負債		
Accruals		應計費用	387	1,415
Net current assets		流動資產淨值	66,953	38,949
NET ASSETS		淨資產	70,525	39,986
Capital and reserves		資本及儲備		
Equity attributable to owners of the Company		本公司擁有人應佔權益		
Share capital	20	股本	14,839	11,439
Reserves	22	儲備	55,686	28,547
TOTAL EQUITY		總權益	70,525	39,986

Approved by the Board of Directors on 28 March 2017 and are signed on its behalf by:

於二零一七年三月二十八日經董事會批准，並由以下董事代為簽署：

Jim Ka Shun
詹嘉淳
Executive Director
執行董事

Yip Ming
葉明
Independent Non-executive Director
獨立非執行董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

		Share capital	Share premium	Capital reduction reserve	Share option reserve	Investment revaluation reserve	Accumulated losses	Total equity
		股本	股份溢價	資本削減儲備	購股權儲備	投資重估儲備	累計虧損	總權益
		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
		(note 20)	(note 22(b)(i))	(note 22(b)(iii))	(note 22(b)(iii))	(note 22(b)(iv))		
		(附註20)	(附註22(b)(i))	(附註22(b)(iii))	(附註22(b)(iii))	(附註22(b)(iv))		
At 1 January 2015	於二零一五年一月一日	11,439	88,446	19,444	-	-	(45,195)	74,134
Total comprehensive income and changes in equity for the year	年度全面收入及權益變動總額	-	-	-	-	-	(34,148)	(34,148)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	11,439	88,446	19,444	-	-	(79,343)	39,986
Total comprehensive income for the year	年度全面收入總額	-	-	-	-	(633)	(37,656)	(38,289)
Issue of shares on placements (note 20(a))	配售時發行股份 (附註20(a))	3,400	60,400	-	-	-	-	63,800
Share issue expenses	股份發行開支	-	(1,805)	-	-	-	-	(1,805)
Share-based payments (note 23)	股份基礎付款 (附註23)	-	-	-	6,833	-	-	6,833
Changes of equity for the year	年度權益變動	3,400	58,595	-	6,833	(633)	(37,656)	30,539
At 31 December 2016	於二零一六年十二月三十一日	14,839	147,041	19,444	6,833	(633)	(116,999)	70,525

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

	Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動現金流量		
Loss before tax	除稅前虧損	(37,656)	(34,148)
Adjustments for:	就以下項目作出調整:		
Depreciation	折舊	15 898	424
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	—	219
Equity-settled share-based payments	權益結算股份基礎付款	23 6,833	—
Net loss on financial assets at fair value through profit or loss	透過損益按公平值計算之財務資產虧損淨額	15,253	17,216
Operating loss before working capital changes	營運資金變動前經營虧損	(14,672)	(16,289)
Purchases of financial assets at fair value through profit or loss	購買透過損益按公平值計算之財務資產	(101,199)	(83,926)
Proceeds from disposals of financial assets at fair value through profit or loss	出售透過損益按公平值計算之財務資產之所得款項	53,427	100,467
(Increase)/decrease in deposits and prepayments	按金及預付款項 (增加)/減少	(147)	249
(Decrease)/increase in accruals	應計費用 (減少)/增加	(1,028)	1,091
Net cash (used in)/generated from operating activities	經營活動 (所用)/所得現金淨額	(63,619)	1,592
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動現金流量		
Acquisition of subsidiaries	收購附屬公司	24 (2,900)	(425)
Purchases of property, plant and equipment	購置物業、廠房及設備	15 (15)	(857)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	—	70
Purchase of available-for-sale financial assets	購置可供出售財務資產	(1,151)	—
Net cash used in investing activities	投資活動所用現金淨額	(4,066)	(1,212)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動現金流量		
Proceeds from issue of shares on placements	配售時發行股份之所得款項	63,800	—
Share issue expenses paid	已付股份發行開支	(1,805)	—
Net cash generated from financing activities	融資活動所得現金淨額	61,995	—
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目淨額（減少）／增加	(5,690)	380
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日之現金及現金等值項目	6,441	6,061
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於十二月三十一日之現金及現金等值項目	751	6,441
ANALYSIS OF CASH AND CASH EQUIVALENTS	現金及現金等值項目分析		
Bank and cash balances	銀行及現金結餘	751	6,441

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

1. GENERAL INFORMATION

China Financial Leasing Group Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2007 Revision) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Room 2202, 22nd Floor, 118 Connaught Road West, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in short to medium term capital appreciation by investing in a diversified portfolio of investments in listed and unlisted securities in Hong Kong and overseas on a general perspective. The principal activities of its subsidiaries are set out in note 16 to the consolidated financial statements.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

1. 一般資料

中國金融租賃集團有限公司(「本公司」)根據開曼群島公司法(二零零七年修訂版)於開曼群島註冊成立為獲豁免之有限公司。本公司之註冊辦事處及主要營業地點之地址分別為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands及香港干諾道西118號22樓2202室。本公司股份在香港聯合交易所有限公司(「聯交所」)主板上市。

本公司及其附屬公司(統稱「本集團」)主要從事全面投資於香港及海外上市及非上市證券之多元化投資組合以達致中短期資本升價,而附屬公司主要業務則載於綜合財務報表附註16。

2. 編製基準

該等綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之所有適用香港財務報告準則(「香港財務報告準則」)編製。香港財務報告準則包括香港財務報告準則(「香港財務報告準則」);香港會計準則(「香港會計準則」);及詮釋。該等綜合財務報表亦遵守聯交所證券上市規則之適用披露條文及香港公司條例(第622章)之披露規定。本集團採納之主要會計政策披露如下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

2. BASIS OF PREPARATION (Continued)

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

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Application of new and revised HKFRSs

The HKICPA has issued a number of new and revised HKFRSs that are first effective for annual periods beginning on or after 1 January 2016. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2016. These new and revised HKFRSs include the following which may be relevant to the Group.

2. 編製基準 (續)

香港會計師公會已頒佈於本集團本會計期間首次生效或可予提早採納之若干新訂及經修訂香港財務報告準則。附註3載列因初次應用與本集團有關並已反映於本期及過往會計期間綜合財務報表內之新訂及經修訂準則而產生的會計政策變動資料。

3. 採納新訂及經修訂香港財務報告準則

(a) 應用新訂及經修訂香港財務報告準則

香港會計師公會已頒佈若干於二零一六年一月一日或之後開始之年度期間首次生效之新訂及經修訂香港財務報告準則。該等新訂及經修訂準則對本集團編製或呈報本期或過往期間之業績及財務狀況之方式均無重大影響。

(b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團未有提前應用已頒佈但尚未於二零一六年一月一日開始之財政年度生效的新訂及經修訂香港財務報告準則。該等新訂及經修訂香港財務報告準則包括以下可能與本集團相關之準則。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(b) New and revised HKFRSs in issue but not yet effective (Continued)

3. 採納新訂及經修訂香港財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則 (續)

**Effective for
accounting periods
beginning
on or after
於該日或之後
開始的會計
期間生效**

Amendments to HKAS 7 Statement of Cash Flows: Disclosure initiative 香港會計準則第7號修訂本現金流量表：披露計劃	1 January 2017 二零一七年一月一日
Amendments to HKAS 12 Income Taxes: Recognition of deferred tax assets for unrealised losses 香港會計準則第12號修訂本所得稅：就未變現虧損確認遞延稅項資產	1 January 2017 二零一七年一月一日
HKFRS 9 Financial Instruments 香港財務報告準則第9號財務工具	1 January 2018 二零一八年一月一日
Amendments to HKFRS 2 Share-based Payment: Classification and measurement of share-based payment transactions 香港財務報告準則第2號修訂本股份基礎付款： 股份基礎付款交易分類及計量	1 January 2018 二零一八年一月一日
HKFRS 16 Leases 香港財務報告準則第16號租賃	1 January 2019 二零一九年一月一日

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. As the Group has not completed its assessment, further impacts may be identified in due course.

本集團正在評估該等修訂本及新訂準則於首次應用期間預期之影響。本集團迄今為止已識別新訂準則可能對綜合財務報表產生重大影響之若干方面。預期影響之進一步詳情討論如下。由於本集團尚未完成評估，進一步影響將於適當時候識別。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(b) New and revised HKFRSs in issue but not yet effective (Continued)

HKFRS 9 Financial Instruments

The standard replaces HKAS 39 Financial Instruments: Recognition and Measurement.

The standard introduces a new approach to the classification of financial assets which is based on cash flow characteristics and the business model in which the asset is held. A debt instrument that is held within a business model whose objective is to collect the contractual cash flows and that has contractual cash flows that are solely payments of principal and interest on the principal outstanding is measured at amortised cost. A debt instrument that is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling the instruments and that has contractual cash flows that are solely payments of principal and interest on the principal outstanding is measured at fair value through other comprehensive income. All other debt instruments are measured at fair value through profit or loss. Equity instruments are generally measured at fair value through profit or loss. However, an entity may make an irrevocable election on an instrument-by-instrument basis to measure equity instruments that are not held for trading at fair value through other comprehensive income.

3. 採納新訂及經修訂香港財務報告準則（續）

(b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則（續）

香港財務報告準則第9號財務工具

該準則取代香港會計準則第39號財務工具：確認及計量。

此準則就金融資產分類引入新方法，基於現金流量特徵及持有資產的業務模式進行。就以收取合約現金流量為目的之業務模式持有之債務工具，及擁有純粹為支付本金及尚未償還本金利息之合約現金流量之債務工具，均按攤銷成本計量。於目的為同時收取合約現金流量及出售工具之業務模式中持有之債務工具，以及擁有純粹為支付本金及尚未償還本金之利息之合約現金流量之債務工具，均以公平值計入其他全面收益計量。所有其他債務工具透過損益按公平值計量。股本工具一般透過損益按公平值計量。然而，實體可按個別工具基準作出不可撤回的選擇，將並非持作買賣之股本工具以公平值計入其他全面收益計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(b) New and revised HKFRSs in issue but not yet effective (Continued)

HKFRS 9 Financial Instruments (Continued)

The requirements for the classification and measurement of financial liabilities are carried forward largely unchanged from HKAS 39 except that when the fair value option is applied changes in fair value attributable to changes in own credit risk are recognised in other comprehensive income unless this creates an accounting mismatch.

HKFRS 9 introduces a new expected-loss impairment model to replace the incurred-loss impairment model in HKAS 39. It is no longer necessary for a credit event or impairment trigger to have occurred before impairment losses are recognised. For financial assets measured at amortised cost or fair value through other comprehensive income, an entity will generally recognise 12-month expected credit losses. If there has been a significant increase in credit risk since initial recognition, an entity will recognise lifetime expected credit losses. The standard includes a simplified approach for trade receivables to always recognise the lifetime expected credit losses.

The de-recognition requirements in HKAS 39 are carried forward largely unchanged.

3. 採納新訂及經修訂香港財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第9號財務工具 (續)

有關分類及計量財務負債之規定大致繼承香港會計準則第39號，並無重大變動，惟倘選擇按公平值計算，因自身信貸風險變動所引致之公平值變動乃於其他全面收益中確認，除非此舉會產生會計錯配。

香港財務報告準則第9號引入新預期虧損減值模式，取代香港會計準則第39號之已發生虧損減值模式。確認減值虧損前毋須再事先發生信貸事件或減值。就按攤銷成本計量或以公平值計入其他全面收益之財務資產而言，實體一般將確認12個月之預期信貸虧損。倘於初始確認後信貸風險顯著上升，實體將會確認使用年限內之預期信貸虧損。該準則就貿易應收款項納入一項簡化處理方法，在通常情況下均會確認使用年限內之預期信貸虧損。

香港會計準則第39號內終止確認之規定獲大致繼承，並無重大變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(b) New and revised HKFRSs in issue but not yet effective (Continued)

HKFRS 9 Financial Instruments (Continued)

HKFRS 9 substantially overhauls the hedge accounting requirements in HKAS 39 to align hedge accounting more closely with risk management and establish a more principle based approach.

The Group's financial assets that are currently classified as available-for-sale include unlisted equity securities. The Group expects to irrevocably designate these equity securities as fair value through other comprehensive income. This will give rise to a change in accounting policy. The unlisted equity securities are currently measured at fair value with fair value changes recognised in other comprehensive income until disposal or impairment at which point the fair value gains or losses are recycled to profit or loss. Under HKFRS 9 recycling of the fair value gains and losses is not permitted. HKFRS 9 requires fair value measurement with fair value changes recognised in other comprehensive income without recycling.

The new expected credit loss impairment model in HKFRS 9 may result in the earlier recognition of impairment losses on the Group's financial assets. The Group is unable to quantify the impact until a more detailed assessment is completed.

3. 採納新訂及經修訂香港財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第9號財務工具 (續)

香港財務報告準則第9號大幅修改香港會計準則第39號內之對沖會計規定，以使對沖會計法更符合風險管理，並設立更為符合原則基準的方法。

本集團現時分類為可供出售之財務資產包括非上市股本證券。本集團預期不可撤銷地指定該等股本證券以公平值計入其他全面收益，此舉將引致會計政策變動。非上市股本證券目前按公平值計量，而公平值變動於其他全面收益確認，直至出售或減值為止，屆時公平值收益或虧損會撥回損益。根據香港財務報告準則第9號，公平值收益及虧損為不可撥回。香港財務報告準則第9號規定，公平值變動於其他全面收益確認之公平值計量為不可撥回。

香港財務報告準則第9號之新預期信貸虧損減值模式可能導致本集團之財務資產提早確認減值虧損。本集團於更詳盡之評估完成前不能量化有關影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(b) New and revised HKFRSs in issue but not yet effective (Continued)

HKFRS 16 Leases

HKFRS 16 replaces HKAS 17 Leases and related interpretations. The new standard introduces a single accounting model for lessees. For lessees the distinction between operating and finance leases is removed and lessees will recognise right-of-use assets and lease liabilities for all leases (with optional exemptions for short-term leases and leases of low value assets). HKFRS 16 carries forward the accounting requirements for lessors in HKAS 17 substantially unchanged. Lessors will therefore continue to classify leases as operating or financing leases.

The Group's office property leases are currently classified as operating leases and the lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term. Under HKFRS 16 the Group may need to recognise and measure a liability at the present value of the future minimum lease payments and recognise a corresponding right-of-use asset for these leases. The interest expense on the lease liability and depreciation on the right-of-use asset will be recognised in profit or loss. The Group's assets and liabilities will increase and the timing of expense recognition will also be impacted as a result.

3. 採納新訂及經修訂香港財務報告準則（續）

(b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則（續）

香港財務報告準則第16號租賃

香港財務報告準則第16號取代香港會計準則第17號租賃及相關詮釋。該新訂準則引入有關承租人的單一會計處理模式。承租人無需區分經營和融資租賃，但需就全部租賃確認使用權資產及租賃負債（短期租賃及低價值資產之租賃可獲選擇性豁免）。香港財務報告準則第16號大致保留香港會計準則第17號有關出租人的會計處理規定。因此，出租人需繼續將租賃分類為經營或融資租賃。

本集團之辦公物業租賃現分類為經營租賃，租賃款項（扣除來自出租人之任何獎勵）於租期內按直線法確認為開支。根據香港財務報告準則第16號，本集團可能需就該等租賃按未來最低租賃款項之現值確認及計量負債，並確認其相應使用權資產。租賃負債之利息開支及使用權資產之折舊將於損益中確認。本集團的資產及負債將增加且開支確認之時間亦會受到影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(b) New and revised HKFRSs in issue but not yet effective (Continued)

HKFRS 16 Leases (Continued)

As disclosed in note 26, the Group's future minimum lease payments under non-cancellable operating leases for its office premises amounted to HK\$731,000 as at 31 December 2016. The Group will need to perform a more detailed assessment in order to determine the new assets and liabilities arising from these operating leases commitments after taking into account the transition reliefs available in HKFRS 16 and the effects of discounting.

4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. certain financial instruments that are measured at fair value).

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

3. 採納新訂及經修訂香港財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號租賃 (續)

誠如附註26所披露，於二零一六年十二月三十一日，本集團辦公物業之不可撤銷經營租賃項下之未來最低租賃款項為731,000港元。本集團將需進行更詳盡之評估，以於計及香港財務報告準則第16號允許之過渡安排及折讓影響後釐定該等經營租賃承擔所產生之新資產及負債。

4. 重大會計政策

此等綜合財務報表乃按歷史成本常規編製，惟於下列會計政策另有提及者除外（例如按公平值計量的若干財務資產）。

財務報表乃遵照香港財務報告準則編製，當中須採用若干主要會計估計，亦規定管理層須於應用本集團會計政策的過程中作出判斷。就綜合財務報表而言屬重大之假設及估計已於附註5披露。

編製此等綜合財務報表所應用的重大會計政策載列如下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

4. 重大會計政策（續）

(a) 綜合

綜合財務報表包括本公司及其附屬公司截至十二月三十一日的財務報表。附屬公司指本集團有控制權的實體。當本集團承受或享有參與實體所得的可變回報，且有能力透過其對實體的權力影響該等回報時，則本集團控制該實體。當本集團的現有權力賦予其目前掌控有關業務（即大幅影響實體回報的業務）時，則本集團對該實體行使權力。

在評估控制權時，本集團會考慮其潛在投票權以及其他人士持有的潛在投票權。在持有人能實際行使潛在投票權的情況下，方會考慮其權利。

附屬公司在控制權轉移至本集團之日綜合入賬，而在控制權終止之日起停止綜合入賬。

集團內公司間之交易、結餘及未變現溢利均予以對銷。除非交易提供憑證顯示所轉讓資產出現減值，否則未變現虧損亦予以對銷。倘有需要，附屬公司之會計政策會作出調整，以確保符合本集團採納之政策。

於本公司財務狀況表中，於一間附屬公司之投資按成本減減值虧損列賬，除非有關投資被分類為持作出售（或計入被分類為持作出售之出售集團）則另當別論。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Foreign currency translation

- (i) *Functional and presentation currency*
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

- (ii) *Transactions and balances in each entity's financial statements*
Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(b) 外幣換算

- (i) *功能及呈列貨幣*
納入本集團各實體財務報表的項目，均以實體於主要經濟環境經營的貨幣（「功能貨幣」）計量。綜合財務報表以港元呈列，即本公司的功能貨幣及呈列貨幣。

- (ii) *於各實體財務報表的交易及結餘*
外幣交易於初步確認時採用交易當日的匯率換算為功能貨幣。外幣的貨幣性資產及負債按各報告期末的匯率兌換。按此換算政策產生的收益及虧損均於損益確認。

按公平值計量及以外幣計值的非貨幣性項目乃按釐定公平值當日的匯率換算。

倘非貨幣性項目的盈虧於其他全面收益內確認，該盈虧的任何外匯部分乃於其他全面收益內確認。倘非貨幣性項目的盈虧於損益內確認，該盈虧的任何外匯部分乃於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Foreign currency translation (Continued)

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

4. 重大會計政策 (續)

(b) 外幣換算 (續)

(iii) 綜合賬目換算

本集團所有實體之功能貨幣倘有別於本公司之呈列貨幣，則其業績及財務狀況須按以下方式換算為本公司之呈列貨幣：

- 所呈列每份財務狀況表內資產及負債按該財務狀況表日期之收市匯率換算；
- 收入及開支按期內平均匯率換算，除非此平均匯率不足以合理概約反映於交易日期適用匯率之累計影響，則在此情況下，收入及開支按交易日期之匯率換算；及
- 所有由此而產生之匯兌差額均於其他全面收益內確認及於外幣換算儲備內累計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Foreign currency translation (Continued)

(iii) Translation on consolidation (Continued)

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

(c) Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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

(b) 外幣換算 (續)

(iii) 綜合賬目換算 (續)

於綜合時，因換算貨幣性項目而產生之匯兌差額構成於海外實體投資淨額之部分，並於其他全面收益內確認及於外幣換算儲備內累計。當售出海外業務時，該等匯兌差額乃於綜合損益重新分類為出售盈虧部份。

(c) 物業、廠房及設備

持作生產商品或提供服務，或行政用途之物業、廠房及設備於綜合財務狀況表按成本減其後累計折舊及其後累計減值虧損列賬（如有）。

其後成本乃計入資產賬面值或確認為個別資產（如適用），但只有在該項目有可能為本集團流入未來經濟利益以及可以可靠地計量該項目的成本之情況下才以此方式處理。所有其他檢修及維修乃於其產生期間在損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Property, plant and equipment (Continued)

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Motor vehicles	4 years
Furniture and office equipment	2 – 4 years

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

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

(d) Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

4. 重大會計政策（續）

(c) 物業、廠房及設備（續）

物業、廠房及設備乃以直線法於可使用年期內按足以撇銷其成本減去其剩餘價值計算折舊。以下為主要可使用年期：

汽車	四年
傢俬及 辦公室設備	二至四年

剩餘價值、可使用年期及折舊方法會於各報告期末進行審閱及調整（如適用）。

出售物業、廠房及設備的收益或虧損是出售相關資產所得款項淨額與賬面值兩者的差額，並於損益中確認。

(d) 經營租賃

資產擁有權的所有風險及回報並無大部分轉予本集團的租賃入賬列為經營租賃。租賃款項（扣除來自出租人之任何獎勵）於租賃期內以直線法在損益中確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

4. 重大會計政策（續）

(e) 確認及取消確認財務工具

當本集團成為工具合約條文的一方，則在綜合財務狀況表確認財務資產及財務負債。

當自資產收取現金流量的合約權利屆滿時；本集團將資產擁有權的絕大部分風險及回報轉讓時；或本集團既未轉讓亦無保留資產擁有權的絕大部分風險及回報時，惟尚未保留對資產的控制權時，取消確認財務資產。取消確認財務資產後，資產賬面值與已收代價及於其他全面收益內確認的累計盈虧之總和的差額於損益內確認。

當有關合約內指定的責任解除、取消或屆滿時，則取消確認財務負債。取消確認財務負債的賬面值與已付代價的差額於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial assets within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs except in the case of financial assets at fair value through profit or loss.

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are either financial assets classified as held for trading or designated as at fair value through profit or loss upon initial recognition. These financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these financial assets are recognised in profit or loss.

4. 重大會計政策（續）

(f) 財務資產

倘若根據合約買賣財務資產，而合約條款規定該財務資產須於有關市場所定時限內交付，則該財務資產將按交易日基準確認及終止確認，並初步按公平值加直接應佔交易成本計量，惟透過損益按公平值計算之財務資產除外。

本集團將其財務資產分為以下類別：透過損益按公平值計算、貸款及應收款項以及可供出售財務資產。分類取決於收購財務資產之目的。管理層於初步確認時釐定財務資產之類別。

(i) *透過損益按公平值計算之財務資產*

透過損益按公平值計算之財務資產乃分類為持作買賣之財務資產或於初步確認時指定為透過損益按公平值計算。該等財務資產其後按公平值計量。因該等財務資產之公平值變動所產生之收益或虧損乃於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Financial assets (Continued)

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at amortised cost using the effective interest method (except for short-term receivables where interest is immaterial) minus any reduction for impairment or uncollectibility. Typically other receivables, bank and cash balances are classified in this category.

(iii) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are not classified as loans and receivables or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in other comprehensive income and accumulated in the investment revaluation reserve, until the investments are disposed of or there is objective evidence that the investments are impaired, at which time the cumulative gains or losses previously recognised in other comprehensive income are reclassified from equity to profit or loss. Interest calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss.

4. 重大會計政策 (續)

(f) 財務資產 (續)

(ii) *貸款及應收款項*

貸款及應收款項為固定或可釐定付款之非衍生財務資產，其並無於交投活躍之市場中報價。此等資產採用實際利率法按攤銷成本（惟利息並不重大之短期應收款項除外）減因減值或不可收回款項作出任何扣減列賬。一般情況下，其他應收款項、銀行及現金結餘歸入此類。

(iii) *可供出售財務資產*

可供出售財務資產為並非分類為透過損益按公平值計算之貸款及應收款項或財務資產之非衍生財務資產。可供出售財務資產隨後按公平值計量。該等投資公平值變動產生之收益或虧損於其他全面收益確認及於投資重估儲備累計，直至該等資產售出或有客觀證據表明該等資產減值，屆時之前於其他全面收益確認之累計收益或虧損從權益重新分類至損益。使用實際利率法計算之利息及可供出售股本投資之股息於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

If collection of other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

(h) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

(i) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

4. 重大會計政策（續）

(g) 其他應收款項

其他應收款項初步按公平值確認，其後採用實際利率法按攤銷成本扣除減值撥備計量。

倘預期於一年或以內（或（倘較長）於業務一般經營週期內）收回其他應收款項，則有關款項分類為流動資產。否則，則呈列為非流動資產。

(h) 現金及現金等值項目

就現金流量表而言，現金及現金等值項目指銀行及手頭現金、在銀行及其他財務機構的活期存款，以及期限短、流動性強、易於轉換成已知金額的現金、且價值變動風險很小的投資。須按要求償還並為本集團現金管理的組成部分的銀行透支，亦包括在現金及現金等值項目內。

(i) 財務負債及權益性工具

財務負債及權益性工具按所訂立合約安排的內容及香港財務報告準則中財務負債及權益性工具的定義分類。權益性工具指能證明擁有本集團在減除所有負債後的資產中的剩餘權益的合約。就特定財務負債及權益性工具所採納的會計政策列載如下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Other payables

Other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(k) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(l) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Interest income is recognised on a time-proportion basis using the effective interest method.

(m) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

4. 重大會計政策（續）

(j) 其他應付款項

其他應付款項初步按公平值確認，其後採用實際利率法按攤銷成本計量，除非貼現影響甚微，在此情況下，則按成本列賬。

(k) 權益性工具

本公司發行之權益性工具按已收所得款項扣除直接發行成本列賬。

(l) 收入確認

收入按已收或應收代價的公平值計量，並於經濟利益將流入本集團而收入金額能可靠地計量時確認。

利息收入按時間比例採用實際利率法確認。

(m) 僱員福利

(i) 僱員應享假期

僱員應享年假及長期服務假期隨員工累積假期予以確認。本集團已因僱員提供服務至報告期末的年假及長期服務假期而產生的估計負債作出撥備。

僱員應享病假及產假於僱員放假時方會確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Employee benefits (Continued)

(ii) Pension obligations

The Group operates a mandatory provident fund scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group’s contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of HK\$1,500 per employee and vest fully with employees when contributed into the MPF Scheme.

(iii) Termination benefits

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

(n) Share-based payments

The Group issues equity-settled share-based payments to certain directors, employees and consultants.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. 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 shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

4. 重大會計政策（續）

(m) 僱員福利（續）

(ii) 退休金責任

根據香港強制性公積金計劃條例，本集團會為所有香港合資格僱員參與強制性公積金計劃（「強積金計劃」）。本集團於強積金計劃供款為薪金及工資的5%，每名僱員的每月最高供款金額為1,500港元，並於注資予強積金計劃時全數歸屬予僱員。

(iii) 終止服務福利

終止服務福利會於本集團無法撤回福利提供及本集團確認重組成本並涉及支付終止服務福利的較早日期予以確認。

(n) 股份基礎付款

本集團向若干董事、僱員及顧問支付以權益結算股份基礎付款。

向董事及僱員支付以權益結算股份基礎付款按權益性工具於授出日期之公平值計量（不包括非市場為本之歸屬條件之影響）。於以權益結算股份基礎付款授出日期所釐定的公平值，乃依據本集團對最終歸屬股份之估計，並對非市場為本之歸屬條件之影響作出調整，按直線法於歸屬期間支銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Share-based payments (Continued)

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or, if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an expense.

(o) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's 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 differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

4. 重大會計政策（續）

(n) 股份基礎付款（續）

向顧問支付之以權益結算股份基礎付款乃按提供服務之公平值計量，或倘不能可靠計量提供服務的公平值，則按所授出權益性工具的公平值計量。公平值乃於本集團接受服務日期計量及確認為開支。

(o) 稅項

所得稅為當期稅項與遞延稅項的總和。

當期應付稅項乃按年度應課稅溢利計算。由於其他年度的應課稅或可扣減收入或開支項目以及永遠毋須課稅或不可扣減的項目，應課稅溢利與損益中所確認的溢利不同。本集團的當期稅項負債，應按報告期末前已執行或實質上已執行的稅率計算。

遞延稅項根據綜合財務報表中資產及負債的賬面值與用作計算應課稅溢利的相應稅基兩者之間的差額。通常會就所有應課稅暫時性差額確認遞延稅項負債，而遞延稅項資產乃於有應課稅溢利可用以抵銷可扣減暫時性差額、未動用稅項虧損或未動用稅項抵免時確認。倘暫時性差額是因既不影響應課稅溢利也不影響會計溢利的交易中的資產及負債的初步確認而產生，則不會確認該等資產及負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4. 重大會計政策（續）

(o) 稅項（續）

遞延稅項負債就於附屬公司的投資導致的應課稅暫時性差額確認，除非本集團能夠控制暫時性差額的撥回及暫時性差額於可見將來將不太可能撥回。

遞延稅項資產的賬面值會於各報告期末作出檢討，並在不再可能有足夠應課稅溢利抵銷全部或部分將予收回之資產時作出相應調低。

遞延稅項乃基於報告期末前已執行或實質上已執行的稅率，按預期於清償負債或變現資產期間應用的稅率計算。遞延稅項於損益中確認，惟倘其與其他全面收益或直接於權益確認之項目有關，則在此情況下遞延稅項亦於其他全面收益或直接於權益確認。

遞延稅項資產及負債的計量反映本集團預期於報告期末收回或結算其資產及負債賬面值的稅務後果。

當有法定可強制執行權利將即期稅項資產與即期稅項負債互相抵銷，且彼等與同一稅務當局徵收的所得稅相關，以及本集團擬按淨額基準結算即期稅項資產及負債，則會將遞延稅項資產與負債互相抵銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss and other comprehensive income to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated pro rata amongst the assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

4. 重大會計政策（續）

(p) 非財務資產減值

非財務資產之賬面值於各報告日期檢討有否出現減值跡象，倘資產已減值，則作為開支透過綜合損益及其他全面收益表撇減至其估計可收回金額。可收回金額就個別資產釐定，惟倘資產並無產生很大程度上獨立於其他資產或資產組合之現金流入，則可收回金額就資產所屬之現金產生單位釐定。可收回金額按個別資產或現金產生單位之使用價值與公平值減出售成本兩者中之較高者計算。

使用價值為資產／現金產生單位估計未來現金流量之現值。現值按反映貨幣時間價值及資產／現金產生單位（已計量減值）之特有風險之稅前貼現率計算。

現金產生單位減值虧損按比例在現金產生單位資產間進行分配。因估計變動而導致其後可收回金額增加將計入損益直至撥回減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Impairment of financial assets

At the end of each reporting period, the Group assesses whether its financial assets (other than those at fair value through profit or loss) are impaired, based on objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the (group of) financial asset(s) have been affected.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered also to be objective evidence of impairment.

For all financial assets, the carrying amount is directly reduced by the impairment loss.

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

4. 重大會計政策（續）

(q) 財務資產減值

本集團會於各報告期末根據客觀證據（即（一組）財務資產之估計未來現金流量由於初步確認後發生之一項或多項事件而受到影響）評估其財務資產（透過損益按公平值計算之財務資產除外）有否減值。

就可供出售權益性工具而言，投資之公平值大幅或長期下降至低於其成本亦被視為減值之客觀證據。

就全部財務資產而言，賬面值會直接按減值虧損作出扣減。

就按攤銷成本計量的財務資產而言，倘減值虧損之金額於其後期間減少，而該減少可以客觀地與確認減值後發生之一項事件有關，則先前已確認之減值虧損直接透過損益撥回。然而，撥回不得導致撥回減值當日之賬面值超過該財務資產於未確認減值時之攤銷成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Provisions and contingent liabilities

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

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

(s) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. 重大會計政策（續）

(r) 撥備及或然負債

倘本集團因過往事件負上現有法律或推定責任而可能需要以經濟利益流出履行義務，並能作出可靠估計時，便會就未有確定時間或金額之負債確認撥備。倘金錢的時間價值重大，撥備會以履行義務預期支出的現值列賬。

倘需要經濟利益流出的可能性不大，或未能可靠估計有關金額，則除非經濟利益流出的可能性極微，否則有關責任將列作或然負債披露。須視乎一項或多項未來事件是否發生才能確定存在與否的潛在責任，亦會披露為或然負債，除非經濟利益流出的可能性極微則作別論。

(s) 報告期後事項

提供本集團於報告期末狀況額外資料的報告期後事項為調整事項，並反映於綜合財務報表。並非調整事項的報告期後事項，倘屬重大時，則於綜合財務報表附註內披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

The carrying amount of property, plant and equipment as at 31 December 2016 was approximately HK\$3,054,000 (2015: HK\$1,037,000).

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: price risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

5. 估計不明朗因素的主要來源

於報告期末，涉及未來及其他估計不明朗因素的主要來源，有對下一財政年度的資產及負債的賬面值造成重大調整之重大風險的主要假設討論如下。

物業、廠房及設備及折舊

本集團釐定其物業、廠房及設備之估計可使用年期、剩餘價值及相關折舊開支。是項估計乃根據類似性質及功能之物業、廠房及設備之實際可使用年期及剩餘價值之過往經驗作出。當可使用年期及剩餘價值與先前估計不同時，本集團將修訂折舊開支，或將已棄用技術過時或非策略資產作出撇銷或撇減。

於二零一六年十二月三十一日，物業、廠房及設備之賬面值約為3,054,000港元（二零一五年：1,037,000港元）。

6. 財務風險管理

本集團的業務面對多種財務風險：價格風險、信貸風險、流動資金風險及利率風險。本集團整體風險管理計劃專注於不可預測之金融市場並尋求降低對本集團財務表現之潛在不利影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT (Continued)

(a) Price risk

The Group is exposed to equity price risk mainly through its investment in equity securities. The management manages this exposure by maintaining a portfolio of investments with different risk and return profiles. The Group's equity price risk is mainly concentrated on equity securities quoted on the Stock Exchange.

The sensitivity analyses below have been determined based on the exposure to equity price risk at the end of the reporting period.

If equity prices had been 10% (2015: 10%) higher/lower, loss after tax for the year ended 31 December 2016 would decrease/increase by approximately HK\$6,624,000 (2015: HK\$3,373,000). This is mainly due to the changes in fair value of held-for-trading investments.

(b) Credit risk

The Group has no significant concentrations of credit risk.

The credit risk on bank and cash balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The credit risk on financial assets at fair value through profit or loss is limited because the counterparty is a well-established securities broker firm in Hong Kong.

6. 財務風險管理 (續)

(a) 價格風險

本集團主要透過其權益證券投資承受權益價格風險。管理層透過持有一個不同風險及回報之投資組合管理是項風險。本集團之權益價格風險主要集中於在聯交所報價之股本證券。

以下敏感度分析乃根據於報告期末所面臨的權益價格風險釐定。

倘權益價格上升／下降10% (二零一五年：10%)，截至二零一六年十二月三十一日止年度除稅後虧損將減少／增加約6,624,000港元 (二零一五年：3,373,000港元)。此乃主要由於持作買賣投資公平值變動所致。

(b) 信貸風險

本集團並無重大集中信貸風險。

銀行及現金結餘的信貸風險有限，原因為對手方為得到國際信貸評級機構發出高信貸評級的銀行。

透過損益按公平值計算之財務資產的信貸風險有限，原因為對手方為香港歷史悠久的證券經紀行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT 6. 財務風險管理 (續)

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term. The Group's financial liabilities are repayable on demand or within one year.

Based on the assessment of the directors, despite the continuous operating loss incurred by the Group over the years, the liquidity risk encountered by the Group is minimal considered that the Group will have sufficient cash resources to satisfy its future working capital after taking into account the ability of the Group to conduct fund raising activities and the ability to realise the financial assets at fair value through profit or loss.

(d) Interest rate risk

As the Group has no significant interest-bearing assets and liabilities, the Group's operating cash flows are substantially independent of changes in market interest rates.

(c) 流動資金風險

本集團的政策是定期監控現時及預期流動資金需要，以確保維持足夠現金儲備滿足短期及長期之流動資金需要。本集團的財務負債可按要求或於一年內償付。

根據董事評估，儘管本集團多年持續產生經營虧損，本集團的流動資金風險甚低，原因是經考慮本集團有能力進行集資活動及有能力變現透過損益按公平值計算之財務資產，本集團有充足現金資源以應付未來營運資金。

(d) 利率風險

由於本集團並無重大計息資產及負債，本集團的經營現金流量基本不受市場利率變動影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT 6. 財務風險管理 (續)

(e) Categories of financial instruments at 31 December 2016

(e) 於二零一六年十二月三十一日的財務工具組別

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Financial assets:	財務資產：		
Financial assets at fair value through profit or loss:	透過損益按公平值計算之財務資產：		
Held for trading	持作買賣	66,244	33,725
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)	896	6,596
Available-for-sale financial assets	可供出售財務資產	518	—
Financial liabilities:	財務負債：		
Financial liabilities at amortised cost	按攤銷成本計算之財務負債	387	1,415

(f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

(f) 公平值

本集團財務資產及財務負債的賬面值誠如綜合財務狀況表所反映，與其各自公平值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

7. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

7. 公平值計量

公平值為市場參與者於計量日期進行之有序交易中出售資產所收取或轉讓負債所支付之價格。以下公平值計量披露使用的公平值層級將用於計量公平值的估值技術之輸入值分為三個層級：

第一層級輸入值：本集團可於計量日期獲得之相同資產或負債之活躍市場報價（未經調整）。

第二層級輸入值：第一層級所包括之報價以外之直接或間接的資產或負債可觀察輸入值。

第三層級輸入值：資產或負債之不可觀察輸入值。

本集團的政策乃於導致該轉移之事件或狀況出現變動當日確認自三個層級中的任何一個層級的轉入及轉出。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

7. FAIR VALUE MEASUREMENTS 7. 公平值計量 (續)

(a) Disclosures of level in fair value hierarchy at 31 December 2016:

(a) 於二零一六年十二月三十一日的公平值層級披露：

Description	概述	Fair value measurements using: 使用下列輸入值之公平值計量：			Total 總計
		Level 1 第一層級 HK\$'000 千港元	Level 2 第二層級 HK\$'000 千港元	Level 3 第三層級 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Recurring fair value measurements:	經常性公平值計量：				
Financial assets	財務資產				
Financial assets at fair value through profit or loss	透過損益按公平值計算之財務資產				
Listed securities	上市證券	66,244	-	-	66,244
Available-for-sale financial assets	可供出售財務資產				
Unlisted equity securities	非上市股本證券	-	-	518	518
Total	總計	66,244	-	518	66,762

Description	概述	Fair value measurements using: 使用下列輸入值之公平值計量：			Total 總計
		Level 1 第一層級 HK\$'000 千港元	Level 2 第二層級 HK\$'000 千港元	Level 3 第三層級 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Recurring fair value measurements:	經常性公平值計量：				
Financial assets	財務資產				
Financial assets at fair value through profit or loss	透過損益按公平值計算之財務資產				
Listed securities	上市證券	33,725	-	-	33,725

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

7. FAIR VALUE MEASUREMENTS 7. 公平值計量 (續)

(b) Reconciliation of assets measured at fair value based on level 3:

(b) 按第三層級公平值計量之資產對賬：

Description	概述	Available-for-sale financial assets- unlisted equity securities 可供出售 財務資產－ 非上市股本證券 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	–
Total gains or losses recognised in other comprehensive income	於其他全面收益確認之 收益或虧損總額	(633)
Purchase	購買	1,151
At 31 December 2016	於二零一六年十二月三十一日	518

The total gains or losses recognised in other comprehensive income are presented in fair value changes of available-for-sale financial assets in the consolidated statement of profit or loss and other comprehensive income.

於其他全面收益確認之收益或虧損總額於綜合損益及其他全面收益表中呈列為可供出售財務資產之公平值變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

7. FAIR VALUE MEASUREMENTS 7. 公平值計量 (續)

(Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2016:

The Group's chief financial officer is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The chief financial officer reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the chief financial officer and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

(c) 本集團於二零一六年十二月三十一日所採用估值程序以及公平值計量所採用的估值技術及輸入值披露：

本集團首席財務官負責就財務申報目的而言之資產及負債公平值計量，包括第三層級公平值計量。首席財務官直接向董事會報告該等公平值計量。首席財務官與董事會至少每年對估值程序及結果進行兩次討論。

就第三層級公平值計量而言，本集團將通常委聘具認可專業資格及有近期估值經驗之外部估值專家。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

7. FAIR VALUE MEASUREMENTS 7. 公平值計量 (續)

(Continued)

(c) **Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2016: (Continued)**

Key unobservable inputs used in level 3 fair value measurements are mainly as below:

(c) 本集團於二零一六年十二月三十一日所採用估值程序以及公平值計量所採用的估值技術及輸入值披露：(續)

第三層公平值計量所使用之重大不可觀察輸入值主要載列如下：

Description	Valuation technique	Unobservable inputs	Value	Effect on fair value for increase of inputs	Fair value as at 31 December 2016
概述	估值技術	不可觀察輸入值	價值	輸入值增大對公平值之影響	於二零一六年十二月三十一日的公平值
Private equity investments classified as available-for-sale financial assets 分類為可供出售財務資產之 私募權益投資	Discounted cash flow 貼現現金流量	Weighted average cost of capital 加權平均股本成本	16.53%	Decrease 降低	HK\$518,000 518,000港元
		Long-term revenue growth rate 長期收入增長率	3%	Increase 升高	
		Long-term pre-tax operating margin 長期稅前營運毛利	61.71%	Increase 升高	
		Discount for lack of marketability 缺乏可銷性折讓	35%	Decrease 降低	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

8. REVENUE

Revenue recognised during the year is as follows:

Interest income

利息收入

8. 收入

年內確認之收入如下：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
----------------------------------	----------------------------------

1

1

The results arising from the fair value change of financial assets at fair value through profit or loss are shown separately in the consolidated statement of profit or loss and other comprehensive income under the line of "Net loss on financial assets at fair value through profit or loss". The gross proceeds from trading of securities for the year amounted to approximately HK\$53,427,000 (2015: HK\$100,467,000).

The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Group's executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance.

For both years ended 31 December 2015 and 2016, the Group has identified only one segment and the sole business of this segment is investment in listed and unlisted securities. No separate analysis of segment information by business segment is presented.

The Group's revenue from external customers and its non-current assets by geographical areas are not presented as the geographical segments other than Hong Kong are less than 10% of the aggregate amount of all segments.

透過損益按公平值計算之財務資產的公平值變動所得結果於綜合損益及其他全面收益表「透過損益按公平值計算之財務資產虧損淨額」下獨立列示。本年度買賣證券所得款項總額約為53,427,000港元（二零一五年：100,467,000港元）。

本集團已識別其經營分部，並根據本集團執行董事獲提供以作本集團業務分部之資源分配及檢討該等分部表現決策的定期內部財務資料而編製分部資料。

截至二零一五年及二零一六年十二月三十一日止年度，本集團僅識別一個分部，該分部的唯一業務為於上市及非上市證券的投資。並無另外呈列按業務分部劃分的分部資料分析。

本集團並無呈列按地區劃分的來自外部客戶的收入及非流動資產，原因是香港境外地區分部之收入少於所有分部總額的10%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

9. INCOME TAX EXPENSE

The Group is not subject to any taxation under the jurisdictions of the Cayman Islands and the British Virgin Islands during the year (2015: Nil).

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements since the Group has no assessable profit for the year (2015: Nil).

The reconciliation between the income tax expense and the product of loss before tax multiplied by the Hong Kong Profits Tax rate is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss before tax	除稅前虧損	(37,656)	(34,148)
Tax at the Hong Kong Profits Tax rate of 16.5% (2015: 16.5%)	按香港利得稅稅率16.5% (二零一五年: 16.5%) 計算之稅項	(6,213)	(5,634)
Tax effect of expenses that are not deductible	不可扣減開支之稅項影響	1,935	716
Tax effect of other temporary differences not recognised	其他未確認暫時性差額之 稅項影響	(117)	2,249
Tax effect of tax losses not recognised	未確認稅項虧損之稅項影響	4,395	2,669
Income tax expense	所得稅開支	-	-

At the end of the reporting period the Group has unused tax losses of approximately HK\$168,849,000 (2015: HK\$138,641,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

9. 所得稅開支

年內，本集團毋須繳付開曼群島及英屬處女群島司法權區內的任何稅項（二零一五年：無）。

由於本集團年內並無應課稅溢利（二零一五年：無），故並無香港利得稅在綜合財務報表內作出撥備。

所得稅開支與除稅前虧損乘以香港利得稅稅率之乘積對賬如下：

於報告期末，本集團未動用稅項虧損約168,849,000港元（二零一五年：138,641,000港元），可抵銷未來溢利。並無遞延稅項資產因未來溢利流的不可預測性而獲確認。稅項虧損可無限期結轉。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

10. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging the following:

10. 年度虧損

本集團年度虧損於扣除以下各項後呈列：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Auditor's remuneration	核數師酬金	310	310
Depreciation	折舊	898	424
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	—	219
Other equity-settled share-based payments	其他權益結算股份基礎付款	1,706	—
Operating lease charges for land and buildings	土地及樓宇經營租賃費用	502	873

11. EMPLOYEE BENEFITS EXPENSE

11. 僱員福利開支

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Employee benefits expense (excluding directors' emoluments):	僱員福利開支 (除去董事酬金)：		
Salaries, bonuses and allowances	薪金、花紅及津貼	5,199	4,584
Equity-settled share-based payments	權益結算股份基礎付款	3,990	—
Retirement benefit scheme contributions	退休福利計劃供款	153	127
		9,342	4,711

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

11. EMPLOYEE BENEFITS EXPENSE 11. 僱員福利開支 (續)

(a) Pensions – defined contribution plans

Contributions totalling approximately HK\$32,000 (2015: HK\$27,000) were payable to the fund at the end of the reporting period.

(a) 退休金 – 定額供款計劃

供款總額約32,000港元(二零一五年: 27,000港元)已於報告期末向基金支付。

(b) Five highest paid individuals

The five highest paid individuals in the Group during the year included 1 (2015: 1) director whose emoluments are reflected in the analysis presented in note 12. The emoluments of the remaining 4 (2015: 4) individuals are set out below:

(b) 五名最高薪酬人士

本集團年內五名最高薪酬人士包括1名(二零一五年: 1名)董事,其薪酬反映在附註12呈列之分析。餘下4名(二零一五年: 4名)人士之酬金載列如下:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Basic salaries and allowances	基本薪金及津貼	2,809	3,510
Equity-settled share-based payments	權益結算股份基礎付款	3,990	–
Retirement benefit scheme contributions	退休福利計劃供款	72	75
		6,871	3,585

The emoluments fell within the following bands:

酬金介乎以下範圍:

		Number of individuals 人數	
		2016 二零一六年	2015 二零一五年
Nil to HK\$1,000,000	零至1,000,000港元	–	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	2	2
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	–
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	–
		4	4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

11. EMPLOYEE BENEFITS EXPENSE (Continued) 11. 僱員福利開支 (續)

(b) Five highest paid individuals (Continued)

During the year, no emoluments were paid by the Group to any of the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2015: Nil).

The emoluments paid or payable to the remaining 8 (2015: 8) members of senior management fell within the following band:

(b) 五名最高薪酬人士 (續)

年內，本集團並無向任何最高薪酬人士支付酬金，作為加入本集團或加入後之獎勵或作為辭職補償（二零一五年：無）。

付予或須付予餘下8名（二零一五年：8名）高級管理層成員之酬金介乎以下範圍：

		Number of individuals 人數	
		2016 二零一六年	2015 二零一五年
Nil to HK\$1,000,000	零至1,000,000港元	8	8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

12. BENEFITS AND INTERESTS OF DIRECTORS 12. 董事福利及權益

(a) Directors' emoluments

The remuneration of every director is set out below:

(a) 董事酬金

每名董事薪酬載列如下：

		Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking 就作為本公司或其附屬公司董事之人士服務已付或應收酬金		
		Fees	Discretionary bonus	(Note (i)) Estimated money value of other benefits (附註(i)) 其他福利之估計貨幣價值
		袍金 HK\$'000 千港元	酌情花紅 HK\$'000 千港元	總計 HK\$'000 千港元
Executive Directors	執行董事			
Mr. John Yen Jong Ling (Note (ii))	嚴中伶先生 (附註(ii))	50	250	-
Mr. Jim Ka Shun (Note (iii))	詹嘉淳先生 (附註(iii))	600	-	1,137
		650	250	1,137
Independent Non-executive Directors	獨立非執行董事			
Mr. Gan Wei Ping	甘偉平先生	120	-	-
Mr. Yip Ming	葉明先生	200	-	-
Mr. Kwan Sai Lok Edwin (Note (iv))	關世樂先生 (附註(iv))	48	100	-
Mr. Lam Yuk Kwan (Note (iv))	林玉君先生 (附註(iv))	48	100	-
Mr. Lau Siu Hang (Note (v))	劉少恒先生 (附註(v))	200	-	-
Mr. Tsang Chung Sing Edward (Note (vi))	曾松星先生 (附註(vi))	200	-	-
Mr. Yun Kwok Wing Edwin (Note (vii))	殷國榮先生 (附註(vii))	80	100	-
		896	300	-
Total for 2016	二零一六年總計	1,546	550	1,137

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

12. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' emoluments (Continued)

The remuneration of every director is set out below: (Continued)

12. 董事福利及權益 (續)

(a) 董事酬金 (續)

每名董事薪酬載列如下：
(續)

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking
就作為本公司或其附屬公司董事之人士服務已付或應收酬金

		Fees	Discretionary bonus	(Note (i)) Estimated money value of other benefits (附註(i)) 其他福利之估計貨幣價值	Total
		袍金 HK\$'000 千港元	酌情花紅 HK\$'000 千港元	估計貨幣價值 HK\$'000 千港元	總計 HK\$'000 千港元
Executive Directors	執行董事				
Mr. John Yen Jong Ling	嚴中伶先生	600	-	-	600
(Note (ii))	(附註(ii))				
Mr. Sean SK Soo (Note (viii))	蘇彥霖先生 (附註(viii))	324	-	-	324
		924	-	-	924
Non-executive Directors	非執行董事				
Mr. Chan Ming Wing (Note (ix))	陳明榮先生 (附註(ix))	50	-	-	50
Mr. Lam Fung Francis (Note (x))	林峯先生 (附註(x))	18	-	-	18
		68	-	-	68
Independent Non-executive Directors	獨立非執行董事				
Ms. Chan Man Yi (Note (xi))	陳敏儀小姐 (附註(xi))	40	-	-	40
Mr. Gan Wei Ping	甘偉平先生	120	-	-	120
Mr. Liu Meng Fah	Liu Meng Fah先生				
(Note (viii))	(附註(viii))	61	-	-	61
Mr. William Keith Jacobsen	葉偉其先生 (附註(xi))	40	-	-	40
(Note (xi))					
Mr. Yip Ming	葉明先生	200	-	-	200
Mr. Chow Ka Man (Note (x))	周家文先生 (附註(x))	18	-	-	18
Mr. Kwan Sai Lok Edwin	關世樂先生				
(Note (iv))	(附註(iv))	83	-	-	83
Mr. Lam Yuk Kwan (Note (iv))	林玉君先生 (附註(iv))	83	-	-	83
Mr. Lau Siu Hang (Note (v))	劉少恒先生 (附註(v))	110	-	-	110
Mr. Tsang Chung Sing Edward	曾松星先生				
(Note (vi))	(附註(vi))	103	-	-	103
Mr. Yun Kwok Wing Edwin	殷國榮先生				
(Note (vii))	(附註(vii))	103	-	-	103
		961	-	-	961
Total for 2015	二零一五年總計	1,953	-	-	1,953

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

12. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' emoluments (Continued)

Notes: (i) Estimated money value of other benefits include leave pay, share options, insurance premium and club memberships.

- (ii) Resigned on 31 January 2016
- (iii) Appointed on 1 January 2016
- (iv) Appointed on 22 April 2015 and retired on 25 May 2016
- (v) Appointed on 12 June 2015
- (vi) Appointed on 26 June 2015
- (vii) Appointed on 26 June 2015 and retired on 25 May 2016
- (viii) Resigned on 2 July 2015
- (ix) Retired on 22 May 2015
- (x) Appointed on 22 April 2015 and resigned on 16 June 2015
- (xi) Resigned on 30 April 2015

There was no arrangement under which a director waived or agreed to waive any emoluments during the year (2015: Nil).

12. 董事福利及權益 (續)

(a) 董事酬金 (續)

附註：(i) 其他福利之估計貨幣價值包括假期薪金、購股權、保險費及會所會籍。

- (ii) 於二零一六年一月三十一日辭任
- (iii) 於二零一六年一月一日獲委任
- (iv) 於二零一五年四月二十二日獲委任及於二零一六年五月二十五日卸任
- (v) 於二零一五年六月十二日獲委任
- (vi) 於二零一五年六月二十六日獲委任
- (vii) 於二零一五年六月二十六日獲委任及於二零一六年五月二十五日卸任
- (viii) 於二零一五年七月二日辭任
- (ix) 於二零一五年五月二十二日卸任
- (x) 於二零一五年四月二十二日獲委任及於二零一五年六月十六日辭任
- (xi) 於二零一五年四月三十日辭任

年內，並無董事放棄或同意放棄任何酬金之安排（二零一五年：無）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

12. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(b) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

13. DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 31 December 2016 (2015: Nil).

14. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK\$37,656,000 (2015: HK\$34,148,000) and the weighted average number of ordinary shares of 623,917,095 (2015: 571,949,882) in issue during the year.

Diluted loss per share

The effect of all potential ordinary shares would be anti-dilutive for the year ended 31 December 2016 and the Company did not have any potential ordinary shares for the year ended 31 December 2015. Diluted loss per share was the same as the basic loss per share for the year ended 31 December 2016 and 2015.

12. 董事福利及權益 (續)

(b) 董事於交易、安排或合約之重大權益

於年末或於年內任何時間，本公司概無就本集團業務訂立任何本公司董事及董事關連方於當中直接或間接擁有重大權益之重大交易、安排及合約。

13. 股息

董事並不建議派付截至二零一六年十二月三十一日止年度之任何股息 (二零一五年：無)。

14. 每股虧損

每股基本虧損

本公司擁有人應佔每股基本虧損乃按本公司擁有人應佔年度虧損約37,656,000港元 (二零一五年：34,148,000港元) 及年內發行的普通股之加權平均股數623,917,095 (二零一五年：571,949,882) 計算。

每股攤薄虧損

截至二零一六年十二月三十一日止年度之所有潛在普通股之影響將具反攤薄作用及本公司截至二零一五年十二月三十一日止年度並無任何潛在普通股。截至二零一六年及二零一五年十二月三十一日止年度之每股攤薄虧損與每股基本虧損相同。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Motor vehicles 汽車 HK\$'000 千港元	Furniture and office equipment 傢俬及 辦公室設備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本			
At 1 January 2015	於二零一五年一月一日	247	657	904
Acquisition of a subsidiary	收購一間附屬公司	–	280	280
Additions	添置	857	–	857
Disposals	出售	(247)	(657)	(904)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	857	280	1,137
Acquisition of a subsidiary (note 24)	收購一間附屬公司 (附註24)	2,900	–	2,900
Additions	添置	–	15	15
At 31 December 2016	於二零一六年十二月三十一日	3,757	295	4,052
Accumulated depreciation	累計折舊			
At 1 January 2015	於二零一五年一月一日	135	156	291
Charge for the year	年度費用	118	306	424
Disposals	出售	(171)	(444)	(615)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	82	18	100
Charge for the year	年度費用	788	110	898
At 31 December 2016	於二零一六年十二月三十一日	870	128	998
Carrying amount	賬面值			
At 31 December 2016	於二零一六年十二月三十一日	2,887	167	3,054
At 31 December 2015	於二零一五年十二月三十一日	775	262	1,037

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

16. INVESTMENTS IN SUBSIDIARIES

Particulars of the subsidiaries as at 31 December 2016 are as follows:

16. 於附屬公司之投資

於二零一六年十二月三十一日之附屬公司詳情如下：

Name	Place of incorporation/ registration and operation	Particular of issued share capital	Percentage of ownership/ voting power/profit sharing				Principal activities
名稱	註冊成立／登記 及經營地點	已發行股本詳情	擁有權／投票權／溢利分佔百分比				主要業務
			Direct 直接		Indirect 間接		
			2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年	
China Financial Leasing Group (Hong Kong) Limited	Hong Kong	1 ordinary share	100%	100%	-	-	Dormant
中國金融租賃集團（香港）有限公司	香港	1股普通股					暫無業務
*Aimhigh Global Investments Limited ("Aimhigh")	British Virgin Islands	1 ordinary share of US\$1	-	100%	-	-	Dormant
*Aimhigh Global Investments Limited （「Aimhigh」）	英屬處女群島	1股面值1美元之 普通股					暫無業務
Affluent Crest Investments Limited	Hong Kong	1 ordinary share	100%	100%	-	-	Provision of management services
峰冠投資有限公司	香港	1股普通股					提供管理服務
China Finance Qianhai Limited	British Virgin Islands	1 ordinary share of US\$1	100%	-	-	-	Investment holding
中國金融前海有限公司	英屬處女群島	1股面值1美元之 普通股					投資控股
Colour Charm Holdings Limited ("Colour Charm")	British Virgin Islands	1 ordinary share of US\$1	100%	-	-	-	Asset holding
彩昌控股有限公司（「彩昌」）	英屬處女群島	1股面值1美元之 普通股					持有資產

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

16. INVESTMENTS IN SUBSIDIARIES 16. 於附屬公司之投資 (續)

(Continued)

Name	Place of incorporation/ registration and operation 註冊成立／登記 及經營地點	Particular of issued share capital 已發行股本詳情	Percentage of ownership/ voting power/profit sharing 擁有權／投票權／溢利分佔百分比				Principal activities 主要業務
			Direct 直接		Indirect 間接		
			2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年	
Peaceful Gain Limited 利和有限公司	British Virgin Islands 英屬處女群島	1 ordinary share of US\$1 1股面值1美元之 普通股	100%	—	—	—	Investment holding 投資控股
China Financial Leasing Investments Limited 中國金融租賃投資有限公司	Hong Kong 香港	1 ordinary share 1股普通股	100%	—	—	—	Inactive 暫無業務
China Finance Qianhai (Hong Kong) Limited 中國金融前海（香港）有限公司	Hong Kong 香港	1 ordinary share 1股普通股	—	—	100%	—	Inactive 暫無業務
Full Honest Corporation Limited 頂誠有限公司	Hong Kong 香港	1 ordinary share 1股普通股	—	—	100%	—	Investment holding 投資控股
深圳頂誠信息諮詢有限公司 （「深圳頂誠」） 深圳頂誠信息諮詢有限公司 （「深圳頂誠」）	People's Republic of China（「PRC」） 中華人民共和國 （「中國」）	Registered capital of Renminbi 100,000 註冊資本為人民幣 100,000元	—	—	100%	—	Provision of consultancy services 提供諮詢服務

* Aimhigh was struck off during the year.

* Aimhigh已於年內被剔除。

深圳頂誠 is a wholly-owned foreign enterprise established in the PRC.

深圳頂誠為於中國成立之外商獨資企業。

The above list contains the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

以上列表包括主要影響本集團業績、資產或負債之附屬公司詳情。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS 17. 可供出售財務資產

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Unlisted equity securities, at fair value	按公平值計算之 非上市股本證券	518	—

Available-for-sale financial assets are denominated in Hong Kong dollars.

可供出售財務資產以港元計值。

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS 18. 透過損益按公平值計算之財務資產

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Equity securities listed in Hong Kong, at cost	按成本計算之 香港上市股本證券	80,881	49,291
Net fair value loss	公平值虧損淨額	(14,637)	(15,566)
Fair value as at 31 December	於十二月三十一日之公平值	66,244	33,725

The carrying amounts of the above financial assets are classified as held for trading.

以上財務資產之賬面值分類為持作買賣。

The investments included above represent investments in listed equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate.

上文所包括的投資指上市股本證券之投資，其透過股息收入及公平值收益為本集團提供回報機會。該等投資並無固定到期日或票面息率。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

The fair values of the listed securities are based on quoted market prices.

Changes in fair values of financial assets at fair value through profit or loss are recorded as net loss on financial assets at fair value through profit or loss in the consolidated statement of profit or loss and other comprehensive income.

The realised loss and unrealised gain on financial assets at fair value through profit or loss for the year ended 31 December 2016 are approximately HK\$16,182,000 and HK\$929,000 respectively. The realised and unrealised losses on financial assets at fair value through profit or loss for the year ended 31 December 2015 were approximately HK\$3,312,000 and HK\$13,904,000 respectively, the aggregate of which was recorded as net loss on financial assets at fair value through profit or loss in the consolidated statement of profit or loss and other comprehensive income.

18. 透過損益按公平值計算之財務資產(續)

上市證券公平值乃按所報市價計算。

透過損益按公平值計算之財務資產公平值變動，在綜合損益及其他全面收益表中記賬為透過損益按公平值計算之財務資產虧損淨額。

截至二零一六年十二月三十一日止年度，透過損益按公平值計算之財務資產之已變現虧損及未變現收益分別約為16,182,000港元及929,000港元。截至二零一五年十二月三十一日止年度，透過損益按公平值計算之財務資產之已變現及未變現虧損分別約為3,312,000港元及13,904,000港元，有關總額已於綜合損益及其他全面收益表中計入透過損益按公平值計算之財務資產之虧損淨額項下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Particulars of the Company's financial assets at fair value through profit or loss as at 31 December 2016 are as follows:

18. 透過損益按公平值計算之財務資產 (續)

本公司於二零一六年十二月三十一日之透過損益按公平值計算之財務資產詳情如下：

Name of investee company 所投資公司名稱	Place of incorporation 註冊成立地點	Number of shares held 所持股份數目	Proportion of investee's capital owned 所擁有被投資公司資本比例	Cost 成本 HK\$'000 千港元	Market value 市值 HK\$'000 千港元	Fair value (losses)/gains 公平值 (虧損)/收益 HK\$'000 千港元	Dividend income received during the year 年內所收股息收入 HK\$'000 千港元	Dividend cover 股息比率	Net assets attributable to the Company 本公司應佔資產淨值 HK\$'000 千港元
(a) China Internet Investment Finance Holdings Limited ("China Internet") 中國互聯網投資金融集團有限公司 (「中國互聯網」)	Bermuda 百慕達	18,480,000	4.06%	7,356	6,376	(980)	-	N/A 不適用	8,287
(b) KSL Holdings Limited ("KSL") KSL Holdings Limited (「KSL」)	Cayman Islands 開曼群島	4,548,000	1.11%	13,740	13,599	(141)	-	N/A 不適用	1,139
(c) Newtree Group Holdings Limited ("Newtree") 友川集團控股有限公司 (「友川」)	Cayman Islands 開曼群島	10,638,000	Less than 1% 少於 1%	1,754	5,053	3,299	-	N/A 不適用	1,730
(d) Long Success International (Holdings) Limited ("Long Success") 百齡國際(控股)有限公司 (「百齡」)	Bermuda 百慕達	13,450,000	Less than 1% 少於 1%	8,105	-	(8,105)	-	N/A 不適用	-
(e) Grand Peace Group Holdings Limited ("Grand Peace") 福澤集團控股有限公司 (「福澤」)	Bermuda 百慕達	6,918,000	1.5%	15,282	17,433	2,151	-	N/A 不適用	1,633
(f) Zheng Li Holdings Limited ("Zheng Li") 正力控股有限公司 (「正力」)	Cayman Islands 開曼群島	1,225,000	Less than 1% 少於 1%	6,662	6,431	(231)	-	N/A 不適用	188
(g) King Force Group Holdings Limited ("King Force") 冠輝集團控股有限公司 (「冠輝」)	Cayman Islands 開曼群島	80,000,000	1.12%	10,527	3,520	(7,007)	-	N/A 不適用	733
(h) REXLot Holdings Limited ("REXLot") 御泰中彩控股有限公司 (「御泰中彩」)	Bermuda 百慕達	114,950,000	1.15%	17,015	13,219	(3,796)	-	N/A 不適用	68,646
(i) Yat Sing Holdings Limited ("Yat Sing") 日成控股有限公司 (「日成」)	Cayman Islands 開曼群島	155,000	Less than 1% 少於 1%	440	613	173	-	N/A 不適用	24
				80,881	66,244	(14,637)	-		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

A brief description of the business and financial information of the listed investee companies, based on their published annual and interim reports, is as follows:

- (a) China Internet is principally engaged in investment in equity and debt securities in order to achieve medium to long term capital appreciation. The audited consolidated loss attributable to owners of China Internet for the year ended 31 December 2016 was approximately HK\$74,015,000. As at 31 December 2016, the audited consolidated net asset value attributable to owners of China Internet was approximately HK\$204,017,000.
- (b) KSL is principally engaged in provision of engineering consulting, contracting and project management services in Hong Kong with a focus on geotechnical engineering works. The audited consolidated profit attributable to owners of KSL for the year ended 31 July 2016 was approximately HK\$14,722,000 (2015: HK\$29,935,000). As at 31 July 2016, the audited consolidated net asset value attributable to owners of KSL was approximately HK\$107,249,000 (2015: HK\$92,527,000). The unaudited consolidated loss attributable to owners of KSL for the six months ended 31 January 2017 was approximately HK\$4,254,000 (2016: profit of HK\$17,234,000). As at 31 January 2017, the unaudited consolidated net asset value attributable to owners of KSL was approximately HK\$102,995,000 (2016: HK\$109,761,000).

18. 透過損益按公平值計算之財務資產 (續)

根據其已公佈的年度及中期報告編撰之上市所投資公司業務及財務資料簡介如下：

- (a) 中國互聯網主要從事股權及債務證券投資，以實現中長期資本增值。截至二零一六年十二月三十一日止年度之中國互聯網擁有人應佔經審核綜合虧損約74,015,000港元。於二零一六年十二月三十一日，中國互聯網擁有人應佔經審核綜合資產淨值約204,017,000港元。
- (b) KSL主要從事在香港提供工程諮詢、承包及項目管理服務，專注於岩土工程領域。截至二零一六年七月三十一日止年度之KSL擁有人應佔經審核綜合溢利約14,722,000港元（二零一五年：29,935,000港元）。於二零一六年七月三十一日，KSL擁有人應佔經審核綜合資產淨值約107,249,000港元（二零一五年：92,527,000港元）。截至二零一七年一月三十一日止六個月之KSL擁有人應佔未經審核綜合虧損約4,254,000港元（二零一六年：溢利17,234,000港元）。於二零一七年一月三十一日，KSL擁有人應佔未經審核綜合資產淨值約102,995,000港元（二零一六年：109,761,000港元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

- (c) Newtree is principally engaged in (i) manufacture and trading of clinical and household hygienic disposables and trading of related raw materials; (ii) trading of coal products; (iii) wholesale and retail of household consumables; (iv) sales and distribution of jewellerys and watches; (v) design and development of three-dimensional animations, augmented reality technology application and e-learning web application; and (vi) provision of educational technology solutions through online education programs and provision of English language proficiency tests. The audited consolidated loss attributable to owners of Newtree for the year ended 31 March 2016 was approximately HK\$284,394,000 (2015: HK\$258,875,000). As at 31 March 2016, the audited consolidated net asset value attributable to owners of Newtree was approximately HK\$315,574,000 (2015: HK\$603,956,000). The unaudited consolidated loss attributable to owners of Newtree for the six months ended 30 September 2016 was approximately HK\$153,079,000 (2015: HK\$60,184,000). As at 30 September 2016, the unaudited consolidated net asset value attributable to owners of Newtree was approximately HK\$386,857,000 (2015: HK\$529,408,000).

18. 透過損益按公平值計算之財務資產 (續)

- (c) 友川主要從事(i)製造及買賣醫療及家居用途的一次性衛生用品及買賣相關原材料；(ii)買賣煤炭產品；(iii)批發及零售家居消耗品；(iv)分銷珠寶及鐘錶；(v)提供三維動畫、擴增實境技術應用程式及網絡教育應用程式的設計及開發；及(vi)透過網上教育課程提供教育技術解決方案及提供英語水平測試。截至二零一六年三月三十一日止年度之友川擁有人應佔經審核綜合虧損約284,394,000港元（二零一五年：258,875,000港元）。於二零一六年三月三十一日，友川擁有人應佔經審核綜合資產淨值約315,574,000港元（二零一五年：603,956,000港元）。截至二零一六年九月三十日止六個月之友川擁有人應佔未經審核綜合虧損約153,079,000港元（二零一五年：60,184,000港元）。於二零一六年九月三十日，友川擁有人應佔未經審核綜合資產淨值約386,857,000港元（二零一五年：529,408,000港元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(d) Long Success is principally engaged in the trading of wine and alcohol. Long Success's shares were suspended for trading on the Stock Exchange since 3 December 2013 and delisted on 19 October 2016. The audited consolidated loss attributable to owners of Long Success for the year ended 31 March 2015 was approximately HK\$22,899,000. As at 31 March 2015, the audited consolidated shareholders' deficit of Long Success was approximately HK\$29,518,000. The unaudited consolidated loss attributable to owners of Long Success for the six months ended 30 September 2015 was approximately HK\$10,394,000. As at 30 September 2015, the unaudited consolidated shareholders' deficit of Long Success was approximately HK\$39,912,000.

(e) Grand Peace is principally engaged in provision of funeral services, sale of funeral related products and loan financing business. The audited consolidated loss attributable to owners of Grand Peace for the year ended 31 December 2015 was approximately HK\$50,508,000. As at 31 December 2015, the audited consolidated net asset value attributable to owners of Grand Peace was approximately HK\$128,396,000. The unaudited consolidated loss attributed to owners of Grand Peace for the six months ended 30 June 2016 was approximately HK\$17,277,000. As at 30 June 2016, the unaudited consolidated net asset value attributable to owners of Grand Peace was approximately HK\$108,890,000.

18. 透過損益按公平值計算之財務資產(續)

(d) 百齡主要從事酒及酒精貿易。百齡之股份自二零一三年十二月三日起於聯交所暫停交易及於二零一六年十月十九日除牌。截至二零一五年三月三十一日止年度之百齡擁有人應佔經審核綜合虧損約22,899,000港元。於二零一五年三月三十一日，百齡之經審核綜合股東虧絀約29,518,000港元。截至二零一五年九月三十日止六個月之百齡擁有人應佔未經審核綜合虧損約10,394,000港元。於二零一五年九月三十日，百齡之未經審核綜合股東虧絀約39,912,000港元。

(e) 福澤主要從事提供殯儀服務、銷售相關殯儀產品及貸款融資業務。截至二零一五年十二月三十一日止年度之福澤擁有人應佔經審核綜合虧損約50,508,000港元。於二零一五年十二月三十一日，福澤擁有人應佔經審核綜合資產淨值約128,396,000港元。截至二零一六年六月三十日止六個月之福澤擁有人應佔未經審核綜合虧損約17,277,000港元。於二零一六年六月三十日，福澤擁有人應佔未經審核綜合資產淨值約108,890,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

- (f) Zheng Li is principally engaged in the business of (i) maintenance and repair of passenger cars; and (ii) modification, tuning and grooming of the performance or appearance of passenger cars and trading of spare parts and accessories. Zheng Li's shares were listed on the Stock Exchange on 8 November 2016. The audited consolidated loss attributable to owners of Zheng Li for the year ended 31 December 2016 was approximately HK\$3,209,000. As at 31 December 2016, the audited consolidated net asset value attributable to owners of Zheng Li was approximately HK\$76,803,000.
- (g) King Force is principally engaged in provision of security of guarding services. The audited consolidated loss attributable to owners of King Force for the year ended 31 March 2016 was approximately HK\$55,000. As at 31 March 2016, the audited consolidated net asset value attributable to owners of King Force was approximately HK\$59,778,000. The unaudited consolidated profit attributable to owners of King Force for the six months ended 30 September 2016 was approximately HK\$5,612,000. As at 30 September 2016, the unaudited consolidated net asset value attributable to owners of King Force was approximately HK\$65,341,000.

18. 透過損益按公平值計算之財務資產 (續)

- (f) 正力主要從事(i)乘用車保養及維修業務；及(ii)對乘用車的性能或外觀進行改裝、調試及美容以及買賣零部件及配件業務。正力之股份於二零一六年十一月八日在聯交所上市。截至二零一六年十二月三十一日止年度之正力擁有人應佔經審核綜合虧損約3,209,000港元。於二零一六年十二月三十一日，正力擁有人應佔經審核綜合資產淨值約76,803,000港元。
- (g) 冠輝主要從事提供保安護衛服務業務。截至二零一六年三月三十一日止年度之冠輝擁有人應佔經審核綜合虧損約55,000港元。於二零一六年三月三十一日，冠輝擁有人應佔經審核綜合資產淨值約59,778,000港元。截至二零一六年九月三十日止六個月之冠輝擁有人應佔未經審核綜合溢利約5,612,000港元。於二零一六年九月三十日，冠輝擁有人應佔未經審核綜合資產淨值約65,341,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(h) REXLot is principally engaged in lottery system and games development business and distribution and marketing of lottery products in PRC. The audited consolidated profit attributable to owners of REXLot for the year ended 31 December 2015 was approximately HK\$150,879,000. As at 31 December 2015, the audited consolidated net asset value attributable to owners of REXLot was approximately HK\$5,971,157,000. The unaudited consolidated profit attributable to owners of REXLot for the six months ended 30 June 2016 was approximately HK\$82,159,000. As at 30 June 2016, the unaudited consolidated net asset value attributable to owners of REXLot was approximately HK\$5,988,798,000.

(i) Yat Sing is principally engaged in provision of building maintenance and renovation services. The audited consolidated profit attributable to owners of Yat Sing for the year ended 30 June 2016 was approximately HK\$11,581,000. As at 30 June 2016, the audited consolidated net asset value attributable to owners of Yat Sing was approximately HK\$170,229,000. The unaudited consolidated loss attributable to owners of Yat Sing for the six months ended 31 December 2016 was approximately HK\$141,000. As at 31 December 2016, the unaudited consolidated net asset value attributable to owners of Yat Sing was approximately HK\$170,088,000.

18. 透過損益按公平值計算之財務資產 (續)

(h) 御泰中彩主要於中國從事彩票系統與遊戲開發業務及彩票產品的配送與市場推廣業務。截至二零一五年十二月三十一日止年度之御泰中彩擁有人應佔經審核綜合溢利約150,879,000港元。於二零一五年十二月三十一日，御泰中彩擁有人應佔經審核綜合資產淨值約5,971,157,000港元。截至二零一六年六月三十日止六個月之御泰中彩擁有人應佔未經審核綜合溢利約82,159,000港元。於二零一六年六月三十日，御泰中彩擁有人應佔未經審核綜合資產淨值約5,988,798,000港元。

(i) 日成主要從事提供樓宇保養及翻新服務。截至二零一六年六月三十日止年度之日成擁有人應佔經審核綜合溢利約11,581,000港元。於二零一六年六月三十日，日成擁有人應佔經審核綜合資產淨值約170,229,000港元。截至二零一六年十二月三十一日止六個月之日成擁有人應佔未經審核綜合虧損約141,000港元。於二零一六年十二月三十一日，日成擁有人應佔未經審核綜合資產淨值約170,088,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

19. DEPOSITS AND PREPAYMENTS

19. 按金及預付款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Deposits	按金	345	155
Prepayments	預付款項	–	43
		345	198

20. SHARE CAPITAL

20. 股本

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Authorised:	法定：		
15,000,000,000 ordinary shares of HK\$0.02 each	15,000,000,000股每股面值0.02港元之普通股	300,000	300,000
Issued and fully paid:	已發行及繳足：		
741,949,882 (2015: 571,949,882) ordinary shares of HK\$0.02 each	741,949,882(二零一五年：571,949,882)股每股面值0.02港元之普通股	14,839	11,439

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

20. SHARE CAPITAL (Continued)

A summary of the movements in the issued share capital of the Company during the year is as follows:

20. 股本（續）

年內本公司已發行股本變動概要如下：

			Number of ordinary shares of HK\$0.02 each 每股面值 0.02港元之 普通股數目	Par value 面值 HK\$'000 千港元
		Note 附註		
At 1 January 2015,	於二零一五年一月一日、			
31 December 2015 and	二零一五年十二月			
1 January 2016	三十一日及			
	二零一六年一月一日		571,949,882	11,439
Issue of shares on placements	配售時發行股份	(a)	170,000,000	3,400
At 31 December 2016	於二零一六年 十二月三十一日		741,949,882	14,839

Note:

- (a) On 12 May 2016, the Company entered into a placing agreement with Kingston Securities Limited ("Kingston") as placing agent where Kingston agreed to place on a best effort basis a maximum of 50,000,000 new shares of the Company ("Placing Share I") of HK\$0.02 each at HK\$0.58 per Placing Share I to at least six places who were professional investors according to the definition of The Securities and Future Ordinance. The intended and actual use of proceeds from the share placement was for general working capital and investments. The placing transaction was completed on 24 May 2016 and a total of 50,000,000 shares were issued. The gross and net proceeds were approximately HK\$29,000,000 and HK\$28,120,000 respectively. The net placing price was approximately HK\$0.56.

附註：

- (a) 於二零一六年五月十二日，本公司與金利豐證券有限公司（「金利豐」）（作為配售代理）訂立一項配售協議。據此，金利豐同意盡力以每股配售股份1 0.58港元配售最多50,000,000股每股面值0.02港元之本公司新股份（「配售股份I」）予不少於六名承配人（為專業投資者（定義見證券及期貨條例））。股份配售所得款項之擬定及實際用途為一般營運資金及投資。配售交易已於二零一六年五月二十四日完成及合共發行50,000,000股股份。所得款項總額及淨額分別約29,000,000港元及28,120,000港元。配售淨價約0.56港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

20. SHARE CAPITAL (Continued)

Note: (Continued)

(a) (Continued)

On 12 October 2016, the Company entered into a placing agreement with Supreme China Securities Limited ("Supreme") as placing agent where Supreme agreed to place on a best effort basis a maximum of 120,000,000 new shares of the Company ("Placing Share II") of HK\$0.02 each at HK\$0.29 per Placing Share II to at least six places who were professional investors according to the definition of The Securities and Future Ordinance. The intended and actual use of proceeds from the share placement was for general working capital and investments. The placing transaction was completed on 27 October 2016 and a total of 120,000,000 shares were issued. The gross and net proceeds were approximately HK\$34,800,000 and HK\$33,875,000 respectively. The net placing price was approximately HK\$0.28.

The Group's objectives when managing capital are:

- (i) To safeguard the Group's ability to continue as a going concern, so that it continues to provide returns and benefits for stakeholders;
- (ii) To support the Group's stability and growth; and
- (iii) To provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

20. 股本 (續)

附註：(續)

(a) (續)

於二零一六年十月十二日，本公司與智華證券有限公司（「智華」）（作為配售代理）訂立一項配售協議，據此，智華同意盡力以每股配售股份II 0.29港元配售最多120,000,000股每股面值0.02港元之本公司新股份（「配售股份II」）予不少於六名承配人（為專業投資者（定義見證券及期貨條例））。股份配售所得款項之擬定及實際用途為一般營運資金及投資。配售交易已於二零一六年十月二十七完成及合共發行120,000,000股股份。所得款項總額及淨額分別約34,800,000港元及33,875,000港元。配售淨價約0.28港元。

本集團管理資本時之目標是：

- (i) 維護本集團之持續經營能力，使其持續為持份者提供回報及好處；
- (ii) 維持本集團之穩定性及增長；及
- (iii) 為增強本集團風險管理能力而提供資本。

考慮到本集團之未來資本要求及資本效益、現時及預測盈利能力、預測經營現金流量、預測資本開支及預測策略投資機遇，本集團積極定期檢討及管理其資本架構，以確保完善的資本架構及股東回報。本集團目前並不採納任何正式股息政策。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

20. SHARE CAPITAL (Continued)

The Group also balances its overall capital structure periodically. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The Group will also consider the raise of long-term borrowings as second resource of capital when investment opportunities arise and the return of such investments will justify the cost of debts from the borrowings.

The Group regards total equity as capital, for capital management purpose. The amount of capital as at 31 December 2016 amounted to approximately HK\$70,525,000 (2015: HK\$39,986,000), in which the Group considers as optimal having considered the projected capital expenditures and the projected strategic investment opportunities.

The Group also endeavours to ensure the steady and reliable cash flow from the normal business operation. For both years ended 31 December 2016 and 2015, the Group did not raise any debts.

The only externally imposed capital requirement is that for the Group to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares. The Group received a report from share registrars on substantial share interests showing the non-public float and it demonstrated continuing compliance with the 25% limit throughout the year.

20. 股本（續）

本集團亦定期平衡其整體資本架構。本集團因經濟狀況變動及相關資產之風險特性而管理資本架構並作出調整。為維持或調整資本架構，本集團或會調整向股東支付之股息金額、回撥資金予股東或發行新股份。本集團亦會投資機遇出現時，考慮籌措長期借款作為資金之另一來源，而該等投資回報亦將會令借款之債務成本用得其所。

本集團就資本管理用途而將權益總額視為資本。於二零一六年十二月三十一日之資本金額約70,525,000港元（二零一五年：39,986,000港元），此乃由本集團經考慮預測資本開支及預測策略投資機遇後認為達最佳水平。

本集團亦致力確保自日常業務經營中取得穩定及可靠現金流量。截至二零一六年及二零一五年十二月三十一日止兩個年度，本集團並無新增任何債務。

僅有的外加資本要求是，本集團要維持其在聯交所之上市地位，其須有最少25%股份的公眾持股量。本集團自股份登記處接獲一份顯示非公眾持股量之有關主要股份權益之報告，其證明本集團於整個年度內一直遵守25%限額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

21. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

21. 本公司財務狀況表及儲備變動

(a) 本公司財務狀況表

	Note	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets			
Property, plant and equipment		574	775
Investments in subsidiaries		3,325	426
Available-for-sale financial assets		518	—
		4,417	1,201
Current assets			
Financial assets at fair value through profit or loss		66,244	33,725
Deposits and prepayments		200	10
Due from subsidiaries		105	58
Bank and cash balances		671	6,441
		67,220	40,234
Current liabilities			
Accruals		360	1,377
Net current assets		66,860	38,857
NET ASSETS		71,277	40,058

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

21. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(a) Statement of financial position of the Company (Continued)

21. 本公司財務狀況表及儲備變動(續)

(a) 本公司財務狀況表(續)

			2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
	Note 附註			
Capital and reserves		資本及儲備		
Equity attributable to owners of the Company		本公司擁有人應佔權益		
Share capital	20	股本	14,839	11,439
Reserves	21(b)	儲備	56,438	28,619
TOTAL EQUITY		總權益	71,277	40,058

Approved by the Board of Directors on 28 March 2017 and is signed on its behalf by:

於二零一七年三月二十八日經董事會批准及由以下董事代表簽署：

Jim Ka Shun

詹嘉淳

Executive Director

執行董事

Yip Ming

葉明

Independent Non-executive Director

獨立非執行董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

21. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Reserve movement of the Company

		Share premium 股份溢價 HK\$'000 千港元	Capital reduction reserve 資本削減儲備 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Investment revaluation reserve 投資重估儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	88,446	19,444	-	-	(45,179)	62,711
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	(34,092)	(34,092)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	88,446	19,444	-	-	(79,271)	28,619
Total comprehensive income for the year	年內全面收益總額	-	-	-	(633)	(36,976)	(37,609)
Issue of shares on placements (note 20(a))	配發時發行股份 (附註20(a))	60,400	-	-	-	-	60,400
Share issue expenses	股份發行開支	(1,805)	-	-	-	-	(1,805)
Share-based payments (note 23)	股份基礎付款 (附註23)	-	-	6,833	-	-	6,833
At 31 December 2016	於二零一六年十二月三十一日	147,041	19,444	6,833	(633)	(116,247)	56,438

21. 本公司財務狀況表及儲備變動 (續)

(b) 本公司儲備變動

22. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

22. 儲備

(a) 本集團

本集團儲備金額及當中變動在綜合損益及其他全面收益表以及綜合權益變動表中呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

22. RESERVES (Continued)

(b) Nature and purpose of reserves

(i) *Share premium account*

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business. The share premium may also be distributed in the form of fully paid bonus shares.

(ii) *Capital reduction reserve*

Capital reduction reserve represents the credit arising from the reduction of par value of issued share capital after cancelling the accumulated losses of the Company in 2012. The reserve may be utilised by the directors as a distributable reserve in accordance with the articles of association of the Company and all applicable laws.

(iii) *Share option reserve*

The share option reserve represents the fair value of the actual or estimated number of unexercised share options granted to directors, employees and consultants of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 4(n) to the consolidated financial statements.

22. 儲備 (續)

(b) 儲備之性質及目的

(i) *股份溢價賬*

根據開曼群島公司法，本公司股份溢價賬資金可供派付予本公司之股東，惟在緊隨建議分派股息當日以後，本公司須有能力清償其在日常業務中到期之債務。股份溢價亦可以繳足紅股之方式分派。

(ii) *資本削減儲備*

資本削減儲備指於二零一二年註銷本公司累計虧損後導致削減已發行股本面值之入賬。儲備可由董事根據本公司組織章程細則及所有適用法例用作可予分派儲備。

(iii) *購股權儲備*

購股權儲備指授予本集團董事、僱員及顧問之尚未行使購股權實際或估算數目之公平值，根據綜合財務報表附註4(n)所載就權益結算股份基礎付款所採納之會計政策確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

22. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

(iv) *Investment revaluation reserve*

The investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale financial assets held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 4(f)(iii) to the consolidated financial statements.

23. SHARE-BASED PAYMENTS

Equity-settled share option scheme

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants include the full-time and part-time employees, executives, officers, directors, business consultants, suppliers, customers, legal and financial advisers of the Company and the Company's subsidiaries. The Scheme became effective on 12 January 2012 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of shares options in excess of this limit is subject to shareholders' approval in a general meeting.

22. 儲備 (續)

(b) 儲備之性質及目的 (續)

(iv) *投資重估儲備*

投資重估儲備包括於報告期末持有之可供出售財務資產累計公平值變動淨額，乃根據綜合財務報表附註4(f)(iii)所載會計政策進行處理。

23. 股份基礎付款

權益結算購股權計劃

本公司為向貢獻本集團業務成就的合資格參與者提供激勵和獎勵而推行購股權計劃（「該計劃」）。合資格參與者包括本公司及本公司附屬公司之全職及兼職僱員、行政人員、主管、董事、商業顧問、供應商、客戶、法律及財務顧問。該計劃於二零一二年一月十二日生效，除非另行取消或修訂，否則自該日期起維持10年有效。

目前根據該計劃允許授出之尚未行使購股權最大數目，一經行使，則相當於任何時間發行之本公司股份10%。在任何12個月期間根據購股權可發行予該計劃各合資格參與者之股份最大數目，限於任何時間發行之本公司股份1%。倘進一步授出之購股權超過此限額，則須經股東在股東大會上批准，方可作實。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

23. SHARE-BASED PAYMENTS (Continued)

Equity-settled share option scheme (Continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than five years from the date of the offer of the share options or the expiry date of the Scheme, if earlier.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer, when applicable.

23. 股份基礎付款 (續)

權益結算購股權計劃 (續)

授予本公司董事、主要行政人員或主要股東或彼等任何聯繫人士之購股權須事先經獨立非執行董事批准方可作實。此外，授予本公司主要股東或獨立非執行董事或彼等任何聯繫人士之任何購股權，倘於任何12個月期間超過任何時間發行之本公司股份0.1%或總值（按本公司股份於授出日期價格計算）超過5,000,000港元，則須事先在股東大會經股東批准，方可作實。

可於承授人支付名義代價合共1港元後自要約日期起21日內，接納授出購股權之要約。所授購股權之行使期可由董事釐定，並於某一歸屬期後起計及於不遲於購股權要約日期起五年之日期或該計劃屆滿日期（以較早者為準）結束。

購股權行使價可由董事釐定，惟不得低於(i)本公司股份於購股權要約日期之聯交所收市價；(ii)本公司股份緊接要約日期前五個交易日之平均聯交所收市價；及(iii)本公司股份於要約日期之面值（如適用）（以最高者為準）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

23. SHARE-BASED PAYMENTS (Continued)

Equity-settled share option scheme (Continued)

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

Details of the share options are as follows:

	Date of grant 授出日期	Vesting period 歸屬期	Exercise period 行使期	Exercise price 行使價 HK\$ 港元
2016	12 July 2016	N/A	12 July 2016 – 11 July 2019	0.40
二零一六年	二零一六年 七月十二日	不適用	二零一六年 七月十二日至 二零一九年 七月十一日	0.40

If the share options remain unexercised after a period of 3 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group.

23. 股份基礎付款（續）

權益結算購股權計劃（續）

購股權並不賦予持有人收取股息或在股東大會上投票之權利。

購股權詳情如下：

倘購股權自授出日期起3年後仍未行使，則購股權屆滿。倘僱員離開本集團，則購股權被沒收。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

23. SHARE-BASED PAYMENTS (Continued)

Equity-settled share option scheme (Continued)

Details of the share options outstanding during the year are as follows:

23. 股份基礎付款（續）

權益結算購股權計劃（續）

年內尚未行使購股權詳情如下：

Name and category of grantees	Date of grant	Number of share options held as at 1 January 2016 於二零一六年一月一日 所持購股權數目	Number of share options granted during the year 年內授出 購股權數目	Number of share options held as at 31 December 2016 於二零一六年十二月三十一日 所持購股權數目	Exercise price 行使價 HK\$ 港元	Exercise period 行使期
Director 董事						
Mr. Jim Ka Shun 詹嘉淳先生	12 July 2016 二零一六年七月十二日	–	5,700,000	5,700,000	0.40	12 July 2016 – 11 July 2019 二零一六年七月十二日至二零一九年七月十一日
Employees 僱員	12 July 2016 二零一六年七月十二日	–	20,000,000	20,000,000	0.40	12 July 2016 – 11 July 2019 二零一六年七月十二日至二零一九年七月十一日
Consultants 顧問	12 July 2016 二零一六年七月十二日	–	8,600,000	8,600,000	0.40	12 July 2016 – 11 July 2019 二零一六年七月十二日至二零一九年七月十一日
		–	34,300,000	34,300,000		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

23. SHARE-BASED PAYMENTS (Continued)

Equity-settled share option scheme (Continued)

Details of the movement of share options during the year are as follows:

23. 股份基礎付款（續）

權益結算購股權計劃（續）

年內購股權變動詳情如下：

		2016 二零一六年		2015 二零一五年	
		Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
		購股權數目	加權平均 行使價 HK\$ 港元	購股權數目	加權平均 行使價 HK\$ 港元
Outstanding at the beginning of the year	年初尚未行使	-	-	-	-
Granted during the year	年內授出	34,300,000	0.40	-	-
Outstanding at the end of the year	年末尚未行使	34,300,000	0.40	-	-
Exercisable at the end of the year	年末可予行使	34,300,000	0.40	-	-

The share options outstanding at the end of the year have a remaining contractual life of 2.53 years and the exercise price of HK\$0.40. The share options were granted on 12 July 2016 and the estimated fair value of the share options on this date was approximately HK\$6,833,000.

年末尚未行使購股權剩餘合約年期為2.53年及行使價為0.40港元。購股權於二零一六年七月十二日授出，而於該日之購股權估計公平值約6,833,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

23. SHARE-BASED PAYMENTS (Continued)

Equity-settled share option scheme (Continued)

The fair value was calculated using the binomial option pricing model. The inputs into the model were as follows:

		Director and employees 董事及僱員	Consultants 顧問
Share price	股價	HK\$0.36 0.36港元	HK\$0.36 0.36港元
Exercise price	行使價	HK\$0.40 0.40港元	HK\$0.40 0.40港元
Risk free rate	無風險利率	0.578%	0.578%
Contractual life	合約年期	2.997 years 2.997年	2.997 years 2.997年
Expected volatility	預期波幅	110.498%	110.498%
Expected dividend yield	預期股息收益率	0%	0%
Early exercise multiple	提早行使倍數	3.660	2.582
Exit rate	退出率	11.111%	0%

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 3 years. The calculation had been adjusted, based on the Group's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Share options granted to consultants were incentives for helping the Group expand its business network, acquire and explore new business projects and opportunities. The fair value of such benefit could not be estimated reliably and as a result, the fair value is measured by reference to the fair value of share options granted.

23. 股份基礎付款 (續)

權益結算購股權計劃 (續)

此公平值利用二項式期權定價模式計算。模式之輸入數值如下：

預期波幅藉計算過往3年之本公司股價歷史波幅釐定。計算已按本集團最佳估算就不可轉讓性、行使限制及行為考量之影響而調整。

授予顧問的購股權乃就幫助本集團擴展其業務網絡、收購及尋找新業務項目及機會的獎勵。有關好處的公平值不能可靠地估計，因此，其公平值乃參考所授出購股權的公平值計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

24. ACQUISITION OF A SUBSIDIARY

On 17 March 2016, the Group acquired 100% of the issued share capital of Colour Charm at a cash consideration of HK\$2,900,000. Colour Charm did not generate any revenue since its date of incorporation on 2 January 2015. The acquisition of Colour Charm did not constitute a business combination. The acquisition is for the purpose of acquiring the property, plant and equipment.

The purchase consideration was allocated to the identifiable assets of Colour Charm acquired as at its date of acquisition as follows:

Net assets acquired:	已收購資產淨值：	HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	2,900
Net assets	資產淨值	2,900
Total consideration, satisfied by:	總代價，按以下方式支付：	
Cash	現金	2,900
Net cash outflow arising on acquisition:	收購事項產生之現金流出淨額：	
Cash consideration paid	已付現金代價	(2,900)

24. 收購一間附屬公司

於二零一六年三月十七日，本集團以現金代價2,900,000港元收購彩昌全部已發行股本。彩昌自其於二零一五年一月二日註冊成立日期起並無產生任何收益。收購彩昌並不構成業務合併。該收購事項旨在收購物業、廠房及設備。

於收購日期分配予已收購彩昌之可識別資產的購買代價如下：

25. CONTINGENT LIABILITIES

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

25. 或然負債

於二零一六年十二月三十一日，本集團並無任何重大或然負債（二零一五年：無）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

26. LEASE COMMITMENTS

At 31 December 2016 the total future minimum lease payments under non-cancellable operating leases are payable as follows:

Within one year	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 represented rentals payable by the Group for its office. Lease is negotiated for a term of 3 years and rental is fixed over the lease term and does not include contingent rentals.

27. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The key management personnel of the Company comprises all employees and directors, details of their remuneration are disclosed in notes 11 and 12(a) to the consolidated financial statements.

26. 租賃承擔

於二零一六年十二月三十一日，不可取消經營租賃下之合共未來最低租賃款項須予支付如下：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
516	516
215	731
731	1,247

經營租賃款項指本集團應付之辦公室租金。租賃協定年期為3年，而租金於租賃期間固定且不包括或然租金。

27. 關連方交易

主要管理人員之酬金

本公司主要管理人員包括所有僱員及董事，有關彼等之酬金詳情於綜合財務報表附註11及12(a)披露。

FIVE YEAR FINANCIAL SUMMARY

五年財務概要

A summary of the published results and of the assets and liabilities of the Group for last five financial years, as extracted from the audited financial statements, is set out below. The summary does not form part of the audited financial statements.

摘錄自經審核財務報表之最近五個財政年度之本集團所公佈業績以及資產及負債之概要載於下文。概要並不構成經審核財務報表之部份。

		2016 二零一六年 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	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
RESULTS	業績					
Revenue	收入	1	1	4	23	223
Loss before tax	除稅前虧損	(37,656)	(34,148)	(34,874)	(9,863)	(22,862)
Income tax expense	所得稅開支	-	-	-	-	-
Loss for the year attributable to owners of the Company	本公司擁有人應佔年度虧損	(37,656)	(34,148)	(34,874)	(9,863)	(22,862)
ASSETS AND LIABILITIES	資產及負債					
Non-current assets	非流動資產	3,572	1,037	613	214	4,311
Current assets	流動資產	67,340	40,364	73,845	43,209	49,041
Current liabilities	流動負債	(387)	(1,415)	(324)	(370)	(436)
Net assets attributable to owners of the Company	本公司擁有人應佔資產淨值	70,525	39,986	74,134	43,053	52,916

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Director

JIM Ka Shun

Independent Non-Executive Directors

GAN Wei Ping

YIP Ming

LAU Siu Hang

TSANG Chung Sing Edward

COMPANY SECRETARY

WONG Ka Shing *CPA, ACCA*

AUDIT COMMITTEE

TSANG Chung Sing Edward (*Chairperson*)

YIP Ming

LAU Siu Hang

REMUNERATION COMMITTEE

LAU Siu Hang (*Chairperson*)

TSANG Chung Sing Edward

YIP Ming

NOMINATION COMMITTEE

YIP Ming (*Chairperson*)

TSANG Chung Sing Edward

LAU Siu Hang

REGISTERED OFFICE

Cricket Square, Hutchins Drive, P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

董事會

執行董事

詹嘉淳

獨立非執行董事

甘偉平

葉明

劉少恒

曾松星

公司秘書

黃嘉盛 *CPA, ACCA*

審核委員會

曾松星 (*主席*)

葉明

劉少恒

薪酬委員會

劉少恒 (*主席*)

曾松星

葉明

提名委員會

葉明 (*主席*)

曾松星

劉少恒

註冊辦事處

Cricket Square, Hutchins Drive, P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

CORPORATE INFORMATION

公司資料

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2202, 22nd Floor
118 Connaught Road West
Hong Kong

INVESTMENT MANAGER

Avia Asset Management Limited
Unit A, Level 9, Fortis Tower
77-79 Gloucester Road, Wanchai
Hong Kong

AUDITOR

RSM Hong Kong

CUSTODIAN

DBS Vickers (Hong Kong) Limited

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
Level 22
Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited
Bank of China (Hong Kong) Limited
Bank of Communications Hong Kong Branch

STOCK CODE

2312

WEBSITE

<http://www.cflg.com.hk>

香港主要營業地點

香港
干諾道西118號
22樓2202室

投資經理

輝亞資產管理有限公司
香港
灣仔告士打道77-79號
富通大廈9樓A室

核數師

中瑞岳華(香港)會計師事務所

託管商

星展唯高達(香港)有限公司

香港股份過戶登記處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心22樓

主要往來銀行

星展銀行(香港)有限公司
中國銀行(香港)有限公司
交通銀行香港分行

股份代號

2312

網址

<http://www.cflg.com.hk>



CHINA FINANCIAL LEASING GROUP LIMITED
中國金融租賃集團有限公司