*香港交易及結算所有限公司及香港聯合交易所有限公司對本公告的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示，概不對因本公告全部或任何部份內容而產生或因倚賴該等內容而引致的任何損失承擔任何責任。*

**Neo-Neon Holdings Limited**
**同方友友控股有限公司**
*(於開曼群島註冊成立的有限公司)*
**(股份代號：1868)**

# 海外監管公告

本公告是由同方友友控股有限公司(「本公司」)依據香港聯合交易所有限公司證券上市規則第13.10B條作出。

以下所附是本公司按臺灣證券交易所股份有限公司的規定於二零一七年四月二十七日在臺灣證券交易所股份有限公司公開資訊觀測站(MOPS網站)刊發的公告。

承董事會命
**同方友友控股有限公司**
*主席*
**黃俞**

香港，二零一七年四月二十七日

*於本公告日期，本公司執行董事為謝漢良先生；非執行董事為黃俞先生(主席)、王良海先生及劉衛東先生；獨立非執行董事為范仁達先生、劉天民先生及李明綺女士。*

# 同方友友控股有限公司及子公司
# (原名：真明麗控股有限公司及子公司)

## 民國一〇五年度合併財務報表

## 暨會計師複核報告

(上市台灣存託憑證用外國公司財務報告)

同方友友控股有限公司及子公司
（原名：真明麗控股有限公司及子公司）
民國一〇五年度合併財務報表
暨會計師複核報告
(上市台灣存託憑證用外國公司財務報告)

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# 附　件　一

# 會計師複核報告

同方友友控股有限公司(原名：真明麗控股有限公司) 公鑒：

同方友友控股有限公司及其子公司民國一〇五年及一〇四年一月一日至十二月三十一日之合併財務報表，業經香港畢馬威會計師事務所查核完竣，並於民國一〇六年三月十三日出具無保留意見之查核報告（詳附件四）。隨附同方友友控股有限公司及其子公司民國一〇五年及一〇四年一月一日至十二月三十一日依新台幣換算之綜合財務狀況表、綜合全面收益表、綜合權益變動表及綜合現金流量表暨其相關資訊(附件二)，業經本會計師依照「第二上市（櫃）公司財務報告複核要點」，採行必要之複核程序予以複核竣事。由於本會計師並未依照一般公認審計準則查核，故無法對上開財務報告之整體是否允當表達表示意見。

依本會計師之複核結果，第一段所述同方友友控股有限公司及其子公司民國一〇五年及一〇四年一月一日至十二月三十一日之綜合財務狀況表、綜合全面收益表、綜合權益變動表及綜合現金流量表暨其相關資訊，並未發現有違反「第二上市（櫃）公司財務報告複核要點」規定而需作重大修正、調整或再補充揭露之情事。

如附件三所示，同方友友控股有限公司及其子公司之主要合併財務報表格式係依香港一般公認會計原則及相關法令規定編製，以致與中華民國部分規定不同，是以，同方友友控股有限公司及其子公司業已依中華民國金融監督管理委員會認可之國際財務報導準則、國際會計準則、解釋及解釋公告及相關法令予以重編其民國一〇五年及一〇四年一月一日至十二月三十一日之合併資產負債表、合併綜合損益表及合併現金流量表。

安侯建業聯合會計師事務所

曾　國　禓

會　計　師：

張　淑　瑩

證券主管機關：金管證六字第0940129108號

核准簽證文號：金管證六字第0940100754號

民國一〇六年三月十三日

# 附 件 二

本公司及子公司原以人民幣編製之合併財務報表，謹依規定匯率編製按新台幣換算之主要報表：

一、綜合財務狀況表

二、綜合全面收益表

三、綜合權益變動表

四、綜合現金流量表

民國一〇五年及一〇四年一月一日至十二月三十一日比較報表之所有科目金額，係分別以民國一〇五年十二月三十一日之人民幣對新台幣匯率(RMB$1：NTD$4.623)及民國一〇四年十二月三十一日之人民幣對新台幣匯率(RMB$1：NTD$4.995)換算。

最近三年度人民幣對新台幣最高、最低及平均匯率如下：

| | 最高 | 最低 | 平均 |
|---|---|---|---|
| 105.1.1~105.12.31 | RMB $1：NTD$5.105 | RMB $1：NTD$4.591 | RMB $1：NTD$4.808 |
| 104.1.1~104.12.31 | RMB $1：NTD$5.184 | RMB $1：NTD$4.890 | RMB $1：NTD$5.033 |
| 103.4.1~103.12.31 | RMB $1：NTD$5.109 | RMB $1：NTD$4.797 | RMB $1：NTD$4.902 |

# 同方友友控股有限公司及子公司
# （原名：真明麗控股有限公司及子公司）
## 綜合財務狀況表
### 民國一〇五年及一〇四年十二月三十一日

單位：千元

| | 105.12.31 | | 104.12.31 | |
|---|---|---|---|---|
| | 人民幣 | 新台幣 | 人民幣 | 新台幣 |
| **非流動資產：** | | | | |
| 投資物業 | $ 14,700 | 67,958 | 14,700 | 73,427 |
| 物業、廠房及設備 | 149,832 | 692,674 | 231,803 | 1,157,856 |
| 預付租約付款 | 31,863 | 147,303 | 38,097 | 190,295 |
| 商譽 | 8,663 | 40,049 | 8,109 | 40,504 |
| 無形資產 | 29,840 | 137,950 | 23,853 | 119,146 |
| 聯營公司權益 | 1,331 | 6,153 | 1,345 | 6,718 |
| 可供出售投資 | 2,308 | 10,670 | 2,308 | 11,528 |
| 按公允價計入損益的金融資產 | 108,152 | 499,987 | 105,380 | 526,373 |
| 收購物業、廠房及設備之按金 | 1,381 | 6,384 | 1,341 | 6,698 |
| 遞延所得稅資產-非流動 | 7,063 | 32,652 | - | - |
| **非流動資產合計** | 355,133 | 1,641,780 | 426,936 | 2,132,545 |
| **流動資產：** | | | | |
| 待出售非流動資產 | 105,275 | 486,686 | - | - |
| 存貨 | 184,316 | 852,093 | 189,174 | 944,924 |
| 應收貿易及其他款項 | 178,930 | 827,193 | 210,922 | 1,053,556 |
| 可收回稅項 | 22,765 | 105,243 | 11,943 | 59,655 |
| 已抵押銀行按金 | 27,667 | 127,905 | 20,353 | 101,663 |
| 現金及現金等值物 | 647,356 | 2,992,727 | 615,663 | 3,075,237 |
| **流動資產合計** | 1,166,309 | 5,391,847 | 1,048,055 | 5,235,035 |
| **流動負債：** | | | | |
| 應付貿易及其他款項 | 163,546 | 756,074 | 194,373 | 970,893 |
| 應付稅項 | 10,068 | 46,544 | 4,094 | 20,450 |
| 須於一年內償還之銀行借貸 | 110,967 | 513,000 | 95,129 | 475,169 |
| 與待出售非流動資產直接相關之負債 | 11,195 | 51,754 | - | - |
| **流動負債合計** | 295,776 | 1,367,372 | 293,596 | 1,466,512 |
| **流動資產淨值** | 870,533 | 4,024,475 | 754,459 | 3,768,523 |
| **總資產值減流動負債** | 1,225,666 | 5,666,255 | 1,181,395 | 5,901,068 |
| **非流動負債：** | | | | |
| 政府補貼 | 12,765 | 59,013 | 13,914 | 69,499 |
| 遞延稅項 | 2,950 | 13,638 | 3,997 | 19,965 |
| **非流動負債合計** | 15,715 | 72,651 | 17,911 | 89,464 |
| **資產淨值** | **1,209,951** | **5,593,604** | **1,163,484** | **5,811,604** |
| **資本與儲備：** | | | | |
| 股本 | 171,808 | 794,268 | 171,897 | 858,626 |
| 儲備 | 1,037,362 | 4,795,725 | 990,713 | 4,948,611 |
| **本公司股本持有人應佔權益** | 1,209,170 | 5,589,993 | 1,162,610 | 5,807,237 |
| **非控股權益** | 781 | 3,611 | 874 | 4,367 |
| **權益總額** | **$ 1,209,951** | **5,593,604** | **1,163,484** | **5,811,604** |

註一：民國一〇五年十二月三十一日財務報表之所有資產、負債、股東權益及損益科目金額，係以民國105年12月31日之匯率RMB$1=NT4.623換算。

民國一〇四年十二月三十一日財務報表之所有資產、負債、股東權益及損益科目金額，係以民國104年12月31日之匯率RMB$1=NT$4.995換算。

董事長：　　經理人：　　會計主管：

# 同方友友控股有限公司及子公司

## （原名：真明麗控股有限公司及子公司）

## 綜合全面收益表

### 民國一〇五年及一〇四年一月一日至十二月三十一日

單位:千元

| | 105年度 | | 104年度 | |
|---|---|---|---|---|
| | 人民幣 | 新台幣 | 人民幣 | 新台幣 |
| **營業額** | $ 611,243 | 2,825,776 | 602,438 | 3,009,178 |
| **已售貨物的成本** | 422,713 | 1,954,202 | 435,150 | 2,173,574 |
| **毛利** | 188,530 | 871,574 | 167,288 | 835,604 |
| 其他收入 | 11,657 | 53,890 | 10,262 | 51,259 |
| 其他收益及虧損 | 28,058 | 129,712 | 63,603 | 317,697 |
| 其他支出 | (590) | (2,728) | (4,751) | (23,731) |
| 確認減值虧損 | | | | |
| 分銷及銷售開支 | (97,396) | (450,262) | (88,527) | (442,192) |
| 行政開支 | (107,583) | (497,354) | (135,607) | (677,357) |
| 財務成本 | (3,873) | (17,905) | (2,693) | (13,452) |
| 分佔聯營公司及一間共同控制實體虧損 | - | - | (99) | (495) |
| **除稅前溢利** | 18,803 | 86,927 | 9,476 | 47,333 |
| **稅項支出** | (7,061) | (32,643) | (4,991) | (24,930) |
| **年內溢利** | **11,742** | **54,284** | **4,485** | **22,403** |
| **年內其他全面收益：** | | | | |
| 其後可能被重新分類至損益的項目 | | | | |
| -折算海外附屬公司財務報表產生之匯兌差額，經扣除零稅項 | 33,298 | 153,937 | 19,373 | 96,768 |
| **年內其他全面收益** | 33,298 | 153,937 | 19,373 | 96,768 |
| **年內全面收益總額** | **$ 45,040** | **208,221** | **23,858** | **119,171** |
| **本年度以下人士應佔溢利(虧損)：** | | | | |
| 本公司股本持有人 | $ 11,778 | 54,450 | 5,817 | 29,056 |
| 非控股權益 | (36) | (166) | (1,332) | (6,653) |
| | **$ 11,742** | **54,284** | **4,485** | **22,403** |
| **應佔本年度全面收益總額：** | | | | |
| 本公司股本持有人 | $ 44,951 | 207,809 | 25,021 | 124,980 |
| 非控股權益 | 89 | 412 | (1,163) | (5,809) |
| | **$ 45,040** | **208,221** | **23,858** | **119,171** |
| | 人民幣 | 新台幣 | 人民幣 | 新台幣 |
| **每股盈利(虧損)** | | | | |
| **－基本(人民幣分/新台幣元)** | **$ 0.61** | **0.03** | **0.30** | **0.01** |
| **－攤薄(人民幣分/新台幣元)** | **$ 0.61** | **0.03** | **0.30** | **0.01** |

註一：民國一〇五年十二月三十一日財務報表之所有資產、負債、股東權益及損益科目金額，係以民國105年12月31日之匯率RMB$1=NT4.623換算。

民國一〇四年十二月三十一日財務報表之所有資產、負債、股東權益及損益科目金額，係以民國104年12月31日之匯率RMB$1=NT$4.995換算。

董事長：　　經理人：　　會計主管：

# 同方友友控股有限公司及子公司

## （原名：真明麗控股有限公司及子公司）

## 綜合權益變動表

## 民國一〇五年及一〇四年一月一日至十二月三十一日

單位:人民幣千元

| | 本公司股本持有人應佔 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 股　本 | 股份溢價 | 資　本贖回儲備 | 特別儲備 | 其他儲備 | 股　份補償儲備 | 購股權儲　備 | 匯兌儲備 | 累計虧損 | 總　計 | 非控股權益 | 權益總計 |
| **於民國一〇四年一月一日** | $ 171,897 | 2,264,928 | 255 | 55,238 | (8,220) | 50,024 | - | (277,951) | (1,122,253) | 1,133,918 | 2,839 | 1,136,757 |
| 期間變動： | | | | | | | | | | | | |
| 本年度溢利 | - | - | - | - | - | - | - | - | 5,817 | 5,817 | (1,332) | 4,485 |
| 其他全面收益 | - | - | - | - | - | - | - | 19,204 | - | 19,204 | 169 | 19,373 |
| 年內全部收益總額 | - | - | - | - | - | - | - | 19,204 | 5,817 | 25,021 | (1,163) | 23,858 |
| 出售一間附屬公司 | - | - | - | - | - | - | - | - | - | - | (802) | (802) |
| 確認基於股份以權益結算之付款 | - | - | - | - | - | - | 3,671 | - | - | 3,671 | - | 3,671 |
| **於民國一〇四年十二月三十一日** | **$ 171,897** | **2,264,928** | **255** | **55,238** | **(8,220)** | **50,024** | **3,671** | **(258,747)** | **(1,116,436)** | **1,162,610** | **874** | **1,163,484** |
| **於民國一〇五年一月一日** | $ 171,897 | 2,264,928 | 255 | 55,238 | (8,220) | 50,024 | 3,671 | (258,747) | (1,116,436) | 1,162,610 | 874 | 1,163,484 |
| 期間變動： | | | | | | | | | | | | |
| 本年度溢利 | - | - | - | - | - | - | - | - | 11,778 | 11,778 | (36) | 11,742 |
| 其他全面收益 | - | - | - | - | - | - | - | 33,173 | - | 33,173 | 125 | 33,298 |
| 年內全部收益總額 | - | - | - | - | - | - | - | 33,173 | 11,778 | 44,951 | 89 | 45,040 |
| 股票回購 | (89) | (911) | 89 | - | - | - | - | - | - | (911) | - | (911) |
| 確認基於股份以權益結算之付款 | - | - | - | - | - | - | 2,718 | - | - | 2,718 | - | 2,718 |
| 收購附屬公司之非控制權益 | - | - | - | - | (198) | - | - | - | - | (198) | (182) | (380) |
| **於民國一〇五年十二月三十一日** | **$ 171,808** | **2,264,017** | **344** | **55,238** | **(8,418)** | **50,024** | **6,389** | **(225,574)** | **(1,104,658)** | **1,209,170** | **781** | **1,209,951** |

董事長：　　經理人：　　會計主管：

# 同方友友控股有限公司及子公司

## （原名：真明麗控股有限公司及子公司）

## 綜合權益變動表

## 民國一〇五年及一〇四年一月一日至十二月三十一日

單位:新台幣千元

| | 本公司股本持有應佔 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 股　本 | 股份溢價 | 資　本贖回儲備 | 特別儲備 | 其他儲備 | 股　份補償儲備 | 購股權儲　備 | 匯兌儲備 | 累計虧損 | 總　計 | 非控制權益 | 權益總計 |
| **於民國一〇四年四月一日** | $ 858,626 | 11,313,315 | 1,274 | 275,914 | (41,059) | 249,870 | - | (1,388,365) | (5,605,654) | 5,663,921 | 14,181 | 5,678,102 |
| 期間變動： | | | | | | | | | | | | |
| 本年度虧損 | - | - | - | - | - | - | - | - | 29,056 | 29,056 | (6,653) | 22,403 |
| 其他全面收益 | - | - | - | - | - | - | - | 95,924 | - | 95,924 | 844 | 96,768 |
| 本年度全部收益總額 | - | - | - | - | - | - | - | 95,924 | 29,056 | 124,980 | (5,809) | 119,171 |
| 出售一間附屬公司 | - | - | - | - | - | - | - | - | - | - | (4,005) | (4,005) |
| 確認基於股份以權益結算之付款 | - | - | - | - | - | - | 18,336 | - | - | 18,336 | - | 18,336 |
| **於民國一〇四年十二月三十一日** | **$ 858,626** | **11,313,315** | **1,274** | **275,914** | **(41,059)** | **249,870** | **18,336** | **(1,292,441)** | **(5,576,598)** | **5,807,237** | **4,367** | **5,811,604** |
| **於民國一〇五年一月一日** | $ 794,680 | 10,470,762 | 1,179 | 255,365 | (38,001) | 231,261 | 16,971 | (1,196,187) | (5,161,284) | 5,374,746 | 4,041 | 5,378,787 |
| 期間變動： | | | | | | | | | | | | |
| 本年度溢利 | - | - | - | - | - | - | - | - | 54,450 | 54,450 | (166) | 54,284 |
| 其他全面收益 | - | - | - | - | - | - | - | 153,359 | - | 153,359 | 578 | 153,937 |
| 年度全面收益總額 | - | - | - | - | - | - | - | 153,359 | 54,450 | 207,809 | 412 | 208,221 |
| 股票回購 | (411) | (4,212) | 411 | - | - | - | - | - | - | (4,212) | - | (4,212) |
| 確認基於股份以權益結算之付款 | - | - | - | - | - | - | 12,565 | - | - | 12,565 | - | 12,565 |
| 收購附屬公司之非控制權益 | - | - | - | - | (915) | - | - | - | - | (915) | (842) | (1,757) |
| **於民國一〇五年十二月三十一日** | **$ 794,269** | **10,466,550** | **1,590** | **255,365** | **(38,916)** | **231,261** | **29,536** | **(1,042,828)** | **(5,106,834)** | **5,589,993** | **3,611** | **5,593,604** |

註：民國一〇五年一月一日至十二月三十一日財務報表之所有資產、負債、股東權益及損益科目金額，係以民國105年12月31日之匯率RMB$1=NT$4.623換算。

民國一〇四年一月一日至十二月三十一日財務報表之所有資產、負債、股東權益及損益科目金額，係以民國104年12月31日之匯率RMB$1=NT$4.995換算。

民國一〇五年一月一日之股東權益科目金額，係以民國105年12月31日之匯率RMB$1=NT$4.623換算。

董事長：　　經理人：　　會計主管：

同方友友控股有限公司及子公司

（原名：真明麗控股有限公司及子公司）

綜合現金流量表

民國一〇五年及一〇四年一月一日至十二月三十一日

單位：千元

| | 105年度 | | 104年度 | |
|---|---|---|---|---|
| | 人民幣 | 新台幣 | 人民幣 | 新台幣 |
| **經營活動之現金流量：** | | | | |
| **除稅前溢利** | $ 18,803 | 86,927 | 9,476 | 47,333 |
| **就以下項目作出調整：** | | | | |
| 利息收入 | (2,140) | (9,893) | (3,434) | (17,153) |
| 財務成本 | 3,873 | 17,905 | 2,693 | 13,452 |
| 分佔聯營公司虧損 | - | - | 99 | 495 |
| 出售一間附屬公司之收益 | (298) | (1,378) | (1,797) | (8,976) |
| 出售可供出售投資之收益 | - | - | (182) | (909) |
| 折舊及攤銷 | 34,876 | 161,232 | 34,229 | 170,974 |
| 投資物業公允值變動 | - | - | 1,795 | 8,966 |
| 按公允值計入損益的金融資產公允值變動 | (2,772) | (12,815) | 120 | 599 |
| 出售物業、廠房及設備及預付租約付款之收益 | (2,421) | (11,192) | (27,436) | (137,043) |
| 攤銷政府補助金 | (77) | (356) | (4,147) | (20,714) |
| 存貨撥備淨額 | 3,995 | 18,469 | 3,705 | 18,506 |
| 呆壞帳(撥備撥回)撥備淨額 | (5,213) | (24,100) | (13,934) | (69,600) |
| 基於股份以權益結算之付款 | 2,718 | 12,565 | 3,671 | 18,337 |
| 匯兌收益淨額 | (18,523) | (85,632) | (22,771) | (113,741) |
| 營運資金變動前的經營現金流量 | 32,821 | 151,732 | (17,913) | (89,474) |
| 存貨減少(增加) | 6,008 | 27,775 | (22,855) | (114,161) |
| 可收回稅項增加 | (10,019) | (46,317) | (7,784) | (38,881) |
| 應收貿易及其他款項減少 | 8,256 | 38,167 | 17,116 | 85,495 |
| 應付貿易及其他款項減少 | (22,537) | (104,188) | (9,577) | (47,837) |
| 收取現金政府補貼 | - | - | 2,250 | 11,239 |
| 經營業務所用現金 | 14,529 | 67,169 | (38,763) | (193,619) |
| 已付所得稅項 | (9,599) | (44,376) | (5,921) | (29,575) |
| **經營業務所用現金淨額** | 4,930 | 22,793 | (44,684) | (223,194) |
| **投資活動之現金流量：** | | | | |
| 已收利息 | 2,140 | 9,893 | 3,434 | 17,153 |
| 存放已抵押銀行存款 | (27,667) | (127,905) | (20,353) | (101,663) |
| 解除已抵押銀行存款 | 20,353 | 94,092 | 1,167 | 5,829 |
| 購買物業、廠房及設備 | (18,935) | (87,537) | (19,477) | (97,288) |
| 出售物業、廠房及設備及預付租約付款的所得款項 | 19,401 | 89,691 | 18,935 | 94,580 |
| 添置無形資產 | (8,434) | (38,990) | (9,029) | (45,100) |
| 出售一間附屬公司 | - | - | (119) | (594) |
| 取得待出售非流動資產 | (1,950) | (9,015) | - | - |
| **投資活動所用現金淨額** | (15,092) | (69,771) | (25,442) | (127,083) |

同方友友控股有限公司及子公司

（原名：真明麗控股有限公司及子公司）

綜合現金流量表(續)

民國一〇五年及一〇四年一月一日至十二月三十一日

單位：千元

| | 105年度 | | 104年度 | |
|---|---|---|---|---|
| | 人民幣 | 新台幣 | 人民幣 | 新台幣 |
| 融資活動之現金流量： | | | | |
| 新造銀行貸款所得款項 | 94,761 | 438,080 | 27,193 | 135,829 |
| 償還銀行貸款 | (84,952) | (392,733) | (49,382) | (246,663) |
| 已付利息 | (3,873) | (17,905) | (2,693) | (13,452) |
| 庫藏股票買回成本 | (911) | (4,212) | - | - |
| 非控制權益變動 | (380) | (1,757) | - | - |
| 融資活動所得(所用)現金淨額 | 4,645 | 21,473 | (24,882) | (124,286) |
| 現金及現金等值物減少淨額 | (5,517) | (25,505) | (95,008) | (474,563) |
| 於年初的現金及現金等值物 | 615,663 | 2,846,210 | 674,806 | 3,370,656 |
| 外幣匯率變動的影響 | 37,210 | 172,022 | 35,865 | 179,144 |
| 於年末的現金及現金等值物 | **$ 647,356** | **2,992,727** | **615,663** | **3,075,237** |

註：民國一〇五年一月一日至十二月三十一日財務報表之所有資產、負債、股東權益及損益科目金額，係以民國105年12月31日之匯率RMB$1=NT$4.623換算。

民國一〇四年一月一日至十二月三十一日財務報表之所有資產、負債、股東權益及損益科目金額，係以民國104年12月31日之匯率RMB$1=NT$4.995換算。

董事長：　　經理人：　　會計主管：

# 附　件　三

同方友友控股有限公司及子公司

（原名：真明麗控股有限公司及子公司）

合併資產負債表

依中華民國金融監督管理委員會認可之國際財務報導準則重編

民國一〇五年及一〇四年十二月三十一日

單位:新台幣千元

| | | 105.12.31 | | | | | 104.12.31 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 依香港財務報導準則編製金額 | % | 調節金額增(減) | 依中華民國國際財務報導準則編製之金額 | % | 依香港財務報導準則編製金額 | % | 調節金額增(減) | 依中華民國國際財務報導準則編製之金額 | % |
| | **資產** | | | | | | | | | | |
| | **流動資產：** | | | | | | | | | | |
| 1100 | 現金及約當現金 | $ 2,992,727 | 43 | - | 2,992,727 | 43 | 3,075,237 | 42 | - | 3,075,237 | 42 |
| 1130 | 存貨 | 852,093 | 12 | - | 852,093 | 12 | 944,924 | 13 | - | 944,924 | 13 |
| 1170 | 應收帳款淨額 | 524,738 | 7 | - | 524,738 | 7 | 483,486 | 7 | - | 483,486 | 7 |
| 1200 | 其他應收款 | 407,698 | 6 | - | 407,698 | 6 | 629,725 | 8 | - | 629,725 | 8 |
| 1460 | 待出售非流動資產 | 486,686 | 7 | - | 486,686 | 7 | - | - | - | - | - |
| 1476 | 其他金融資產－流動 | 127,905 | 2 | - | 127,905 | 2 | 101,663 | 1 | - | 101,663 | 1 |
| | **流動資產合計** | 5,391,847 | 77 | - | 5,391,847 | 77 | 5,235,035 | 71 | - | 5,235,035 | 71 |
| | **非流動資產：** | | | | | | | | | | |
| 1510 | 透過損益按公允價值衡量之金融資產－非流動 | 499,987 | 7 | - | 499,987 | 7 | 526,373 | 7 | - | 526,373 | 7 |
| 1524 | 備供出售金融資產－非流動 | 10,670 | - | (10,670) | - | - | 11,528 | - | (11,528) | - | - |
| 1543 | 以成本衡量之金融資產－非流動 | - | - | 10,670 | 10,670 | - | - | - | 11,528 | 11,528 | - |
| 1550 | 採用權益法之投資 | 6,153 | - | - | 6,153 | - | 6,718 | - | - | 6,718 | - |
| 1600 | 不動產、廠房及設備 | 699,058 | 10 | (6,384) | 692,674 | 10 | 1,164,554 | 16 | (6,698) | 1,157,856 | 16 |
| 1760 | 投資性不動產淨額 | 67,958 | 1 | (33,726) | 34,232 | 1 | 73,427 | 1 | (27,031) | 46,396 | 1 |
| 1780 | 無形資產 | 137,950 | 2 | - | 137,950 | 2 | 119,146 | 2 | - | 119,146 | 2 |
| 1840 | 遞延所得稅資產 | 32,652 | - | - | 32,652 | - | - | - | - | - | - |
| 1805 | 商譽 | 40,049 | 1 | - | 40,049 | 1 | 40,504 | 1 | - | 40,504 | 1 |
| 1915 | 預付設備款 | - | - | 6,384 | 6,384 | - | - | - | 6,698 | 6,698 | - |
| 1985 | 長期預付租金 | 147,303 | 2 | - | 147,303 | 2 | 190,295 | 2 | - | 190,295 | 2 |
| | **非流動資產合計** | 1,641,780 | 23 | (33,726) | 1,608,054 | 23 | 2,132,545 | 29 | (27,031) | 2,105,514 | 29 |
| | **資產總計** | **$ 7,033,627** | **100** | **(33,726)** | **6,999,901** | **100** | **7,367,580** | **100** | **(27,031)** | **7,340,549** | **100** |

董事長：　　經理人：　　會計主管：

同方友友控股有限公司及子公司

（原名：真明麗控股有限公司及子公司）

合併資產負債表(續)

依中華民國金融監督管理委員會認可之國際財務報導準則重編

民國一〇五年及一〇四年十二月三十一日

單位:新台幣千元

| | | 105.12.31 | | | | | 104.12.31 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 依香港財務報導準則編製金額 | % | 調節金額增(減) | 依中華民國國際財務報導準則編製之金額 | % | 依香港財務報導準則編製金額 | % | 調節金額增(減) | 依中華民國國際財務報導準則編製之金額 | % |
| | **負債及股東權益** | | | | | | | | | | |
| | **流動負債：** | | | | | | | | | | |
| 2170 | 應付帳款 | $ 432,473 | 6 | - | 432,473 | 6 | 530,184 | 7 | - | 530,184 | 7 |
| 2209 | 其他應付費用 | 64,190 | 1 | - | 64,190 | 1 | 74,061 | 1 | - | 74,061 | 1 |
| 2219 | 其他應付款－其他 | 259,411 | 4 | - | 259,411 | 4 | 366,648 | 5 | - | 366,648 | 5 |
| 2230 | 當期所得稅負債 | 46,544 | 1 | - | 46,544 | 1 | 20,450 | - | - | 20,450 | - |
| 2260 | 與待出售非流動資產直接相關之負債 | 51,754 | 1 | - | 51,754 | 1 | - | - | - | - | - |
| 2322 | 一年或一營業週期內到期長期借款 | 513,000 | 8 | - | 513,000 | 8 | 475,169 | 7 | - | 475,169 | 7 |
| | **流動負債合計** | 1,367,372 | 21 | - | 1,367,372 | 21 | 1,466,512 | 20 | - | 1,466,512 | 20 |
| | 非流動負債 | | | | | | | | | | |
| 2570 | 遞延所得稅負債 | 13,638 | - | - | 13,638 | - | 19,965 | - | - | 19,965 | - |
| 2630 | 長期遞延收入 | 59,013 | 1 | - | 59,013 | 1 | 69,499 | 1 | - | 69,499 | 1 |
| | **長期負債合計** | 72,651 | 1 | - | 72,651 | 1 | 89,464 | 1 | - | 89,464 | 1 |
| | 負債合計 | 1,440,023 | 22 | - | 1,440,023 | 22 | 1,555,976 | 21 | - | 1,555,976 | 21 |
| | 股東權益 | | | | | | | | | | |
| 3110 | 普通股股本 | 794,268 | 11 | - | 794,268 | 11 | 858,626 | 12 | - | 858,626 | 12 |
| 3200 | 資本公積 | - | - | 10,993,164 | 10,993,164 | 157 | - | - | 12,213,771 | 12,213,771 | 167 |
| | 儲備 | 4,795,725 | 67 | (4,795,725) | - | - | 4,948,611 | 67 | (4,948,611) | - | - |
| 3351 | 累積盈虧 | - | - | (5,188,336) | (5,188,336) | (75) | - | - | (5,999,750) | (5,999,750) | (82) |
| 3410 | 國外營運機構財務報表之兌換差額 | - | - | (1,042,829) | (1,042,829) | (15) | - | - | (1,292,441) | (1,292,441) | (18) |
| | **母公司股東權益合計** | 5,589,993 | 78 | (33,726) | 5,556,267 | 78 | 5,807,237 | 79 | (27,031) | 5,780,206 | 79 |
| 3600 | 非控制權益 | 3,611 | - | - | 3,611 | - | 4,367 | - | - | 4,367 | - |
| | 股東權益合計 | 5,593,604 | 78 | (33,726) | 5,559,878 | 78 | 5,811,604 | 79 | (27,031) | 5,784,573 | 79 |
| | **負債及股東權益總計** | **$ 7,033,627** | **100** | **(33,726)** | **6,999,901** | **100** | **7,367,580** | **100** | **(27,031)** | **7,340,549** | **100** |

註一：民國一〇五年十二月三十一日財務報表之所有資產、負債、股東權益及損益科目金額，係以民國105年12月31日之匯率RMB$1=NT4.623換算。

民國一〇四年十二月三十一日財務報表之所有資產、負債、股東權益及損益科目金額，係以民國104年12月31日之匯率RMB$1=NT$4.995換算。

董事長：　　經理人：　　會計主管：

# 同方友友控股有限公司及子公司

## （原名：真明麗控股有限公司及子公司）

## 合併綜合損益表

## （依中華民國金融監督管理委員會認可之國際財務報導準則重編）

民國一〇五年及一〇四年一月一日至十二月三十一日

單位:新台幣千元

| | | 105年度 | | | | | 104年度 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 項目 | 依香港財務報導準則編製金額 | % | 調節金額增(減) | 依中華民國國際財務報導準則編製之金額 | % | 依香港財務報導準則編製金額 | % | 調節金額增(減) | 依中華民國國際財務報導準則編製之金額 | % |
| 4000 | 營業收入 | $ 2,825,776 | 100 | - | 2,825,776 | 100 | 3,009,178 | 100 | - | 3,009,178 | 100 |
| 5000 | 營業成本 | 1,954,202 | 69 | - | 1,954,202 | 69 | 2,173,574 | 72 | - | 2,173,574 | 72 |
| | 營業毛利 | 871,574 | 31 | - | 871,574 | 31 | 835,604 | 28 | - | 835,604 | 28 |
| 6000 | 營業費用 | (947,616) | (37) | 21,372 | (926,244) | (33) | (1,119,549) | (37) | 52,038 | (1,067,511) | (35) |
| | 營業損失 | (76,042) | (6) | 21,372 | (54,670) | (2) | (283,945) | (9) | 52,038 | (231,907) | (7) |
| | 營業外收入及支出 | | | | | | | | | | |
| 7010 | 其他收入 | 84,050 | 3 | - | 84,050 | 3 | 103,406 | 3 | - | 103,406 | 3 |
| 7020 | 其他利益及損失 | 85,632 | 3 | - | 85,632 | 3 | 113,742 | 4 | - | 113,742 | 4 |
| 7050 | 財務成本 | (17,905) | (1) | - | (17,905) | (1) | (13,452) | (1) | - | (13,452) | (1) |
| 7060 | 採用權益法認列之關聯企業及合資損益份額 | - | - | - | - | - | (495) | - | - | (495) | - |
| 7210 | 處分不動產、廠房及設備利益 | 11,192 | - | - | 11,192 | - | 137,043 | 5 | - | 137,043 | 5 |
| 7596 | 什項支出 | - | - | (22,228) | (22,228) | (1) | - | - | (53,170) | (53,170) | (2) |
| 7655 | 公允價值調整損失-投資性不動產 | - | - | - | - | - | (8,966) | - | 8,966 | - | - |
| | 營業外收入及支出合計 | 162,969 | 5 | (22,228) | 140,741 | 4 | 331,278 | 11 | (44,204) | 287,074 | 9 |
| | 繼續營業單位稅前淨利 | 86,927 | (1) | (856) | 86,071 | 2 | 47,333 | 2 | 7,834 | 55,167 | 2 |
| | 減：所得稅費用 | 32,643 | (1) | - | 32,643 | (1) | 24,930 | (1) | - | 24,930 | (1) |
| | 本期淨利 | **$ 54,284** | **(2)** | **(856)** | **53,428** | **1** | **22,403** | **1** | **7,834** | **30,237** | **1** |
| | 其他綜合損益 | | | | | | | | | | |
| | 國外營運機構財務報表換算之兌換差額 | 153,937 | 5 | - | 153,937 | 5 | 96,768 | 3 | - | 96,768 | 3 |
| | 其他綜合損益(稅後淨額) | 153,937 | 5 | - | 153,937 | 5 | 96,768 | 3 | - | 96,768 | **3** |
| | 其他綜合損益總額 | **$ 208,221** | **3** | **(856)** | **207,365** | **6** | **119,171** | **4** | **7,834** | **127,005** | **4** |
| | 本期淨損歸屬於： | | | | | | | | | | |
| | 母公司業主 | 54,450 | | (856) | 53,594 | | 29,056 | | 7,834 | 36,890 | |
| | 非控制權益 | (166) | | - | (166) | | (6,653) | | - | (6,653) | |
| | | **$ 54,284** | | **(856)** | **53,428** | | **22,403** | | **7,834** | **30,237** | |
| | 綜合損益總額屬於： | | | | | | | | | | |
| | 母公司業主 | 207,809 | | (856) | 206,953 | | 124,980 | | 7,834 | 132,814 | |
| | 非控制權益 | 412 | | - | 412 | | (5,809) | | - | (5,809) | |
| | | **$ 208,221** | | **(856)** | **207,365** | | **119,171** | | **7,834** | **127,005** | |
| | 每股盈餘(虧損)(新台幣元) | | | | | | | | | | |
| | 基本稅後 | **$ 0.03** | | **-** | **0.03** | | **0.01** | | **-** | **0.01** | |
| | 稀釋稅後 | **$ 0.03** | | **-** | **0.03** | | **0.01** | | **-** | **0.01** | |

註：民國一〇五年十二月三十一日財務報表之所有資產、負債、股東權益及損益科目金額，係以民國105年12月31日之匯率RMB$1=NT$4.623換算。

民國一〇四年十二月三十一日財務報表之所有資產、負債、股東權益及損益科目金額，係以民國104年12月31日之匯率RMB$1=NT$4.995換算。

董事長：　　經理人：　　會計主管：

同方友友控股有限公司及子公司

（原名：真明麗控股有限公司及子公司）

合併現金流量表

（依中華民國金融監督管理委員會認可之國際財務報導準則重編）

民國一〇五年及一〇四年一月一日至十二月三十一日

單位:新台幣千元

| | 105年度 | | | 104年度 | | |
|---|---|---|---|---|---|---|
| | 依香港財務報導準則編製金額 | 調節金額 增(減) | 依中華民國國際財務報導準則編製金額 | 依香港財務報導準則編製金額 | 調節金額 增(減) | 依中華民國國際財務報導準則編製金額 |
| **營業活動之現金流量：** | | | | | | |
| **繼續營業單位稅前淨利** | $ 86,927 | (856) | 86,071 | 47,333 | 7,834 | 55,167 |
| **調整項目：** | | | | | | |
| 不影響現金流量之收益費損項目 | | | | | | |
| 折舊費用 | 140,174 | 856 | 141,030 | 152,862 | 1,132 | 153,994 |
| 攤銷費用 | 21,058 | - | 21,058 | 18,112 | - | 18,112 |
| 攤銷遞延政府補助收入 | (356) | - | (356) | (20,714) | - | (20,714) |
| 呆帳費用迴轉數 | (24,100) | - | (24,100) | (69,600) | - | (69,600) |
| 透過損益按公允價值衡量金融資產及負債之淨(利益)損失 | (12,815) | - | (12,815) | 599 | - | 599 |
| 利息費用 | 17,905 | - | 17,905 | 13,452 | - | 13,452 |
| 利息收入 | (9,893) | - | (9,893) | (17,153) | - | (17,153) |
| 投資性不動產按公允價值衡量之損失 | - | - | - | 8,966 | (8,966) | - |
| 股份基礎給付酬勞成本 | 12,565 | - | 12,565 | 18,336 | - | 18,336 |
| 未實現外幣兌換利益 | (85,632) | - | (85,632) | (113,741) | - | (113,741) |
| 採用權益法認列之關聯企業及合資損失之份額 | - | - | - | 495 | - | 495 |
| 處分不動產、廠房、設備及土地使用權利益 | (11,192) | - | (11,192) | (137,043) | - | (137,043) |
| 處分投資利益 | - | - | - | (909) | - | (909) |
| 處分投資關聯企業利益 | (1,378) | - | (1,378) | (8,976) | - | (8,976) |
| 存貨跌價損失 | 18,469 | - | 18,469 | 18,506 | - | 18,506 |
| 不影響現金流量之收益費損項目合計 | 151,732 | - | 151,732 | (89,475) | - | (89,475) |
| 與營業活動相關之資產／負債變動數： | | | | | | |
| 存貨減少(增加) | 27,775 | - | 27,775 | (114,161) | - | (114,161) |
| 應收帳款減少 | 38,167 | - | 38,167 | 85,494 | - | 85,494 |
| 應付帳款減少 | (104,188) | - | (104,188) | (47,837) | - | (47,837) |
| 其他流動負債減少 | (46,317) | - | (46,317) | (38,881) | - | (38,881) |
| 遞延補助款收入增加 | - | - | - | 11,239 | - | 11,239 |
| 與營業活動相關之資產及負債之淨變動合計 | (84,563) | - | (84,563) | (104,146) | - | (104,146) |
| 營運產生之現金流入(出) | 67,169 | - | 67,169 | (193,621) | - | (193,621) |
| 支付之所得稅 | (44,376) | - | (44,376) | (29,575) | - | (29,575) |
| **營業活動之淨現金流入(出)** | 22,793 | - | 22,793 | (223,196) | - | (223,196) |
| **投資活動現金流量：** | | | | | | |
| 處分子公司 | - | - | - | (594) | - | (594) |
| 取得不動產、廠房及設備 | (87,537) | - | (87,537) | (97,288) | - | (97,288) |
| 處分不動產、廠房及設備 | 89,691 | - | 89,691 | 94,580 | - | 94,580 |
| 取得無形資產 | (38,990) | - | (38,990) | (45,100) | - | (45,100) |
| 其他金融資產增加 | (33,813) | - | (33,813) | (95,834) | - | (95,834) |
| 收取之利息 | 9,893 | - | 9,893 | 17,153 | - | 17,153 |
| 取得待出售非流動資產 | (9,015) | - | (9,015) | - | - | - |
| **投資活動之淨現金流出** | (69,771) | - | (69,771) | (127,083) | - | (127,083) |
| **融資活動現金流量：** | | | | | | |
| 短期借款增加 | 438,080 | - | 438,080 | 135,829 | - | 135,829 |
| 短期借款減少 | (392,733) | - | (392,733) | (246,663) | - | (246,663) |
| 支付之利息 | (17,905) | - | (17,905) | (13,452) | - | (13,452) |
| 庫藏股票買回成本 | (4,212) | - | (4,212) | - | - | - |
| 非控制權益變動 | (1,757) | - | (1,757) | - | - | - |
| **融資活動之淨現金流入(出)** | 21,473 | - | 21,473 | (124,286) | - | (124,286) |
| 匯率變動對現金及約當現金之影響 | 172,022 | - | 172,022 | 179,146 | - | 179,146 |
| 本期現金及約當現金增加(減少)數 | 146,517 | - | 146,517 | (295,419) | - | (295,419) |
| 期初現金及約當現金餘額 | 2,846,210 | - | 2,846,210 | 3,370,656 | - | 3,370,656 |
| 期末現金及約當現金餘額 | **$ 2,992,727** | - | **2,992,727** | **3,075,237** | - | **3,075,237** |

註：民國一〇五年十二月三十一日財務報表之所有資產、負債、股東權益及損益科目金額，係以民國105年12月31日之匯率RMB$1=NT$4.623換算。

民國一〇四年十二月三十一日財務報表之所有資產、負債、股東權益及損益科目金額，係以民國104年12月31日之匯率RMB$1=NT$4.995換算。

董事長：　　經理人：　　會計主管：

# 同方友友控股有限公司及子公司
# (原名：真明麗控股有限公司及子公司)
# 合併財務報表重編說明
## 民國一〇五及一〇四年一月一日至十二月三十一日

## 一、合併財務報表重編原則

同方友友控股有限公司及子公司（以下簡稱合併公司）如附件四所列之民國一〇五年及一〇四年一月一日至十二月三十一日之財務報告，係包括同方友友控股有限公司（以下簡稱本公司）及子公司之合併財務資訊。合併公司依香港法令及香港財務報導準則(以下簡稱香港一般公認會計原則)編製之合併資產負債表、合併綜合損益表及合併現金流量表，因適用之會計原則不同，與中華民國金融監督管理委員會認可之國際財務報導準則、國際會計準則、解釋及解釋公告(以下簡稱中華民國經金管認可之國際財務報導準則)及相關法令規定部分不符，爰依中華民國財政部證券暨期貨管理委員會民國一〇一年十二月二十三日金管證審字第1010056540號函「第二上市(櫃)公司財務報告複核要點」規定，就上述合併資產負債表、合併綜合損益表及合併綜合現金流量表依中華民國經金管會認可之國際財務報導準則予以重編(以下簡稱重編合併財務報表)。

因適用之會計原則不同，致其對合併公司民國民國一〇五年及一〇四年一月一日至十二月三十一日損益影響金額重大者，上述重編合併財務報表已依中華民國經金管會認可之國際財務報導準則規定之格式與分類予以重分類，並執行相關損益調整。

## 二、合併公司所適用之中華民國經金管會認可之國際財務報導準則與香港一般公認會計原則之特定重大差異彙總說明

現行已發布生效之中華民國經金管會認可之國際財務報導準則與香港一般公認會計原則在特定方面可能有重大差異，其中影響合併公司民國一〇五年及一〇四年一月一日至十二月三十一日之合併資產負債表、合併綜合損益表及合併現金流量表，進而影響重編合併財務報表之主要差異，彙總說明如下：

| | 中華民國經金管會認可之國際財務報導準則 | 香港一般公認會計原則 | 對重編合併財務報表之影響 |
|---|---|---|---|
| (一)合併資產負債表 | 一般之分類方式，資產係以流動性大小排列，流動性大者在前，流動性小者在後。負債則按到期日的遠近排列，近者在先，遠者在後。股東權益按永久性大小排列，永久性大者在先，小者在後。 | 一般之分類方式，資產係以非流動性資產在前，流動資產在後。負債及權益，係以負債在前，股本及各項準備在後，負債以流動負債在前，非流動負債在後。 | 已依中華民國財務報表規定予表達揭露。 |
| 1.可供出售股本證券 | 因公平價值無法可靠衡量而採成本評價之股權投資，應分類為以成本衡量之金融資產－非流動。 | 因合理公平價值估計範圍重大及各種估計法之機率無法合理評估，企業可以成本衡量該金融資產，並分類為備供出售金融資產。 | 已予將備供出售金融資產重分類至以成本衡量之金融資產－非流動項下。<br>105年12月31日：10,670千元<br>104年12月31日：11,528千元 |
| 2.預付設備款 | 依據中華民國證券發行人財務報告編製準則規定，預付設備款依其性質重分類於預付款項下。 | 預付設備款係帳列於不動產、廠房及設備項下。 | 已予將不動產、廠房及設備重分類至預付設備款項下。<br>105年12月31日：6,384千元<br>104年12月31日：6,698千元 |
| 3.儲備 | 應依各交易產生之性質區分為資本公積、累積盈虧及其他權益-國外營運機構財務報表之兌換差額。 | 皆列入儲備項下表達。 | 已予將儲備重分類至資本公積、累積盈虧及其他權益－國外營運機構財務報告換算之兌換差額。<br>105年12月31日：4,795,725千元<br>104年12月31日：4,948,611千元 |

| | 中華民國經金管會認可之國際財務報導準則 | 香港一般公認會計原則 | 對重編合併財務報表之影響 |
|---|---|---|---|
| (二)投資性不動產之會計處理 | 投資性不動產原始認列時以成本衡量，後續衡量選擇按成本模式處理，並計提折舊費用。 | 1.投資性不動產係指，為賺取租金或為資本增值，或兩者兼有，而持有（由所有人持有或在融資租賃下持有）之土地或建築物。<br>2.企業可以選擇採公允價值模式或成本模式認列投資性不動產：<br>－公允價值模式：投資性不動產以公允價值衡量，公允價值之變動於綜合損益表中認列。<br>－成本模式：投資性不動產以折舊後成本減累計減損損失衡量。但應揭露投資性不動產之公允價值。<br>3.企業對其所有之投資性不動產都應採用一致之衡量模式。 | 已予以調整<br><br>損益影響數<br>105年度：(856)千元<br>104年度：7,834千元<br><br>保留盈餘影響數<br>105年12月31日：(32,870)千元<br>104年12月31日：(34,865)千元<br><br>資產影響數<br>105年12月31日：(33,726)千元<br>104年12月31日：(27,031)千元 |
| (三)未按持股比例認購或取得採權益法之被投資公司增發之股份 | 未依持股比例參與關聯企業增資而產生之股權比例異動，應計算所享有關聯企業可辨認資產及負債之淨公允價值與投資成本之差額，並調整「資本公積」及「採用權益法之投資」。另帳上因採用權益法之投資所產生之資本公積餘額不足時，其差額應借記「保留盈餘」。 | 投資公司非依原持股比例取得被投資公司增發股份致其持股比例減少或稀釋之推定處分，所產生之相關股權淨值增減者，可認列於當年度損益下。 | 已予以調整<br><br>損益影響數<br>105年度：無影響<br>104年度：無影響<br><br>保留盈餘影響數<br>105年12月31日：(49,353)千元<br>104年12月31日：(53,324)千元<br><br>資本公積影響數<br>105年12月31日：49,353千元<br>104年12月31日：53,324千元 |

| | 中華民國經金管會認可之國際財務報導準則 | 香港一般公認會計原則 | 對重編合併財務報表之影響 |
|---|---|---|---|
| (四)普通股買回及註銷 | 合併公司本身權益工具之購買、出售發行或註銷，均不得於損益表中認列利益或損失。惟所支付或收取對價應直接認列於權益。依中華民國經金管會認可之國際財務報導準則規定，合併公司註銷庫藏股票時，依股權比例調整資本公積－股票發行溢價。庫藏股票之帳面價值如低於面值與股票發行溢價之合計數時，其差額應調整同種類庫藏股票交易所產生之資本公積。 | 普通股買賣及註銷，係屬投入資本之變動，交易價差應直接反應於股東權益項下，不得認列於損益表中。 | 已予以調整<br><br>損益影響數<br>105年度：無影響<br>104年度：無影響<br><br>保留盈餘影響數<br>105年12月31日：1,577千元<br>104年12月31日：1,274千元<br><br>資本公積影響數<br>105年12月31日：(1,577)千元<br>104年12月31日：(1,274)千元 |
| (五)合併綜合損益表 | 應區分營業收入、營業成本、營業費用、營業外收入、營業外費用、非常損益及所得稅費用，分別予以列示，但營業成本及營業費用不能分別列示者，得合併之。 | 應區分營業收入、投資關聯企業損益、投資聯合控制個體利益、財務成本、所得稅費用、本年度淨利。並列明歸屬予本公司權益持有人及非控制權益之本年度淨利。<br>於綜合損益表中，應分別表達可重分類至損益及不可重分類至損益之其他綜合損益項目。 | 已依中華民國財務報表規定予表達揭露。<br><br>營業費用依其性質予以重分類。<br>105年度：(21,372)千元<br>104年度：(52,038)千元 |

# 附　件　四

Neo-NeoN®

清华同方
TSINGHUA TONGFANG

# 同方友友控股有限公司

(於開曼群島註冊成立之有限公司)
股份代號：1868.HK; 911868.TDR





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# 2016 年度報告

專業的LED照明研發生產

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# 公司資料

## 董事會

### 執行董事

謝漢良先生

### 非執行董事

黃俞先生(*主席*)
王良海先生
劉衛東先生

### 獨立非執行董事

范仁達先生
劉天民先生
李明綺女士

## 審核委員會

李明綺女士(*主席*)
范仁達先生
劉天民先生

## 薪酬委員會

劉天民先生(*主席*)
黃俞先生
范仁達先生
李明綺女士

## 提名委員會

黃俞先生(*主席*)
范仁達先生
劉天民先生
李明綺女士

## 風險管理及合規委員會

范仁達先生(*主席*)
黃俞先生
謝漢良先生
王良海先生
劉衛東先生
劉天民先生
李明綺女士

## 法定代表

謝漢良先生
梁樂偉先生

## 公司秘書

梁樂偉先生

## 香港股份過戶登記處分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

## 核數師

畢馬威會計師事務所
香港中環
遮打道10號
太子大廈8樓

公司資料

## 律師（香港法律）

陸繼鏘律師事務所
香港
中環港景街1號
國際金融中心一期
20樓2001室

## 主要往來銀行

中國建設銀行股份有限公司鶴山支行
台新國際商業銀行香港分行
中國光大銀行股份有限公司江門分行

## 註冊辦事處

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

## 香港主要營業地點

香港中環
夏慤道12號
美國銀行中心
806-810室

## 主要股份過戶登記處

Royal Bank of Canada Trust
Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

## 公司網址

www.neo-neon.com

## 股份代號

1868

# 主席報告書

各位尊敬的股東：

本人很榮幸的代表董事會及管理層，向各位股東提呈同方友友控股有限公司(「本公司」或「同方友友」)及其附屬公司(「本集團」)截至二零一六年十二月三十一日止的年度發展狀況及運營業績報告。

二零一六年是LED產業發展進入深度調整的一年。一方面，各種新技術、新產品、新應用層出不窮，為LED產業未來發展提供了有力的基礎和廣闊的市場空間；另一方面，LED產業逐漸步入成熟期，行業競爭激烈。

二零一六年，本集團在保持銷售適度增長的同時，專注細分、專業市場，繼續優化產品和客戶結構。本年度本集團運用了DMX聲光控制技術，在珠海長隆海洋王國全新打造了一檔以「夢幻聖誕在海洋」為主題的LED裝飾燈光秀，創下了LED裝飾燈領域的多個第一；本集團的創新產品Trulux LED燈帶系列以其靈活多變性、高度舒適性以及操作便利性在美國奪下二零一六年未來燈飾(Lighting for Tomorrow)最高獎項。本年度，在同方友友全體員工的辛勤勞動下，集團盈利能力進一步增強，自二零一一年來首次實現經營扭虧為盈。

按哥本哈根國際會議協議，以及《京都議定書》，和中國發布的《國務院關於印發「十三五」節能減排綜合工作方案的通知》，在全球範圍內推廣節能照明產品勢在必行。這對集團來說是一個潛在的商機。二零一七年，本集團繼續推動和深化體制改革，繼續以LED裝飾燈等綠色照明、智慧照明為基礎，以智慧家庭為平台，向智慧城市亮化工程發展；加快產品朝數字化、信息化方向發展；加大非經營資產管理；加強職能體系、內控體系管理。本集團繼續關注照明細分領域的市場發展，計劃通過收購推進專業照明業務快速增長。本集團將實施多元化策略，將業務拓展至金融服務業，以提升股東價值。

最後，本人代表同方友友董事會，衷心感謝集團全體員工的辛勤貢獻，廣大客戶及業務伙伴的大力支持，以及所有股東的信任。我們一直為人們提供安全、舒適、節能的光環境而奮斗！我們對集團的多元化策略充滿信心！

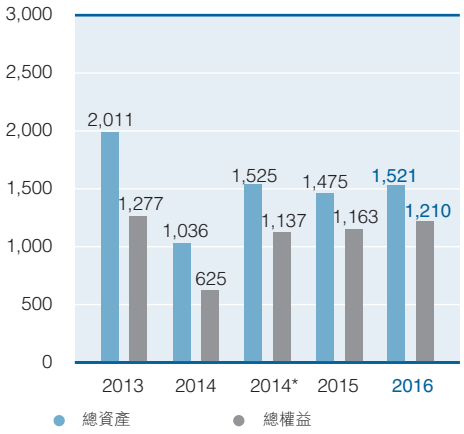
*主席*
**黃俞**
二零一七年三月十三日

# 財務摘要

| 以百萬人民幣呈列 | 截至三月三十一日止年度 二零一三年 | 二零一四年 | 截至十二月三十一日止年度 二零一四年* | 二零一五年 | **二零一六年** |
|---|---|---|---|---|---|
| 營業額 | 670 | 671 | 558 | 602 | **611** |
| 毛利(虧)額 | 80 | (195) | 48 | 167 | **189** |
| 本公司擁有人應佔溢利(虧損) | (500) | (659) | (196) | 6 | **12** |
| 扣除利息、稅項、折舊及攤銷前之盈利(虧損) | (349) | (581) | (162) | 46 | **58** |
| 總資產 | 2,011 | 1,036 | 1,525 | 1,475 | **1,521** |
| 總權益 | 1,277 | 625 | 1,137 | 1,163 | **1,210** |
| 毛利(虧)率 | 11.9% | (29.0%) | 8.7% | 27.8% | **30.8%** |
| 純利(虧)率 | (74.6%) | (98.2%) | (35.1%) | 1.0% | **1.9%** |
| 每股盈利(虧損)—基本(人民幣分) | (53.2) | (70.2) | (13.1) | 0.3 | **0.6** |

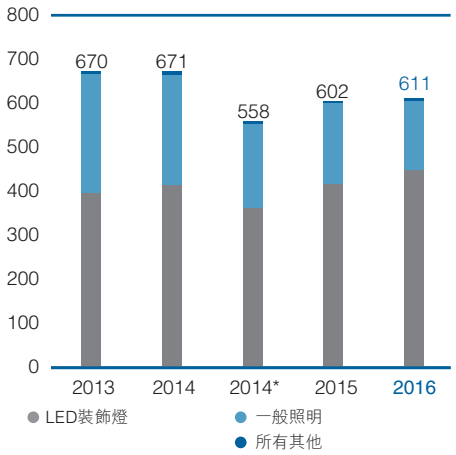
**總資產／總權益**

百萬人民幣



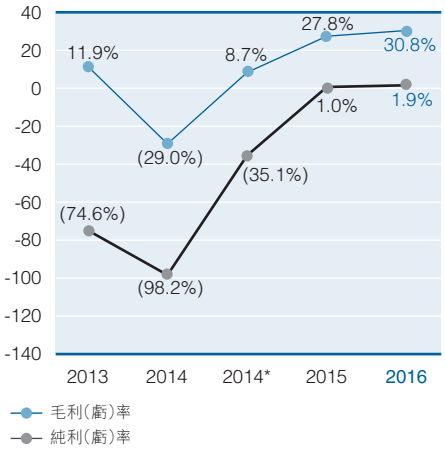

**營業額**

百萬人民幣



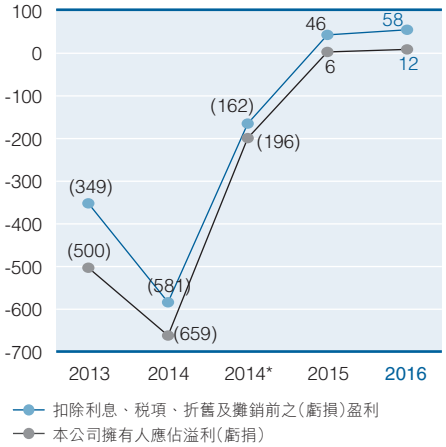

**毛利(虧)率及純利(虧)率**

%




**扣除利息、稅項、折舊及攤銷前之(虧損)盈利及本公司擁有人應佔(虧損)溢利**

百萬人民幣




* 由二零一四年四月一日至二零一四年十二月三十一日止九個月期間

# 董事及高級管理層履歷

## 執行董事

### 謝漢良先生

謝漢良先生，53歲，於二零一四年八月二十五日獲委任為執行董事及於二零一四年八月二十六日獲委任為本公司總裁兼首席執行官，彼主要負責本公司的日常運營及國際業務。彼亦任本公司全資附屬公司同方照明產業集團有限公司總裁。謝先生亦為同方泰德國際科技有限公司(「同方泰德」)創辦人、執行董事兼營運總監，負責同方泰德及其附屬公司的日常營運及一般管理。彼於二零零五年五月二十五日獲委任為同方泰德董事，並於二零一一年四月十二日調任為同方泰德執行董事。同方泰德為於聯交所主板上市的公司(股份代號：1206)。謝先生於二零零三年獲得法國INSEAD Fontainebleau的INSEAD-T.A.C.管理發展課程證書，並於一九八四年獲得新加坡理工學院(Singapore Polytechnic)電子及通訊工程系技術員文憑。於創立同方泰德之前，謝先生於一九九零年加入Honeywell Southeast Asia，擔任其於不同國家的多個銷售管理職位。於一九九四年，謝先生調任Honeywell China Inc.，離職前的職位為該公司大中華市場的銷售經理。謝先生亦於一九九八年至二零零五年擔任TAC Controls Asia Pte Ltd的董事總經理。謝先生為TAC Controls Asia Pte Ltd.亞太區管理團隊的主管人員。謝先生獲得Honeywell Asia Pacific Inc.授予的Winners Club Award及Honeywell Inc.授予的President's Club Award等多個獎項。於二零一二年四月十八日，謝先生獲新加坡董事協會認可為普通會員。

## 非執行董事

### 黃俞先生

黃俞先生，48歲，獲委任為本公司之非執行董事及董事會主席，由二零一六年七月十五日起生效。彼獲得格林威治大學理學碩士學位。彼現任：(i)深圳華控賽格股份有限公司，其股份在深圳證券交易所上市(股份代號：000068)之董事長、(ii)清華控股有限公司高級副總裁、(iii)深圳市奧融信投資發展有限公司之執行董事、(iv)鵬華基金管理有限公司監事會主席、(v)同方股份有限公司，其股份在上海證券交易所上市(股份代號：600100)之副董事長兼總裁，是公司控股股東、(vi)聯合水泥控股有限公司(建議改名為同方康泰產業集團有限公司)董事會主席及執行董事，於聯交所上市的公司(股份代號：1312)及(vii)同方泰德國際科技有限公司之非執行董事及董事會主席，於聯交所上市的公司(股份代號：1206)。

### 王良海先生

王良海先生，52歲，於二零一四年八月二十五日獲委任為執行董事。王先生為工學碩士，畢業於清華大學。自二零一零年五月起擔任同方股份的副總裁兼多媒體產業本部總經理及半導體與照明產業本部總經理。王先生自二零零七年起曾擔任同方股份總裁助理兼數字電視系統本部副總經理、消費電子事業部總經理。

### 劉衛東先生

劉衛東先生，54歲，於二零一四年八月二十五日獲委任為非執行董事。劉先生為會計師、工商管理碩士，畢業於清華大學經濟管理學院，至今擁有超過二十年財務、審計專業管理經驗。自二零零四年至今，劉先生曾任同方股份審計部副總經理、副總會計師、總會計師，現任同方股份副總裁兼財務負責人。

## 獨立非執行董事

### 范仁達先生

范仁達先生，56歲，於二零一四年八月二十五日獲委任為獨立非執行董事。范先生一九八六年於美國達拉斯大學取得工商管理碩士學位。范先生現為統一企業中國控股有限公司（股份代號：220）、中信資源控股有限公司（股份代號：1205）、上海實業城市開發集團有限公司（股份代號：563）、人和商業控股有限公司（股份代號：1387）、同方泰德國際科技有限公司（股份代號：1206）、國電科技環保集團股份有限公司（股份代號：1296）、天福（開曼）控股有限公司（股份代號：6868）、國開國際投資有限公司（股份代號：1062）、香港資源控股有限公司（股份代號：2882）、中國廣核新能源控股有限公司（股份代號：1811）、勒泰控股有限公司（股份代號：112）及利民實業有限公司（股份代號：229）的獨立非執行董事，所有公司均於香港聯交所主板上市。范先生亦為香港獨立非執行董事協會會長。

### 劉天民先生

劉天民先生，55歲，於二零一四年八月二十五日獲委任為獨立非執行董事。彼亦為軟銀中國創業投資有限公司主管合夥人、同方泰德國際科技有限公司（股份代號：1206）的非執行董事及臺灣蠟品股份有限公司（股份代號：1742）的獨立董事。劉先生於二零零三年至二零零九年間擔任同方股份副總裁兼數字電視系統本部總經理。同方泰德國際科技有限公司於聯交所主板上市，而臺灣蠟品股份有限公司於臺灣證交所上市。

### 李明綺女士

李明綺女士，49歲，於二零一四年八月二十五日獲委任為獨立非執行董事。李女士畢業於上海復旦大學獲經濟學學士，並獲頌南衛理公會大學經濟學碩士學位及德克薩斯大學達拉斯分校管理和行政科學理碩士學位，於二零一一年三月至二零一四年十一月曾任中燃偉業國際控股有限公司（於美國OTCBB上市，股份代號：SGAS）的獨立董事。李女士曾任JP Morgan Chase的高級分析員、BHF Capital的分析員／投資組合經理、Transamerica Business Capital的副總裁／投資組合經理、Morgan Stanley的副總裁／高級關係經理，以及水星資本管理的對沖基金主管。

# 高級管理層

謝漢良先生履歷見本節「執行董事」一段。

## 付凱先生

付凱先生，42歲，現擔任本公司首席財務官兼總會計師。付先生獲得會計學士學位。彼亦為註冊稅務師及會計師。自二零零四年起，歷任同方吉兆科技有限公司財務部成本經理、財務經理；同方股份有限公司數字電視產業本部財務部財務經理；同方股份有限公司財務部總經理助理、副總經理。

## 張震寰先生

張震寰先生，63歲，管理學博士，畢業於美國德州理工大學。本公司總裁助理，主要負責本公司美國業務，現任全資子公司American Lighting首席執行官(CEO)、Tivoli代理首席執行官。一九九九年至二零零四年負責擴大本公司在美國業務，二零零四年至二零零六年任Tivoli首席執行官，二零零六年至二零零九年曾任本公司市場行銷總監、執行董事兼首席執行官。

## 徐惠來先生

徐惠來先生，45歲，法學學士，畢業於中國青年政治學院。本公司總裁助理，主要負責本公司的人力資源和行政管理工作。彼亦為本公司全資附屬公司同方照明產業集團有限公司副總裁兼人資行政中心總經理。自二零零零年起，歷任同方威視技術股份有限公司人力資源部副部長、同方股份有限公司人力資源部總經理助理、同方光電科技有限公司人力資源總監、同方股份有限公司半導體與照明產業本部人力資源總監。

## 梁樂偉先生

梁樂偉先生，41歲，現擔任本公司公司秘書。彼於二零一六年三月加入本集團。梁先生於一九九九年十二月獲得香港理工大學會計學學士學位。彼為香港會計師公會會員及內部核數師公會會員。彼已於會計、審計、盡職審查及財務管理方面積逾十五年經驗。包括於羅兵咸永道會計師事務所從事交易服務、於太古集團從事集團內部審核及於畢馬威會計師事務所從事審計核證服務。

# 管理層討論及分析

## 財務回顧

### 收入

截至二零一六年十二月三十一日止年度的收入約為人民幣611.2百萬元，與截至二零一五年十二月三十一日止年度約人民幣602.4百萬元相比，收入保持穩定，主要由於選擇性接受訂單（本集團於年內繼續採取審慎的訂單處理方法，選擇毛利率相對較高的訂單）。

### 已售貨物的成本

截至二零一六年十二月三十一日止年度，已售貨物的成本約為人民幣422.7百萬元，較截至二零一五年十二月三十一日止年度約人民幣435.2百萬元減少約人民幣12.5百萬元。

### 毛利及毛利率

截至二零一六年十二月三十一日止年度，本集團錄得毛利約人民幣188.5百萬元，較截至二零一五年十二月三十一日止年度的毛利約人民幣167.3百萬元有所改善。

截至二零一六年十二月三十一日止年度，本集團錄得毛利率約30.8%，較截至二零一五年十二月三十一日止年度的毛利率約27.8%增加3.0%，主要由於(1)選擇性接受訂單（本集團於年內繼續採取審慎的銷售方法，選擇毛利率相對較高的訂單），及(2)製造費用（主要包括僱員薪金、折舊費用及公用設施開支）減少約人民幣9.3百萬元。

### 其他收益、虧損及支出

截至二零一六年十二月三十一日止年度，本集團錄得其他收益約人民幣28.1百萬元，較截至二零一五年十二月三十一日止年度的其他收益人民幣63.5百萬元減少約人民幣35.4百萬元，原因在於(1)截至二零一六年十二月三十一日止年度，本集團並未出售廠房及土地使用權，而截至二零一五年十二月三十一日止年度因出售本公司的附屬公司廣東銀雨芯片半導體有限公司（「銀雨半導體」）的廠房及土地使用權而獲得收益人民幣27.4百萬元，(2)本年度壞賬撥備撥回淨額為人民幣5.2百萬元，而截至二零一五年十二月三十一日止年度的壞賬撥備撥回淨額為人民幣13.9百萬元。

### 物業、廠房及設備減值虧損

於二零一六年十二月三十一日，就物業、廠房及設備確認的減值虧損金額為零（二零一五年十二月三十一日：零）。

## 經營開支

分銷及銷售開支主要包括員工成本、宣傳及廣告、運輸及交通、代理及海關費用以及租金及差餉。截至二零一六年十二月三十一日止年度，本集團的分銷及銷售開支約為人民幣97.4百萬元，較截至二零一五年十二月三十一日止年度約人民幣88.5百萬元增加約人民幣8.9百萬元或10.1%，主要原因是員工成本增加約人民幣15.5百萬元。

行政開支主要包括員工成本、董事酬金、折舊開支、專業及法律費用以及股票期權相關費用。截至二零一六年十二月三十一日止年度的行政開支約為人民幣107.6百萬元，較截至二零一五年十二月三十一日止年度約人民幣135.6百萬元減少約人民幣28.0百萬元或20.6%，主要由於(1)其他行政開支減少約人民幣12.4百萬元，(2)員工成本減少約人民幣7.0百萬元，及(3)專業費用減少約人民幣6.4百萬元。

## 財務成本

截至二零一六年十二月三十一日止年度的財務成本約為人民幣3.9百萬元，較截至二零一五年十二月三十一日止年度人民幣2.7百萬元增加約人民幣1.2百萬元，主要原因是於二零一六年十二月三十一日的銀行借貸為人民幣111.0百萬元，較於二零一五年十二月三十一日的銀行借貸人民幣95.1百萬元增加人民幣15.9百萬元。

## 税項

截至二零一六年十二月三十一日止年度，本集團的税項支出為人民幣7.1百萬元（截至二零一五年十二月三十一日止年度：人民幣5.0百萬元），主要包括海外司法權區徵收的税項約人民幣15.3百萬元及遞延税項約人民幣8.2百萬元。

## 本公司擁有人應佔溢利

截至二零一六年十二月三十一日止年度，本集團錄得本公司擁有人應佔溢利人民幣11.8百萬元，而截至二零一五年十二月三十一日止年度本公司擁有人應佔溢利為人民幣5.8百萬元。有所改善的原因主要是由於選擇性接受毛利率相對較高的訂單，毛利增加人民幣21.2百萬元。

## 純利

截至二零一六年十二月三十一日止年度，本集團錄得純利人民幣11.7百萬元，而截至二零一五年十二月三十一日止年度為人民幣4.5百萬元。有所改善的原因主要是由於(1)本集團選擇性接受毛利率相對較高的訂單導致毛利率增加，及(2)截至二零一六年十二月三十一日止年度經營開支減少。

## 財務資源及流動資金及資產負債比率

本集團的財務狀況保持穩定。於二零一六年十二月三十一日，本集團擁有現金及現金等值物人民幣647.4百萬元及短期銀行貸款人民幣111.0百萬元。資產負債比率指本集團短期銀行貸款與權益總額的比率，於二零一六年十二月三十一日，資產負債比率為9.2%（二零一五年十二月三十一日：8.2%）。比率上升主要由於本年度銀行借貸較二零一五年增加人民幣15.9百萬元。

## 現金流量

本集團的財務資源主要包括經營活動、投資活動及融資活動所得現金流。

本集團錄得(1)截至二零一六年十二月三十一日止年度的經營活動的現金流入約人民幣4.9百萬元（截至二零一五年十二月三十一日止年度：現金流出約人民幣44.7百萬元）；(2)截至二零一六年十二月三十一日止年度的投資活動的現金流出約人民幣13.1百萬元（截至二零一五年十二月三十一日止年度：人民幣25.4百萬元）；及(3)截至二零一六年十二月三十一日止年度的融資活動的現金流入約人民幣4.6百萬元（截至二零一五年十二月三十一日止年度：現金流出約人民幣24.9百萬元）。

上述經營活動現金流入增加，主要由於毛利增加致使經營表現有所改善及存貨減少約人民幣28.9百萬元。

上述投資活動現金流出減少，主要由於解除受限銀行按金約人民幣20.4百萬元。

上述融資活動現金流入增加，主要由於二零一六年新增銀行貸款約人民幣94.8百萬元及償還銀行貸款約人民幣85.0百萬元。

## 資產及負債

於二零一六年十二月三十一日，本集團錄得總資產約人民幣1,521.4百萬元（二零一五年十二月三十一日：人民幣1,475.0百萬元）及總負債約人民幣311.5百萬元（二零一五年十二月三十一日：人民幣311.5百萬元）。

於二零一六年十二月三十一日，本集團之流動資產及非流動資產分別約為人民幣1,166.3百萬元（二零一五年十二月三十一日：人民幣1,048.1百萬元）及約人民幣355.1百萬元（二零一五年十二月三十一日：人民幣426.9百萬元）。非流動資產減少主要是由於非流動資產重新分類為持作出售資產。

於二零一六年十二月三十一日，本集團之流動負債及非流動負債分別約為人民幣295.8百萬元（二零一五年十二月三十一日：人民幣293.6百萬元）及約人民幣15.7百萬元（二零一五年十二月三十一日：人民幣17.9百萬元）。流動負債減少主要是由於由本集團良好管理及監控以確保本集團信貸充足的應付票據減少所致。

## 外匯風險

本公司多間附屬公司之銷售及採購是以各自實體功能貨幣以外的貨幣定值，因此本集團面對外幣風險。

本集團目前並無外幣對沖政策以消除幣值風險。然而，管理層會密切監察相關外幣風險，並將會在有需要時，考慮對沖重大的外幣風險。

### 資產抵押

於二零一六年十二月三十一日，本集團並無抵押任何土地及樓宇（二零一五年十二月三十一日：人民幣20.1百萬元）。本集團抵押若干應收貿易款項及存貨之賬面總值約為人民幣78.5百萬元（二零一五年十二月三十一日：人民幣51.4百萬元）及銀行存款之賬面總值為人民幣27.7百萬元（二零一五年十二月三十一日：人民幣20.4百萬元），作為授予本集團的銀行信貸之擔保。

### 資本承擔

於二零一六年十二月三十一日，本集團有關收購物業、廠房及設備之已訂約但未於財務報表撥備的資本開支為人民幣1.8百萬元（二零一五年十二月三十一日：人民幣4.6百萬元）。

### 或然負債

於截至二零一六年十二月三十一日止年度，若干附屬公司在其日常業務過程中捲入各種法律索償事件。董事認為，該等索償並無對本集團的業績及財務狀況構成重大影響。

### 資本架構

於二零一六年十二月三十一日，本公司已發行股本為人民幣171,808,087元（相等於193,831,969港元）（二零一五年十二月三十一日：人民幣171,896,724元（相等於193,931,969港元）），分為1,938,319,694股每股0.10港元的普通股股份。

## 重大收購、出售及重大投資

於二零一六年八月二十九日，本公司與Vast Stone Limited訂立買賣協議（「協議」），據此，本公司（或其指定代名人）有條件同意收購而Vast Stone Limited有條件同意出售Buttonwood Finance Limited之全部已發行股本，代價為179,000,000港元。總代價須由本公司於完成時按發行價每股普通股股份1.01港元向Vast Stone Limited配發及發行合共177,227,723股新普通股股份之方式支付。

Buttonwood Finance Limited為一間於香港註冊成立之有限公司，主要從事提供資產管理服務、投資諮詢服務及證券交易。於二零一六年十二月三十一日，Buttonwood Finance Limited獲批准為證券及期貨條例（香港法例第571章）項下之持牌法團，並持有從事第1類（證券交易）、第4類（就證券提供意見）及第9類（資產管理）受規管活動之牌照。

協議之所有先決條件皆已達成，而收購事項已於二零一七年一月二十日按協議之條款及條件完成。合共177,227,723股新普通股股份已根據協議按發行價每股普通股股份1.01港元向Vast Stone Limited配發及發行。

於完成後，Buttonwood Finance Limited已成為本公司之全資附屬公司。收購事項根據上市規則第14章構成本公司之須予披露交易。有關詳情，請參閱本公司日期為二零一六年八月二十九日及二零一七年一月二十日之公告。

除上文披露者外，於本年度內並無持有重大投資，亦無進行有關附屬公司、聯營公司及合營企業的重大收購或出售，而截至本報告日期董事會並無授權任何計劃以進行其他重大投資或增加資本資產。

### 末期股息

董事會議決不就截至二零一六年十二月三十一日止年度派付任何股息（截至二零一五年十二月三十一日止年度：無）。

## 業務回顧

### 概覽

於本年度，本集團緊抓機會不懈地開拓海外市場，大力拓展中國內地市場銷售渠道，提高產品毛利率，改善管理水平，盤活閒置資產，使經營業績獲得改善。

於本年度，本公司以美國丹佛為基地的間接全資附屬公司American Lighting Inc.的收入勝於預期。業務的主要動力來自有機會帶動全國大型零售商的強勁收入增長、開拓電子商貿取得進展，以及American Lighting Inc.在新開發產品方面開始取得成果。管理層相信，在可預見將來該增長勢頭仍會持續。

本集團於年內專注提供更佳的售後服務和改善客戶滿意度。此外，為了防止爭端及訴訟，本集團加強了生產的質量控制，並提升管理層的效率。

### 銷售及分銷

於本年度，本集團努力進行分銷及市場推廣，提升及擴張LED一般照明產品的銷售渠道。本集團積極部署在全球增長最快的市場上建立品牌及銷售渠道，並在節能技術及解決方案方面向客戶提供更佳銷售服務。

### 研究與開發（「研發」）

本集團的研發工作重點為產品設計、新產品開發及提升生產效益，以減低整體生產成本。

## 僱員及薪酬政策

於二零一六年十二月三十一日，本集團的僱員總數約為1,500名（二零一五年十二月三十一日：2,800名）。僱員的基本薪酬乃根據行業薪酬慣例、僱員的經驗及其表現而釐定。僱員的薪酬現約持在一個具競爭力的水準，並參考相關人力市場及經濟情況，按年進行檢討。董事的酬金乃根據一系列包括市場狀況及每位董事的職責的因素而釐定。除法例規定的基本薪酬及法定福利外，本集團根據本集團的業績及僱員的個人表現提供酌情花紅。

## 前景

公司積極致力於社會低碳經濟的可持續發展，以在LED照明行業三十餘年的專業技術和經驗，為人類提供舒適、安全、節能的光環境。Buttonwood Finance Limited之收購事項與本公司將業務多元化之發展策略一致，且使本集團可將其業務拓展至金融服務業。

# 董事會報告書

董事會欣然提呈截至二零一六年十二月三十一日止年度的年報及經審核財務報表。

## 主要業務

本公司為一家投資控股公司。本公司主要附屬公司的主要業務載於綜合財務報表附註36。

## 業務回顧

本集團截至二零一六年十二月三十一日止年度的業務回顧載於本年報「管理層討論及分析」一節。

## 未來發展

有關本集團業務的未來發展載於本年報「管理層討論及分析」及「主席報告」兩節。

## 附屬公司

有關本集團於二零一六年十二月三十一日的主要附屬公司詳情，載於綜合財務報表附註36。

## 業績及股息

本集團截至二零一六年十二月三十一日止年度的業績載於本年報第59頁的「綜合全面收益表」。董事會議決不就截至二零一六年十二月三十一日止年度派付任何股息（二零一五年十二月三十一日：無）。

## 股東週年大會

本公司將於二零一七年六月二十日於香港舉行股東週年大會。股東週年大會通告將於適當時間刊發並寄發予本公司股東。

## 暫停辦理股份過戶登記手續

為確定出席於二零一七年六月二十日（星期二）舉行的股東週年大會並於會上投票資格權利，本公司將於二零一七年六月十四日（星期三）至二零一七年六月二十日（星期二）（包括首尾兩日）期間暫停辦理股份過戶登記手續。為符合資格出席股東週年大會及於會上投票，股東須於二零一七年六月十三日（星期二）下午四時三十分前將所有股份過戶文件，連同相關股票及轉讓表格送達本公司之香港股份過戶登記處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓。出席股東週年大會資格的記錄日期為二零一七年六月二十日（星期二）。

## 物業、廠房及設備

有關本集團本年度物業、廠房及設備的變動詳情，載於綜合財務報表附註14。年內，本集團投資物業的變動載於綜合財務報表附註13。

## 股本

有關本公司本年度股本的變動詳情載於綜合財務報表附註28。

## 儲備

本集團儲備的變動詳情載於財務報表中的綜合權益變動表。於二零一六年十二月三十一日，可供分派予本公司權益股東之儲備總額為人民幣725,871,000元。

## 優先購股權

本公司的組織章程細則或開曼群島法律均無有關優先購股權的條文，規定本公司須按比例向現有股東發售新股。

## 董事

直至本報告日期，本公司在任董事如下：

### 執行董事

謝漢良先生

### 非執行董事

黃俞先生*（主席）*
王良海先生
劉衛東先生

### 獨立非執行董事

范仁達先生
劉天民先生
李明綺女士

## 董事及高級管理層履歷

董事及高級管理層的最新資料載列於本報告第6至第8頁。

## 董事的合約利益

本公司董事概無對本集團業務而言於本公司或任何附屬公司或同系附屬公司訂立重大合約，並在期末及回顧年內任何時間，直接或間接擁有重大權益。

## 董事購買股份的權利

於回顧年內，本公司或其任何附屬公司概無訂立任何旨在使本公司董事可以通過收購於本公司或任何其他實體公司的股份或債券的安排而取得利益，惟根據下文披露的二零零六年購股權計劃及二零一六年購股權計劃及附屬公司股份獎勵計劃除外。

## 董事於競爭業務中的權益

截至二零一六年十二月三十一日止年度內任何時間及直至本年報日期，概無董事於本集團業務以外以前或現在直接或間接與本集團業務構成競爭或可能構成競爭的任何業務中擁有權益。

# 董事及主要行政人員所擁有股份、相關股份及債券之權益及淡倉

於二零一六年十二月三十一日，董事及主要行政人員於本公司或本公司相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例的有關條文其被當作或被視作擁有的權益及淡倉），或根據證券及期貨條例第352條須記入該條所述的登記冊，或根據上市規則所載上市公司董事進行證券交易的標準守則須知會本公司及聯交所的權益或淡倉如下：

## 於本公司股份及相關股份的好倉：

| 姓名 | 身分 | 於二零一六年十二月三十一日的普通股數目 | 佔於二零一六年十二月三十一日已發行股本總數的百分比 |
|---|---|---|---|
| 謝漢良先生(1) | 實益擁有人 | 1,500,000 | 0.08% |
| 王良海先生(2) | 實益擁有人 | 1,500,000 | 0.08% |
| 劉衛東先生(3) | 實益擁有人 | 1,000,000 | 0.05% |
| 范仁達先生(4) | 實益擁有人 | 600,000 | 0.03% |
| 劉天民先生(5) | 實益擁有人 | 600,000 | 0.03% |
| 李明綺女士(6) | 實益擁有人 | 600,000 | 0.03% |

附註：

(1) 謝漢良先生被視為擁有當其於二零一五年五月十五日根據二零零六年購股權計劃獲授的購股權行使時或會向其發行的1,500,000股份的權益。

(2) 王良海先生被視為擁有當其於二零一五年五月十五日根據二零零六年購股權計劃獲授的購股權行使時或會向其發行的1,500,000股份的權益。

(3) 劉衛東先生被視為擁有當其於二零一五年五月十五日根據二零零六年購股權計劃獲授的購股權行使時或會向其發行的1,000,000股份的權益。

(4) 范仁達先生被視為擁有當其於二零一五年五月十五日根據二零零六年購股權計劃獲授的購股權行使時或會向其發行的600,000股份的權益。

(5) 劉天民先生被視為擁有當其於二零一五年五月十五日根據二零零六年購股權計劃獲授的購股權行使時或會向其發行的600,000股份的權益。

(6) 李明綺女士被視為擁有當其於二零一五年五月十五日根據二零零六年購股權計劃獲授的購股權行使時或會向其發行的600,000股份的權益。

於相聯法團股份及相關股份的好倉：

### American Lighting

| 姓名 | 身分 | 於二零一六年十二月三十一日的普通股數目 | 佔於二零一六年十二月三十一日已發行股本總數的百分比 |
|---|---|---|---|
| 謝漢良先生(1) | 實益擁有人 | 363 | 0.99% |

附註：

(1) 謝漢良先生被視為擁有於二零一五年六月三十日根據附屬公司股份獎勵計劃授予彼的購股權獲行使時可向彼發行的363股American Lighting普通股的權益。

除上述者外，於二零一六年十二月三十一日，概無董事及主要行政人員於本公司或相聯法團的股份、相關股份及債券中，擁有根據證券及期貨條例第352條須記入該條所述登記冊的權益及淡倉，或根據標準守則須知會本公司及聯交所的權益及淡倉。

本公司、其控股公司或其任何附屬公司於任何時間概無訂立任何安排，致使本公司董事及主要行政人員（包括彼等的配偶及18歲以下的子女）持有本公司或其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券的任何權益或淡倉。

## 主要股東於股份及相關股份的權益及好倉

於二零一六年十二月三十一日，就董事所知，下列人士（董事及行政人員除外）於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須予披露的權益或淡倉，或直接或間接擁有附有權利可於任何情況下在本集團任何成員公司的股東大會上投票的任何類別股本面值10%或以上的權益。

| 名稱／姓名 | 身分 | 於二零一六年十二月三十一日的普通股數目 | 佔於二零一六年十二月三十一日已發行股本總數的百分比 |
|---|---|---|---|
| 同方節能控股(1) | 實益擁有人 | 1,348,360,690 | 69.52% |
| Resuccess(1)(2) | 受控制法團權益、實益擁有人 | 1,351,298,690 | 69.68% |
| 同方股份(1)(2) | 受控制法團權益 | 1,351,298,690 | 69.68% |

附註：

(1) Resuccess Investment Limited（「Resuccess」）持有同方節能控股全部已發行股本及同方股份持有Resuccess全部已發行股本，因此，Resucess及同方股份各自被視為於同方節能控股所持有全部1,348,360,690股股份中擁有權益。

(2) Resuccess直接持有本公司股份2,938,000股。同方股份持有Resuccess全部已發行股本，因此，同方股份被視為擁有Resuccess所持有的所有本公司股份權益。

除上文所述者外，於二零一六年十二月三十一日，本公司未獲知會於本公司的股份及相關股份中有任何權益及淡倉已被記錄於根據證券及期貨條例第336條須存置的登記冊內。

## 關聯方交易

截至二零一六年十二月三十一日止年度，有關本集團關聯方交易的詳情，載於財務報表附註33。

### 一次性關連交易

#### 股權轉讓協議

於二零一六年十月三十一日，本公司全資擁有的Billion Choice Trading Limited（「Billion Choice」）與揚州同方半導體有限公司*（「揚州同方」）及同方科技園有限公司*（「同方科技園」）訂立股權轉讓協議（「揚州同方股權轉讓協議」），據此，Billion Choice同意轉讓其於揚州同方之全部股權予同方科技園。揚州同方股權轉讓協議的代價為人民幣232,589,900元，乃依據揚州同方於二零一六年五月三十一日的估值釐定。

於二零一六年十月三十一日，本公司全資擁有的真明麗中國有限公司（「真明麗中國」）與上海翠能光科技有限公司*（「上海翠能」）及同方科技園訂立股權轉讓協議（「上海翠能股權轉讓協議」），據此，真明麗中國同意轉讓其於上海翠能之全部股權予同方科技園。上海翠能股權轉讓協議的代價為人民幣15,723,400元，乃依據上海翠能於二零一六年五月三十一日的估值釐定。

於二零一六年十月三十一日，Billion Choice與天津真明麗光電有限公司*（「天津真明麗」）及同方科技園訂立股權轉讓協議（「天津真明麗股權轉讓協議」，連同揚州同方股權轉讓協議及上海翠能股權轉讓協議統稱「股權轉讓協議」），據此，Billion Choice同意轉讓其於天津真明麗之全部股權予同方科技園。天津真明麗股權轉讓協議的代價為人民幣3,354,900元，乃依據天津真明麗於二零一六年五月三十一日的估值釐定。

於股權轉讓協議日期及二零一六年十二月三十一日，同方股份透過間接持有同方節能控股的100%權益並直接持有Resuccess的100%權益，因而持有本公司全部已發行股本69.68%的權益，為本公司的控股股東。因此，同方股份為本公司關連人士，而其全資附屬公司同方科技園亦為本公司關連人士。因此，股權轉讓協議項下交易構成關連交易。

由於(1)股權轉讓協議於同日訂立，(2)本公司之附屬公司（作為賣方）與同方股份之同一附屬公司（作為買方）訂立股權轉讓協議，及(3)股權轉讓協議全部旨在精簡本集團資產，故股權轉讓協議項下交易須根據上市規則第14.22條或第14A.81條合計。

由於根據上市規則第14章計算有關股權轉讓協議之一個或多個適用百分比率合計預計超過5%但低於25%，而股權轉讓協議項下總代價超過10,000,000港元，故股權轉讓協議項下擬進行出售三家附屬公司將構成上市規則第14章項下須予披露交易及關連交易，須遵守上市規則第14A章項下申報、公告及獨立股東批准規定。

揚州同方、上海翠能及天津真明麗各自持有若干閒置資產。揚州同方之主要業務為製造外延片，而其銷售額主要來自同方股份或其附屬公司。本公司於完成出售揚州同方後不會繼續從事外延片製造業務。考慮到其財務狀況及對本集團的貢獻，董事會認為，出售該等實體不會對本集團之生產造成影響，且可精簡其製造資源、獲取現金及按公平市值實現資產投資價值。因此，董事（包括獨立非執行董事）認為股權轉讓協議乃按一般商業條款訂立，其條款公平合理，符合本公司及股東的整體利益。

股權轉讓協議已於二零一七年二月完成。

有關股權轉讓協議的進一步詳情，載於本公司日期為二零一六年十月三十一日的公告以及日期為二零一六年十一月二十八日的通函內。

## 持續關連交易

### 總銷售協議

於二零一五年二月十三日，本公司與同方股份訂立總銷售協議（「總銷售協議」），據此，本公司或其附屬公司同意向同方股份或其附屬公司銷售若干產品，期限自二零一五年二月十三日開始至二零一七年十二月三十一日結束。

根據總銷售協議，本公司同意向同方股份集團供應並促使其附屬公司向同方股份集團供應外延片、LED裝飾燈、LED一般照明產品、LED專業照明產品和照明工程。

本公司向同方股份銷售產品的價格大致上將參考(1)於相關交易前十二個月期間在性質及規模方面可資比較並且為一名獨立第三方所接納的產品的平均售價；(2)倘無可供參考的平均售價，則為本集團出售在性質及規模方面可資比較並且為一名獨立第三方所接納的產品的任何最近可得售價及最近可得的市場數據；及(3)銷售在性質及規模方面可資比較的產品的現行市價，按公平原則磋商釐定，本集團可得的價格將無論如何不遜於獨立第三方可得的價格。

具體而言，總銷售協議項下每種產品的價格載列如下：

| 產品種類 | 價格 |
| --- | --- |
| 外延片 | 考慮到外延片為半製成品，未必有夠售價可供參考，本集團將一般參考本集團出售在性質及規模方面可資比較並且為一名獨立第三方所接納的產品的任何最近可得售價及最近可得的市場數據 |
| 製成品，包括LED裝飾燈、LED一般照明產品、LED專業照明產品和照明工程 | 於相關交易前十二個月期間在性質及規模方面可資比較並且為一名獨立第三方所接納的產品的平均售價 |

截至二零一七年十二月三十一日止三個財政年度，建議總銷售協議項下的年度上限分別為人民幣148,467,500元、人民幣185,403,000元及人民幣220,421,000元。

截至二零一六年十二月三十一日止年度，本集團向同方股份銷售的總交易額約為人民幣8,443,000元，處於總銷售協議項下的約人民幣185,403,000元上限內。

於二零一六年十二月三十一日，同方股份透過間接持有同方節能控股的100%權益並直接持有Resuccess的100%權益，因而持有本公司全部已發行股本69.68%的權益，為本公司的控股股東。因此，同方股份為本公司關連人士，故總銷售協議項下交易構成持續關連交易。

由於根據上市規則第14章按年計算的有關總銷售協議的建議上限金額的各適用百分比率（盈利比率除外）高於5%，且截至二零一七年十二月三十一日止三個年度各年的年度上限超過一千萬港元，故總銷售協議項下擬進行之交易須遵守上市規則第14A章的申報及公告規定以及獨立股東批准的規定。

董事認為，同方股份為中國半導體與照明市場內領先的企業，其股份於上海證券交易所上市。向同方股份集團銷售貨品，預期將對本集團的經營收入帶來正面貢獻。因此，董事（包括獨立非執行董事，其意見將載於向股東寄發的通函內）認為總銷售協議乃於日常及一般業務過程中按一般商業條款訂立，其條款公平合理，符合本公司及股東的整體利益。

有關總銷售協議的進一步詳情，載於本公司日期為二零一五年三月四日的通函內。

獨立非執行董事已審閱上述持續關連交易並確認該等交易乃：

(i) 屬於本公司的日常業務；

(ii) 按(a)正常商業條款；或(b)倘並無可供比較條款，按不遜於向或自獨立第三方條款提供予本公司；及

(iii) 根據有關交易的協議條款進行，而交易條款公平合理，並符合本公司股東的整體利益。

根據上市規則第14A.56條，董事會已委聘本公司核數師根據香港會計師公會頒佈的香港審驗應聘服務準則3000「歷史財務資料審計或審閱以外的審驗應聘」及參考實務説明第740號「關於香港上市規則所述持續關連交易的核數師函件」就前述持續關連交易作出匯報，畢馬威會計師事務所已發出載有本集團於上文披露的持續關連交易審驗結果的無保留意見函件。

本公司核數師已向董事匯報，於年內：

(i) 上述持續關連交易已經董事會批准；

(ii) 上述持續關連交易符合本公司的定價政策；

(iii) 上述持續關連交易已根據規管該等交易的協議之條款訂立；及

(iv) 上述有關協議各自的上限並未超越。

除上文披露者外，於截至二零一六年十二月三十一日止年度並無存在或由本集團訂立任何非豁免關連交易或持續關連交易。

## 股權相關協議

於二零一六年八月二十九日，本公司與Vast Stone Limited訂立買賣協議（「協議」），據此，本公司（或其指定代名人）有條件同意收購而Vast Stone Limited有條件同意出售Buttonwood Finance Limited之全部已發行股本，代價為179,000,000港元。總代價須由本公司於完成時按發行價每股普通股股份1.01港元向Vast Stone Limited配發及發行合共177,227,723股新普通股股份之方式支付。

Buttonwood Finance Limited為一間於香港註冊成立之有限公司，主要從事提供資產管理服務、投資諮詢服務及證券交易。於二零一六年十二月三十一日，Buttonwood Finance Limited獲批准為證券及期貨條例（香港法例第571章）項下之持牌法團，並持有從事第1類（證券交易）、第4類（就證券提供意見）及第9類（資產管理）受規管活動之牌照。

協議之所有先決條件皆已達成，而收購事項已於二零一七年一月二十日按協議之條款及條件完成。合共177,227,723股新普通股股份已根據協議按發行價每股普通股股份1.01港元於二零一七年一月二十日向Vast Stone Limited配發及發行。

於二零一七年一月二十日完成後，Buttonwood Finance Limited已成為本公司之全資附屬公司。收購事項根據上市規則第14章構成本公司之須予披露交易。有關詳情，請參閱本公司日期為二零一六年八月二十九日及二零一七年一月二十日之公告。

除上文及於「股權計劃」章節所披露外，於截至二零一六年十二月三十一日止年度，本公司並無訂立(i)任何將會或可能會致使本公司發行股份之協議；或(ii)任何需本公司訂立(i)所指定之協議。

## 購股權計劃

### 二零零六年購股權計畫

本公司根據於二零零六年十一月二十日通過的股東決議案採納二零零六年購股權計劃，主要目的乃給予董事及合資格僱員鼓勵。二零零六年購股權計劃於二零零六年十二月十五日生效，根據二零零六年購股權計劃授出的購股權將於授出日期起計不超過十年後屆滿。根據二零零六年購股權計劃，董事會可授出購股權予本公司或其任何附屬公司的任何僱員以認購本公司股份。

任何授予本公司之董事、高級行政人員或主要股東的購股權，均須經本公司獨立非執行董事（不包括身為購股權建議承授人的任何獨立非執行董事）批准。

於二零一六年五月十三日採納二零一六年購股權計劃後，二零零六年購股權計劃已告終止，概無購股權可根據二零零六年購股權計劃進一步授出。

於本年報日期，當根據二零零六年購股權計劃已授出而尚未行使的所有購股權獲行使時可予發行合共33,000,000股股份（相等於本公司於本年報日期的已發行股本1.6%）。

未經本公司股東事先批准，於任何一年內，因行使已授予或可授予任何人士的購股權而已發行及可予發行之股份數目，不得超過於授出當時本公司已發行股份數目的1%。

接納購股權時的應付款項為1.00港元。就任何根據該計劃授出的購股權而言，行使價由本公司董事釐定，不得低於下列三者中之最高者：(i)授出當日本公司股份的收市價；(ii)於緊接授出日期前五個營業日股份的平均收市價；及(iii)本公司股份的面值。

## 董事會報告書

截至二零一六年十二月三十一日止年度，二零零六年購股權計劃下的購股權詳情載於下表：

| 參與者類別 | 授出日期[1] | 每股行使價（港元） | 於二零一六年一月一日尚未行使 | 年內授出 | 年內行使 | 年內沒收／失效 | 於二零一六年十二月三十一日尚未行使 |
|---|---|---|---|---|---|---|---|
| **董事** | | | | | | | |
| 謝漢良先生 | 二零一五年五月十五日 | 1.31 | 1,500,000 | – | – | – | **1,500,000** |
| 王良海先生 | 二零一五年五月十五日 | 1.31 | 1,500,000 | – | – | – | **1,500,000** |
| 劉衛東先生 | 二零一五年五月十五日 | 1.31 | 1,000,000 | – | – | – | **1,000,000** |
| 范仁達先生 | 二零一五年五月十五日 | 1.31 | 600,000 | – | – | – | **600,000** |
| 劉天民先生 | 二零一五年五月十五日 | 1.31 | 600,000 | – | – | – | **600,000** |
| 潘晉先生[2] | 二零一五年五月十五日 | 1.31 | 1,500,000 | – | – | – | **1,500,000** |
| 樊邦弘先生[3] | 二零一五年五月十五日 | 1.31 | 1,500,000 | – | – | (1,500,000) | **–** |
| 李明綺女士 | 二零一五年五月十五日 | 1.31 | 600,000 | – | – | – | **600,000** |
| **僱員** | 二零一五年五月十五日 | 1.31 | 24,200,000 | – | – | (7,900,000) | **16,300,000** |

附註：

(1) 於二零一五年五月十五日根據二零零六年購股權計劃授出的購股權按以下時間表歸屬予有關承授人，可於5年行使期內行使。於二零一五年五月十四日（即緊接授出日期前的營業日）每股股份收市價為1.33港元。

| 歸屬日期 | 歸屬的購股權百分比 | 歸屬條件 |
|---|---|---|
| 二零一六年七月一日 | 授出購股權總數的50% | 購股權的歸屬須待本公司達到其二零一五年度表現目標方可作實 |
| 二零一七年七月一日 | 授出購股權總數的50% | 購股權的歸屬須待本公司達到其二零一六年度表現目標方可作實 |

(2) 潘晉先生於二零一六年七月十五日不再為執行董事。

(3) 樊邦弘先生於二零一六年一月二十日不再為執行董事。

除上文所披露外，截至二零一六年十二月三十一日止年度，概無購股權獲授出、行使、失效或註銷。

## 二零一六年購股權計劃

本公司已自二零一六年五月十三日採納二零一六年購股權計劃，主要旨在激勵合資格人士（定義見二零一六年購股權計劃），提升彼等日後對本集團作出的貢獻及／或就彼等過去的貢獻給予獎勵，以吸引及挽留對本集團的表現、增長或成功而言屬重要及／或其貢獻有利或將有利於本集團的表現、增長或成功的合資格人士或與彼等維持持續的關係，此外，就行政人員（定義見二零一六年購股權計劃）而言，讓本集團得以吸引及挽留經驗豐富且具備才能的人士及／或就彼等過去的貢獻給予獎勵。

合資格人士包括下列人士：(a)行政人員、任何全職或兼職僱員，或現時調派到本集團任何成員公司或合資格實體（定義見二零一六年購股權計劃）全職或兼職工作的人士；(b)本集團任何成員公司或合資格實體的董事或候任董事（包括獨立非執行董事）；(c)本集團任何成員公司的直接或間接股東；(d)本集團任何成員公司或合資格實體的產品或服務供應商；(e)本集團任何成員公司或合資格實體的客戶、顧問、業務或合營夥伴、特許經營商、承包商、代理或代表；(f)向本集團任何成員公司或合資格實體提供設計、研究、開發或其他支援或提供任何顧問、諮詢、專業或其他服務的人士或實體；及(g)上述任何人士的聯繫人。

根據二零一六年購股權計劃授出的所有購股權獲行使時可予發行的股份上限數目為193,931,969股，即佔採納日期已發行股份總數約10%，及佔本年度報告日期本公司已發行股本9.17%。

於截至最近授出日期之任何12個月期間，不得向二零一六年購股權計劃之任何參與者授出購股權，致使因行使已授出及將授予該人士之購股權而發行及將予發行之股份總數超過本公司不時已發行股本1%。

購股權可根據二零一六年購股權計劃之條款於董事會釐定的期間內隨時行使，惟不得超過授出日期起計十年。所授出之購股權於其可獲行使前並無最短持有期。二零一六年購股權計劃參與者如接納所授出的購股權，須於提呈日期起計28日或之前向本公司支付1.0港元。購股權的行使價由董事會全權酌情釐定，惟行使價不得低於以下最高者：

(a) 股份面值；

(b) 股份於提呈日期於聯交所每日報價表的收市價；及

(c) 緊接提呈日期前五個營業日，股份於聯交所每日報價表的平均收市價。

二零一六年購股權計劃自採納日期起計十年期間生效及有效，其後將不會再授出或提呈購股權。

於本年度報告日期，根據二零一六年購股權計劃可授出的所有購股權獲行使時可予發行合共193,931,969股股份（相等於本公司於本年度報告日期已發行股本9.17%）。

自採納二零一六年購股權計劃以來，概無授出任何購股權。

## 附屬公司股份獎勵計劃

於二零一五年四月二日，本公司經股東批准後採納附屬公司股份獎勵計劃，旨在透過為對於American Lighting作出（或預期作出）重大貢獻的人士提供擁有股權的機會，從而讓該等人士與本公司股東擁有相同利益，以提升American Lighting吸引、挽留及激勵該等人士的能力，以促進American Lighting現有及未來股東的利益。附屬公司股份獎勵計劃自採納起計有效期為十年。合資格人士包括American Lighting或其任何母公司或附屬公司的僱員、顧問及董事。

根據附屬公司股份獎勵計劃可作出的獎勵涉及最多3,632股普通股股份（全部均可但無需作為獎勵購股權授出，惟須受《一九八六年國內收入法》下任何限制所限），相等於附屬公司股份獎勵計劃獲股東採納及批准當日及於本年報日期的已發行及發行在外普通股股份的10%，並可根據該計劃條款予以調整。倘任何獎勵到期或失效，或並未全面行使而已終止、交回或註銷，或已遭全部或部份沒收（包括因本公司以原發行價或較低價格購回有關獎勵涉及的普通股股份），則在任何情況下以任何方式導致有關獎勵涉及的任何普通股股份未有發行或由本公司以上述方式購回，則有關獎勵涉及的未使用普通股將重新用作授出附屬公司股份獎勵計劃項下的獎勵。

於直至授出日期（包括該日）連續十二(12)個月期間，因行使各服務提供者（定義見附屬公司股份獎勵計劃）獲授或將獲授的購股權（包括已行使及尚未行使購股權）而發行及將予發行的普通股股份總數，不得超過授出日期當日已發行普通股股份的1%。本公司可增授購股權至超出所列上限，惟須根據上市規則於股東大會上獲股東批准，屆時有關服務提供者及其密切聯繫人（或倘服務提供者為關連人士，服務提供者的聯繫人）須放棄投票。

管理人（定義見附屬公司股份獎勵計劃）須確定每份購股權的行使價及列明適用獎勵協議下的行使價。行使價不得低於購股權行使價的100%，即表示截至任何日期行使購股權時應付的普通股每股價格，乃按以下方式確定：(i)倘普通股於任何認可證券交易所上市（包括但不限於全國證券交易所，定義見證券交易法），則購股權行使價為(A)授出購股權當日該普通股於該交易所所報的收市賣價，或（倘於該日並無成交）緊接該日前錄得成交的首個市場交易日；及(B)授出購股權日期前五個營業日該普通股於該交易所所報平均收市賣價，或（倘於該日並無成交）緊接該日前錄得成交的首個市場交易日（《華爾街日報》或American Lighting董事會認為可靠的其他消息來源所報告按照前文(A)及(B)項確定的價格）兩者的較高者；(ii)倘普通股並非於交易所上市，而是於全國市場系統或其他報價系統報價，則購股權行使價為授出購股權日期該普通股的最後賣價，或（倘該日並無成交）緊接該日前報告賣價日期的最後賣價（《華爾街日報》或American Lighting董事會認為可靠的其他消息來源所報告者）；或(iii)倘並無普通股的認可市場，則購股權行使價將由American Lighting董事會全權酌情決定。

不論前述任何相反規定，倘授出購股權為：(a)於American Lighting議決尋求上市當日或之後作出；或(b)於緊接American Lighting提交上市申請當日前六個月期間作出，而American Lighting於發售及出售普通股之時上市，則購股權行使價須為(a)因上市而將予發行的普通股股份發售價；及(b)適用獎勵協議的行使價的較高者。

於本期間根據附屬公司股份獎勵計劃授出的購股權詳情如下：

| 參與者類別 | 授出日期[1] | 每股行使價（美元） | 於二零一六年一月一日尚未行使 | 年內授出 | 年內行使 | 年內沒收／失效 | 於二零一六年十二月三十一日尚未行使 |
|---|---|---|---|---|---|---|---|
| **董事** | | | | | | | |
| 謝漢良先生 | 二零一五年六月三十日 | 330 | 363 | – | – | – | **363** |
| 潘晉先生[2] | 二零一五年六月三十日 | 330 | 363 | – | – | – | **363** |
| **僱員** | 二零一五年六月三十日 | 330 | 2,143 | – | – | (275) | **1,868** |

附註：

(1) 所授出的購股權行使期為10年，並按以下方式歸屬：(i)所涉及股份總數百分之三十(30%)的購股權將於二零一五年六月三十日（「歸屬開始日期」）起計滿一周年歸屬及可行使；(ii)所涉及股份總數額外百分之三十(30%)的購股權將於歸屬開始日期起計滿兩周年歸屬及可行使；及(iii)所涉及股份總數的餘下百分之四十(40%)的購股權將於歸屬開始日期起計滿三周年歸屬（購股權並因而悉數歸屬），惟在各情況下的前提是，承授人於上述各歸屬日期仍繼續向本公司、American Lighting或Tivoli, LLC（「Tivoli」）（視情況而定）提供服務，並由American Lighting董事會全權酌情地確定已滿足由董事會所指定並由承授人同意的表現指標（如有）。

(2) 潘晉先生於二零一六年五月三十一日不再擔任American Lighting董事及於二零一六年七月十五日不再擔任本公司執行董事。

除上文所披露外，於本年度概無附屬公司股份獎勵計劃項下的購股權獲授出、行使、失效或註銷。

有關附屬公司股份獎勵計劃的進一步詳情，載於財務報表附註29。

## 買賣或贖回本公司之上市證券

截至二零一六年十二月三十一日止年度，本集團透過聯交所購回自身股份，購回股份之詳情如下：

| 日期 | 購回股份數目 | 每股付出最高價 | 每股付出最低價 | 已付總代價 |
|---|---|---|---|---|
| 二零一六年<br>九月十五日 | 1,000,000 | 1.10港元 | 1.04港元 | 1,068,660港元 |

購回股份於二零一七年二月註銷。

除上文所披露外，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、出售或贖回任何本公司的上市證券。

## 管理合約

於本年度，概無訂立或存在任何與本公司整體或重大部份業務有關的管理及行政工作合約。

## 與控股股東的合約

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與控股股東訂立任何重大合約。

## 董事於重大交易、安排或合約的權益

於回顧的財政年度完結時或於財政年度內任何時間，除下文「關連交易」分節及財務報表附註33「關聯方交易」所披露者外，概無存在本公司或其任何附屬公司為其中訂約方而本公司董事或與董事有關連的實體直接或間接擁有重大權益的關於本集團業務的重大交易、安排或合約。

## 所得款項用途

本公司於緊接本報告日期前的過往十二個月內概無進行任何股本基金籌集。

## 主要供貨商及客戶

於截至二零一六年十二月三十一日止年度，本集團最大供貨商佔本集團採購額1.3%，而首五大供貨商佔本集團總採購額5.0%。本集團最大客戶及首五大客戶分別佔本集團總收入2.8%及8.6%。

概無本公司之董事、彼等之聯繫人士或據董事所知擁有本公司股本5%以上權益之任何股東於本集團首五大供貨商及客戶擁有任何權益。

## 企業管治

有關企業管治的詳情，載於本年報第33至第44頁「企業管治報告」一節。

## 薪酬政策

每位員工的薪酬待遇按個別情況釐定，以吸引及挽留最具才能的員工。薪酬待遇可由以下四大項目中一部份或全部組成，亦可能有所增減：

### I. 基本薪金

基本薪金及工資是按個別職位的職能及責任而釐定。而擔任該職務的人士實際可得的基本薪金及工資，則按個別受聘人士的經驗及能力而定。

基本薪金及工資會定期參考通行市場及有關行業的競爭機構中同類職位的薪酬水平作出檢討。僱員的實際基本薪金及工資則每年檢討，並可按生活指數及公司的財務表現不時調整。

基本薪金及工資屬基本薪酬，並非按個別僱員或公司表現而作出的獎賞。薪酬計劃中另有其他獎勵項目。

### II. 獎勵性花紅

獎勵性花紅與個別僱員及公司表現掛鈎。每年公司會訂出利潤及其他公司表現方面的目標，在達標的年度方會支付獎勵性花紅。

每名僱員所得的獎勵性花紅會按其職位及年度內表現而定。

### III. 二零一六年購股權計劃及附屬公司購股權計劃

本公司分別於二零一六年五月十三日及二零一六年四月二日採納二零一六年購股權計劃及附屬公司股份獎勵計劃。有關詳情，請參閱本節「購股權計劃」及「附屬公司股份獎勵計劃」各段。

### IV. 其他福利

除上述三大項目外，本集團亦會參考有關司法權區的行業慣例向僱員提供慣常及／或強制性福利，例如退休金計劃、醫療福利、保險及有薪假期。

## 核數師

畢馬威會計師事務所將退任，惟符合資格續聘。於本公司應屆股東週年大會上將提呈一項決議案，以續聘其為本公司的核數師。

## 足夠公眾持股量

根據本公司取得之公開信息及就董事於本年度報告日期所知，本公司於截至二零一六年十二月三十一日止期間一直維持上市規則所規定不少於本公司已發行股份25%的指定公眾持股量。

## 銀行貸款

有關本公司及本集團於二零一六年十二月三十一日的銀行貸款詳情，載於財務報表附註25。

## 主要風險及不明朗因素

多項因素可能影響本集團業績及業務營運，其中某些因素在LED照明行業中屬固有因素，而另外一些則屬外來因素。有關詳情，請參閱「管理層討論及分析」一節。

## 與僱員，供貨商及客戶的關係

有關與僱員、客戶及供貨商的關係詳情，請參閱本節「薪酬政策」及「主要供貨商及客戶」各段。

## 環保政策

本集團專門提供節能及環保產品。本集團努力在符合相關環境規例及規則下營運。於截至二零一六年十二月三十一日止年度及截至本報告日期，本集團並無違反任何相關環境規例及規則而導致本集團的發展、表現及業務受到重大影響。

## 遵守法律法規

本集團業務主要透過本公司在中國內地的附屬公司進行，而本公司本身在聯交所上市。本集團的成立及相關營運須遵守中國內地的相關法律法規（包括環保法、標準化法、產品質量法、產品安全法及強制產品認證的行政法規）及香港法律。於截至二零一六年十二月三十一日止年度及截至本報告日期，本集團已在各重大方面遵守中國內地及香港的所有相關法律法規。

此外，本集團委聘外部法律顧問，並於出現任何問題時向彼等尋求法律意見。

## 允許彌償保證條文

本公司組織章程細則第167(1)條列明，本公司當時的董事、秘書及其他主管人員及每名核數師以及當時就本公司任何事務行事的清盤人或受託人（如有）以及每名該等人士及每名其繼承人、遺囑執行人及遺產管理人均可從本公司的資產及利潤獲得彌償，該等人士或任何該等人士、該等人士的任何繼承人、遺囑執行人或遺產管理人就各自的職務或信託執行其職責或假定職責時因所作出、發生的作為或不作為而招致或蒙受的所有訴訟、費用、收費、損失、損害及開支，可獲確保免就此受任何損害。任何該等人士均無須就其他人士的行為、收入、疏忽或過失而負責，亦無須為符合規定以致參與任何收入或為本公司向其寄存或存入任何款項或財產作保管用途的任何銀行或其他人士或為本公司賴以投放或投資任何款項的抵押不充份或不足或為該等人士執行各自的職務或信託時發生的任何其他損失、不幸事故或損害而負責，惟本彌償保證不延伸至任何與任何上述人士之欺詐或不誠實有關的事宜。

代表董事會

**黃俞**
*主席*
二零一七年三月十三日

# 企業管治報告

## 企業管治守則

本公司承諾建立良好的企業管治常規及程序，冀能成為透明開放及對股東負責的企業。

於截至二零一六年十二月三十一日止年度，本公司一直遵守上市規則附錄十四企業管治守則的所有守則條文，並（如適用）採用其中所載的建議最佳常規。

## 董事會

董事會被授予本公司營運的整體管理。

董事會全面負責管理本集團所有重要事項，包括制定及批准所有政策、本集團的整體策略發展、監管及控制本集團的營運及財務表現、內部監控及風險管理系統以及監管高級管理層表現。董事須就本公司的利益作出客觀決定。

董事會行使的職權包括：

- 制定本集團長遠策略；
- 批准主要收購、出售及資本投資；
- 檢討營運及財務表現；
- 批准財務業績及公佈；
- 檢討內部監控成效；
- 審批重大借貸；
- 決定股息政策；
- 根據一般授權發行或購回本公司證券；
- 批准委任董事會及高級管理層；及
- 決定本集團的薪酬政策。

為協助達成其職務及責任，董事會已成立四個屬下委員會，即審核委員會、薪酬委員會、提名委員會及風險管理及合規委員會（前稱「監控及合規委員會」）。

本公司日常管理、行政及運作授權本公司首席執行官及高級管理層負責。所授權的職能及工作任務會定期進行檢討。

## 董事會組成

董事會現由七位董事組成，包括一位執行董事：謝漢良先生，三位非執行董事：黃俞先生（董事會主席）、王良海先生及劉衛東先生，及三位獨立非執行董事：范仁達先生、劉天民先生及李明綺女士。全體董事已就本集團事務付出充足時間及心力。執行董事均符合資格勝任其職位，並有足夠經驗擔任其職務，有效履行職責。有關董事的履歷詳情載於本年報「董事及高級管理層」一節。

據本公司深知，董事會成員之間概無任何其他財務、業務或親屬關係。

本公司已遵守上市規則第3.10(1)條，委任至少三位獨立非執行董事。本公司已委任三位獨立非執行董事，佔董事會人數超過三分之一，符合上市規則第3.10A條之規定。

## 獨立非執行董事

獨立非執行董事於董事會內擔當重要角色，於董事會會議上提供獨立判斷並詳查本集團的表現，其意見對董事會決定舉足輕重。尤其是，彼等就本集團的策略、表現及控制等問題提供公正意見。全體獨立非執行董事擁有廣泛的學術、專業及行業專長以及管理經驗，並向董事會提供專業意見。獨立非執行董事會就本集團的業務策略、業績及管理提供獨立意見，致使股東的全部利益可獲考慮，並保障本公司及其股東的利益。

董事會有三名獨立非執行董事，其中一名董事李明綺女士（其中一名獨立非執行董事）擁有適合專業會計資格或財務管理專業知識，符合上市規則第3.10(2)條所載規定。

本公司已接獲現任各獨立非執行董事按照上市規則第3.13條發出的年度獨立性確認書。根據該等確認書的內容，本公司認為，全體獨立非執行董事均為獨立人士，且彼等符合上市規則第3.13條所載有關獨立性的特定指引。

## 董事會多元化政策

根據企業管治守則有關董事會多元化政策且於二零一三年九月一日起生效的守則條文，董事會於二零一三年四月一日批准新的董事會多元化政策（「董事會多元化政策」）。本公司確認及受惠於董事會成員多元化帶來的裨益。儘管董事會的所有委任將繼續根據功績基準作出，本公司將確保董事會在技能、經驗方面及多項見解方面維持均衡，對本公司業務需要而言實屬恰當。本公司將按多項準則遴選候選人，包括但不限於性別、年齡、文化及教育背景、經驗（專業或其他方面）、技能以及知識。

## 標準守則

本公司亦已採納上市規則附錄十所載的標準守則為董事進行證券交易的操守指引。本公司已向全體董事作出特別查詢後確認，彼等截至二零一六年十二月三十一日止年度已遵守有關董事進行證券交易的標準守則所載規定標準。

## 董事培訓及支持

全體董事須不時瞭解其共同職責。新委任董事將收到關於本集團營運、業務、管治政策及身為上市公司董事的法定監管義務與職責的完整資料。

董事已獲告知企業管治守則守則條文第A.6.5條有關持續專業發展的規定。根據本公司保存的紀錄，為符合企業管治守則有關持續專業發展的新規定，於截至二零一六年十二月三十一日止年度，現任董事所接受以其身為上市公司董事的角色、職能及職責為重點內容的培訓如下：

| | 企業管治／法律、規則及法規的更新 | | 會計／財務／管理或其他專業技能 | |
|---|---|---|---|---|
| **董事姓名** | **閱讀資料** | **出席研討會／簡介會** | **閱讀資料** | **出席研討會／簡介會** |
| **執行董事** | | | | |
| 謝漢良先生 | ✓ | ✓ | ✓ | ✓ |
| 范新先生（於二零一六年七月十五日辭任） | ✓ | ✓ | ✓ | ✓ |
| 潘晉先生（於二零一六年七月十五日辭任） | ✓ | ✓ | ✓ | ✓ |
| 樊邦弘先生（於二零一六年一月二十日辭任） | ✓ | ✓ | ✓ | ✓ |
| **非執行董事** | | | | |
| 黃俞先生（於二零一六年七月十五日獲委任） | ✓ | ✓ | ✓ | ✓ |
| 王良海先生 | ✓ | ✓ | ✓ | ✓ |
| 劉衛東先生 | ✓ | ✓ | ✓ | ✓ |
| **獨立非執行董事** | | | | |
| 范仁達先生 | ✓ | ✓ | ✓ | ✓ |
| 劉天民先生 | ✓ | ✓ | ✓ | ✓ |
| 李明綺女士 | ✓ | ✓ | ✓ | ✓ |

## 董事及高級職員的保險

本公司已就可能對其董事及高級職員的潛在法律訴訟安排相關保險。

## 會議

全體董事均定期獲得有關管治及監管事宜的更新信息。董事可按照既定程序，尋求獨立專業意見以協助履行其責任，有關費用由本公司支付。

董事會於截至二零一六年十二月三十一止年度定期開會，檢討整體策略及監察本集團的營運及財務表現。主席主要負責本集團之策略，並負責有效領導及管理董事會，確保董事會及時顧及所有重點議題。就董事會所有定期會議，全體董事均獲發最少十四天通知，如彼等認為合適或有需要，董事可將討論事項納入有關議程。董事會定期會議的議程及附連之董事會文件在開會前一段合理時間內派發予所有董事。董事須披露彼等於董事會會議上供董事會考慮之任何建議書或交易中所享有之直接或間接權益（如有）並適時放棄投票。所有董事會會議記錄草稿會在合理時間內交董事傳閱，讓董事在確定會議記錄前提出意見。董事會及董事委員會的會議記錄由公司秘書保存。全體董事均有權查閱董事會的文件及有關資料，並會及時獲提供充份資料，使董事會可就提呈會議的事項作出知情決定。

截至二零一六年十二月三十一日止年度，各董事於董事會會議及股東大會的個人出席記錄載列如下：

| 董事姓名 | 出席次數／董事會會議次數 | 出席次數／股東大會次數 |
|---|---|---|
| **執行董事** | | |
| 謝漢良先生 | 6/6 | 2/2 |
| 范新先生（於二零一六年七月十五日辭任） | 4/6 | 1/2 |
| 潘晉先生（於二零一六年七月十五日辭任） | 3/6 | 0/2 |
| 樊邦弘先生（於二零一六年一月二十日辭任） | 1/6 | 0/2 |
| **非執行董事** | | |
| 黃俞先生（於二零一六年七月十五日獲委任） | 1/6 | 0/2 |
| 王良海先生 | 5/6 | 0/2 |
| 劉衛東先生 | 4/6 | 0/2 |
| **獨立非執行董事** | | |
| 范仁達先生 | 6/6 | 1/2 |
| 劉天民先生 | 5/6 | 0/2 |
| 李明綺女士 | 6/6 | 2/2 |

## 委任、重選及罷免董事

謝漢良先生為本公司執行董事，與本公司訂立服務合約，指定任期由二零一四年八月二十五日起計為期三年，之後將自動續期，直至其中一方向另一方發出不少於三個月的書面通知終止為止，而通知於固定任期屆滿前不會失效。

黃俞先生、王良海先生及劉衛東先生為本公司非執行董事，與本公司訂立服務合約，指定任期分別由二零一六年七月十五日、二零一六年七月十五日及二零一四年八月二十五日起計為期三年，之後將自動續期，直至其中一方向另一方發出不少於兩個月的書面通知終止為止，而通知於固定任期屆滿前不會失效。

本公司各獨立非執行董事均與本公司訂立服務合約，指定任期由二零一四年八月二十五日起計為期三年，直至其中一方向另一方發出不少於兩個月的書面通知終止為止，而通知於固定任期屆滿前不會失效。

於截至二零一六年十二月三十一日止年度，概無董事放棄彼等的服務酬金。

根據本公司組織章程細則，上述服務合約受限於至少每三年一次的董事輪值告退及於股東週年大會上重選。

本公司組織章程細則規定，任何獲董事會委任以填補董事會臨時空缺的董事將任職至其獲委任後的首屆本公司股東大會為止，並在大會上接受重選，而任何由董事會委任以增加現有董事會人數的董事僅可任職至本公司下一屆股東週年大會為止，屆時將合資格膺選連任。

根據組織章程細則第87(1)條，董事會當中三分之一成員須於本公司每屆股東週年大會上輪席告退。根據組織章程細則第87(2)條，退任董事合乎資格膺選連任。

此外，根據組織章程細則第86(3)條，由董事會委任以填補董事會之臨時空缺或增加現時董事會人數之任何董事，其任命到本公司下一屆股東週年大會時屆滿，且可於該大會上膺選連任。

根據組織章程細則第87(1)條及第87(2)條，王良海先生、劉衛東先生及范仁達先生須於股東週年大會上輪席告退，由於符合資格，彼願意於股東週年大會上膺選連任。

根據組織章程細則第86(3)條，黃俞先生須於股東週年大會上告退，由於符合資格，彼願意於股東週年大會上膺選連任。

## 董事委員會

董事會已成立(i)審核委員會；(ii)薪酬委員會；(iii)提名委員會；及(iv)風險管理及合規委員會（前稱「監控及合規委員會」），並已界定職權範圍。解釋其相關角色及獲董事會授權的董事委員會職權範圍載於本公司網站http://www.neo-neon.com及聯交所網站www.hkexnews.hk。董事委員會可於作出合理要求時獲提供足夠資源履行其職責，及可在適當情況下尋求獨立專業意見及其他援助，費用概由本公司支付。

## 審核委員會

本公司已成立審核委員會，並以書面訂明其職權範圍。審核委員會目前由三名成員組成（即全體獨立非執行董事范仁達先生、劉天民先生及李明綺女士）。李明綺女士為審核委員會主席。審核委員會的主要職責為就外部核數師的委任及罷免向董事會提供推薦建議、審閱財務報表及就財務申報提供重要意見，以及監督本公司的內部監控及風險管理系統。審核委員會的組成及書面職權範圍符合企業管治守則。

本集團截至二零一六年六月三十日止六個月的未經審核中期業績及截至二零一六年十二月三十一日止年度的經審核年度業績已分別由審核委員會審閱，審核委員會認為相關財務報表已遵照適用會計準則及規定編製及已作出充分披露。審核委員會亦已審閱本集團採納的會計原則及常規，以及外部核數師的挑選及委任。另外，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的風險管理及內部監控系統。

截至二零一六年十二月三十一日止年度，審核委員會已舉行兩次會議。各審核委員會成員於審核委員會會議的個別出席記錄載列如下：

| 董事姓名 | 出席次數／委員會會議次數 |
|---|---|
| 李明綺女士 | 2/2 |
| 范仁達先生 | 2/2 |
| 劉天民先生 | 1/2 |

## 薪酬委員會

本公司已成立薪酬委員會，並以書面訂明其職權範圍。薪酬委員會目前由四名成員組成（即非執行董事黃俞先生，三位獨立非執行董事范仁達先生、劉天民先生及李明綺女士）。劉天民先生為薪酬委員會主席。薪酬委員會的主要職責為就本集團董事及高級管理層的整體薪酬政策及結構向董事會提供意見，並確保並無董事或其任何聯繫人士參與釐訂其薪酬。薪酬委員會的組成及書面職權範圍符合企業管治守則。

截至二零一六年十二月三十一日止年度，薪酬委員會已審閱董事及高級管理層的薪酬。

截至二零一六年十二月三十一日止年度，薪酬委員會已舉行三次會議。各薪酬委員會成員於薪酬委員會會議的個別出席記錄載列如下：

| 董事姓名 | 出席次數／委員會會議次數 |
|---|---|
| 劉天民先生 | 1/2 |
| 黃俞先生(1) | 0/2 |
| 范仁達先生 | 2/2 |
| 李明綺女士 | 2/2 |
| 范新先生(1) | 2/2 |

附註：

(1) 范新先生於二零一六年七月十五日辭任薪酬委員會成員，而黃俞先生於同日獲委任為薪酬委員會成員。

## 提名委員會

本公司已成立提名委員會，並以書面訂明其職權範圍。提名委員會目前由四名成員組成（即非執行董事黃俞先生，三位獨立非執行董事范仁達先生、劉天民先生及李明綺女士）。黃俞先生為提名委員會主席。提名委員會的主要職責為定期檢討董事會的架構、人數及成員組合，並在考慮提名人的獨立性及資格後向董事會推薦合適的董事候選人，以確保所有提名公平透明。物色合適董事人選及向董事會作出有關推薦建議時，提名委員會亦須考慮候選人各方面的條件，包括但不限於其教育背景、專業經驗、相關行業經驗及過往董事職務。提名委員會的組成及書面職權範圍符合企業管治守則。

截至二零一六年十二月三十一日止年度，提名委員會已檢討董事會的架構、人數及成員組合。

截至二零一六年十二月三十一日止年度，提名委員會已舉行兩次會議。各提名委員會成員於提名委員會會議的個別出席記錄載列如下：

| 董事姓名 | 出席次數／委員會會議次數 |
|---|---|
| 黃俞先生(1) | 0/2 |
| 劉天民先生 | 1/2 |
| 范仁達先生 | 2/2 |
| 李明綺女士 | 2/2 |
| 范新先生(1) | 2/2 |

附註：

(1) 范新先生於二零一六年七月十五日辭任提名委員會成員兼主席，而黃俞先生於同日獲委任為提名委員會成員兼主席。

## 風險管理及合規委員會

本公司已成立風險管理及合規委員會（前稱「監控及合規委員會」），並以書面訂明其職權範圍。監控及合規委員會目前由七名成員組成（即本公司所有董事）。范仁達先生為風險管理及合規委員會主席。風險管理及合規委員會的主要職責為監察本公司的風險管理系統及本公司現在或未來業務的合規性，就遵守適用的法律和法規，包括上市規則的事宜進行審查並提出建議。

截至二零一六年十二月三十一日止年度，風險管理及合規委員會就任何涉嫌欺詐及違規行為、內部管控失責或涉嫌違反法律、法規和規章定期向董事會報告。風險管理及合規委員會獲董事會授權向本公司管理層尋求相關資訊以實現其工作目標、職責和責任，而所有的員工都要配合其要求。

截至二零一六年十二月三十一日止年度，風險管理及合規委員會已舉行一次會議。

| 董事姓名 | 出席次數／委員會會議次數 |
|---|---|
| 范仁達先生 | 1/1 |
| 謝漢良先生 | 1/1 |
| 黃俞先生(1) | 0/1 |
| 王良海先生 | 1/1 |
| 劉天民先生 | 0/1 |
| 李明綺女士 | 1/1 |
| 范新先生(1) | 1/1 |
| 潘晉先生(1) | 1/1 |

附註：

(1) 范新先生與潘晉先生於二零一六年七月十五日辭任風險管理及合規委員會成員，而黃俞先生於同日獲委任為風險管理及合規委員會成員。

### 企業管治職能

本公司的企業管治職能由董事會執行。企業管治委員會的職責包括：(a)制定及檢討本公司的企業管治政策及常規，並向董事會提出推薦建議；(b)檢討及監察本集團董事及高級管理人員的培訓及持續專業發展；(c)檢討及監察本公司在遵守法律及監管規定方面的政策及常規；(d)制定、檢討及監察本集團僱員及董事的操守準則及合規手冊（如有）；及(e)檢討本公司遵守企業管治守則的情況及在企業管治報告內的披露。

截至二零一六年十二月三十一日止年度，董事會已檢討對守則條文及企業管治守則下的建議最佳常規的遵守情況，並就任何偏離情況作出深思熟慮的解釋。

### 公司秘書

本公司秘書為梁樂偉先生，於二零一六年三月二日獲委任。梁先生知悉上市規則第3.29條的規定。梁先生已向本公司告悉彼已就企業管治及會計事項等方面接受超過15小時培訓。本公司認為公司秘書的培訓符合上市規則第3.29條的規定。

## 財務申報

董事會在首席財務官及財務部的支援下，負責編製本公司及本集團各財政年度的財務報表，以真實公平反映本公司及其附屬公司於該年度的財務狀況、業績及現金流。董事會並不知悉有任何有關事項或狀況的重大不明朗因素可能使本集團持續經營的能力受到重大質疑。

本公司的香港外聘核數師畢馬威會計師事務所有關財務報表的責任載於本年度報告「獨立核數師報告書」一節。

### 核數師酬金

董事會審核委員會負責就委聘、續聘及罷免法定外部核數師、批准外部核數師的薪酬及任期以及有關外部核數師辭職或遭開除的任何問題向董事會作出推薦建議。本公司委聘畢馬威會計師事務所為外部核數師。截至二零一六年十二月三十一日止年度，已付／應付予畢馬威會計師事務所的費用詳情如下。

| | 人民幣千元 |
|---|---|
| 審核服務 | 3,627 |
| 非審核服務 | 221 |
| **總計** | **3,848** |

# 內部監控及風險管理

董事會確認其整體責任為持續維持本公司充足的內部監控及風險管理系統及檢討其效率。董事會致力落實有效及良好的內部監控及風險管理系統，保障股東利益及本公司資產。此外，審核委員會亦有責任審閱及評估本集團的風險管理及內部監控系統。

本集團的內部監控及風險管理系統具備明確的管理架構及其相關權限、完善政策及程序，在制定時已考慮到其業務性質及組織架構，以達成效率及有效的營運、確保財務報告的可靠性及遵守適用的法律法規、識別及管理潛在風險，並保障本集團資產。系統的目的在於管理而非排除失誤風險，以達成業務目標，並僅合理而非絕對保證不會出現重大虛假陳述或損失。

於二零一六年，本公司採納以下政策及程序，並採取以下措施，以改善本集團風險管理及內部監控系統。

為了進一步改善本公司現有有關（其中包括）業務營運、財務及合規的風險管理及內部監控系統建置，於二零一六年，本公司採取若干措施識別、評估、管理與達成本公司營運目標有關的重大風險。例如，本集團高級管理層審閱並評估內部監控及風險管理過程、定期監察任何風險因素，並向董事會報告任何發現以及處理該等變動及經識別的風險所採取的措施。在本公司高級管理層的協助之下，董事會亦定期與本集團高級管理層、供應商業務代表以及客戶進行調查及現場訪談，以檢查並監察與本集團業務營運及財務管理有關的潛在風險。

同時，本公司已於二零一五年十二月更新審核委員會的職權範圍及程序，以遵守企業管治守則當中有關內部監控及風險管理的新規定。同時，在專業核數師的協助之下，審核委員會監督本公司財務及經濟活動的收入與開支，以進一步強化風險管理的功能，並確保有效落實風險管理及內部監控系統以及本公司的標準化營運與健全發展。

結合本公司實際情況及各類適用的法律及法規，並配合本公司管理層制定的解決方案，以應對風險、系統化地組織業務營運，並監察與降低潛在風險。本公司亦制訂並推行若干內部政策，要求本集團所有僱員遵守該等內部風險管理及內部監控標準，共同打造一個風險管控及標準化營運的管治環境。此外，本公司亦已制定適用於若干營運單位的政策及程序，分工清晰，以確保風險管理及內部監控的成效。本公司日常營運委託各別部門，其對本身部門的行為及績效負責，並須嚴格遵守董事會及審核委員會制定的政策。此項程序於二零一六年全年實施並需持續予以改善。

根據企業管治守則之C.2.1董事會及管理層持有其半年度及年度審閱內部監控及風險管理。審核委員會會議為審核委員會成員及本公司的管理層及內部審計經理直接溝通的機會。本公司以年度審核委員會會議作為其主席和審核委員會所有成員將盡力參加的一個重要事件。外聘核數師亦獲邀出席本公司的審核委員會會議，並可協助董事處理有關外聘核數師就審核行為和核數師報告的編製與內容所提出的查詢。董事亦已檢討內部核數部門的需要，彼等認為聘用專業人士為本集團進行內部核數工作，更具成本效益。現時本集團已設立內部核數部門，並且每年檢討內部監控及風險管理系統。

本公司亦已提供本公司董事及高級管理層內部信息培訓課程，確保所有可能對本公司股價產生重大影響的相關事實及情況立即得到評估，並確保本集團任何一位或以上的高級管理人員知悉的重大信息立即得到確認、評估及適時上報至董事會以釐訂是否需要披露。

於二零一六年，董事會在審核委員會的協助下已進行兩次本公司風險管理及內部監控系統的審閱，並認為本公司風險管理及內部監控系統為充足且有效落實。該審閱涵蓋所有重大監控、財務、合規及營運監控以及風險管理機制。

董事會在審核委員會的協助下，亦已審閱本公司資源的充足度、員工的資歷及經驗、培訓課程及會計相關預算、內部審核及財務報告職能，並對上述事項感到滿意。

## 與投資者及股東的關係

本公司在與股東及投資界溝通時，一直盡量保持高透明度。本公司定期為機構投資者及分析家舉行簡報會及會議。本公司致力按照有關監管規定，維持公開及有效的投資者溝通政策，並及時向投資者提供最新的業務資料。

為確保與投資者及分析家保持有效、清晰及準確之溝通，所有企業通訊均由本公司財務總監安排及處理。

本公司財務數據及所有與股東的公司通訊已載於本公司網站http://www.neo-neon.com，並會適時定期更新。

董事會及管理層須確保股東權利，且全體股東均獲公平公正對待。

本公司已適時宣佈其中期及年度業績，宣佈時間早於上市規則規定的時間。於股東大會，將就每個重大個別事項提呈個別決議案，包括重選個別董事。

股東週年大會將為董事會與本公司之股東提供直接溝通機會。本公司視股東週年大會為重要事項，主席及全體董事均盡可能出席。外聘核數師亦獲邀請出席本公司的股東週年大會，並可協助董事應付股東就核數行為及核數師報告的編製及內容所提出的查詢。所有股東收取附有詳細議程的通知和及時之通知函。根據上市規則，董事會將於應屆股東週年大會主持投票表決。本公司的業績將於會上宣佈，並適時於聯交所網站及本公司網站作出公佈。

## 股東權利

### 股東召開股東特別大會及於股東大會提出提案的過程

股東於遞呈要求日期持有不少於本公司繳足股本（賦有於本公司股東大會上投票權）十分之一股東於任何時候有權透過向本公司董事會或秘書發出書面要求（「要求」），要求董事會召開股東特別大會，以處理有關要求中指明的事項；要求須遞呈於香港主要營業地點（香港中環夏慤道12號美國銀行中心806-810室），且有關大會應於遞呈該要求後兩(2)個月內舉行。倘遞呈後二十一(21)日內，董事會未有進行召開股東特別大會，則遞呈要求人可自發以同樣方式作出此舉，而遞呈要求人因董事會未有召開大會而產生的所有合理開支應由本公司向遞呈要求人作出償付。

### 向董事會提出查詢的程序

股東可透過梁樂偉先生或謝漢良先生向董事會作出查詢，從而會轉交有關查詢予董事會處理。聯絡詳情如下：

地址： 香港中環夏慤道12號美國銀行中心806-810室
電郵地址： investors@neo-neon.com
電話： (852) 2786 2133
傳真號碼： (852) 2786 2479

## 親屬及密切個人關係

董事會認為任用行政人員及員工，必須以其才能、有關經驗及技能為首要條件。本集團的策略是根據人選的資歷、經驗、技能及往績，透過內部提升或在公開市場招聘，選出最適當的合資格人選擔任個別職位。並無任何僱員是因為與任何董事有親屬或密切個人關係而受聘。

## 憲章文件

於截至二零一六年十二月三十一日止年度，本公司的憲章文件並無任何重大變動。

# 環境、社會及管治報告

作為負責任的企業公民，同方友友控股有限公司（簡稱「同方友友」、「本公司」、「公司」或「我們」）致力於長期的可持續發展，重視對環境、社會及管治責任的履行及信息披露。

同方友友二零一六年度環境、社會及管治報告（簡稱「本報告」）根據香港聯合交易所有限公司發布的最新版《環境、社會及管治報告指引》（簡稱「ESG指引」）進行編製，總結了本公司在二零一六財政年度內根據ESG指引要求履行相關責任的政策及行動。

## 與利益相關方的溝通

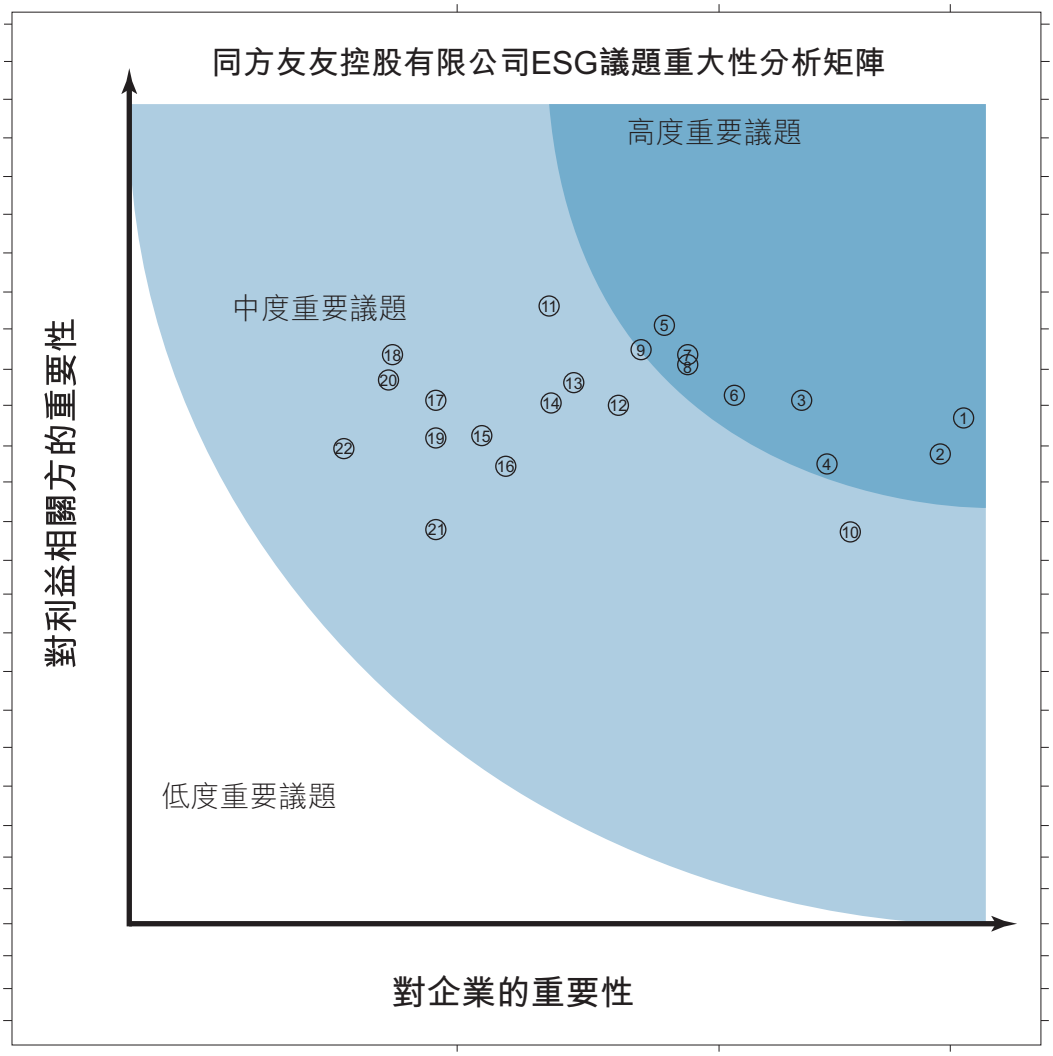
在準備本報告的過程中，我們通過多種渠道積極獲取各利益相關方的意見，以瞭解其對於同方友友在環境、社會與管治方面的看法與期待，作為我們編製本報告的重要參考。這些重要的利益相關方包括：

- 政府
- 股東及投資者
- 客戶
- 員工
- 合作夥伴
- 行業組織
- 媒體
- 社區
- 環境

我們聘請了第三方專業機構，以面對面溝通、電話訪談、問卷調查、實地走訪等多種形式，從多個維度與利益相關方進行溝通，最終選取了22個最為受到利益相關方關注的議題，在本次的報告中進行披露。具體包括：

1 知識產權保護
2 合法合規經營與反貪腐
3 產品質量檢測和回收
4 消費者信息安全及隱私
5 排放物管理
6 廢棄物管理
7 供應商聘用原則
8 能源使用管理
9 避免使用童工及強迫勞動
10 參與的社會議題類型及其投入
11 產品健康與安全
12 產品及服務投訴
13 供應商情況
14 員工人身安全
15 環境及天然資源

16 溫室氣體管理
17 僱佣情況
18 職業健康與安全措施
19 水資源使用管理
20 員工流失率
21 產品包裝材料管理
22 員工培訓及其投入



# A. 環境責任

## A1. 排放物管理

根據相關法律和《質量、有害物質、環境及職業健康安全管理手冊》的要求，公司須確保排放物達標排放。我們嚴格遵守《污水廢氣排放及噪聲控制管理程序》，對污水、廢氣的排放及噪聲進行嚴格規定。針對有害及無害廢棄物的產生和處置，依據《危險廢物管理規程》，我們對有回收利用價值的廢棄物（如廢紙箱等），由科技園發展部組織出售；對不可直接回收利用的廢棄物，由科技園發展部安排分類並交由廢棄物處置公司處置；危險廢棄物交由專業危廢處理公司進行無害化處理。同時，相關部門需定期進行數據收集和分析，匯總各自發現的問題，並採取具體措施減少或避免排放物產生。

於二零一六年，本集團已嚴格遵守對本集團有重大影響之法律法規，該等法律法規與空氣及溫室氣體排放、水域及土地排放以及有害及無害廢棄物產生有關。

## A2. 有效使用資源

為提高資源使用效率和促進節能減排，公司制定了《鶴山同方照明科技有限公司節約用電管理規定》、《資源能源節約控制程序》等政策，積極引導僱員在日常工作中做到節約用電、節能減排。例如，我們對宿舍區熱水系統進行了太陽能供電改造，一年可節約用電量約50萬kWh，節約電費約人民幣41萬元。二零一六年，公司還把原來40W的照明更換LED 18W節能照明燈具8,100支，一年可以節約用電約80萬kWh，節約電費約人民幣 65萬元。為節省用水，公司中央空調和機器用水均使用循環水。

## A3. 保護環境及天然資源

公司重視生態環境保護，並為之制定了《水體污染防治程序》、《土壤污染防治程序》、《環境因素識別與評價程序》等制度，確保工業及生活污水排入污水管網或移送污水處理站，以防止水體污染；同時對可能造成土壤污染源的管理對象進行定期檢查，委託具備資格的環境檢查機構對土壤進行定期測定。

二零一六年同方友友及其附屬公司的業務活動對環境及天然資源沒有產生重大影響。

# B. 社會責任

## B1. 僱佣與勞工慣例

本公司關於補償及解聘、招聘及晉升、工作時數、休假、平等機會、多元化、反歧視及其他權利及福利方面的活動和政策均遵守《中華人民共和國勞動法》和《中華人民共和國勞動合同法》及其他對本公司有重大影響之相關法律法規。公司編製了《員工手冊》和《勞工和商業道德風險評估程序》，囊括了入職、簽訂勞動合同、人事異動、解僱、職業培訓、行為準則、工作時間、績效考核、福利待遇、健康與安全、多元化與反歧視、童工和強迫勞工、懲戒控制、結社自由與集體談判權利等多個方面的政策，切實保障員工權益。

我們始終堅持公平的原則，嚴格推行反歧視的相關政策，保證員工不因種族、社會等級、國籍、宗教、殘疾、性別、性別取向、工會會員資格或政黨等方面的不同而受到歧視。

為保障員工與公司之間溝通的順暢，公司制定了《員工申訴處理程序》和《員工建議與申述管理指引》，以博採眾議，廣納善言，持續跟進和提升公司治理的成效。

公司僱員的基本薪酬乃根據行業薪酬慣例、僱員的經驗及其表現而決定；基本薪酬會定期參考通行市場及有關行業的競爭機構中同類職位的薪酬水平作出檢討，並可按生活指數及公司的財務表現不時調整。除法例規定的基本薪酬及法定福利外，本集團亦根據集團的業績及僱員表現提供酌情花紅。我們還為員工提供了多種豐富實用的福利，包括社會保險、住房公積金、工作餐補貼、通訊費季度報銷以及節日禮品（金）。

為保證員工勞逸結合、合理勞動，同方友友制定了《考勤管理制度》和《加班管理控制程序》，規定實行每天8小時，每周40小時，每周至少休息一天的標準工時制度，並規定公司各級幹部不得隨意安排加班，加班的員工可以獲得合理報酬。員工不僅可以享有國家規定的法定假期，還可以享受事假、病假、年假、工傷假、喪假、婚假、產假、哺乳假、陪護假、生日假等假期。

截至二零一六年十二月三十一日，本公司僱員總人數約為1,500名。

## B2. 健康與安全

為保障員工的職業健康與安全，本公司嚴格遵守《中華人民共和國勞動法》和《中華人民共和國勞動者權益保護法》及其他對本公司就此有重大影響之相關法律法規，致力為員工提供安全、健康、舒適的工作環境，並保護員工免受職業危害的影響。我們要求員工必須遵守所有安全操作規程和規定，並必須始終使用現有的和適用的保護措施，以防止安全事故的發生，保護員工免受事故傷害。

根據《應急準備和響應控制程序》，我們定期安排急救、滅火和疏散逃生演習，使員工知悉相關逃生設施和用具的使用方法，提高員工對緊急事件的警惕性和應對能力。

公司安全部門（包括安全、消防、急救和醫療等）定期維護廠房和機器設備，並向員工提供和定期更換個人防護用品(PPE)，保證員工具備良好的勞動條件和必要的應急設施。

對於可能發生重大事故的崗位人員，我們安排了專門的安全培訓，並規定特種作業人員接受法定的培訓並取得操作證，確保安全上崗。對於可能接觸有害因素的崗位人員，我們每年為其提供職業健康體檢，並根據檢測結果和醫生建議為其安排必要調崗和治療。

## B3. 發展及培訓

為保證培訓的及時性，公司為員工提供入職培訓、晉升後培訓、整體培訓、專項培訓等。為了確保培訓的實用性，公司不僅提供涵蓋產品知識、管理學知識、營銷知識、公關禮儀、英語技能等知識技能培訓，而且還為員工提供有關工作時間、工資和福利的法律規定、公司政策和程序、安全政策和程序（如SA8000標準）、安全操作規程及諮詢渠道等法律和公司章程的培訓，提升其維護自身權益的意識和能力。此外，公司的培訓還具備擇優性，即為表現突出的員工提供委外培訓，助其進一步提高管理水平和業務能力。員工可申請或被選送到外部專業培訓機構參加短期課程，包括各種外部教育機構、培訓中心所舉辦的短期培訓課程、交流會等。

## B4. 勞工準則

同方友友嚴格杜絕聘用童工。為了保障兒童及遭遣散的童工的安全、健康、教育和發展，我們設計並實施《童工拯救程序》，嚴禁聘用未滿16周歲的員工從事工作。一旦發現聘用童工的情況，公司將勒令其立即停工，結算工資，將其安全送回其原居地並要求父母親或監護人。

公司嚴禁聘用強制勞工現象，制定了《非強迫性工作程序》，尊重員工的自由權利，禁止任何形式的強迫勞動，保障工人人身自由，包括僱佣自由，辭工自由，加班自由及行動自由。

同時，公司還制定了《女性職工未成年工管理程序》，為女性員工提供勞動安全保護、工作時間保護、假期保護和日常保健，確保女性職工的健康不因勞動強度、勞動時間和勞動條件而受侵害。

於二零一六年，本集團已嚴格遵守有關防止童工及強制勞工並對本集團有重大影響之法律法規。

## B5. 供應鏈管理

供應商管理是企業質量管理體系的重要環節之一，供應商的選擇直接影響到產品的質量穩定和安全有效。我們積極與合格供應商保持長期合作關係，截至二零一六年十二月三十一日，本公司供應商總數達528家，其中80%以上為廣東省內供應商。

本公司致力於履行供應鏈管理的社會責任，確保供應商符合有關質量、有害物質控制、環境、職業健康安全、強制性產品認證工廠質量保證能力要求、資源節約產品認證工廠質量保證能力要求、社會責任之質量要求。在與任一供應商合作期間，本公司對其績效進行密切監督與考評，必要時提供反饋，及時剔除不良供應商。

根據《採購控制程序》的規定，公司通過定期評估供應鏈的環境及社會風險、加強風險管理來對供應鏈進行管理。我們督促供應商採取措施來減少其環境及社會風險。本公司更加注重與供應商的關係與溝通，以引導供應商走向可持續發展。

## B6. 產品責任

本公司嚴格遵守與業務營運相關的各項法律法規，致力於保障產品和服務的健康與安全，防控不合格產品，並在產品召回、客戶投訴、客戶信息安全與隱私保護、知識產權保護等方面制定了相應的內部政策與制度，例如《產品危害和風險管理程序》、《產品防護控制程序》等。

### 1） 客戶服務

公司通過與客戶的合同進行評審，及通過與總廠PMC部就產能、物料、技術要求、品質、交期、有害物質等要求進行諮詢，保證公司有能力在技術範圍及交貨期內生產，能對原材料及生產過程中的危害及風險進行有效控制。

### 2） 防控不合格品

公司規定，發現主要不合格可導致批量不合格時，有權命令立即停止生產，且需在不合格品上作好不合格標識，並報品質檢驗部經理處理。

### 3） 產品召回

為減少及避免產品存在質量隱患和安全危害從而造成客戶人身、財產損失，同方友友制定並嚴格執行《產品召回控制程序》，確保相關不合格的產品安全、順利撤回及有效處理。

二零一六年全年已售或已運送產品總數中因安全與健康理由而須回收的百分比為0%。

### 4） 投訴、退貨處理

公司規定，收到顧客投訴後，市場部應立刻輸入公司外部客訴網上，由品質工程部跟踪責任出貨生產部門並直接在外部網上回覆並處理；公司應在24小時內反饋抱怨糾正行動，在5個工作日內書面回覆有效的改進行動，並嚴格執行。

本集團專注於提供更全面的售後服務和改善客戶滿意度，通過擬定且嚴格執行《顧客滿意度測量程序》，妥善處理退貨處理程序，並通過糾正和預防措施，防止相關問題的再發生。

二零一六年，我們接獲關於產品及服務的投訴數目為28起。對每一次投訴，我們都詳細記錄，認真處理，絕不敷衍消費者。

### 5） 信息安全與隱私保護

同方友友十分重視信息安全和隱私保護，為此我們制定了《關於電腦、網絡、郵箱使用準則》等制度，不僅為保障公司內部機密信息的安全，也為防止顧客信息的洩漏。

### 6） 知識產權

為加強對公司知識產權的保護，規範知識產權管理工作，鼓勵員工發明創造的積極性，促進知識產權應用，提高公司競爭力，同方友友根據國家有關法律法規並結合具體情況，制定了《鶴山同方照明科技有限公司知識產權管理辦法》，就產權的歸屬、註冊、管理和維護以及對知識產權發明及管理人員的獎懲作出了明確規定。同時本公司鼓勵所有員工參與同方友友品牌的保護工作，鼓勵員工向公司匯報任何疑似侵權行為，並採取對應的反侵權行動。

於二零一六年，本集團已嚴格遵守對本集團有重大影響之法律法規，該等法律法規與所提供產品及服務的健康及安全、廣告、標籤及隱私事項以及補救方式有關。

## B7. 反腐敗、賄賂、勒索、欺詐和洗黑錢

公司在經營過程中堅持誠信經營的高標準，杜絕任何形式的貪污受賄行為，嚴格遵守《中華人民共和國刑法》、《中華人民共和國反不正當競爭法》和《關於禁止商業賄賂行為的暫行規定》，制定了《反腐倡廉誠信政策》等相關的反腐敗、賄賂、勒索、欺詐和洗黑錢的法律和法規。

我們嚴格的反貪污制度取得了良好的效果，二零一六年度未發生對集團或僱員提出的貪污訴訟案件。

## B8. 社區投資

在企業發展態勢良好的同時，同方友友也積極回報社會，與社區共生共榮。我們致力於公益慈善活動，從社會需求的角度幫助弱勢群體，為其帶去資金及資源上的支持，創造可持續的社會價值。

我們深知教育與培養人才的重要性，在二零一六年我們為共和鎮平嶺小學教學樓捐贈人民幣達50,000元以支持當地教育事業的發展。我們亦秉承關愛弱勢群體、實現社區共融的理念，於重陽節給鐵崗社區老人捐款人民幣10,000元為其購買日用品。在關懷員工方面，我們體察員工需求，致力於更好的員工關懷與發展，二零一六年同方友友向困難員工發放補貼人民幣20,000元。

截至二零一六年末，同方友友向外界捐款共計達到人民幣80,000元。

# 獨立核數師報告

**致同方友友控股有限公司股東**
**之獨立核數師報告**
*(於開曼群島註冊成立的有限公司)*

## 意見

本核數師(以下簡稱「我們」)已審核列載於第59至126頁的同方友友控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表,此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全面收益表、綜合權益變動表和綜合現金流量表,以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頒佈的《香港財務報告準則》真實而中肯地反映了 貴集團於二零一六年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》的披露要求妥為擬備。

## 意見的基礎

我們已根據香港會計師公會頒佈的《香港核數準則》進行審核。我們在該等準則下承擔的責任已在本報告「核數師就審核綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)以及與我們對開曼群島綜合財務報表的審核相關的道德要求,我們獨立於 貴集團,並已履行這些道德要求以及守則中的其他專業道德責任。我們相信,我們所獲得的審核憑證能充足及適當地為我們的審核意見提供基礎。

## 關鍵審核事項

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

**就香港稅務局公佈的保障性利得稅評稅確認稅務撥備**

*請參閱綜合財務報表附註11及第78頁的會計政策。*

| **關鍵審核事項** | **我們的審核如何處理該事項** |
| --- | --- |
| 香港稅務局（「稅務局」）對本集團自二零零五／二零零六評估年度起進行稅務評核。<br><br>截至二零一六年十二月三十一日，稅務局已就二零零五／二零零六至二零一零／二零一一評估年度公佈保障性利得稅評稅，總額為146,532,000港元（約相當於人民幣131,074,000元）。 貴集團就該等保障性評稅額提呈反對，而稅務局同意緩繳該等評估年度所徵收之稅款，條件是 貴集團須購買儲稅券合共25,450,000港元（約相當於人民幣22,765,000元），該數額於二零一六年十二月三十一日的綜合財務狀況表中計入可收回稅項。<br><br>於二零一六年十二月三十一日， 貴集團並無就上述保障性利得稅評稅確認稅務撥備，因管理層認為有關附屬公司沒有在香港經營任何業務，也沒有獲得任何利潤，故 貴集團毋須支付香港利得稅。管理層聘請了外部稅務顧問來協助 貴集團向稅務局提出反對並解決該等事項。<br><br>我們已將評估就稅務局公佈的保障性利得稅評稅確認稅務撥備確認為一項關鍵審核事項，原因在於其對 貴集團的財務重要性，且管理層在考慮是否須支付香港利得稅時作出的判斷可能受到管理層偏向的影響。 | 我們就稅務局公佈的保障性利得稅評稅確認稅務撥備的審核程序包括以下各項：<br><br>• 獲取並檢查 貴集團與稅務局的全部溝通材料以及 貴集團向稅務局提交的全部文檔；<br><br>• 評估 貴集團聘請的外部稅務顧問的勝任能力、專業素質和經驗；及<br><br>• 引入畢馬威稅務專家，協助我們與管理層及其聘任的外部稅務顧問進行討論，瞭解該稅務事項的性質和進程以及管理層的觀點及其作出的關鍵判斷，參照相關的稅收法規以及我們在稅務局對於類似情況的理解和處理方面的知識和經驗，並考慮錯誤及管理層偏向的可能性，以評估管理層及其聘任的外部稅務顧問作出的判斷及形成的結論。 |

## 關鍵審核事項*(續)*

**評估應收貿易款項的可回收性**

*請參閱綜合財務報表附註21及第75頁的會計政策。*

| **關鍵審核事項** | **我們的審核如何處理該事項** |
| --- | --- |
| 於二零一六年十二月三十一日， 貴集團的應收貿易款項總額合共約為人民幣149百萬元，佔 貴集團於該日總資產的10%。<br><br>於二零一六年十二月三十一日， 貴集團錄得呆賬撥備約人民幣47百萬元。<br><br>貴集團的呆賬撥備包括基於個別重大債務人的特定要素及具有類似風險特徵的債務人組別的集體要素，考慮到 貴集團客戶的信用歷史及當前市場以及客戶特定條件，包括評估客戶是否處於財政困難及客戶經營所在行業是否面臨衰退。所有上述要素均需要管理層基於過往經驗及對 貴集團客戶以及彼等經營所在行業的瞭解作出重大判斷。<br><br>我們已將應收貿易款項的可回收性確認為一項關鍵審核事項，原因在於應收貿易款項結餘對綜合財務狀況表的重要性及呆賬撥備的評估涉及重大管理層判斷。 | 我們就評估應收貿易款項可回收性的審核程序包括以下各項：<br><br>• 瞭解並評估管理層有關信用控制、收債及作出呆賬撥備的關鍵內部控制的設計、執行及營運成效；<br><br>• 透過按抽樣基準比較應收貿易款項賬齡報告的詳情與相關關連文件，包括貨物交貨單及客戶協議所載的支付條款是否相符，評估應收貿易款項賬齡報告的個別結餘分類；<br><br>• 按抽樣基準質疑管理層有關單獨評估結餘的可回收性的判斷基礎，並參考債務人營運所在的行業、逾期結餘的賬齡、過往及年終後付款記錄及與此等客戶的近期通訊評估管理層就此等個別結餘所作的呆賬撥備；<br><br>• 通過回溯檢查過往年度所作呆賬撥備的準確性， 根據 貴集團會計政策重新計算呆賬撥備，綜合評估管理層用於呆賬撥備的假設和估計；及<br><br>• 按抽樣基準比較財政年末之後來自債權人的收款憑據（與二零一六年十二月三十一日的應收貿易款項相關）。 |

## 綜合財務報表及其核數師報告以外的信息

董事需對其他信息負責。其他信息包括刊載於年報內的全部信息，但不包括綜合財務報表及我們的核數師報告。

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

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

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

## 董事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》的披露要求擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審核委員會協助董事履行監督　貴集團的財務報告過程的責任。

## 核數師就審核綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向整體股東報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按照《香港核數準則》進行的審核，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

## 核數師就審核綜合財務報表承擔的責任*(續)*

在根據《香港核數準則》進行審核的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對這些風險，以及獲取充足和適當的審核憑證，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，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

- 瞭解與審核相關的內部控制，以設計適當的審核程序，但目的並非對　貴集團內部控制的有效性發表意見。

- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對　貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審核憑證。然而，未來事項或情況可能導致　貴集團不能持續經營。

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。

- 就　貴集團內實體或業務活動的財務信息獲取充足、適當的審核憑證，以便對綜合財務報表發表意見。我們負責　貴集團審核的方向、監督和執行。我們為審核意見承擔全部責任。

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

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

## 核數師就審核綜合財務報表承擔的責任*(續)*

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

出具本獨立核數師報告的審核項目合夥人是蔡忠銓。

**畢馬威會計師事務所**
*執業會計師*
香港中環
遮打道十號
太子大廈八樓

二零一七年三月十三日

# 綜合全面收益表

截至二零一六年十二月三十一日止年度
(以人民幣(「人民幣」)列示)

| | 附註 | 二零一六年<br>人民幣千元 | 二零一五年<br>人民幣千元 |
|---|---|---|---|
| **收入** | 6 | **611,243** | 602,438 |
| 已售貨物的成本 | | **(422,713)** | (435,150) |
| **毛利** | | **188,530** | 167,288 |
| 其他收入 | | **11,657** | 10,262 |
| 其他收益及虧損 | 7(a) | **28,058** | 63,504 |
| 其他支出 | 7(b) | **(590)** | (4,751) |
| 分銷及銷售開支 | | **(97,396)** | (88,527) |
| 行政開支 | | **(107,583)** | (135,607) |
| 財務成本 | 8 | **(3,873)** | (2,693) |
| **除税前溢利** | 9 | **18,803** | 9,476 |
| 所得税 | 11 | **(7,061)** | (4,991) |
| **年內溢利** | | **11,742** | 4,485 |
| | | **人民幣分** | 人民幣分 |
| **每股盈利** | 12 | | |
| — 基本及攤薄 | | **0.61** | 0.30 |
| **年內溢利** | | **11,742** | 4,485 |
| 年內其他全面收益 | | | |
| 其後可能被重新分類至損益的項目： | | | |
| — 折算財務報表產生之匯兑差額，經扣除零税項 | | **33,298** | 19,373 |
| **年內全面收益總額** | | **45,040** | 23,858 |
| 本年度以下人士應佔溢利： | | | |
| — 本公司擁有人 | | **11,778** | 5,817 |
| — 非控股權益 | | **(36)** | (1,332) |
| | | **11,742** | 4,485 |
| 應佔本年度全面收益總額： | | | |
| — 本公司擁有人 | | **44,951** | 25,021 |
| — 非控股權益 | | **89** | (1,163) |
| | | **45,040** | 23,858 |

隨附附註第66頁至第126頁為此等財務報表一部份。

# 綜合財務狀況表

於二零一六年十二月三十一日
（以人民幣列示）

| | 附註 | 於二零一六年十二月三十一日 人民幣千元 | 於二零一五年十二月三十一日 人民幣千元 |
|---|---|---|---|
| **非流動資產** | | | |
| 投資物業 | 13 | **14,700** | 14,700 |
| 物業、廠房及設備 | 14 | **149,832** | 231,803 |
| 預付租約付款 | 15 | **31,863** | 38,097 |
| 商譽 | 16 | **8,663** | 8,109 |
| 無形資產 | 17 | **29,840** | 23,853 |
| 可供出售投資 | 18 | **3,639** | 3,653 |
| 按公允值計入損益的金融資產 | 19 | **108,152** | 105,380 |
| 收購物業、廠房及設備之按金 | | **1,381** | 1,341 |
| 遞延税項資產 | 27 | **7,063** | – |
| | | **355,133** | 426,936 |
| **流動資產** | | | |
| 存貨 | 20 | **184,316** | 189,174 |
| 應收貿易及其他款項 | 21 | **178,930** | 210,922 |
| 儲税券 | 11 | **22,765** | 11,943 |
| 受限銀行按金 | 22 | **27,667** | 20,353 |
| 現金及現金等值物 | 22 | **647,356** | 615,663 |
| | | **1,061,034** | 1,048,055 |
| 持作出售的資產 | 23 | **105,275** | – |
| | | **1,166,309** | 1,048,055 |
| **流動負債** | | | |
| 應付貿易及其他款項 | 24 | **163,546** | 194,373 |
| 應付税項 | | **10,068** | 4,094 |
| 銀行借貸 | 25 | **110,967** | 95,129 |
| | | **284,581** | 293,596 |
| 持作出售的負債 | 23 | **11,195** | – |
| | | **295,776** | 293,596 |
| **流動資產淨值** | | **870,533** | 754,459 |
| **資產總值減流動負債** | | **1,225,666** | 1,181,395 |

隨附附註第66頁至第126頁為此等財務報表一部份。

# 綜合財務狀況表
於二零一六年十二月三十一日
(以人民幣列示)

| | 附註 | 於二零一六年十二月三十一日 人民幣千元 | 於二零一五年十二月三十一日 人民幣千元 |
|---|---|---|---|
| **非流動負債** | | | |
| 政府補貼 | 26 | **12,765** | 13,914 |
| 遞延税項負債 | 27 | **2,950** | 3,997 |
| | | **15,715** | 17,911 |
| **資產淨值** | | **1,209,951** | 1,163,484 |
| **資本及儲備** | | | |
| 股本 | 28 | **171,808** | 171,897 |
| 儲備 | | **1,037,362** | 990,713 |
| 本公司擁有人應佔權益 | | **1,209,170** | 1,162,610 |
| 非控股權益 | | **781** | 874 |
| 權益總額 | | **1,209,951** | 1,163,484 |

獲董事會於二零一七年三月十三日批准及授權刊發。

**黃俞**
董事

**謝漢良**
董事

隨附附註第66頁至第126頁為此等財務報表一部份。

# 綜合權益變動表

截至二零一六年十二月三十一日止年度
（以人民幣列示）

| | 本公司擁有人應佔 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 股本 | 股份溢價 | 資本贖回儲備（附註(i)） | 特別儲備（附註(ii)） | 股份補償儲備（附註(iii)） | 購股權儲備 | 匯兌儲備 | 其他儲備（附註(iv)） | 累計虧損 | 總計 | 非控股權益 | 權益總計 |
| | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| 於二零一五年一月一日 | 171,897 | 2,264,928 | 255 | 55,238 | 50,024 | – | (277,951) | (8,220) | (1,122,253) | 1,133,918 | 2,839 | 1,136,757 |
| 年內溢利／(虧損) | – | – | – | – | – | – | – | – | 5,817 | 5,817 | (1,332) | 4,485 |
| 其他全面收益 | – | – | – | – | – | – | 19,204 | – | – | 19,204 | 169 | 19,373 |
| 全面收益總額 | – | – | – | – | – | – | 19,204 | – | 5,817 | 25,021 | (1,163) | 23,858 |
| 出售一間附屬公司 | – | – | – | – | – | – | – | – | – | – | (802) | (802) |
| 確認基於股份以權益結算之付款 | – | – | – | – | – | 3,671 | – | – | – | 3,671 | – | 3,671 |
| | – | – | – | – | – | 3,671 | – | – | – | 3,671 | (802) | 2,869 |
| 於二零一五年十二月三十一日 | 171,897 | 2,264,928 | 255 | 55,238 | 50,024 | 3,671 | (258,747) | (8,220) | (1,116,436) | 1,162,610 | 874 | 1,163,484 |
| 於二零一六年一月一日 | 171,897 | 2,264,928 | 255 | 55,238 | 50,024 | 3,671 | (258,747) | (8,220) | (1,116,436) | 1,162,610 | 874 | 1,163,484 |
| 年內溢利／(虧損) | – | – | – | – | – | – | – | – | 11,778 | 11,778 | (36) | 11,742 |
| 其他全面收益 | – | – | – | – | – | – | 33,173 | – | – | 33,173 | 125 | 33,298 |
| 全面收益總額 | – | – | – | – | – | – | 33,173 | – | 11,778 | 44,951 | 89 | 45,040 |
| 購回自身股份（附註28(b)） | (89) | (911) | 89 | – | – | – | – | – | – | (911) | – | (911) |
| 收購非控股權益 | – | – | – | – | – | – | – | (198) | – | (198) | (182) | (380) |
| 確認基於股份以權益結算之付款 | – | – | – | – | – | 2,718 | – | – | – | 2,718 | – | 2,718 |
| | (89) | (911) | 89 | – | – | 2,718 | – | (198) | – | 1,609 | (182) | 1,427 |
| 於二零一六年十二月三十一日 | 171,808 | 2,264,017 | 344 | 55,238 | 50,024 | 6,389 | (225,574) | (8,418) | (1,104,658) | 1,209,170 | 781 | 1,209,951 |

附註：

(i) 資本贖回儲備指通過回購股份減少相當於本公司已發行股本金額。

隨附附註第66頁至第126頁為此等財務報表一部份。

## 綜合權益變動表
截至二零一六年十二月三十一日止年度
（以人民幣列示）

(ii) 特別儲備指本公司及本集團的前控股公司Neo-Neon Holdings (BVI) Limited（「NNH」）發行的股份的面值，與根據一九九六年進行的集團重組及就本公司股份於二零零六年上市之準備工作而進行之集團重組所收購的附屬公司的股本及股份溢價總值，兩者之間的差額。

(iii) 股份補償儲備指本公司股東轉讓予本集團若干高級管理層的NNH股份（「股份」）的公允值與高級管理層就於二零零四年獲取股份所支付的代價的差額。

(iv) 其他儲備指支付購買本公司附屬公司的額外權益的代價，與所收購權益的金額之間的差額。

隨附附註第66頁至第126頁為此等財務報表一部份。

# 綜合現金流量表

截至二零一六年十二月三十一日止年度
（以人民幣列示）

| | 附註 | 二零一六年<br>人民幣千元 | 二零一五年<br>人民幣千元 |
|---|---|---|---|
| **經營活動** | | | |
| 除税前溢利 | | **18,803** | 9,476 |
| 就以下項目作出調整： | | | |
| 利息收入 | 9 | **(2,140)** | (3,434) |
| 財務成本 | 8 | **3,873** | 2,693 |
| 出售一間附屬公司之收益 | | **(298)** | (1,797) |
| 出售可供出售投資之收益 | | **–** | (182) |
| 折舊及攤銷 | | **34,876** | 34,229 |
| 投資物業公允值變動 | 13 | **–** | 1,795 |
| 按公允值計入損益的金融資產公允值變動 | 19 | **(2,772)** | 120 |
| 出售物業、廠房及設備及預付租約付款之收益 | 7(a) | **(2,421)** | (27,436) |
| 攤銷政府補助金 | 26 | **(77)** | (4,147) |
| 存貨撥備淨額 | 20 | **3,995** | 3,705 |
| 呆壞賬撥備撥回 | 21 | **(5,213)** | (13,934) |
| 基於股份以權益結算之付款 | | **2,718** | 3,671 |
| 匯兑收益淨額 | 7(a) | **(18,523)** | (22,771) |
| 營運資金變動前的經營現金流量 | | **32,821** | (18,012) |
| 存貨減少／(增加) | | **6,008** | (22,855) |
| 儲税券增加 | | **(10,019)** | (7,784) |
| 應收貿易及其他款項減少 | | **8,256** | 17,116 |
| 應付貿易及其他款項減少 | | **(22,537)** | (9,478) |
| 就政府補貼所收取之現金 | 26 | **–** | 2,250 |
| 經營業務所得／(所用) 現金 | | **14,529** | (38,763) |
| 已付所得税項 | | **(9,599)** | (5,921) |
| **經營業務所得／(所用) 現金淨額** | | **4,930** | (44,684) |

隨附附註第66頁至第126頁為此等財務報表一部份。

# 綜合現金流量表

截至二零一六年十二月三十一日止年度
(以人民幣列示)

| | 附註 | 二零一六年<br>人民幣千元 | 二零一五年<br>人民幣千元 |
|---|---|---|---|
| **投資活動** | | | |
| 已收利息 | 9 | **2,140** | 3,434 |
| 存放受限銀行存款 | | **(27,667)** | (20,353) |
| 解除受限銀行存款 | | **20,353** | 1,167 |
| 購買物業、廠房及設備 | | **(18,935)** | (19,477) |
| 出售物業、廠房及設備及預付租約付款的所得款項 | | **19,401** | 18,935 |
| 添置無形資產 | 17 | **(8,434)** | (9,029) |
| 出售一間附屬公司 | | **–** | (119) |
| **投資活動所用現金淨額** | | **(13,142)** | (25,442) |
| **融資活動** | | | |
| 新增銀行貸款所得款項 | | **94,761** | 27,193 |
| 償還銀行貸款 | | **(84,952)** | (49,382) |
| 已付利息 | 8 | **(3,873)** | (2,693) |
| 收購附屬公司之非控股權益 | | **(380)** | – |
| 購回股份付款 | 28(b) | **(911)** | – |
| **融資活動所得／(所用)現金淨額** | | **4,645** | (24,882) |
| **現金及現金等值物減少淨額** | | **(3,567)** | (95,008) |
| **於年初的現金及現金等值物** | | **615,663** | 674,806 |
| **外幣匯率變動的影響** | | **37,210** | 35,865 |
| **於年末的現金及現金等值物** | | **649,306** | 615,663 |
| **於年末的現金及現金等值物之分析** | | | |
| 綜合財務狀況表所披露之現金及現金等值物 | | **647,356** | 615,663 |
| 分類為持作出售的資產之現金及現金等值物 | 23 | **1,950** | – |
| **綜合現金流量表的現金及現金等值物總額** | | **649,306** | 615,663 |

隨附附註第66頁至第126頁為此等財務報表一部份。

# 綜合財務報表附註

（除另有列明外，以人民幣列示）

## 1 一般資料

同方友友控股有限公司（「本公司」）乃一間根據開曼群島公司法註冊成立之獲豁免投資控股有限公司。其主要附屬公司的主要業務載於附註36。本公司股份於香港聯合交易所有限公司（「聯交所」）主板上市，且部份股份作為存託憑證在台灣證交所上市。

本公司的註冊辦事處及主要營業地點之地址披露於年報「公司資料」一節。

於二零一四年三月十九日，本公司與同方股份有限公司（「同方股份」）（透過同方股份之間接全資附屬公司清華同方節能控股有限公司（「同方節能控股」））訂立認購協議，內容有關同方節能控股以每股0.90港元（「港元」）的認購價認購1,000,000,000股股份（佔本公司當時已發行股本約106.46%）（「認購」）。根據認購協議，認購已於二零一四年八月一日完成，認購之代價金額900,000,000港元已由同方節能控股於二零一四年八月一日悉數支付予本公司。認購完成時，同方節能控股已合共認購本公司已發行股本的約51.56%。

於二零一六年一月二十日，同方節能控股按每股股份1.18港元收購合共347,668,000股本公司股份（「股權增加」）。緊隨股權增加後，同方節能控股於本公司的股權由約51.75%增加至約69.68%。

根據於二零一五年一月五日舉行的股東特別大會上通過的特別決議案，本公司的中文名稱由「真明麗控股有限公司」更改為「同方友友控股有限公司」。英文名稱「Neo-Neon Holdings Limited」維持不變。更改公司名稱將不會影響股東之任何權利。

## 2 主要會計政策

### (a) 合規聲明

本財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈的所有適用香港財務報告準則（「香港財務報告準則」）（亦包括所有適用的個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）、香港公認會計原則及香港公司條例的披露規定編製。本財務報表亦遵守香港聯合交易所有限公司證券上市規則（「上市規則」）的適用披露條文。本公司及其附屬公司（統稱為「本集團」）所採納的主要會計政策的概要披露於下文。

香港會計師公會已頒佈若干項新訂及經修訂之香港財務報告準則，並於本集團及本公司之本會計年度首次生效或可供提前採納。於本會計期間及過往會計期間，有關因首次應用上述與本集團有關之準則而導致會計政策變動之資料已反映於本綜合財務報表中，並載於附註2(c)。

## 2 主要會計政策（續）

### (b) 編製財務報表的基準

截至二零一六年十二月三十一日止年度的綜合財務報表包括本公司及其附屬公司。

用以編製財務報表的計量基準為歷史成本法，惟以下資產及負債按其公允值列賬除外，有關詳情按下文所載的會計政策闡釋：

- 投資物業（見附註2(h)）；及

- 歸類為按公允價值計入損益的金融資產的金融工具（見附註2(o)）。

非流動資產及持作出售的出售組別按賬面值及公允值減出售成本兩者中之較低者入賬（見附註2(w)）。

按照香港財務報告準則編製的財務報表須要管理層作出判斷、估計及假設。該等判斷、估計及假設會影響政策應用及所呈報的資產及負債、收入及支出金額。該等估計及相關假設以過往經驗及在具體情況下相信為合理的各項其他因素為基礎，而所得結果乃用作判斷目前顯然無法直接通過其他來源獲得的資產及負債賬面值的依據。實際結果或會有別於該等估計。

該等估計及相關假設會持續予以審閱。如會計估計的修訂僅對作出修訂的期間產生影響則有關修訂只會在該期間內確認；如會計估計的修訂對現時及未來期間均產生影響，則會在作出該修訂期間及未來期間內確認。

管理層在應用對財務報表有重大影響的香港財務報告準則時作的判斷及估計不確定性之主要來源已在附註3論述。

### (c) 會計政策變動

香港會計師公會已頒佈多項於本集團的本會計期間首次生效對香港財務報告準則的修訂。該等發展對本集團於本期間或過往期間編製或呈列本集團業績及財務狀況的方式概無重大影響。

本集團並無應用任何於本會計期間尚未生效之任何新訂準則或詮釋。

## 2 主要會計政策（續）

### (d) 本集團於現有附屬公司之擁有權權益變動

本集團於現有附屬公司之所有權權益變動若無導致本集團喪失該等附屬公司之控制權，則按權益交易入賬。本集團之權益及非控股權益之賬面金額均需予以調整，以反映彼等於附屬公司之相關權益之變動。非控股權益所調整之款額（即按比例分佔附屬公司賬面淨值之變動）與已付或已收代價之公允值兩者之間之差額，均直接於權益確認並歸屬於本公司擁有人。

當本集團失去對附屬公司的控制權：(i)在失去控制權當日終止確認附屬公司的資產（包括任何商譽）及負債的賬面值，(ii)失去控制權當日終止確認於前附屬公司的任何非控股權益的賬面值（包括彼等應佔其他全面收益的任何部份），及(iii)確認已收代價的公允值及任何保留權益的公允值總額，而所產生之任何差額則確認為本集團應佔損益內的收益或虧損。當附屬公司的資產按重估價值或公允值計值，且相關的累計收益或虧損已在其他全面收益中確認並於權益累計金額，則會按猶如本集團已直接出售相關資產（即按適用香港財務報告準則所指明重新分類至損益或直接轉撥至保留盈利），將過往在其他全面收益中確認並於權益累計的金額入賬。在失去控制權當日於前附屬公司保留的任何投資的公允值將被視為根據香港會計準則第39號「金融工具：確認和計量」於其後入賬時被列作初步確認之公允值，或（如適用）初步確認投資於聯營公司或共同控制實體之成本。

### (e) 業務合併

業務收購採用收購法入賬。於業務合併轉撥之代價按公允值計量，而計算方式為本集團轉撥之資產、本集團對被收購方之前擁有人產生之負債及本集團為換取被收購方之控制權所發行之股權於收購日之公允值總和。與收購事項有關之成本一般於產生時在損益中確認。

於收購日，已收購的可識別資產及所承擔的負債乃按其公允值予以確認，惟以下各項除外：

- 遞延税項資產或負債及有關僱員福利安排的負債或資產分別按香港會計準則第12號「所得税」及香港會計準則第19號「僱員福利」予以確認及計量；

- 與被收購方以股份為基礎的付款安排或本集團為替換被收購方以股份為基礎的付款安排而訂立的以股份為基礎的付款安排有關的負債或股權工具，乃於收購日按香港財務報告準則第2號「以股份為基礎的付款」予以計量（見下文會計政策）；及

- 分類為持作出售的資產（或出售組別）乃按香港財務報告準則第5號「持作出售的非流動資產及已終止經營業務」予以計量。

## 2 主要會計政策（續）

### (e) 業務合併（續）

商譽按所轉撥之代價、任何非控股權益佔被收購方之金額及收購方先前所持被收購方股權（如有）之公允值總和超出所收購之可識別資產及所承擔之負債於收購日期淨額之差額計量。如果在重新評估後，所收購之可識別資產及所承擔之負債於收購日期淨額超出所轉撥之代價、任何非控股權益佔被收購方之金額及收購方先前所持被收購方股權（如有）之公允值總和，超出的差額即時作為議價購入收益於損益確認。

屬現時所有權權益且於清盤時賦予其持有人按比例分佔實體資產淨值之非控股權益可初步按公允值或非控股權益按比例分佔被收購方可識別資產淨值之已確認金額計量。計量基準視乎個別交易作出選擇。其他類別之非控股權益按其公允值或（若適用）其他準則訂明之其他基準計量。

### (f) 商譽

收購業務所產生之商譽按成本減累計減值虧損（如有）入賬，並於綜合財務狀況表獨立呈列。

就減值測試而言，商譽分配至預期會受惠於合併的協同效應的各別現金產生單位，或現金產生單位組別。

獲分配商譽的現金產生單位須每年，或在該單位出現可能減值的跡象時更頻繁地進行減值測試。就於報告期間的收購所產生的商譽而言，已獲分配商譽的現金產生單位於該報告期末前進行減值測試。倘現金產生單位的可收回金額少於該單位的賬面值，則會先分配減值虧損，以減少該單位獲分配的任何商譽的賬面值，其後以該單位內各資產的賬面值為基準，按比例分配至該單位的其他資產。商譽的任何減值虧損直接於綜合全面收益表的損益確認。就商譽確認的減值虧損於其後期間不予撥回。

於出售相關現金產生單位時，其所屬商譽金額會計入出售之損益金額內。

## 2 主要會計政策（續）

### (g) 收入確認

收入乃按已收及應收代價的公允值計算，指於日常業務中就售出貨品的應收款項扣除折扣及銷售相關稅項。

當符合下述條件時，本銷售貨品的收入乃被確認：

- 本集團已將貨品所有權的重大風險和報酬轉讓予買方；
- 本集團不再對已售貨品保留一般與所有權相關程度的持續管理參與權，亦無實際控制權；
- 有關收入能可靠計量；
- 與交易相關之經濟利益可能流入本集團；
- 就交易產生或將予產生之成本能可靠計量；
- 銷售貨品於交付貨品時及移交所有權後確認；
- 自金融資產產生之利息收入乃於經濟利益可能流向本集團及收入金額能可靠計量時確認。利息收入乃參考尚未償還之本金按適用實際利率基於時間基準計提，實際利率乃指將估計未來收取之現金按金融資產預計可用年期貼現至該資產於初步確認時之賬面淨值之利率；
- 本集團分佔可識別資產、負債及或然負債之公允淨值與收購成本之差額在重新評估後即時在損益中確認；
- 倘本集團收取付款的權利已確立，則確認來自投資的股息收入；及
- 根據經營租賃出租投資物業之租金收入於有關租期內以直線法確認。

## 2 主要會計政策（續）

### (h) 投資物業

投資物業為持作賺取租金及資本增值之物業。

投資物業初步按成本計量，並計入任何直接應佔開支。首次確認後，投資物業以公允值模式按公允值計量。投資物業公允值變動產生之收益或虧損於其產生期間列入損益。

當投資物業出售或永久停止使用或預計不會從該物業出售中獲得未來經濟利益時，即終止確認該項投資物業。終止確認資產所產生的任何收益或虧損按出售所得款項淨額與該資產賬面值之差額計算，並於終止確認該項目的期間計入損益。

### (i) 物業、廠房及設備

物業、廠房及設備包括持有用於生產或供應貨物或作行政用途的租賃土地及樓宇，但不包括在建工程，乃按成本減其後累計折舊及任何已識別減值虧損於綜合財務狀況表列賬。

物業、廠房及設備項目將於出售後或預期持續使用該資產將不會產生未來經濟利益時終止確認。在出售或報廢物業、廠房及設備項目時產生的任何收益或虧損釐定為出售所得款項與資產賬面值之間的差額，並在損益中確認。

在建工程包括用於生產或供自用的在施工過程中之物業、廠房及設備，乃按成本減任何已確認減值虧損列賬，成本包括全部發展開支及來自該等項目的其他直接成本。

在建工程乃於工程竣工及資產可作擬定用途時方會計提折舊。已竣工工程的成本會轉移至物業、廠房及設備的適當類別。

樓宇乃以直線基準按估計可使用年期或有關租賃土地的租期（以較短者為準）折舊。

就香港租賃土地及樓宇而言，租賃土地及樓宇的成本乃按估計可使用年期為50年予以折舊。中國的樓宇成本乃按20年予以折舊。

其他物業、廠房及設備乃按其估計可使用年期，以直線法確認折舊以撇銷其成本。

## 2 主要會計政策（續）

### (j) 租賃土地及樓宇

倘一項租賃包括土地及樓宇部份，本集團根據屬於每一部份所有權之絕大部份風險及回報是否已轉讓予本集團而獨立地評估每部份分類為融資租賃或經營租賃，除非已經明確地顯示兩部份為經營租賃，在此情況下，全部租賃分類為經營租賃。特別是在土地及樓宇部份之間所分配之最低租賃付款（包括任何一次性預付款），乃按於租賃最初時，租賃之土地部份及樓宇部份之有關租賃權益之相對公允值比例而分配。

倘租賃付款之分配能可靠地計算，入賬為經營租賃的租賃土地權益於財務狀況表以「預付租約付款」呈報，並以直線基準按租賃年期攤銷，惟以公允值模式入賬之投資物業則除外。

### (k) 借貸成本

因收購、興建或生產合資格資產（即需相當長時間方可作擬定用途或出售的資產）而直接產生的借貸成本歸入該等資產的成本，直至當資產基本上可作擬定用途或出售為止。於特定借貸在用作合資格資產前所作臨時投資賺取的投資收入，從合資格作資本化的借貸成本中扣除。

所有其他借貸成本均於產生期間於損益中確認。

### (l) 無形資產

#### 獨立收購的無形資產

擁有固定可使用年期及獨立收購的無形資產乃以成本減累計攤銷及任何累計減值虧損列賬。擁有固定可使用年期的無形資產攤銷乃按直線基準於估計可使用年期撥備。估計可使用年期及攤銷方法會在各報告期末進行檢討，而任何估計變動之影響則按預期基準入賬。

無形資產於出售或當預期日後不會從使用或出售產生經濟利益時終止確認。取消確認無形資產所產生的收益或虧損乃按出售所得款項淨額及該資產的賬面值差額計算，並於該資產取消確認時的期間於損益中確認。

# 2 主要會計政策（續）

## (l) 無形資產（續）

### 於業務合併中購入之無形資產

於業務合併中購入之無形資產與商譽分開確認，初步按其於收購日期之公允值（視為其成本）確認。

初步確認後，具有固定可使用年期之無形資產按成本減累計攤銷及任何累計減值虧損入賬。具有固定可使用年期之無形資產之攤銷乃以直線基準於其估計可使用年期內作出撥備。反之，具有無固定可使用年期之無形資產則按成本減任何其後累計減值虧損入賬。

### 內部產生之無形資產的研發開支

研究活動開支於產生期內確認為開支。

當且僅當出現所有下列情況時，開發（或內部項目的開發期）所產生的內部產生之無形資產始予以確認：

- 完成無形資產以使該無形資產可供使用或出售的技術可行性；
- 完成無形資產及使用或出售該無形資產的意向；
- 使用或出售無形資產的能力；
- 無形資產如何產生可能的未來經濟利益；
- 有足夠的技術、財務及其他資源可用於完成開發及使用或出售無形資產；及
- 可靠計量無形資產於開發期間應佔開支的能力。

就內部產生之無形資產所初步確認之金額為該無形資產自首度符合上述確認標準之日起已產生之開支總額。倘無內部產生之無形資產可予確認，則開發開支於其產生期間在損益扣除。於初步確認後，內部產生之無形資產按成本減累計攤銷及累計減值虧損（如有）計算，與獨立收購的無形資產的列賬基準相同。

## 2 主要會計政策（續）

### (m) 存貨

存貨按成本及可變現淨值兩者中之較低者列賬。成本按加權平均法計算。可變現淨值指存貨估計售價減所有估計完成成本和銷貨成本。

### (n) 現金及現金等值物

現金及現金等值物為銀行存款及手頭現金、存放於銀行及其他財務機構的活期存款，以及於購入後三個月內到期的可隨時變現為已知現金數額及無重大價值變動風險的高流動性短期投資。按要求償還並構成本集團現金管理整體的一部份的銀行透支會作為現金及現金等值物的一部份計入綜合現金流量表。

### (o) 金融工具

金融資產及金融負債於本集團成為該工具合約條文的訂約方時，於綜合財務狀況表內確認。

金融資產及金融負債初步以公允值計量。因收購或發行金融資產及金融負債（按公允值計入損益之金融資產及金融負債除外）而直接應佔之交易成本於初步確認時，按適用情況加入或扣自該項金融資產或金融負債之公允值。因收購按公允值計入損益之金融資產或金融負債而直接應佔之交易成本，即時於損益確認。

#### 實際利率法

實際利率法乃計算金融資產之攤銷成本及按有關期間分配利息收入之方法。實際利率乃將估計日後現金收入（包括構成實際利率不可或缺的一部份之所有已付或已收費用、交易成本及其他溢價或折扣）按金融資產之預期使用年期或較短期間（倘合適）準確折算至初步確認時的賬面淨值之利率。

就債務工具而言，利息收入按實際利率基準確認。

#### 應收款項

應收款項為款項固定或可釐定且並無在活躍市場上報價之非衍生工具金融資產。貸款及應收款項（包括應收貿易及其他款項、受限銀行存款及現金及現金等值物）於初步確認時按公允值計量，其後採用實際利率法按攤銷成本減任何已識別減值虧損計量（見下文所載有關金融資產減值虧損之會計政策）。

# 2 主要會計政策（續）

## (o) 金融工具（續）

### 按公允值計入損益之金融資產

按公允值計入損益之金融資產（「按公允值計入損益之金融資產」）指持作買賣之金融資產或於初步確認時指定為持作買賣之金融資產。直接應佔之交易成本於產生時在損益中確認。按公允值計入損益之金融資產按公允值計量且其變動（包括任何利息及股息收入）在損益中確認。

### 可供出售金融資產

可供出售金融資為被指定或不列為按公允值計入損益之金融資產、貸款及應收款項或持有至到期之投資的非衍生工具。

可供出售股權工具的股息於本集團有權收取股息時在損益中確認。

並無活躍市場報價且公允值無法可靠計量的可供出售股權投資和與該無報價股權投資有關且須透過交付有關無報價股權投資結算的衍生工具，於各報告期間結束時按成本減任何已識別減值虧損計量（見下文有關金融資產減值虧損的會計政策）。

### 金融資產之減值

金融資產（持作買賣投資除外）會於報告期末評定是否有減值跡象。金融資產於有客觀證據顯示金融資產之預期未來現金流量因於初步確認該金融資產後發生之一項或多項事件而受到影響時作出減值。

就可供出售股權投資而言，倘有關投資之公允值大幅或持續下降至低於其成本，則該下降視為減值之客觀證據。

就所有其他金融資產而言，減值之客觀證據可包括：

- 發行人或對約方出現重大財政困難；或
- 違約，例如不履行或拖欠利息或本金付款；或
- 借款人有可能面臨破產或財務重組。

## 2 主要會計政策（續）

### (o) 金融工具（續）

#### 金融資產之減值（續）

就若干類別之金融資產（例如應收貿易款項）而言，不會單獨作出減值之資產會於其後匯集一併評估減值。應收款項組合減值的客觀證據包括本集團於過往的收款記錄、組合內逾期超過60日至90日的平均賒賬期限的付款數目增加以及國家或地區經濟狀況出現與應收款項未能償還有關連的明顯變動。

就按攤銷成本列帳之金融資產而言，確認之減值虧損金額為資產賬面值與按金融資產原實際利率折現之估計日後現金流量現值之差額。

就按成本列賬的可供出售投資而言，減值虧損金額按資產賬面值與按類似金融資產的現行市場回報率折現的估計未來現金流量現值之差額計算。有關減值虧損不會於其後期間撥回。

就按攤銷成本計量之金融資產而言，如在隨後期間，減值虧損金額減少，而有關減少在客觀上與確認減值後發生之事件有關，則先前確認之減值虧損將透過損益予以撥回，惟該資產於減值被撥回當日之賬面值不得超過未確認減值時之攤銷成本。

貸款及應收之賬面值會直接扣除減值虧損，惟應收貿易賬款除外，其賬面值會透過撥備賬作出扣減。撥備賬內之賬面值變動會於損益中確認。當應收貿易賬款被視為不可收回時，其將於撥備賬內撇銷。之前已撇銷的款項如其後收回，將撥入損益內。

#### 金融負債及股權工具

集團實體發行的債務及股權工具乃根據已訂立的合約安排內容以及金融負債及股權工具的定義分類為金融負債或股權工具。

#### 股權工具

股權工具乃證明本集團資產內經扣除所有負債後的剩餘權益的任何合約。公司發行之股權工具按已收所得款項扣除直接發行成本入賬。

購回本公司自身股權工具乃於股權中確認及直接扣除。概無於損益確認購買、出售、發行或註銷本公司自身股權工具的收益或虧損。

## 2 主要會計政策（續）

### (o) 金融工具（續）

#### 實際利率法

實際利率法乃計算金融負債之攤銷成本及於有關期間攤分利息開支之方法。實際利率為將估計日後現金付款（包括構成實際利率不可或缺的一部份之所有已付或已收費用及利率差價、交易成本及其他溢價或折扣）於金融負債之預期使用年期或較短期間（倘合適）準確折現至初步確認時之賬面淨值之利率。

利息支出按實際利率基準確認。

#### 金融負債

金融負債包括應付貿易及其他款項以及銀行貸款，初步按公允值計量，並於其後採用實際利率法按攤銷成本計量。

#### 終止確認

本集團僅於自資產獲取現金流之合約權利到期時終止確認金融資產。

於終止確認金融資產時，資產賬面值與已收及應收代價以及已於其他全面收益確認及於權益累計的累計收益或虧損之總和之間的差額，會於損益中確認。

本集團只有在其責任獲免除、取消或終止時，方會終止確認金融負債。終止確認之金融負債之賬面值與已付或應付代價之間之差額，乃於損益確認。

### (p) 有形及無形資產減值（商譽除外，請參閱上述有關商譽之會計政策）

本集團於報告期末審閱其具有限可使用年期的有形及無形資產的賬面值，衡量是否有跡象顯示該等資產已出現減值虧損。倘出現任何該等跡象，將估計該等資產的可收回金額，以釐定減值虧損的程度（如有）。倘不能估計個別資產之可收回金額時，本集團則估計該資產所屬之現金產生單位之可收回金額。倘有合理及一致的分配基準，公司資產亦會分配至個別現金產生單位，否則會被分配至有合理及一致的分配基準之最小現金產生單位組合。

具無限可使用年期的無形資產及尚未可供使用的無形資產須至少每年進行一次減值測試，並於有跡象顯示其可能出現減值時進行減值測試。

## 2 主要會計政策（續）

### (p) 有形及無形資產減值（商譽除外，請參閱上述有關商譽之會計政策）（續）

可收回金額為公允值減銷售成本及使用價值之較高者。評估使用價值時，乃採用税前貼現率將估計未來現金流量貼現至其現值，而該税前貼現率反映現行市場對金錢時間值及資產（其未來現金流量估計未經調整）特定風險之評估。

倘減值虧損於其後撥回，該項資產（或現金產生單位）之賬面值將增加至其經修訂之估計可收回金額，惟增加後之賬面值不得超過倘若該資產（或現金產生單位）於過往期間並無確認減值虧損所釐定之賬面值。減值虧損撥回隨即確認為收入。

### (q) 税項

所得税開支指當期應付税項與遞延税項的總和。

當期應付税項乃根據期內應課税溢利而計算。由於應課税溢利不包括於其他期內應課税或可減税額的收入或開支項目，亦不包括毋須課税或可減税額的項目，故應課税溢利與綜合全面收益表內呈報的「除税前虧損」不同。本集團的即期税項負債乃以報告期末已頒佈或實際上已頒佈的税率計算。

遞延税項負債乃就於附屬公司和聯營公司之投資及於合營企業之權益所產生應課税暫時差額進行確認，惟倘本集團能控制暫時差額之撥回，且暫時差額可能不會於可見將來撥回之情況則除外。因有關該等投資及權益的可扣減暫時差額而產生的遞延税項資產僅在可能產生足夠應課税溢利以使用暫時差額利益並預期能夠在可見將來撥回時確認。

遞延税項資產的賬面值於報告期末均會予以審查，並削減至不可能再有足夠應課税溢利以收回全部或部份資產為止。

遞延税項資產及負債按償還負債或變現資產的期間內預期適用之税率，根據報告期末已頒佈或實際已頒佈的税率（及税法）計算。

# 2 主要會計政策（續）

## (q) 税項（續）

就計量採用公允值模式計量的投資物業的遞延税項而言，除非推定被駁回，否則該等物業的賬面值假定可透過出售全數收回。倘投資物業可予折舊且在目的是體現在投資物業隨著時間的推移而大幅消耗其經濟效益的業務模式內持有，該假設會被推翻。如果該假設被推翻，有關投資物業的遞延税項會按照載於香港會計準則第12號的上述一般原則計量（即基於預期將收回物業的方式）。

即期及遞延税項在損益中確認。惟當其與在其他綜合收益或直接在權益中確認的項目有關時，則即期及遞延税項也分別在其他綜合收益或直接在權益確認。倘即期税項或遞延税項因就業務合併進行初步會計處理而產生，則税務影響會計入業務合併之會計處理。

## (r) 政府補助

於可合理保證本集團將會遵守附帶的條件及收獲撥款前，均不會確認政府補貼。

政府補貼按有系統基準於本集團確認與政府補貼擬補償的成本有關的開支之期間在損益內確認。具體而言，以要求本集團購買、建造或以其他方式收購非流動資產為主要條件的政府補貼乃於綜合財務狀況報表確認為有關資產賬面值扣除，並按有系統及合理基準於相關資產的可使用年期轉撥至損益。

作為已產生開支或損失的補償或為給予本集團即時財務支援且無日後相關成本的應收政府補貼，乃於其應收期間在損益確認。

## (s) 以股份為基礎付款的交易

### 授予僱員、董事及非執行董事的購股權

所取得服務的公允值乃參考所授出購股權於授出日期的公允值釐定，其以直線法在歸屬期間支銷，並在股權內作相應增加（購股權儲備）。

於報告期期末，本集團就預期最終歸屬的購股權估計數目進行修訂。歸屬期內，修訂估計的影響（如有）乃於損益中確認，並在購股權儲備中作相應調整。

在購股權獲行使時，先前於購股權儲備確認的金額將會轉撥至股份溢價中。倘購股權於歸屬日期後被沒收或於屆滿日期仍未獲行使，則先前於購股權儲備確認之金額將被轉撥至累計虧損。

## 2 主要會計政策（續）

### (t) 外幣

本集團各實體的個別財務報表均以該實體營運所在主要經濟環境的貨幣（其功能貨幣）呈列。就綜合財務報表而言，各實體的業績及財務狀況均以人民幣列值，人民幣為綜合財務報表的呈報貨幣。本公司的功能貨幣為港元。

因結算貨幣項目及重新換算貨幣項目而產生的匯兑差額均計入產生期間的損益內。

就呈列綜合財務報表而言，本集團的業務之資產及負債按於報告期末的適用匯率以人民幣列示。

收入及開支項目按期內的平均匯率換算，除非期內匯率出現大幅波動，在此情況下，則使用交易當日的匯率換算。所產生的匯兑差異（如有）將於其他全面收益中確認及於權益之換算儲備（倘適用，則歸屬於非控股權益）項下累計。

### (u) 租賃

當租賃條款將所有權的絕大部份風險及回報轉讓予承租人時，該租賃分類為融資租賃。所有其他租賃均分類為經營租賃。

#### 本集團作為出租人

根據融資租賃應收承租人款項在本集團租賃投資淨額中確認為應收款項。融資租賃收入分配至各會計期間，以反映對本集團的淨租賃投資餘額的固定定期回報率。

經營租賃的租金收入於相關租賃期內按直線法於損益中確認。

#### 本集團作為承租人

經營租賃付款以直線法於有關租期內確認為開支。作為訂立經營租賃獎勵的已收及應收利益乃按直線法於租期內確認為租金開支減少。

### (v) 退休福利成本

界定供款的退休福利計劃付款於僱員提供服務而有權獲得供款時確認為開支。

## 2 主要會計政策（續）

### (w) 持作出售的非流動資產

倘非流動資產（或出售組別）的賬面值很有可能透過銷售交易而非透過持續使用收回，並且資產（或出售組別）達到可出售狀態，則非流動資產分類為持作出售（或出售組別）。出售組別為一組將予出售的資產（於單一交易中視為一組），而與該等資產直接關連的負債將於交易中轉移。

倘本集團承諾的出售計劃涉及失去其附屬公司的控制權，不論本集團是否將於出售後保留該附屬公司的非控股權益，該附屬公司的所有資產及負債於符合上述分類為持作出售的條件時會分類為持作出售。

於緊接其分類為持作出售前，非流動資產（及出售組別中所有個別資產及負債）的計量按照分類前的會計政策作出更新。其後，由初步分類為持作出售至出售為止，非流動資產（除下文所闡述若干資產外）或出售組別按其賬面值及其公允值減出售成本兩者中之較低者予以確認。就本集團及本公司的財務報表而言，該計量政策的主要例外情況為遞延税項資產、來自僱員福利的資產、金融資產（不包括於附屬公司、聯營公司及合營公司的投資）及投資物業。該等資產即使持作出售，仍會根據本年報附註2所載政策計量。

初步分類為持作出售及其後在持作出售時重新計量而產生的減值虧損均在損益中確認。只要非流動資產一直分類為持作出售或包括在已分類為持作出售的出售組別中，則該非流動資產不會計提折舊或攤銷。

### (x) 關聯方

(a) 倘屬以下人士，則該人士或人士之近親與本集團有關連：

(i) 對本集團有控制權或共同控制權；

(ii) 對本集團有重大影響力；或

(iii) 為本集團或本集團母公司的主要管理層成員之一。

## 2 主要會計政策（續）

### (x) 關聯方（續）

(b) 符合任何以下條件的實體會被視為與本集團有關連：

(i) 該實體與本集團屬同一集團成員（即母公司、附屬公司及同系附屬公司各自互有關連）。

(ii) 一實體為另一實體的聯營公司或合營公司（或一集團成員之聯營公司或合營公司而另一實體為成員之一）。

(iii) 兩實體皆為同一第三方的合營公司。

(iv) 一實體為第三方的合營公司，而另一實體為該第三方的聯營公司。

(v) 該實體為本集團或與本公司有關連的實體就僱員利益設立之離職後福利計劃。

(vi) 該實體受(a)識別之人士的控制或共同控制。

(vii) 在(a)(i)內所確定的人士對該實體有重大影響力或該人士為該實體（或該實體的母公司）的主要管理層成員之一。

(viii) 實體或集團屬下任何成員公司向集團或集團的母公司提供主要管理人員服務。

另一方人士的直系親屬成員是指有關人士在與實體交易時，預期可影響或受該人士影響的親屬成員。

### (y) 分部報告

經營分部及於財務報表所呈報的各分部項目之金額乃於財務資料中確認，並定期提供予本集團最高管理層，以分配資源及評估本集團各業務線及地域位置之表現。

個別重大經營分部不會因財務報告而進行綜合，惟各分部具有類似的經濟性質，以及產品與服務的性質、生產工序性質、客戶類別或階層、分銷產品或提供服務的方法以及監管環境的性質相似的情況除外。個別不屬重大的經營分部倘於該等大部份標準上屬類似，則可能進行綜合。

# 3 關鍵會計判斷及估計不確定性之主要來源

在應用附註2所述之本集團會計政策時，本公司董事須就未有明確來源之資產及負債之賬面值作出判斷、估計及假設。估計及相關假設乃基於過往經驗及其他視認為相關的因素作出。實際結果可能有別於此等估計。

本公司會持續檢討估計及相關假設。會計估計之修訂於修訂估計之期間確認（如修訂只影響該期間）或於修訂期間及往後期間確認（如修訂影響本期間及往後期間）。

## 估計不確定性之主要來源

以下為有關未來之主要假設，以及於報告期末之其他估計不確定性之主要來源，該等假設及估計存在可能導致有關資產及負債之賬面值於下一財政年度出現重大調整之重大風險：

### 稅項

如附註11所詳述，若干集團實體就香港稅務事宜面臨稅務審計案件，直至該等財務報表刊發當日，仍未能確定最終所定稅項。倘有關案件的最終稅務結果與初始估計不同，該等差異將對所作決定期內的當期所得稅產生重大影響。於二零一六年及過往年度並無確認與該等稅務審計案件有關的稅務撥備，因本公司董事認為稅務審計工作仍處於初步階段，而有關附屬公司並未在香港開展任何業務且未獲得任何利潤，故本集團毋須支付任何利得稅。因此毋須就稅務審計計提額外香港利得稅撥備。管理層已聘用外部稅務顧問以協助本集團向稅務局（「稅務局」）提呈反對並解決此案。

### 呆壞賬撥備

本集團之呆賬撥備政策乃基於對可收回程度之評估以及根據管理層之判斷對各客戶個別作出之賬齡分析而制定。在評估該等應收賬款最終可否變現時須作出大量判斷，包括各客戶當時之信譽及過往收款紀錄。倘本集團客戶之財務狀況轉差，以致彼等作出付款之能力被削弱，則可能需要作出額外撥備。倘本集團客戶之財務狀況好轉並有能力償還應收賬款，則可能需要撥回撥備。

### 存貨撥備

本集團管理層於各報告期末會檢討存貨賬齡分析及市場需求，並對確定為陳舊及滯銷之項目作出陳舊存貨撥備，及對經考慮到市場需求及估計售價後其可變現淨值低於賬面值之存貨作出撥備。管理層主要根據最新售價及當時市況估計貨品之可變現淨值。

# 4 資本風險管理

本集團的資本管理旨在確保本集團內的實體可持續經營，同時為股東謀求最大回報。本集團之整體策略與上年度維持不變。

於年末，本集團的資本架構包括債務、淨現金及現金等值物以及本公司擁有人應佔權益（含股本及儲備）。

本集團管理層定期檢討資本架構。本集團考慮到資本成本及各類資本相關之風險，並透過派付股息、發行新股份及舉債平衡其整體資本結構。

# 5 金融工具

## 財務風險管理目標及政策

本集團的主要金融工具包括應收貿易及其他款項、可供出售投資、其他非流動資產、受限銀行存款、現金及現金等值物、應付貿易及其他款項及銀行借貸。金融工具的詳情於各附註內披露。該等金融工具有關的風險包括市場風險（貨幣風險及利率風險）、流動資金風險及信貸風險。下文載列如何降低該等風險的政策。管理層管理及監控該等風險，以確保及時有效地採取適當之措施。

### 市場風險

*(i) 貨幣風險*

於本報告日期使本集團面對外幣風險的本集團以外幣計值的貨幣性資產與貨幣性負債以及公司間結存的賬面值如下：

| | 資產 | | 負債 | |
|---|---|---|---|---|
| | **於二零一六年十二月三十一日** | 於二零一五年十二月三十一日 | **於二零一六年十二月三十一日** | 於二零一五年十二月三十一日 |
| | **人民幣千元** | 人民幣千元 | **人民幣千元** | 人民幣千元 |
| 人民幣 | **808,428** | 909,268 | **1,144,341** | 1,230,965 |

本集團現在並無訂立外幣對沖政策以規避貨幣風險。然而，管理層會密切監控有關外幣風險並將於需要時考慮對沖重大外幣風險。

# 5 金融工具（續）

## 財務風險管理目標及政策（續）

### 市場風險（續）

*(i) 貨幣風險（續）*

敏感度分析

本集團主要面臨人民幣兑美元的匯率變動風險。

敏感度分析假設外匯匯率變動已應用於重新計量使本集團於報告期末面臨外幣風險所持的金融工具，包括按借方或貸方所使用功能貨幣以外之貨幣計值的本集團公司間應付款項及應收款項。倘人民幣兑本集團有關實體的功能貨幣貶值5%，本集團截至二零一六年十二月三十一日止年度的除税前溢利將增加人民幣16,796,000元（二零一五年：人民幣16,085,000元）。倘人民幣兑本集團有關實體的功能貨幣升值5%，則將會出現等額的相反影響。

管理層認為，由於年末之風險並無反映年度風險，故敏感度分析並不代表固有外匯風險。

*(ii) 利率風險*

於本年度，本集團因按浮動利率計息的銀行貸款的利率變動影響而面臨現金流量利率風險。

由於現金及現金等值物的現行市場利率的波動，本集團之現金及現金等值物面臨現金流量利率風險。董事認為，由於該等工具於短期內到期，本集團所面臨的短期銀行存款利率風險並不重要。本集團認為，利率變動對本集團的業績及財務狀況不會有重大影響。

### 流動資金風險管理

為管理本集團的短期、中期及長期資金及符合流動資金管理的要求，本公司董事已建立一套流動資金風險管理制度。本集團透過維持管理層認為足以為本集團的營運提供資金及緩和現金流量波動影響的現金及現金等值物水平，藉以管理流動資金風險。管理層監控銀行借貸的運用並且保證遵照貸款契約。

下表詳述本集團金融負債的餘下合約到期情況。該表乃根據金融負債之未貼現現金流量及本集團可能被要求付款之最早日期編製。其他金融負債按經協定之還款日期釐定到期日。該表包括利息及本金現金流量。

## 5 金融工具（續）

### 財務風險管理目標及政策（續）

#### 流動資金風險管理（續）

倘利息流量為浮動利率，未貼現金額按報告期期末之利率釐定。

| | 加權實際利率 % | 即期部份 人民幣千元 | 少於一年 人民幣千元 | 未貼現現金流量總額 人民幣千元 | 賬面值 人民幣千元 |
|---|---|---|---|---|---|
| 於二零一六年十二月三十一日 | | | | | |
| 非衍生金融負債 | | 28,141 | 117,895 | 146,036 | 146,036 |
| 持作出售的負債 | | 11,195 | – | 11,195 | 11,195 |
| 銀行貸款 | 2.72 | – | 113,985 | 113,985 | 110,967 |
| | | 39,336 | 231,880 | 271,216 | 268,198 |
| 於二零一五年十二月三十一日 | | | | | |
| 非衍生金融負債 | | 44,529 | 128,873 | 173,402 | 173,402 |
| 銀行貸款 | 2.25 | – | 97,269 | 97,269 | 95,129 |
| | | 44,529 | 226,142 | 270,671 | 268,531 |

# 5 金融工具（續）

## 財務風險管理目標及政策（續）

### 信貸風險

本集團的主要金融資產為應收貿易及其他款項、受限銀行存款及現金及現金等值物，代表本集團就金融資產所面對的最大信貸風險。

本集團的信貸風險主要來自其應收貿易款項。財務狀況表呈列的數額為扣除應收呆賬撥備（如有），由本集團的管理層根據以往經驗及彼等對現時燈具行業的經營環境的評估而作出估計。

為儘量降低應收貿易款項的信貸風險，本集團管理層於報告期期末審閱各個別貿易債務之可收回金額，以確保就不可收回金額作出足夠減值虧損。就此，本公司董事認為，本集團之信貸風險已大幅降低。

流動資金的信貸風險實屬有限，因為大部份交易對方主要為國際信貸評級機構給予高信貸評級的銀行及信譽良好的中國國有銀行。

### 公允值

本集團經常性地於報告期末計量投資物業及按公允值計入損益的金融資產之公允值。香港財務報告準則第13號公允值計量、投資物業及按公允值計入損益的金融資產之披露，分別在附註13及附註19呈列。

於二零一六年及二零一五年十二月三十一日，本集團按成本或攤銷成本入賬的金融資產及負債之賬面值與其公允值並無重大差別。

# 6 收入及分部資料

向本公司董事會（即主要營運決策人士）報告以作資源分配及評估分部表現之資料，是以部別（按產品及服務兩種業務線組織）及地理位置為重點。具體來說，根據香港財務報告準則第8號，本集團須呈報分部如下：

| | | |
|---|---|---|
| LED裝飾燈 | – | 製造及分銷LED裝飾燈產品及白熾裝飾燈產品 |
| 一般照明 | – | 製造及分銷LED一般照明燈具產品及舞台燈產品 |
| 所有其他 | – | 燈具產品配件分銷 |

收入指年內本集團向外界客戶出售貨物已收及應收代價的公允值。

## 分部收入及業績

下表是本集團之須報告及經營分部之收入及業績分析：

| | 二零一六年<br>人民幣千元 | 二零一五年<br>人民幣千元 |
|---|---|---|
| **分部收入** | | |
| LED裝飾燈 | **447,878** | 415,681 |
| 一般照明 | **155,702** | 183,845 |
| 所有其他 | **7,663** | 2,912 |
| | **611,243** | 602,438 |
| **分部業績** | | |
| LED裝飾燈 | **72,028** | 76,121 |
| 一般照明 | **23,553** | 25,203 |
| 所有其他 | **669** | 716 |
| | **96,250** | 102,040 |
| 未分配支出 | **(20,362)** | (32,104) |
| 未分配其他收益、虧損及支出 | **(53,212)** | (55,972) |
| 財務成本 | **(3,873)** | (2,693) |
| 投資物業公允值變動 | **–** | (1,795) |
| **税前溢利** | **18,803** | 9,476 |

# 6 收入及分部資料（續）

## 分部收入及業績（續）

經營分部的會計政策與本集團載列於附註2的會計政策相同。分部溢利指各分部產生之溢利，不包括未分配支出、若干其他收益或虧損及支出、財務成本及投資物業公允值變動。此乃就分配資源及表現評估向本公司董事會報告之計量。

## 分部資產及負債

下表提供本集團之須報告及經營分部之資產及負債分析：

| | 於二零一六年十二月三十一日 人民幣千元 | 於二零一五年十二月三十一日 人民幣千元 |
|---|---|---|
| **分部資產** | | |
| LED裝飾燈 | **706,654** | 627,675 |
| 一般照明 | **313,502** | 316,324 |
| 所有其他 | **6,563** | 6,092 |
| 資產分部總計 | **1,026,719** | 950,091 |
| 未分配資產 | **494,723** | 524,900 |
| 綜合資產總額 | **1,521,442** | 1,474,991 |
| **分部負債** | | |
| LED裝飾燈 | **135,986** | 134,793 |
| 一般照明 | **46,427** | 59,304 |
| 所有其他 | **2,396** | 4,370 |
| 負債分部總計 | **184,809** | 198,467 |
| 未分配負債 | **126,682** | 113,040 |
| 綜合負債總額 | **311,491** | 311,507 |

# 6 收入及分部資料（續）

## 分部資產及負債（續）

對分部績效評估與分部資源調配的目的：

- 除投資物業、商譽、可供出售投資及遞延税項資產外，所有資產被分配在各須報告及經營分部內。須報告及經營分部聯合使用資產以各須報告及經營分部所賺取的收入為分配基礎；及

- 除銀行借貸、政府補貼及遞延税項負債外，所有負債被分配在各須報告及經營分部內。經營分部負債的連帶責任以各須報告及經營分部收入所賺取的比例分配。

## 地區資料

下表載列有關(i)本集團來自外界客戶之收入及(ii)本集團的投資物業、物業、廠房及設備、預付租約付款、無形資產、商譽及就收購物業、廠房及設備支付的按金（「特定非流動資產」）所在地域位置的資料。客戶的地域位置乃根據所提供服務或所交付貨品之地點而定。特定非流動資產之地域位置乃根據資產的實際地點而定。

| | 來自外界客戶之收入 | | 特定非流動資產 | |
|---|---|---|---|---|
| | | | 二零一六年十二月三十一日 | 二零一五年十二月三十一日 |
| | 二零一六年 人民幣千元 | 二零一五年 人民幣千元 | 人民幣千元 | 人民幣千元 |
| 北美洲 | **456,201** | 328,310 | **32,978** | 28,237 |
| 歐洲 | **64,109** | 86,455 | **9,729** | 9,309 |
| 中國 | **24,885** | 84,398 | **138,476** | 225,205 |
| 亞洲（不包括中國） | **53,764** | 65,648 | **55,096** | 56,497 |
| 其他國家 | **12,284** | 37,627 | **–** | – |
| | **611,243** | 602,438 | **236,279** | 319,248 |

## 有關主要客戶之資料

截至二零一六年及二零一五年十二月三十一日止年度，並無客戶個別貢獻超過本集團總銷售額的10%。

## 6 收入及分部資料（續）

### 其他分部資料

| | LED裝飾燈<br>人民幣千元 | 一般照明<br>人民幣千元 | 所有其他<br>人民幣千元 | 分部小計<br>人民幣千元 | 未分配金額<br>人民幣千元 | 合計<br>人民幣千元 |
|---|---|---|---|---|---|---|
| **截至二零一六年十二月三十一日止年度** | | | | | | |
| 添置非流動分部資產 | 27,347 | 11,275 | 165 | 38,787 | - | 38,787 |
| 折舊及攤銷 | 23,348 | 10,285 | 169 | 33,802 | 1,074 | 34,876 |
| 呆壞賬撥備撥回淨額 | 3,597 | 1,591 | 25 | 5,213 | - | 5,213 |
| 出售物業、廠房及設備及預付租約付款之收益 | 1,682 | 739 | - | 2,421 | - | 2,421 |
| **截至二零一五年十二月三十一日止年度** | | | | | | |
| 添置非流動分部資產 | 21,431 | 8,771 | 134 | 30,336 | - | 30,336 |
| 折舊及攤銷 | 22,915 | 10,094 | 166 | 33,175 | 1,054 | 34,229 |
| 呆壞賬撥備撥回淨額 | 9,614 | 4,252 | 68 | 13,934 | - | 13,934 |
| 出售物業、廠房及設備及預付租約付款之收益 | 18,931 | 8,373 | 132 | 27,436 | - | 27,436 |

## 7(a) 其他收益及虧損

| | 二零一六年<br>人民幣千元 | 二零一五年<br>人民幣千元 |
|---|---|---|
| 出售物業、廠房及設備以及預付租約付款收益 | **2,421** | 27,436 |
| 呆壞賬撥備撥回淨額 | **5,213** | 13,934 |
| 匯兑收益淨額 | **18,523** | 22,771 |
| 其他 | **1,901** | (637) |
| | **28,058** | 63,504 |

## 7(b) 其他支出

| | 二零一六年<br>人民幣千元 | 二零一五年<br>人民幣千元 |
|---|---|---|
| 研發成本淨額 | **590** | 3,516 |
| 與訴訟有關之賠償 | **–** | 1,235 |
| | **590** | 4,751 |

## 8 財務成本

| | 二零一六年<br>人民幣千元 | 二零一五年<br>人民幣千元 |
|---|---|---|
| 銀行借貸利息 | **3,873** | 2,693 |

# 9 除税前溢利

| | 二零一六年<br>人民幣千元 | 二零一五年<br>人民幣千元 |
|---|---|---|
| 除税前溢利已扣除以下項目： | | |
| 董事酬金 | **1,793** | 4,410 |
| 以權益結算之股份付款開支 | **2,718** | 2,291 |
| 薪金、工資及其他福利 | **135,835** | 152,143 |
| | **140,346** | 158,844 |
| 折舊（附註14） | **30,321** | 30,603 |
| 攤銷 | | |
| － 預付租約付款（附註15） | **999** | 1,196 |
| － 無形資產（附註17） | **3,556** | 2,243 |
| 核數師酬金 | | |
| － 審核服務 | **3,627** | 3,543 |
| － 非審核服務 | **221** | 236 |
| | **3,848** | 3,779 |
| 存貨成本（附註20） | **422,883** | 435,167 |
| 就租賃物業之經營租約租金 | **7,387** | 6,782 |
| 及計入以下項目： | | |
| 銀行存款之利息收入 | **(2,140)** | (3,434) |
| 扣除非重大支銷前之物業租金收入 | **(2,179)** | (1,099) |

# 10 董事及僱員酬金

| | 二零一六年 | | | | | 二零一五年 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 袍金<br>人民幣千元 | 薪金及其他福利<br>人民幣千元 | 退休福利計劃供款<br>人民幣千元 | 基於股份以權益結算之付款<br>人民幣千元 | 總計<br>人民幣千元 | 袍金<br>人民幣千元 | 薪金及其他福利<br>人民幣千元 | 退休福利計劃供款<br>人民幣千元 | 基於股份以權益結算之付款<br>人民幣千元 | 總計<br>人民幣千元 |
| **執行董事** | | | | | | | | | | |
| －謝漢良先生 | - | 1,083 | - | - | 1,083 | - | 1,017 | - | 194 | 1,211 |
| －范新先生 | | | | | | | | | | |
| （於二零一六年七月十五日辭任） | - | - | - | - | - | - | 56 | - | - | 56 |
| －王良海先生 | | | | | | | | | | |
| （於二零一六年七月十五日辭任） | - | - | - | - | - | - | 163 | - | 152 | 315 |
| －潘晉先生 | | | | | | | | | | |
| （於二零一六年七月十五日辭任） | - | 72 | - | - | 72 | - | 611 | - | 194 | 805 |
| －樊邦弘先生 | | | | | | | | | | |
| （於二零一六年一月二十日辭任） | - | 14 | - | - | 14 | - | 244 | - | 152 | 396 |
| －陸致成先生 | | | | | | | | | | |
| （於二零一五年十月九日辭任） | - | - | - | - | - | - | 189 | - | 304 | 493 |
| －樊邦揚先生 | | | | | | | | | | |
| （於二零一四年九月二十二日辭任） | - | - | - | - | - | - | - | - | 101 | 101 |
| **獨立非執行董事** | | | | | | | | | | |
| －范仁達先生 | - | 208 | - | - | 208 | - | 195 | - | 61 | 256 |
| －劉天民先生 | - | 208 | - | - | 208 | - | 195 | - | 61 | 256 |
| －李明綺女士 | - | 208 | - | - | 208 | - | 195 | - | 61 | 256 |
| **非執行董事** | | | | | | | | | | |
| －劉衛東先生 | - | - | - | - | - | - | 165 | - | 100 | 265 |
| －王良海先生 | | | | | | | | | | |
| （於二零一六年七月十五日獲委任） | - | - | - | - | - | - | - | - | - | - |
| －黃俞先生 | | | | | | | | | | |
| （於二零一六年七月十五日獲委任） | - | - | - | - | - | - | - | - | - | - |
| | - | 1,793 | - | - | 1,793 | - | 3,030 | - | 1,380 | 4,410 |

## 10 董事及僱員酬金（續）

五名最高薪人士當中有一名（二零一五年：兩名）為董事，其酬金載列於上文。有關其餘四名（二零一五年：三名）個別人士的酬金總額如下：

| | 二零一六年<br>人民幣千元 | 二零一五年<br>人民幣千元 |
|---|---|---|
| 僱員 | | |
| 一 基本薪金及津貼 | **2,344** | 1,861 |

四名（二零一五年：三名）最高薪人士之薪金介乎以下範圍之內：

| | 二零一六年 | 二零一五年 |
|---|---|---|
| 1,000,000港元或以下 | **4** | 3 |

截至二零一六年及二零一五年十二月三十一日止年度，本集團並無支付酬金予董事及最高薪人士（包括董事及僱員），作為吸引彼等加盟本集團的獎勵或作為離職的賠償。

## 11 稅項

| | 二零一六年<br>人民幣千元 | 二零一五年<br>人民幣千元 |
|---|---|---|
| 於綜合全面收益表內的稅項代表： | | |
| 本年度稅項撥備 | **15,294** | 5,483 |
| 遞延稅項（附註27） | **(8,233)** | (492) |
| | **7,061** | 4,991 |

根據開曼群島及英屬處女群島的規則及法規，本集團毋須繳納任何開曼群島及英屬處女群島所得稅。

截至二零一六年及二零一五年十二月三十一日止年度，本公司在中國成立的附屬公司須按25%稅率繳納中國企業所得稅，惟一間實體獲官方認可為高新技術企業除外，因此該實體享有15%的優惠稅率，直至二零一七年十月九日為止。

根據美國的相關法律及法規，截至二零一六年及二零一五年十二月三十一日止年度，本公司在美國註冊成立的附屬公司須按最多35%的稅率繳納美國漸進企業所得稅。

## 11 稅項（續）

根據越南的相關法律及法規，截至二零一六年及二零一五年十二月三十一日止年度，本公司在越南註冊成立的附屬公司須按20%的稅率繳納越南企業所得稅。

截至二零一六年及二零一五年十二月三十一日止年度，本公司在香港註冊成立的附屬公司須按16.5%的稅率繳納香港利得稅。

向台灣附屬公司非居民股東派付股息一般須繳納20%的預扣稅。

### 香港稅務局（「稅務局」）進行的稅務評核

稅務局對本集團自二零零五至二零零六評估年度進行稅務評核。

於二零一二年三月二十六日，稅務局公佈本公司若干附屬公司於二零零五至二零零六評估年度（即截至二零零五年十二月三十一日止財政年度）之保障性利得稅評稅總額為5,250,000港元（約相當於人民幣4,696,000元）。本集團就該保障性評稅額向稅務局提呈反對。

於二零一三年三月八日，稅務局另行公佈本公司若干附屬公司於二零零六至二零零七評估年度（即截至二零零六年十二月三十一日止財政年度）之保障性利得稅評稅總額為5,425,000港元（約相當於人民幣4,853,000元）。本集團就該保障性評稅額向稅務局提呈反對。

於二零一四年三月十四日，稅務局另行公佈本公司若干附屬公司於二零零七至二零零八評估年度（即截至二零零七年十二月三十一日止財政年度）之估計利得稅評稅總額為28,425,000港元（約相當於人民幣25,426,000元）。本集團就該估計評稅額向稅務局提呈反對。

於二零一五年一月九日及二零一五年三月二十七日，稅務局另行公佈本公司若干附屬公司於二零零八至二零零九評估年度（即截至二零零八年十二月三十一日止財政年度）之保障性利得稅評稅總額為35,838,000港元（約相當於人民幣32,057,000元）。本集團就該保障性評稅額向稅務局提呈反對。

於二零一五年十二月三十一日，稅務局另行公佈本公司若干附屬公司於二零零九至二零一零評估年度（即截至二零零九年十二月三十一日止財政年度）之保障性利得稅評稅總額為24,288,000港元（約相當於人民幣21,726,000元）。本集團就該保障性評稅額向稅務局提呈反對。

於二零一六年十二月二十九日，稅務局另行公佈本公司若干附屬公司於二零一零至二零一一評估年度（即截至二零一零年十二月三十一日止財政年度）之保障性利得稅評稅總額為47,305,500港元（約相當於人民幣42,315,000元）。本集團就該保障性評稅額向稅務局提呈反對。

## 11 稅項（續）

### 香港稅務局（「稅務局」）進行的稅務評核（續）

於二零一六年十二月三十一日，稅務局同意緩繳就二零零五／零六至二零零九／一零評估年度所徵收之稅款，條件是須購買儲稅券（「儲稅券」）合共25,450,000港元（約相當於人民幣22,765,000元），而該等儲稅券已錄為可收回稅項。於二零一七年二月二十日，本集團就二零一零／一一評估年度購買儲稅券合共10,000,000港元（約相當於人民幣8,945,000元）。

本公司董事認為，本集團毋須支付任何利得稅，原因在於相關附屬公司並未在香港開展任何業務且未產生任何利潤。因此，毋須就稅務評核作出額外香港利得稅撥備。

稅項支出與會計溢利按適用稅率之對賬如下：

| | 二零一六年<br>人民幣千元 | 二零一五年<br>人民幣千元 |
|---|---|---|
| 除稅前溢利 | **18,803** | 9,476 |
| 按中國企業所得稅率25%（二零一五年：25%）計算的除稅前溢利名義稅項 | **4,701** | 2,369 |
| 不可扣稅開支的稅務影響 | **70** | 133 |
| 毋須課稅未變現匯兑收益淨額的稅務影響 | **(13,336)** | (10,498) |
| 未確認稅務虧損之稅務影響 | **11,756** | 7,110 |
| 未確認稅務暫時差額（已動用但於過往年度未確認遞延稅項）之稅務影響 | **(1,427)** | 1,273 |
| 於其他司法權區經營的附屬公司不同稅率的影響 | **5,297** | 4,604 |
| 實際稅務支出 | **7,061** | 4,991 |

## 12 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據以下數據計算：

| | 二零一六年<br>人民幣千元 | 二零一五年<br>人民幣千元 |
|---|---|---|
| 本公司擁有人應佔年度溢利 | **11,778** | 5,817 |

普通股加權平均數：

| | 股份數目 | |
|---|---|---|
| | 二零一六年<br>千股 | 二零一五年<br>千股 |
| 於一月一日的已發行普通股 | **1,939,319** | 1,939,319 |
| 購回股份的影響（附註28(b)） | **(293)** | – |
| 於十二月三十一日的普通股加權平均數 | **1,939,026** | 1,939,319 |

計算每股攤薄盈利時並無計入以權益結算的購股權，此乃由於該等購股權於截至二零一六年及二零一五年十二月三十一日止年度具反攤薄作用。

# 13 投資物業

本集團的投資物業按經常基準於報告期末計量公允值，並按香港財務報告準則第13號*公允值計量*的定義分類為三級的公允值層級。公允值計量乃根據估值技巧所使用的輸入數據的客觀性及重要性而釐定所分類至以下層級：

- 第一級估值：只使用第一級輸入數據（即於計量日期在活躍市場內就相同資產或負債所獲取的未經調整報價）來計量公允值
- 第二級估值：使用第二級輸入數據（即未達第一級要求的可觀察輸入數據）來計量公允值，而不會使用重大不可觀察輸入數據。不可觀察輸入數據乃不可獲取市場數字的輸入數據
- 第三級估值：使用重大不可觀察輸入數據計量公允值

| | 於二零一六年十二月三十一日 人民幣千元 | 於二零一五年十二月三十一日 人民幣千元 |
|---|---|---|
| 經常性公允值計量： | | |
| 於中國按中期租約持有的物業 | **14,700** | 14,700 |

於二零一六年及二零一五年十二月三十一日，本集團的投資物業歸類為第二級，乃由董事根據持有獲認可及相關專業資格並對所估值投資物業所在地及類別有近期經驗的獨立估值師於該日作出的估值得出。所作估值乃假設賣方在市場出售物業權益時，並無受惠於遞延條款合約、售後租回、合資經營、管理協議或任何類似安排，從而影響該等物業權益的價值。估值乃參考類似地段及條件的同類物業的近期市價按直接比較法釐定。

截至二零一六年及二零一五年十二月三十一日止年度，第一級與第二級之間並無轉撥，亦無向第三級轉入或轉出。本集團政策是於出現轉撥的報告期期末確認公允值層級之間的轉撥。

# 14 物業、廠房及設備

| | 土地及樓宇<br>人民幣千元 | 傢俱、裝置及設備<br>人民幣千元 | 租賃裝修<br>人民幣千元 | 汽車<br>人民幣千元 | 模具<br>人民幣千元 | 廠房及機器<br>人民幣千元 | 總計<br>人民幣千元 |
|---|---|---|---|---|---|---|---|
| **成本** | | | | | | | |
| 於二零一五年一月一日 | 561,863 | 66,100 | 303,286 | 13,840 | 113,114 | 936,618 | 1,994,821 |
| 貨幣調整 | 3,182 | 1,704 | 354 | 362 | 1,331 | 220 | 7,153 |
| 添置 | 432 | 1,801 | 10,197 | 3,144 | 1,603 | 4,130 | 21,307 |
| 出售 | (25,956) | (4,587) | - | (3,579) | - | (794) | (34,916) |
| 於二零一五年十二月三十一日 | **539,521** | **65,018** | **313,837** | **13,767** | **116,048** | **940,174** | **1,988,365** |
| 貨幣調整 | **7,251** | **1,629** | **2,218** | **682** | **1,676** | **4,694** | **18,150** |
| 添置 | **851** | **9,092** | **13,490** | **1,840** | **1,105** | **2,594** | **28,972** |
| 出售 | **(4,334)** | **(4,114)** | **(326)** | **(1,333)** | **(76)** | **(213,614)** | **(223,797)** |
| 重新分類為持作出售的資產 | **(69,157)** | **(3,654)** | **(46,736)** | **(999)** | **-** | **(376,752)** | **(497,298)** |
| 於二零一六年十二月三十一日 | **474,132** | **67,971** | **282,483** | **13,957** | **118,753** | **357,096** | **1,314,392** |
| **折舊及減值** | | | | | | | |
| 於二零一五年一月一日 | 418,285 | 61,030 | 293,881 | 13,542 | 109,298 | 854,642 | 1,750,678 |
| 貨幣調整 | 684 | 1,455 | 291 | 391 | 1,341 | 226 | 4,388 |
| 年內開支 | 8,001 | 1,486 | 3,679 | 224 | 748 | 16,465 | 30,603 |
| 出售時對銷 | (20,995) | (4,487) | - | (3,569) | - | (56) | (29,107) |
| 於二零一五年十二月三十一日 | **405,975** | **59,484** | **297,851** | **10,588** | **111,387** | **871,277** | **1,756,562** |
| 貨幣調整 | **3,830** | **1,111** | **2,146** | **346** | **1,672** | **4,571** | **13,676** |
| 年內開支 | **8,016** | **2,616** | **3,991** | **398** | **1,046** | **14,254** | **30,321** |
| 出售時對銷 | **(1,072)** | **(1,647)** | **(52)** | **(1,268)** | **(22)** | **(202,756)** | **(206,817)** |
| 重新分類為持作出售的資產 | **(44,584)** | **(2,800)** | **(29,251)** | **(623)** | **-** | **(351,924)** | **(429,182)** |
| 於二零一六年十二月三十一日 | **372,165** | **58,764** | **274,685** | **9,441** | **114,083** | **335,422** | **1,164,560** |
| **賬面值** | | | | | | | |
| 於二零一五年十二月三十一日 | 133,546 | 5,534 | 15,986 | 3,179 | 4,661 | 68,897 | 231,803 |
| 於二零一六年十二月三十一日 | **101,967** | **9,207** | **7,798** | **4,516** | **4,670** | **21,674** | **149,832** |

## 14 物業、廠房及設備（續）

除在建工程外，上述物業、廠房及設備的折舊以直線法每年按下列比例計提：

就香港租賃土地及樓宇而言，租賃土地及樓宇的成本乃按估計可使用年期為50年予以折舊。中國的樓宇成本按20年予以折舊。

| | |
|---|---|
| 傢俱、裝置及設備 | 15% – 20% |
| 租賃裝修 | 20% |
| 汽車 | 20% |
| 模具 | 20% |
| 廠房及機器 | 10% |

於二零一五年十二月三十一日，本集團已抵押賬面值合共為人民幣20,091,000元之若干樓宇，作為授予本集團的信貸融資之擔保。於二零一六年十二月三十一日，本集團並無抵押任何樓宇。

於二零一六年十二月三十一日，本集團尚未為賬面淨值總額為人民幣3,049,000元的物業取得若干房產證（二零一五年：人民幣18,181,000元）。

## 15 預付租約付款

| | 於二零一六年十二月三十一日 人民幣千元 | 於二零一五年十二月三十一日 人民幣千元 |
|---|---|---|
| **賬面值** | | |
| 於年初 | **38,097** | 58,049 |
| 貨幣調整 | **536** | 54 |
| 添置 | **–** | (18,810) |
| 年內攤銷 | **(999)** | (1,196) |
| 重新分類為持作出售的資產 | **(5,771)** | – |
| 於年末 | **31,863** | 38,097 |

## 16 商譽

| | 於二零一六年十二月三十一日 人民幣千元 | 於二零一五年十二月三十一日 人民幣千元 |
|---|---|---|
| 於年初的結餘 | **8,109** | 7,661 |
| 貨幣調整 | **554** | 448 |
| 於年末 | **8,663** | 8,109 |

商譽分配至本集團業務位於美國的LED裝飾燈的現金產生單位。現金產生單位的可收回金額乃根據使用價值計算而釐定。該等計算乃使用按管理層所批准的涵蓋五年期間的財務預算得出的現金流量預測。超出五年期間的現金流量乃使用估計加權平均增長率5%（二零一五年：5%）推算，而這與行業報告內所載的預測一致。所使用的增長率不超過該現金產生單位營運所在業務的長期平均增長率。現金流量乃使用折現率13.63%（二零一五年：13.53%）折現計算。所使用的折現率屬稅前折現率，反映有關分部特定的風險。

# 17 無形資產

| | 許可、專利、商標、軟件及技術知識 |
|---|---|
| **成本** | |
| 於二零一五年一月一日 | 101,244 |
| 透過內部發展添置 | 9,029 |
| 貨幣調整 | 4,886 |
| 於二零一五年十二月三十一日 | 115,159 |
| 添置 | 1,015 |
| 透過內部發展添置 | 7,419 |
| 貨幣調整 | 7,153 |
| 出售 | (57,522) |
| 重新分類為持作出售的資產 | (4) |
| 於二零一六年十二月三十一日 | 73,220 |
| **累計攤銷及減值** | |
| 於二零一五年一月一日 | (85,139) |
| 攤銷 | (2,243) |
| 貨幣調整 | (3,924) |
| 於二零一五年十二月三十一日 | (91,306) |
| 攤銷 | (3,556) |
| 貨幣調整 | (6,041) |
| 出售時對銷 | 57,522 |
| 重新分類為持作出售的資產 | 1 |
| 於二零一六年十二月三十一日 | (43,380) |
| **賬面值** | |
| 於二零一六年十二月三十一日 | 29,840 |
| 於二零一五年十二月三十一日 | 23,853 |

上述無形資產於三至八年期間按直線法攤銷。

年內攤薄支出計入綜合全面收益表內的「行政開支」。

## 18 可供出售投資

| | 於二零一六年十二月三十一日 人民幣千元 | 於二零一五年十二月三十一日 人民幣千元 |
|---|---|---|
| 非上市權益投資，按成本 | **4,345** | 4,345 |
| 累計已確認減值虧損 | **(706)** | (692) |
| | **3,639** | 3,653 |

由於合理公允值估計的範圍過大，本公司董事認為其公允值無法可靠計量，且該等投資對本集團財務業績及財務狀況並無重大影響，因此非上市權益投資的公允值按成本減去報告期末的累計減值計量。

## 19 按公允值計入損益之金融資產

於二零一四年十月二十九日，本公司全資附屬公司鶴山同方照明科技有限公司（「同方照明」）與華夏基金管理有限公司（「華夏基金」，作為資產管理人）及中國建設銀行股份有限公司（「建設銀行」，作為資產託管人）訂立海外資產管理計劃合同（「合同」），據此，同方照明已同意參與華夏基金運營的海外資產管理計劃（「該基金」），將人民幣105,500,000元的投資額（「投資額」）存入建設銀行指定賬戶。根據該基金，投資額擬主要投資於中國石化銷售有限公司的股權及股權相關的結構性產品及適用證券法律及中國證券監督管理委員會規定許可的債券（包括可轉換債券）、基金、貨幣市場工具、衍生商品及其他金融工具。

本集團按公允值計入損益之金融資產按經常基準於報告期末計量公允值，並按香港財務報告準則第13號*公允值計量*的定義分類為三級的公允值層級。公允值計量乃根據估值技巧所使用的輸入數據的客觀性及重要性而釐定所分類至以下層級：

- 第一級估值：只使用第一級輸入數據（即於計量日期在活躍市場內就相同資產或負債所獲取的未經調整報價）來計量公允值
- 第二級估值：使用第二級輸入數據（即未達第一級要求的可觀察輸入數據）來計量公允值，而不會使用重大不可觀察輸入數據。不可觀察輸入數據乃不可獲取市場數字的輸入數據
- 第三級估值：使用重大不可觀察輸入數據計量公允值

## 19 按公允值計入損益之金融資產（續）

於二零一六年及二零一五年十二月三十一日，本集團按公允值計入損益之金融資產的公允值歸類為第二級，乃由董事根據由該基金的資產管理人及資產保管人（彼等為獲認可且專業的資產管理公司）於該日期進行的估值釐定。估值乃根據該基金的近期成交價釐定，而此乃屬於市場上可觀察輸入數據。

截至二零一六年及二零一五年十二月三十一日止年度，第一級與第二級之間並無轉撥，亦無向第三級轉入或轉出。本集團政策是於出現轉撥的報告期期末確認公允值層級之間的轉撥。

## 20 存貨

| | 於二零一六年十二月三十一日 人民幣千元 | 於二零一五年十二月三十一日 人民幣千元 |
|---|---|---|
| 原材料 | **38,757** | 32,116 |
| 在製品 | **51,382** | 45,531 |
| 製成品 | **94,177** | 111,527 |
| | **184,316** | 189,174 |

於二零一六年十二月三十一日，已向若干銀行抵押賬面價值約人民幣32,250,000元（二零一五年十二月三十一日：人民幣24,128,000元）的若干製成品，作為授予本集團的信貸融資之擔保。

已確認為開支並計入損益的存貨金額分析如下：

| | 二零一六年 人民幣千元 | 二零一五年 人民幣千元 |
|---|---|---|
| 已售存貨賬面金額 | **418,888** | 431,462 |
| 存貨撇減 | **3,995** | 3,705 |
| | **422,883** | 435,167 |

## 21 應收貿易及其他款項

| | 於二零一六年十二月三十一日 人民幣千元 | 於二零一五年十二月三十一日 人民幣千元 |
|---|---|---|
| 應收貿易款項 | **149,141** | 151,777 |
| 應收票據 | **11,815** | 6,941 |
| 減：呆壞賬撥備 | **(47,450)** | (61,924) |
| | **113,506** | 96,794 |
| 支付予供應商的按金 | **21,079** | 23,702 |
| 增值税回撥 | **33,656** | 72,470 |
| 對外貿易增值税退回 | **3,446** | 4,221 |
| 其他應收款項 | **7,243** | 13,735 |
| | **178,930** | 210,922 |

客戶付款方式主要是信貸加訂金。發票通常在發出後90天內到期付款，惟若干信譽良好的客戶則除外，其付款期會延長至180日。以下為應收貿易款項及應收票據依據發票日期（或較早的確認收益日期）的賬齡分析，已扣除呆賬撥備：

| | 於二零一六年十二月三十一日 人民幣千元 | 於二零一五年十二月三十一日 人民幣千元 |
|---|---|---|
| 0至60日 | **72,292** | 38,384 |
| 61至90日 | **12,828** | 8,602 |
| 91至180日 | **10,473** | 7,717 |
| 180日以上 | **17,913** | 42,091 |
| | **113,506** | 96,794 |

## 21 應收貿易及其他款項（續）

並無個別或整體地被認為出現減值的應收貿易款項及應收票據的賬齡分析如下：

| | 於二零一六年十二月三十一日 人民幣千元 | 於二零一五年十二月三十一日 人民幣千元 |
|---|---|---|
| 未逾期亦無減值 | **95,593** | 54,703 |
| 逾期少於六個月 | **7,204** | 16,858 |
| | **102,797** | 71,561 |

未逾期亦無減值的應收款項是與近期並無拖欠紀錄的廣泛客戶有關。

已逾期但無減值的應收款項是與本集團有良好還款紀錄的多名獨立客戶有關。根據以往經驗，由於信貸質素並無重大變化，加上有關結餘仍被認為可全數收回，故管理層相信毋須就該等結餘作減值撥備。

呆壞賬撥備之變動如下：

| | 於二零一六年十二月三十一日 人民幣千元 | 於二零一五年十二月三十一日 人民幣千元 |
|---|---|---|
| 於年初 | **61,924** | 87,588 |
| 撥回減值虧損淨額 | **(5,213)** | (13,934) |
| 撇銷不可收回金額 | **(2,944)** | (11,730) |
| 重新分類為持作出售的資產 | **(6,317)** | – |
| 於年末 | **47,450** | 61,924 |

## 21 應收貿易及其他款項（續）

有關應收貿易款項及應收票據的減值虧損乃使用撥備賬記錄，除非本集團認為該金額收回的可能性極低，在此情況下，減值虧損直接從應收貿易款項及應收票據中撇銷。

於二零一六年十二月三十一日，本集團人民幣50,040,000元（二零一五年：人民幣72,696,000元）的應收貿易款項及應收票據已按其個別情況釐定為出現減值。個別減值的應收款項與面臨財務困境的客戶有關，而管理層經評估後預期只有一部份應收款項可被收回。因此，已就金額為人民幣45,784,000元（二零一五年：人民幣60,523,000元）的呆賬確認特定撥備。

於二零一六年十二月三十一日，向某些銀行抵押若干賬面值約人民幣46,226,000元（二零一五年：人民幣27,296,000元）的應收貿易款項，作為授予本集團的信貸融資之擔保。

## 22 受限銀行存款及現金及現金等值物

受限銀行存款指已抵押予銀行的存款，作為授予本集團的信貸融資之擔保。

現金及現金等值物包括現金及為期三個月或以內到期之銀行存款。

## 23 持作出售的資產及負債

於二零一六年十月三十一日，本集團與本集團同系附屬公司同方科技園有限公司（「同方科技園」）訂立三份股權轉讓協議，以出售本集團於三間附屬公司的全部股權，該等附屬公司即為揚州同方半導體有限公司（「揚州同方」）、上海翠能光電科技有限公司（「上海翠能」）及天津真明麗光電有限公司（「天津真明麗」）（統稱「出售組別」）。

該等交易構成上市規則第14章項下須予披露交易及關連交易，須遵守上市規則第14A章項下申報、公告及獨立股東批准規定。於二零一六年十二月二十一日，該等交易獲本公司獨立股東於股東特別大會上批准。

於二零一六年十二月三十一日，出售組別正處提交有關股權轉讓的申請文件以獲中國商務部及中國國家工商行政管理總局批准的過程中。

於二零一六年十二月三十一日，出售組別達到可即時出售狀態。上述交易已於二零一七年二月完成且並無產生有關出售的重大成本。管理層認為，出售組別不構成獨立的主要業務線，且因此不符合已終止經營業務的條件。與出售組別有關的資產及負債已重新分類為持作出售的出售組別，並於綜合財務狀況表中獨立呈列。

## 23 持作出售的資產及負債（續）

股權轉讓的代價較高於本公司應佔該等實體資產淨值的賬面值。因此，出售組別按較低於公允值減出售成本的賬面值入賬，並包括下列資產及負債。

### 分類為持作出售的資產

| | | 於二零一六年十二月三十一日 | | | |
|---|---|---|---|---|---|
| | 附註 | 揚州同方<br>人民幣千元 | 上海翠能<br>人民幣千元 | 天津真明麗<br>人民幣千元 | 總計<br>人民幣千元 |
| 物業、廠房及設備 | 14 | 46,385 | 20,564 | 1,167 | 68,116 |
| 預付租約付款 | 15 | 4,508 | – | 1,263 | 5,771 |
| 無形資產 | 17 | 3 | – | – | 3 |
| 存貨 | | 2,451 | – | – | 2,451 |
| 應收貿易及其他款項 | | 26,209 | – | 775 | 26,984 |
| 現金及現金等值物 | | 1,699 | 215 | 36 | 1,950 |
| | | 81,255 | 20,779 | 3,241 | 105,275 |

### 分類為持作出售的負債

| | | 於二零一六年十二月三十一日 | | | |
|---|---|---|---|---|---|
| | 附註 | 揚州同方<br>人民幣千元 | 上海翠能<br>人民幣千元 | 天津真明麗<br>人民幣千元 | 總計<br>人民幣千元 |
| 應付貿易及其他款項 | | 10,122 | – | 1 | 10,123 |
| 政府補貼 | 26 | – | – | 1,072 | 1,072 |
| | | 10,122 | – | 1,073 | 11,195 |

## 24 應付貿易及其他款項

| | 於二零一六年十二月三十一日 人民幣千元 | 於二零一五年十二月三十一日 人民幣千元 |
|---|---|---|
| 應付貿易款項 | **71,613** | 72,822 |
| 應付票據 | **21,935** | 33,321 |
| 應付工資及福利 | **9,808** | 7,681 |
| 其他應付款項 | **42,680** | 59,578 |
| 按攤銷成本計量之金融負債 | **146,036** | 173,402 |
| 客戶按金 | **13,433** | 13,825 |
| 其他應付税項 | **4,077** | 7,146 |
| | **163,546** | 194,373 |

以下為於年末應付貿易款項及應付票據依據發票日期的賬齡分析：

| | 於二零一六年十二月三十一日 人民幣千元 | 於二零一五年十二月三十一日 人民幣千元 |
|---|---|---|
| 0至60日 | **58,926** | 50,412 |
| 61至90日 | **4,236** | 10,517 |
| 91至180日 | **873** | 8,238 |
| 181至360日 | **2,094** | 14,697 |
| 360日以上 | **27,419** | 22,279 |
| | **93,548** | 106,143 |

購買貨物的平均信貸期為約90日。本集團已制定財務風險管理政策，以確保於有關信貸期內支付所有應付賬款。就超過信貸期的應付款項而言，本集團已與各債權人協商延長信貸期。

## 25 銀行借貸

| | 於二零一六年十二月三十一日 人民幣千元 | 於二零一五年十二月三十一日 人民幣千元 |
|---|---|---|
| 於一年內償還的銀行借貸 | | |
| －已抵押 | **32,951** | 20,780 |
| －無抵押 | **78,016** | 74,349 |
| | **110,967** | 95,129 |

於二零一六年十二月三十一日，上述銀行借貸包括須於一年內償還的固定利率銀行借貸人民幣32,951,000元（二零一五年：人民幣20,780,000元）。所有銀行借貸均以攤銷成本列賬。

對本集團的銀行借貸的合約利率的範圍如下：

| | 於二零一六年十二月三十一日 人民幣千元 | 於二零一五年十二月三十一日 人民幣千元 |
|---|---|---|
| 合約利率（每年） | | |
| 固定利率借貸 | **1.55% ~ 4.35%** | 1.92% ~ 4.54% |
| 浮動利率借貸 | **2.76% ~ 4.50%** | 2.76% ~ 4.50% |

# 26 政府補貼

截至二零一六年十二月三十一日止年度，本集團收到政府補貼人民幣零元（二零一五年：人民幣2,250,000元），以及人民幣77,000元（二零一五年：人民幣4,147,000元）的政府補貼已被撥至損益，以抵銷研究和開發費用。

# 27 遞延税項資產及負債

## (a) 已確認遞延税項資產及負債

### (i) 遞延税項資產及負債各項組成部份的變動

於綜合財務狀況表中確認的遞延税項資產／（負債）組成部份及本年度變動如下：

| 來自以下項目的遞延税項 | 台灣未分配盈利之預扣税<br>人民幣千元 | 無形資產之公允值調整<br>人民幣千元 | 來自收購附屬公司獲税務局給予的超額税務利益<br>人民幣千元 | 其他<br>人民幣千元 | 總值<br>人民幣千元 |
|---|---|---|---|---|---|
| 於二零一五年一月一日 | (2,610) | (1,891) | – | 307 | (4,194) |
| 計入／（扣除自）損益表 | – | 798 | – | (306) | 492 |
| 貨幣調整 | (153) | (150) | – | 8 | (295) |
| 於二零一五年十二月三十一日 | (2,763) | (1,243) | – | 9 | (3,997) |
| 計入／（扣除自）損益表 | – | 764 | 7,489 | (20) | 8,233 |
| 貨幣調整 | (187) | (183) | 247 | – | (123) |
| 於二零一六年十二月三十一日 | (2,950) | (662) | 7,736 | (11) | 4,113 |

# 27 遞延税項資產及負債（續）

## (a) 已確認遞延税項資產及負債（續）

### (ii) 綜合財務狀況表的對賬：

| | 於二零一六年十二月三十一日 人民幣千元 | 於二零一五年十二月三十一日 人民幣千元 |
|---|---|---|
| 於綜合財務狀況表確認的遞延税項資產淨值 | **7,063** | – |
| 於綜合財務狀況表確認的遞延税項負債淨值 | **(2,950)** | (3,997) |
| | **4,113** | (3,997) |

## (b) 未確認之遞延税項資產

於二零一六年十二月三十一日，根據附註2所載的會計政策，由於在有關税務司法權區及就有關公司而言，不大可能有未來應課税溢利以抵銷可供動用之税項虧損，故本集團並無就累計税項虧損人民幣537,702,000元（二零一五年：人民幣490,678,000元）確認遞延税項資產。除金額為人民幣281,033,000元根據有關税法將不會屆滿外，結轉的其餘未動用税項虧損人民幣10,255,000元、人民幣19,538,000元、人民幣151,909,000元、人民幣41,284,000元及人民幣33,683,000元將分別於二零一八年、二零一九年、二零二零年、二零二一年及二零二二年屆滿（如未動用）。

## (c) 未確認之遞延税項負債

於二零一六年十二月三十一日，有關未分配附屬公司溢利之暫時差額為人民幣39,723,000元（二零一五年：人民幣20,358,000元）。由於本公司控制該等附屬公司的派息政策，且已斷定該等溢利有可能於可見將來不會派付，因此並無就分派該等保留溢利的應付税項確認遞延税項負債。

# 28 股本、儲備及股息

## (a) 權益成份的變動

本集團綜合權益各成份的年初及年終結餘之對賬載於綜合權益變動表內。本公司個別權益成份於年初與年終之間的變動詳情載列如下：

| | 股本<br>人民幣千元 | 股份溢價<br>人民幣千元 | 資本贖回儲備<br>人民幣千元 | 特別儲備<br>人民幣千元 | 股份補償儲備<br>人民幣千元 | 購股權儲備<br>人民幣千元 | 匯兑儲備<br>人民幣千元 | 其他儲備<br>人民幣千元 | 累計虧損<br>人民幣千元 | 總計<br>人民幣千元 |
|---|---|---|---|---|---|---|---|---|---|---|
| 於二零一五年一月一日 | 171,897 | 2,264,928 | 255 | 55,238 | 50,024 | – | (588,774) | (8,220) | (816,795) | 1,128,553 |
| 二零一五年的權益變動： | | | | | | | | | | |
| 年內虧損 | – | – | – | – | – | – | – | – | (7,580) | (7,580) |
| 其他全面收益 | – | – | – | – | – | – | 33,442 | – | – | 33,442 |
| 全面收益總額 | – | – | – | – | – | – | 33,442 | – | (7,580) | 25,862 |
| 確認基於股份以權益結算之付款 | – | – | – | – | – | 3,342 | – | – | – | 3,342 |
| | – | – | – | – | – | 3,342 | – | – | – | 3,342 |
| 於二零一五年十二月三十一日 | 171,897 | 2,264,928 | 255 | 55,238 | 50,024 | 3,342 | (555,332) | (8,220) | (824,375) | 1,157,757 |
| 於二零一六年一月一日 | 171,897 | 2,264,928 | 255 | 55,238 | 50,024 | 3,342 | (555,332) | (8,220) | (824,375) | 1,157,757 |
| 二零一六年的權益變動： | | | | | | | | | | |
| 年內虧損 | – | – | – | – | – | – | – | – | (8,406) | (8,406) |
| 其他全面收益 | – | – | – | – | – | – | 53,767 | – | – | 53,767 |
| 全面收益總額 | – | – | – | – | – | – | 53,767 | – | (8,406) | 45,361 |
| 購回自身股份（附註28(b)） | (89) | (911) | 89 | – | – | – | – | – | – | (911) |
| 確認基於股份以權益結算之付款 | – | – | – | – | – | 2,019 | – | – | – | 2,019 |
| | (89) | (911) | 89 | – | – | 2,019 | – | – | – | 1,108 |
| 於二零一六年十二月三十一日 | 171,808 | 2,264,017 | 344 | 55,238 | 50,024 | 5,361 | (501,565) | (8,220) | (832,781) | 1,204,226 |

# 28 股本、儲備及股息（續）

## (b) 股本

### (i) 已發行股本

| | 法定 | | 已發行及繳足 | |
|---|---|---|---|---|
| | 股份數目 | 金額<br>千港元 | 股份數目 | 金額<br>人民幣千元 |
| 每股面值0.10港元的普通股 | | | | |
| 一於二零一五年十二月三十一日 | 5,000,000,000 | 500,000 | 1,939,319,694 | 171,897 |
| 購回股份 | – | – | (1,000,000) | (89) |
| 一於二零一六年十二月三十一日 | 5,000,000,000 | 500,000 | 1,938,319,694 | 171,808 |

普通股股份持有人有權收取不時宣派之股息，並有權在本公司之股東大會上按每股一票進行投票。所有普通股股份在分攤本公司之剩餘資產時均享有同等權益。

### (ii) 購回自身股份

截至二零一六年十二月三十一日止年度，本集團透過香港聯合交易所有限公司購回自身股份，購回股份之詳情如下：

| 購回月份 | 每股0.1港元之普通股數目 | 每股價格 | | 已付總代價 |
|---|---|---|---|---|
| | | 最高<br>港元 | 最低<br>港元 | 港元 |
| 二零一六年九月 | 1,000,000 | 1.10 | 1.04 | 1,068,660 |

購回股份已於二零一七年二月註銷。本公司已發行股本按100,000港元之面值相應減少。根據開曼群島公司法第37條，註銷股份之面值100,000港元（相等於人民幣89,000元）由股份溢價賬轉撥至資本贖回儲備。購回股份時已支付之溢價969,000港元（相等於人民幣822,000元）已自股份溢價賬扣除。

## (c) 股息

本公司董事不建議就截至二零一六年及二零一五年十二月三十一日止年度派付股息。

## 29 基於股份以權益結算交易

本公司的購股權計劃（「該計劃」）乃根據於二零零六年十一月二十日通過的股東書面決議案獲得採納，主要目的在獎勵及嘉許董事及合資格僱員的寶貴貢獻。該計劃於二零零六年十二月十五日開始生效，而根據該計劃發出的購股權將於授出購股權之日起不遲於十年內屆滿。根據該計劃，本公司董事會可向合資格僱員（包括本公司及其附屬公司的董事）授出購股權，供彼等認購本公司股份。此外，本公司可不時向外界的第三方授出購股權，藉著向彼等提供擁有本集團權益的機會，以結清給予本公司的貨物或服務，以及酬謝對本集團長遠成功的貢獻。

未經本公司股東事先批准，根據該計劃可授出的購股權的股份總數，不得超過有關授出時間已發行股份的10%。該計劃項下全部已授出未行使並尚待行使的購股權而可予發行的股份數目上限，不得合共超過不時已發行股份的20%。倘超過該上限，則不得根據該計劃及本公司任何其他購股權計劃授出購股權。未經本公司董事事先批准，於任何一年內，因行使已授予或可授予任何人士的購股權而已發行及可予發行之股份總數，不得超過於任何時間的本公司已發行股份數目的1%。授予主要股東或獨立非執行董事而超過本公司已發行股份0.1%或總值超過5,000,000港元的購股權，須先得到本公司股東批准方可作實。

購股權可根據該計劃規定之條款行使。行使價由本公司董事釐定，不得低於下列三者中之最高者：(i)授出當日本公司股份的收市價；(ii)於緊接授出日期前五個營業日股份的平均收市價；及(iii)本公司股份的面值。

### (a) 授出之條款及條件如下：

| | 購股權數目 | 歸屬條件 | 購股權合約日期 |
|---|---|---|---|
| 授予董事之購股權： | | | |
| －於二零一五年五月十五日 | 5,900,000 | 自授出日期起計一年及達到二零一五年表現目標 | 4年 |
| －於二零一五年五月十五日 | 5,900,000 | 自授出日期起計兩年及達到二零一六年表現目標 | 3年 |
| 授予僱員之購股權： | | | |
| －於二零一五年五月十五日 | 10,600,000 | 自授出日期起計一年及達到二零一五年表現目標 | 4年 |
| －於二零一五年五月十五日 | 10,600,000 | 自授出日期起計兩年及達到二零一六年表現目標 | 3年 |
| 授出之購股權總數 | 33,000,000 | | |

## 29 基於股份以權益結算交易（續）

### (b) 購股權之數目及加權平均行使價如下：

| | 二零一六年十二月三十一日 | | 二零一五年十二月三十一日 | |
|---|---|---|---|---|
| | 加權平均行使價 | 購股權數目 | 加權平均行使價 | 購股權數目 |
| 於期初尚未行使 | 1.31港元 | 33,000,000 | – | – |
| 於期內沒收 | 1.31港元 | (9,400,000) | – | – |
| 於期內授出 | – | – | 1.31港元 | 33,000,000 |
| 於期末尚未行使 | 1.31港元 | 23,600,000 | 1.31港元 | 33,000,000 |
| 於期末可予行使 | 1.31港元 | 11,800,000 | – | – |

於二零一六年十二月三十一日尚未行使購股權之行使價為1.31港元（二零一五年：1.31港元），而加權平均餘下合約年期為3.88年（二零一五年：4.88年）。

## 30 經營租賃安排

於年末，本集團根據不可撤銷經營租賃承諾就租賃物業作出之未來最低租賃付款於下列期間到期：

| | 於二零一六年十二月三十一日 人民幣千元 | 於二零一五年十二月三十一日 人民幣千元 |
|---|---|---|
| 一年內 | 4,019 | 3,656 |
| 第二至五年（首尾兩年包括在內） | 9,742 | 13,196 |
| | 13,761 | 16,852 |

租約按介乎一至五年之年期協定，而全部租金均為固定。

## 31 資本承擔

已訂約但未於綜合財務報表撥備的資本開支：

| | 於二零一六年十二月三十一日 人民幣千元 | 於二零一五年十二月三十一日 人民幣千元 |
|---|---|---|
| — 收購物業、廠房及設備 | **1,773** | 4,556 |

## 32 退休福利計劃

中國附屬公司的僱員均為中國政府設立並由國家管理的界定供款退休福利計劃的成員。中國附屬公司須按僱員工資的若干百分比向退休福利計劃供款，以應付該項福利所需。本集團就該退休福利計劃的唯一責任是根據該計劃作出所需供款。對該計劃作出的供款即時歸屬。

本集團亦根據香港強制性公積金計劃條例，為在香港僱傭條款管轄下受聘而之前不受界定福利退休計劃保障的僱員設立強制性公積金計劃（「強積金計劃」）。強積金計劃是由獨立受託人管理的界定供款退休計劃。根據強積金計劃，僱主及僱員均須按僱員有關入息的5%作出供款，每月須予供款的相關入息上限為30,000港元（二零一四年六月前為25,000港元）。對該計劃作出的供款即時歸屬。

本集團向美國合資格僱員提供機會參與符合國內稅務法第401(k)條條款之界定供款退休福利計劃（「401(k)計劃」）。401(k)計劃由獨立受託人管理。401(k)計劃為一項選擇性福利，401(k)計劃就退休福利計劃的唯一責任為須符合該計劃項下的指引。本集團提供配發供款，最多達僱員之合資格供款的4%，而若干僱員的上限為每年6,000美元。僱主配送供款於收取時歸屬或須遵照特定歸屬期限。

# 33 重大關聯方交易

## (a) 與控股股東及其附屬公司進行的交易

| | 二零一六年<br>人民幣千元 | 二零一五年<br>人民幣千元 |
|---|---|---|
| 銷售產品 | **8,443** | 27,411 |

## (b) 主要管理人員薪酬

本公司董事為本集團的主要管理人員，彼等於截至二零一六年十二月三十一日止年度的酬金載於附註10。

## (c) 與其他中國國家控制實體進行之交易

本公司的控股股東同方股份是由中國政府控制的國家控制企業。除了上文附註33所披露與同方股份及其附屬公司的交易外，本集團亦與其他國家控制實體進行交易，包括但不限於：

- 銷售產品和提供服務；
- 購買材料；及
- 銀行存款和貸款。

## (d) 上市規則就關於關連交易之適用性

有關上述附註33(a)產品銷售之關聯方交易構成上市規則第14A章所界定之關連交易或持續關連交易。上市規則第14A章規定之披露載列於董事會報告。

## 34 公司層面財務狀況表

| | 於二零一六年十二月三十一日 人民幣千元 | 於二零一五年十二月三十一日 人民幣千元 |
|---|---|---|
| **資產及負債** | | |
| 附屬公司權益 | **749,293** | 656,416 |
| 現金及現金等值物 | **460,658** | 506,547 |
| 其他流動負債 | **(5,725)** | (5,206) |
| **資產淨值** | **1,204,226** | 1,157,757 |
| **資本及儲備** | | |
| 股本 | **171,808** | 171,897 |
| 儲備 | **1,032,418** | 985,860 |
| **權益總額** | **1,204,226** | 1,157,757 |

## 35 報告期後非調整事項

於二零一六年八月二十九日，本公司與Vast Stone Limited訂立買賣協議（「協議」），據此，本公司（或其指定代名人）有條件同意收購而Vast Stone Limited有條件同意出售Buttonwood Finance Limited之全部已發行股本，代價為179,000,000港元。總代價須由本公司於完成時按發行價每股普通股1.01港元向Vast Stone Limited配發及發行合共177,227,723股新股份之方式支付。

Buttonwood Finance Limited為一間於香港註冊成立之有限公司，主要從事提供資產管理服務、投資諮詢服務及證券貿易。於二零一六年十二月三十一日，Buttonwood Finance Limited獲批准為香港法例第571章證券及期貨條例項下之持牌法團，並持有從事第1類（證券交易）、第4類（就證券提供意見）及第9類（資產管理）受規管活動之牌照。

協議的所有先決條件已達成及根據協議之條款及條件，完成於二零一七年一月二十日作實。根據協議，本公司已按發行價每股普通股1.01港元向Vast Stone Limited配發及發行合共177,227,723股新普通股。

於完成後，Buttonwood Finance Limited已成為本公司的全資附屬公司。根據上市規則第14章，收購事項構成本公司的須予披露交易。

## 36 主要附屬公司

下表僅載列主要影響本集團業績、資產及負債之附屬公司詳情。除另有列明外，所持有的股份類別為普通股。

| 附屬公司名稱 | 業務結構形式 | 註冊成立／成立地點 | 已發行及繳足股本／註冊資本情況 | 擁有權權益比例 本集團實際權益 | 由本公司持有 | 由附屬公司持有 | 主要業務 |
|---|---|---|---|---|---|---|---|
| 鶴山同方照明科技有限公司 | 外商獨資企業 | 中國 | 300,000,000美元 | 100% | – | 100% | 燈具產品生產及銷售 |
| Neo-Neon LED Lighting International Limited | 註冊公司 | 薩摩亞 | 10,000美元 | 100% | – | 100% | 燈具產品貿易 |
| Neo-Neon (Vietnam) Development Company Limited | 註冊公司 | 越南 | 28,000,000美元 | 100% | – | 100% | 燈具產品生產及銷售 |
| American Lighting, Inc. | 註冊公司 | 美國 | 7,944,505美元 | 100% | – | 100% | 燈具產品貿易 |
| Tivoli, LLC. | 合夥 | 美國 | 4,500,000美元 | 100% | – | 100% | 燈具產品貿易 |

## 37 直接及最終控制方

於二零一六年十二月三十一日，董事認為本集團的直接母公司及最終控制方為清華同方節能控股有限公司及同方股份有限公司，該兩間公司分別於開曼群島及中國註冊成立。清華同方節能控股有限公司並無編製財務報表供作公眾使用。同方股份有限公司在上海證券交易所上市，根據《企業會計準則》編製財務報表，可供公眾使用。

## 38 已頒佈但尚未於截至二零一六年十二月三十一日止年度生效之修訂、新準則及詮釋之可能影響

截至此等財務報表刊發日期，香港會計師公會已頒佈數項於截至二零一六年十二月三十一日止年度尚未生效而於此等財務報表內未有採納之修訂本及新準則。其中包括以下與本集團相關之修訂本及新準則。

| | 於以下日期或之後開始的會計期間生效 |
|---|---|
| 香港會計準則第7號修訂本，現金流量表：披露計劃 | 二零一七年一月一日 |
| 香港會計準則第12修訂本，就未變現虧損確認遞延税項資產 | 二零一七年一月一日 |
| 香港財務報告準則第9號，金融工具 | 二零一八年一月一日 |
| 香港財務報告準則第15號，來自客戶合約之收入 | 二零一八年一月一日 |
| 香港財務報告準則第2號修訂本，以股份為基礎的付款：以股份為基礎的付款之釐清及計量 | 二零一八年一月一日 |
| 香港財務報告準則第16號，租賃 | 二零一九年一月一日 |

本集團正在評估該等修訂本及新準則預計於初次應用期間的影響。本集團目前已確認新準則的若干部份可能會對綜合財務報表產生重大影響。預計影響於下文進一部詳述。由於本集團未完成其評估，故可能適時確認進一步影響，並會在釐定是否在其生效日期前採納任何該等新規定時將該等影響納入考量，及根據新訂準則有替代方法可用時考量採用何種過渡方法。

# 38 已頒佈但尚未於截至二零一六年十二月三十一日止年度生效之修訂、新準則及詮釋之可能影響*（續）*

## 香港財務報告準則第9號，金融工具

香港財務報告準則第9號將取代有關金融工具會計處理方法的現有準則香港會計準則第39號，金融工具：確認及計量。香港財務報告準則第9號引入分類及計量金融資產及計算金融資產減值的新規定。另一方面，香港財務報告準則第9號納入（並無實質性更改）香港會計準則第39號有關確認及終止確認金融工具及金融負債分類的規定。新規定對本集團財務報表的預期影響如下：

### (a) 分類及計量

香港財務報告準則第9號包括金融資產的三個主要分類類別：(1)按攤銷成本、(2)按公允值計入損益(FVTPL)及(3)按公允值計入綜合收益(FVTOCI)計量：

- 債務工具的分類根據實體管理金融資產的業務模式以及資產的合約現金流量特徵而釐定。倘債務工具分類為FVTOCI，實際利息、減值及出售收益／虧損將在損益中確認。

- 無論實體的業務模式如何，股本證券的分類均為FVTPL之金融資產。唯一的例外情況是倘股本證券並非持作買賣且實體不可撤回地選擇將該證券指定為FVTOCI。倘股本證券被指定為FVTOCI，只有該證券的股息收入會在損益中確認。該證券的收益、虧損及減值會在其他全面收益中確認且不會重新使用。

根據初步評估，本集團預計其目前按攤銷成本及FVTPL計量之金融資產將於採用香港財務報告準則第9號時沿用其各自的分類及計量。

香港財務報告準則第9號項下的金融負債的分類及計量規定與香港會計準則第39號相比基本未變，惟香港財務報告準則第9號規定由金融負債自身信貸風險變化引起的FVTPL指定的金融負債的公允值變化須於其他全面收益中確認（不得重新分類至損益）。本集團目前並無任何FVTPL指定的金融負債，因此這項新規定可能不會於採納香港財務報告準則第9號時對本集團產生任何重大影響。

## 38 已頒佈但尚未於截至二零一六年十二月三十一日止年度生效之修訂、新準則及詮釋之可能影響*（續）*

### 香港財務報告準則第9號，金融工具*（續）*

#### (b) 減值

香港財務報告準則第9號的新減值模式以「預計信貸虧損」模式取代香港會計準則第39號的「已產生虧損」模式。根據預計信貸虧損模式，不再需要在確認減值虧損之前發生虧損事件。相反地，實體須將預計信貸虧損確認並計量為12個月的預計信貸虧損或整個生命周期內的預計信貸虧損，惟視乎資產及事實及情況而定。該新減值模式可能導致本集團的應收貿易款項及其他金融資產提早確認信貸虧損。然而，需要進行更加詳細的分析以確定影響的程度。

### 香港財務報告準則第15號，來自客戶合約之收入

香港財務報告準則第15號建立了確認來自客戶合約之收入的全面框架。香港財務報告準則第15號將取代現有收入準則，即香港會計準則第18號收入（包括銷售貨品及提供服務所產生的收入）及香港會計準則第11號建設合約（訂明建設合約收入的會計處理方法）。本集團目前正在評估採納香港財務報告準則第15號對其財務報表的影響。根據初步評估，本集團已確認以下部份可能將受影響：

#### (a) 收入確認時間

本集團的收入確認政策於附註2(g)披露。目前，建設合約及提供服務所產生的收入隨時間確認，而來自銷售貨品的收入一般於風險和報酬轉移給客戶時確認。

根據香港財務報告準則第15號，收入於客戶取得合約中已約定貨品或服務之控制權時確認。香港財務報告準則第15號將三種情況視作已約定貨品或服務之控制權已隨時間被轉移：

(a) 當客戶於實體履約時同時接受及使用實體履約所提供之利益時；

(b) 當實體履約創造或增強一項於資產被創造或增強時由客戶控制之資產（如在建工程）時；

(c) 當實體之履約並無創造對實體而言具替代用途之資產，且該實體對迄今完成之履約付款具有可執行權利時。

倘合約條款及實體活動並不屬於任何該等三種情況，則根據香港財務報告準則第15號，實體於某一指定時間點（即控制權轉移時）就銷售貨物或服務確認收益。所有權風險和報酬之轉移僅為於釐定控制權轉移發生時將考慮的其中一項指標。

## 38 已頒佈但尚未於截至二零一六年十二月三十一日止年度生效之修訂、新準則及詮釋之可能影響*（續）*

### 香港財務報告準則第15號，來自客戶合約之收入*（續）*

#### (b) 重大融資部分

香港財務報告準則第15號要求實體於合約包含重大融資部分時就貨幣時間價值調整交易價格，而不管來自客戶之付款將大部分提前收取或延後收取。

目前，本集團僅於付款大幅延期時採納該政策，且本集團並無於付款提前收取時採納該政策。

本集團與其客戶間之安排中並不常用提前付款。

然而，本集團正在評估本集團提前付款計劃中之該部分是否對合約而言屬重大，及於香港財務報告準則第15號採納後，交易價格是否將因此須就確認收入而作出調整。

#### (c) 具退貨權之銷售

目前，當客戶被允許退回產品時，本集團會估計退貨水平並就收入及銷售成本作出調整。

本集團預期採納香港財務報告準則第15號將不會對本集團於客戶有退貨權時確認收入及銷售成本之方式造成重大影響。然而，由於本集團目前就預期退貨對存貨賬面值進行調整而非另行確認資產，因此另行就預期將被退回之產品確認退回資產之新規定將影響於綜合財務狀況表之呈列。

### 香港財務報告準則第16號，租賃

誠如附註2(u)所披露，本集團現時將租賃分類為融資租賃及經營租賃，並根據租賃分類對租賃分別進行列賬。本集團作為出租人訂立部份租約，其他則作為承租人訂立租約。

## 38 已頒佈但尚未於截至二零一六年十二月三十一日止年度生效之修訂、新準則及詮釋之可能影響*（續）*

### 香港財務報告準則第16號，租賃*（續）*

預期香港財務報告準則第16號將不會大幅影響出租人根據租約將彼等權利及義務入賬的方式。然而，一旦採納香港財務報告準則第16號，承租人將不再區分融資租賃及經營租賃。相反，受可行權宜方法的規限，承租人將按與現有融資租賃會計處理方法類似的方式將所有租約入賬，即於租約開始日期，承租人將按日後最低租賃付款的現值確認及計量租賃負債，及將確認相應的「使用權」資產。於初步確認該資產及負債後，承租人將確認租賃負債結餘所產生的利息開支及使用權資產折舊，而非根據現有政策於租期內按系統基準確認根據經營租約所產生的租賃開支。作為一項可行權宜方法，承租人可選擇不將此會計模式應用於短期租賃（即租期為12個月或以下）及低價值資產的租賃，於該等情況下，租金開支將繼續於租期內按系統基準確認。香港財務報告準則第16號主要將影響本集團作為承租人承租目前分類為經營租賃的物業、廠房及設備的會計處理方法。預計新會計模式的應用將導致資產及負債增加，並將於租賃期間影響於綜合收益表確認開支的時間。誠如附註30所披露，於二零一六年十二月三十一日，本集團根據不可撤銷經營租賃的未來最低租賃付款分別錄得人民幣13,761,000元，大部分須於報告日期後一至五年期間或超過五年期間付款。因此，於採納香港財務報告準則第16號時，部份該等金額可能需確認為租賃負債，並確認相應的使用權資產。本集團需要進行更加詳細的分析，以確定採納香港財務報告準則第16號後經營租賃承擔所產生的新資產及負債，經考量可行權宜方法的適用性，並就現時與採納香港財務報告準則第16號時之間訂立或終止的任何租約以及貼現影響作出調整。

本集團正在考慮是於其生效日期二零一九年一月一日前採納香港財務報告準則第16號。然而，惟先採納香港財務報告準則第15號，否則不得提早採納香港財務報告準則第16號。因此，香港財務報告準則第16號可能不會於香港財務報告準則第15號生效日期（即二零一八年一月一日）前被採納。

# 釋義

於本報告內，除文義另有所指外，下列詞彙具有以下涵義：

| | | |
|---|---|---|
| 「二零零六年購股權計劃」 | 指 | 本公司於二零零六年十一月二十日透過股東決議案採納的購股權計劃 |
| 「二零一六年購股權計劃」 | 指 | 於股東大會上由股東採納於二零一六年五月十三日的購股權計劃 |
| 「股東週年大會」 | 指 | 本公司將予召開及謹訂於二零一七年六月二十日上午十時正假座香港中環夏慤道12號美國銀行中心806-810室舉行的股東週年大會，或（如文義許可）其任何續會 |
| 「組織章程細則」或「細則」 | 指 | 本公司於二零零六年十一月二十日經股東書面決議案採納並經不時修訂、補充及以其他方式修改的組織章程細則 |
| 「American Lighting」 | 指 | American Lighting, Inc.，一間達拉華州企業，為本公司的間接全資附屬公司 |
| 「聯繫人」 | 指 | 具上市規則賦予該詞的涵義 |
| 「董事會」 | 指 | 本公司董事會 |
| 「營業日」 | 指 | 香港及開曼群島銀行一般向公眾開放營業的日子（星期六、星期日或香港或開曼群島公眾假期除外） |
| 「英屬處女群島」 | 指 | 英屬處女群島 |
| 「中國」 | 指 | 中華人民共和國，就本報告而言，不包括香港、澳門及台灣 |
| 「公司條例」 | 指 | 香港法例第622章公司條例（經不時修訂、補充或以其他方式修改） |
| 「本公司」或「同方友友」 | 指 | 同方友友控股有限公司（股份代號：1868），一間於開曼群島註冊成立的有限責任公司，其股份於聯交所主板上市，且部份股份作為存託憑證在台灣證交所上市 |
| 「關連人士」 | 指 | 具上市規則所賦予的涵義 |
| 「控股股東」 | 指 | 具上市規則所賦予的涵義 |
| 「企業管治守則」 | 指 | 上市規則附錄十四所載的企業管治常規守則 |
| 「董事」 | 指 | 本公司董事 |
| 「本集團」 | 指 | 本公司及其附屬公司 |
| 「上市規則」 | 指 | 聯交所主板證券上市規則 |

| | | |
|---|---|---|
| 「港元」及「港仙」 | 指 | 香港法定貨幣港元及港仙 |
| 「香港」 | 指 | 中國香港特別行政區 |
| 「獨立第三方」 | 指 | 與本公司及本公司任何董事、最高行政人員或主要股東、其附屬公司或彼等各自的任何聯繫人概無任何關連(定義見上市規則)的獨立人士或公司 |
| 「標準守則」 | 指 | 上市規則附錄十所載的上市公司董事進行證券交易標準守則 |
| 「Resuccess」 | 指 | Resuccess Investments Limited,於英屬處女群島註冊成立的公司,持有同方節能控股的全部股本 |
| 「人民幣」 | 指 | 中國法定貨幣人民幣 |
| 「證券及期貨條例」 | 指 | 香港法例第571章證券及期貨條例(經不時修訂及補充) |
| 「股份」 | 指 | 本公司股本中每股面值0.1港元的股份 |
| 「股東」 | 指 | 本公司股東 |
| 「附屬公司股份獎勵計劃」 | 指 | 由股東於二零一五年四月二日採納的American Lighting股份獎勵計劃 |
| 「聯交所」 | 指 | 香港聯合交易所有限公司 |
| 「附屬公司」 | 指 | 具上市規則所賦予的涵義 |
| 「主要股東」 | 指 | 具上市規則所賦予的涵義 |
| 「同方節能控股」 | 指 | 清華同方節能控股有限公司,本公司的主要股東 |
| 「同方股份」 | 指 | 同方股份有限公司,於中國註冊成立的股份有限公司,其股份在上海證券交易所上市及買賣(證券代碼:600100) |
| 「同方股份集團」 | 指 | 同方股份及其附屬公司(就本報告而言,不包括本集團) |
| 「%」 | 指 | 百分比 |

Neo-NeoN®

清华同方
TSINGHUA TONGFANG

**NEO-NEON HOLDINGS LIMITED**

(incorporated in the Cayman Islands with limited liability)
Stock Code: 1868.HK; 911868.TDR






We Color the World

Lighting is our business, Color is our concern

www.neo-neon.com

# 2016 ANNUAL REPORT

Professional LED product research, development and production.

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Director

Mr. Seah Han Leong

### Non-executive Directors

Mr. Huang Yu *(Chairman)*
Mr. Wang Liang Hai
Mr. Liu Wei Dong

### Independent non-executive Directors

Mr. Fan Ren Da Anthony
Mr. Liu Tian Min
Ms. Li Ming Qi

## AUDIT COMMITTEE

Ms. Li Ming Qi *(Chairman)*
Mr. Fan Ren Da Anthony
Mr. Liu Tian Min

## REMUNERATION COMMITTEE

Mr. Liu Tian Min *(Chairman)*
Mr. Huang Yu
Mr. Fan Ren Da Anthony
Ms. Li Ming Qi

## NOMINATION COMMITTEE

Mr. Huang Yu *(Chairman)*
Mr. Fan Ren Da Anthony
Mr. Liu Tian Min
Ms. Li Ming Qi

## RISK MANAGEMENT AND REGULATORY COMPLIANCE COMMITTEE

Mr. Fan Ren Da Anthony *(Chairman)*
Mr. Huang Yu
Mr. Seah Han Leong
Mr. Wang Liang Hai
Mr. Liu Wei Dong
Mr. Liu Tian Min
Ms. Li Ming Qi

## AUTHORIZED REPRESENTATIVES

Mr. Seah Han Leong
Mr. Leung Lok Wai

## COMPANY SECRETARY

Mr. Leung Lok Wai

## HONG KONG BRANCH SHARE REGISTRAR

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

## AUDITOR

KPMG
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

# CORPORATE INFORMATION

## LAWYER AS TO HONG KONG LAWS

Luk & Partners
Unit 2001, Level 20
One International Finance Centre
1 Harbour View Street, Central
Hong Kong

## PRINCIPAL BANKS

China Construction Bank Limited, HeShan Branch
Taishin International Bank, Hong Kong Branch
China Everbright Bank Company Limited,
Jiangmen Branch

## REGISTERED OFFICE

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

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 806-810
Bank of America Tower
12 Harcourt Road
Central, Hong Kong

## PRINCIPAL SHARE REGISTRAR

Royal Bank of Canada Trust
Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

## COMPANY WEBSITE ADDRESS

www.neo-neon.com

## STOCK CODE

1868

# CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors and the management, I am pleased to present the report on the development status and operating results of Neo-Neon Holdings Limited (the "Company" or "Neo-Neon") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2016.

The year 2016 is a year of intensive adjustment for the development of the LED industry. On one hand, various new technologies, new products and new application methods are ever-emerging, building a strong foundation and providing expansive market opportunities for the future development of the LED industry. On the other hand, the LED industry is gradually approaching the mature stage and the competition is fierce.

In 2016, while maintaining an appropriate growth in sales, the Group also focused on market segmentation and specialisation, and continued to optimise its product mix and customer structure. In the current year, the Group applied the DMX light and sound control technology and set up a LED-decorated light show based on the theme "Christmas Fantasy by the Ocean" in Chimelong Ocean Kingdom in Zhuhai, achieving many firsts in the field of LED decorative lights. The Group's innovative product Trulux LED tape light system was crowned the Grand Prize Winner of 2016 Lighting for Tomorrow in the USA for its dynamic flexibility, high degree of comfort and ease of operation. In the current year, through the efforts of all our employees, the Group's profitability was further enhanced and a turn from loss into profit was achieved for the first time since 2011.

In light of the Copenhagen Accord, the Kyoto Protocol and the Comprehensive Working Plan for Energy Conservation and Emission Reduction under the 13th Five Year Plan issued by the State Council of the PRC, promoting the use of energy-conserving lighting products is an inevitable global trend. This presents a business opportunity for the Group. In 2017, the Group will continue to promote and deepen institutional reform and strive towards developing smart city lighting projects based on green and intelligent lighting (including LED decorative lights) with smart homes as the platform. The Group will also accelerate the development of products towards digitalisation and informatisation, increase efforts on the management of non-operating assets, as well as strengthening the management of the function system and internal control system. The Group will implement a diversity policy and expand its business into the financial services industry in order to enhance shareholder value.

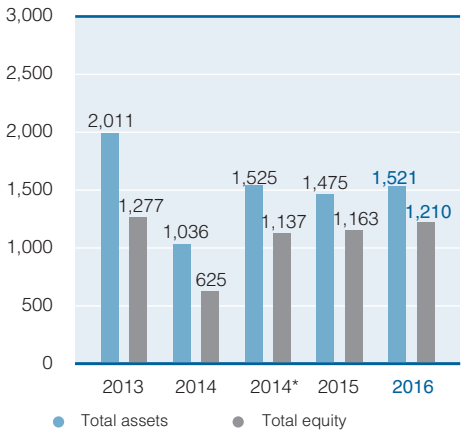
Finally, on behalf of the Board of Directors of Neo-Neon, I would like to express my heartfelt gratitude to all our employees for their efforts and contributions, to our customers and business partners for their strong support as well as to our shareholders for their trust. We have strived all along to provide people with a comfortable, safe and energy-conserving lighting environment! We have great confidence in the dynamic strategies of the Group!

**Huang Yu**
*Chairman*
13 March 2017

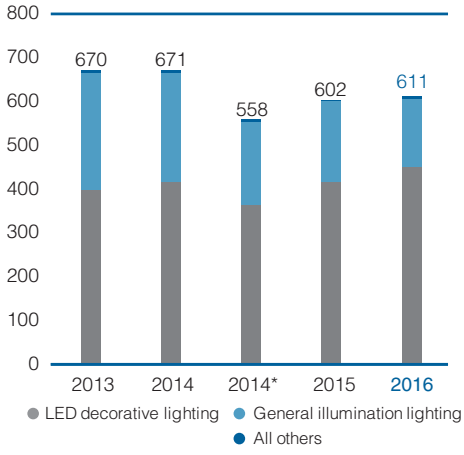
# FINANCIAL HIGHLIGHTS

| Expressed in RMB million | Year ended 31 March 2013 | Year ended 31 March 2014 | Year ended 31 December 2014* | Year ended 31 December 2015 | Year ended 31 December **2016** |
|---|---|---|---|---|---|
| Turnover | 670 | 671 | 558 | 602 | **611** |
| Gross profit (loss) | 80 | (195) | 48 | 167 | **189** |
| Profit (loss) attributable to owners of the Company | (500) | (659) | (196) | 6 | **12** |
| EBITA | (349) | (581) | (162) | 46 | **58** |
| Total assets | 2,011 | 1,036 | 1,525 | 1,475 | **1,521** |
| Total equity | 1,277 | 625 | 1,137 | 1,163 | **1,210** |
| Gross profit (loss) margin | 11.9% | (29.0%) | 8.7% | 27.8% | **30.8%** |
| Net profit (loss) margin | (74.6%) | (98.2%) | (35.1%) | 1.0% | **1.9%** |
| EPS (Loss) – basic (RMB cents) | (53.2) | (70.2) | (13.1) | 0.3 | **0.6** |

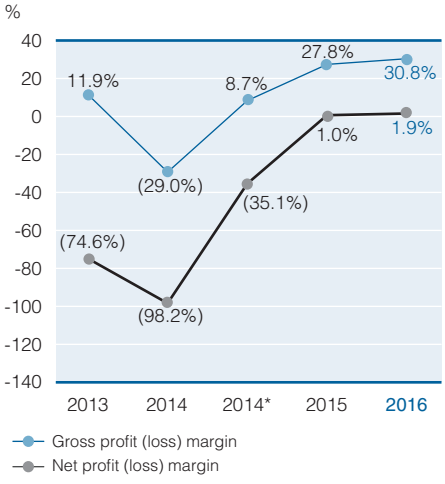
**Total assets/Total equity**



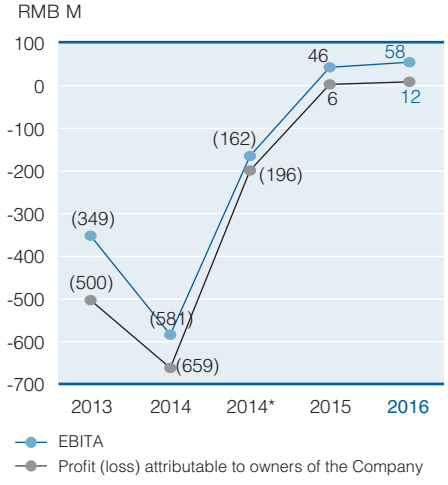

**Turnover**




**Gross and net profit (loss) margin**




**EBITA and (loss) profit attributable to owners of the Company**




* For the period of nine months from 1 April 2014 to 31 December 2014.

# DIRECTORS AND SENIOR MANAGEMENT PROFILES

## EXECUTIVE DIRECTOR

### Mr. Seah Han Leong (謝漢良)

Mr. Seah Han Leong (謝漢良), aged 53, was appointed as an executive Director on 25 August 2014, the president and the chief executive officer of the Company on 26 August 2014, and he is responsible for the day-to-day operations and international business of the Company. He is also the president of THTF Lighting Group Limited (同方照明產業集團有限公司), a wholly-owned subsidiary of the Company. He is also a founder, an executive director and chief operating officer of Technovator International Limited ("Technovator"), is responsible for the day-to-day operations and general management of Technovator and its subsidiaries. He was appointed as a director of Technovator on 25 May 2005 and was re-designated as an executive director of Technovator on 12 April 2011. Technovator is a company listed on the Main Board of the Stock Exchange (stock code: 1206). Mr. Seah received a certificate for attending the INSEAD-T.A.C. Management Development Programme from INSEAD Fontainebleau, France in 2003 and Technician Diploma in Electronics and Communication Engineering from Singapore Polytechnic in 1984. Prior to founding Technovator, Mr. Seah joined Honeywell Southeast Asia in 1990 and worked in various sales management positions covering different countries. In 1994, he was transferred to Honeywell China Inc. and his last position with Honeywell was the sales manager covering the Greater China market. He was also the managing director of TAC Controls Asia Pte Ltd from 1998 to 2005. Mr. Seah was recognized as the key personnel of the Asia Pacific management team of TAC Controls Asia Pte Ltd. He received various awards including Winners Club Award by Honeywell Asia Pacific Inc. and President's Club Award by Honeywell Inc. Mr. Seah was admitted as ordinary member of the Singapore Institute of Directors on 18 April 2012.

## NON-EXECUTIVE DIRECTORS

### Mr. Huang Yu (黃俞)

Mr. Huang Yu (黃俞), aged 48, was appointed as a non-executive Director and the chairman of the Board of the Company on 15 July 2016. He holds a master degree from the University of Greenwich. He is also (i) the chairman of the board of directors of Shenzhen Huakong Seg Co., Ltd.* (深圳華控賽格股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000068), (ii) the senior vice president of Tsinghua Holdings Co., Ltd.* (清華控股有限公司), (iii) an executive director of Shenzhen Aorongxin Investment Development Co., Ltd.* (深圳市奧融信投資發展有限公司), (iv) the chairman of the supervisory committee of Penghua Fund Management Co., Ltd.* (鵬華基金管理有限公司), (v) the vice chairman of the board of directors and the chief executive officer of Tongfang Co., Ltd.* (同方股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600100) and a controlling shareholder of the Company, (vi) the chairman of the board of directors and an executive director of Allied Cement Holdings Limited (聯合水泥控股有限公司) (proposed to be renamed as Tongfang Kontafarma Holdings Limited (同方康泰產業集團有限公司)), a company listed on the Stock Exchange (stock code: 1312) and (vii) a non-executive director and the chairman of the board of directors of Technovator International Limited (同方泰德國際科技有限公司), a company listed on the Stock Exchange (stock code: 1206).

### Mr. Wang Liang Hai (王良海)

Mr. Wang Liang Hai (王良海), aged 52, was appointed as an executive Director on 25 August 2014. He was awarded a master degree in Engineering from Tsinghua University. He was appointed as the vice president, general manager of multi-media industrial group and general manager of semiconductor and lighting industrial group of Tsinghua Tongfang since May 2010. Mr. Wang has served as deputy general manager of the digital TV system group and general manager of consumer electronics division, assistant president of Tsinghua Tongfang since 2007.

### Mr. Liu Wei Dong (劉衛東)

Mr. Liu Wei Dong (劉衛東), aged 54, was appointed as a non-executive Director on 25 August 2014. He is an accountant and holds an MBA. He graduated from School of Economics and Management of Tsinghua University, has more than 20 years of management experience in finance and auditing. Since 2004, Mr. Liu has served as deputy general manager of the audit department, vice general accountant and general accountant of Tsinghua Tongfang. He is currently the vice president and finance director of Tsinghua Tongfang.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

### Mr. Fan, Ren Da Anthony (范仁達)

Mr. Fan, Ren Da Anthony (范仁達), aged 56, was appointed as an independent non-executive Director on 25 August 2014. In 1986, Mr. Fan received his Master of Business Administration from the University of Dallas of the United States. Mr. Fan is an independent non-executive director of Uni-President China Holdings Ltd. (stock code: 220), Citic Resources Holdings Limited (stock code: 1205), Shanghai Industrial Urban Development Group Limited (stock code: 563), Renhe Commercial Holdings Company Limited (stock code: 1387), Technovator International Limited (stock code: 1206), Guodian Technology & Environment Group Corporation Limited (stock code: 1296), Tenfu (Cayman) Holdings Company Limited (stock code: 6868), China Development Bank International Investment Limited (stock code: 1062), Hong Kong Resources Holdings Company Limited (stock code: 2882), CGN New Energy Holdings Co., Ltd. (stock code: 1811), LT Holdings Limited (stock code: 112) and Raymond Industrial Limited (stock code: 229), all of which are listed on the Main Board of the Hong Kong Stock Exchange. Mr. Fan is also the President of the Hong Kong Independent Non-Executive Director Association.

### Mr. Liu Tian Min (劉天民)

Mr. Liu Tian Min (劉天民), aged 55, was appointed as an independent non-executive Director on 25 August 2014. He is the managing partner of SB China Venture Capital Limited, non-executive director of Technovator International Limited (stock code: 1206) and the independent director of Taiwan Wax Company, Ltd. (stock code: 1742). Mr. Liu served as vice president of Tsinghua Tongfang and the general manager of digital TV system group from 2003 to 2009. Technovator International Limited is listed on the Main Board of Stock Exchange, and Taiwan Wax Company, Ltd. is listed on Taiwan Stock Exchange.

### Ms. Li Ming Qi (李明綺)

Ms. Li Ming Qi (李明綺), aged 49, was appointed as an independent non-executive Director on 25 August 2014. She was graduated from Fudan University in Shanghai. She received a Bachelor of Economics and has also obtained a Master of Economics from the Southern Methodist University and a Master of Science in Management and Administrative Sciences from the University of Texas in Dallas. She served independent director of Sino Gas International Holdings, Inc., which is listed on the Over-The-Counter Bulletin Board in the US (stock code: SGAS) from March 2011 to November 2014. Ms. Li served as senior associate of JP Morgan Chase, associate/portfolio manager of BHF Capital, vice president/portfolio manager of Transamerica Business Capital, vice president/senior relationship manager of Morgan Stanley and hedge fund controller of Mercury Capital Management.

# SENIOR MANAGEMENT

Mr. Seah Han Leong (謝漢良). Please refer to the details set out above under the paragraph headed "Executive Directors" in this section.

## Mr. Fu Kai (付凱)

Mr. Fu Kai (付凱), aged 42, is the chief financial officer and chief accountant of the Company. Mr. Fu was awarded a bachelor degree in Accountancy. He is also a Certified Tax Agent and an accountant. He has served as the cost manager and financial manager of the financial department of Tongfang Gigamega Tech Co., Ltd (同方吉兆科技有限公司), the financial manager of financial department of digital TV system group of Tsinghua Tongfang, as well as the assistant general manager and deputy general manager of the financial department of Tsinghua Tongfang since 2004.

## Mr. Jang Jann Huan (張震寰)

Mr. Jang Jann Huan (張震寰), aged 63, graduated from the Texas Tech University, where he obtained a Doctor of Philosophy degree in Business Administration. He is the assistant president of the Company, mainly responsible for the Company's business in the US. He is also currently the chief executive officer (CEO) and the acting CEO of American Lighting and Tivoli, both of which are the wholly-owned subsidiary of the Company, respectively. From 1999 to 2004, Mr. Jang was responsible for expanding our business in the US. From 2004 to 2006, he was the CEO of Tivoli. From 2006 to 2009, he served as the director of the marketing department, the executive Director and the CEO of the Company.

## Mr. Xu Hui Lai (徐惠來)

Mr. Xu Hui Lai (徐惠來), aged 45, was awarded a bachelor degree in Laws from the China Youth University for Political Sciences (中國青年政治學院). He is the assistant president of the Company, mainly responsible for human resources and administration of the Company. He is also the vice president and general manager of human resources and administrative centre of THTF Lighting Group Limited (同方照明產業集團有限公司), a wholly-owned subsidiary of the Company. Since 2000, he has served as the deputy head of human resources department of Nuctech Company Limited, the assistant general manager of human resources department of Tsinghua Tongfang, the director of human resources department of 同方光電科技有限公司 and the director of human resource of semiconductor lighting group of Tsinghua Tongfang.

## Mr. Leung Lok Wai (梁樂偉)

Mr. Leung Lok Wai (梁樂偉), aged 41, is the company secretary of the Company. He joined the Group in March 2016. Mr. Leung received his Bachelor's degree in accountancy from the Hong Kong Polytechnic University in December 1999. He is a member of Hong Kong Institute of Certified Public Accountants and a member of the Institute of Internal Auditors. He has over 15 years of experience in accounting, audit, due diligence and financial management, including transaction services in PricewaterhouseCoopers, group internal audit in Swire Group and audit assurance services in KPMG.

# FINANCIAL REVIEW

## Revenue

The revenue for the year ended 31 December 2016 was approximately RMB611.2 million, as compared to approximately RMB602.4 million for the year ended 31 December 2015, which remained stable, mainly attributable to the selective acceptance of orders (during the year, the Group continued to take a prudent approaching in dealing with orders by selecting the orders with relatively higher gross profit margin).

## Cost of goods sold

For the year ended 31 December 2016, the cost of goods sold was approximately RMB422.7 million, representing a decrease of approximately RMB12.5 million over approximately RMB435.2 million for the year ended 31 December 2015.

## Gross profit and gross profit margin

For the year ended 31 December 2016, the Group recorded a gross profit of approximately RMB188.5 million, representing an improvement as compared with the gross profit of approximately RMB167.3 million for the year ended 31 December 2015.

The Group recorded a gross profit margin of approximately 30.8% for the year ended 31 December 2016, representing an increase of 3.0% over a gross profit margin of approximately 27.8% for the year ended 31 December 2015, primarily due to (1) the selective acceptance of orders (during the year, the Group continued to take a prudent approaching to sales by selecting the orders with relatively higher profit margin), and (2) a decrease in manufacturing expenses by approximately RMB9.3 million, mainly comprised of staff salaries, depreciation costs and utility charges.

## Other gains, losses and expenses

For the year ended 31 December 2016, the Group recorded other gains of approximately RMB28.1 million, representing a decrease of approximately RMB35.4 million over other gains of RMB63.5 million for the year ended 31 December 2015, due to (1) the Group did not sales of work shops and land use right for the year ended 31 December 2016, as compared to RMB27.4 million resulting from gains on disposal of workshops and land use right of Yinyu Semiconductor Photovoltaic (Guangdong) Limited (廣東銀雨芯片半導體有限公司) ("Yinyu Semiconductor"), a subsidiary of the Company, for the year ended 31 December 2015, (2) the net reversal of allowance for bad debt amounting to RMB5.2 million for the year, as compared to the net reversal of allowance for bad debt amounting to RMB13.9 million for the year ended 31 December 2015.

## Impairment loss of property, plant and equipment

As at 31 December 2016, the amount of impairment losses recognised in respect of property, plant and equipment was nil (31 December 2015: nil).

## Operating expenses

The distribution and selling expenses were mainly comprised of staff costs, promotion and advertising, freight and transportation, agency and custom costs and rent and rates. For the year ended 31 December 2016, the distribution and selling expenses of the Group were approximately RMB97.4 million, representing an increase of approximately RMB8.9 million or 10.1% over approximately RMB88.5 million for the year ended 31 December 2015, mainly due to the increase in staff costs for approximately RMB15.5 million.

The administrative expenses were mainly comprised of staff costs, directors remuneration, depreciation charges, professional and legal fee and share option related expenses. The administrative expenses for the year ended 31 December 2016 were approximately RMB107.6 million, representing a decrease of approximately RMB28.0 million or 20.6% over approximately RMB135.6 million for the year ended 31 December 2015, mainly due to (1) the decrease in other administrative expenses for approximately RMB12.4 million, (2) the decrease in staff costs for approximately RMB7.0 million, and (3) the decrease in professional fee for approximately RMB6.4 million.

## Finance costs

The finance costs for the year ended 31 December 2016 were approximately RMB3.9 million, representing an increase of approximately RMB1.2 million over RMB2.7 million for the year ended 31 December 2015, mainly due to the bank borrowings of RMB111.0 million as at 31 December 2016, representing a increase of RMB15.9 million, as compared to that of RMB95.1 million as at 31 December 2015.

## Taxation

For the year ended 31 December 2016, the Group's tax charge of RMB7.1 million (the year ended 31 December 2015: RMB5.0 million) mainly included taxation imposed in overseas jurisdictions of approximately RMB15.3 million and deferred taxation of approximately RMB8.2 million.

## Profit attributable to owners of the Company

For year ended 31 December 2016, the Group recorded a profit attributable to owners of the Company of RMB11.8 million, as compared to a profit attributable to owners of the Company of RMB5.8 million for the year ended 31 December 2015. Such improvement was mainly attributable to an increase in gross profit of RMB21.2 million due to selective acceptance of orders with relatively higher gross profit margin.

## Net profit

For year ended 31 December 2016, the Group recorded a net profit of RMB11.7 million, as compared to RMB4.5 million for the year ended 31 December 2015. Such improvement was mainly attributable to (1) the increase in gross profit margin mainly resulting from the Group's selective acceptance of orders with relatively higher profit margin, and (2) the decrease in operating expenses for the year ended 31 December 2016.

## Financial Resources and Liquidity and Gearing Ratio

The Group maintained a stable financial position. As at 31 December 2016, the Group had cash and cash equivalents of RMB647.4 million and short-term bank loans of RMB111.0 million. The gearing ratio representing the ratio of short-term bank loans to total equity of the Group was 9.2% as at 31 December 2016 (31 December 2015: 8.2%). Such increase was mainly caused by the increase in bank borrowings of RMB15.9 million for the year against the year of 2015.

## Cash flows

The Group's financial resources mainly consist of cash flow from operating activities, investing activities and financing activities.

The Group recorded (1) cash inflow from operating activities of approximately RMB4.9 million (the year ended 31 December 2015: cash outflow of approximately RMB44.7 million) for the year ended 31 December 2016, (2) cash outflow from investing activities of approximately RMB13.1 million (the year ended 31 December 2015: RMB25.4 million) for the year ended 31 December 2016, and (3) cash inflow from financing activities of approximately RMB4.6 million (the year ended 31 December 2015: cash outflow of approximately RMB24.9 million) for year ended 31 December 2016.

The above increase in cash inflow from operating activities was mainly attributable to the improvement of operating performance which contributed by the increased gross profit and the decrease in inventories of approximately RMB28.9 million.

The above decrease in cash outflow from investing activities was mainly attributable to release of restricted bank deposits of approximately RMB20.4 million.

The above increase in cash inflow from financing activities was mainly attributable to new bank loans of approximately RMB94.8 million and repayment of bank loans of approximately RMB85.0 million in the year of 2016.

## Assets and liabilities

As at 31 December 2016, the Group recorded the total assets of approximately RMB1,521.4 million (31 December 2015: RMB1,475.0 million) and total liabilities of approximately RMB311.5 million (31 December 2015: RMB311.5 million).

As at 31 December 2016 the Group's current assets and non-current assets were approximately RMB1,166.3 million (31 December 2015: RMB1,048.1 million) and approximately RMB355.1 million (31 December 2015: RMB426.9 million) respectively. The decrease in non-current assets was mainly attributable to reclassify the non-current assets to assets held for sales.

As at 31 December 2016, the Group's current liabilities and non-current liabilities were approximately RMB295.8 million (31 December 2015: RMB293.6 million) and approximately RMB15.7 million (31 December 2015: RMB17.9 million) respectively. The decrease in current liabilities was mainly attributable to the decrease of bills payable which was well managed and monitored to ensure a sufficient credit facilities of the Group.

## Foreign Exchange Risk

Several subsidiaries of the Company have sales and purchases denominated in currencies other than the functional currency of respective entity, which expose the Group to foreign currency risk.

The Group currently does not have a foreign currency hedging policy to eliminate the currency exposures. However, the management monitors the related foreign currency exposure closely and will consider hedging significant foreign currency exposures should the need arise.

### Charge on Assets

As at 31 December 2016, the Group did not pledge any of its land and buildings (31 December 2015: RMB20.1 million). The Group pledged certain of its trade receivables and inventories with an aggregate carrying value of approximately RMB78.5 million (31 December 2015: RMB51.4 million), and also bank deposits of aggregate carrying value of RMB27.7 million (31 December 2015: RMB20.4 million) to secure bank credit facilities granted to the Group.

### Capital Commitments

As at 31 December 2016, the Group had capital expenditure contracted for but not provided in the financial statements in respect of the acquisition of property, plant and equipment of RMB1.8 million (31 December 2015: RMB4.6 million).

### Contingent Liabilities

During the year ended 31 December 2016, certain subsidiaries are parties to various legal claims in their ordinary course of business. In the opinion of the Directors, these claims would not have a significant impact on the Group's results and financial position.

### Capital Structure

As at 31 December 2016, the issued share capital of the Company was RMB171,808,087 (equivalent to HK$193,831,969) (31 December 2015: RMB171,896,724 (equivalent to HK$193,931,969)), divided into 1,938,319,694 ordinary shares of HK$0.10 each.

## MATERIAL ACQUISITION, DISPOSAL AND SIGNIFICANT INVESTMENT

On 29 August 2016, the Company and Vast Stone Limited entered into a sales and purchase agreement (the "Agreement"), pursuant to which the Company (or its designated nominee) has conditionally agreed to acquire and Vast Stone Limited has conditionally agreed to sell the entire issued share capital of Buttonwood Finance Limited at the consideration of HK$179,000,000. The total consideration shall be settled by the Company by allotting and issuing an aggregate of 177,227,723 new ordinary Shares at the issue price of HK$1.01 per ordinary Share to Vast Stone Limited upon the completion.

Buttonwood Finance Limited is a company incorporated in Hong Kong with limited liability and is principally engaged in provision of asset management services, investment advisory services and securities trading. As at 31 December 2016, Buttonwood Finance Limited is authorised to be a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and is licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities.

All the conditions precedent to the Agreement have been fulfilled and the completion of the acquisition took place on 20 January 2017 in accordance with the terms and conditions of the Agreement. An aggregate of 177,227,723 new ordinary Shares have been allotted and issued to Vast Stone Limited at the issue price of HK$1.01 per ordinary Share pursuant to the Agreement.

Following the completion, Buttonwood Finance Limited became a wholly-owned subsidiary of the Company. The acquisition constitutes a disclosable transaction for the Company under Chapter 14 of the Listing Rules. For further details, please refer to the announcements of the Company dated 29 August 2016 and 20 January 2017.

Save as disclosed above, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year, nor was there any plan authorized by the Board for other material investments or additions of capital assets at the date of this report.

### Final Dividend

The Board resolved not to declare any dividend for the year ended 31 December 2016 (year ended 31 December 2015: nil).

## BUSINESS REVIEW

### Overview

During the year, the Group seized the opportunity to explore the overseas market without slack, vigorously developed sales channels in the PRC market, increased the gross margins, improved the management level, and revitalized idle assets, which lead to the improvement in operating performance.

During the year, the revenue of American Lighting Inc., an indirect wholly owned subsidiary of the Company, based in Denver, USA has outperformed the expectation. The primary fuels are its opportunity to drive strong revenue growth in large national retailers, its step-up presence in e-commerce, and that American Lighting Inc. has started harvesting success in newly developed products. Management believes the momentum will continue in the foreseeable future.

During the year, the Group focused on better after-sales services and improving customer satisfaction. In addition, to prevent controversial disputes and litigation, the Group strengthened its quality control over production and enhanced the effectiveness in management.

### Sales and Distribution

During the year, the Group took efforts in distribution and marketing, improving and expanding the sales channel of general LED lighting products. The Group proactively made deployment in branding establishment and sales channel in the world's fastest growing markets and brought to its customers better sales services in energy-saving technologies and solutions.

### Research and Development ("R&D")

The Group's R&D efforts were driven towards product design, new product development and production efficiency improvement in order to reduce the overall production cost.

## Employees and Remuneration Policy

As at 31 December 2016, the Group's total number of employees was approximately 1,500 (31 December 2015: 2,800). The basic remunerations of the employees are determined with reference to the industry remuneration benchmark, the employees' experience and their performance. Salaries of employees are maintained at a competitive level and are reviewed annually, with close reference to the relevant labour market and economic situation. Directors' remuneration is determined based on a variety of factors such as market conditions and responsibilities assumed by each Director. Apart from the basic remuneration and statutory benefits required by laws, the Group provides discretionary bonus based upon the Group's results and the individual performance of the staff.

## Prospects

The Company is committed to a sustainable social development of low-carbon economy, and providing the human comfort, safety, energy-saving light environment with more than 30 years of LED lighting industry expertise and experience. The acquisition of the Buttonwood Finance Limited is consistent with the development strategy of the Company to diversify the business and it will enable the Group to expand its business into the financial services industry.

# DIRECTORS' REPORT

The Directors are pleased to present their annual report and the audited financial statements for the year ended 31 December 2016.

## PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Company's principal subsidiaries are set out in note 36 to the consolidated financial statements.

## BUSINESS REVIEW

A business review of the Group for the year ended 31 December 2016 has been set out in the section headed "Management Discussion and Analysis" of this annual report.

## FUTURE DEVELOPMENT

An indication of the future development in the Group's business is shown on has been set out in the sections headed "Management Discussion and Analysis" and "Chairman's Statement" of this annual report.

## SUBSIDIARIES

Details of the principal subsidiaries of the Group as of 31 December 2016 are set out in note 36 to the consolidated financial statements.

## RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2016 are set out in the "Consolidated Statement of Comprehensive Income" on page 59 of this annual report. The Board resolved not to declare any dividend for the year ended 31 December 2016 (31 December 2015: nil).

## ANNUAL GENERAL MEETING

The AGM of the Company will be held in Hong Kong on 20 June 2017. Notice of the AGM will be issued and disseminated to shareholders of the Company in due course.

## CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM of the Company to be held on Tuesday, 20 June 2017, the register of members of the Company will be closed from Wednesday, 14 June 2017 to Tuesday, 20 June 2017, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrars in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 13 June 2017. The record date for the entitlement to attend the annual general meeting will be on Tuesday, 20 June 2017.

## PROPERTY, PLANT AND EQUIPMENT

Movements during the year in the Group's property, plant and equipment are set out in note 14 to the consolidated financial statements. Movements during the year in the Group's investment properties are set out in note 13 to the consolidated financial statements.

## SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 28 to the consolidated financial statements.

## RESERVES

Details of movements in reserves of the Group are set out in consolidated statement of changes in equity of the financial statement. At 31 December 2016, the aggregate amount of reserves available for distribution to equity shareholders of the company was RMB725,871,000.

## PRE-EMPTIVE RIGHTS

There are no pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

# DIRECTORS

The Directors of the Company up to the date of this report are:

### Executive Director

Mr. Seah Han Leong

### Non-executive Directors

Mr. Huang Yu *(Chairman)*
Mr. Wang Liang Hai
Mr. Liu Wei Dong

### Independent Non-executive Directors

Mr. Fan Ren Da, Anthony
Mr. Liu Tian Min
Ms. Li Ming Qi

# DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

The updated information of the Director and senior management is set out on page 6 to page 8 of this report.

# DIRECTORS' INTERESTS IN CONTRACTS

There was no contract of significance in relation to the Group's business to which the Company or any of subsidiaries and fellow subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the year ended review.

# DIRECTORS' RIGHTS TO ACQUIRE SHARES

At no time during the year ended review was the Company or any of its subsidiaries a party to any arrangement whose objectives are to enable a Director of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than under the 2006 Share Option Scheme and the 2016 Share Option Scheme and the Subsidiary Share Incentive Plan, as disclosed below.

# DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors is or was interested in any business, apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time for the year ended 31 December 2016 and up to the date hereof.

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

As at 31 December 2016, the interests or short positions of the Directors and the chief executives in the Shares, underlying Shares and debentures of the Company and its associated corporations of the Company, within the meaning of Part XV of the SFO which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, will be as follows:

## Long positions in the Shares and underlying Shares of the Company:

| Name | Capacity | Number of Ordinary Shares as at 31 December 2016 | Percentage of total issued share capital as at 31 December 2016 |
|---|---|---|---|
| Mr. Seah Han Leong[1] | Beneficial owner | 1,500,000 | 0.08% |
| Mr. Wang Liang Hai[2] | Beneficial owner | 1,500,000 | 0.08% |
| Mr. Liu Wei Dong[3] | Beneficial owner | 1,000,000 | 0.05% |
| Mr. Fan, Ren Da Anthony[4] | Beneficial owner | 600,000 | 0.03% |
| Mr. Liu Tian Min[5] | Beneficial owner | 600,000 | 0.03% |
| Ms. Li Ming Qi[6] | Beneficial owner | 600,000 | 0.03% |

Notes:

(1) Mr. Seah Han Leong is deemed to be interested in 1,500,000 Shares which may be issued to him upon the exercise of the share options granted to him on 15 May 2015 under the 2006 Share Option Scheme.

(2) Mr. Wang Liang Hai is deemed to be interested in 1,500,000 Shares which may be issued to him upon the exercise of the share options granted to him on 15 May 2015 under the 2006 Share Option Scheme.

(3) Mr. Liu Wei Dong is deemed to be interested in 1,000,000 Shares which may be issued to him upon the exercise of the share options granted to him on 15 May 2015 under the 2006 Share Option Scheme.

(4) Mr. Fan, Ren Da Anthony is deemed to be interested in 600,000 Shares which may be issued to him upon the exercise of the share options granted to him on 15 May 2015 under the 2006 Share Option Scheme.

(5) Mr. Liu Tian Min is deemed to be interested in 600,000 Shares which may be issued to her upon the exercise of the share options granted to him on 15 May 2015 under the 2006 Share Option Scheme.

(6) Ms. Li Ming Qi is deemed to be interested in 600,000 Shares which may be issued to her upon the exercise of the share options granted to her on 15 May 2015 under the 2006 Share Option Scheme.

**Long Positions in the Shares and underlying Shares of the associated corporation:**

American Lighting

| Name | Capacity | Number of Ordinary Shares as at 31 December 2016 | Percentage of total issued share capital as at 31 December 2016 |
|---|---|---|---|
| Mr. Seah Han Leong[(1)] | Beneficial owner | 363 | 0.99% |

Note:

(1) Mr. Seah Han Leong is deemed to be interested in 363 common stocks of American Lighting which may be issued to him upon the exercise of the share options granted to him under the Subsidiary Share Incentive Plan on 30 June 2015.

Save as mentioned above, as at 31 December 2016, none of the Directors and the chief executives had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations which had been entered 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.

At no time was the Company, its holding company, or any of its subsidiaries a party to any arrangements to enable the Directors and the chief executive of the Company (including their spouse and children under 18 years of age) to hold any interest or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2016, so far as the Directors are aware, the following persons (other than the Directors and the executive officers) have interests or short positions in the Shares or underlying Shares which are required to be disclosed to the provisions of Divisions 2 and 3 of Part XV of the SFO or, are directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

| Name | Capacity | Number of Ordinary Shares as at 31 December 2016 | Percentage of total issued share capital as at 31 December 2016 |
|---|---|---|---|
| THTF ES[(1)] | Beneficial owner | 1,348,360,690 | 69.52% |
| Resuccess[(1)(2)] | Interest of controlled corporation, beneficial owner | 1,351,298,690 | 69.68% |
| Tsinghua Tongfang[(1)(2)] | Interest of controlled corporation | 1,351,298,690 | 69.68% |

Notes:

(1) Resuccess Investments Limited ("Resuccess") holds the entire issued share capital of THTF ES and Tsinghua Tongfang holds the entire issued share capital of Resuccess, therefore, each of Resuccess and Tsinghua Tongfang is deemed to be interested in all 1,348,360,690 Shares held by THTF ES.

(2) Resuccess directly holds 2,938,000 Shares in the Company. Tsinghua Tongfang holds the entire issued share capital of Resuccess, therefore, Tsinghua Tongfang is deemed to be interested in all Shares held by Resuccess.

Save as mentioned above, as at 31 December 2016, the Company had not been notified of any interests and short positions in the Shares and underlying Shares of the Company which had been entered in the register required to be kept under Section 336 of the SFO.

# RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken by the Group for the year ended 31 December 2016 are set out in note 33 to the financial statements.

## One-off Connected Transactions

### Equity Transfer Agreements

On 31 October 2016, Billion Choice Trading Limited ("Billion Choice"), which is wholly owned by the Company, entered into an equity transfer agreement (the "Yangzhou Tongfang Equity Transfer Agreement") with Yangzhou Tongfang Semiconductor Co., Ltd.* (揚州同方半導體有限公司) ("Yangzhou Tongfang") and Tongfang Science and Technology Park Co., Ltd.* (同方科技園有限公司) ("Tongfang Technology Park"), pursuant to which Billion Choice agreed to transfer all its 100% equity transfer in Yangzhou Tongfang to Tongfang Technology Park. The consideration of the Yangzhou Tongfang Equity Transfer Agreement is RMB232,589,900, with reference to the valuation of Yangzhou Tongfang as of 31 May 2016.

On 31 October 2016, Neo-Neon China Limited ("Neo-Neon China"), which is wholly owned by the Company, entered into an equity transfer agreement (the "Shanghai Cuineng Equity Transfer Agreement") with Shanghai Cuineng Photoelectricity Science and Technology Co., Ltd.* (上海翠能光電科技有限公司) ("Shanghai Cuineng") and Tongfang Technology Park, pursuant to which Neo-Neon China agreed to transfer all its 100% equity transfer in Shanghai Cuineng to Tongfang Technology Park. The consideration of the Shanghai Cuineng Equity Transfer Agreement is RMB15,723,400, with reference to the valuation of Shanghai Cuineng as of 31 May 2016.

On 31 October 2016, Billion Choice entered into an equity transfer agreement (the "Tianjin Zhenmingli Equity Transfer Agreement", together with the Yangzhou Tongfang Equity Transfer Agreement and the Shanghai Cuineng Equity Transfer Agreement, the "Equity Transfer Agreements") with Tianjin Zhenmingli Photoelectricity Co., Ltd.* (天津真明麗光電有限公司) ("Tianjin Zhenmingli") and Tongfang Technology Park, pursuant to which Billion Choice agreed to transfer all its 100% equity transfer in Tianjin Zhenmingli to Tongfang Technology Park. The consideration of the Tianjin Zhenmingli Equity Transfer Agreement is RMB3,354,900, with reference to the valuation of Tianjin Zhenmingli as of 31 May 2016.

As at the date of the Equity Transfer Agreements and 31 December 2016, Tsinghua Tongfang is a controlling shareholder of the Company by virtue of its indirect 100% interest in THTF ES and its direct 100% interest in Resuccess, which in turn hold 69.68% of the total issued share capital of the Company. Therefore, Tsinghua Tongfang is a connected person of the Company and its wholly owned subsidiary, Tongfang Technology Park is also a connected person of the Company. Accordingly, the transaction under the Equity Transfer Agreement constitutes a connected transaction.

Since (1) the Equity Transfer Agreements were entered into on the same date, (2) the Equity Transfer Agreements were entered into by subsidiaries of the Company, as the sellers, and the same subsidiary of Tsinghua Tongfang, as the buyer, and (3) all of the Equity Transfer Agreements served the same purpose of streamlining the assets of the Group, the transactions under the Equity Transfer Agreements shall be aggregated pursuant to Rule 14.22 or Rule 14A.81 of the Listing Rules.

As one or more of the applicable percentage ratios as calculated in accordance with Chapter 14 of the Listing Rules in respect of the Equity Transfer Agreements, on an aggregate basis, are expected to exceed 5% but less than 25% and the total consideration under the Equity Transfer Agreements exceeds HK$10,000,000, the disposal of three subsidiaries contemplated under the Equity Transfer Agreements would constitute a discloseable transaction under Chapter 14 of the Listing Rules and a connected transaction subject to the reporting, announcement, and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Each of Yangzhou Tongfang, Shanghai Cuineng and Tianjin Zhenmingli holds certain idle assets. While Yangzhou Tongfang is mainly engaged in the manufacturing of epitaxial wafers, the majority of the sales of Yangzhou Tongfang are attributable to Tsinghua Tongfang or its subsidiaries. The Company would not continue with the manufacturing of the epitaxial wafers after the completion of the disposal of Yangzhou Tongfang. The Board considers that the disposal of these entities would not affect the production of the Group considering their financial status and their contribution to the Group, and can streamline its manufacturing resources, realise cash and unlock investment value of the assets at fair market value. Therefore, the Directors (including the independent non-executive Directors) are of the view that the Equity Transfer Agreement has been entered into on normal commercial terms and the terms thereof are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Equity Transfer Agreements were completed on February 2017.

Further details of the Equity Transfer Agreements are set out the announcement of the Company dated 31 October 2016 and the circular of the Company dated 28 November 2016.

## Continuing Connected Transactions

### Master Sales Agreement

On 13 February 2015, the Company entered into the master sales agreement (the "Master Sales Agreement") with Tsinghua Tongfang, pursuant to which the Company or its subsidiaries agreed to sell certain products to Tsinghua Tongfang, or its subsidiaries for a period commencing from 13 February 2015 to 31 December 2017.

Pursuant to the Master Sales Agreement, the Company agreed to supply and procure its subsidiaries to supply to the Tsinghua Tongfang Group epitaxial wafers, LED decorative lights, LED general lighting products, professional LED lighting products and lighting projects.

The price of the sales of products by the Company to Tsinghua Tongfang shall be generally determined based on arm's length negotiation, with reference to (1) the average selling price of the products of comparable nature and scale and accepted by an Independent Third Party in the twelve-month period prior to the relevant transaction, (2) where there is no such average selling price available, any most recent available sale price of products of comparable nature and scale offered by the Group and accepted by an Independent Third Party, the latest available market data, and (3) the prevailing market price for the sale of products of comparable nature and scale, which should be in any event no less favorable to the Group than is available to Independent Third Parties.

In particular, the prices of each type of the products under the Master Sales Agreement are set forth as below:

| Type of Products | Price |
|---|---|
| Epitaxial wafers | Considering that epitaxial wafers are semi-finished products and there might not be sufficient selling prices available for reference, the Group will usually refer to any most recent available sale price of products of comparable nature and scale offered by the Group and accepted by an Independent Third Party and the latest available market data |
| Finished products including LED decorative lights, LED general lighting products, professional LED lighting products, lighting projects | The average selling price of the products of comparable nature and scale and accepted by an Independent Third Party in the twelve-month period prior to the relevant transaction |

It was proposed that the annual caps under the Master Sales Agreement for each of the three financial years ending 31 December 2017 would be RMB148,467,500, RMB185,403,000, and RMB220,421,000.

For the year ended 31 December 2016, the aggregate transactions under the sales by the Group to Tsinghua Tongfang was approximately RMB8,443,000, which was within the cap of approximately RMB185,403,000 under the Master Sales Agreement.

As at 31 December 2016, Tsinghua Tongfang is a controlling shareholder of the Company by virtue of its indirect 100% interest in THTF ES and its direct 100% interest in Resuccess, which in turn hold 69.68% of the total issued share capital of the Company. Therefore, Tsinghua Tongfang is a connected person of the Company and the transactions under the Master Sales Agreement constitute continuing connected transactions.

As each of the applicable percentage ratios (other than the profits ratio) as calculated in accordance with Chapter 14 of the Listing Rules for the proposed cap amount in respect of the Master Sales Agreement, on an annual basis, exceeds 5%, and the annual cap for each of the three years ending 31 December 2017 is more than HK$10 million, therefore, the transactions contemplated under the Master Sales Agreement are subject to the reporting, announcement requirements and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors consider that Tsinghua Tongfang is a leader in the semiconductor and lighting markets in the PRC, with its shares listed on Shanghai Stock Exchange. The sales to Tsinghua Tongfang Group is expected to make positive contribution to the Group's operating revenue. Therefore, the Directors (including the independent non-executive Directors whose views will be set out in the circular to be sent to the Shareholders) are of the view that the Master Sales Agreement has been entered into in ordinary and usual course of business on normal commercial terms and the terms thereof are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Further details of the Master Sales Agreement are set out in the circular of the Company dated 4 March 2015.

The independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that the transactions have been entered into:

(i) in the ordinary and usual course of the business of the Company;

(ii) either (a) on normal commercial terms or; (b) where there is no available comparable terms, on terms no less favorable to the Company than terms available to or from Independent Third Parties; and

(iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Board has engaged the auditors of the Company to report on the aforesaid continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. KPMG have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group.

The auditors of the Company have reported to the Directors that during the year:

(i) the above continuing connected transactions have been approved by the board of Directors;

(ii) the above continuing connected transactions are in accordance with the pricing policies of the Company;

(iii) the above continuing connected transactions have been entered into in accordance with the terms of the agreements governing such transactions; and

(iv) the respective cap amounts set out in the relevant agreements referred to above have not been exceeded.

Save as disclosed above, no non-exempt connected transactions or continuing connected transactions subsisted or have been entered into by the Group for the year ended 31 December 2016.

## EQUITY-LINKED AGREEMENTS

On 29 August 2016, the Company and Vast Stone Limited entered into a sales and purchase agreement (the "Agreement"), pursuant to which the Company (or its designated nominee) has conditionally agreed to acquire and Vast Stone Limited has conditionally agreed to sell the entire issued share capital of Buttonwood Finance Limited at the consideration of HK$179,000,000. The total consideration shall be settled by the Company by allotting and issuing an aggregate of 177,227,723 new ordinary Shares at the issue price of HK$1.01 per ordinary Share to Vast Stone Limited upon the completion.

Buttonwood Finance Limited is a company incorporated in Hong Kong with limited liability and is principally engaged in provision of asset management services, investment advisory services and securities trading. As at 31 December 2016, Buttonwood Finance Limited is authorised to be a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and is licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities.

All the conditions precedent to the Agreement have been fulfilled and the completion of the acquisition took place on 20 January 2017 in accordance with the terms and conditions of the Agreement. An aggregate of 177,227,723 new ordinary Shares have been allotted and issued to Vast Stone Limited on 20 January 2017 at the issue price of HK$1.01 per ordinary Share pursuant to the Agreement.

Following the completion on 20 January 2017, Buttonwood Finance Limited became a wholly-owned subsidiary of the Company. The acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. For further details, please refer to the announcements of the Company dated 29 August 2016 and 20 January 2017.

Save as disclosed herein and in the sections headed "Share Option Scheme", as at the end of and during the year ended 31 December 2016, the Company did not enter into (i) any agreement that will or may result in the Company issuing Shares; or (ii) any agreement requiring the Company to enter into any agreement specified in (i).

## SHARE OPTION SCHEME

### The 2006 Share Option Scheme

The 2006 Share Option Scheme was adopted by the Company pursuant to the Shareholders' resolutions passed on 20 November 2006 for the primary purpose of providing incentives to Directors and eligible employees. The 2006 Share Option Scheme became effective on 15 December 2006 and the options issued pursuant to the 2006 Share Option Scheme will expire no later than 10 years from the date of grant of the option. Under the 2006 Share Option Scheme, the Board may grant options to any employees of the Company or any of its subsidiaries to subscribe shares of the Company.

For any options granted to Directors, chief executives or substantial shareholders of the Company, options to be granted shall be approved by the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the proposed grantee of options).

Upon the adoption of the 2016 Share Option Scheme on 13 May 2016, the 2006 Share Option Scheme be terminated and no further share options can be granted under the 2006 Share Option Scheme.

As at the date of this annual report, a total of 33,000,000 Shares (representing 1.6% of the issued share capital of the Company as at the date of this annual report) may be issued upon exercise of all options which had been granted and yet to be exercised under the 2006 Share Option Scheme.

The number of shares issued and to be issued in respect of options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the total shares of the Company in issue at any point in time, without prior approval from the Company's Shareholders.

The amount payable on acceptance of an option is HK$1.00. In relation to any options granted under the Scheme, the exercise price is determined by the Directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

Details of the share options under the 2006 Share Option Scheme during the year ended 31 December 2016 are set forth as below.

| Category of participants | Date of grant[1] | Exercise price per share (HK$) | Outstanding at 1 January 2016 | Granted during the year | Exercise during the year | Forfeited/ Lapsed during the year | Outstanding at 31 December 2016 |
|---|---|---|---|---|---|---|---|
| **Directors** | | | | | | | |
| Mr. Seah Han Leong | 15 May 2015 | 1.31 | 1,500,000 | – | – | – | 1,500,000 |
| Mr. Wang Liang Hai | 15 May 2015 | 1.31 | 1,500,000 | – | – | – | 1,500,000 |
| Mr. Liu Wei Dong | 15 May 2015 | 1.31 | 1,000,000 | – | – | – | 1,000,000 |
| Mr. Fan, Ren Da Anthony | 15 May 2015 | 1.31 | 600,000 | – | – | – | 600,000 |
| Mr. Liu Tian Min | 15 May 2015 | 1.31 | 600,000 | – | – | – | 600,000 |
| Mr. Pan Jin[2] | 15 May 2015 | 1.31 | 1,500,000 | – | – | – | 1,500,000 |
| Mr. Ben Fan[3] | 15 May 2015 | 1.31 | 1,500,000 | – | – | (1,500,000) | – |
| Ms. Li Ming Qi | 15 May 2015 | 1.31 | 600,000 | – | – | – | 600,000 |
| **Employees** | 15 May 2015 | 1.31 | 24,200,000 | – | – | (7,900,000) | 16,300,000 |

Notes:

(1) Share options granted under the 2006 Share Option Scheme on 15 May 2015 vest in the relevant grantee in accordance with the timetable below with a 5-year exercise period. The closing price per Share on 14 May 2015 was HK$1.33, being the business day immediately prior to the date of grant.

| Vesting date | Percentage of options to vest | Vesting condition |
|---|---|---|
| 1 July 2016 | 50% of the total number of share options granted | The vesting of the share options shall be conditional upon the Company meeting its performance targets for the year of 2015 |
| 1 July 2017 | 50% of the total number of share options granted | The vesting of the share options shall be conditional upon the Company meeting its performance targets for the year of 2016 |

(2) Mr. Pan Jin ceased to be an executive Director on 15 July 2016.

(3) Mr. Ben Fan ceased to be an executive Director on 20 January 2016.

Save as disclosed above, no share option was granted, exercised, lapsed, or cancelled during the year ended 31 December 2016.

## The 2016 Share Option Scheme

The Company has adopted the 2016 Share Option Scheme since on 13 May 2016 for the primary purpose of to motivate eligible persons (as defined in the 2016 Share Option Scheme) to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of Executive (as defined in the 2016 Share Option Scheme), to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

Eligible persons include any of the following persons: (a) an Executive, any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of the Group or of an Eligible Entity (as defined in the 2016 Share Option Scheme); (b) a director or proposed director (including an independent non-executive director) of any member of the Group or of an Eligible Entity; (c) a direct or indirect shareholder of any member of the Group; (d) a supplier of goods or services to any member of the Group or of an Eligible Entity; (e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group or of an Eligible Entity; (f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group or of an Eligible Entity; and (g) an associate of any of the foregoing persons.

The maximum number of shares which may be issued upon the exercise of all the options to be granted under the 2016 Share Option Scheme was 193,931,969, representing approximately 10% of the total number of Shares in issue as at the date of the adoption and representing 9.17% of the issued share capital of the Company as at the date of this annual report.

No option may be granted to any participant of the 2016 Share Option Scheme such that the total number of shares issued and to be issued upon exercise of the options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the Company's issued share capital from time to time.

An option may be exercised in accordance with the terms of the 2016 Share Option Scheme at any time during a period as determined by the Board and not exceeding 10 years from the date of the grant. There is no minimum period for which an option must be held before it can be exercised. Participants of the 2016 Share Option Scheme are required to pay the Company HK$1.0 upon acceptance of the grant on or before the 28 days after the offer date. The exercise price of the options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

(a) the nominal value of a share;

(b) the closing price of a share as stated in the Stock Exchange's daily quotations sheets on the offer date; and

(c) the average closing price of a share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date.

The 2016 Share Option Scheme shall be valid and effective for a period of 10 years from the adoption date, after which no further options will be granted or offered.

As at the date of this annual report, a total of 193,931,969 Shares (representing 9.17% of the issued share capital of the Company as at the date of this annual report) may be issued upon exercise of all options which may be granted under the 2016 Share Option Scheme.

Since the adoption of the 2016 Share Option Scheme, no share options have been granted.

## Subsidiary Share Incentive Plan

On 2 April 2015, the Company adopted the Subsidiary Share Incentive Plan by Shareholders' approval in order to advance the interests of current and future stockholders of American Lighting, by enhancing American Lighting's ability to attract, retain and motivate persons who make (or are expected to make) important contributions to American Lighting by providing such persons with equity ownership opportunities and thereby better aligning the interests of such persons with those of the Company's stockholders. The Subsidiary Share Incentive Plan is valid for ten years after its adoption. The eligible persons include the employees, consultants, and directors of American Lighting or any parent or subsidiary of American Lighting.

Subject to adjustment under the Subsidiary Share Incentive Plan, awards may be made under the Subsidiary Share Incentive Plan covering up to 3,632 shares of common stock (all of which may, but need not, be granted as incentive stock options, subject to any limitations under the Internal Revenue Code of 1986), which is equal to 10% of the issued and outstanding shares of Common Stock on the date when the Subsidiary Share Incentive Plan is adopted and approved by the Shareholders and as at the date of this annual report. If any award expires or lapses or is terminated, surrendered or cancelled without having been fully exercised or is forfeited in whole or in part (including as the result of shares of common stock subject to such award being repurchased by the Company at or below the original issuance price), in any case in a manner that results in any shares of common stock covered by such award not being issued or being so reacquired by the Company, the unused Common Stock covered by such award shall again be available for the grant of awards under the Subsidiary Share Incentive Plan.

The total number of shares of common stock issued and to be issued upon the exercise of options granted and to be granted to each Service Provider (as defined in the Subsidiary Share Incentive Plan) (including both exercised and outstanding options) in any period of twelve (12) consecutive months up to and including the date of grant shall not exceed 1% of shares of common stock in issue as at the date of grant. The Company may grant further options in excess of such limit set out in subject to approval by the Shareholders in general meeting in accordance with the Listing Rules, at which the Service Provider involved and its close associates (or the Service Provider's associates if the Service Provider is a connected person) shall be required to abstain from voting.

The Administrator (as defined in the Subsidiary Share Incentive Plan) shall establish the exercise price of each Option and specify the exercise price in the applicable award agreement. The exercise price shall be not less than 100% of the Option Exercise Price, which means, as of any date, the price per share of common stock payable on the exercise of the option and determined as follows: (i) if the common stock is listed on any established stock exchange (including but not limited to) a National Securities Exchange (within the meaning of the Exchange Act); the Option Exercise Price shall be the greater of (A) the closing sales price for such common stock as quoted on such exchange on the date of grant of the option, or if no sale occurred on such date, the first market trading day immediately prior to such date during which a sale occurred; and (B) the average closing sales price for such common stock as quoted on such exchange for the five business days preceding the date of grant of option, or if no sale occurred on such date, the first market trading day immediately prior to such date during which a sale occurred, as the prices contemplated by the preceding clauses (A) and (B) are reported in The Wall Street Journal or such other source as the board of American Lighting deems reliable; (ii) if the common stock is not listed on a stock exchange but is quoted on a national market system or other quotation system, the Option Exercise Price shall be the last sales price for such common stock on the date of grant of the option, or if no sales occurred on such date, then on the date immediately prior to such date on which sales prices are reported, as reported in The Wall Street Journal or such other source as the board of American Lighting deems reliable; or (iii) in the absence of an established market for the common stock, the Option Exercise Price shall be determined by the board of American Lighting in its sole discretion.

## DIRECTORS' REPORT

Notwithstanding anything to the contrary herein, in the event that an award of options is made (a) on or after the date that American Lighting has resolved to seek the listing, or (b) during the six month period immediately preceding the date on which American Lighting files an application for Listing, and the Listing occurs concurrent with the offer and sale of the common stock, then the Option Exercise Price shall be the higher of (a) the offering price for the shares of common stock to be issued in connection with the listing, and (b) the exercise price in the applicable award agreement.

Details of the share options under the Subsidiary Share Incentive Plan during the Period are set forth as below:

| Category of participants | Date of grant[1] | Exercise price per share (US$) | Outstanding at 1 January 2016 | Granted during the year | Exercise during the year | Forfeited/ Lapsed during the year | Outstanding at 31 December 2016 |
|---|---|---|---|---|---|---|---|
| **Directors** | | | | | | | |
| Mr. Seah Han Leong | 30 June 2015 | 330 | 363 | – | – | – | **363** |
| Mr. Pan Jin[2] | 30 June 2015 | 330 | 363 | – | – | – | **363** |
| **Employees** | 30 June 2015 | 330 | 2,143 | – | – | (275) | **1,868** |

Notes:

(1) The Stock Options granted have an exercisable term of 10 years and vest as follows: (i) thirty percent (30%) of the total number of shares subject to the Stock Options vest and become exercisable on the first (1st) anniversary of 30 June 2015 (the "Vesting Commencement Date"); (ii) an additional thirty percent (30%) of the total number of shares subject to the Stock Options vest and become exercisable on the second (2nd) anniversary of the Vesting Commencement Date; and (iii) the remaining unvested forty percent (40%) of the total number of shares subject to the Stock Options vest (and, as a result, the Stock Options become fully vested) on the third (3rd) anniversary of the Vesting Commencement Date; provided in each case that the Grantee continues to provide services to the Company, American Lighting or Tivoli, LLC ("Tivoli"), as the case may be, as of each such vesting date and that the board of directors of American Lighting has determined in its sole discretion that performance criteria, if any, that has been specified by the board of directors and agreed to by the Grantee, has been satisfied.

(2) Mr. Pan Jin ceased to be a director of American Lighting on 31 May 2016 and an executive Director of the Company on 15 July 2016.

Save as disclosed above, no share option under the Subsidiary Share Incentive Plan was granted, exercised, lapsed, or cancelled during the year.

Further details of the Subsidiary Share Incentive Plan are set out in note 29 to the financial statements.

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

During the year ended 31 December 2016, the Company repurchased its own shares on the Stock Exchange, details of which are as follows:

| Date | Number of shares repurchased | Highest price paid per share | Lowest price paid per share | Aggregate consideration paid |
|---|---|---|---|---|
| 15 September 2016 | 1,000,000 | HK$1.10 | HK$1.04 | HK$1,068,660 |

The repurchased shares were cancelled in February 2017.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2016.

## MANAGEMENT CONTRACTS

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

## CONTRACTS WITH CONTROLLING SHAREHOLDERS

No contract of significance has been entered into between the Company or any of its subsidiaries and the controlling shareholders during the year ended 31 December 2016.

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS, CONTRACTS OF SIGNIFICANCE

No transaction, arrangement or contract of significance in relation to the Group's business to which the Company, or any of its subsidiaries was a party, and in which a Director of the Company or an entity connected with a Director had a material interest in, whether directly or indirectly, subsisted at the end of the financial year under review or at any time during the financial year save as disclosed under the sub-section headed "Connected Transaction" below and "Related Party Transactions" in note 33 to the financial statements.

## USE OF PROCEEDS

The Company did not undertake any equity fund raising in the past 12 months immediately prior to the date of this report.

## MAJOR SUPPLIERS AND CUSTOMERS

During the year ended 31 December 2016, the largest supplier accounted for 1.3% of the Group's purchases and the five largest suppliers accounted for 5.0% of the Group's total purchases. The largest customer accounted for 2.8% of the Group's total revenue and the five largest customers accounted for 8.6% of the Group's total revenue.

None of the Directors, their associates or any shareholders (which to the knowledge of the Directors owns more than 5% of the Company's share capital) has an interest in the Group's five largest suppliers and customers.

## CORPORATE GOVERNANCE

Details of corporate governance are set out in the section headed "Corporate Governance Report" on pages 33 to 44 of the annual report.

## COMPENSATION POLICY

The compensation package for each employee is structured in a way to attract and retain the best talents available, and will contain a combination or modification of some or all of the following four main components:

### I. Basic salary

Basic salary and wage rate ranges are established for each position by evaluating the responsibilities and the duties required to be performed. The actual salary or wage rate for the person filling the position is determined based on the experience and ability of the individual selected for the position.

The basic salary and wage rate ranges are reviewed periodically with reference to the prevailing market level and similar positions of competitors in the relevant industry. The actual salaries and wage rates of employees are reviewed annually and may be adjusted from time to time based on the cost of living and financial performance of the Company.

Salaries and wages are basic compensation and not intended to reward performance, either individually or corporately. Performance is rewarded through the other components of the compensation plan.

### II. Incentive bonus

Incentive bonus is linked to individual and corporate performance. Every year, profitability and other corporate performance targets are set and incentive bonuses will only be paid for that year if the targets are achieved.

The incentive bonus for each employee is determined with reference to his/her position and his/her individual performance during the year.

### III. 2016 Share Option Scheme and Subsidiary Share Option Scheme

The Company adopted the 2016 Share Option Scheme and the Subsidiary Share Incentive Plan on 13 May 2016 and 2 April 2016, respectively. For further details, please refer to the paragraphs headed "Share Option Scheme" and "Subsidiary Share Incentive Plan" hereof.

### IV. Other benefits

In addition to the above three main components, the Group offers other customary and/or mandatory benefits to employees, such as retirement fund scheme, medical benefits, insurance and paid holiday, with reference to prevailing industry practices in the relevant jurisdictions.

## AUDITORS

KPMG will retire and, being eligible, offer themselves for reappointment. A resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

## SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained the prescribed public float of not less than 25% of the Company's issued Shares as required under the Listing Rules for the year ended 31 December 2016.

## BANK LOANS

Details of bank loans of the Company and the Group as at 31 December 2016 are set out in note 25 to the financial statements.

## PRINCIPAL RISKS AND UNCERTAINTIES

A number of factors may affect the results and business operations of the Group, some of which are inherent to LED lighting industry and some are from external sources. For further details, please refer to the section headed "Management, Discussion and Analysis".

## RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

For details of relationship with the employees, customers and suppliers, please refer to the paragraphs headed "compensation policy" and "major suppliers and customers" in this section.

## ENVIRONMENTAL POLICIES

The Group is specialized in providing energy saving and environmentally-friendly products. The Group strives to operate in compliance with the relevant environmental regulations and rules. During the year ended 31 December 2016 and up to the date of this report, the Group does not have any violation of relevant environmental regulations and rules which gives rise of significant impact to the Group's development, performance and businesses.

## COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries in the mainland China, while the Company itself is listed on the Stock Exchange. The Group's establishment and operations accordingly shall comply with relevant laws and regulations in the mainland China, including environment protection laws, standardization laws, product quality laws, product safety laws, regulations on administration of compulsive product certification and the laws in Hong Kong. During the year ended 31 December 2016 and up to the date of this report, the Group has complied with all the relevant laws and regulations in the mainland China and Hong Kong in all material aspects.

In addition, the Group retains outside counsels and would seek legal advice from them in case of any issues.

## PERMITTED INDEMNITY PROVISION

Article 167(1) of the Company's articles of association provides that the directors, secretary and other officers and every Auditor for the time being of the Company and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company and everyone of them, and everyone of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

On behalf of the Board

**Huang Yu**
*Chairman*
13 March 2017

## CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organisation which is open and accountable to the Shareholders.

Throughout the year ended 31 December 2016, the Company complied with the code provisions and, where appropriate, adopted the recommended best practices as set out in the Corporate Governance Code in Appendix 14 to the Listing Rules.

## BOARD OF DIRECTORS

The overall management of the Company's operation is vested in the Board.

The Board takes overall responsibility to oversee all major matters of the Group, including the formulation and approval of all policy matters, overall strategic development of the Group, monitoring and controlling the Group's operation and financial performance, internal control and risk management systems, and monitoring of the performance of the senior management. The Directors have to make decisions objectively in the interests of the Company.

The Board exercises a number of authorities which include:

- Formulating the Group's long-term strategy;
- Approving major acquisitions, disposals and capital investment;
- Reviewing operational and financial performance;
- Approving financial results and public announcements;
- Reviewing the effectiveness of internal control;
- Authorizing material borrowings;
- Deciding dividend policy;
- Any issue or repurchase of the Company's securities under general mandate;
- Approving appointment to the Board and senior management; and
- Deciding the Group's remuneration policy.

To assist in fulfilling its duties and responsibilities, the Board established four committees, namely the audit committee, the remuneration committee, the nomination committee and risk management and regulatory compliance committee (previously known as "regulatory compliance committee").

The day-to-day management, administration and operation of the Company are delegated to the chief executive officer and the senior management of the Company. The delegated functions and work tasks are periodically reviewed.

# CORPORATE GOVERNANCE REPORT

## Board Composition

The Board currently comprises seven Directors, consisting of one executive Director, Mr. Seah Han Leong, three non-executive Directors, Mr. Huang Yu (the Chairman of the Board), Mr. Wang Liang Hai and Mr. Liu Wei Dong and three independent non-executive Directors, Mr. Fan Ren Da Anthony, Mr. Liu Tian Min and Ms. Li Ming Qi. All Directors have given sufficient time and attention to the affairs of the Group. The executive Director is suitably qualified for his position, and has sufficient experience to hold the position so as to carry out his duties effectively and efficiently. Biographical information of the Directors are set out in the section headed "Directors and Senior Management" of this annual report.

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

The Company has complied with Rule 3.10(1) of the Listing Rules to appoint at least three independent non-executive Directors. The Company has appointed three independent non-executive Directors representing more than one-third of the Board and is in compliance with Rule 3.10A of the Listing Rules.

## Independent Non-Executive Directors

Independent non-executive Directors have played a significant role in the Board by bringing their independent judgment at the Board meeting and scrutinising the Group's performance. Their views carry significant weight in the Board's decision, in particular, they bring an impartial view to bear on issues of the Group's strategy, performance and control. All independent non-executive Directors possess extensive academic, professional and industry expertise and management experience and have provided their professional advices to the Board. The independent non-executive Directors provide independent advice on the Group's business strategy, results and management so that all interests of Shareholders can be taken into account, and the interests of the Company and its Shareholders can be protected.

The Board has three independent non-executive Directors with one of them, Ms. Li Ming Qi, one of the independent non-executive Directors, possesses appropriate professional accounting qualifications or financial management expertise in accordance with Rule 3.10(2) of the Listing Rules.

The Company has received annual confirmations of independence from each of the existing independent non-executive Directors in accordance with Rule 3.13 of the Listing Rules. Based on the contents of such confirmations, the Company considers that all the independent non-executive Directors are independent and that they have met the specific independence guidelines as set out in Rule 3.13 of the Listing Rules.

## Board Diversity Policy

Pursuant to the code provisions of the Corporate Governance Code relating to board diversity which has come into effect since 1 September 2013, the Board approved a new board diversity policy (the "Board Diversity Policy") on 1 April 2013. The Company recognises and embraces the benefits of diversity of Board members. While all Board appointments will continue to be made on a merit basis, the Company will ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company's business. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge.

## Model Code

The Company has also adopted the Model Code set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors of the Company, all Directors confirmed that they have complied with the required standard set out in the Model Code regarding directors' securities transactions for the year ended 31 December 2016.

## Training and Support for Directors

All Directors must keep abreast of their collective responsibilities. Any newly appointed Director would receive an induction package covering the Group's operations, businesses, governance policies and the statutory regulatory obligations and responsibilities of a director of a listed company.

The Directors have been informed of the requirement under code provision A.6.5 of the Corporate Governance Code regarding continuous professional development. According to the records maintained by the Company, the current Directors received the following training with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the new requirement of the Corporate Governance Code on continuous professional development for the year ended 31 December 2016:

| | Corporate Governance/Updates on Laws, Rules and Regulations | | Accounting/Financial/Management or Other Professional Skills | |
|---|---|---|---|---|
| Name of Director | Read materials | Attend Seminars/ Briefings | Read materials | Attend Seminars/ Briefings |
| **Executive Directors** | | | | |
| Mr. Seah Han Leong | ✓ | ✓ | ✓ | ✓ |
| Mr. Fan Xin (resigned on 15 July 2016) | ✓ | ✓ | ✓ | ✓ |
| Mr. Pan Jin (resigned on 15 July 2016) | ✓ | ✓ | ✓ | ✓ |
| Mr. Ben Fan (resigned on 20 January 2016) | ✓ | ✓ | ✓ | ✓ |
| **Non-executive Directors** | | | | |
| Mr. Huang Yu (appointed on 15 July 2016) | ✓ | ✓ | ✓ | ✓ |
| Mr. Wang Liang Hai | ✓ | ✓ | ✓ | ✓ |
| Mr. Liu Wei Dong | ✓ | ✓ | ✓ | ✓ |
| **Independent non-executive Directors** | | | | |
| Mr. Fan Ren Da Anthony | ✓ | ✓ | ✓ | ✓ |
| Mr. Liu Tian Min | ✓ | ✓ | ✓ | ✓ |
| Ms. Li Ming Qi | ✓ | ✓ | ✓ | ✓ |

## Directors' and Officers' Insurance

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

## Meetings

All Directors are regularly updated on governance and regulatory matters. There is an established procedure for Directors to obtain independent professional advice at the expense of the Company in the furtherance of their duties.

The Board meets regularly throughout the year ended 31 December 2016 to review the overall strategy and to monitor the operation as well as the financial performance of the Group. The Chairman focuses on Group strategy and is responsible for chairing and managing the efficient operation of the Board and ensuring that all key issues are considered by the Board in a timely manner. Notice of at least 14 days has been given to all Directors for all regular Board meetings and the Directors can include matters for discussion in the agenda whenever they consider appropriate and necessary. Agenda and accompanying Board papers in respect of regular Board meetings are dispatched in full to all Directors within a reasonable time before the meeting. Directors have to declare their direct or indirect interests, if any, in any proposals or transactions to be considered by the Board at board meetings and abstain from voting as appropriate. Draft minutes of all board meetings are circulated to Directors for comment within a reasonable time prior to confirmation. Minutes of board meetings and meetings of board committees are kept by the company secretary. All Directors have free access to board papers and related materials, and are provided with adequate information in a timely manner, enabling the Board to make informed decision on matters placed before it.

The individual attendance record of each Director at the meetings of the Board and the general meetings during the year ended 31 December 2016 is set out below:

| Name of Director | Attendance/Number of Board Meeting(s) | Attendance/Number of General Meeting(s) |
|---|---|---|
| **Executive Directors** | | |
| Mr. Seah Han Leong | 6/6 | 2/2 |
| Mr. Fan Xin (resigned on 15 July 2016) | 4/6 | 1/2 |
| Mr. Pan Jin (resigned on 15 July 2016) | 3/6 | 0/2 |
| Mr. Ben Fan (resigned on 20 January 2016) | 1/6 | 0/2 |
| **Non-executive Directors** | | |
| Mr. Huang Yu (appointed on 15 July 2016) | 1/6 | 0/2 |
| Mr. Wang Liang Hai | 5/6 | 0/2 |
| Mr. Liu Wei Dong | 4/6 | 0/2 |
| **Independent non-executive Directors** | | |
| Mr. Fan Ren Da Anthony | 6/6 | 1/2 |
| Mr. Liu Tian Min | 5/6 | 0/2 |
| Ms. Li Ming Qi | 6/6 | 2/2 |

## Appointments, Re-election and Removal of Directors

Mr. Seah Han Leong, being the executive Director of the Company, has entered into a service contract with the Company for a specific term of three years commencing from 25 August 2014 and will automatically continue thereafter until terminated by not less than three months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term.

Mr. Huang Yu, Mr. Wang Liang Hai and Mr. Liu Wei Dong, each being a non-executive Director of the Company, has entered into a service contract with the Company for a specific term of three years commencing from 15 July 2016, 15 July 2016 and 25 August 2014, respectively, and will continue thereafter until terminated by not less than two months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term.

Each of the independent non-executive Directors of the Company has entered into a service contract with the Company for a specific term of three years commencing from 25 August 2014 and will thereafter until terminated by not less than two months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term.

During the year ended 31 December 2016, none of the Directors have waived their emoluments in relation to their services respectively.

The above service contracts are subject to retirement by rotation and re-election at an annual general meeting at least once every three years in accordance with the articles of association of the Company.

The articles of association of the Company provide that any Director appointed by the Board to fill a casual vacancy in the Board shall hold office until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting, and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for reelection.

According to Article 87(1) of the Articles of Association, one-third of the Directors for the time being shall retire from office by rotation at every annual general meeting of the Company. According to Article 87(2), the retiring Director shall be eligible for re-election.

In addition, according to Article 86(3), any Director appointed by the Board either to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting.

In accordance with Article 87(1) and Article 87(2) of the Articles of Association, Mr. Wang Liang Hai, Mr. Liu Wei Dong and Mr. Fan Ren Da Anthony shall retire by rotation at the AGM and, being eligible, will offer himself for re-election at the AGM.

In accordance with Article 86(3), Mr. Huang Yu will retire at the AGM and, being eligible, will offer himself for reelections at the AGM.

## Board Committees

The Board has established (i) audit committee; (ii) remuneration committee; (iii) nomination committee and (iv) risk management and regulatory compliance committee (previously known as "regulatory compliance committee"), with defined terms of reference. The terms of reference of the board committees which explain their respective role and the authority delegated to them by the Board are available on the website of the Company at http://www.neo-neon.com and the website of the Stock Exchange at www.hkexnews.hk. The board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice and other assistance in appropriate circumstances, at the Company's expenses.

## Audit Committee

The Company established an audit committee with written terms of reference. The audit committee currently comprises of three members, being all independent non-executive Directors, Mr. Fan Ren Da Anthony, Mr. Liu Tian Min and Ms. Li Ming Qi. Ms. Li Ming Qi is the chairman of the audit committee. The primary duties of the audit committee are to make recommendation to the Board on the appointment and removal of external auditors, review the financial statements and material advice in respect of financial reporting, and oversee the internal control and risk management systems of the Company. Their composition and written terms of reference are in line with the Corporate Governance Code.

The Group's unaudited interim results for the six months ended 30 June 2016 and the audited annual results for the year ended 31 December 2016, respectively have been reviewed by the audit committee, which was of the opinion that the preparation of the relevant financial statements complied with the applicable accounting standards and requirements and that adequate disclosure has been made. The audit committee has also reviewed the accounting principles and practices adopted by the Group, and selection and appointment of the external auditors. In addition, the audit committee reviewed the risk management and internal control systems of the Group during the year ended 31 December 2016.

During the year ended 31 December 2016, two meetings were held by the audit committee. The individual record of each member of the audit committee at the meetings of the audit committee is set out below:

| Name of Director | Attendance/Number of Committee Meeting(s) |
|---|---|
| Ms. Li Ming Qi | 2/2 |
| Mr. Fan Ren Da Anthony | 2/2 |
| Mr. Liu Tian Min | 1/2 |

## Remuneration Committee

The Company established a remuneration committee on with written terms of reference. The remuneration committee comprises of four members, namely, Mr. Huang Yu, an non-executive Director, and three independent non-executive Directors, Mr. Fan Ren Da Anthony, Mr. Liu Tian Min and Ms. Li Ming Qi. Mr. Liu Tian Min is the chairman of the remuneration committee. The primary duties of the remuneration committee are to advise the Board on the Group's overall policy and structure for the remuneration of Directors and senior management, and ensures that no Director or any of his associate is involved in deciding his/her own remuneration. Their composition and written terms of reference are in line with the Corporate Governance Code.

During the year ended 31 December 2016, the remuneration committee reviewed the remuneration packages of the Directors and the senior management.

During the year ended 31 December 2016, three meetings were held by the remuneration committee. The individual record of each member of the remuneration committee at the meeting of the remuneration committee is set out below:

| Name of Director | Attendance/Number of Committee Meeting(s) |
|---|---|
| Mr. Liu Tian Min | 1/2 |
| Mr. Huang Yu[(1)] | 0/2 |
| Mr. Fan Ren Da Anthony | 2/2 |
| Ms. Li Ming Qi | 2/2 |
| Mr. Fan Xin[(1)] | 2/2 |

Note:

(1) Mr. Fan Xin resigned as a member of the remuneration committee on 15 July 2016 and Mr. Huang Yu was appointed as a member of the remuneration committee on the same date.

## Nomination Committee

The Company established a nomination committee on with written terms of reference. The nomination committee currently comprises of four members, namely, Mr. Huang Yu, an non-executive Director and three independent non-executive Directors, Mr. Fan Ren Da Anthony, Mr. Liu Tian Min and Ms. Li Ming Qi. Mr. Huang Yu is the chairman of the nomination committee. The primary duties of the nomination committee are to review the structure, size and composition of the Board on a regular basis and to recommend to the Board the suitable candidates for directors after consideration of the nominees' independence and quality in order to ensure the fairness and transparency of all nominations. In identifying suitable director candidates and making such recommendations to the Board, the nomination committee would also take into account various aspects of a candidate, including but not limited to his/her education background, professional experience, experience with the relevant industry and past directorships. Their composition and written terms of reference are in line with the Corporate Governance Code.

The nomination committee reviewed the structure, size and composition of the Board, during the year ended 31 December 2016.

During the year ended 31 December 2016, two meetings were held by the nomination committee. The individual record of each member of the nomination committee at the meeting of the nomination committee is set out below:

| Name of Director | Attendance/Number of Committee Meeting(s) |
|---|---|
| Mr. Huang Yu(1) | 0/2 |
| Mr. Liu Tian Min | 1/2 |
| Mr. Fan Ren Da Anthony | 2/2 |
| Ms. Li Ming Qi | 2/2 |
| Mr. Fan Xin(1) | 2/2 |

Note:

(1) Mr. Fan Xin resigned as a member and the chairman of the nomination committee on 15 July 2016 and Mr. Huang Yu was appointed as a member and the chairman of the nomination committee on the same date.

## Risk Management and Regulatory Compliance Committee

The Company established a risk management and regulatory compliance committee (previously known as "regulatory compliance committee") on with written terms of reference. The regulatory compliance committee currently comprises of seven members, being all Directors of the Company with Mr. Fan Ren Da Anthony acting as the chairman of the risk management and regulatory compliance committee. The primary duties of the risk management and regulatory compliance committee are to monitor the risk management system of the Company and compliance of the Company's existing or future business, and review and make recommendations on the compliance of applicable laws and regulations, including matters relating to the Listing Rules.

During the year ended 31 December 2016, the risk management and regulatory compliance committee regularly reported to the Board on any alleged frauds and non-compliances, internal control deficiencies or alleged violation of laws, regulations and rules. The risk management and regulatory compliance committee is authorised by the Board to seek relevant information from the management of the Company to achieve its objectives, duties and responsibilities, and all employees must cooperate to meet its needs.

During the year ended 31 December 2016, one meeting was held by the risk management and regulatory compliance committee.

| Name of Director | Attendance/Number of Committee Meeting(s) |
|---|---|
| Mr. Fan Ren Da Anthony | 1/1 |
| Mr. Seah Han Leong | 1/1 |
| Mr. Huang Yu(1) | 0/1 |
| Mr. Wang Liang Hai | 1/1 |
| Mr. Liu Tian Min | 0/1 |
| Ms. Li Ming Qi | 1/1 |
| Mr. Fan Xin(1) | 1/1 |
| Mr. Pan Jin(1) | 1/1 |

Note:

(1) Each of Mr. Fan Xin and Mr. Pan Jin resigned as a member of the risk management and regulatory compliance committee on 15 July 2016 and Mr. Huang Yu was appointed as a member of the risk management and regulatory compliance committee on the same date.

### Corporate Governance function

The Company's corporate governance function is carried out by the Board. The duties of the corporate governance committee include: (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; (b) to review and monitor the training and continuous professional development of the Directors and senior management of the Group; (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees of the Group and the Directors; and (e) to review the Company's compliance with the Corporate Governance Code and disclosure in the corporate governance report.

During the year ended 31 December 2016, the Board reviewed the compliance with the code provisions and the recommended best practices under the Corporate Governance Code and give considered reasons for any deviation.

### Company Secretary

The secretary of the Company is Mr. Leung Lok Wai, who was appointed on 2 March 2016. Mr. Leung has been informed of the requirement of the Rule 3.29 of the Listing Rules. Mr. Leung has informed the Company that he took more than 15 hours of training covering corporate governance and accounting matters. The Company considers that the training of the company secretary is in compliance with the requirements under Rule 3.29 of the Listing Rules.

## FINANCIAL REPORTING

The Board, supported by the chief financial officer and the finance department, is responsible for the preparation of the financial statements of the Company and the Group for each financial year which shall give a true and fair view of the financial position, performance and cash flow of the Company and its subsidiaries for that year. The Board is 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.

The responsibilities of KPMG, the Company's external auditors, on the financial statements are set out in the section headed "Independent Auditors' Report" in this annual report.

### Auditor's Remuneration

The audit committee of the Board is responsible for making recommendation to the Board on the appointment, re-appointment and removal of the authorised external auditors and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of the external auditors. The Company engages KPMG as its external auditors. Details of the fees paid/payable to KPMG for the year ended 31 December 2016 are as follows.

| | RMB'000 |
|---|---|
| Audit services | 3,627 |
| Non-audit services | 221 |
| **Total** | 3,848 |

# INTERNAL CONTROL AND RISK MANAGEMENT

The Board recognises its overall responsibility for maintaining adequate systems of internal control and risk management of the Company and reviewing their effectiveness on an ongoing basis. The Board is committed to implementing an effective and sound internal control and risk management to safeguard the interest of Shareholders and the Company's assets. In addition, the audit committee also has the responsibility for reviewing and assessing the Group's risk management and internal control systems.

The Group's internal control and risk management systems are featured with a defined management structure with limits of authority and well-rounded policies and procedures, and are designed, in consideration of the nature of business as well as the organisation structure, to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks, and to safeguard assets of the Group. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

During the year of 2016, the Company has adopted the following policies and procedures and taken the following measures to improve the risk management and internal control systems of the Group.

In a bid to further improve the establishment of the existing risk management and internal control system of the Company in relation to, among others, the business operation, finance and compliance, during the year of 2016, the Company took certain measures to identify, evaluate, and manage the significant risks associated with the achievement of its operational objectives. For example, the senior management of the Group reviewed and evaluated the internal control and risk management process, monitored any risk factors on a regular basis, and reported to the Board on any findings and measures taken to address such variances and identified risks. The Board, with the assistance of the senior management of the Company, also conducted regular surveys and on-site interviews with the senior management of the Group and business representatives of the suppliers and customers to check and monitor the potential risks associated with the business operation and financial management of the Group.

Meanwhile, the Company has updated the terms of reference and procedures of the audit committee accordingly in December 2015 to conform the new requirements of the Corporate Governance code in relation to internal control and risk management. Meanwhile, with the assistance of the professional auditor, the Audit Committee supervised the Company's revenue and expenditure for the financial and economic activities, to further strengthen the functions of risk management, to ensure the effective implementation of risk management and internal control system and the Company's standardised operation and healthy development.

With the integration of the real situation of the Company and various applicable laws and regulations, the management of the Company can act in concert with such to develop solutions towards the risks, to organise the business operation systematically, and to monitor and mitigate possible risks. The Company also formulated and distributed certain internal policies to require all staff of the Group to comply with these internal risk management and internal control standards, and together build a regulatory environment of risk control and standardised operation. In addition, the Company has also established policies and procedures with clear segregation of duties applicable to certain operating units to ensure the effectiveness of risk management and internal controls. The day-to-day operation is also entrusted to the individual department, which is accountable for its own conduct and performance, and is required to strictly adhere to the policies set by the Board or the audit committee. This process was in place throughout 2016 and is subject to continuous improvement.

The Board and management held its half-year and annual review of internal control and risk management as required under C.2.1 of the Corporate Governance Code. The audit committee meetings provided an opportunity for direct communication between audit committee members and the Company's management and internal audit manager. The Company regarded the annual audit committee meeting as an important event in which the Chairman and all members of audit committee would make an effort to attend. External auditors were also invited to attend the Company's audit committee meetings and were also available to assist the Directors in addressing queries from external auditors relating to the conduct of the audit and the preparation and content of their auditor report. The Directors have also reviewed the need for an internal audit function and are of the view that it would be more cost effective to recruit professionals to perform internal audit functions for the Group. Currently an in-house internal audit function was set up within the Group to review its systems of internal controls and risk management annually.

The Company has also provided inside information training courses to the Directors and senior management of the Company to ensure that all relevant facts and circumstances that may have material effect on the share price of the Company is assessed in a timely manner and that any material information which comes to the knowledge of any one or more officers of the Group be promptly identified, assessed and, if appropriate, escalated for the attention of the Board to determine whether a disclosure is required.

During the year of 2016, the Board, with the assistance of the audit committee, has conducted reviews of the risk management and internal control systems of the Company for twice and considered the risk management and internal control systems of the Company are adequate and being implemented effectively. Such review covered all material controls, financial, compliance and operational controls as well as risk management mechanisms.

The Board, with the assistance of the audit committee, has also reviewed and was satisfied with the adequacy of the Company's resources, the staff's qualifications and experience, the training courses and the related budgets in accounting, internal review and financial reporting functions.

## INVESTOR AND SHAREHOLDER RELATIONS

The Company endeavors to continue maintaining a high level of transparency in communicating with Shareholders and the investment community at large. Briefings and meetings with institutional investors and analysts are conducted regularly. The Company is committed to maintain an open and effective investor communication policy and to update investors on relevant information on its business on a timely manner, subject to relevant regulatory requirements.

In order to ensure effective, clear and accurate communications with the investors and analysts, all corporate communications are arranged and handled by the chief financial officer of the Company.

Financial information and all shareholder corporate communications of the Company are made available on the Company's website at http://www.neo-neon.com and updated regularly on a timely basis.

The Board and management shall ensure Shareholders' right and all Shareholders are treated equitably and fairly.

The Company has announced its half-year and annual results in a timely manner, which is well before the time limits set out in the Listing Rules. Separate resolutions will be proposed at the general meetings on each substantially separate issue, including the re-election of individual Directors.

The annual general meeting will provide an opportunity for direct communication between the Board and the Company's Shareholders. The Company regards the annual general meeting as an important event in which the chairman and all Directors will make an effort to attend. External auditors shall also be invited to attend the Company's annual general meeting and are also available to assist the Directors in addressing queries from Shareholders relating to the conduct of the audit and the preparation and content of their auditor report. All Shareholders are given prior notice on timely basis together with a detailed agenda. The Board, according to the Listing Rules, will conduct voting at the forthcoming AGM by poll. The results of the Company will be declared at the meeting, and announced timely on the Stock Exchange's website and the Company's website.

## SHAREHOLDERS' RIGHTS

### Procedures for shareholders to convene an extraordinary general meeting and putting forward proposals at shareholders' meeting

Shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition (the "Requisition") to the Board or the company secretary to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in the Requisition. The Requisition shall be deposited at the principal place of business in Hong Kong (Unit 806-810, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong). The extraordinary general meeting shall be held within two (2) months after the deposit of the Requisition. If within twenty-one (21) days of deposit of the Requisition, the Board fails to proceed to convene the extraordinary general meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

### Procedures by which enquiries may be put to the Board

Shareholders may put forward enquiries to the Board through Mr. Leung Lok Wai or Mr. Seah Han Leong who will direct the enquiries to the Board for handling. The contact details are as follows:

Address: Unit 806-810, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong
Email: investors@neo-neon.com
Tel No.: (852) 2786 2133
Fax No.: (852) 2786 2479

## FAMILY MEMBERS AND CLOSE PERSONAL RELATIONSHIPS

The Board recognises that talents, relevant experience and skills are the most important considerations in executive officers and staff selection. It is the Group's policy that job positions are filled by suitably qualified candidates selected through internal promotions or from the open market on the merits of qualification, experience, skills and achievements. No employee is hired on account of family or close personal connection to any Board member.

## CONSTITUTIONAL DOCUMENTS

There has been no significant change in the Company's constitutional documents during the year ended 31 December 2016.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As part of our efforts to be responsible corporate citizens, Neo-Neon Holdings Limited (hereinafter referred to as "Neo-Neon", the "Company", "We", "Us" or "Our") is committed to long-term sustainable development and focusing on fulfilling our obligations and information disclosure for environment, social and governance.

The Company has prepared its "Environmental, Social and Governance Report" for the year 2016 in accordance with the latest "Environmental, Social and Governance Reporting Guide" (the "ESG Guide") issued by The Stock Exchange of Hong Kong Limited, summarising the policies and initiatives taken to perform relevant obligations for the financial year of 2016 based on the requirements of the ESG Guide.

## COMMUNICATION WITH STAKEHOLDERS

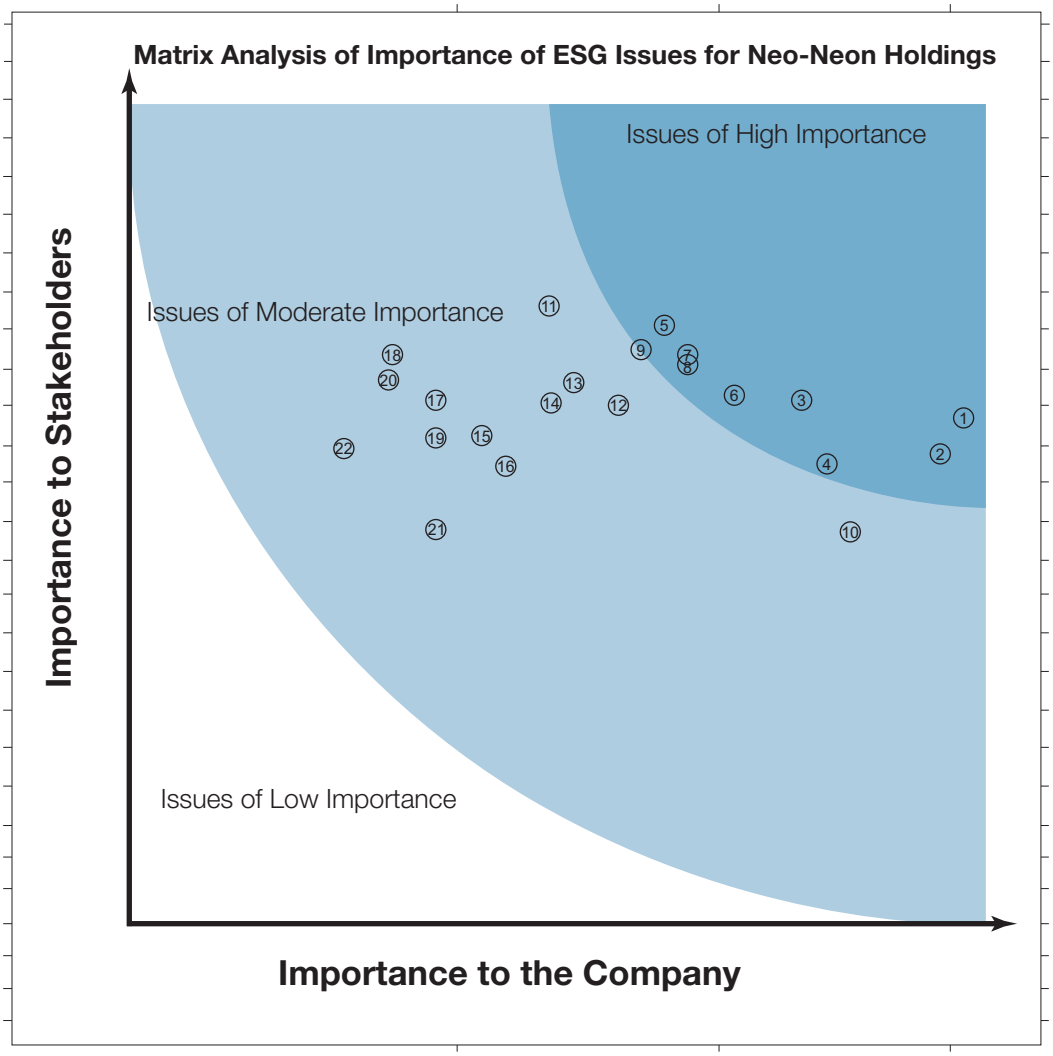
In preparation of this report, we have acquired opinions from different stakeholders through various channels to gain an understanding of their views and expectations for the environment, social and governance aspects of Neo Neon which serve as important references in preparing this report. The significant stakeholders include:

- the government
- shareholders and investors
- customers
- employees
- cooperation partners
- industry organisations
- the media
- communities
- the environment

We have engaged professional third-party organisations and conducted face-to-face communication, phone interviews, survey investigations, on-site surveys and other methods in order to communicate with stakeholders from various perspectives. In the end, we have selected 22 issues which are most concerning to the stakeholders to disclose within this report, specifically including:

1 Intellectual property rights protection
2 Legal compliance and anti-corruption
3 Product quality inspection and recall
4 Safety and privacy of consumer information
5 Emissions management
6 Waste management
7 Supplier engagement principles
8 Energy use management
9 Avoidance of child and forced labour
10 Types of participating social issues and involvement
11 Product health and safety
12 Product and service complaint
13 Supplier situation
14 Staff personal safety
15 Environment and natural resources

16 Greenhouse gas management
17 Employment situation
18 Occupational health and safety measures
19 Water use management
20 Staff turnover rate
21 Product packaging and material management
22 Staff training and involvement



# A. ENVIRONMENTAL RESPONSIBILITY

## A1. Emissions Management

In accordance with relevant laws and as required by the Quality, Hazardous Substances, Environmental and Occupational Health and Safety Management Manual, the Company must ensure that emissions standards are met. The Company strictly complies with the Waste Water and Waste Gas Emission and Noise Control Management Procedures, establishing strict regulations on waste water and waste gas emissions as well as noise control. In regards to the production and disposal of hazardous and non-hazardous wastes, according to the Dangerous Waste Management Regulations, the Technology Park Purchase Department organises to sell recyclable or reusable wastes (such as waste cardboard boxes); the Technology Park Purchase Department arranges separation and disposal of non-directly recyclable or reusable wastes which are handled by waste management companies; dangerous wastes are disposed of and treated for hazard removal by professional dangerous waste management companies. Meanwhile, relevant departments are required to conduct regular data collection and analysis tom combine issues identified by each department and implement specific measures to reduce or prevent production of wastes and emissions.

During the year of 2016, the Group has strictly complied with the relevant laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharge into water and land and generation of hazardous and non-hazardous wastes.

## A2. Effective Use of Resources

In order to improve resource efficiency and to facilitate energy conservation and emission reduction, the Company has formulated policies including the Energy Saving Management Regulations of Heshan Tongfang Lighting Technology Company Limited and the Resource and Energy Saving Control Procedures, actively leading employees to save energy and reduce waste in their daily operations. For example, we have rebuilt a solar-powered hot water system in our dormitories, saving approximately 500,000 kWh of power and approximately RMB410,000 on electricity bills every year. In 2016, the Company has replaced the original 40W lights with 8,100 LED 18W energy-saving lights, saving approximately 800,000kWh of power and approximately RMB650,000 on electricity bills every year. The Company uses circulated water for all central air-conditioning systems and machineries in order to conserve water.

## A3. Protection of the Environment and Natural Resources

The Company values the protection of the ecological environment and has formulated policies including the Water Pollution Prevention Procedures, Soil Pollution Prevention Procedures, Identification and Assessment of Environmental Factors Procedures, to ensure industrial and domestic wastewaters are discharged into wastewater pipe networks or transferred to wastewater treatment plants to prevent contamination of water bodies; at the same time, the Company regularly inspects management targets that may be sources of soil pollution and engages a qualified environmental inspection agency to conduct soil testing regularly.

In 2016, the business operations of Neo Neon and its subsidiaries have not caused any material impact on the environment and natural resources.

# B. SOCIAL RESPONSIBILITY

## B1. Employment and Labour Practices

The Company's initiatives and policies in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination and other benefits and welfare are in compliance with the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China and other relevant laws and regulations that have a significant impact on the Company. The Company has prepared the Staff Manual and Labour and Business Ethics Risk Management Procedures, comprising of policies regarding on-boarding, signing of labour contract, personnel change, termination, occupational training, code of conduct, working hours, performance assessment, welfare package, health and safety, diversity and anti-discrimination, child labour and forced labour, penalty control, freedom of association and collective bargaining rights as means to effectively safeguard the interests of our employees.

We have always adhered to the principle of fairness, strictly implementing policies related to anti-discrimination to ensure that no employees face discrimination based on race, social status, nationality, religion, disability, gender, sexual orientation, labour union membership or political party.

To establish smooth communication between employees and the Company, we have formulated the Staff Complaint Handling Procedures and Staff Recommendation and Representation Guideline in order to gather collective opinions and suggestions from employees, as well as continuing to follow-up and improve the effectiveness of corporate governance.

The basic remunerations of the Company's employees are determined with reference to the industry remuneration benchmark, the employees' experience and their performance; the basic remunerations are regularly reviewed with reference to the prevailing market and remuneration levels of similar positions in competing companies of relevant industries, and may be adjusted from time to time based on the cost of living and the Company's financial performance. In addition to basic remunerations according to the law and statutory benefits, the Group also provides discretionary bonus based on the Group's results and employee performance. We also provide various rich and practical benefits for our employees, including social insurance, housing fund, meal allowance, quarterly reimbursement for communication charges and holiday gifts or bonuses.

To guarantee a work-life balance for our employees and reasonable working hours, the Company has formulated the Attendance Management System and Overtime Management Procedures to regulate implementation of the standard working hour system of 8 hours per day, 40 hours per week and at least one day of rest per week, requiring managers of every level not to arrange for overtime at will, and providing reasonable rewards to staffs working overtime. Employees are not only entitled to leaves for national public holidays, but also leaves including personal leave, sick leave, annual leave, work injury leave, compassionate leave, marriage leave, maternity leave, breastfeeding leave, paternity leave, birthday leave etc.

As at 31 December 2016, the Company's total number of employees was approximately 1,500.

## B2. Health and Safety

To safeguard occupational health and safety of our employees, the Company strives to provide a safe, healthy and comfortable working environment for our employees, protects employees from occupational hazards and strictly complies with the Labour Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Labour Rights and Interests and other relevant laws and regulations that have a significant impact on the Company in this regard. Employees are required to abide with all safety and operation rules and regulations, and utilize available and applicable protection measures at all times to avoid accidents and protect themselves from any incidental injuries.

We regularly organise rescue, fire and evacuation drills according to the Emergency Preparation and Response Procedures for the purpose of familiarising employees with the use of evacuation equipment and facilities and increasing their alertness and response capability towards emergencies.

To ensure good working conditions for our employees and that necessary emergency facilities are in place, the Company's safety departments, including safety, fire, first aid and healthcare departments, conduct regular maintenance on its plants and equipment as well as providing employees with Personal Protective Equipment (PPE) with regular replacements.

We arrange safety training specific to staffs working in positions prone to major incidents, and require specialized operations personnel to undergo mandatory training and obtain operating certificates to ensure work safety. For staffs working in positions likely to be exposed to health hazards, we also provide occupational health examinations every year and arrange for necessary transfers and treatments based on examination results and doctor recommendations.

## B3. Development and Training

The Company provides its employees with on-board training, post-promotion training, comprehensive training and specialized training to guarantee the timeliness of the trainings. To ensure the practicability of the training programs, the Company not only provides programs regarding product, management science, marketing knowledge and skills, public relations and etiquette and English skills, but also training based on laws and the Articles, including laws and regulations relating to working hours, salaries and benefits, company policies and procedures, safety policies and procedures (i.e. the SA8000 Standard), safety rules and consultation channels, in order to raise awareness and improve the employees' ability to protect their own rights. Moreover, the Company also offers outperforming employees with selective external training programs to increase their management and working abilities. Employees may apply or be selected to receive short-term training programs from external professional training institutions. The training programs include short-term training courses and exchange meetings from external education institutions and training centers.

## B4. Labour Standards

Neo Neon strictly prohibits the use of child labour. In order to safeguard the safety, health, education and development of children and dismiss child labourers, we have established and implemented the Child Labour Rescue Procedures and stringently prohibits the employment of labourers under the age of 16. Upon discovery of use of child labour, the Company will order them to stop working immediately and settle their wages, and they will be returned to their original places of residence safely to their parents or guardians.

The Company strictly prohibits the use of forced labour and has formulated the Non-Forced Labour Procedures for respecting the freedom of our employees, prohibiting any form of forced labour, and guaranteeing personal freedom of our employees, including the freedom of employment, resignation, working overtime and movement.

Meanwhile, the Company has also established the Management Procedure for Female and Minor Employees, providing female employees with work safety protection, reasonable working hours, leave protection and daily health care, ensuring no harm from working intensity, time and conditions be caused to the health of our female employees.

During the year of 2016, the Company has strictly complied with the relevant laws and regulations that have a significant impact on the Company relating to preventing child and forced labour.

## B5. Supply Chain Management

Supplier management is one of the critical part of the corporate quality control system, supplier selection has direct impacts on quality stability and safety effectiveness. We proactively maintain long-term cooperation relationships with qualified suppliers. As at 31 December 2016, the total number of the Company's suppliers is 528, with over 80% being in Guangdong Province.

The Company is committed to the social responsibility of supply chain management and ensures that suppliers meet requirements related to quality, hazardous substance control, environment, occupational health and safety, Mandatory Product Inspection of Factory Quality Assurance Requirements, Resource Conservation Product of Factory Quality Assurance Requirements and social responsibility quality requirements. The Company closely monitors and evaluates the performance of each supplier during each cooperation period, providing feedback and disqualifying unfavorable suppliers when necessary.

As stipulated in Procurement Control Policy, the Company manages the supply chain by performing regular assessments on the environmental and social risks of the supply chain and strengthening the risks' management. Suppliers are urged to take measures to reduce their environmental and social risks. Greater emphasis is placed on our relationship and communications with suppliers with a view to the leading the Company's suppliers towards sustainable development.

## B6. Product Responsibility

The Company complies with various laws and regulations relevant to its business operations and commits to ensuring the health and safety of our products and services, prevention and control unqualified products, and has put in place corresponding internal policies and systems in relation to product recall, customer complaint, customer information safety and privacy protection, intellectual property protection, such as the Product Hazard and Risk Management Procedures, Product Prevention and Control Procedures, etc.

### 1) Customer Service

The Company generally conducts assessments through customer contracts, and consults with the PMC Department of the main plant with regards to production, materials, technical requirements, quality, delivery date, hazardous substances, etc. ensuring that the Company is capable of meeting productions within its technical scope and delivery date, as well as to effectively control hazards and risks of raw materials and the production process.

### 2) Prevention of Unqualified Products

The Company requires that upon finding the main issue that may cause a batch of products to be unqualified, immediate halt of production may be rightfully commanded and the unqualified product must be labeled to be unqualified, and this must be reported and handled by the manager of the Quality Inspection Department.

### 3) Product Recall

In order to reduce and prevent underlying product risks and safety hazards that may cause personal or property loss of the customers, the Company has formulated and strictly implemented the Product Recall Control Procedures, ensuring the safety, smooth recall and effective management of the unqualified products.

Throughout the year of 2016, the percentage of total products sold or delivered and recalled due to safety or health issues is 0%.

### 4) Complaints and Return Processing

The Company requires that as soon as a customer complaint is received, the Marketing Department should log the information into the Company's customer complaint network immediately for the Quality Project Department to trace the department responsible for shipping and production, in order to respond and handle the complaint directly on the external network. The Company provides feedback and correction within 24 hours of the complaint, as well as a written response in relation to effective improvement measures within five working days that are to be strictly implemented.

The Group focuses on providing more comprehensive after-sales service and improving customer satisfaction. By establishing and strictly implementing the Customer Satisfactions Measurement Procedure the Company properly handles the return procedure and prevents such problems from happening again through correction and prevention measures.

In 2016, we received 28 product and service-related complaints in total. We have carefully recorded each complaint in detail and handled each matter seriously with sincerity and never showing disregard for our customers.

### 5) Information Safety and Privacy Protection

The Company places great emphasis on information safety and privacy protection, for which we have established policies such as the Use of Computer, Internet and Mail Standards, not only ensuring safety for the Company's internal confidential information but also preventing leak of customer information.

### 6) Intellectual Property

In order to enhance protection of the Company's intellectual properties, regulate management for intellectual properties, encourage employees' enthusiasm to innovate and create, facilitate application of intellectual properties and increase the Company's competitiveness, the Company has formulated the Intellectual Property Provisions of Heshan Tongfang Lighting Technology Company Limited based on relevant national laws and regulations combined with specific circumstances to provide clear regulations regarding property rights, license, management and protection as well as the rewards and penalty for the creators and management personnel of the intellectual properties. At the same time, the Company encourages all employees to engage in protection of the Neo Neon brand. Employees are encouraged to report any suspected infringement to the Company and to take corresponding anti-infringement actions.

During the year of 2016, the Company has strictly complied with the relevant laws and regulations that have a significant impact on the Company relating to heath and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

## B7. Anti-Corruption, Bribery, Extortion, Fraud and Money Laundering

The Company maintains a high standard of business integrity throughout its operations and tolerates no corruption or bribery in any form, the Company strictly complies with relevant laws and regulations relating to anti-corruption, bribery, extortion, fraudulent behavior and money-laundering including the Criminal Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Interim Provisions on Banning Commercial Bribery, and has formulated the Fighting Corruption and Boosting Integrity Policy.

Our stringent compliance with anti-corruption policies has shown excellent results, there has been no corruption litigation cases against the group or its employees in 2016.

## B8. Community Investment

While achieving strong corporate development, the Company also actively contributes back to the community to grow and prosper together with the community. We are committed to charitable activities and helping disadvantaged groups from a community needs perspective, providing support in funds and resources in order to create sustainable social value.

The Company is fully aware of the importance of education and nurturing talent. In 2016, we donated RMB50,000 to the teaching building of Pingling elementary school in Gonghe Township to support the development of the local education industry. As part of our continuing efforts to care for disadvantaged groups and realize our community involvement philosophy, we donated RMB10,000 to the senior citizens of Tiegang Community on the Double Ninth Festival for purchasing daily necessities. In terms of showing our concern for employees, the Company observes the needs of our employees and strives to provide better care and development for them. In 2016, the Company provided RMB20,000 of subsidies to employees with difficulties.

By the end of the year 2016, the Company has made outward donations of RMB80,000 in total.

# INDEPENDENT AUDITOR'S REPORT



**INDEPENDENT AUDITOR'S REPORT**
**TO THE SHAREHOLDERS OF NEO-NEON HOLDINGS LIMITED**
*(Incorporated in the Cayman Islands with limited liability)*

## OPINION

We have audited the consolidated financial statements of Neo-Neon Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 59 to 126, which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement 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 ("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 ("HKSAs") 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") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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.

**Provision for taxation in respect of the protective profits tax assessments issued by the Inland Revenue Department in Hong Kong**

*Refer to note 11 to the consolidated financial statements and the accounting policies on page 78.*

| The Key Audit Matter | How the matter was addressed in our audit |
|---|---|
| Inland Revenue Department in Hong Kong ("IRD") is conducting a tax audit of the tax affairs the Group which extends to the year of assessment 2005/06.<br><br>As at 31 December 2016, the IRD had issued protective profits tax assessments in an aggregate amount of HK$146,532,000 (approximately equivalent to RMB131,074,000) for the years of assessment 2005/06 to 2010/11. The Group has lodged objections against these protective assessments and the IRD has agreed to hold over the tax demanded for these years of assessment on the condition that the Group purchased tax reserve certificates in an aggregate amount of HK$25,450,000 (approximately equivalent to RMB22,765,000), which has been recorded as tax recoverable in the consolidated statement of financial position as at 31 December 2016.<br><br>No tax provision was recorded as at 31 December 2016 in respect of the above protective profits tax assessments as management considers that no Hong Kong profits tax should be payable by the Group as the subsidiaries in question did not carry out any business, nor derive any profits, in Hong Kong. Management engaged an external tax advisor to assist the Group in filing objections to and settling the case with the IRD.<br><br>We identified assessing the provision for taxation in respect of the protective profits tax assessments issued by the IRD as a key audit matter because of its financial significance to the Group and because the judgement exercised by management in considering whether Hong Kong profits tax is payable or not could be subject to management bias. | Our audit procedures to assess the provision for taxation in respect of the protective profits tax assessments issued by the IRD included:<br><br>• obtaining and inspecting all correspondence between the IRD and the Group and all documents submitted to the IRD by the Group;<br><br>• evaluating the competence, capability and experience of the external tax advisor engaged by the Group; and<br><br>• involving our internal tax specialists to assist us in assessing the judgements made and conclusions reached by management and the external tax advisor, by discussing with management and the external tax advisor to understand the nature and progress of the tax disputes and the arguments and critical judgements made by management, with reference to the relevant tax legislation and our knowledge and experience of the interpretations and practices of the IRD in similar circumstances, and considering the possibility of error or management bias. |

## KEY AUDIT MATTERS *(Continued)*

**Assessing the recoverability of trade receivables**

*Refer to note 21 to the consolidated financial statements and the accounting policies on page 75.*

| The Key Audit Matter | How the matter was addressed in our audit |
|---|---|
| At 31 December 2016, the Group's gross trade receivables totalled approximately RMB149 million, which accounted for 10% of the Group's total assets as at that date.<br><br>At 31 December 2016, the Group recorded an allowance for doubtful debts of approximately RMB47 million.<br><br>The Group's allowance for doubtful debts includes a specific element based on individually significant debtors and a collective element for groups of debtors sharing similar risk characteristics, taking into account the credit history of the Group's customers and current market and customer-specific conditions, including assessing whether the customers are in financial difficulties and whether the industries in which the customers operate are facing recessions. All of the above require the exercise of significant management judgement based on past experience and knowledge of the Group's customers and the industries in which they operate.<br><br>We identified assessing the recoverability of trade receivables as a key audit matter because of the significance of the trade receivables balance to the consolidated statement of financial position and because the assessment of the allowance for doubtful debts involves a significant degree of management judgement. | Our audit procedures to assess the recoverability of trade receivables included the following:<br><br>• obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls relating to credit control, debt collection and making allowances for doubtful debts;<br><br>• assessing the classification of individual balances in the trade receivables ageing report by comparing the details in the trade receivables ageing report with relevant underlying documents, including goods delivery notes and payment terms as set out in the agreements with customers, on a sample basis;<br><br>• challenging the basis of management's judgement about the recoverability of balances assessed individually, on a sample basis, and evaluating the allowance for doubtful debts made by management for these individual balances with reference to the industries in which the debtors are operating, the ageing of overdue balances, historical and post year-end payment records and correspondence with these customers;<br><br>• assessing the assumptions and estimates made by the management for the allowance for doubtful debts calculated based on a collective assessment by performing a retrospective review of the historical accuracy of these estimates and recalculating the Group's provision with reference to the Group's policy for collective assessment; and<br><br>• inspecting cash receipts from customers subsequent to the financial year end relating to trade receivables balance at 31 December 2016, on a sample basis. |

## INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

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

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

## RESPONSIBILITIES OF THE 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 directors are assisted by the Audit Committee 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. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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.

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

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- 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.

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

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

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 Choi Chung Chuen.

**KPMG**
*Certified Public Accountants*
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

13 March 2017

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016
(Expressed in Renminbi ("RMB"))

| | Note | 2016 RMB'000 | 2015 RMB'000 |
|---|---|---|---|
| **Revenue** | 6 | **611,243** | 602,438 |
| Cost of goods sold | | **(422,713)** | (435,150) |
| **Gross profit** | | **188,530** | 167,288 |
| Other income | | **11,657** | 10,262 |
| Other gains and losses | 7(a) | **28,058** | 63,504 |
| Other expenses | 7(b) | **(590)** | (4,751) |
| Distribution and selling expenses | | **(97,396)** | (88,527) |
| Administrative expenses | | **(107,583)** | (135,607) |
| Finance costs | 8 | **(3,873)** | (2,693) |
| **Profit before taxation** | 9 | **18,803** | 9,476 |
| Income tax | 11 | **(7,061)** | (4,991) |
| **Profit for the year** | | **11,742** | 4,485 |
| | | **RMB cents** | RMB cents |
| **Earnings per share** | 12 | | |
| – Basic and diluted | | **0.61** | 0.30 |
| **Profit for the year** | | **11,742** | 4,485 |
| Other comprehensive income for the year | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| – translation differences arising from translation of financial statements, net of nil tax | | **33,298** | 19,373 |
| **Total comprehensive income for the year** | | **45,040** | 23,858 |
| Profit for the year attributable to | | | |
| – owners of the Company | | **11,778** | 5,817 |
| – non-controlling interests | | **(36)** | (1,332) |
| | | **11,742** | 4,485 |
| Total comprehensive income for the year attributable to | | | |
| – owners of the Company | | **44,951** | 25,021 |
| – non-controlling interests | | **89** | (1,163) |
| | | **45,040** | 23,858 |

The notes on pages 66 to 126 form part of these financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2016
(Expressed in RMB)

| | Note | At 31 December 2016 RMB'000 | At 31 December 2015 RMB'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Investment properties | 13 | **14,700** | 14,700 |
| Property, plant and equipment | 14 | **149,832** | 231,803 |
| Prepaid lease payments | 15 | **31,863** | 38,097 |
| Goodwill | 16 | **8,663** | 8,109 |
| Intangible assets | 17 | **29,840** | 23,853 |
| Available-for-sale investments | 18 | **3,639** | 3,653 |
| Financial asset at fair value through profit or loss | 19 | **108,152** | 105,380 |
| Deposits made on acquisition of property, plant and equipment | | **1,381** | 1,341 |
| Deferred tax assets | 27 | **7,063** | – |
| | | **355,133** | 426,936 |
| **Current assets** | | | |
| Inventories | 20 | **184,316** | 189,174 |
| Trade and other receivables | 21 | **178,930** | 210,922 |
| Tax reserve certificates | 11 | **22,765** | 11,943 |
| Restricted bank deposits | 22 | **27,667** | 20,353 |
| Cash and cash equivalents | 22 | **647,356** | 615,663 |
| | | **1,061,034** | 1,048,055 |
| Assets held for sale | 23 | **105,275** | – |
| | | **1,166,309** | 1,048,055 |
| **Current liabilities** | | | |
| Trade and other payables | 24 | **163,546** | 194,373 |
| Taxation payable | | **10,068** | 4,094 |
| Bank borrowings | 25 | **110,967** | 95,129 |
| | | **284,581** | 293,596 |
| Liabilities held for sale | 23 | **11,195** | – |
| | | **295,776** | 293,596 |
| **Net current assets** | | **870,533** | 754,459 |
| **Total assets less current liabilities** | | **1,225,666** | 1,181,395 |

The notes on pages 66 to 126 form part of these financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2016
(Expressed in RMB)

| | Note | At 31 December 2016 RMB'000 | At 31 December 2015 RMB'000 |
|---|---|---|---|
| **Non-current liabilities** | | | |
| Government grants | 26 | **12,765** | 13,914 |
| Deferred tax liabilities | 27 | **2,950** | 3,997 |
| | | **15,715** | 17,911 |
| **Net assets** | | **1,209,951** | 1,163,484 |
| **Capital and reserves** | | | |
| Share capital | 28 | **171,808** | 171,897 |
| Reserves | | **1,037,362** | 990,713 |
| Equity attributable to owners of the Company | | **1,209,170** | 1,162,610 |
| Non-controlling interests | | **781** | 874 |
| Total equity | | **1,209,951** | 1,163,484 |

Approved and authorised for issue by the board of directors on 13 March 2017.

**Huang Yu**
Director

**Seah Han Leong**
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016
(Expressed in RMB)

| | Attributable to owners of the Company | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Share premium | Capital redemption reserve (Note(i)) | Special reserve (Note(ii)) | Share compensation reserve (Note(iii)) | Share options reserve | Translation reserve | Other reserve (Note(iv)) | Accumulated losses | Total | Non-controlling interests | Total equity |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| At 1 January 2015 | 171,897 | 2,264,928 | 255 | 55,238 | 50,024 | – | (277,951) | (8,220) | (1,122,253) | 1,133,918 | 2,839 | 1,136,757 |
| Profit/(loss) for the year | – | – | – | – | – | – | – | – | 5,817 | 5,817 | (1,332) | 4,485 |
| Other comprehensive income | – | – | – | – | – | – | 19,204 | – | – | 19,204 | 169 | 19,373 |
| Total comprehensive income | – | – | – | – | – | – | 19,204 | – | 5,817 | 25,021 | (1,163) | 23,858 |
| Disposal of a subsidiary | – | – | – | – | – | – | – | – | – | – | (802) | (802) |
| Recognition of equity-settled share based payments | – | – | – | – | – | 3,671 | – | – | – | 3,671 | – | 3,671 |
| | – | – | – | – | – | 3,671 | – | – | – | 3,671 | (802) | 2,869 |
| At 31 December 2015 | 171,897 | 2,264,928 | 255 | 55,238 | 50,024 | 3,671 | (258,747) | (8,220) | (1,116,436) | 1,162,610 | 874 | 1,163,484 |
| At 1 January 2016 | 171,897 | 2,264,928 | 255 | 55,238 | 50,024 | 3,671 | (258,747) | (8,220) | (1,116,436) | 1,162,610 | 874 | 1,163,484 |
| Profit/(loss) for the year | – | – | – | – | – | – | – | – | 11,778 | 11,778 | (36) | 11,742 |
| Other comprehensive income | – | – | – | – | – | – | 33,173 | – | – | 33,173 | 125 | 33,298 |
| Total comprehensive income | – | – | – | – | – | – | 33,173 | – | 11,778 | 44,951 | 89 | 45,040 |
| Repurchase of own shares (note 28(b)) | (89) | (911) | 89 | – | – | – | – | – | – | (911) | – | (911) |
| Acquisition of non-controlling interests | – | – | – | – | – | – | – | (198) | – | (198) | (182) | (380) |
| Recognition of equity-settled share based payments | – | – | – | – | – | 2,718 | – | – | – | 2,718 | – | 2,718 |
| | (89) | (911) | 89 | – | – | 2,718 | – | (198) | – | 1,609 | (182) | 1,427 |
| At 31 December 2016 | 171,808 | 2,264,017 | 344 | 55,238 | 50,024 | 6,389 | (225,574) | (8,418) | (1,104,658) | 1,209,170 | 781 | 1,209,951 |

Note:

(i) Capital redemption reserve represents the amount by which the issued share capital of the Company is diminished through the repurchase of shares.

The notes on pages 66 to 126 form part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016
(Expressed in RMB)

(ii) The special reserve represents the differences between the nominal amount of the shares issued by the Company and the Group's former holding company, Neo-Neon Holdings (BVI) Limited ("NNH"), and the aggregate amount of share capital and share premium of the subsidiaries acquired pursuant to a corporate reorganisation in 1996 and a group reorganisation in preparation for the listing of the Company's shares in 2006.

(iii) Share compensation reserve represents the difference of fair value of certain NNH's shares (the "Shares") transferred to the Group's certain senior management by the Company's shareholders and the consideration paid by the senior management in obtaining the Shares in 2004.

(iv) Other reserve represents the difference between the consideration paid for acquiring additional interests in subsidiaries of the Company and the amount of interests acquired.

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2016
(Expressed in RMB)

| | Note | 2016 RMB'000 | 2015 RMB'000 |
|---|---|---|---|
| **Operating activities** | | | |
| Profit before taxation | | **18,803** | 9,476 |
| Adjustments for: | | | |
| Interest income | 9 | **(2,140)** | (3,434) |
| Finance costs | 8 | **3,873** | 2,693 |
| Gain on disposal of a subsidiary | | **(298)** | (1,797) |
| Gain on disposal of available-for-sale investments | | **–** | (182) |
| Depreciation and amortisation | | **34,876** | 34,229 |
| Change in fair value of investment properties | 13 | **–** | 1,795 |
| Change in fair value of financial asset at fair value through profit or loss | 19 | **(2,772)** | 120 |
| Gain on disposal of property, plant and equipment and prepaid lease payments | 7(a) | **(2,421)** | (27,436) |
| Amortisation of government grants | 26 | **(77)** | (4,147) |
| Net allowance for inventories | 20 | **3,995** | 3,705 |
| Reversal of allowance for bad and doubtful debts | 21 | **(5,213)** | (13,934) |
| Equity-settled share based payments | | **2,718** | 3,671 |
| Net exchange gain | 7(a) | **(18,523)** | (22,771) |
| Operating cash flows before movements in working capital | | **32,821** | (18,012) |
| Decrease/(increase) in inventories | | **6,008** | (22,855) |
| Increase in tax reserve certificates | | **(10,019)** | (7,784) |
| Decrease in trade and other receivables | | **8,256** | 17,116 |
| Decrease in trade and other payables | | **(22,537)** | (9,478) |
| Cash receipt of government grants | 26 | **–** | 2,250 |
| Cash generated from/(used in) operations | | **14,529** | (38,763) |
| Income tax paid | | **(9,599)** | (5,921) |
| **Net cash generated from/(used in) operating activities** | | **4,930** | (44,684) |

The notes on pages 66 to 126 form part of these financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2016
(Expressed in RMB)

| | Note | 2016 RMB'000 | 2015 RMB'000 |
|---|---|---|---|
| **Investing activities** | | | |
| Interest received | 9 | **2,140** | 3,434 |
| Placement of restricted bank deposits | | **(27,667)** | (20,353) |
| Release of restricted bank deposits | | **20,353** | 1,167 |
| Purchase of property, plant and equipment | | **(18,935)** | (19,477) |
| Proceeds from disposal of property, plant and equipment and prepaid lease payments | | **19,401** | 18,935 |
| Additions of intangible assets | 17 | **(8,434)** | (9,029) |
| Disposal of a subsidiary | | **–** | (119) |
| **Net cash used in investing activities** | | **(13,142)** | (25,442) |
| **Financing activities** | | | |
| Proceeds from new bank loans | | **94,761** | 27,193 |
| Repayment of bank loans | | **(84,952)** | (49,382) |
| Interest paid | 8 | **(3,873)** | (2,693) |
| Acquisition of non-controlling interests of a subsidiary | | **(380)** | – |
| Payment for repurchase of shares | 28(b) | **(911)** | – |
| **Net cash generated from/(used in) financing activities** | | **4,645** | (24,882) |
| **Net decrease in cash and cash equivalents** | | **(3,567)** | (95,008) |
| **Cash and cash equivalents at the beginning of the year** | | **615,663** | 674,806 |
| **Effect of foreign exchange rate changes** | | **37,210** | 35,865 |
| **Cash and cash equivalents at the end of the year** | | **649,306** | 615,663 |
| **Analysis of the cash and cash equivalents at the end of the year** | | | |
| Cash and cash equivalents as disclosed in the consolidated statement of financial position | | **647,356** | 615,663 |
| Cash and cash equivalents classified as assets held for sale | 23 | **1,950** | – |
| **Total cash and cash equivalents in the consolidated cash flow statement** | | **649,306** | 615,663 |

The notes on pages 66 to 126 form part of these financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## 1 GENERAL

Neo-Neon Holdings Limited (the "Company") was incorporated and registered as an exempted company with limited liability under the Companies Law of the Cayman Islands and acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 36. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and certain of its shares are listed as Depositary Receipts in Taiwan Stock Exchange.

The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section of the annual report.

On 19 March 2014, a subscription agreement was entered into between the Company and Tsinghua Tongfang Co., Ltd. ("Tsinghua Tongfang") via THTF Energy-Saving Holdings Limited ("THTF ES") (an indirectly wholly-owned subsidiary of Tsinghua Tongfang), in relation to the subscription (the "Subscription") of 1,000,000,000 shares (representing approximately 106.46% of the then issued share capital of the Company) at the subscription price of Hong Kong Dollar ("HK$") 0.90 per share by THTF ES. The completion of the Subscription pursuant to the subscription agreement took place on 1 August 2014 and the consideration for the Subscription in the sum of HK$900,000,000 has been fully paid by THTF ES to the Company on 1 August 2014. Upon completion, THTF ES had subscribed for an aggregate of approximately 51.56% of the issued share capital of the Company.

On 20 January 2016, THTF ES acquired an aggregate of 347,668,000 shares of the Company at HK$1.18 per Share ("Increase in Shareholding"). Immediately after the Increase in Shareholding, the shareholding of THTF ES in the Company increased from approximately 51.75% to approximately 69.68%.

By a special resolution passed at the Extraordinary General Meeting held on 5 January 2015, the Chinese name of the Company is changed from "真明麗控股有限公司" to "同方友友控股有限公司". The English name "Neo-Neon Holdings Limited" remains unchanged. The change of company name will not affect any of the right of the shareholders.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### (a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"). Significant accounting policies adopted by the Company and its subsidiaries (collectively the "Group") are disclosed below.

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 and the Company. Note 2(c) 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.

# 2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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

The consolidated financial statements for the year ended 31 December 2016 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

– investment property (see note 2(h)); and

– financial instruments classified as financial asset at fair value through profit or loss (see note 2(o)).

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell (see note 2(w)).

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

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

## (c) Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. 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.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

# 2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

## (d) Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted, being the change in proportionate share of the net book value of subsidiaries and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, it (i) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost, (ii) derecognises the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them), and (iii) recognises the aggregate of the fair value of the consideration received and the fair value of any retained interest, with any resulting difference being recognised as a gain or loss in profit or loss attributable to the Group. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

## (e) Business combinations

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

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

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income taxes" and HKAS 19 "Employee benefits" respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based payment" at the acquisition date (see the accounting policy below); and

- assets (or disposal groups) that are classified as held for sale are measured in accordance with HKFRS 5 "Non-current assets held for sale and discontinued operations".

# 2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

## (e) Business combinations *(Continued)*

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

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

## (f) Goodwill

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

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

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently whenever there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

# 2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

## (g) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably;
- Sales of goods are recognised when goods are delivered and title has passed;
- Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition;
- Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss;
- Dividend income from investments is recognised when the Group's rights to receive payment have been established; and
- Rental income from investment properties let under operating leases is recognised on a straight line basis over the period of the respective leases.

## 2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### (h) Investment properties

Investment properties are properties held to earn rentals and for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

### (i) Property, plant and equipment

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is stated at cost which includes all development expenditure and other direct costs, attributable to such projects, less any recognised impairment loss.

They are not depreciated until completion of construction and the asset is ready for intended use. Cost of completed construction works is transferred to the appropriate category of property, plant and equipment.

Buildings are depreciated over their estimated useful lives or lease terms of the relevant leasehold land on a straight line basis, whichever is shorter.

For the leasehold land and buildings in Hong Kong, the cost of leasehold land and buildings is depreciated over their estimated useful lives of 50 years. The cost of buildings in the PRC is depreciated over 20 years.

Depreciation is recognised so as to write off the cost of other property, plant and equipment over their estimated useful lives, using the straight line method.

# 2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

## (j) Leasehold land and building

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

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the statement of financial position and is amortised over the lease term on a straight line basis except for investment properties under the fair value model.

## (k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## (l) Intangible assets

### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effective of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

# 2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

## (l) Intangible assets *(Continued)*

### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight line basis over their estimated useful lives. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

### Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets acquired separately.

# 2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

## (m) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

## (n) Cash and cash equivalents

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

## (o) Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position when the Group has become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

### Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivable, restricted bank deposits and cash and cash equivalents) are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

# 2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

## (o) Financial instruments *(Continued)*

### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss ("FVTPL") represent financial assets held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. FVTPL are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

### Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period (see the accounting policy in respect of impairment loss on financial assets below).

### Impairment of financial assets

Financial assets, other than investments held-for-trading, are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

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

For all other financial assets, objective evidence of impairment could include:

– significant financial difficulty of the issuer or counterparty; or

– breach of contract, such as default or delinquency in interest or principal payments; or

– it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

# 2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

## (o) Financial instruments *(Continued)*

### Impairment of financial assets *(Continued)*

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days to 90 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For available-for-sale financial asset carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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

The carrying amount of the loans and receivables is reduced by the impairment loss directly with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

### Financial liabilities and equity instruments

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

# 2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

## (o) Financial instruments *(Continued)*

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

### Financial liabilities

Financial liabilities, including trade and other payables, and bank loans, are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest method.

### Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## (p) Impairment of tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

# 2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

## (p) Impairment of tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above) *(Continued)*

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior periods. A reversal of an impairment loss is recognised as income immediately.

## (q) Taxation

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

The tax currently payable is based on taxable profit for the period. Taxable profit differs from "loss before taxation" as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes 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 liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

# 2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

## (q) Taxation *(Continued)*

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time. If the presumption is rebutted, deferred tax for such investment properties are measured in accordance with the above general principles set out in HKAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

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

## (r) Government grants

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

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

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

## (s) Share-based payment transactions

### Share options granted to employees, directors and non-executive directors

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to share options reserve.

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

# 2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

## (t) Foreign currencies

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in RMB, which is the presentation currency for the consolidated financial statements. The functional currency of the Company is HK$.

Exchange differences arising on the settlement of monetary items, and on the re-translation of monetary items, are included in profit or loss for the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's operations are expressed in RMB using exchange rates prevailing at the end of the reporting period.

Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

## (u) Leasing

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

### The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

### The Group as lessee

Operating lease payments are recognised as an expense on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight line basis.

## (v) Retirement benefits costs

Payments to defined contribution retirement benefits plan are recognised as an expense when employees have rendered services entitling them to the contributions.

# 2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

## (w) Non-current assets held for sale

A non-current asset (or disposal group) is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the above criteria for classification as held for sale are met, regardless of whether the group will retain a non-controlling interest in the subsidiary after the sale.

Immediately before classification as held for sale, the measurement of the non-current assets (and all individual assets and liabilities in a disposal group) is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the financial statements of the Group and the Company are concerned are deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries, associates and joint ventures) and investment properties. These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 2.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in profit or loss. As long as a non-current asset is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

## (x) Related parties

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

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

# 2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

## (x) Related parties *(Continued)*

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

(i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

## (y) Segment reporting

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

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

# 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

## Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of 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:

### Taxation

As detailed in note 11, there are tax audit cases initiated on the Hong Kong tax affairs of certain group entities for which the ultimate tax determination is uncertain up to the issue of these financial statements. Where the final tax outcome of such cases is different from initial estimate, such differences would have material impact on the current income tax in the period when such a determination is made. No tax provision has been recognised in connection with these tax audit cases in 2016 and prior years as the directors of the Company are of the opinion that the tax audit exercise is still at a preliminary stage and that no profits tax is payable by the Group as the subsidiaries in question did not carry out any business, nor derive any profits, in Hong Kong. Accordingly, no additional provision for Hong Kong Profits Tax is considered necessary in respect of the tax audit. Management engaged an external tax advisor to assist the Group in filing objections to and settling the case with the Inland Revenue Department ("IRD").

### Allowance for bad and doubtful debts

The policy for allowance for doubtful debts of the Group is based on the evaluation of recoverability and ageing analysis of each customer individually based on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. If the financial condition of customers of the Group were improved and is able to repay the receivable, reversal of allowance may be required.

### Allowance for inventories

The management of the Group reviews an ageing analysis and market demands of inventories at the end of each reporting period, and makes allowance for inventory obsolescence for items that are identified as obsolete, slow-moving and for inventories with net realisable values lower than their carrying amounts taking into account of market demands and the estimated selling prices. The management estimates the net realisable value for goods based primarily on the latest selling prices and current market conditions.

# 4 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders. The Group's overall strategy remains unchanged from prior year.

At the end of the year, the capital structure of the Group consisted of debts, net cash and cash equivalents and equity attributable to owners of the Company, comprising share capital and reserves.

The management of the Group reviews the capital structure regularly. The Group considers the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through the payment of dividends, issue of new shares and the raising of loans.

# 5 FINANCIAL INSTRUMENTS

## Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, available-for-sale investment, other non-current assets, restricted bank deposits, cash and cash equivalents, trade and other payables and bank borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), liquidity risk and credit risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

### Market risk

*(i) Currency risk*

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities and inter-company balances, which expose the Group to foreign currency risk at the reporting date are as follows:

| | Assets | | Liabilities | |
|---|---|---|---|---|
| | **At 31 December 2016 RMB'000** | At 31 December 2015 RMB'000 | **At 31 December 2016 RMB'000** | At 31 December 2015 RMB'000 |
| RMB | **808,428** | 909,268 | **1,144,341** | 1,230,965 |

The Group currently does not have a foreign currency hedging policy to eliminate the currency exposures. However, management monitors the related foreign currency exposure closely and will consider hedging significant foreign currency exposures should the need arise.

# 5 FINANCIAL INSTRUMENTS *(Continued)*

## Financial risk management objectives and policies *(Continued)*

### Market risk *(Continued)*

*(i) Currency risk (Continued)*

Sensitivity analysis

The Group is mainly exposed to the change in RMB exchange rates against United States Dollars.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The profit before taxation of the Group would increase by RMB16,796,000 for the year ended 31 December 2016 (2015:RMB16,085,000) had RMB weakening 5% against the functional currency of the respective Group entities. For a 5% appreciation of RMB against the functional currency of the respective Group entities, there would be an equal and opposite impact.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

*(ii) Interest rate risk*

During the year, the Group was exposed to cash flows interest rate risk through the impact of the rate changes on floating interest rate bank loans.

The Group's cash and cash equivalents have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on cash and cash equivalents. The directors consider the Group's exposure of the short-term bank deposits to interest rate risk is not significant as they are within short maturity period. The Group considers the change in interest rate will not have a material impact to the Group's results and financial position.

### Liquidity risk management

The directors of the Company have built a liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows.

# 5 FINANCIAL INSTRUMENTS *(Continued)*

## Financial risk management objectives and policies *(Continued)*

### Liquidity risk management *(Continued)*

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

| | Weighted effective interest rate % | On demand RMB'000 | Less than 1 year RMB'000 | Total undiscounted cash flows RMB'000 | Carrying Amount RMB'000 |
|---|---|---|---|---|---|
| At 31 December 2016 | | | | | |
| Non-derivative financial liabilities | | **28,141** | **117,895** | **146,036** | **146,036** |
| Liabilities held for sale | | **11,195** | **–** | **11,195** | **11,195** |
| Bank loans | **2.72** | **–** | **113,985** | **113,985** | **110,967** |
| | | **39,336** | **231,880** | **271,216** | **268,198** |
| At 31 December 2015 | | | | | |
| Non-derivative financial liabilities | | 44,529 | 128,873 | 173,402 | 173,402 |
| Bank loans | 2.25 | – | 97,269 | 97,269 | 95,129 |
| | | 44,529 | 226,142 | 270,671 | 268,531 |

# 5 FINANCIAL INSTRUMENTS *(Continued)*

## Financial risk management objectives and policies *(Continued)*

### Credit risk

The Group's principal financial assets are trade and other receivables, restricted bank deposits and cash and cash equivalents, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, if any, estimated by the Group's management based on prior experience and their assessment of the current lighting industry environment.

In order to minimise the credit risk in relation to trade receivables, the management of the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because majority of the counterparties are mainly banks with high credit-ratings assigned by international credit-rating agencies and PRC state-owned banks with good reputation.

### Fair value

The Group measures the fair value of investment properties and financial asset at fair value through profit or loss at the end of the reporting period on a recurring basis. The HKFRS 13, Fair value measurement, disclosures of its investment properties and financial asset at fair value through profit or loss are presented in note 13 and note 19, respectively.

The carrying amounts of the Group's financial assets and liabilities carried at cost or amortised cost are not materially different from their fair value as at 31 December 2016 and 2015.

# 6 REVENUE AND SEGMENT INFORMATION

Information reported to the board of directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on by divisions, which are organised by a mixture of both business lines (products and services) and geography. Specifically, the Group's reportable segments under HKFRS 8 are as follows:

| | | |
|---|---|---|
| LED decorative lighting | – | manufacture and distribution of LED decorative lighting products and incandescent decorative lighting products |
| General illumination lighting | – | manufacture and distribution of LED general illumination lighting products and entertainment lighting products |
| All others | – | distribution of lighting product accessories |

Revenue represents the fair value of the consideration received and receivable for goods sold by the Group to external customers during the year.

## Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment:

| | 2016<br>RMB'000 | 2015<br>RMB'000 |
|---|---|---|
| **Segment revenue** | | |
| LED decorative lighting | **447,878** | 415,681 |
| General illumination lighting | **155,702** | 183,845 |
| All others | **7,663** | 2,912 |
| | **611,243** | 602,438 |
| **Segment results** | | |
| LED decorative lighting | **72,028** | 76,121 |
| General illumination lighting | **23,553** | 25,203 |
| All others | **669** | 716 |
| | **96,250** | 102,040 |
| Unallocated expenses | **(20,362)** | (32,104) |
| Unallocated other gains, losses and expenses | **(53,212)** | (55,972) |
| Finance costs | **(3,873)** | (2,693) |
| Change in fair value of investment properties | **–** | (1,795) |
| **Profit before taxation** | **18,803** | 9,476 |

# 6 REVENUE AND SEGMENT INFORMATION *(Continued)*

## Segment revenue and results *(Continued)*

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 2. Segment profit represents the profit incurred by each segment without allocation of unallocated expenses, certain other gains or losses and expenses, finance costs and change in fair value of investment properties. This is the measure reported to the board of directors of the Company for the purposes of resource allocation and performance assessment.

## Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

| | At 31 December 2016 RMB'000 | At 31 December 2015 RMB'000 |
|---|---|---|
| **Segment assets** | | |
| LED decorative lighting | **706,654** | 627,675 |
| General illumination lighting | **313,502** | 316,324 |
| All others | **6,563** | 6,092 |
| Total segment assets | **1,026,719** | 950,091 |
| Unallocated assets | **494,723** | 524,900 |
| Consolidated total assets | **1,521,442** | 1,474,991 |
| **Segment liabilities** | | |
| LED decorative lighting | **135,986** | 134,793 |
| General illumination lighting | **46,427** | 59,304 |
| All others | **2,396** | 4,370 |
| Total segment liabilities | **184,809** | 198,467 |
| Unallocated liabilities | **126,682** | 113,040 |
| Consolidated total liabilities | **311,491** | 311,507 |

# 6 REVENUE AND SEGMENT INFORMATION *(Continued)*

## Segment assets and liabilities *(Continued)*

For the purposes of assessing segment performances and allocating resources between segments:

- all assets are allocated to reportable and operating segments other than investment properties, goodwill, available-for-sale investments and deferred tax assets. Assets used jointly by reportable and operating segments are allocated on the basis of the revenues earned by individual reportable and operating segments; and

- all liabilities are allocated to reportable and operating segments other than bank borrowings, government grants and deferred tax liabilities. Liabilities for which operating segments are jointly liable are allocated in proportion to the revenues earned by individual reportable and operating segments.

## Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's investment properties, property, plant and equipment, prepaid lease payments, intangible assets, goodwill, and deposits made on acquisition of property, plant and equipment ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset.

| | Revenues from external customers | | Specified non-current assets | |
|---|---|---|---|---|
| | | | 31 December | 31 December |
| | 2016 | 2015 | 2016 | 2015 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| North America | 456,201 | 328,310 | 32,978 | 28,237 |
| Europe | 64,109 | 86,455 | 9,729 | 9,309 |
| PRC | 24,885 | 84,398 | 138,476 | 225,205 |
| Asia (excluding PRC) | 53,764 | 65,648 | 55,096 | 56,497 |
| Other countries | 12,284 | 37,627 | – | – |
| | 611,243 | 602,438 | 236,279 | 319,248 |

## Information about major customers

There were no customers who individually contribute over 10% of the total sales of the Group for the year ended 31 December 2016 and 2015.

# 6 REVENUE AND SEGMENT INFORMATION *(Continued)*

## Other segment information

| | LED decorative lighting RMB'000 | General illumination lighting RMB'000 | All others RMB'000 | Segment-total RMB'000 | Unallocated amount RMB'000 | Consolidated RMB'000 |
|---|---|---|---|---|---|---|
| **Year ended 31 December 2016** | | | | | | |
| Additions to non-current segment assets | **27,347** | **11,275** | **165** | **38,787** | **-** | **38,787** |
| Depreciation and amortisation | **23,348** | **10,285** | **169** | **33,802** | **1,074** | **34,876** |
| Net reversal of allowance for bad and doubtful debts | **3,597** | **1,591** | **25** | **5,213** | **-** | **5,213** |
| Gain on disposal of property, plant and equipment and prepaid lease payments | **1,682** | **739** | **-** | **2,421** | **-** | **2,421** |
| **Year ended 31 December 2015** | | | | | | |
| Additions to non-current segment assets | 21,431 | 8,771 | 134 | 30,336 | - | 30,336 |
| Depreciation and amortisation | 22,915 | 10,094 | 166 | 33,175 | 1,054 | 34,229 |
| Net reversal of allowance for bad and doubtful debts | 9,614 | 4,252 | 68 | 13,934 | - | 13,934 |
| Gain on disposal of property, plant and equipment and prepaid lease payments | 18,931 | 8,373 | 132 | 27,436 | - | 27,436 |

## 7(a) OTHER GAINS AND LOSSES

| | 2016 RMB'000 | 2015 RMB'000 |
|---|---|---|
| Gain on disposal of property, plant and equipment and prepaid lease payments | **2,421** | 27,436 |
| Net reversal of allowance for bad and doubtful debts | **5,213** | 13,934 |
| Net exchange gain | **18,523** | 22,771 |
| Others | **1,901** | (637) |
| | **28,058** | 63,504 |

## 7(b) OTHER EXPENSES

| | 2016 RMB'000 | 2015 RMB'000 |
|---|---|---|
| Research and development costs, net | **590** | 3,516 |
| Compensation relating to litigation | **–** | 1,235 |
| | **590** | 4,751 |

## 8 FINANCE COSTS

| | 2016 RMB'000 | 2015 RMB'000 |
|---|---|---|
| Interest on bank borrowings | **3,873** | 2,693 |

# 9 PROFIT BEFORE TAXATION

| | 2016<br>RMB'000 | 2015<br>RMB'000 |
|---|---|---|
| Profit before taxation is arrived at after charging: | | |
| Directors' remuneration | **1,793** | 4,410 |
| Equity-settled share based payment expenses | **2,718** | 2,291 |
| Salaries, wages and other benefits | **135,835** | 152,143 |
| | **140,346** | 158,844 |
| Depreciation (note 14) | **30,321** | 30,603 |
| Amortisation | | |
| – prepaid lease payments (note 15) | **999** | 1,196 |
| – intangible assets (note 17) | **3,556** | 2,243 |
| Auditor's remuneration | | |
| – audit service | **3,627** | 3,543 |
| – non-audit services | **221** | 236 |
| | **3,848** | 3,779 |
| Cost of inventories (note 20) | **422,883** | 435,167 |
| Operating lease rentals in respect of rented premises | **7,387** | 6,782 |
| And after crediting: | | |
| Interest income from bank deposits | **(2,140)** | (3,434) |
| Property rental income before deduction of negligible outgoings | **(2,179)** | (1,099) |

**NOTES TO THE** CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in RMB unless otherwise indicated)

# 10 DIRECTORS' AND EMPLOYEES' EMOLUMENTS

| | 2016 | | | | | 2015 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Fees RMB'000 | Salaries and other benefits RMB'000 | Retirement benefits scheme contributions RMB'000 | Equity-settled share based payments RMB'000 | Total RMB'000 | Fees RMB'000 | Salaries and other benefits RMB'000 | Retirement benefits scheme contributions RMB'000 | Equity-settled share based payments RMB'000 | Total RMB'000 |
| **Executive directors** | | | | | | | | | | |
| – Mr. Seah Han Leong | – | 1,083 | – | – | 1,083 | – | 1,017 | – | 194 | 1,211 |
| – Mr Fan Xin (resigned on 15 July 2016) | – | – | – | – | – | – | 56 | – | – | 56 |
| – Mr. Wang Liang Hai (resigned on 15 July 2016) | – | – | – | – | – | – | 163 | – | 152 | 315 |
| – Mr. Pan Jin (resigned on 15 July 2016) | – | 72 | – | – | 72 | – | 611 | – | 194 | 805 |
| – Mr. Ben Fan (resigned on 20 January 2016) | – | 14 | – | – | 14 | – | 244 | – | 152 | 396 |
| – Mr. Lu Zhi Cheng (resigned on 9 October 2015) | – | – | – | – | – | – | 189 | – | 304 | 493 |
| – Mr. Fan Pong Yang (resigned on 22 September 2014) | – | – | – | – | – | – | – | – | 101 | 101 |
| **Independent non-executive directors** | | | | | | | | | | |
| – Mr. Fan Ren Da, Anthony | – | 208 | – | – | 208 | – | 195 | – | 61 | 256 |
| – Mr. Liu Tian Min | – | 208 | – | – | 208 | – | 195 | – | 61 | 256 |
| – Ms. Li Ming Qi | – | 208 | – | – | 208 | – | 195 | – | 61 | 256 |
| **Non-executive director** | | | | | | | | | | |
| – Mr. Liu Wei Dong | – | – | – | – | – | – | 165 | – | 100 | 265 |
| – Mr. Wang Liang Hai (appointed on 15 July 2016) | – | – | – | – | – | – | – | – | – | – |
| – Mr. Huang Yu (appointed on 15 July 2016) | – | – | – | – | – | – | – | – | – | – |
| | – | 1,793 | – | – | 1,793 | – | 3,030 | – | 1,380 | 4,410 |

## 10 DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

Of the five individuals with the highest emoluments, one (2015: two) of them are directors whose emoluments are listed above. The aggregate of the emoluments in respect of the other four (2015: three) individuals are as follows:

| | 2016 RMB'000 | 2015 RMB'000 |
|---|---|---|
| Employees | | |
| – Basic salaries and allowances | **2,344** | 1,861 |

The emoluments of the four (2015: three) individuals with the highest emoluments are within the following bands:

| | 2016 | 2015 |
|---|---|---|
| Up to HK$1,000,000 | **4** | 3 |

During the year ended 31 December 2016 and 2015, no emoluments were paid by the Group to directors and the highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

## 11 TAXATION

| | 2016 RMB'000 | 2015 RMB'000 |
|---|---|---|
| Taxation in the consolidated statement of comprehensive income represents: | | |
| Provision for the year | **15,294** | 5,483 |
| Deferred taxation (note 27) | **(8,233)** | (492) |
| | **7,061** | 4,991 |

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

The subsidiaries of the Company established in the PRC are subject to PRC Enterprise Income Tax at 25% for the year ended 31 December 2016 and 2015, except that one entity is entitled to preferential tax rate of 15% as it is officially endorsed as High-New Technology Enterprise till 9 October 2017.

Pursuant to the relevant laws and regulations in the USA, the Company's subsidiaries incorporated in the USA are subject to the gradual USA corporate income tax rate up to 35% for the year ended 31 December 2016 and 2015.

## 11 TAXATION *(Continued)*

Pursuant to the relevant laws and regulations in Vietnam, the Company's subsidiary incorporated in Vietnam is subject to Vietnam corporate income tax at 20% for the year ended 31 December 2016 and 2015.

The subsidiaries of the Company incorporated in Hong Kong are subject to Hong Kong Profits Tax rate of 16.5% for the year ended 31 December 2016 and 2015.

Dividends paid to the non-resident shareholder of a Taiwan subsidiary are generally subject to withholding tax of 20%.

### Tax audit conducted by the Inland Revenue Department ("IRD") in Hong Kong

IRD is conducting a tax audit to the Group for the year of assessment back from 2005/06.

On 26 March 2012, the IRD issued protective profits tax assessments in aggregate of HK$5,250,000 (approximately equivalent to RMB4,696,000) relating to the year of assessment 2005/06, that is, for the financial year ended 31 December 2005, against certain subsidiaries of the Company. The Group lodged objections to the IRD against these protective assessments.

On 8 March 2013, the IRD additionally issued protective profits tax assessments in aggregate of HK$5,425,000 (approximately equivalent to RMB4,853,000) relating to the year of assessment 2006/07, that is, for the financial year ended 31 December 2006, against certain subsidiaries of the Company. The Group lodged objections to the IRD against these protective assessments.

On 14 March 2014, the IRD additionally issued estimated profits tax assessments in aggregate of HK$28,425,000 (approximately equivalent to RMB25,426,000) relating to the year of assessment 2007/08, that is, for the financial year ended 31 December 2007, against certain subsidiaries of the Company. The Group lodged objections to the IRD against these estimated assessments.

On 9 January 2015 and 27 March 2015, the IRD additionally issued protective profits tax assessments in aggregate of HK$35,838,000 (approximately equivalent to RMB32,057,000) relating to the year of assessment 2008/09, that is, for the financial year ended 31 December 2008, against certain subsidiaries of the Company. The Group lodged objections to the IRD against these protective assessments.

On 31 December 2015, the IRD additionally issued protective profits tax assessments in aggregate of HK$24,288,000 (approximately equivalent to RMB21,726,000) relating to the year of assessment 2009/10, that is, for the financial year ended 31 December 2009, against certain subsidiaries of the Company. The Group lodged objections to the IRD against these protective assessments.

On 29 December 2016, the IRD additionally issued protective profits tax assessments in aggregate of HK$47,305,500 (approximately equivalent to RMB42,315,000) relating to the year of assessment 2010/11, that is, for the financial year ended 31 December 2010, against certain subsidiaries of the Company. The Group lodged objections to the IRD against these protective assessments.

## 11 TAXATION *(Continued)*

### Tax audit conducted by the Inland Revenue Department ("IRD") in Hong Kong *(Continued)*

As at 31 December 2016, the IRD agreed to hold over the tax demanded for the years of assessment 2005/06 to 2009/10 on the condition of the purchase of tax reserve certificates ("TRCs") of totaling HK$25,450,000 (approximately equivalent to RMB22,765,000) which have been recorded as tax recoverable. On 20 February 2017, the group purchased TRCs of totaling HK$10,000,000 (approximately equivalent to RMB8,945,000) relating to the year of assessment 2010/11.

The directors of the Company are of the opinion that no profits tax is payable by the Group as the subsidiaries in question did not carry out any business, nor derive any profits, in Hong Kong. Accordingly, no additional provision for Hong Kong Profits Tax is considered necessary in respect of the tax audit.

Reconciliation between tax expense and accounting profit at applicable tax rates:

| | **2016** | 2015 |
|---|---|---|
| | **RMB'000** | RMB'000 |
| Profit before taxation | **18,803** | 9,476 |
| Notional tax on profit before taxation, calculated at the PRC Enterprise Income Tax rate at 25% (2015: 25%) | **4,701** | 2,369 |
| Tax effect of expenses not deductible for tax purposes | **70** | 133 |
| Tax effect of net unrealised exchange gain not taxable for tax purposes | **(13,336)** | (10,498) |
| Tax effect of tax losses not recognised | **11,756** | 7,110 |
| Tax effect of temporary difference (utilised but no deferred taxation recognised in previous years)/not recognised | **(1,427)** | 1,273 |
| Effect of different tax rates on subsidiaries operating in other jurisdictions | **5,297** | 4,604 |
| Actual tax expense | **7,061** | 4,991 |

# 12 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

| | 2016<br>RMB'000 | 2015<br>RMB'000 |
|---|---|---|
| Profit for year attributable to owners of the Company | **11,778** | 5,817 |

Weighted average number of ordinary shares:

| | Number of shares | |
|---|---|---|
| | **2016**<br>**'000** | 2015<br>'000 |
| Issued ordinary shares at 1 January | **1,939,319** | 1,939,319 |
| Effect of shares repurchased (note 28(b)) | **(293)** | – |
| Weighted average number of ordinary shares at 31 December | **1,939,026** | 1,939,319 |

The equity-settled share options were not included in the calculation of diluted earnings per share because they are antidilutive for the years ended 31 December 2016 and 2015.

# 13 INVESTMENT PROPERTIES

The fair value of the Group's investment properties are measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

| | **At 31 December 2016 RMB'000** | At 31 December 2015 RMB'000 |
|---|---|---|
| Recurring fair value measurement: | | |
| Properties held under medium-term leases in the PRC | **14,700** | 14,700 |

As at 31 December 2016 and 2015, the fair value of the Group's investment properties are categorised into Level 2, which has been arrived at by the directors on the basis of a valuation carried out on that date by an independent valuer who holds a recognisable and relevant professional qualification and has recent experience in the location and category of the investment properties being valued. The valuation was made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interests. The valuation was determined based on direct comparison approach by reference to recent market prices for similar properties in the similar locations and conditions.

During the years ended 31 December 2016 and 2015, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

# 14 PROPERTY, PLANT AND EQUIPMENT

| | Land and buildings RMB'000 | Furniture, fixtures and equipment RMB'000 | Leasehold improvements RMB'000 | Vehicles RMB'000 | Moulds RMB'000 | Plant and machinery RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| At 1 January 2015 | 561,863 | 66,100 | 303,286 | 13,840 | 113,114 | 936,618 | 1,994,821 |
| Currency realignment | 3,182 | 1,704 | 354 | 362 | 1,331 | 220 | 7,153 |
| Additions | 432 | 1,801 | 10,197 | 3,144 | 1,603 | 4,130 | 21,307 |
| Disposals | (25,956) | (4,587) | - | (3,579) | - | (794) | (34,916) |
| At 31 December 2015 | **539,521** | **65,018** | **313,837** | **13,767** | **116,048** | **940,174** | **1,988,365** |
| Currency realignment | **7,251** | **1,629** | **2,218** | **682** | **1,676** | **4,694** | **18,150** |
| Additions | **851** | **9,092** | **13,490** | **1,840** | **1,105** | **2,594** | **28,972** |
| Disposals | **(4,334)** | **(4,114)** | **(326)** | **(1,333)** | **(76)** | **(213,614)** | **(223,797)** |
| Reclassification to assets held for sale | **(69,157)** | **(3,654)** | **(46,736)** | **(999)** | **-** | **(376,752)** | **(497,298)** |
| At 31 December 2016 | **474,132** | **67,971** | **282,483** | **13,957** | **118,753** | **357,096** | **1,314,392** |
| **Depreciation and impairment** | | | | | | | |
| At 1 January 2015 | 418,285 | 61,030 | 293,881 | 13,542 | 109,298 | 854,642 | 1,750,678 |
| Currency realignment | 684 | 1,455 | 291 | 391 | 1,341 | 226 | 4,388 |
| Charge for the year | 8,001 | 1,486 | 3,679 | 224 | 748 | 16,465 | 30,603 |
| Eliminated on disposals | (20,995) | (4,487) | - | (3,569) | - | (56) | (29,107) |
| At 31 December 2015 | **405,975** | **59,484** | **297,851** | **10,588** | **111,387** | **871,277** | **1,756,562** |
| Currency realignment | **3,830** | **1,111** | **2,146** | **346** | **1,672** | **4,571** | **13,676** |
| Charge for the year | **8,016** | **2,616** | **3,991** | **398** | **1,046** | **14,254** | **30,321** |
| Eliminated on disposals | **(1,072)** | **(1,647)** | **(52)** | **(1,268)** | **(22)** | **(202,756)** | **(206,817)** |
| Reclassification to assets held for sale | **(44,584)** | **(2,800)** | **(29,251)** | **(623)** | **-** | **(351,924)** | **(429,182)** |
| At 31 December 2016 | **372,165** | **58,764** | **274,685** | **9,441** | **114,083** | **335,422** | **1,164,560** |
| **Carrying values** | | | | | | | |
| At 31 December 2015 | 133,546 | 5,534 | 15,986 | 3,179 | 4,661 | 68,897 | 231,803 |
| At 31 December 2016 | **101,967** | **9,207** | **7,798** | **4,516** | **4,670** | **21,674** | **149,832** |

## 14 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The above items of property, plant and equipment other than those under construction in progress are depreciated on a straight-line basis at the following rates per annum:

For the leasehold land and buildings in Hong Kong, the cost of leasehold land and buildings is depreciated over their estimated useful lives of 50 years. The cost of buildings in PRC is depreciated over 20 years.

| | |
|---|---|
| Furniture, fixtures and equipment | 15% – 20% |
| Leasehold improvements | 20% |
| Vehicles | 20% |
| Moulds | 20% |
| Plant and machinery | 10% |

At 31 December 2015, the Group has pledged certain of its buildings with aggregate carrying values of RMB20,091,000 to secure the credit facilities granted to the Group. No buildings have been pledged as at 31 December 2016.

At 31 December 2016, certain property certificates of the Group's properties with an aggregate net book value of RMB3,049,000 were yet to be obtained (2015: RMB18,181,000).

## 15 PREPAID LEASE PAYMENTS

| | At 31 December 2016 RMB'000 | At 31 December 2015 RMB'000 |
|---|---|---|
| **Carrying value** | | |
| At the beginning of the year | **38,097** | 58,049 |
| Currency realignment | **536** | 54 |
| Disposals | **–** | (18,810) |
| Amortisation for the year | **(999)** | (1,196) |
| Reclassification to assets held for sale | **(5,771)** | – |
| At the end of the year | **31,863** | 38,097 |

# 16 GOODWILL

| | At 31 December 2016 RMB'000 | At 31 December 2015 RMB'000 |
|---|---|---|
| Balance at beginning of the year | **8,109** | 7,661 |
| Currency realignment | **554** | 448 |
| At the end of the year | **8,663** | 8,109 |

Goodwill is allocated to the Group's CGU of LED decorative lighting with operations located in the USA. The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated weighted average growth rate of 5% (2015: 5%) which is consistent with the forecasts included in industry reports. The growth rates used do not exceed the long-term average growth rates for the business in which the CGU operates. The cash flows are discounted using a discount rate of 13.63% (2015: 13.53%). The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

# 17 INTANGIBLE ASSETS

| | Licenses, patent, trademarks, software and technology know-how |
|---|---|
| **Cost** | |
| At 1 January 2015 | 101,244 |
| Additions through internal development | 9,029 |
| Currency realignment | 4,886 |
| At 31 December 2015 | 115,159 |
| Additions | 1,015 |
| Additions through internal development | 7,419 |
| Currency realignment | 7,153 |
| Disposal | (57,522) |
| Reclassification to assets held for sale | (4) |
| At 31 December 2016 | 73,220 |
| **Accumulated amortisation and impairment** | |
| At 1 January 2015 | (85,139) |
| Amortisation | (2,243) |
| Currency realignment | (3,924) |
| At 31 December 2015 | (91,306) |
| Amortisation | (3,556) |
| Currency realignment | (6,041) |
| Eliminated on disposal | 57,522 |
| Reclassification to assets held for sale | 1 |
| At 31 December 2016 | (43,380) |
| **Carrying values** | |
| At 31 December 2016 | 29,840 |
| At 31 December 2015 | 23,853 |

The above intangible assets are amortised on a straight line basis over three to eight years periods.

The amortisation charge for the year is included in "administrative expenses" in the consolidated statement of comprehensive income.

## 18 AVAILABLE-FOR-SALE INVESTMENTS

| | At 31 December 2016 RMB'000 | At 31 December 2015 RMB'000 |
|---|---|---|
| Unlisted equity investments, at cost | 4,345 | 4,345 |
| Accumulated impairment loss recognised | (706) | (692) |
| | 3,639 | 3,653 |

Unlisted equity investments are measured at cost less accumulated impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably and these investments do not have a material effect on the Group's financial results and financial position.

## 19 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

On 29 October 2014, Heshan Tongfang Lighting Technology Company Limited ("Tongfang Lighting"), a wholly-owned subsidiary of the Company, entered into an overseas assets management plan contract (the "Contract") with China Asset Management Co., Ltd. ("China AMC", as asset manager) and China Construction Bank Corporation ("CCBC", as asset custodian), pursuant to which Tongfang Lighting has agreed to participate in the overseas assets management plan operated by China AMC (the "Fund") by depositing the investment amount of RMB105,500,000 (the "Investment Amount") in a designated account maintained with CCBC. Pursuant to the Fund, the Investment Amount is proposed to be invested principally in equity interest and equity-linked structured products of Sinopec Marketing Co., Ltd. and bonds (including convertible bonds), funds, money market instruments, derivatives commodities and other financial instruments as permitted by the applicable securities laws and the requirements of the China Securities Regulatory Commission.

The fair value of the Group's financial asset at fair value through profit or loss is measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement.* The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

- Level 3 valuations: Fair value measured using significant unobservable inputs

## 19 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

At as 31 December 2016 and 2015, the fair value of the Group's financial asset at fair value through profit or loss are categorised into Level 2, which have been arrived by the directors on the basis of a valuation carried out on that date by the asset manager and the asset custodian of the Fund who are recognisable and professional asset management companies. The valuation was made with reference to recent transaction price of the Fund, which is an observable input in the market.

During the year ended 31 December 2016 and 2015, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

## 20 INVENTORIES

| | **At 31 December 2016 RMB'000** | At 31 December 2015 RMB'000 |
|---|---|---|
| Raw materials | **38,757** | 32,116 |
| Work in progress | **51,382** | 45,531 |
| Finished goods | **94,177** | 111,527 |
| | **184,316** | 189,174 |

At 31 December 2016, certain finished goods with a carrying value of approximately RMB32,250,000 (31 December 2015: RMB24,128,000) were pledged to certain banks to secure the credit facilities granted to the Group.

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

| | **2016 RMB'000** | 2015 RMB'000 |
|---|---|---|
| Carrying amount of inventories sold | **418,888** | 431,462 |
| Write down of inventories | **3,995** | 3,705 |
| | **422,883** | 435,167 |

# 21 TRADE AND OTHER RECEIVABLES

| | At 31 December 2016 RMB'000 | At 31 December 2015 RMB'000 |
|---|---|---|
| Trade receivables | **149,141** | 151,777 |
| Bills receivable | **11,815** | 6,941 |
| Less: allowance for bad and doubtful debts | **(47,450)** | (61,924) |
| | **113,506** | 96,794 |
| Deposits paid to suppliers | **21,079** | 23,702 |
| Value added tax recoverable | **33,656** | 72,470 |
| Value added tax refundable on export sales | **3,446** | 4,221 |
| Other receivables | **7,243** | 13,735 |
| | **178,930** | 210,922 |

Payment terms with customers are mainly on credit together with deposits. Invoices are normally payable from 90 days of issuance, except for certain well established customers in which the credit terms are up to 180 days. The following is an ageing analysis of trade and bills receivable presented based on the invoice dates (or date of revenue recognition, if earlier) and net of allowance for doubtful debts:

| | At 31 December 2016 RMB'000 | At 31 December 2015 RMB'000 |
|---|---|---|
| 0 to 60 days | **72,292** | 38,384 |
| 61 to 90 days | **12,828** | 8,602 |
| 91 to 180 days | **10,473** | 7,717 |
| Over 180 days | **17,913** | 42,091 |
| | **113,506** | 96,794 |

## 21 TRADE AND OTHER RECEIVABLES *(Continued)*

The ageing analysis of trade and bills receivable that are neither individually nor collectively considered to be impaired are as follows:

| | At 31 December 2016 RMB'000 | At 31 December 2015 RMB'000 |
|---|---|---|
| Neither past due nor impaired | **95,593** | 54,703 |
| Less than 6 months past due | **7,204** | 16,858 |
| | **102,797** | 71,561 |

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Movement in the allowance for bad and doubtful debts:

| | At 31 December 2016 RMB'000 | At 31 December 2015 RMB'000 |
|---|---|---|
| At beginning of the year | **61,924** | 87,588 |
| Net impairment loss reversed | **(5,213)** | (13,934) |
| Uncollectible amounts written off | **(2,944)** | (11,730) |
| Reclassification to assets held for sale | **(6,317)** | – |
| At the end of the year | **47,450** | 61,924 |

## 21 TRADE AND OTHER RECEIVABLES *(Continued)*

Impairment losses in respect of trade receivables and bills receivable are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables and bills receivable directly.

At 31 December 2016, the Group's trade and bills receivable of RMB50,040,000 (2015: RMB72,696,000) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, specific allowances for doubtful debts of RMB45,784,000 (2015: RMB60,523,000) were recognised.

At 31 December 2016, certain trade receivables with a carrying value of approximately RMB46,226,000 (2015: RMB27,296,000) were pledged to certain banks to secure the credit facilities granted to the Group.

## 22 RESTRICTED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

The restricted bank deposits represent deposits pledged to banks to secure credit facilities granted to the Group.

Cash and cash equivalents comprise cash and bank deposits with an original maturity of three months or less.

## 23 ASSETS AND LIABILITIES HELD FOR SALE

On 31 October 2016, the Group entered into three equity transfer agreements with a fellow subsidiary of the Group, Tongfang Science and Technology Park Co., Ltd ("Tongfang Technology Park"), to dispose all its 100% equity interest in three subsidiaries, namely Yangzhou Tongfang Semiconductors Co. Ltd ("Yangzhou Tongfang"), Shanghai Cuineng Photoelectricity Science and Technology Co., Ltd ("Shanghai Cuineng") and Tianjin Zhenmingli Photoelectricity Co., Ltd ("Tianjin Zhenmingli") (collectively the "Disposal Group").

These transactions constitute a discloseable transaction under Chapter 14 of the Listing Rules and a connected transaction subject to the reporting, announcement, and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. On 21 December 2016, the independent shareholders of the Company approved these transactions at the extraordinary general meeting.

At 31 December 2016, the Disposal Group was in the process of submitting the application documents in relation to the equity transfers for the approval by the Ministry of Commerce of the PRC and the State Administration of Industry and Commerce of the PRC.

At 31 December 2016, the Disposal Group was available for immediate sale in its present condition. The above transactions were completed in February 2017 with no significant cost in relation to the disposal. Management are of the view that the Disposal Group do not constitute a separate major line of business, and accordingly do not meet the criteria of discontinued operations. The related assets and liabilities of the Disposal Group have been reclassified as disposal group held for sale and presented separately in the consolidated statements of financial position.

## 23 ASSETS AND LIABILITIES HELD FOR SALE *(Continued)*

The consideration of the equity transfer is higher than the carrying amount of the net assets of these entities attributable to the Company. Therefore, the Disposal Group was stated at carrying amount which was lower than the fair value less cost to sell and comprised the following assets and liabilities.

### Assets classified as held for sale

| | | At 31 December 2016 | | | |
|---|---|---|---|---|---|
| | Note | Yangzhou Tongfang RMB'000 | Shanghai Cuineng RMB'000 | Tianjin Zhenmingli RMB'000 | Total RMB'000 |
| Property, plant and equipment | 14 | 46,385 | 20,564 | 1,167 | 68,116 |
| Prepaid lease payments | 15 | 4,508 | – | 1,263 | 5,771 |
| Intangible assets | 17 | 3 | – | – | 3 |
| Inventories | | 2,451 | – | – | 2,451 |
| Trade and other receivables | | 26,209 | – | 775 | 26,984 |
| Cash and cash equivalents | | 1,699 | 215 | 36 | 1,950 |
| | | 81,255 | 20,779 | 3,241 | 105,275 |

### Liabilities classified as held for sale

| | | At 31 December 2016 | | | |
|---|---|---|---|---|---|
| | Note | Yangzhou Tongfang RMB'000 | Shanghai Cuineng RMB'000 | Tianjin Zhenmingli RMB'000 | Total RMB'000 |
| Trade and other payables | | 10,122 | – | 1 | 10,123 |
| Government grants | 26 | – | – | 1,072 | 1,072 |
| | | 10,122 | – | 1,073 | 11,195 |

# 24 TRADE AND OTHER PAYABLES

| | At 31 December 2016 RMB'000 | At 31 December 2015 RMB'000 |
|---|---|---|
| Trade payables | **71,613** | 72,822 |
| Bills payable | **21,935** | 33,321 |
| Payroll and welfare payables | **9,808** | 7,681 |
| Other payables | **42,680** | 59,578 |
| Financial liabilities measured at amortised cost | **146,036** | 173,402 |
| Customers' deposits | **13,433** | 13,825 |
| Other taxes payable | **4,077** | 7,146 |
| | **163,546** | 194,373 |

The following is an ageing analysis of trade and bills payable presented based on the invoice date at the end of the year:

| | At 31 December 2016 RMB'000 | At 31 December 2015 RMB'000 |
|---|---|---|
| 0 to 60 days | **58,926** | 50,412 |
| 61 to 90 days | **4,236** | 10,517 |
| 91 to 180 days | **873** | 8,238 |
| 181 to 360 days | **2,094** | 14,697 |
| More than 360 days | **27,419** | 22,279 |
| | **93,548** | 106,143 |

The average credit period on purchase of goods ranges around 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe. For those payables over credit period, the Group negotiated with respective creditors to extend the credit periods.

# 25 BANK BORROWINGS

| | At 31 December 2016 RMB'000 | At 31 December 2015 RMB'000 |
|---|---|---|
| Bank borrowings repayable within one year | | |
| – secured | **32,951** | 20,780 |
| – unsecured | **78,016** | 74,349 |
| | **110,967** | 95,129 |

At 31 December 2016, included in the above bank borrowings were fixed-rate bank borrowings of RMB32,951,000 (2015: RMB20,780,000), which were repayable within one year. All of the bank borrowings are carried at amortised cost.

The range of contracted interest rates on the Group's bank borrowings are as follows:

| | At 31 December 2016 RMB'000 | At 31 December 2015 RMB'000 |
|---|---|---|
| Contracted interest rates (per annum) | | |
| Fixed-rate borrowings | **1.55% ~ 4.35%** | 1.92% ~ 4.54% |
| Variable-rate borrowings | **2.76% ~ 4.50%** | 2.76% ~ 4.50% |

# 26 GOVERNMENT GRANTS

During the year ended 31 December 2016, the Group received government grants of RMB Nil (2015: RMB2,250,000) and RMB77,000 (2015: RMB4,147,000) of the government grants have been released to profit or loss to net off with research and development expenses.

# 27 DEFERRED TAX ASSETS AND LIABILITIES

## (a) Deferred tax assets and liabilities recognised

### (i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

| Deferred tax arising from: | Taiwan withholding tax on undistributed earnings RMB'000 | Fair value adjustment on intangible assets RMB'000 | Excess tax benefit granted by tax authority arising from the acquisition of a subsidiary RMB'000 | Others RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|
| At 1 January 2015 | (2,610) | (1,891) | – | 307 | (4,194) |
| Credited/(charged) to profit or loss | – | 798 | – | (306) | 492 |
| Currency realignment | (153) | (150) | – | 8 | (295) |
| At 31 December 2015 | (2,763) | (1,243) | – | 9 | (3,997) |
| Credited/(charged) to profit or loss | – | 764 | 7,489 | (20) | 8,233 |
| Currency realignment | (187) | (183) | 247 | – | (123) |
| At 31 December 2016 | (2,950) | (662) | 7,736 | (11) | 4,113 |

# 27 DEFERRED TAX ASSETS AND LIABILITIES *(Continued)*

## (a) Deferred tax assets and liabilities recognised *(Continued)*

### (ii) Reconciliation to the consolidated statements of financial position:

| | At 31 December 2016 RMB'000 | At 31 December 2015 RMB'000 |
|---|---|---|
| Net deferred tax assets recognised in the consolidated statement of financial position | **7,063** | – |
| Net deferred tax liabilities recognised in the consolidated statement of financial position | **(2,950)** | (3,997) |
| | **4,113** | (3,997) |

## (b) Deferred tax assets not recognised

At 31 December 2016, in accordance with the accounting policy set out in note 2, the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB537,702,000 (2015: RMB490,678,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. Except for the amount of RMB281,033,000 which will not expire under the relevant tax legislation, the remaining unused tax losses carried forward of RMB10,255,000, RMB19,538,000, RMB151,909,000, RMB41,284,000 and RMB33,683,000 will expire in 2018, 2019, 2020, 2021 and 2022, respectively, if unused.

## (c) Deferred tax liabilities not recognised

At 31 December 2016, temporary differences relating to the undistributed profits of subsidiaries amounted to RMB39,723,000 (2015: RMB20,358,000). Deferred tax liabilities have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

# 28 CAPITAL, RESERVES AND DIVIDENDS

## (a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

| | Share Capital RMB'000 | Share premium RMB'000 | Capital redemption reserve RMB'000 | Special reserve RMB'000 | Share compensation reserve RMB'000 | Share options reserve RMB'000 | Translation reserve RMB'000 | Other reserve RMB'000 | Accumulated losses RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| At 1 January 2015 | 171,897 | 2,264,928 | 255 | 55,238 | 50,024 | – | (588,774) | (8,220) | (816,795) | 1,128,553 |
| Changes in equity for 2015: | | | | | | | | | | |
| Loss for the year | – | – | – | – | – | – | – | – | (7,580) | (7,580) |
| Other comprehensive income | – | – | – | – | – | – | 33,442 | – | – | 33,442 |
| Total comprehensive income | – | – | – | – | – | – | 33,442 | – | (7,580) | 25,862 |
| Recognition of equity-settled share based payments | – | – | – | – | – | 3,342 | – | – | – | 3,342 |
| | – | – | – | – | – | 3,342 | – | – | – | 3,342 |
| At 31 December 2015 | 171,897 | 2,264,928 | 255 | 55,238 | 50,024 | 3,342 | (555,332) | (8,220) | (824,375) | 1,157,757 |
| At 1 January 2016 | 171,897 | 2,264,928 | 255 | 55,238 | 50,024 | 3,342 | (555,332) | (8,220) | (824,375) | 1,157,757 |
| Changes in equity for 2016: | | | | | | | | | | |
| Loss for the year | – | – | – | – | – | – | – | – | (8,406) | (8,406) |
| Other comprehensive income | – | – | – | – | – | – | 53,767 | – | – | 53,767 |
| Total comprehensive income | – | – | – | – | – | – | 53,767 | – | (8,406) | 45,361 |
| Repurchase of own share (note 28(b)) | (89) | (911) | 89 | – | – | – | – | – | – | (911) |
| Recognition of equity-settled share based payments | – | – | – | – | – | 2,019 | – | – | – | 2,019 |
| | (89) | (911) | 89 | – | – | 2,019 | – | – | – | 1,108 |
| At 31 December 2016 | 171,808 | 2,264,017 | 344 | 55,238 | 50,024 | 5,361 | (501,565) | (8,220) | (832,781) | 1,204,226 |

# 28 CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

## (b) Share capital

### (i) Issued share capital

| | Authorised | | Issued and fully paid | |
|---|---|---|---|---|
| | Number of shares | Amount HKD'000 | Number of shares | Amount RMB'000 |
| Ordinary shares of nominal value HK$0.10 each | | | | |
| – at 31 December 2015 | 5,000,000,000 | 500,000 | 1,939,319,694 | 171,897 |
| Share repurchased | – | – | (1,000,000) | (89) |
| – at 31 December 2016 | 5,000,000,000 | 500,000 | 1,938,319,694 | 171,808 |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

### (ii) Repurchase of own shares

During the year ended 31 December 2016, the Company repurchased its own shares through the Stock Exchange of Hong Kong Limited as follows:

| Month of repurchase | No. of ordinary shares of HK$0.1 each | Price per share | | Aggregate consideration paid |
|---|---|---|---|---|
| | | Highest HKD | Lowest HKD | HKD |
| September 2016 | 1,000,000 | 1.10 | 1.04 | 1,068,660 |

The repurchased shares were cancelled in February 2017. The issued share capital of the Company was reduced by the nominal value of HKD$100,000. Pursuant to section 37 of the Companies Law of the Cayman Islands, the nominal value of the shares cancelled of HKD$100,000 (equivalent to RMB89,000) was transferred from the share premium to the capital redemption reserve. The premium paid on the repurchase of shares of HK$969,000 (equivalent to RMB822,000) was charged to share premium.

## (c) Dividends

The directors of the Company did not recommend the payment of a dividend for the years ended 31 December 2016 and 2015.

# 29 EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company's share option scheme (the "Scheme"), was adopted pursuant to a shareholders' written resolution passed on 20 November 2006 for the primary purpose of providing incentives to and recognising significant contributions from directors and eligible employees. The Scheme became effective on 15 December 2006 and the options issued pursuant to the Scheme will expire no later than ten years from the date of grant of the option. Under the Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to outside third parties for settlement in respect of goods or services to the Company and for the purpose of rewarding their contribution to the long-term success of the Group by providing the opportunity to obtain ownership interest in the Group.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at the relevant time of grant, without prior approval from the Company's shareholders. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under this Scheme shall not in aggregate exceed 20% of the shares in issue from time to time. No option may be granted under this Scheme and any other share option scheme of the Company if such limit is exceeded. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share in issue or with an aggregate value in excess of HK$5,000,000 must be approved in advance by the Company's shareholders.

Options may be exercised in accordance with the terms stipulated in the Scheme. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

## (a) The terms and conditions of the grants are as follows:

| | Number of options | Vesting conditions | Contractual life of options |
|---|---|---|---|
| Options granted to directors: | | | |
| – on 15 May 2015 | 5,900,000 | One year from the date of grant and meeting 2015 performance targets | 4 years |
| – on 15 May 2015 | 5,900,000 | Two years from the date of grant and meeting 2016 performance targets | 3 years |
| Options granted to employees: | | | |
| – on 15 May 2015 | 10,600,000 | One year from the date of grant and meeting 2015 performance targets | 4 years |
| – on 15 May 2015 | 10,600,000 | Two years from the date of grant and meeting 2016 performance targets | 3 years |
| Total share options granted | 33,000,000 | | |

## 29 EQUITY SETTLED SHARE-BASED TRANSACTIONS *(Continued)*

### (b) The number and weighted average exercise prices of share options are as follows:

| | 31 December 2016 | | 31 December 2015 | |
|---|---|---|---|---|
| | Weighted average exercise price | Number of options | Weighted average exercise price | Number of Options |
| Outstanding at the beginning of the period | HK$1.31 | 33,000,000 | – | – |
| Forfeited during the period | HK$1.31 | (9,400,000) | – | – |
| Granted during the period | – | – | HK$1.31 | 33,000,000 |
| Outstanding at the end of the period | HK$1.31 | 23,600,000 | HK$1.31 | 33,000,000 |
| Exercisable at the end of the period | HK$1.31 | 11,800,000 | – | – |

The options outstanding at 31 December 2016 had an exercise price of HK$1.31 (2015: HK$1.31) and a weighted average remaining contractual life of 3.88 years (2015: 4.88 years).

## 30 OPERATING LEASE ARRANGEMENTS

At the end of the year, the Group was committed to make the following future minimum lease payments in respect of rented premises under non-cancellable operating leases which fall due as follows:

| | At 31 December 2016 RMB'000 | At 31 December 2015 RMB'000 |
|---|---|---|
| Within one year | 4,019 | 3,656 |
| In the second to fifth year inclusive | 9,742 | 13,196 |
| | 13,761 | 16,852 |

Leases are negotiated for a period ranging from one to five years and all rentals are fixed.

## 31 CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:

| | At 31 December 2016 RMB'000 | At 31 December 2015 RMB'000 |
|---|---|---|
| – acquisition of property, plant and equipment | **1,773** | 4,556 |

## 32 RETIREMENT BENEFITS SCHEME

The employees of the PRC subsidiaries are members of the state-managed defined contribution retirement scheme operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme. Contribution to the scheme vest immediately.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the defined benefit retirement plan. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000 (HK$25,000 prior to June 2014). Contributions to the plan vest immediately.

The Group offers qualified employees in the USA the opportunity to participate in a defined contribution retirement plan qualifying under the provisions of section 401(k) of the Internal Revenue Code (the "401(k) plan"). The 401(k) plan is managed by an independent trustee. The 401(k) plan is an optional benefit, the only obligation of the 401(k) plan with respect to the retirement benefit plan is to comply with the guidelines under the plan. The Group offers a match contribution up to 4% of the employees' eligible compensation, subject to a cap of US$6,000 per year for certain employees. Employer matching contributions vest upon receipt or are subject to specific vesting schedule.

# 33 MATERIAL RELATED PARTY TRANSACTIONS

## (a) Transactions with the controlling shareholder and its subsidiaries

| | 2016 RMB'000 | 2015 RMB'000 |
|---|---|---|
| Sales of products | **8,443** | 27,411 |

## (b) Key management personnel remuneration

The Company's directors represented the Group's key management and their emoluments for the year ended 31 December 2016 are set out in note 10.

## (c) Transactions with other state-controlled entities in the PRC

The controlling shareholder of the Company, Tsinghua Tongfang is a state-controlled enterprise controlled by the PRC government. Apart from transactions with Tsinghua Tongfang and its subsidiaries which were disclosed in note 33 above, the Group also has transactions with other state-controlled entities, included but not limited to the following:

- sales of products and provision of services;
- purchase of materials; and
- bank deposits and borrowings.

## (d) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of sales of products included in note 33(a) above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in the reports of the directors.

## 34 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

| | At 31 December 2016 RMB'000 | At 31 December 2015 RMB'000 |
|---|---|---|
| **Assets and liabilities** | | |
| Interests in subsidiaries | **749,293** | 656,416 |
| Cash and cash equivalents | **460,658** | 506,547 |
| Other current liabilities | **(5,725)** | (5,206) |
| **Net assets** | **1,204,226** | 1,157,757 |
| **Capital and reserves** | | |
| Share capital | **171,808** | 171,897 |
| Reserves | **1,032,418** | 985,860 |
| **Total equity** | **1,204,226** | 1,157,757 |

## 35 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

On 29 August 2016, the Company and Vast Stone Limited entered into a sales and purchase agreement (the "Agreement"), pursuant to which the Company (or its designated nominee) has conditionally agreed to acquire and the Vast Stone Limited has conditionally agreed to sell the entire issued share capital of Buttonwood Finance Limited at the consideration of HK$179,000,000. The total consideration shall be settled by the Company by allotting and issuing an aggregate of 177,227,723 new ordinary shares at the issue price of HK$1.01 per ordinary share to Vast Stone Limited upon the Completion.

Buttonwood Finance Limited is a company incorporated in Hong Kong with limited liability and is principally engaged in provision of asset management services, investment advisory services and securities trading. As at 31 December 2016, Buttonwood Finance Limited is authorised to be a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and is licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities.

All the conditions precedent to the Agreement have been fulfilled and the completion of the acquisition took place on 20 January 2017 in accordance with the terms and conditions of the Agreement. An aggregate of 177,227,723 new ordinary shares have been allotted and issued to Vast Stone Limited at the issue price of HK$1.01 per ordinary share pursuant to the Agreement.

Following the completion, Buttonwood Finance Limited has become a wholly-owned subsidiary of the Company. The Acquisition constitutes a disclosable transaction for the Company under Chapter 14 of the Listing Rules.

## 36 PRINCIPAL SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets and liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

| Name of subsidiary | Form of business structure | Place of incorporation/ establishment | Particulars of issued and paid up capital/ registered capital | Proportion of ownership interest | | | Principal activity |
|---|---|---|---|---|---|---|---|
| | | | | Group's effective interest | Held by the Company | Held by a subsidiary | |
| Heshan Tongfang Lighting Technology Company Limited | Wholly foreign owned enterprise | PRC | USD300,000,000 | 100% | – | 100% | Manufacture and sales of lighting products |
| Neo-Neon LED Lighting International Limited | Incorporated | Samoa | USD10,000 | 100% | – | 100% | Trading of lighting products |
| Neo-Neon (Vietnam) Development Company Limited | Incorporated | Vietnam | USD28,000,000 | 100% | – | 100% | Manufacture and sales of lighting products |
| American Lighting, Inc. | Incorporated | USA | USD7,944,505 | 100% | – | 100% | Trading of lighting products |
| Tivoli, LLC. | Partnership | USA | USD4,500,000 | 100% | – | 100% | Trading of lighting products |

## 37 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2016, the directors consider the immediate parent and ultimate controlling party of the Group to be THTF Energy-Saving Holdings Limited and Tsinghua Tongfang Co., Ltd, which are incorporated in the Cayman Islands and the PRC, respectively. THTF Energy-Saving Holdings Limited does not produce financial statements available for public use. Tsinghua Tongfang Co., Ltd is listed on the Shanghai Stock Exchange and produces financial statements in accordance with Accounting Standards of Business Enterprises which is available for public use.

# 38 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2016 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

| | Effective for accounting periods beginning on or after |
|---|---|
| Amendments to HKAS 7, Statement of cash flows: Disclosure initiative | 1 January 2017 |
| Amendments to HKAS 12, Income taxes: Recognition of deferred tax assets for unrealised losses | 1 January 2017 |
| HKFRS 9, Financial instruments | 1 January 2018 |
| HKFRS 15, Revenue from contracts with customers | 1 January 2018 |
| Amendments to HKFRS 2, Share-based payment: Classification and measurement of share-based payment transactions | 1 January 2018 |
| HKFRS 16, Leases | 1 January 2019 |

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 and will be taken into consideration when determining whether to adopt any of these new requirements before their effective date and which transitional approach to take, where there are alternative approaches allowed under the new standards.

# 38 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 *(Continued)*

## HKFRS 9, Financial instruments

HKFRS 9 will replace the current standard on accounting for financial instruments, HKAS 39, Financial instruments: Recognition and measurement. HKFRS 9 introduces new requirements for classification and measurement of financial assets, calculation of impairment of financial assets. On the other hand, HKFRS 9 incorporates without substantive changes the requirements of HKAS 39 for recognition and derecognition of financial instruments and the classification of financial liabilities. Expected impacts of the new requirements on the Group's financial statements are as follows:

### (a) Classification and measurement

HKFRS 9 contains three principal classification categories for financial assets: measured at (1) amortised cost, (2) fair value through profit or loss (FVTPL) and (3) fair value through other comprehensive income (FVTOCI).

- The classification for debt instruments is determined based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the asset. If a debt instrument is classified as FVTOCI then effective interest, impairments and gains/losses on disposal will be recognised in profit or loss.

- For equity securities, the classification is FVTPL regardless of the entity's business model. The only exception is if the equity security is not held for trading and the entity irrevocably elects to designate that security as FVTOCI. If an equity security is designated as FVTOCI then only dividend income on that security will be recognised in profit or loss. Gains, losses and impairments on that security will be recognised in other comprehensive income without recycling.

Based on the preliminary assessment, the Group expects that its financial assets currently measured at amortised cost and FVTPL will continue with their respective classification and measurements upon the adoption of HKFRS 9.

The classification and measurement requirements for financial liabilities under HKFRS 9 are largely unchanged from HKAS 39, except that HKFRS 9 requires the fair value change of a financial liability designated at FVTPL that is attributable to changes of that financial liability's own credit risk to be recognised in other comprehensive income (without reclassification to profit or loss). The Group currently does not have any financial liabilities designated at FVTPL and therefore this new requirement may not have any impact on the Group on adoption of HKFRS 9.

# 38 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 *(Continued)*

## HKFRS 9, Financial instruments *(Continued)*

### (b) Impairment

The new impairment model in HKFRS 9 replaces the "incurred loss" model in HKAS 39 with an "expected credit loss" model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure expected credit losses as either 12-month expected credit losses or lifetime expected credit losses, depending on the asset and the facts and circumstances. This new impairment model may result in an earlier recognition of credit losses on the group's trade receivables and other financial assets. However, a more detailed analysis is required to determine the extent of the impact.

## HKFRS 15, Revenue from contracts with customers

HKFRS 15 establishes a comprehensive framework for recognising revenue from contracts with customers. HKFRS 15 will replace the existing revenue standards, HKAS 18, Revenue, which covers revenue arising from sale of goods and rendering of services, and HKAS 11, Construction contracts, which specifies the accounting for revenue from construction contracts. The Group is currently assessing the impacts of adopting HKFRS 15 on its financial statements. Based on the preliminary assessment, the Group has identified the following areas which are likely to be affected:

### (a) Timing of revenue recognition

The Group's revenue recognition policies are disclosed in note 2(g). Currently, revenue arising from construction contracts and the provision of services is recognised over time, whereas revenue from the sale of goods is generally recognised when the risks and rewards of ownership have passed to the customers.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. HKFRS 15 identifies 3 situations in which control of the promised good or service is regarded as being transferred over time:

(a) When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;

(b) When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;

(c) When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that will be considered in determining when the transfer of control occurs.

# 38 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 *(Continued)*

## HKFRS 15, Revenue from contracts with customers *(Continued)*

### (b) Significant financing component

HKFRS 15 requires an entity to adjust the transaction price for the time value of money when a contract contains a significant financing component, regardless of whether the payments from customers are received significantly in advance or in arrears.

Currently, the Group would only apply such a policy when payments are significantly deferred and the Group does not apply such a policy when payments are received in advance.

Advance payments are not common in the Group's arrangements with its customers.

However, the Group is in the process of assessing whether this component in the Group's advance payment schemes would be significant to the contract and therefore whether, once HKFRS 15 is adopted, the transaction price would need to be adjusted for the purposes of recognising revenue.

### (c) Sales with a right of return

Currently when the customers are allowed to return the products, the Group estimates the level of returns and makes an adjustment against revenue and cost of sales.

The Group expects that the adoption of HKFRS 15 will not materially affect how the Group recognises revenue and cost of sales when the customers have a right of return. However, the new requirement to recognise separately a return asset for the products expected to be returned will impact the presentation in the consolidated statement of financial position as the Group currently adjusts the carrying amounts of inventory for the expected returns, instead of recognising a separate asset.

## HKFRS 16, Leases

As disclosed in note 2(u), currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessor and others as the lessee.

# 38 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 *(Continued)*

## HKFRS 16, Leases *(Continued)*

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term. HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of comprehensive income over the period of the lease. As disclosed in note 30, at 31 December 2016 the Group's future minimum lease payments under non-cancellable operating leases amount to RMB13,761,000 respectively, the majority of which is payable either between 1 and 5 years after the reporting date or in more than 5 years. Some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of HKFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of HKFRS 16 and the effects of discounting.

The Group is considering whether to adopt HKFRS 16 before its effective date of 1 January 2019. However, early adoption of HKFRS 16 is only permitted if this is no earlier than the adoption of HKFRS 15. It is therefore unlikely that HKFRS 16 will be adopted before the effective date of HKFRS 15, being 1 January 2018.

# DEFINITIONS

In this report, the following expressions shall have the following meanings unless the context requires otherwise:

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|---|---|
| "2006 Share Option Scheme" | the share option scheme of the Company adopted by resolutions of the Shareholders on 20 November 2006 |
| "2016 Share Option Scheme" | the share option scheme on 13 May 2016 adopted by the Shareholders at the Shareholders' meeting |
| "AGM" | the annual general meeting of the Company to be convened and held at Unit 806-810, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on 20 June 2017 at 10:00 a.m., or where the context so admits, any adjournment thereof |
| "Articles of Association" or "Articles" | the articles of association of the Company adopted by the written resolution of the Shareholders on 20 November 2006 and as amended, supplemented and otherwise modified from time to time |
| "American Lighting" | means American Lighting, Inc., a Delaware corporation and an indirectly wholly-owned subsidiary of the Company |
| "associate(s)" | has the meaning ascribed thereto under the Listing Rules |
| "Board" | the board of directors of the Company |
| "Business Day" or "business day" | a day on which banks in Hong Kong and Cayman Islands are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong or Cayman Islands |
| "BVI" | British Virgin Islands |
| "China" or "PRC" | the People's Republic of China, excluding for the purpose of the Prospectus, Hong Kong, Macau and Taiwan |
| "Companies Ordinance" | the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time |
| "Company" or "Neo-Neon" | means Neo-Neon Holdings Limited (stock code: 1868), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange, and part of shares of which are listed on the Taiwan Stock Exchange as depositary receipts |
| "connected person(s)" | has the meaning ascribed thereto under the Listing Rules |
| "controlling shareholders" | has the meaning ascribed thereto in the Listing Rules |
| "Corporate Governance Code" | code on corporate governance practices contained in Appendix 14 to the Listing Rules |
| "Director(s)" | the director(s) of the Company |
| "Group" | the Company and its subsidiaries |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange |

## DEFINITIONS

| | |
|---|---|
| "HK$" and "HK cents" | Hong Kong dollars and cents respectively, the lawful currency of Hong Kong |
| "Hong Kong" | The Hong Kong Special Administrative Region of the PRC |
| "Independent Third Party(ies)" | individual(s) or company(ies) who is/are not connected with (within the meaning of the Listing Rules) any of the Company, Directors, chief executive or substantial shareholders of the Company, our subsidiaries or any of their respective associates |
| "Model Code" | the model code for securities transactions by directors of listed issuers as set out in Appendix 10 of the Listing Rules |
| "Resuccess" | Resuccess Investments Limited, a company incorporated in the British Virgin Islands and which holds the entire capital of THTF ES |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "SFO" | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time |
| "Share(s)" | means share(s) of HK$0.1 each in the share capital of the Company |
| "Shareholder(s)" | the shareholder(s) of the Company |
| "Subsidiary Share Incentive Plan" | means American Lighting's share incentive plan adopted by the Shareholders on 2 April 2015 |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "subsidiary(ies)" | has the meaning ascribed to it in the Listing Rules |
| "substantial shareholder(s)" | has the meaning ascribed thereto under the Listing Rules |
| "THTF ES" | THTF Energy Saving Holdings Limited, a substantial shareholder of the Company |
| "Tsinghua Tongfang" | 同方股份有限公司 (Tsinghua Tongfang Co., Ltd*), a joint stock limited company incorporated in the PRC, whose shares are listed and traded on the Shanghai Stock Exchange (stock code: 600100) |
| "Tsinghua Tongfang Group" | Tsinghua Tongfang and its subsidiaries (for the purpose of this report, excluding the Group) |
| "%" | percent. |