

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佈的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示，概不對因本公佈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。

本公佈僅參考之用，並不構成收購、購買或認購任何證券之邀請或要約。

GOOD FRIEND INTERNATIONAL HOLDINGS INC.

友佳國際控股有限公司

(於開曼群島註冊成立之有限公司)

(股份代號: 2398)

海外監管公告

上市之台灣存託憑證用外國公司財務報告

本公告乃根據香港聯合交易所有限公司證券上市規則第13.10B條而作出。

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二零一六年四月二十八日在臺灣證券交易所股份有限公司網頁刊發的公告。

承董事會命

友佳國際控股有限公司

主席

朱志洋

香港，二零一六年四月二十八日

於本公佈日期，本公司董事會成員包括 (i) 五名執行董事：朱志洋先生、陳向榮先生、陳明河先生、溫吉堂先生及邱榮賢先生；及 (ii) 三名獨立非執行董事：顧福身先生、江俊德先生及余玉堂先生。

友佳國際控股有限公司及子公司

民國104年度 合併財務報表暨會計師複核報告

(上市之台灣存託憑證用外國公司財務報告)

友佳國際控股有限公司及子公司
民國 104 年度合併財務報表暨會計師複核報告
(上市之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

友佳國際控股有限公司 公鑒：

友佳國際控股有限公司及子公司按香港一般公認會計原則編製之民國 104 年 12 月 31 日之綜合財務狀況表，暨民國 104 年 1 月 1 日至 12 月 31 日之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表（金額以人民幣為單位），業經德勤關黃陳方會計師行（Deloitte Touche Tohmatsu）查核完竣，並於 105 年 3 月 31 日出具修正式無保留意見之查核報告（詳附件五），以強調民國 103 年 12 月 31 日之綜合財務狀況表暨民國 103 年 1 月 1 日至 12 月 31 日之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表係由其他會計師查核完竣並出具無保留意見。隨附友佳國際控股有限公司及子公司所編製民國 104 年度依新臺幣換算之主要報表（詳附件二）暨合併財務報表之中譯本（詳附件四），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中華民國一般公認審計準則查核，故無法對上開合併財務報表之整體是否允當表達表示意見。

如附件三所述，友佳國際控股有限公司及子公司之合併財務報表格式，係依香港一般公認會計原則及相關法令編製，致與中華民國規定部分不同，是以友佳國際控股有限公司業已依據「第二上市（櫃）公司財務報告複核要點」、中華民國金融監督管理委員會認可之國際財務報導準則、國際會計原則、解釋及解釋公告（以下簡稱「金管會認可之 IFRSs」）及相關法令予以調節，本會計師並據此複核其重編之合併資產負債表、合併綜合損益表及合併現金流量表（附件三）。

依本會計師之複核結果，未發現第一段所述友佳國際控股有限公司及子公司按新台幣換算之主要合併財務報表暨其相關資訊有違反上述「第二上市（櫃）公司財務報告複核要點」規定而須作重大修正、調整或再補充揭露之情事；本會計師亦未發現第一段所述友佳國際控股有限公司及子公司合併財務報表之中譯本內容與原文有重大不符而需作修正之情事。

勤業眾信聯合會計師事務所
會計師 蘇 郁 琇

蘇郁琇



會計師 李 麗 凰

李麗凰



金融監督管理委員會核准文號
金管證審字第 1040024195 號

財政部證券暨期貨管理委員會核准文號
台財證六字第 0930128050 號

中 華 民 國 1 0 5 年 4 月 2 7 日

附 件 二

友佳國際控股有限公司及子公司

綜合財務狀況表

民國 104 年及 103 年 12 月 31 日

單位：仟元

	104年12月31日		103年12月31日	
	人	民	人	民
資 產	幣	新	幣	新
非流動資產	台	幣	台	幣
預付租賃款項—非流動部分	\$ 35,658	\$ 178,112	\$ 36,598	\$ 186,357
物業、廠房及設備	216,383	1,080,833	236,867	1,206,127
無形資產	3,251	16,239	1,696	8,636
於合營企業的投資	16,970	84,765	18,357	93,474
於聯營公司的投資	310,959	1,553,240	1,207	6,146
可供出售金融資產	-	-	8,623	43,908
遞延所得稅資產	6,310	31,518	6,144	31,285
	<u>589,531</u>	<u>2,944,707</u>	<u>309,492</u>	<u>1,575,933</u>
流動資產				
存 貨	250,076	1,249,130	257,257	1,309,953
應收帳款、按金及預付款項	449,745	2,246,476	513,983	2,617,201
預付租賃款項—流動部分	940	4,695	940	4,786
應收一名被投資方款項	-	-	4,473	22,777
應收客戶合約工程款項	36,717	183,401	32,494	165,460
應收最終控股公司款項	-	-	532	2,709
應收同系附屬公司及最終控股公 司的一間聯營公司的款項	1,277	6,379	296	1,507
應收合營企業款項	717	3,581	891	4,537
應收聯營公司及聯營公司的附屬 公司款項	60,841	303,901	12,274	62,499
限制性銀行存款	172,613	862,202	134,681	685,796
初步年期超過三個月的定期存款	-	-	98,000	499,016
現金及現金等值物	101,583	507,407	262,751	1,337,928
	<u>1,074,509</u>	<u>5,367,172</u>	<u>1,318,572</u>	<u>6,714,169</u>
總 資 產	<u>\$ 1,664,040</u>	<u>\$ 8,311,879</u>	<u>\$ 1,628,064</u>	<u>\$ 8,290,102</u>

註一：民國 104 年及 103 年度財務報表之所有之資產、負債、股東權益及損益科目金額，分別以民國 104 年及 103 年 12 月 31 日之匯率 RMB 1 = NTD 4.9950 及 RMB 1 = NTD 5.0920 換算。

註二：最近 3 年度人民幣對新台幣最高、最低及平均匯率如下：

年 度	最 高	最 低	平 均
104.1.1-104.12.31	RMB1 : NT5.1840	RMB1 : NT4.8900	RMB1 : NT5.0331
103.1.1-103.12.31	RMB1 : NT5.1090	RMB1 : NT4.7970	RMB1 : NT4.9202
102.1.1-102.12.31	RMB1 : NT4.9400	RMB1 : NT4.6540	RMB1 : NT4.8315

董事長：朱志洋



經理人：陳向榮



會計主管：葉世強



友佳國際控股有限公司及子公司

綜合財務狀況表

民國 104 年及 103 年 12 月 31 日

單位：仟元

	104年12月31日		103年12月31日	
	人	民	人	民
	幣	新	幣	新
	台	幣	台	幣
權益				
本公司權益持有人應佔權益				
股本	\$	4,022	\$	20,090
股本溢價		82,281		410,994
資本儲備		77,338		386,303
其他儲備		48,905		244,280
保留盈利		531,893		2,656,805
總權益		<u>744,439</u>		<u>3,718,472</u>
負債				
非流動負債				
遞延所得稅負債		-		16,118
		-		<u>16,118</u>
流動負債				
應付客戶合約工程款項	\$	15,576	\$	77,802
應付帳款、其他應付款項及應計費用		447,313		2,234,328
應付最終控股公司款項		160		799
應付直接控股公司款項		1,856		9,271
應付一間同系附屬公司及最終控股公司的一間聯營公司款項		21,664		108,212
應付一間聯營公司及一間聯營公司的附屬公司款項		10,389		51,893
應付合營企業款項		317		1,583
即期所得稅負債		7,858		39,251
銀行借貸		408,677		2,041,342
保證撥備		5,791		28,926
		<u>919,601</u>		<u>4,593,407</u>
總負債		<u>919,601</u>		<u>4,593,407</u>
總負債及權益		<u>\$ 1,664,040</u>		<u>\$ 8,311,879</u>
流動資產淨值		<u>\$ 154,908</u>		<u>\$ 773,765</u>
總資產減流動負債		<u>\$ 744,439</u>		<u>\$ 3,718,472</u>
				<u>\$ 742,813</u>
				<u>\$ 3,782,404</u>

註一：民國 104 年及 103 年度財務報表之所有之資產、負債、股東權益及損益科目金額，分別以民國 104 年及 103 年 12 月 31 日之匯率 RMB 1 = NTD 4.9950 及 RMB 1 = NTD 5.0920 換算。

註二：最近 3 年度人民幣對新台幣最高、最低及平均匯率如下：

年	度	最	高	最	低	平	均
104.1.1-104.12.31		RMB1	: NT5.1840	RMB1	: NT4.8900	RMB1	: NT5.0331
103.1.1-103.12.31		RMB1	: NT5.1090	RMB1	: NT4.7970	RMB1	: NT4.9202
102.1.1-102.12.31		RMB1	: NT4.9400	RMB1	: NT4.6540	RMB1	: NT4.8315

董事長：朱志洋



經理人：陳向榮



會計主管：葉世強



友佳國際控股有限公司及子公司

綜合損益及其他全面收益表

民國 104 年及 103 年 1 月 1 日至 12 月 31 日

單位：仟元
除每股盈餘為元外

	104年度		103年度	
	人 民 幣	新 台 幣	人 民 幣	新 台 幣
收益	\$ 990,239	\$ 4,946,244	\$ 1,300,119	\$ 6,620,206
收益成本	(722,314)	(3,607,958)	(955,225)	(4,864,006)
毛利	<u>267,925</u>	<u>1,338,286</u>	<u>344,894</u>	<u>1,756,200</u>
其他收入	39,797	198,786	33,520	170,684
分銷及銷售費用	(122,494)	(611,858)	(129,480)	(659,312)
行政費用	(115,895)	(578,896)	(99,528)	(506,797)
其他營運費用	(4,023)	(20,095)	(4,144)	(21,101)
經營溢利	65,310	326,223	145,262	739,674
財務費用	(8,734)	(43,626)	(9,174)	(46,714)
分佔合營企業虧損	(1,387)	(6,928)	(2,458)	(12,516)
分佔聯營公司溢利（虧損）	101	504	(8,559)	(43,582)
視作出售可供出售金融資產之收益	<u>662</u>	<u>3,307</u>	<u>-</u>	<u>-</u>
除所得稅前溢利	55,952	279,480	125,071	636,862
所得稅開支	(9,855)	(49,226)	(23,758)	(120,976)
本公司權益持有人應佔溢利	46,097	230,254	101,313	515,886
其他全面收益				
其後可能重分類至損益的項目				
分佔一間聯營公司其他全面（虧損）	(4,318)	(21,568)	-	-
收益				
貨幣換算差額	<u>157</u>	<u>784</u>	(3,266)	(16,630)
本公司權益持有人應佔年內全面收益總額	<u>\$ 41,936</u>	<u>\$ 209,470</u>	<u>\$ 98,047</u>	<u>\$ 499,256</u>
本公司權益持有人應佔每股盈利				
每股基本及攤薄盈利	<u>\$ 0.11</u>	<u>\$ 0.55</u>	<u>\$ 0.25</u>	<u>\$ 1.28</u>
股 息	<u>\$ 24,192</u>	<u>\$ 120,839</u>	<u>\$ 44,352</u>	<u>\$ 225,840</u>

註一：民國 104 年及 103 年度財務報表之所有之資產、負債、股東權益及損益科目金額，分別以民國 104 年及 103 年 12 月 31 日之匯率 RMB 1 = NTD 4.9950 及 RMB 1 = NTD 5.0920 換算。

註二：最近 3 年度人民幣對新台幣最高、最低及平均匯率如下：

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102.1.1-102.12.31	RMB1 : NT4.9400	RMB1 : NT4.6540	RMB1 : NT4.8315

（請參閱勤業眾信聯合會計師事務所 105 年 4 月 27 日複核報告）

董事長：朱志洋



經理人：陳向榮



會計主管：葉世強



友佳國際控股有限公司及子公司

綜合權益變動表

民國 104 年及 103 年 1 月 1 日至 12 月 31 日

單位：人民幣仟元

	股 \$	本 4,022	股 \$	本 溢價 82,281	價 \$	股 本 儲備 77,338	其 他 儲 備 \$	保 留 盈 利 \$	總 權 益 \$
103 年 1 月 1 日餘額									
全面收益：									
年內溢利		-		-		-	-	101,313	101,313
其他全面收益：									
貨幣換算差額		-		-		-	(3,266)	-	(3,266)
全面收益總額		-		-		-	(3,266)	101,313	98,047
已付股息		-		-		-	-	(44,352)	(44,352)
103 年 12 月 31 日餘額		4,022		82,281		77,338	53,066	509,988	726,695
全面收益：									
年內溢利		-		-		-	-	46,097	46,097
其他全面收益：									
分估一間聯營公司其他全面收益		-		-		-	(4,318)	-	(4,318)
貨幣換算差額		-		-		-	157	-	157
全面收益總額		-		-		-	(4,161)	46,097	41,936
已付股息		-		-		-	-	(24,192)	(24,192)
104 年 12 月 31 日餘額		4,022		82,281		77,338	48,905	531,893	744,439



董事長：朱志洋



經理人：陳向榮



會計主管：葉世強

友佳國際控股有限公司及子公司

綜合權益變動表

民國 104 年及 103 年 1 月 1 日至 12 月 31 日

	股 本	本 股	本 溢	價	股 本	儲 備	其 他	儲 備	保 留	盈 利	總 權 益
	\$ 19,784	\$ 404,740	\$ 380,426	\$ 277,097	\$ 2,228,440	\$ 3,310,487	單位：新台幣仟元				
103 年 1 月 1 日餘額	-	-	-	-	-	-	-	-	-	-	-
全面收益：											
年內溢利	-	-	-	-	-	-	-	-	515,886	-	515,886
其他全面收益：											
貨幣換算差額	-	-	-	-	-	-	(16,630)	-	-	-	(16,630)
全面收益總額	-	-	-	-	-	-	(16,630)	-	515,886	-	499,256
已付股息	-	-	-	-	-	-	-	-	-	-	-
匯率影響數	696	14,235	13,379	9,745	-	-	-	-	78,373	(225,840)	(225,840)
103 年 12 月 31 日餘額	20,480	418,975	393,805	270,212	-	-	-	-	2,596,859	-	3,700,331
全面收益：											
年內溢利	-	-	-	-	-	-	-	-	230,254	-	230,254
其他全面收益：											
分估一間聯營公司其他全面收益	-	-	-	-	-	-	(21,568)	-	-	-	(21,568)
貨幣換算差額	-	-	-	784	-	-	-	-	-	-	784
全面收益總額	-	-	-	(20,784)	-	-	(20,784)	-	230,254	-	209,470
已付股息	-	-	-	-	-	-	-	-	-	-	-
匯率影響數	(390)	(7,981)	(7,502)	(5,148)	-	-	-	-	(120,839)	(120,839)	(120,839)
104 年 12 月 31 日餘額	20,090	410,994	386,303	244,280	-	-	-	-	2,656,805	-	3,718,472

註一：民國 104 年及 103 年度財務報表之所有之資產、負債、股東權益及損益科目金額，分別以民國 104 年及 103 年 12 月 31 日之匯率 RMB 1 = NTD 4.9950 及 RMB 1 = NTD 5.0920 換算。
民國 103 年 1 月 1 日股東權益科目金額，係以民國 102 年 12 月 31 日之匯率 RMB 1 = NTD 4.9190 換算。

董事長：朱志洋



經理人：陳向榮



會計主管：葉世強



友佳國際控股有限公司及子公司

綜合現金流量表

民國 104 年及 103 年 1 月 1 日至 12 月 31 日

單位：仟元

	104年度		103年度	
	人 民 幣	新 台 幣	人 民 幣	新 台 幣
經營活動產生的現金流量				
營運所得現金	\$ 128,851	\$ 643,611	\$ 242,636	\$ 1,235,503
已繳所得稅及預扣稅	(34,962)	(174,635)	(26,049)	(132,642)
經營活動所得現金淨額	<u>93,889</u>	<u>468,976</u>	<u>216,587</u>	<u>1,102,861</u>
投資活動產生的現金流量				
於一間合資企業的投資	-	-	(3,239)	(16,493)
於聯營公司的投資	(289,067)	(1,443,890)	-	-
存入股東貸款	(6,037)	(30,155)	-	-
購買物業、廠房及設備	(5,818)	(29,061)	(4,221)	(21,493)
出售物業、廠房及設備所得款項	20	100	567	2,887
購置無形資產	(2,538)	(12,677)	(939)	(4,781)
已收利息	14,193	70,894	9,995	50,894
限制性銀行存款減少	(37,932)	(189,470)	(74,514)	(379,425)
初步年期超過三個月的定期存款減少(增加)	<u>98,000</u>	<u>489,510</u>	(<u>74,000</u>)	(<u>376,808</u>)
投資活動動用的現金淨額	(<u>229,179</u>)	(<u>1,144,749</u>)	(<u>146,351</u>)	(<u>745,219</u>)
融資活動產生的現金流量				
借貸所得款項	1,837,670	9,179,162	192,455	979,981
償還借貸	(1,831,072)	(9,146,205)	(158,128)	(805,188)
已付權益持有人股息	(24,192)	(120,839)	(44,352)	(225,840)
已付利息	(8,734)	(43,626)	(9,174)	(46,714)
融資活動動用的現金淨額	(<u>26,328</u>)	(<u>131,508</u>)	(<u>19,199</u>)	(<u>97,761</u>)
現金及現金等值物(減少)增加淨額	(161,618)	(807,281)	51,037	259,881
期初現金及現金等值物	262,751	1,337,928	211,829	1,041,987
匯率調整數	<u>450</u>	(<u>23,240</u>)	(<u>115</u>)	<u>36,060</u>
期末現金及現金等值物	<u>\$ 101,583</u>	<u>\$ 507,407</u>	<u>\$ 262,751</u>	<u>\$ 1,337,928</u>

註一：民國 104 年及 103 年度財務報表之所有之資產、負債、股東權益及損益科目金額，分別以民國 104 年及 103 年 12 月 31 日之匯率 RMB 1 = NTD 4.9950 及 RMB 1 = NTD 5.0920 換算。

民國 104 年及 103 年度期初財務報表之所有之資產、負債、股東權益及損益科目金額，分別以民國 103 年及 102 年 12 月 31 日之匯率 RMB 1 = NTD 5.0920 及 RMB 1 = NTD 4.9190 換算。

註二：最近 3 年度人民幣對新台幣最高、最低及平均匯率如下：

年 度	最 高	最 低	平 均
104.1.1-104.12.31	RMB1 : NT5.1840	RMB1 : NT4.8900	RMB1 : NT5.0331
103.1.1-103.12.31	RMB1 : NT5.1090	RMB1 : NT4.7970	RMB1 : NT4.9202
102.1.1-102.12.31	RMB1 : NT4.9400	RMB1 : NT4.6540	RMB1 : NT4.8315

(請參閱勤業眾信聯合會計師事務所 105 年 4 月 27 日複核報告)

董事長：朱志洋



經理人：陳向榮



會計主管：葉世強



附 件 三

友華國際控股有限公司
友華國際金管會認可之IFRSs會計師事務所 103年12月31日

單位：新台幣仟元

代碼	資產	104年12月31日				103年12月31日			
		依香港一般公認會計原則編製之金額(註3)	調節金額增加(減)	依中華民國金管會認可之IFRSs編製金額	%	依香港一般公認會計原則編製之金額(註3)	調節金額增加(減)	依中華民國金管會認可之IFRSs編製金額	%
1100	現金及現金等價物	\$ 507,407	\$ -	\$ 507,407	6	\$ 1,337,928	\$ -	\$ 1,337,928	16
1170	應收帳款淨額	2,040,288	-	2,040,288	25	2,362,148	-	2,362,148	29
1180	應收帳款-關聯人	261,364	-	261,364	3	71,252	-	71,252	1
1190	應收帳款-其他	183,401	-	183,401	2	165,460	-	165,460	2
1200	其他應收款	126,103	-	126,103	2	124,357	-	124,357	2
1210	其他應收款-關聯人	52,497	-	52,497	1	22,777	-	22,777	-
130X	存貨	1,249,130	-	1,249,130	15	1,309,953	-	1,309,953	16
1410	預付帳款	80,085	-	80,085	1	130,696	-	130,696	2
1412	預付帳款-關聯人	4,695	-	4,695	-	4,786	-	4,786	-
1476	其他金融資產-非流動	862,202	-	862,202	10	1,184,812	-	1,184,812	14
11XX	流動資產合計	5,367,172	-	5,367,172	65	6,714,169	-	6,714,169	82
1523	非流動資產	-	-	-	-	-	-	-	-
1550	可供出售金融資產-非流動	-	-	-	-	-	-	-	-
1600	按攤銷法之投資	1,638,005	-	1,638,005	20	99,620	-	99,620	1
1600	不動產、廠房及設備	1,080,833	-	1,080,833	13	1,206,127	-	1,206,127	14
1780	無形資產	16,239	-	16,239	-	8,636	-	8,636	-
1840	遞延所得稅資產	31,518	-	31,518	-	31,285	-	31,285	-
1985	預付租賃款-非流動	178,112	-	178,112	2	186,357	-	186,357	2
15XX	非流動資產合計	2,944,702	-	2,944,702	35	1,575,933	-	1,575,933	18
1XXX	資產總計	\$ 8,311,872	\$ -	\$ 8,311,872	100	\$ 8,290,102	\$ -	\$ 8,290,102	100

註一：民國104年及103年度財務報表之所有資產、負債、股東權益及損益科目金額，分別以民國104年及103年12月31日之匯率 RMB 1 = NTD 4,9950 及 RMB 1 = NTD 5,0920 換算。

註二：最近3年度人民幣對新台幣最高、最低及平均匯率如下：

年	最高	最低	平均
104.1.1-104.12.31	RMB1: NT\$1,840	RMB1: NT\$4,8900	RMB1: NT\$5,0331
103.1.1-103.12.31	RMB1: NT\$1,090	RMB1: NT\$4,9970	RMB1: NT\$4,9202
102.1.1-102.12.31	RMB1: NT\$4,9400	RMB1: NT\$4,6540	RMB1: NT\$4,8315

註三：揭露之損益表格式業已依中華民國金管會認可之IFRSs規定予以調整。



董事長：朱志洋



經理人：陳向榮



會計主管：蔡世強

(請參閱助業單信聯合會計師事務所 105 年 4 月 27 日複核報告)

友佳國際控股有限公司及子公司
依中華民國金管會認可之 IFRSs 重編後合併綜合損益表
民國 104 年及 103 年 1 月 1 日至 12 月 31 日

單位：新台幣仟元，惟
每股盈餘為元

104年度

103年度

代碼	項 目	依香港一般公認會計原則編製之金額				依中華民國金管會認可之 IFRSs 編製金額			
		(註 3)	調節金額	增 (減)	%	(註 3)	調節金額	增 (減)	%
4000	營業收入	\$ 4,946,244	\$ -	\$ 4,946,244	100	\$ 6,620,206	\$ -	\$ 6,620,206	100
5000	營業成本	(3,607,958)	-	(3,607,958)	(73)	(4,864,006)	-	(4,864,006)	(73)
5900	營業毛利	1,338,286	-	1,338,286	27	1,756,200	-	1,756,200	27
	營業費用								
6100	銷售費用	(611,858)	-	(611,858)	(12)	(659,312)	-	(659,312)	(10)
6200	管理費用	(417,148)	-	(417,148)	(8)	(319,966)	-	(319,966)	(5)
6300	研發費用	(161,748)	-	(161,748)	(3)	(186,831)	-	(186,831)	(3)
6000	營業費用合計	(1,190,754)	-	(1,190,754)	(24)	(1,166,109)	-	(1,166,109)	(18)
6500	其他收益及費損淨額	178,691	(178,691)	-	-	149,583	(149,583)	-	-
6900	營業淨利	326,223	(178,691)	147,532	3	739,674	(149,583)	590,091	9
	營業外收入及支出								
7010	其他收入	-	198,786	198,786	4	-	170,684	170,684	3
7020	其他利益及損失	3,307	(20,095)	(16,788)	-	-	(21,101)	(21,101)	-
7050	財務成本	(43,626)	-	(43,626)	(1)	(46,714)	-	(46,714)	(1)
7060	採用權益法之關聯企業及合資損益份額	(6,424)	-	(6,424)	-	(56,098)	-	(56,098)	(1)
7000	營業外收入及支出合計	(46,743)	178,691	131,948	3	(102,812)	149,583	46,771	1
7900	稅前淨利	279,480	-	279,480	6	636,862	-	636,862	10
7950	所得稅費用	(49,226)	-	(49,226)	(1)	(120,976)	-	(120,976)	(2)
8200	本年度淨利	230,254	-	230,254	5	515,886	-	515,886	8
	其他綜合損益								
	後續可能重分類至損益之項目								
8310	國外營運機構財務報表換算之兌換差額	784	-	784	-	(16,630)	-	(16,630)	-
8370	採權益法之關聯企業及合資之其他綜合損益份額	(21,568)	-	(21,568)	-	-	-	-	-
8500	其他綜合損益總額	\$ 209,470	\$ -	\$ 209,470	-	\$ 499,256	\$ -	\$ 499,256	8
8600	淨利歸屬於								
8610	本公司業主	\$ 230,254	\$ -	\$ 230,254	5	\$ 515,886	\$ -	\$ 515,886	8
8700	綜合損益總額歸屬於								
8710	本公司業主	\$ 209,470	\$ -	\$ 209,470	4	\$ 499,256	\$ -	\$ 499,256	8
	每股盈餘								
9750	基本	\$ 0.55	\$ -	\$ 0.55		\$ 1.28	\$ -	\$ 1.28	
9850	稀釋	\$ 0.55	\$ -	\$ 0.55		\$ 1.28	\$ -	\$ 1.28	

註一：民國 104 年及 103 年度財務報表之所有之資產、負債、股東權益及損益科目金額，分別以民國 104 年及 103 年 12 月 31 日之匯率 RMB 1 = NTD 4.9950 及 RMB 1 = NTD 5.0920 換算。

註二：最近 3 年度人民幣對新台幣最高、最低及平均匯率如下：

年 度	最 高	最 低	平 均
104.1.1-104.12.31	RMB1: NT5.1840	RMB1: NT4.8900	RMB1: NT5.0331
103.1.1-103.12.31	RMB1: NT5.1090	RMB1: NT4.7970	RMB1: NT4.9202
102.1.1-102.12.31	RMB1: NT4.9400	RMB1: NT4.6540	RMB1: NT4.8315

註三：揭露之報表格式業已依中華民國金管會認可之 IFRSs 規定予以調整。

(請參閱勤業眾信聯合會計師事務所 105 年 4 月 27 日複核報告)

董事長：朱志洋

經理人：陳向榮

會計主管：葉世強

友佳國際控股有限公司及子公司
依中華民國金管會認可之 IFRSs 重編後合併現金流量表
民國 104 年及 103 年 1 月 1 日至 12 月 31 日

單位：新台幣仟元，惟
每股盈餘為元

項 目	104年度			103年度		
	依香港一般公 認會計原則編 製之金額(註3)	調節金額增(減)	依中華民國金管 會認可之 IFRSs 編 製 金 額	依香港一般公 認會計原則編 製之金額(註3)	調節金額增(減)	依中華民國金管 會認可之 IFRSs 編 製 金 額
營業活動之現金流量						
本年度稅前淨利	\$ 279,480	\$ -	\$ 279,480	\$ 636,862	\$ -	\$ 636,862
不影響現金流量之收益費損項目						
折舊費用	130,275	-	130,275	142,983	-	142,983
攤銷費用	9,605	-	9,605	8,371	-	8,371
呆帳費用	10,070	-	10,070	77,938	-	77,938
財務成本	43,626	-	43,626	46,714	-	46,714
利息收入	(70,894)	-	(70,894)	(50,894)	-	(50,894)
採權益法之關聯企業及合資損益 份額	6,424	-	6,424	56,098	-	56,098
處分不動產、廠房及設備損失	1,004	-	1,004	1,507	-	1,507
處分備供出售金融資產淨利益	(3,307)	-	(3,307)	-	-	-
營業資產及負債之淨變動數						
應收帳款	266,793	-	266,793	448,661	-	448,661
應收帳款－關係人	(191,468)	-	(191,468)	14,614	-	14,614
應收建造合約款	(21,094)	-	(21,094)	(39,936)	-	(39,936)
其他應收款	(4,116)	-	(4,116)	62,214	-	62,214
存貨	35,869	-	35,869	110,797	-	110,797
預付款項	48,122	-	48,122	(32,884)	-	(32,884)
應付帳款	(134,475)	-	(134,475)	(69,450)	-	(69,450)
應付帳款－關係人	58,816	-	58,816	24,976	-	24,976
應付建造合約款	(135,984)	-	(135,984)	(36,454)	-	(36,454)
其他應付款	(8,042)	-	(8,042)	53,767	-	53,767
預收款項	327,842	-	327,842	(218,701)	-	(218,701)
負債準備	(2,687)	-	(2,687)	(2,266)	-	(2,266)
營運產生之現金流入	645,859	-	645,859	1,234,917	-	1,234,917
支付之所得稅	(174,985)	-	(174,985)	(132,642)	-	(132,642)
營業活動之淨現金流入	<u>470,874</u>	<u>-</u>	<u>470,874</u>	<u>1,102,275</u>	<u>-</u>	<u>1,102,275</u>
投資活動之現金流量						
取得採用權益法之長期股權投資	(1,443,890)	-	(1,443,890)	(16,493)	-	(16,493)
購置不動產、廠房及設備	(29,061)	-	(29,061)	(21,493)	-	(21,493)
處分不動產、廠房及設備價款	100	-	100	2,887	-	2,887
購置無形資產	(12,677)	-	(12,677)	(4,781)	-	(4,781)
其他金融資產	300,040	-	300,040	(756,233)	-	(756,233)
其他應收款－關係人	(30,155)	-	(30,155)	-	-	-
收取之利息	70,894	-	70,894	50,894	-	50,894
投資活動之淨現金流出	<u>(1,144,749)</u>	<u>-</u>	<u>(1,144,749)</u>	<u>(745,219)</u>	<u>-</u>	<u>(745,219)</u>
籌資活動之現金流量						
短期借款增加	32,957	-	32,957	174,793	-	174,793
發放現金股利	(120,839)	-	(120,839)	(225,840)	-	(225,840)
支付之利息	(43,626)	-	(43,626)	(46,714)	-	(46,714)
籌資活動淨現金流出	<u>(131,508)</u>	<u>-</u>	<u>(131,508)</u>	<u>(97,761)</u>	<u>-</u>	<u>(97,761)</u>
匯率變動對現金及約當現金之影響	(25,138)	-	(25,138)	36,646	-	36,646
本期現金及約當現金(減少)增加數	(830,521)	-	(830,521)	295,941	-	295,941
期初現金及約當現金餘額	<u>1,337,928</u>	<u>-</u>	<u>1,337,928</u>	<u>1,041,987</u>	<u>-</u>	<u>1,041,987</u>
期末現金及約當現金餘額	<u>\$ 507,407</u>	<u>\$ -</u>	<u>\$ 507,407</u>	<u>\$ 1,337,928</u>	<u>\$ -</u>	<u>\$ 1,337,928</u>

註一：民國 104 年及 103 年度財務報表之所有之資產、負債、股東權益及損益科目金額，分別以民國 104 年及 103 年 12 月 31 日之匯率 RMB 1 = NTD 4.9950 及 RMB 1 = NTD 5.0920 換算。

民國 104 年及 103 年度期初財務報表之所有之資產、負債、股東權益及損益科目金額，分別以民國 103 年及 102 年 12 月 31 日之匯率 RMB 1 = NTD 5.0920 及 RMB 1 = NTD 4.9190 換算。

註二：最近 3 年度人民幣對新台幣最高、最低及平均匯率如下：

年 度	最 高	最 低	平 均
104.1.1-104.12.31	RMB1 : NT5.1840	RMB1 : NT4.8900	RMB1 : NT5.0331
103.1.1-103.12.31	RMB1 : NT5.1090	RMB1 : NT4.7970	RMB1 : NT4.9202
102.1.1-102.12.31	RMB1 : NT4.9400	RMB1 : NT4.6540	RMB1 : NT4.8315

註三：揭露之報表格式業已依中華民國金管會認可之 IFRSs 規定予以調整。

(請參閱勤業眾信聯合會計師事務所 105 年 4 月 27 日複核報告)

董事長：朱志洋



經理人：陳向榮



會計主管：葉世強



友佳國際控股有限公司及子公司

合併財務報表重編說明

民國 104 及 103 年度

(金額除另予註明者外，係以新台幣仟元為單位)

一、合併財務報表重編原則

友佳國際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 104 年度合併財務報告，係包括友佳國際控股有限公司（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告準則（以下簡稱香港一般公認會計原則）編製之主要報表格式，因與中華民國「證券發行人財務報告編製準則」及經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「中華民國金管會認可之 IFRSs」）規定不符，爰依中華民國金融監督管理委員會 101 年 12 月 13 日發布之「第二上市（櫃）公司財務報告複核要點」規定，就合併資產負債表、合併綜合損益表及合併現金流量表依中華民國金管會認可之 IFRSs 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對合併公司民國 104 年度合併綜合損益表之損益影響金額，並未達證券交易法施行細則第六條所訂應重編財務報表之標準，故上述重編合併財務報表僅依中華民國金管會認可之 IFRSs 規定之格式與分類，將上述合併資產負債表、合併綜合損益表及合併現金流量表予以重分類。

二、中華民國金管會認可之 IFRSs 與香港一般公認會計原則之差異彙總說明

現行已發布生效之中華民國金管會認可之 IFRSs 與香港一般公認會計原則在特定方面存有重大差異；其中影響合併公司民國 104 年及 103 年 12 月 31 日合併資產負債表及民國 104 年度及 103 年度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：

附 件 四

GOOD FRIEND INTERNATIONAL HOLDINGS INC. 友佳國際控股有限公司

(於開曼群島註冊成立之有限公司)

股份代號：2398



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公司資料

董事會

執行董事

朱志洋 (主席)
陳向榮 (行政總裁)
陳明河
溫吉堂
邱榮賢

獨立非執行董事

顧福身
江俊德
余玉堂

公司秘書

羅泰安

法定代表

陳向榮
邱榮賢

香港法律的法律顧問

胡關李羅律師行

審核委員會

顧福身 (委員會主席)
江俊德
余玉堂

薪酬委員會

顧福身 (委員會主席)
江俊德
陳向榮

提名委員會

顧福身 (委員會主席)
江俊德
陳向榮

核數師

德勤•關黃陳方會計師行

註冊辦事處

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

公司資料

香港主要營業地點

香港
德輔道中317至319號
啟德商業大廈
20樓2003室

中國主要營業地點

中國
浙江省
杭州市
蕭山區
蕭山經濟技術開發區
市心北路120號

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

股份過戶登記處香港分處

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

主要往來銀行

中國銀行
國泰世華銀行
恒生銀行有限公司
中國工商銀行
凱基銀行
兆豐國際商業銀行
元大商業銀行
法國巴黎銀行

股份代號

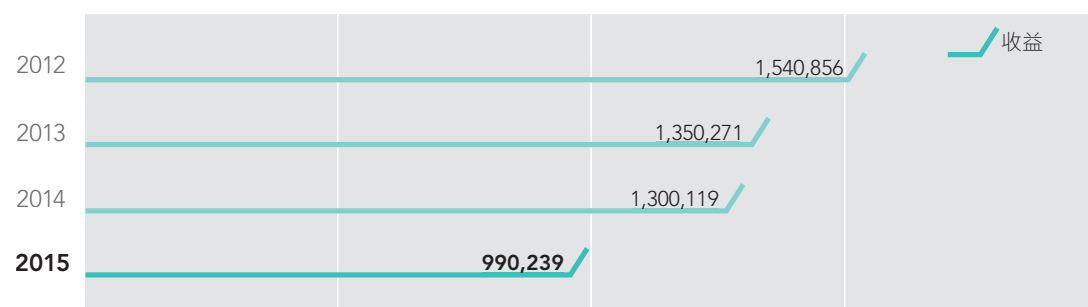
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網站

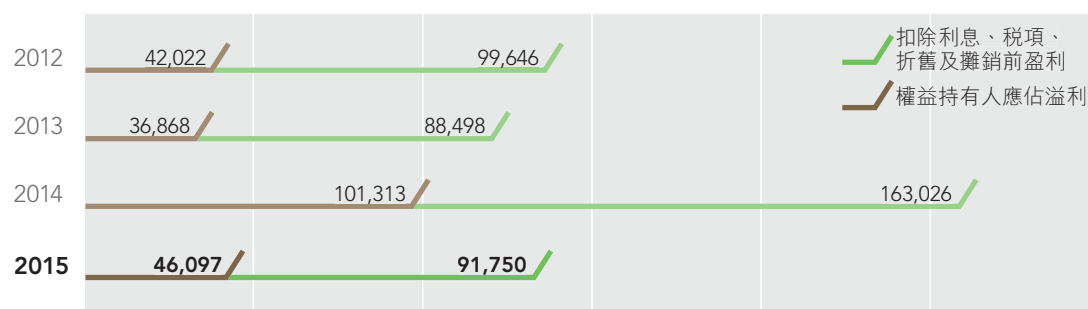
<http://www.goodfriend.hk>

財務摘要

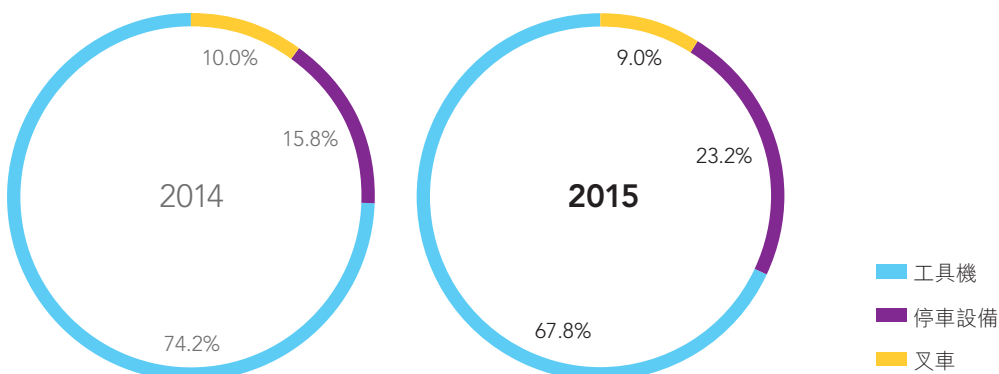
收益 (人民幣千元)



溢利 (人民幣千元)



業務分部 (按收益計算)



財務摘要

兩年財務數字的比較

截至十二月三十一日止年度

	二零一五年 人民幣千元	二零一四年 人民幣千元	變動 (%)
收益	990,239	1,300,119	-23.8%
毛利	267,925	344,894	-22.3%
扣除利息、稅項、折舊及攤銷前盈利	91,750	163,026	-43.7%
權益持有人應佔溢利	46,097	101,313	-54.5%
股東權益	744,439	726,695	2.4%
總資產	1,664,040	1,628,064	2.2%
每股盈利－基本（人民幣元）	0.11	0.25	-56.0%

主要財務比率的摘要

截至十二月三十一日止年度

	二零一五年	二零一四年	變動 (%)
毛利率 ^{附註1}	27.1%	26.5%	2.3%
純利率 ^{附註2}	4.7%	7.8%	-39.7%
存貨周轉日數 ^{附註3}	126.4	98.3	28.6%
應收款項周轉日數 ^{附註4}	150.6	130.2	15.7%
應付賬款周轉日數 ^{附註5}	89.9	78.3	14.8%
流動比率（倍） ^{附註6}	1.2	1.5	-20.0%
速動比率（倍） ^{附註7}	0.9	1.2	-25.0%
資本負債比率(%) ^{附註8}	24.6%	24.7%	-0.4%
扣除利息、稅項、折舊及 攤銷前盈利／財務費用（倍） ^{附註9}	10.5	17.8	-41.0%
權益回報率(%) ^{附註10}	6.2%	13.9%	-55.4%

附註1：毛利率按毛利除以收益計算。

附註2：純利率按權益持有人應佔溢利除以收益計算。

附註3：存貨周轉日數乃按期末存貨除以銷售收益成本再乘以365日。

附註4：應收款項周轉日數乃按期末貿易應收賬除以收入再乘以365日。

附註5：應付賬款周轉日數乃按期末貿易應付賬除以銷售成本再乘以365日。

附註6：流動比率以相應年末流動資產總值除以流動負債總額計算。上表的數字以比率（而非百分比）呈列。

附註7：速動比率乃按有關年度完結時之流動資產總值（不包括存貨）除以總流動負債計算。上表數字乃以比率而非百分比形式列示。

附註8：資本負債比率以年末總負債除以總資產計算。總負債指年末具息負債的總額。

附註9：扣除利息、稅項、折舊及攤銷前盈利／財務費用以年度內扣除財務費用、稅項、折舊及攤銷前盈利除以財務費用計算。上表的數字以比率（而非百分比）呈列。

附註10：權益回報率以權益持有人應佔溢利除以相應年末的股東權益總額計算。

主席報告



主席
朱志洋

本人謹代表董事（「董事」）會（「董事會」），向各位股東提呈友佳國際控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零一五年十二月三十一日止年度之全年（「本年度」）業績報告。

財務業績

截至二零一五年十二月三十一日止年度，本集團錄得收入約人民幣990,240,000元，較二零一四年下跌約23.8%。而本年度的權益持有人應佔溢利錄得約人民幣46,100,000元，較二零一四年之數額人民幣101,310,000元下跌約54.5%。

末期股息

董事會擬建議派發截至二零一五年十二月三十一日止年度的末期股息每股普通股人民幣0.03元（相當於根據於二零一六年三月三十一日中國人民銀行公佈人民幣兌港元之平均中間匯率計算所得約0.0360港元），根據現時已發行之普通股股數，總額將為人民幣12,100,000元（相當於約14,520,000港元）。但須獲股東於二零一六年六月二日（星期四）舉行的應屆股東週年大會批准。末期股息之支付日期預期將於二零一六年六月底派發。

主席報告

業務回顧

二零一五年，中國經濟下行壓力不斷加大。根據中國國家統計局發佈的經濟資料顯示，第四季中國國內生產總值(GDP)同比增速降至6.8%，而全年GDP較二零一四年增長6.9%，增長率為一九九零年以來最低。本集團之主營產品CNC工具機由於以中國市場為主，因此CNC工具機業務的訂單亦受到影響。於截至二零一五年十二月三十一日止年度，CNC工具機之銷售數量及銷售額分別為1,587台及約人民幣671,860,000元，與二零一四年比較均呈現下跌。然而，由於本年度內原材料價格維持穩定，因此於本年度CNC工具機業務之毛利率亦維持於約30.2%。

於本年度內，本集團繼續向客戶提供高端CNC工具機產品。此等高端產品除可優化本集團之產品結構外，亦能增強本集團之核心競爭優勢。本集團亦已於中國（上海）自由貿易試驗區成立一獨資企業，主要用作開拓銷售FFG Werke GmbH（「FFG Werke」，一間於德國註冊成立之企業）之高端工具機品牌（包括「Huller Hille」）至中國大陸之客戶。

於二零一五年八月，本集團簽訂了一份買賣協議，以向其他股東收購FFG Werke合共25.5%之股權，總代價為2,340,000歐元。於此交易完成後，本集團現擁有FFG Werke 39.0%之股本權益。管理層對FFG Werke之業務發展前景抱有信心。相信透過此增持FFG Werke之股權，將為本集團未來之業務發展及業績帶來裨益。

於二零一五年十一月，本集團與其他合營夥伴訂立注資協議成立FFG European Holding GmbH（「FFG European」，一間於德國註冊成立之企業）並向其提供總金額110,000,000歐元之注資。本集團擁有FFG European 45.0%權益，有關之注資金額為49,500,000歐元。而FFG European亦已於二零一五年底成功收購了MAG Group（包括MAG IAS GmbH及MAG Automotive LLC）之100%股權。MAG Group乃為營運已逾10年的業務成熟的工具機生產商，擁有受著名汽車生產商青睞的領先高端工具機品牌，於歐洲佔有市場份額、具有全球認可度並於歐洲及美國建有5個生產點，擁有逾一千名僱員。FFG European對MAG Group之收購，將為本集團的產品組合帶來利好影響，令其可獲得更豐富，更多元化的產品並強化本集團於海外之投資組合。

主席報告



主席報告

前景展望

中國經濟保持了總體穩中有進的發展態勢。踏入二零一六年，亦是中國「十三五」規劃的第一年，中國經濟仍然面臨挑戰，然而中國乃全球第一大工具機消耗國，而預期中國之高速鐵路、城軌、航太與能源產業對工具機之需求仍將大幅提升，特別是高端CNC工具機。這將有利本集團的CNC工具機業務。本集團亦將繼續向客戶開拓銷售（主要產地來自意大利及德國）高端CNC工具機產品。管理層相信憑藉本集團所擁有之龐大銷售網絡及完善之售後服務、穩固的業務基礎以及優異的產品質素，定能充份滿足客戶不同的需求，繼續鞏固其市場地位。

展望未來，面對當前複雜的經濟環境，本集團將維持一貫審慎的態度，在嚴峻市場環境下繼續強化核心業務根基，以面對未來多變化和不明朗的市場情況。另一方面，管理層亦會繼續尋求開拓合適之投資項目或併購活動，從而提升本集團的競爭優勢，以帶領本集團邁向成為一家國際性的CNC工具機製造商。管理層對於本集團的長遠發展前景保持樂觀。

管理層亦會致力管控營運成本，以使本集團能獲得更理想的營運效益，並竭誠為本公司的股東創造更佳的回報。

致謝

本人謹代表董事會感謝全體員工及管理層團隊於過去一年之努力，並向所有客戶及供應商表示衷心感謝。

承董事會命

主席

朱志洋

香港，二零一六年三月三十一日

管理層討論及分析

財務回顧

收益

截至二零一五年十二月三十一日止年度，本集團錄得收益約人民幣990,240,000元，與二零一四年比較下跌約23.8%。於本年度，CNC工具機、停車設備及叉車的銷售數量分別為1,587台、15,368台及1,492台（二零一四年：2,102台、13,215台及1,997台），本集團之主要收益來源仍為銷售CNC工具機。於本年度，CNC工具機業務的銷售額為約人民幣671,860,000元，較二零一四年下跌約30.4%，佔本集團整體收益約67.8%。另一方面，於本年度本集團的叉車業務之銷售額亦較二零一四年下跌約31.5%至約人民幣88,770,000元，佔本集團整體收益約9.0%。此外，停車設備業務於本年度之銷售額為約人民幣229,610,000元，比較二零一四年增加約11.6%，佔總收益約23.2%。

毛利及毛利率

截至二零一五年十二月三十一日止年度，本集團之毛利約人民幣267,930,000元，而整體毛利率約為27.1%，而二零一四年之毛利率為26.5%。由於本集團的主營產品CNC工具機於本年度之毛利率維持於約30.2%，因此本年度的整體毛利率與二零一四年比較大致持平。

分銷及銷售費用

截至二零一五年十二月三十一日止年度，分銷及銷售費用約為人民幣122,490,000元，與二零一四年比較下跌約5.4%。這有賴於管理層致力管控有關成本所致。於本年度，分銷及銷售費用佔本集團收益百分比為約12.4%，而二零一四年為約10.0%。

行政費用

截至二零一五年十二月三十一日止年度，行政費用比較二零一四年增加約16.4%。主要由於匯兌虧損增加以及在上海自由貿易試驗區成立一間新企業而致行政費用有所上升。

管理層討論及分析

財務費用

於本年度，財務費用下跌至約人民幣8,730,000元，主要由於本集團於二零一五年的平均銀行借貸減少所致。

分佔聯營公司溢利

截至二零一五年十二月三十一日止年度，分佔聯營公司溢利為約人民幣101,000元。乃指於本年度內分佔其位於意大利的聯營公司「FFG Europe」，位於德國的聯營公司「FFG European and American」以及位於德國的聯營公司「FFG Werke」的營運業績。

本公司權益持有人應佔溢利

截至二零一五年十二月三十一日止年度，本公司的權益持有人應佔溢利約人民幣46,100,000元，較二零一四年下跌約54.5%。

流動資金及財務資源

於二零一五年十二月三十一日，本集團擁有流動資產淨額約人民幣154,910,000元（二零一四年：人民幣433,320,000元），股東資金約人民幣744,440,000元（二零一四年：人民幣726,700,000元），以及短期銀行貸款約人民幣408,680,000元（二零一四年：人民幣402,080,000元）。本集團之營運資金乃由內部經營所得現金流量及現有銀行授信額度作融資。

於二零一五年十二月三十一日，現金及現金等值物為數約人民幣101,580,000元（二零一四年：人民幣262,750,000元）。本集團的流動比率（流動資產總額對流動負債總額的比率）約為1.2倍（二零一四年：1.5倍）。資本負債比率（債項總額對資產總值的比率）約為24.6%（二零一四年：24.7%），反映本集團整體財務狀況仍然保持穩健。

管理層討論及分析

資本架構及庫務政策

於二零一五年十二月三十一日，本公司的股本為4,032,000港元，分為403,200,000股每股0.01港元的股份（二零一四年十二月三十一日：4,032,000港元，分為403,200,000股每股0.01港元的股份）。

本集團一般透過內部產生的現金流量及銀行給予的信貸額度提供業務所需資金。於二零一五年十二月三十一日，尚未繳清的短期貸款約人民幣408,680,000元（二零一四年：人民幣402,080,000元）。本集團採用的借貸方式主要包括銀行貸款。於本年度，本集團並無作出任何利率對沖安排。

重大投資

截至二零一五年十二月三十一日止年度，本集團並無持有任何重大投資。

重大的附屬公司收購及出售事項

截至二零一五年十二月三十一日止年度，本集團並無任何重大的附屬公司或聯營公司收購或出售事項。

分類資料

截至二零一五年十二月三十一日止年度，有關分類資料的詳情載於綜合財務報表附註5。

僱員及薪酬政策

於二零一五年十二月三十一日，本集團在香港及中國僱用合共1,320位（二零一四年：1,450位）全職僱員。本集團的員工總成本（包括董事袍金及酬金）為數約人民幣142,990,000元（二零一四年：人民幣130,140,000元）。本集團的薪酬檢討政策乃依據市場趨勢、未來計劃及個別僱員於各範疇之表現及經定期檢討而釐定。

本公司已採納購股權計劃，旨在鼓勵及表揚合資格參與者為本集團所作出的貢獻。本集團自採納購股權計劃以來，並無授出購股權。

本公司的附屬公司僱員參加中國當地政府營運的國家管理社會福利計劃，而香港僱員則參與強制性公積金計劃。於回顧年度內，本集團向上述計劃作出供款約人民幣4,920,000元（二零一四年：人民幣4,230,000元）。

管理層討論及分析

資本承擔及或然負債

本集團主要就有關物業、廠房及設備已訂約但尚未於財務報表撥備的資本支出已作出的承擔約人民幣630,000元（二零一四年：人民幣740,000元），以及對一間聯營公司之出資約人民幣67,400,000元（二零一四年：無）。於二零一五年十二月三十一日，本集團並無任何重大或然負債（二零一四年：無）。

集團資產押記

於二零一五年十二月三十一日，受限制銀行存款約人民幣172,610,000元（二零一四年：人民幣134,680,000元）主要指本集團為就所使用的融資信貸出具擔保而存放於銀行的存款。

另外，本公司之附屬公司以總賬面值約人民幣15,260,000元（二零一四年：人民幣15,940,000元）之土地及樓宇抵押作其獲授一般銀行信貸額度。於二零一五年十二月三十一日，附屬公司並無使用有抵押銀行信貸額度（二零一四年：人民幣2,900,000元）。

有關重大投資或資本資產的未來計劃

於二零一五年十二月三十一日，本公司並無有關重大投資及購入重大資本資產之具體計劃。然而，本集團將繼續尋找新業務發展機遇。

外匯風險

本集團主要在中國以內經營業務。截至二零一五年十二月三十一日止年度，本集團以人民幣收取大部分收益，部分已兌換為美元、日元及其他外幣等外幣，以支付有關入口零部件的款項。因此，本集團面對若干程度的外匯波動風險。本集團於本年度並無進行對沖活動。如需要，匯率波動所產生之外匯風險將由本集團利用遠期外幣合約加以調控。

人民幣目前並非自由兌換貨幣。本集團的部分人民幣收益或溢利須轉換為其他貨幣，以履行本集團的外幣義務，例如在宣派股息的情況下派付股息。

董事及高級管理人員的履歷詳情

執行董事

朱志洋先生，69歲，於二零零五年九月獲委任為執行董事，並為董事會主席。彼負責本集團之整體策略計劃、管理、業務開發及本集團企業政策之制訂。朱先生在機械、製造及工具機業累積了逾三十年經驗。朱先生亦為杭州友高精密機械有限公司及杭州友華精密機械有限公司之董事，該兩家公司均為本公司之全資附屬公司。

陳向榮先生，70歲，於二零零五年十二月獲委任為本公司執行董事及行政總裁。彼亦為本公司薪酬委員會及提名委員會之成員。彼負責本集團之一般管理。陳先生在機械、製造及工具機業累積了逾三十年經驗。彼亦為杭州友佳精密機械有限公司、杭州友高精密機械有限公司、杭州友華精密機械有限公司及杭州友達機械科技有限公司之董事。陳先生於一九九三年加入本集團。

陳明河先生，65歲，於二零零五年十二月獲委任為執行董事。陳先生負責本集團整體業務運作。陳先生在機械、製造及工具機業累積了逾十五年經驗。彼亦為杭州友佳精密機械有限公司、友盛（上海）精密機械有限公司、杭州友達機械科技有限公司及上海顯德精密機械有限公司之董事。彼於一九九三年加入本集團。

溫吉堂先生，51歲，於二零零五年十二月獲委任為執行董事。溫先生為杭州友佳精密機械有限公司工具機械部之副總經理，並由二零一一年一月一日起升任為總經理。彼負責該部門的生產及運作。溫先生於工具機業累積逾三十年經驗。彼亦為杭州友佳精密機械有限公司、杭州友高精密機械有限公司、杭州友華精密機械有限公司及杭州友達機械科技有限公司之董事。彼於二零零三年加入本集團。

董事及高級管理人員的履歷詳情

邱榮賢先生，58歲，於二零零五年十二月獲委任為執行董事。邱先生為杭州友佳精密機械有限公司停車設備部經理，並由二零一一年一月一日起升任為協理。彼負責該部門的生產及運作。邱先生在機械及製造業累積了逾三十一年經驗。彼於二零零一年加入本集團。

獨立非執行董事

顧福身先生，59歲，於二零零五年十二月獲委任為獨立非執行董事，彼亦為本公司審核委員會、薪酬委員會及提名委員會之主席。彼為一家企業財務顧問公司凱利融資有限公司之創辦人兼董事總經理，於投資銀行業及專業會計有逾二十年之豐富經驗。顧先生現為李寧有限公司、美聯集團有限公司、興達國際控股有限公司及宏輝集團控股有限公司（全為聯交所主板上市公司）之獨立非執行董事。彼為一名註冊會計師。

江俊德先生，55歲，於二零零五年十二月獲委任為獨立非執行董事。江先生為本公司審核委員會、薪酬委員會及提名委員會之委員。江先生為德鎂實業股份有限公司之總經理，並由二零零零年起兼任為董事長。

彼現為榮成紙業股份有限公司之法人董事。彼亦為中國信託商業銀行之法人董事。

彼曾於二零零三年至二零一零年二月期間出任首席財務管理顧問股份有限公司及首席創業投資股份有限公司之董事；於二零零六年至二零零九年六月期間出任毅金工業股份有限公司（臺灣證券交易所股份有限公司上櫃公司）之獨立董事；於二零零九年至二零一二年三月期間出任豐聲科技股份有限公司（臺灣證券交易所股份有限公司上市公司）之獨立董事；於二零一一年至二零一三年六月期間出任上緯企業股份有限公司（臺灣證券交易所股份有限公司上市公司）之獨立董事；於二零零一年至二零一四年十二月期間出任乾坤投資股份有限公司之董事兼總經理；於二零零零年至二零一五年六月十八日期間出任台北市進出口商業同業公會之理事，及他已於二零一五年六月十八日辭任。

董事及高級管理人員的履歷詳情

余玉堂先生，79歲，於二零零五年十二月獲委任為獨立非執行董事，彼亦為本公司審核委員會之成員。彼曾任台灣新竹縣政府及省政府顧問。

高級管理人員

強家鑫先生，57歲，獲委任為杭州友高的製造、銷售及售後服務經理，負責國內叉車生產管理、業務、銷售及售後服務工作。強先生在一九七九年畢業於台灣復興工業專科學校機械工程系，並於二零零零年七月一日加入本集團。彼在汽車零件及叉車業有逾三十年設計、製造及生產管理的工作經驗。

吳立城先生，54歲，獲委任為杭州友佳工具機部之售後服務部經理，並由二零一四年一月升任為協理。彼於二零零零年十月加入本集團及在工具機行業有逾三十一年經驗。

葉明彬先生，48歲，獲委任為杭州友佳的副總經理，負責一般行政及管理工作。葉先生於一九九四年畢業於台灣淡江大學，獲頒會計學位。彼於二零零七年一月加入本集團前，在一九九四年至一九九八年間服務於台灣勤業會計師事務所，並在核數、會計及財務方面具有逾十八年經驗。

葉世強先生，50歲，獲委任為本公司的財務總監，負責本集團的財務及會計工作。葉先生持有香港大學社會科學學士學位。彼為特許公認會計師公會及香港會計師公會的資深會員。葉先生於二零零七年十一月加入本集團，並在企業融資、審核及會計範疇累積逾二十年經驗。

董事會報告

董事會欣然提呈其報告，連同本集團截至二零一五年十二月三十一日止年度的經審核綜合財務報表。

主要業務

本公司為一間投資控股公司，其附屬公司主要從事設計及生產CNC工具機、設計及建造立體停車設備，以及設計及組裝叉車。

業務回顧

本集團截至二零一五年十二月三十一日止年度的業務回顧分別載於本年報第6至9頁之「主席報告」及第10至13頁之「管理層討論與分析」。

主要風險及不明朗因素

本集團可能面臨的潛在風險及不明朗因素的描述載於本年報第6頁至第9頁的主席報告內。本集團的財務風險管理目標及政策載於綜合財務報表附註3。

環境政策

本集團不遺餘力貫徹環境保護政策，同時培養並提高僱員對環境保護的認知，落實綠色辦公室的理念，包括雙面打印及影印、推廣使用環保紙及關閉閒置照明及電子設備以降低本集團辦公室的能源消耗等。此外，本集團亦致力於使營運符合適用環境法律及法規，並已採取措施確保其營運所產生的任何廢料及副產品均得以妥善處理及棄置，以盡量減少對環境造成的不利影響。

管理層將不時檢討本集團的環保常規，並將考慮在營運中進一步實施對環境有益的措施及常規，以促進環境保護及可持續發展。

遵守相關法律及法規

於本年度內，就董事所知，本集團並無涉及任何適用法律及法規之嚴重不合規而對其業務及營運產生重大影響。

董事會報告

與僱員、客戶及供應商的主要關係

董事會認同僱員為本集團的寶貴資產及取得成功的關鍵所在。本集團提供具競爭力的薪酬待遇以吸引、激勵並挽留僱員。此外，董事會亦定期審視給予僱員的薪酬待遇並作出必要調整，務求遵循現行市場慣例。

董事會同時重視與客戶及供應商保持良好關係，其對本集團實現長期目標至關重要。

於本年度內，本集團並無與集團公司及業務夥伴發生重大糾紛。

財政期後重要事項

財政期後至本報告付印之期間概無重要事項。

分類資料

本集團截至二零一五年十二月三十一日止年度按業務分類劃分之營業額及業績分析，載於綜合財務報表附註5。

業績及分派

本集團截至二零一五年十二月三十一日止年度的溢利，以及本集團於該日的業務狀況載於綜合財務報表第47至121頁。

董事會擬建議派發截至二零一五年十二月三十一日止年度的末期股息每股普通股人民幣0.03元（相當於二零一六年三月三十一日中國人民銀行公佈人民幣兌港元之平均中間匯率計算所得約0.0360港元），根據現時已發行之普通股股數，總額將為人民幣12,100,000元（相當於約14,520,000港元）。但須獲股東於應屆股東週年大會批准方可作實。

有關建議末期股息之暫停辦理股份過戶日期、記錄日期及支付日期將於稍後公佈。預期建議末期股息經批准後將約於二零一六年六月底派發。

儲備

年內本公司儲備之變動載於綜合財務報表附註35。

董事會報告

股東週年大會

二零一六年股東週年大會將於二零一六年六月二日（星期四）舉行。二零一六年股東週年大會詳情載於二零一六年四月二十九日之本公司通函、股東週年大會通告及委任代表表格，隨附於二零一五年年報寄發予本公司之股東。

物業、廠房及設備

年內本集團物業、廠房及設備變動詳情，載於綜合財務報表附註14。

股本

本公司截至二零一五年十二月三十一日止年度的股本變動詳情載於綜合財務報表附註26。

銀行借貸

本集團於二零一五年十二月三十一日之銀行借貸詳情，載於綜合財務報表附註29。

董事

年內及截至本報告日期止，本公司的董事如下：

執行董事

朱志洋先生（主席）
陳向榮先生（行政總裁）
陳明河先生
溫吉堂先生
邱榮賢先生

獨立非執行董事

顧福身先生
江俊德先生
余玉堂先生

根據本公司組織章程細則（「章程細則」）第87(1)條，陳向榮先生，陳明河先生及邱榮賢先生會在即將舉行的股東週年大會上退任，並符合資格且願膺選連任。

獨立確認書

本公司已根據香港聯合交易所有限公司證券上市規則（「上市規則」）第3.13條的規定接獲各獨立非執行董事發出的年度獨立確認書。本公司認為所有獨立非執行董事均為獨立人士。

董事會報告

董事認購股份或債券的權利

除於二零零五年十二月二十二日採納之本公司購股權計劃外，於本年度內任何時間，任何本公司董事或高級行政人員、彼等各自之配偶或未滿18歲子女概無獲授可透過收購本公司股份或債券而獲益之任何權利，彼等亦無行使任何上述權利；本公司、其母公司、其附屬公司或同系附屬公司亦無訂立任何安排，使董事可透過收購本公司或任何其他法團之股份或債券以收購該等權利或利益。

董事的服務合約

每位執行董事已於二零一五年一月十一日與本公司簽訂服務協議，由二零一五年一月十一日起為期三年，並將於其後繼續，直至任何一方向另一方發出不少於三個月的書面通知或根據各自的服務協議所載條文予以終止為止。各執行董事或可酌情收取花紅，有關金額將參考本公司薪酬委員會的建議而釐定。

每位獨立非執行董事與本公司已訂立新的服務協議，由二零一六年一月十日開始，為期兩年，直至任何一方向另一方發出不少於三個月的書面通知予以終止為止。

本公司概無與任何擬於即將舉行的股東週年大會上膺選連任的董事訂立任何不可於一年內由本公司終止而毋須作出賠償（法定賠償除外）的服務合約。

董事於競爭業務中之權益

茲參照本公司日期為二零零五年十二月三十日之招股章程第94至106頁之相關披露及第105頁所載不競爭契約之詳情。於二零一五年十二月三十一日，董事及彼等各自之聯繫人（定義見上市規則）概無於與本集團於中國、香港及澳門之業務競爭或可能競爭之業務中擁有權益。

董事會報告

購股權計劃

本公司於二零零五年十二月二十二日採納購股權計劃（「該計劃」）。該計劃旨在鼓勵合資格人士於未來為集團作最大貢獻、表揚彼等過去的貢獻、吸引及與該等合資格人士（對本集團表現、增長或成功起著關鍵作用者）維持持續關係。該計劃的合資格人士包括本公司董事（包括獨立非執行董事）、本集團其他僱員、本集團的貨品或服務供應商、本集團的客戶、向本集團提供研究、開發或其他技術支援的人士或實體、本公司附屬公司的任何少數股東，以及本集團業務發展的諮詢人及任何上述人士的聯繫人。該計劃之有效期為十年，直至二零一五年十二月三十一日為止，此後將不再按該計劃授出任何購股權。

該計劃之主要條款概述如下：

- (a) 因行使根據該計劃及本集團任何其他計劃授出之所有購股權而可予發行之本公司股份最高數目不得超過本公司於本公司股份在聯交所上市之日（即二零零六年一月十一日）已發行股本之

10%（即280,000,000股股份），除非已獲得股東之批准，惟合共不得超過本公司不時已發行股份之30%。

於二零一五年十二月三十一日該計劃到期前，因概無根據該計劃授出購股權，本公司有權授出購股權作認購總數合共最多為28,000,000股之股份，即該計劃下之未使用授權限額佔本公司股份於聯交所上市之日已發行股份之10%，及佔於財政年度結束日期已發行之本公司股份6.9%。

- (b) 在任何十二個月期間，行使任何合資格人士獲授之購股權時（包括已行使及未行使之購股權）所涉及之已發行及將予發行之股份總額不得超過不時已發行之本公司股份之1%。
- (c) 根據該計劃之股份認購價乃為董事會於授出購股權時可按其絕對酌情釐定之有關價格，惟認購價將不會低於以下之最高者：(i)於董事會批准授出購股權日期（必須為營業日）（「授出日」）本公司股份在聯交所每日報價表所報之收市價；(ii)於緊接授出日前五個營業日，本公司股份在聯交所每日報價表所報之平均收市價；及(iii)本公司股份之面值。

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- (d) 購股權可根據該計劃條款，由緊隨根據該計劃被視為授出及接納購股權之營業日期（「開始生效日期」）起期間內任何時間全部或部分行使，並於開始生效日期後十年內董事會可全權酌情決定之購股權屆滿日期屆滿，惟須受該計劃所載提前終止條文所規限。
- (e) 於接納購股權時，承授人須向本公司支付1港元作為授出購股權之代價。
- (f) 該計劃由其採納日期（即二零零五年十二月二十二日）起十年期間有效及生效。其已於二零一五年十二月二十一日到期。

本公司自採納該計劃以來並無授出任何購股權。

董事的股份權益

於二零一五年十二月三十一日，董事或行政總裁於本公司或任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債券中，擁有根據證券及期貨條例第352條須存置的本公司登記冊所記錄，或根據上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益或淡倉如下：

1(a). 於本公司的股份、相關股份及債券之好倉

董事姓名	權益性質	證券數目及類別	持股量概約
			百分比
朱志洋先生	公司權益	20,000,000股	4.96%

附註：該20,000,000股股份由朱志洋先生持有約72.22%權益之公司金日環球投資有限公司實益擁有。

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1(b). 於本公司之相聯法團的股份、相關股份及債券的好倉總額

董事姓名	相聯團名稱	權益性質	證券數目及類別	持股 概約百分比
朱志洋先生	友嘉實業	實益擁有人	15,720,255股 普通股股份	15.35%
	友嘉實業	配偶權益 (附註1)	2,733,926股 普通股股份	2.67%
	Fair Fine (Hongzhou) Industrial Co., Ltd. (附註2)	實益擁有人	750股 普通股股份	0.03%
陳向榮先生	友嘉實業	實益擁有人	1,948,553股 普通股股份	1.90%
	Fair Fine (Hongzhou) Industrial Co., Ltd. (附註2)	實益擁有人	750股 普通股股份	0.03%

附註：

1. 朱志洋先生之配偶王紫緹女士（前稱王錦足）（「王女士」）持有友嘉實業已發行股本2.67%，故根據證券及期貨條例，朱志洋先生被視為於王女士所持的友嘉實業所有股份中擁有權益。
2. Fair Fine (Hongzhou) Industrial Co., Ltd. 為友嘉實業的非全資附屬公司，故根據證券及期貨條例為本公司的相聯法團。

除上文所披露者外，於二零一五年十二月三十一日，本公司董事或高級行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中擁有須記入根據證券及期貨條例第352條規定須存置的登記冊，或根據標準守則須知會本公司及聯交所的任何權益。

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2. 於本公司及其相聯法團的股份、相關股份及債券中的淡倉總額

於二零一五年十二月三十一日，本公司董事或高級行政人員概無於本公司或其相聯法團的股份、相關股份或債券中擁有須記入根據證券及期貨條例第352條規定須存置的登記冊或根據標準守則須知會本公司及聯交所的任何淡倉。

1. 於本公司股份及相關股份的好倉總額

主要股東

於二零一五年十二月三十一日，每位人士（本公司董事或高級行政人員除外）於本公司股份及相關股份中擁有根據證券及期貨條例第336條須予存置的登記冊所記錄的權益或淡倉如下：

股東名稱	權益性質	所持普通股數目	約佔本公司 已發行股本的 百分比
友佳實業（香港）有限公司 （「友佳實業香港」）	實益擁有人	232,000,000股股份 （附註）	57.54%
友嘉實業	受控制公司的權益	232,000,000股股份 （附註）	57.54%

附註：友嘉實業擁有友佳實業香港約99.99%權益，故根據證券及期貨條例，友嘉實業被視為於友佳實業香港所持有的232,000,000股本公司股份中擁有權益。

除上文所披露者外，於二零一五年十二月三十一日，根據證券及期貨條例第336條規定須予存置的本公司登記冊所記錄，並無其他人士於本公司股份或相關股份中擁有權益或淡倉。

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董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載的標準守則為董事進行交易之守則。經本公司作出查詢後，所有董事已確認於截至二零一五年十二月三十一日止年度，其已遵守標準守則所載有關董事進行證券交易的標準規定。

薪酬政策

成立薪酬委員會旨在根據本集團之經營業績、個人表現及比較之市場慣例，檢討本集團之薪酬政策及全體董事及高級管理層之薪酬架構。

本公司已採納一項購股權計劃，作為對董事及合資格僱員之獎勵，該計劃詳情載於上述購股權計劃內。

董事及五位最高薪人士之酬金

本集團董事及五位最高薪人士之酬金詳情載於綜合財務報表附註8。

關連人士交易及關連交易

有關年度關連人士交易之詳情載於綜合財務報表附註34。有關年度所有於上市規則第14A.73條項下屬不獲完全豁免之關連交易或持續關連交易之關連人士交易之詳情已在下列披露。本集團已就該等交易遵守上市規則第14A章所載之要求。

不獲豁免關連交易

1. 誠如二零一五年十一月五日之本公司公告及二零一五年十二月四日之本公司通函所載，天盛香港實業有限公司（「天盛」）（一間本公司之全資附屬公司），萬佳有限公司，金輝富有限公司，富聯投資有限公司，友嘉實業及台灣麗偉電腦機械股份有限公司（統稱為「合營夥伴」）已於二零一五年十一月五日訂立注資協議（「注資協議」），據此合營夥伴同意成立一所名為FFG European Holding GmbH（「FFG European」）（由天盛持有其45%股權）之合營公司，初始資本及註冊代理費用總額為28,000歐元及於二零一六年十一月三十日或之前（或合營夥伴可能協定之其他較後日期）向FFG European按合營夥伴之股權比例提供總金額110,000,000歐元之現

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金作為進一步資本（即根據注資協議，擁有FFG European 45%股權之天盛將會再注資49,500,000歐元予FFG European）。

合營夥伴成立FFG European以匯集彼等各自之資源、優勢及行業專長，以評估未來可能收購合適工具機生產商。FFG European已成功收購MAG集團之100%股權。其詳情列載於主席報告內之「業務回顧」及綜合財務報表附註18。

由於友嘉實業為友佳實業香港（本公司控股股東）之控股公司，故根據上市條例友嘉實業為本公司之關連人士。注資協議項下之交易構成本公司之關連交易，須遵守上市規則第14A章項下的申報、公佈及取得獨立股東批准之規定。批准注資協議及其項下擬進行之交易之決議案已於二零一五年十二月二十一日舉行之股東特別大會上獲本公司獨立股東通過。

截至本報告日期，天盛已向FFG European注資40,000,000歐元。二零一六年十一月三十日或以前，天盛將向FFG European注資餘下之9,500,000歐元。

- 誠如二零一五年九月二十五日之本公司公告及二零一五年十月二十八日之本公司通函所載，本公司、FFG Werke GmbH（「**FFG Werke**」）及BNP Paribas於二零一五年九月二十五日訂立委託函（「**委託函**」），據此BNP Paribas（及其他將參與之獨立金融機構）將會於二零一五年十一月十四日至到期日前一個月當日期間（到期日為二零一五年十一月十四日起計滿24個月之前一日）（唯可於相關貸方同意後延長至滿36個月之前一日）安排本金額最高為50,000,000歐元之無抵押循環融資供本公司及FFG Werke按共同及個別基準使用（「**融資**」）。相關利率為每年1.9%加歐盟銀行業聯盟管理之歐元區銀行同業拆息。貸方提供該融資以作FFG Werke之一般營運資金，及本公司及FFG Werke間之共同及個別借貸安排本質上猶如本公司就FFG Werke於融資項下之責任向貸方提供擔保。

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於二零一五年九月二十五日，友嘉實業間接持有本公司全部已發行股本之約57.54%，而本公司透過天盛於FFG Werke持有39%權益。友嘉實業透過其全資附屬公司金友國際有限公司（「**金友**」）於FFG Werke持有10%權益。因此，根據上市規則第14A.27條，FFG Werke為共同持有實體。由於融資將按共同及個別基準向本公司及FFG Werke提供，故本公司及FFG Werke各自將須對另一方於融資項下產生之債務負責。因此，根據上市規則第14A章，融資構成涉及本公司向共同持有實體提供財務資助之關連交易，須遵守上市規則第14A章項下的申報、公佈及取得獨立股東批准之規定。批准委託函及其項下擬進行之交易之決議案已於二零一五年十一月十三日舉行之股東特別大會上獲本公司獨立股東通過。

截至本報告日期，FFG Werke已於融資提取之貸款總額為38,000,000歐元。

3. 誠如二零一五年八月十七日之本公司公告及二零一五年九月七日之本公司通函所載，金友、和騰有限公司（「**和騰**」）及天盛已於二零一五年八月十七日訂立買賣協議（「**買賣協議**」），據此金友及和騰已同意出售及天盛已同意向彼等收購FFG Werke合共127,500股股份，佔FFG Werke股權之約25.5%，總代價為2,340,000歐元（「**收購事項**」）。收購事項已於二零一五年九月二十三日完成，及於本報告日期，天盛已分別支付161,000歐元及2,179,000歐元予和騰及金友。

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由於金友為友嘉實業（為友佳實業香港（本公司控股股東）之控股公司）之全資擁有附屬公司，故根據上市條例金友為本公司之關連人士。收購事項構成本公司之關連交易，須遵守上市規則第14A章下的申報、公佈及取得獨立股東批准之規定。批准買賣協議及其項下擬進行之交易之決議案已於二零一五年九月二十三日舉行之股東特別大會上獲本公司獨立股東通過。

不獲豁免持續關連交易

1. 誠如二零一四年五月二十二日之本公司公告及二零一四年六月六日之本公司通函所載，本公司已於二零一四年五月二十二日與友嘉實業訂立：(a) 零部件協議（「**零部件協議**」），據此，由二零一四年六月二十七日起三年，本公司（及／或其指定允許公司）（「**本公司有關方**」）同意向友嘉實業（及／或其指定允許公司）（「**友嘉有**

關方」）供應CKD零部件，而友嘉有關方同意向本公司有關方供應CKD零部件；及(b) 工具機協議（「**工具機協議**」），據此，由二零一四年六月二十七日起三年，本公司有關方可向友嘉有關方購買，並有權於中國、香港及澳門特別行政區（「**銷售地區**」）以獨家形式銷售，及友嘉有關方須應本公司有關方之要求，向本公司有關方供應並授權本公司有關方於銷售地區以獨家形式銷售指定CNC工具機。

由於友嘉實業為友佳實業香港（本公司控股股東）之控股公司，故根據上市條例友嘉實業為本公司之關連人士。零部件協議及工具機協議項下之交易分別構成本公司之持續關連交易，須遵守上市規則第14A章項下的申報、公佈、取得獨立股東批准及年度審核之規定。

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批准零部件協議及工具機協議、其項下擬進行之交易及有關年度上限的決議案已於二零一四年六月二十七日舉行之股東特別大會上獲本公司獨立股東通過。根據零部件協議，於二零一五年一月一日至二零一五年十二月三十一日期間本公司有關方向友嘉有關方供應CKD零部件及本公司有關方向友嘉有關方購買CKD零部件之年度上限分別為人民幣3,260,000元及人民幣129,050,000元，及該期間實際供應金額及購買金額分別為人民幣1,550,000元及人民幣43,450,000元。而根據工具機協議，於二零一五年一月一日至二零一五年十二月三十一日期間本公司有關方向友嘉有關方購買指定CNC工具機之年度上限為人民幣138,930,000元，及該期間實際購買金額為人民幣33,820,000元。

2. 誠如二零一四年七月九日之本公司公告及二零一四年七月二十二日之本公司通函所載，FFG Werke及天盛已於二零一四年七月九日訂立擔保促成契約（「擔保促成契約」），據此FFG Werke可於二零一四年八月六日至緊接其後12個月屆滿

日期之前一日當日期間，要求天盛（而天盛可酌情決定）就FFG Werke及其任何附屬公司（「**FFG Werke集團**」）及其客戶訂立之製造及／或銷售合約促成出具以該等客戶為受益人而最高總金額約為10,600,000歐元之銀行擔保。

由於FFG Werke為友嘉實業（為友佳實業香港（本公司控股股東）之控股公司）之聯繫人，故根據上市條例FFG Werke為本公司之關連人士。擔保促成契約項下之交易構成本公司之持續關連交易，須遵守上市規則第14A章項下的申報、公佈、取得獨立股東批准及年度審核之規定。批准擔保促成契約及其項下擬進行之交易的決議案已於二零一四年八月六日舉行之股東特別大會上獲本公司獨立股東通過。

董事會報告

截至二零一五年十二月三十一日，總額為歐元10,600,000的由持牌銀行出具的以FFG Werke集團之客戶為受益人的銀行擔保已根據擔保促成契約促成出具。

獨立非執行董事已審閱零部件協議、工具機協議、擔保促成契約及其項下於本年度進行之交易並確定有關交易於所有重大方面：

- (i) 按本集團一般及正常業務訂立；
- (ii) 以一般商業條款進行；及
- (iii) 根據零部件協議，工具機協議及擔保促成契約之相關條款進行，乃公平及合理並符合本公司股東整體利益。

優先購買權

章程細則或開曼群島（為本公司註冊成立之司法管轄區）法例均無規定本公司須按比例向本公司之現有股東提呈發售新股份之優先購買權條文。

購買、贖回或出售本公司上市證券

本公司及其附屬公司於截至二零一五年十二月三十一日止年度內概無購買、贖回或出售任何本公司上市證券。

主要客戶及供應商

年內，本集團首五大客戶佔本集團總營業額約10.55%，而最大客戶佔本集團總營業額約2.74%。五大供應商於本年度佔本集團總採購額約28.21%，而最大供應商約佔本集團總採購額約15.07%。

董事會報告

概無董事或其聯繫人於任何上述客戶或供應商持有權益。

於本年度，就本公司董事所知，除友佳實業香港及友嘉實業為本集團上述五大供應商之外，並沒有擁有5%以上本公司股份之股東於上述本集團之客戶或供應商持有任何權益。

足夠公眾持股量

根據本公司公開所得的資料及就本公司董事所知，於本報告日期，本公司已發行股本之最少25%由公眾股東持有。

准許的彌償

本公司之公司章程細則規定，本公司須以本公司之資金，就董事因有關本公司之民事或刑事法律程序中進行辯護所招致之法律責任並獲判勝訴或獲判無罪作

出彌償。此外，本公司已為本公司之董事及高級管理人員投購責任保險，為若干針對董事及高級管理人員而作出之法律訴訟提供合適之保額。

股票掛鈎協議

除本年報所披露外，本公司於本年度終結日或年內任何時間概無訂立任何股票掛鈎協議。

董事於交易安排或合約之權益

除綜合財務報表附註34所載者外，本公司董事或其有關連實體並無在本公司、其母公司、其附屬公司或同系附屬公司所訂立，且於年結日或本年度內任何時間存在之重大交易、安排或合約上，直接或間接擁有重大權益。

董事會報告

審核委員會及年度業績審閱

本公司成立審核委員會（「審核委員會」），其書面職權範圍書符合上市規則附錄十四所載之《企業管治守則》的規定。審核委員會的主要職責為檢討及監管本集團的財務匯報程序及內部監控系統。審核委員會的成員包括三位獨立非執行董事，即顧福身先生（為主席）、江俊德先生及余玉堂先生。審核委員會已與管理層共同審閱本集團截至二零一五年十二月三十一日止年度的綜合財務報表。

企業管治

有關本公司所採納的主要企業管治常規之報告，載於第33至44頁。

五年財務概要

本集團過往五個財政年度的業績及資產與負債的概要載於122頁。

核數師

德勤•關黃陳方會計師行（「德勤」）已於二零一五年十一月二十七日獲董事會委任為本公司核數師，以填補羅兵咸永道會計師事務所於二零一五年十一月二十五日辭任後之臨時空缺，任期至本公司應屆股東週年大會（「股東週年大會」）結束時止。而本公司將於應屆股東週年大會上提呈續聘德勤為本公司核數師的決議案。

除以上所述者外，本公司之核數師於過往三年並無其他變動。

截至二零一五年十二月三十一日止年度之綜合財務報表已由德勤審核。

承董事會命

友佳國際控股有限公司

主席

朱志洋

香港，二零一六年三月三十一日

企業管治報告

本公司致力維持良好之企業管治標準，並透過鞏固有效的架構，提倡資料披露之完整性、透明度及質素，藉以提高股東價值。

遵守企業管治守則

本公司已採納其企業管治常規，取自於香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載的《企業管治守則》（「企業管治守則」）的守則條文，並進行檢討及定期更新，以遵循企業管治之最新常規。於回顧年度內，本公司一直遵守企業管治守則所載之守則條文，惟偏離企業管治守則如下：

守則條文第E.1.2條規定董事會主席應出席股東週年大會，及獨立委員會（如有）的主席亦應在任何批准關連交易或任何其他須經獨立批准的交易的股東大會上回應問題。

董事會主席因公務出差而未能出席二零一五年五月二十九日舉行之股東週年大會，根據本公司組織章程細則（「章程細則」），由執行董事陳向榮先生擔任股東週年大會主席。

董事進行證券交易

本公司已採納上市規則附錄十所載的有關董事進行證券交易的標準守則（「標準守則」）。經本公司作出查詢後，所有董事已確認於截至二零一五年十二月三十一日止年度，其已遵守標準守則所載有關董事進行證券交易的標準規定。

企業管治報告

董事會

董事會負責領導及監控本公司，並負責監管本集團之預算、主要政策及重大交易、財務業績、業務、策略方針及表現。董事會亦下放權力及責任予管理層，以便日常管理本集團。此外，董事會亦將各種職責分派至以下董事會各附屬委員會。該等委員會之詳情載於本報告內。

董事會現時由八位董事組成，其中包括五位執行董事及三位獨立非執行董事。

執行董事

朱志洋先生 (主席)
陳向榮先生 (行政總裁)
陳明河先生
溫吉堂先生
邱榮賢先生

獨立非執行董事

顧福身先生
江俊德先生
余玉堂先生

董事會以均衡之架構組成，目的在確保整個董事會擁有穩固之獨立客觀性，其組成情況符合企業管治守則所推薦董事會成員最少須有三分之一為獨立非執行董事之做法。各董事履歷載於第14至16頁之「董事及高級管理人員的履歷詳情」一節。

董事均有足夠時間及精神以處理本集團的事務。董事每年向本公司披露其於公眾公司或組織擔任職位的數目及性質，以及其他重大承擔的職務。董事會認為執行董事及獨立非執行董事組合之比例合理及適當，並充分發揮制衡作用，以保障股東及本集團之利益。

主席及行政總裁

董事會主席及本公司行政總裁此等職位由兩名人士分別擔任，確保彼等各自之獨立性、問責性及負責制。主席朱志洋先生負責領導董事會及本集團之策略規劃。行政總裁陳向榮先生負責本集團業務之日常管理。

企業管治報告

獨立非執行董事

三名擔任非執行董事的董事皆為獨立，並獲委任為獨立非執行董事。

三位獨立非執行董事均極具才幹，在會計及金融各範疇亦擁有學術及專業資格。加上他們在各行業所累積之經驗，對董事會有效地履行其職責方面提供強大的支持。其中顧福身先生擁有上市規則第3.10(2)條規定之適合專業資格及會計及有關財務專業知識。各獨立非執行董事已向本公司發出年度獨立確認書，而本公司認為彼等各自均屬上市規則第3.13條項下之獨立人士。

三位獨立非執行董事之特定任期為兩年，並須根據章程細則之規定最少每三年輪值告退一次。

董事會的職責

董事會制定企業策略、批核整體業務計劃以及評估本公司之財務表現及管理。董事會授權本集團管理層進行之具體工作，包括執行董事會批准之策略；監察經營預算；執行內部監控程序；以及確保本集團符合有關法定要求及其他規則及規例。

企業管治職能

董事會亦負責履行下列企業管治職責：

1. 制定及檢討本公司之企業管治政策及常規，並且提出建議；
2. 檢討及監察董事及高級管理人員之培訓及持續專業發展；
3. 檢討及監察本公司在遵守法律及監管規定方面之政策及常規；
4. 制定、檢討及監察僱員及董事之操守準則及合規手冊（如有）；及

企業管治報告

5. 根據上市規則附錄十四檢討本公司遵守企業管治守則之情況及在企業管治報告書內之披露。

於回顧年度內，董事會已履行上述職責。

董事培訓

根據董事們向本公司提供的培訓紀錄，於二零一五年董事有參與以下培訓：

董事	培訓類型
執行董事	
朱志洋	A, B
陳向榮	A, B
陳明河	A, B
溫吉堂	A, B
邱榮賢	A, B
獨立非執行董事	
顧福身	A, B
江俊德	A, B
余玉堂	A, B

A：出席研究會及／或會議／或論壇

B：閱讀資訊、報紙、雜誌和有關董事責任、經濟、金融、投資及本公司業務之資料

董事會會議次數及出席率

董事會每年最少舉行四次定期會議，並在有需要的情況下舉行會議。於截至二零一五年十二月三十一日止年度，董事會共舉行四次會議，以下董事之出席率如下：

董事	出席率
朱志洋先生	3/4
陳向榮先生	4/4
陳明河先生	3/4
溫吉堂先生	3/4
邱榮賢先生	4/4
顧福身先生	3/4
江俊德先生	4/4
余玉堂先生	3/4

董事已於每次董事會會議前收到會議的決策議程及會議記錄之詳情。

董事會會議記錄由公司秘書保存，並可供董事查閱。每位董事會成員均有權查閱董事會文件及相關資料，並可隨時獲公司秘書提供意見及服務，以及於有需要時尋求外部專業意見。

本公司已就針對其董事之相關法律行動，安排適當之保險保障。

企業管治報告

審核委員會

本公司已成立審核委員會（「審核委員會」），並遵循企業管治守則以書面制訂職權範圍書。審核委員會由三位獨立非執行董事組成，即顧福身先生（擔任主席）、江俊德先生及余玉堂先生。

審核委員會旨在監控健全的內部監控系統的成立並維持該系統，並遵循此系統。

審核委員會主要負責就外聘核數師之委任、重聘及罷免向董事會作出建議，並審批外聘核數師之酬金及聘任條款，以及與該等核數師之辭任或罷免有關之任何事宜；審閱中期報告及年報和本集團賬目；以及監察財務申報及本集團內部監控系統是否有效。審核委員會已於本年度履行其職責並審閱本公司截至二零一五年六月三十日止六個月之未經審核財務報表。審核委員會亦已審閱截至二零一五年十二月三十一日止年度之經審核財務報表。

審核委員會已向董事會建議，於本公司應屆股東週年大會上提名執業會計師德勤•關黃陳方會計師行（已於二零一五年獲委任為本集團之核數師以填補羅兵咸永道會計師事務所辭任後之臨時空缺）續任為本公司之核數師。

會議次數及出席率

於二零一五年度，審核委員會會面三次，本公司管理層及外聘核數師在合適情況下均有出席。有關審核委員會成員的會議出席詳情載列如下：

成員姓名	出席率
顧福身先生	3/3
江俊德先生	1/3
余玉堂先生	3/3

董事提名

在考慮提名新董事時，董事會將考慮候選人之資歷、能力、工作經驗、領導能力及專業道德，尤其是彼等於機械工程行業及／或其他專業範疇之經驗。

企業管治報告

本公司已成立提名委員會（「提名委員會」），並遵循企業管治守則以書面制訂職權範圍書，成員包括兩位獨立非執行董事，分別為顧福身先生（擔任主席）及江俊德先生，以及一位執行董事，即陳向榮先生。

提名委員會之功能為檢討及監督董事會之架構、規模及組成；物色合資格人士出任董事會成員；評估獨立非執行董事之獨立性，以及向董事會就委任及重選董事作出推薦建議。

年內及本報告日期前，董事概無任何變動。提名委員會認為現有董事會規模足以應付現時運作。此外，提名委員會已審閱及確信所有獨立非執行董事之獨立性。

根據章程細則，三分之一董事將於本公司應屆股東週年大會上退任。根據章程細則第87(1)條，陳向榮先生、陳明河先生及邱榮賢先生將於本公司應屆股東週年大會輪值告退，惟合資格並願意膺選連任。

會議次數及出席紀錄

提名委員會於截至二零一五年十二月三十一日止年度舉行一次會議，其出席詳情如下：

成員姓名	出席率
顧福身先生	1/1
江俊德先生	1/1
陳向榮先生	1/1

董事會成員多元化政策

本公司於二零一三年八月訂立董事會成員多元化政策，目的是為本公司董事會成員的多元化訂立方向。

董事會明白一個多元化的董事會對於提高董事會效率及企業管治的重要性。多元化的董事會包括善用本公司董事（「董事」）的不同技能、行業知識和經驗、教育、背景和其他素質，而不會產生基於種族、年齡、性別或宗教的歧視。在決定最佳董事會組合時會考慮該等因素，並盡可能取得適當的平衡。

企業管治報告

本公司提名委員會負責物色及提名董事候選人予董事會批准；負責董事會所需的適當組合和評估董事候選人的經驗、專業知識、技能和董事會所需的多元化因素；以及監督董事會的繼任。提名委員會負責審查及向董事會報告有關董事會成員的多元化事宜。

董事的任命將根據候選人的優點及其他客觀標準作出，充分考慮該等因素對於董事會成員多元化的好處。候選人加入董事會時，會按照候選人所需的知識、經驗、技能、教育背景及其他素質來考慮。最終的決定將會取決於候選人的優點和將會為董事會作出的貢獻。

目前，提名委員會尚未就實踐董事會成員多元化政策而訂定任何可計量目標。然而，提名委員會將會不時考慮及檢討董事會成員多元化政策以及訂定任何可計量目標。

董事薪酬

本公司已成立薪酬委員會（「薪酬委員會」），並遵循企業管治守則以書面制訂職權範圍書，成員包括兩位獨立非執行董事，分別為顧福身先生（擔任主席）及江俊德先生，以及一位執行董事，即陳向榮先生。

薪酬委員會之功能為制定及檢討董事及高級管理層之薪酬政策及架構。

會議次數及出席紀錄

薪酬委員會於截至二零一五年十二月三十一日止年度舉行一次會議以審閱本公司各董事及高級管理層的現有薪酬，其出席詳情如下：

成員姓名	出席率
顧福身先生	1/1
江俊德先生	1/1
陳向榮先生	1/1

企業管治報告

薪酬政策

薪酬委員會根據僱員之貢獻、資格及能力決定本集團僱員之薪酬政策。

薪酬委員會根據本公司以往業績、董事個別表現及可比較之市場數據決定董事之薪酬。每名執行董事有權分別支取底薪。此外，每名執行董事亦有權收取董事酌情發放之花紅，惟不可超逾本集團於有關財政年度之經審核綜合純利之2%。此金額須由審核委員會批准。有關董事薪酬詳情載於綜合財務報表附註8。

本公司於二零零五年十二月二十二日採納一項購股權計劃。購股權計劃目的讓董事會向特選之合資格人士授出購股權，以鼓勵及致力提升彼等之表現及效率，以符合本集團利益。購股權計劃之詳情載於董事會報告內之購股權計劃。

高級管理人員之薪酬

按等級劃分，高級管理人員於截至二零一五年十二月三十一日止年度之薪酬載列如下：

薪酬等級 (港元)	人數
少於1,000,000元	3
1,000,001元至1,500,000元	2
1,500,001元至2,000,000元	—

根據上市規則附錄十六所披露有關董事薪酬及五位最高薪僱員之進一步詳情分別載於財務報註釋8(a)及8(b)。

其他董事委員會

於本年度，一獨立董事委員會（成員包括所有三位獨立非執行董事）已就須予披露及關連交易涉及收購FFG WERKE GMBH之25.5%股權而成立。此等持續關連交易之詳情載於本公司於二零一五年九月七日所刊發之通函。

企業管治報告

另一獨立董事委員會（成員包括所有三位獨立非執行董事）亦就主要及關連交易涉及提供財務資助而成立。此主要及關連交易之詳情載於本公司於二零一五年十月二十八日所刊發之通函。

另一獨立董事委員會（成員包括所有三位獨立非執行董事）亦就主要交易及關連交易涉及成立合營企業及注資而成立。此主要交易及關連交易之詳情載於本公司於二零一五年十二月四日所刊發之通函。

舉行了三次委員會會議，委員會成員均有出席。

公司秘書

本公司從外部秘書服務供應商聘請及委任其代表羅泰安先生為本公司之公司秘書。本公司公司秘書之主要聯絡人為本公司之財務總監葉世強先生。羅先生已完全符合上市規則第3.29條之相關培訓規定。

章程細則

於回顧年度內，本公司之章程細則並無任何變動。

核數師酬金

於回顧年度內，支付予／應付予本公司核數師德勤•關黃陳方會計師行之酬金載列如下：

向本集團提供的服務	已付／應付費用 千港元
核數服務	1,300
非核數服務	—

內部監控系統

董事會負責管理本集團的內部監控系統，並檢討其效用，其中包括財務、經營及合規控制等，同時致力推行有效及完善的內部監控系統，以保障股東利益及本集團資產。本年度內，本公司已聘請一專業公司協助董事會的審閱工作，對本集團內部監控系統的成效進行檢討。董事會亦有檢討有關本公司在會計及財務匯報職能方面的資源、員工資歷及經驗，以及員工接受的訓練課程及有關預算。涵蓋所有重要監控的報告及審查結果已提交董事會及後跟進計劃已獲採納。有關檢討並無發現本集團的內部監控系統有任何重大不足。

企業管治報告

董事對財務報表之責任

董事會肩負於每個財政期間編製本公司賬目之職責，該等賬目可真實公平地反映本集團業務狀況及該期間之業績及現金流量。編製截至二零一五年十二月三十一日止年度之財務報表時，董事會已揀選及貫徹應用合適會計政策；作出審慎、公平及合理之判斷及估計，並採納持續經營基準編製有關賬目。董事會負責採取一切合理所需步驟保障本集團資產，並且防止及偵查欺詐及其他不正常情況。

與股東通訊及投資者關係

董事會深明與股東保持良好溝通尤關重要。有關本集團之資料（包括本公司之中期報告及年報、公佈及通函等）均會適時透過多種正式途徑向股東傳達。

本公司之股東大會為董事會與股東直接溝通之寶貴機會。公司鼓勵股東出席本公司之股東大會。

本公司於二零一五年五月二十九日舉行股東週年大會（「二零一五年股東週年大會」）。召開二零一五年股東週年大會之通告乃載於日期為二零一五年四月二十七日之通函，並連同二零一四年年報一併寄發予股東。執行董事陳向榮先生與董事會轄下各委員會之主席顧福身先生出席二零一五年股東週年大會，以解答股東提問。其他董事因各人之其他事務未能出席二零一五年股東週年大會。

此外，本公司於二零一五年九月二十三日、二零一五年十一月十三日及二零一五年十二月二十一日舉行股東特別大會（「股東特別大會」）以分別批准本公司之(i)須予披露及關連交易、(ii)主要及關連交易及(iii)主要交易及關連交易。陳向榮先生及顧福身先生出席股東特別大會。其他董事因各人有其他事務未能出席股東特別大會。

主席於二零一五年股東週年大會及股東特別大會上就進行投票表決之程序作出詳盡解釋。於二零一五年股東週年大會及股東特別大會上提呈之所有決議案，均已個別獲股東以按股數投票表決方式通過。投票表決結果已於會後在聯交所及本公司網站公佈。

企業管治報告

本公司應屆股東週年大會將於二零一六年六月二日舉行（「二零一六年股東週年大會」）。召開二零一六年股東週年大會之通告將根據章程細則及企業管治守則在可行情況下盡快登載於聯交所及本公司網站，並且連同二零一五年年報寄發予股東。

本公司致力加強與其投資者的溝通及關係。指定高級管理人員經常與機構投資者及分析員公開交流，以簡報本公司的發展。

本公司亦設有網站www.goodfriend.hk，刊載本公司的最新業務發展和營運、財務資料及消息。

股東可隨時透過公司秘書向董事會提出書面查詢及關注，公司秘書的聯絡詳情如下：

香港德輔道中317至319號
啟德商業大廈20樓2003室
傳真：(852) 3586 2620
電郵：investor@goodfriend.hk

股東的權利

本公司的股東大會提供機會讓股東與董事會交流。本公司每年須於董事會決定的地點舉行股東週年大會。股東週年大會以外的每個股東大會須稱為股東特別大會（「股東特別大會」）。下文載列股東可(a)召開股東特別大會；(b)向董事會提出查詢；及(c)於股東大會上提出動議的程序。有關程序須受章程細則及適用法例和規則所規限。

股東召開股東特別大會的程序：

於遞呈要求日期持有本公司繳足股本（附有權利於本公司股東大會上投票）不少於十分之一的任何一名或以上股東，於任何時候均有權向本公司董事會或秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中列明的任何事務；且有關大會須於遞呈該項要求後的兩(2)個月內舉行。

企業管治報告

書面要求必須列明大會目的、由提出要求人士簽署及送呈至本公司的香港主要營業地點或本公司的註冊辦事處，註明收件人為本公司董事會或秘書，並且可由有關要求人士各自簽署的一式多份文件組成。有關要求將由本公司的香港股份過戶登記分處核實，待其確認要求屬妥當後，本公司的秘書將促請董事會考慮召開股東特別大會。相反，如有關要求經核實為不妥當，有關要求人士將獲告知有關結果，亦因此不會召開股東特別大會。

有關要求人士召開的任何會議，應與由董事會召開的會議之召開方法相同。

於股東大會上提出議案的程序

如欲於本公司的股東大會上提出議案，股東應在有足夠的前置時間下，將已由有關股東正式簽署及載列有關要求的書面資料，遞交至本公司的香港主要營業地點，註明收件人為本公司董事會及秘書。有關要求將由本公司的香港股份過戶登記分處核實，待其確認要求屬妥當後，本公司的秘書將把有關要求轉交董事。會否在股東大會上提呈有關議案將由董事會酌情決定。

本公司股東提議某人士獲選為董事的程序，刊載於本公司的網站www.goodfriend.hk。

核數師聲明

本公司之核數師於本集團截至二零一五年十二月三十一日止年度之財務報表之核數師報告內確認彼等所承擔之責任。

香港，二零一六年三月三十一日

獨立核數師報告

Deloitte.
德勤

德勤•關黃陳方會計師行
香港金鐘道88號
太古廣場一座35樓

Deloitte Touche Tohmatsu
35/F One Pacific Place
88 Queensway
Hong Kong

獨立核數師報告

致友佳國際控股有限公司股東

(於開曼群島註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審計列載於第47至121頁友佳國際控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零一五年十二月三十一日的綜合財務狀況表及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表,以及主要會計政策概要及其他附註解釋資料。

董事就綜合財務報表須承擔的責任

貴公司董事負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定編製綜合財務報表,以令綜合財務報表作出真實而公平的反映,及落實其認為編製綜合財務報表所必要的內部控制,以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

我們的責任是按照我們協定的委聘條款,根據我們的審計對該等綜合財務報表作出意見,並僅向整體股東報告,除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。我們已根據香港會計師公會頒佈的香港審計準則進行審計。該等準則要求我們遵守道德規範,並規劃及執行審計,以合理確定綜合財務報表是否不存有任何重大錯誤陳述。

獨立核數師報告

審計涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審計憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製綜合財務報表以作出真實而公平的反映相關的內部控制，以於該等情況下設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴集團於二零一五年十二月三十一日的財務狀況及其截至該日止年度的財務表現及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

其他事宜

於二零一四年十二月三十一日的綜合財務狀況表及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表已由另一位核數師審計，其於二零一五年三月二十七日對該等報表發表未經修改意見。

德勤•關黃陳方會計師行

執業會計師

香港

二零一六年三月三十一日

綜合損益及其他全面收益表

	附註	截至十二月三十一日止年度	
		二零一五年 人民幣千元	二零一四年 人民幣千元
收益	5	990,239	1,300,119
收益成本	5	(722,314)	(955,225)
毛利		267,925	344,894
其他收入	6	39,797	33,520
分銷及銷售費用		(122,494)	(129,480)
行政費用		(115,895)	(99,528)
其他營運費用		(4,023)	(4,144)
財務費用	9	(8,734)	(9,174)
分佔合營企業虧損	17	(1,387)	(2,458)
分佔聯營公司溢利(虧損)	18	101	(8,559)
視作出售可供出售金融資產之收益	18	662	—
除所得稅前溢利	7	55,952	125,071
所得稅開支	10	(9,855)	(23,758)
本公司權益持有人應佔溢利		46,097	101,313
其他全面收益：			
其後可能重新分類至損益的項目			
分佔一間聯營公司其他全面虧損		(4,318)	—
貨幣換算差額		157	(3,266)
本公司權益持有人應佔年內全面收益總額		41,936	98,047
本公司權益持有人應佔每股盈利 (以每股人民幣元列示)	11		
—每股基本及攤薄盈利		0.11	0.25
股息	12	24,192	44,352

綜合財務狀況表

		於十二月三十一日	
	附註	二零一五年 人民幣千元	二零一四年 人民幣千元
非流動資產			
預付租賃款項－非流動部分	13	35,658	36,598
物業、廠房及設備	14	216,383	236,867
無形資產	15	3,251	1,696
於合營企業的投資	17	16,970	18,357
於聯營公司的投資	18	310,959	1,207
可供出售金融資產	21	–	8,623
遞延稅項資產	30	6,310	6,144
		589,531	309,492
流動資產			
存貨	22	250,076	257,257
應收賬款、按金及預付款項	20	449,745	513,983
預付租賃款項－流動部分	13	940	940
應收一名被投資方款項	21	–	4,473
應收客戶合約工程款項	23	36,717	32,494
應收最終控股公司款項	34	–	532
應收同系附屬公司及 最終控股公司的一間聯營公司的款項	34	1,277	296
應收合營企業款項	34	717	891
應收聯營公司及聯營公司的附屬公司款項	34	60,841	12,274
限制性銀行存款	24	172,613	134,681
初步年期超過三個月的定期存款	25	–	98,000
現金及現金等值物	25	101,583	262,751
		1,074,509	1,318,572

綜合財務狀況表

		於十二月三十一日	
	附註	二零一五年 人民幣千元	二零一四年 人民幣千元
流動負債			
應付客戶合約工程款項	23	15,576	42,800
應付賬款、其他應付款項及應計費用	27	447,313	410,211
應付最終控股公司款項	34	160	1,716
應付直接控股公司款項	34	1,856	3,447
應付一間同系附屬公司及最終控股公司的一間聯營公司款項	34	21,664	784
應付一間聯營公司及一間聯營公司的附屬公司款項	34	10,389	1,128
應付合營企業款項	34	317	76
即期所得稅負債		7,858	16,681
銀行借貸	29	408,677	402,079
保證撥備	28	5,791	6,329
		919,601	885,251
流動資產淨值		154,908	433,321
總資產減流動負債		744,439	742,813
非流動負債			
遞延所得稅負債	30	—	16,118
資產淨值		744,439	726,695
資本及儲備			
股本	26	4,022	4,022
股份溢價		82,281	82,281
資本儲備		77,338	77,338
其他儲備		48,905	53,066
保留盈利		531,893	509,988
總權益		744,439	726,695

第47至121頁的綜合財務報表已於二零一六年三月三十一日獲董事會批准及授權刊發，並由下列董事代表簽署：

朱志洋
董事

陳向榮
董事

綜合權益變動表

	截至二零一五年十二月三十一日止年度					總計 人民幣千元
	股本 人民幣千元	股份溢價 人民幣千元 (附註a)	資本儲備 人民幣千元 (附註b)	其他儲備 人民幣千元 (附註c)	保留盈利 人民幣千元	
於二零一四年一月一日	4,022	82,281	77,338	56,332	453,027	673,000
年內溢利	—	—	—	—	101,313	101,313
其他全面收益						
貨幣換算差額	—	—	—	(3,266)	—	(3,266)
全面收益總額	—	—	—	(3,266)	101,313	98,047
已付股息	—	—	—	—	(44,352)	(44,352)
於二零一四年十二月三十一日	4,022	82,281	77,338	53,066	509,988	726,695
年內溢利	—	—	—	—	46,097	46,097
其他全面收益						
分佔一間聯營公司的其他全面虧損	—	—	—	(4,318)	—	(4,318)
貨幣換算差額	—	—	—	157	—	157
全面收益總額	—	—	—	(4,161)	46,097	41,936
已付股息	—	—	—	—	(24,192)	(24,192)
於二零一五年十二月三十一日	4,022	82,281	77,338	48,905	531,893	744,439

附註：

a. 股份溢價

根據開曼群島法律第22章公司法（一九六一年法律3，經綜合及修訂）第34(2)條，本公司可運用股份溢價賬支付股息予股東，惟除非緊隨擬派付股息之日後本公司能支付其於日常業務過程中到期的債項，否則概不可從股份溢價賬派付股息予股東。

b. 資本儲備

資本儲備指於本公司股份於香港聯合交易所有限公司（「聯交所」）上市前本集團進行的公司重組中本公司按面值發行股份收購的附屬公司實繳股本／股本與股份溢價的差額。

c. 其他儲備

除貨幣換算儲備外，其他儲備包括根據中華人民共和國（「中國」）法定規定設立的一般儲備及企業擴充儲備。

綜合現金流量表

		截至十二月三十一日止年度	
	附註	二零一五年 人民幣千元	二零一四年 人民幣千元
經營活動			
營運所得現金	31	128,851	242,636
已繳所得稅及預扣稅		(34,962)	(26,049)
經營活動所得現金淨額		93,889	216,587
投資活動			
於一間合資企業的投資		—	(3,239)
於聯營公司的投資		(289,067)	—
存入股東貸款		(6,037)	—
購買物業、廠房及設備（「物業、廠房及設備」）		(5,818)	(4,221)
出售物業、廠房及設備所得款項		20	567
購買無形資產		(2,538)	(939)
已收利息		14,193	9,995
提取限制性銀行存款		134,681	60,167
存入限制性銀行存款		(172,613)	(134,681)
初步年期超過三個月的定期存款減少（增加）		98,000	(74,000)
投資活動動用的現金淨額		(229,179)	(146,351)
融資活動			
銀行借貸所得款項		1,837,670	192,455
償還銀行借貸		(1,831,072)	(158,128)
已付權益持有人股息		(24,192)	(44,352)
已付利息		(8,734)	(9,174)
融資活動動用的現金淨額		(26,328)	(19,199)
現金及現金等值物（減少）增加淨額		(161,618)	51,037
年初現金及現金等值物		262,751	211,829
匯率變動之影響		450	(115)
年終現金及現金等值物		101,583	262,751

綜合財務報表附註

1. 一般事項

友佳國際控股有限公司（「本公司」）及其附屬公司從事設計及生產電腦數控工具機、立體停車設備及叉車。

本公司於開曼群島註冊成立，其註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。

本公司之股份自二零零六年一月十一日起在聯交所主板上市。此外，本公司於二零一零年三月十八日在台灣證券交易所（「台灣證券交易所」）發行及上市67,200,000份台灣存託憑證（「台灣存託憑證」），相當於本公司67,200,000股新近發行的股份。友佳實業（香港）有限公司（一間在香港註冊成立的公司）及友嘉實業股份有限公司（一間在台灣註冊成立的公司）分別為直接控股公司及最終控股公司。

除另有說明者外，該等財務報表均以人民幣（「人民幣」）呈報。

2. 主要會計政策概要

編製該等綜合財務報表所採用之主要會計政策載於下文。除另有說明者外，該等政策已貫徹應用於所有呈報之年度。

2.1 編製基準

本公司綜合財務報表乃按香港財務報告準則（「香港財務報告準則」）編製。綜合財務報表已按歷史成本基準編製，惟若干以公平值計量之金融工具除外，詳情載於下文會計政策內。

歷史成本一般按交換貨品或服務所付代價之公平值計算。

公平值乃指市場參與者之間在計量日進行的有序交易中出售一項資產所收取的價格或轉移一項負債所支付的價格，無論該價格乃直接觀察到的結果，或是採用其他估值技術作出的估計。在對資產或負債的公平值作出估計時，本集團考慮了市場參與者在計量日為該資產或負債進行定價時將會考慮的該資產或負債的特徵。於該等綜合財務報表中計量及／或披露的公平值均按此基準予以釐定，惟香港會計準則第17號－租賃範圍內的租賃交易及與公平值類似但並非公平值的計量（例如香港會計準則第2號－存貨中的可變現淨值或香港會計準則第36號－資產減值）除外。

綜合財務報表附註

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

此外，就財務報告而言，公平值計量根據公平值計量的輸入數據可觀察程度及輸入數據對公平值計量的整體重要性分類為第1級、第2級或第3級，載述如下：

- 第1級輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場的報價（未經調整）；
- 第2級輸入數據是就資產或負債直接或間接地可觀察的輸入數據（第1級內包括的報價除外）；及
- 第3級輸入數據是資產或負債的不可觀察輸入數據。

綜合財務報表包括聯交所證券上市規則（「上市規則」）及香港公司條例（「公司條例」）所規定之適用披露。

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

編製與香港財務報告準則貫徹一致之財務報表需要使用若干關鍵會計估計，同時亦需要管理層在應用本集團會計政策時作出判斷。涉及較高程度判斷或複雜程度的範圍，或對綜合財務報表屬重大之假設及估計範圍於附註4披露。

(a) 採納之新訂及經修訂之香港財務報告準則：

本集團已於二零一五年一月一日或之後開始的財政年度首次採納下列由香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則之修訂本：

香港會計準則第19號（修訂本）	界定福利計劃：僱員供款
香港財務報告準則（修訂本）	香港財務報告準則二零一零年至二零一二年週期之年度改進
香港財務報告準則（修訂本）	香港財務報告準則二零一一年至二零一三年週期之年度改進

於本年度採納上述香港財務報告準則之修訂本對本集團本年度及過往年度之財務表現及狀況及／或該等綜合財務報表所載之披露並無重大影響。

綜合財務報表附註

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

(b) 已頒佈但尚未生效之新訂及經修訂之香港財務報告準則：

下列新訂及經修訂香港財務報告準則已頒佈但尚未生效且本集團並未提早採納：

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	來自客戶合約的收益 ¹
香港財務報告準則第11號 (修訂本)	收購合營業務權益的會計方法 ²
香港會計準則第1號(修訂本)	披露計劃 ²
香港會計準則第16號及 香港會計準則第38號 (修訂本)	澄清折舊及攤銷的可接受方法 ²
香港財務報告準則(修訂本)	香港財務報告準則二零一二年至二零一四年週期之年度改進 ²
香港會計準則第16號及 香港會計準則第41號 (修訂本)	農業：生產性植物 ²
香港財務報告準則第10號及 香港會計準則第28號 (修訂本)	投資者與其聯營公司或合營企業之間的資產出售或注資 ³
香港財務報告準則第10號、 香港財務報告準則第12號及 香港會計準則第28號 (修訂本)	投資實體：應用綜合入賬之例外情況 ²

¹ 於二零一八年一月一日或之後開始的年度期間生效。

² 於二零一六年一月一日或之後開始的年度期間生效。

³ 於將予釐定的日期或之後開始的年度期間生效。

香港財務報告準則第9號「金融工具」，闡述金融工具及金融負債的分類、計量及確認。香港財務報告準則第9號的完整版本於二零一四年七月頒佈。該準則代替與金融工具的分類及計量有關的香港會計準則第39號的指引。香港財務報告準則第9號保留但簡化混合計量模型，為金融資產確立三個主要計量分類：攤銷成本、按公平值計入其他全面收益及按公平值計入損益。分類基準視乎實體之業務模型及金融資產之合約現金流特性而定。權益工具投資須於取得時以不可撤銷選擇權按公平值計入損益，以呈列其他全面收益之非循環公平值變動。現有新預期信貸虧損模型將取代香港會計準則第39號所用已產生虧損減值模型。

除就指定按公平值計入損益的負債須於其他全面收益確認本身之信貸風險變動外，並無更改金融負債之分類及計量。香港財務報告準則第9號通過取代明確對沖效果測試放寬對沖效果要求，其要求對沖項目與對沖工具之間存在經濟關係，且「對沖比率」須與管理層就風險管理實際使用者一致。

綜合財務報表附註

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

(b) 已頒佈但尚未生效之新訂及經修訂之香港財務報告準則：(續)

按規定仍須編製同期資料，惟與現時根據香港會計準則第39號編製者有所不同。該準則將於二零一八年一月一日或之後開始之會計期間生效，容許提早採納。本集團尚未評估香港財務報告準則第9號的全面影響。

香港財務報告準則第15號「來自客戶合約的收益」處理收益確認，設立原則向財務報表使用者報告關於實體與客戶之合約所產生收益及現金流之性質、金額、時間及不確定因素的有用資訊。當客戶取得貨品或服務之控制權而可直接使用及從中獲利時，收益即獲確認。該準則取代香港會計準則第18號「收益」及香港會計準則第11號「建造合約」及相關詮釋。該準則將於二零一八年一月一日或之後開始之年度期間生效，容許提早應用。本集團現正評估香港財務報告準則第15號之影響。

香港財務報告準則第11號 (修訂本) 收購合營業務權益的會計方法

香港財務報告準則第11號 (修訂本) 就收購合營業務 (其構成香港財務報告準則第3號業務合併所界定之業務) 之會計處理提供指引。具體而言，該等修訂訂明香港財務報告準則第3號及其他準則有關業務合併之相關會計原則應予以應用，例如香港會計準則第12號所得稅，有關收購時確認之遞延稅項及香港會計準則第36號資產減值，有關於收購合營業務時獲分配商譽之現金產生單位的減值測試。倘及僅於參與合營業務之其中一方向合營業務注入現有業務時，則成立合營業務亦須應用相同規定。

聯合經營者亦須就業務合併披露香港財務報告準則第3號及其他準則規定之相關資料。

有關修訂將對於二零一六年一月一日或之後開始之年度期間開始起發生之合營業務權益收購 (合營業務構成香港財務報告準則第3號所界定之業務) 按未來適用法應用。董事預計，應用香港財務報告準則第11號之該等修訂或會於產生該等交易之未來期間對本集團之綜合財務報表構成影響。

綜合財務報表附註

2. 主要會計政策概要 (續)**2.1 編製基準 (續)****(b) 已頒佈但尚未生效之新訂及經修訂之香港財務報告準則：(續)**

香港財務報告準則第10號及香港會計準則第28號(修訂本)投資者與其聯營公司或合營企業之間的資產出售或注資

香港財務報告準則第10號綜合財務報表及香港會計準則第28號於聯營公司及合營企業的投資之修訂本處理投資者與其聯營公司或合營企業之間的資產出售或注資。具體而言，該等修訂訂明，因失去與聯營公司或合營企業(以權益法列賬)的交易中並無包含業務之附屬公司之控制權而產生之盈虧，於母公司損益賬確認且僅以非相關投資者於該聯營公司或合營企業之權益為限。類似地，按於成為聯營公司或合營企業(以權益法列賬)之任何前附屬公司所保留之投資公平值重新計量所產生之盈虧於前母公司損益賬確認且僅以非相關投資者於新聯營公司或合營企業之權益為限。

有關修訂將對於二零一六年一月一日或之後開始的年度期間發生的交易按未來適用法應用。倘出現該等交易，董事預計，應用香港財務報告準則第10號及香港會計準則第28號之該等修訂或會於產生該等交易之未來期間對本集團之綜合財務報表構成影響。

除上文所述者，董事預計，應用其他已頒佈但尚未生效的新訂及經修訂香港財務報告準則將不會對本集團之綜合財務報表有任何重大影響。

2.2 附屬公司**2.2.1 合併基準**

附屬公司指本集團對其擁有控制權之實體(包括結構性實體)。本集團對某實體擁有控制權，是指本集團透過參與該實體之業務而對該實體之可變回報承擔風險或享有權利，及能夠運用其對該實體之權力影響該等回報。附屬公司自其控制權轉移予本集團之日起綜合入賬，並於控制權終止之日停止綜合入賬。

綜合財務報表附註

2. 主要會計政策概要 (續)

2.2 附屬公司 (續)

2.2.1 合併基準 (續)

業務合併

本集團採用收購法為業務合併列賬。收購一間附屬公司的轉讓代價為所轉讓資產、對被收購方前擁有人所承擔的負債及本集團所發行股權的公平值。所轉讓代價包括任何或然代價安排產生的任何資產或負債的公平值。於業務合併時所收購的可識別資產及所承擔的負債及或然負債，初步按收購日的公平值計量。本集團按逐項收購基準，以公平值或按非控股權益所佔被收購方可識別資產淨值已確認數額的比例，確認於被收購方之任何非控股權益。

收購相關成本於產生時列為開支。

倘分階段進行業務合併，收購方先前持有之被收購方股權於收購日期的賬面值按收購日期的公平值重新計量；因重新計量而產生的任何盈虧於損益確認。

本集團所轉讓之任何或然代價將按收購日期的公平值確認。被視為一項資產或負債之或然代價公平值其後之變動，按照香港會計準則第39號規定，於損益確認或確認為其他全面收益變動。分類為權益之或然代價毋須重新計量，而其後結算於權益入賬。

所轉讓代價、於被收購方之任何非控股權益金額及任何先前於被收購方之股權於收購日期之公平值超過所收購可識別資產淨值之公平值之差額入賬列作商譽。倘在議價購入的情況下，所轉讓代價、已確認非控股權益及之前所持權益總額低於所收購附屬公司資產淨值之公平值，則該差額會直接於綜合損益及其他全面收益表內確認。

集團內公司間交易、集團公司間因交易產生之結餘及未變現收益均予以抵銷。未變現虧損亦會抵銷。附屬公司之呈報金額已作必要調整，以符合本集團之會計政策。

綜合財務報表附註

2. 主要會計政策概要 (續)**2.2 附屬公司 (續)****2.2.2 獨立財務報表**

附屬公司投資按成本扣除減值列賬。成本亦包括投資的直接歸屬成本。附屬公司的業績由本公司按股息及應收款項入賬。

倘於附屬公司之投資產生之股息超過附屬公司於宣派股息期間之全面收益總額或倘該項投資於獨立財務報表內之賬面值超過被投資方資產淨值（包括商譽）於綜合財務報表內之賬面值，則於收取該等投資之股息時須對該等投資進行減值測試。

2.3 聯營公司

聯營公司乃指本集團對其有重大影響力但非控制權之所有實體，一般持有其20%至50%投票權之股權。於聯營公司之投資以權益會計法入賬。根據權益會計法，有關投資初步按成本確認，並會增減賬面值以確認投資者在收購日期後佔被投資方損益之比例。本集團於聯營公司之投資包括購入時確立之商譽。

倘對聯營公司之擁有權權益減少但仍保留重大影響力，則只有先前已於其他全面收益內確認之按比例分佔金額，才會於適當情況下重新分類為損益。

本集團應佔收購後之溢利或虧損於綜合損益及其他全面收益表內確認，及其應佔收購後之其他全面收益變動於其他全面收益內確認，並對投資賬面值作出相應調整。倘本集團應佔一間聯營公司之虧損等同或超過其於該聯營公司之權益（包括任何其他無抵押應收款項），本集團不會確認進一步虧損，除非其有法定或推定責任或已替該聯營公司付款。

本集團於各報告日期釐定是否有任何客觀證據顯示於聯營公司之投資出現減值。倘出現該情況，本集團會按聯營公司之可收回金額與其賬面值之差額計算減值金額，並確認該金額為於聯營公司之投資的公平值之一部分。

綜合財務報表附註

2. 主要會計政策概要 (續)

2.3 聯營公司 (續)

本集團與其聯營公司之間的上游和下游交易所產生之溢利及虧損於本集團財務報表內確認，惟僅以非相關投資者所持聯營公司的權益為限。除非有關交易有證據顯示所轉讓資產已減值，否則未變現虧損將予以抵銷。聯營公司之會計政策已於必要時作改動，以確保與本集團所採用之政策一致。

於聯營公司之股權攤薄盈虧於綜合損益及其他全面收益表內確認。

2.4 合營安排

於合營安排的投資視乎各投資者的合約權益及責任分類為共同經營或合營企業。本集團已評估其共同安排的性質，並將其釐定為合營企業。合營企業採用權益法入賬。

根據權益會計法，於合營企業的權益初步按成本確認，並隨後作出調整以確認本集團應佔收購後溢利或虧損及其他全面收益變動。倘本集團應佔合營企業虧損等於或超過其於該等合營企業的權益（包括實質上構成本集團於該等合營企業投資淨值一部分的任何長期權益），本集團不會確認進一步虧損，除非本集團代表該合營企業承擔責任或支付款項。

本集團與其合營企業交易的未變現收益會對銷，惟以本集團所持合營企業權益為限。除非有關交易有證據顯示所轉讓資產已減值，否則未變現虧損亦將予以抵銷。合營企業之會計政策已於必要時作改動，以確保與本集團所採用之政策一致。

香港會計準則第39號獲應用以釐定是否需要確認有關本集團於合營企業之投資的任何減值虧損。於有需要時，投資之全部賬面值（包括商譽）將會根據香港會計準則第36號資產減值作為單一資產進行減值測試，方法為比較其可收回金額（使用價值及公平值減出售成本之較高者）與其賬面值。被確認之任何減值虧損均構成投資賬面值之一部分。該減值虧損之任何撥回根據香港會計準則第36號確認，惟以隨後可收回投資金額增加為限。

2.5 分部報告

經營分部的呈報方式與向主要經營決策者提供的內部報告所採用者一致。主要經營決策者負責分配資源及評核經營分部表現，為作出策略決定的執行董事。

綜合財務報表附註

2. 主要會計政策概要 (續)**2.6 外幣換算****(a) 功能及呈報貨幣**

本集團旗下各實體之財務報表所包括之項目，乃按該實體經營所在主要經濟環境之貨幣（「功能貨幣」）計量。該等綜合財務報表以人民幣呈報，人民幣為本公司功能貨幣及本集團呈報貨幣。

(b) 交易及結餘

外幣交易採用交易日期或項目重新計量估值日期之現行匯率換算為功能貨幣。結算該等交易產生之匯兌盈虧以及將外幣計值之貨幣資產及負債按年終匯率換算產生的匯兌盈虧在綜合損益及其他全面收益表內確認。

貨幣項目產生的匯兌差額於產生期間內於損益中確認。

(c) 集團公司

功能貨幣有別於呈報貨幣的所有集團實體（全部均非採用嚴重通脹經濟體系的貨幣），其業績及財務狀況按下列方法換算為呈報貨幣：

- (i) 各綜合財務狀況表之資產及負債均按照各報告期間結束時之匯率換算呈列；
- (ii) 各綜合損益及其他全面收益表內的收入及開支按平均匯率換算（除非該平均匯率並非交易日當時現行匯率累計影響的合理約數，在該情況下收支按交易日期的匯率換算）；及
- (iii) 所產生的所有匯兌差額於其他全面收益內確認。

收購境外實體產生之商譽及公平值調整乃視作境外實體之資產及負債，並按各報告期間結束時之匯率換算。貨幣換算差額於其他全面收益內確認。

綜合財務報表附註

2. 主要會計政策概要 (續)

2.6 外幣換算 (續)

(d) 出售境外業務及部分出售

於出售境外業務 (即出售本集團於境外業務之全部權益或導致失去對包含境外業務之附屬公司控制權的出售、導致失去對包含境外業務之合營企業共同控制權的出售，或導致失去對包含境外業務之聯營公司重大影響力的出售) 時，在權益內與該項業務相關並歸屬於本公司權益持有人之所有累計匯兌差額均重新分類至損益。

倘部分出售不會導致本集團失去對包含境外業務之附屬公司控制權，則按比例分佔之累計匯兌差額重新歸類為非控股權益及不會於損益確認。就所有其他部分出售 (即本集團於聯營公司或合營企業之所有權益有所下降，惟不會導致本集團失去重大影響力或共同控制權) 而言，按比例分佔之累計匯兌差額重新分類至損益。

2.7 預付租賃款項

為土地使用權支付之即時預付款項最初乃於綜合財務狀況表確認為租賃付款及以直線法於土地使用權證期限 (50年) 內於綜合損益及其他全面收益表列支。

2.8 物業、廠房及設備

物業、廠房及設備 (在建工程除外) 按歷史成本減其後累計折舊及減值虧損列賬。歷史成本包括收購該等項目直接應佔之開支。

只有在與項目有關之未來經濟利益很可能流入本集團及項目成本能可靠計量時，其後成本才會計入資產賬面值或確認為一項獨立資產 (如適當)。已更換部分之賬面值取消確認。所有其他維修及維護則於產生之財政期間內於綜合損益及其他全面收益表內扣除。

綜合財務報表附註

2. 主要會計政策概要 (續)**2.8 物業、廠房及設備 (續)**

物業、機器及設備項目（在建工程除外）乃以直線法按以下年率折舊：

— 樓宇	20年
— 機械及設備	10年
— 辦公及電腦設備	3至5年
— 汽車	4年

資產之剩餘價值及可使用年期於各報告期末進行檢討，並於適當時作出調整。

倘資產賬面值高於其估計可收回金額時，該項資產的賬面值將即時撇減至其可收回金額。

出售盈虧透過比較所得款項與賬面值釐定，並於綜合損益及其他全面收益表內確認。

在建工程指正在建造以供生產或自用之物業。在建工程以成本減任何已確認減值虧損列賬。在建工程於完成後及可供用於擬定用途時分類為物業、廠房及設備之適當類別。

2.9 無形資產

購入電腦軟件特許權按購入及將特定軟件達致使用所產生的成本基準而撥充資本。該等成本於其估計3至5年可使用年限攤銷。

2.10 非金融資產減值

無確定使用年期（例如尚未可供使用之商譽）之資產無須攤銷，但每年須進行減值測試。須進行攤銷的資產於出現事件或情況改變顯示可能無法收回賬面值時進行減值檢討。減值虧損按資產之賬面值超出其可收回金額之差額確認。可收回金額以資產公平值減銷售成本與使用價值兩者之較高者為準。就評估減值而言，資產按可獨立可識別現金流量之最低水平（現金產生單位）分類。出現減值之非金融資產（除商譽外）於各報告日期檢討是否可能撥回減值。

綜合財務報表附註

2. 主要會計政策概要 (續)

2.11 金融工具

金融資產及金融負債於集團實體成為該工具合約條文的訂約方時，於綜合財務狀況表確認。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債（按公平值計入損益的金融資產及金融負債除外）直接應佔的交易成本，於初步確認時加入金融資產或金融負債的公平值，或從金融資產或金融負債的公平值扣除（視情況而定）。收購按公平值計入損益的金融資產或金融負債直接應佔的交易成本即時於損益確認。

倘本集團僅於自資產獲得現金流量之合約權利屆滿或倘轉讓金融資產及該資產擁有權之絕大部分風險及回報至其他實體時，會終止確認該項金融資產。倘本集團既無轉讓亦無保留所轉讓資產擁有權之絕大部分風險及回報並繼續控制該資產，則本集團會繼續確認於該資產之保留權益及確認相關負債。倘本集團保留所轉讓金融資產擁有權之絕大部分風險及回報，則本集團會繼續確認該項金融資產，亦會就已收所得款項確認附屬借貸。

於全面終止確認金融資產時，資產的賬面值與已收及應收代價以及於其他全面收入確認並於權益累積的累計盈虧總和的差額，乃於損益確認。

當有關合約所訂明的責任解除、取消或屆滿時，將終止確認金融負債。終止確認的金融負債賬面值與已付或應付代價的差額於損益確認。

2.12 金融資產

2.12.1 分類

本集團將其金融資產分為貸款及應收款項及可供出售金融資產。分類視乎收購金融資產之目的而定。管理層於首次確認金融資產時決定其分類。

(a) 按公平值計入損益的金融資產（「按公平值計入損益的金融資產」）

本集團按公平值計入損益的金融資產包括首次確認時指定按公平值計入損益的金融資產。

綜合財務報表附註

2. 主要會計政策概要 (續)

2.12 金融資產 (續)

2.12.1 分類 (續)

(a) 按公平值計入損益的金融資產 (「按公平值計入損益的金融資產」) (續)

倘發生以下情況，金融資產可於首次確認時指定為按公平值計入損益：

- 有關指定可避免或大幅減少計算或確認不一致；或
- 金融資產屬一組金融資產或金融負債之部分或屬該兩組一部分，並根據本集團已定風險管理或投資策略管理及按公平值評估表現，而有關分組的資料亦按該基準由內部提供；或
- 金融資產屬於包含一個或以上嵌入衍生工具的合約一部分，而國際會計準則第39號允許整項合併合約（資產或負債）指定為按公平值計入損益。

按公平值計入損益的金融資產以公平值計量，重新計量產生的公平值增減直接於所涉期間的損益確認。在損益確認的盈虧淨額包括金融資產賺取的任何股息或利息。

(b) 貸款及應收款項

貸款及應收款項為有固定或可釐定付款，且在活躍市場並無報價的非衍生金融資產。

此等應收款項計入流動資產內，惟不包括到期日為報告期末後12個月以後者。該等款項概列作非流動資產。本集團的應收款項包括列於綜合財務狀況表的「應收賬款、按金及預付款項」、「應收一名被投資方款項」、「應收最終控股公司款項」、「應收同系附屬公司及最終控股公司的一間聯營公司款項」、「應收合營企業款項」、「應收聯營公司及一間聯營公司的附屬公司款項」、「限制性銀行存款」、「初步期限超過三個月的定期存款」及「現金及現金等值物」。

(c) 可供出售金融資產

可供出售金融資產為被指定為此類別或並無分類歸入任何其他類別的非衍生工具。除非有關投資於報告期末起計12個月內到期或管理層擬於該期間出售有關投資，否則該等資產計入非流動資產。

綜合財務報表附註

2. 主要會計政策概要 (續)

2.12 金融資產 (續)

2.12.2 確認及計量

正常買賣的金融資產在交易日 (即本集團承諾買賣該資產的日期) 確認。於所有並非按公平值透過損益列賬的金融資產, 投資初步按公平值加交易成本確認。當從投資收取現金流量的權利已到期或已轉讓, 且本集團已將擁有權的絕大部分風險和回報轉讓時, 即取消確認金融資產。可供出售金融資產其後按公平值列賬, 惟其公平值不能可靠計量者除外。非上市股權金融資產按成本減減值列賬, 原因為合理公平值估計的區間過大以致公平值無法可靠計量。貸款及應收款項其後使用實際利率法按攤銷成本列賬。

實際利率法

實際利率法是一種計算金融資產的攤銷成本以及將利息收入分配予有關期間的方法。實際利率是於首次確認時將估計未來現金收入 (包括所有構成實際利率整體部分在時點支付或收到的費用、交易費用及其他溢價或折價) 透過金融資產的預期年期或 (倘適用) 更短期間準確折現至賬面淨值的利率。債務工具之收入按實際利率基準確認。

2.13 金融負債及權益工具

由集團實體所發行之金融負債及權益工具乃根據已訂立之合約安排之實質及金融負債及權益工具之定義分類為金融負債或權益。

權益工具乃證明本集團資產於扣除其所有負債後之剩餘權益之任何合約。

由集團實體所發行之權益工具記錄為所收取之所得款項 (扣除直接發行成本)。

實際利率法

實際利率法是一種計算金融負債的攤銷成本以及將利息開支分配至有關期間的方法。實際利率是於首次確認時將估計未來現金付款 (包括所有構成實際利率整體部分在時點支付或收到的費用、交易費用及其他溢價或折價) 透過金融負債的預期年期或 (倘適用) 更短期間準確折現至賬面淨值的利率。

利息開支按實際利率基準確認。

綜合財務報表附註

2. 主要會計政策概要 (續)

2.13 金融負債及權益工具 (續)

金融負債

金融負債 (包括應付賬款、其他應付款項及應計費用、應付最終控股公司款項、應付直接控股公司款項、應付一間同系附屬公司及最終控股公司的一間聯營公司款項、應付一間聯營公司及一間聯營公司的附屬公司款項、應付合營企業款項及銀行借貸) 其後使用實際利率法按攤銷成本計量。

按公平值計入損益的金融負債

當金融負債持作交易或首次確認時指定按公平值計入損益時，金融負債分類為按公平值計入損益。

按公平值計入損益的金融負債以公平值計量，重新計量產生的任何盈虧於損益確認。盈虧淨額於損益內確認及計入「其他盈虧」排列項並包括金融負債的任何已付利息。

2.14 金融資產減值

(a) 按攤銷成本列賬的資產

本集團於各報告期末評估是否存在客觀證據顯示一項金融資產或一組金融資產出現減值。

只有存在客觀證據顯示於首次確認資產後發生一宗或多宗事件導致出現減值 (「虧損事件」)，而該宗或該等虧損事件對該項或該組金融資產的估計未來現金流量構成的影響可靠估計，則該項金融資產或該組金融資產會出現減值及產生減值虧損。

就貸款及應收款項而言，虧損金額乃根據資產賬面值與按金融資產原實際利率折現的估計未來現金流量 (不包括尚未產生的未來信用虧損) 現值兩者的差額計量。資產賬面值將予削減，而虧損金額則在綜合損益及其他全面收益表確認。如貸款存在浮動利率，則計量任何減值虧損的貼現率乃根據合約釐定的現行實際利率。在實際應用中，本集團可利用可觀察市場價格按工具的公平值計量減值。

倘減值虧損數額於往後期間減少，而此項減少可客觀地與確認減值後發生的事件 (例如債務人的信用評級有所改善) 有關連，則先前已確認的減值虧損撥回在綜合損益及其他全面收益表確認。

綜合財務報表附註

2. 主要會計政策概要 (續)

2.14 金融資產減值 (續)

(b) 分類為可供出售之資產

本集團於各報告期末評核是否有客觀證據證明一項或一組金融資產出現減值。就債務證券而言，本集團使用上文(a)所述的標準。對於分類為可供出售的權益投資，證券的公平值明顯或持續地跌至低於其成本亦為資產減值的證據。倘可供出售金融資產存在任何有關減值證據，累積虧損（按其收購成本與當前公平值之間的差額減去金融資產任何此前在損益中確認的減值虧損計量）會從權益轉出，並在損益內確認。在損益內確認的權益工具減值虧損並不會透過損益撥回。

2.15 存貨

存貨按成本及可變現淨值兩者之較低者列賬。成本以加權平均法計算。製成品及在製品之成本包括原材料、直接勞工、其他直接成本及相關生產開支（根據正常運作能力），惟不包括銀行借貸成本。可變現淨值乃按日常業務過程中之估計售價減去適用變動銷售開支計算。

2.16 貿易應收賬款及其他應收款項

貿易應收賬款乃就日常業務過程中出售商品或履行服務而應收客戶的款項。倘貿易應收賬款及其他應收款項預期於一年或一年以內（或如屬較長時間，則以一般營運業務週期為準）收回，則分類為流動資產，否則呈列為非流動資產。

貿易應收賬款及其他應收款項初步按公平值確認，其後使用實際利率法按攤銷成本減去減值撥備計算。

2.17 現金及現金等值物

於綜合現金流量表內，現金及現金等值物包括銀行及手頭現金及原定到期日為三個月或三個月以內的短期銀行存款。

2.18 股本

普通股分類為權益。

直接歸屬於發行新股份的新增成本在權益中列為所得款項的減項（扣除稅項）。

綜合財務報表附註

2. 主要會計政策概要 (續)**2.19 貿易應付賬款及其他應付款項**

貿易應付賬款乃就日常業務過程中購買供應商提供的產品或服務而應支付款項的責任。倘貿易應付賬款及其他應付款項的支付日期在一年或一年以內（或如屬較長時間，則以一般營運業務週期為準），其被分類為流動負債；否則呈列為非流動負債。

貿易應付賬款及其他應付款項初步按公平值確認，及隨後使用實際利率法按攤銷成本計量。

2.20 銀行借貸

銀行借貸初步按公平值減產生之交易費用確認，其後按攤銷成本計量。所得款項（經扣除交易費用）與贖回價值之間的任何差額使用實際利率法於銀行借貸期間內在綜合損益及其他全面收益表確認。

在融資很有可能部分或全部提取的情況下，就設立貸款融資支付的費用乃確認為貸款交易費用。在此情況下，該費用將遞延至提取融資發生時。在並無跡象顯示該融資很有可能部分或全部提取的情況下，該費用撥充資本作為流動資金服務的預付款項，並於其相關融資期間內予以攤銷。

除非本集團有權無條件將債務結算日期延遲至報告期末後至少12個月，否則銀行借貸將分類為流動負債。

2.21 銀行借貸成本

直接歸屬於收購、興建或生產合資格資產（指必須經較長一段時間處理以作其預定用途或銷售的資產）的一般及特定銀行借貸成本乃加入該等資產的成本內，直至資產大致上備妥供作其預定用途或銷售為止。

所有其他銀行借貸成本於產生期間內在損益確認。

2.22 稅項

所得稅開支指現時應付稅項及遞延稅項總額。

現時應付稅項乃按年內應課稅溢利計算。應課稅溢利不包括其他年度的應課稅或應扣減收入或開支項目，亦不包括毋須課稅或不作扣稅的項目，故與綜合損益及其他全面收益表所列的「除稅前溢利」不同。本集團的即期稅項責任乃按照報告期末已頒佈或實質已頒佈的稅率計算。

綜合財務報表附註

2. 主要會計政策概要 (續)

2.22 稅項 (續)

遞延稅項乃按綜合財務報表中資產及負債的賬面值與計算應課稅溢利所用相應稅基之間的暫時差額確認。遞延稅項負債一般就所有應課稅暫時差額確認。遞延稅項資產通常就所有可扣稅暫時差額確認，並以極有可能利用可扣稅暫時差額扣稅的應課稅溢利為限。倘暫時差額因商譽或初次確認一項（不包括於業務合併中確認者）不影響應課稅溢利及會計溢利的交易的資產及負債而產生，則不會確認有關資產及負債。

本集團會就與於附屬公司的投資有關的應課稅暫時差額確認遞延稅項負債，惟倘本集團能夠控制暫時差額的撥回及暫時差額不大可能於可見將來撥回則除外。可扣稅暫時差額產生的遞延稅項資產（與該等投資及權益有關者）可予確認，惟僅以極可能有足夠應課稅溢利可動用暫時差額的利益，且預期於可預見將來撥回者為限。

遞延稅項資產的賬面值在報告期末進行檢討，並扣減至再無足夠應課稅溢利可用以收回所有或部分資產。

遞延稅項資產及負債根據於報告期末已頒佈或實質已頒佈的稅率（及稅法），按預期適用於負債清償或資產變現期間的稅率計量。

遞延稅項負債及資產的計量反映在報告期末本集團預期將來能收回或清償其資產及負債賬面值的稅務影響。

即期及遞延稅項於損益確認，惟倘即期及遞延稅項關乎於其他全面收益或直接於權益確認的項目，則即期及遞延稅項亦分別於其他全面收益或直接於權益確認。

綜合財務報表附註

2. 主要會計政策概要 (續)**2.23 僱員福利****退休金責任**

本集團於香港根據強制性公積金計劃(「強積金」)條例向定額供款退休計劃供款，該等計劃的資產一般由獨立受託人管理之基金持有。退休金計劃的資金一般來自僱員及本集團支付的款項。本集團向定額供款退休計劃作出的供款會於產生時支銷。

本集團亦向中國市政府設立的僱員退休計劃供款。市政府承諾承擔本集團現時及日後所有退休僱員的退休福利責任。向此等計劃作出的供款會於產生時在綜合損益及其他全面收益表扣除。

2.24 政府補貼

倘可合理地保證本集團將會收到補貼及本集團將符合所有附帶條件，則政府補貼按公平值確認。與成本有關之政府補貼遞延入賬，並於將補貼與彼等擬補償之成本匹配所需之期間內於綜合損益及其他全面收益表內確認。

2.25 撥備

如本集團因過往事件須承擔現時法定或推定責任，而履行該責任可能須動用資源及該責任所涉及的金額能可靠地估計時，則須確認撥備。毋須就未來經營虧損確認撥備。

如出現多項類似責任，則履行該等責任是否可能須動用資源乃經考慮該等責任的整體類別後釐定。即使同類別責任中任何一項可能須動用資源的機會不大，但仍會確認撥備。

撥備利用反映目前市場對貨幣時間價值的評估及責任的特定風險的除稅前利率，按預計須用作履行責任的支出的現值計量。由於時間流逝導致的撥備增加，會確認為利息開支。

綜合財務報表附註

2. 主要會計政策概要 (續)

2.26 收益確認及其他收入

收益包括本集團在日常業務過程中出售貨品及服務的已收或應收代價的公平值。收益在扣除增值稅、退貨、回佣及折扣以及對銷本集團內部銷售後列賬。

當收益的金額能夠可靠計量，未來經濟利益有可能流入有關實體，而本集團各相關業務符合下述特定條件時，本集團將確認收益。本集團會根據其過往業績並考慮客戶類別、交易種類和各項安排的特質作出估計。

- (a) 工具機及叉車銷售於貨品交付及所有權轉移時確認入賬。
- (b) 為合約客戶建造停車設備之收益依據合約完成的百分比確認入賬，惟直至完成合約前的收益、產生的成本及估計成本必須能可靠地計量。完成合約的百分比藉著參照至今產生的成本對比根據合約所導致的總成本來估計。可預見虧損在管理層預計會出現時便即時作出撥備。
- (c) 利息收入使用實際利率法確認。當應收款項出現減值，本集團將其賬面值減至其可收回數額（即估計未來現金流量按工具的原本實際利率折現），並繼續將折現的金額作為利息收入入賬。減值應收款項的利息收入使用原本實際利率確認。
- (d) 維修收入於提供服務時確認。
- (e) 租賃物業所得的租金收入於租賃期內按直線法於綜合損益及其他全面收益表確認。

綜合財務報表附註

2. 主要會計政策概要 (續)**2.27 停車設備合約**

倘若停車設備建造合約的結果能可靠地估算，則於報告日期參照合約活動之完成階段確認收益及成本，此乃按工程進行至今所產生的合約成本與估計總合約成本的比例計量。合約工程、申索及獎勵款項的變動會按與客戶所協定者計算在內。

倘不能可靠地估計停車設備建造合約的結果，則合約收益會按所產生而將有可能收回的合約成本確認。合約成本會於產生的期間確認為開支。

倘總合約成本有可能超出總合約收益，則預期之虧損即時確認為開支。

倘由產生時起計至今所產生的合約成本加已確認溢利及減去已確認虧損後，超逾按進度開發賬單的數額，則盈餘會列為應收客戶合約工程款項。倘按進度開發賬單的數額超逾至今所產生的合約成本加已確認溢利減已確認虧損，則盈餘會列為應付客戶合約工程款項。有關工程進行前已收取的款項計入綜合財務狀況表之負債項下，並入賬列為已收墊款。就已進行工程已開發賬單而客戶尚未支付的款項計入綜合財務狀況表項下之應收賬款、按金及預付款項。

2.28 經營租賃

資產所有權的大部分風險及回報由出租人保留的租賃，均歸類為經營租賃。根據經營租賃支付的款項（扣除出租人給予的任何獎勵）於租賃期內以直線法從綜合損益及其他全面收益表中扣除。

2.29 股息分派

分派予本公司股東的股息於股息經本公司股東或董事（如適用）批准的期間內，確認為負債。

綜合財務報表附註

3. 財務風險管理

3.1 財務風險因素

本集團業務涉及多項財務風險：外匯風險、利率風險、信貸風險及流動資金風險。本集團之整體風險管理計劃特別注意金融市場無法預計之特點，並尋求盡量降低對本集團財務表現之潛在不利影響。

(a) 外匯風險

本集團主要面臨港元、美元及歐元兌人民幣產生之外匯風險。此外匯風險因未來商業交易或已確認資產及負債以實體功能貨幣人民幣以外之貨幣列值而產生。本集團透過定期檢討本集團的外匯風險淨額管理其外匯風險，及並無對其外匯風險進行對沖。

於二零一五年十二月三十一日，倘人民幣兌港元升值／貶值5%（二零一四年：5%），而所有其他變量保持不變，本集團年內溢利將增加／減少約人民幣1,863,000元（二零一四年：增加／減少約人民幣3,382,000元）。

於二零一五年十二月三十一日，倘人民幣兌美元升值／貶值5%（二零一四年：5%），而所有其他變量保持不變，本集團年內溢利將增加／減少約人民幣6,532,000元（二零一四年：增加／減少約人民幣13,444,000元）。

於二零一五年十二月三十一日，倘人民幣兌歐元升值／貶值5%（二零一四年：5%），而所有其他變量保持不變，本集團年內溢利將增加／減少約人民幣6,545,000元（二零一四年：增加／減少約人民幣1,200,000元）。

此外，將人民幣兌換為外幣須遵守中國政府頒佈的外匯管制規則及法規。

於截至二零一五年十二月三十一日止年度，本集團訂立外匯遠期合約，據此，本集團向銀行購買最高名義本金額為70,000,000美元的目標可贖回遠期合約，以為人民幣兌美元收支套期保值。名義本金額內每筆5,000,000美元於固定結算日到期，其中五筆款項的固定結算日已於截至二零一五年十二月三十一日止年度內到期。整份外匯遠期合約的最後一個結算日為二零一六年七月二十二日。遠期合約的執行價為6.1840（「執行價」）及保護價（European Knock In）為6.5700（「EKI」），即當美元兌人民幣之實際匯率下跌至低於執行價時，本集團有權以美元兌人民幣6.1840之匯率向銀行出售美元，而當美元兌人民幣之實際匯率上升至高於保護價時，銀行有權要求本公司以美元兌人民幣6.1840之匯率出售美元。

綜合財務報表附註

3. 財務風險管理 (續)**3.1 財務風險因素 (續)****(a) 外匯風險 (續)**

於二零一五年十二月三十一日，未到期外匯遠期合約之名義面值為45,000,000美元。由於預期美元兌人民幣之匯率於外匯遠期合約之預先確定的基準日預期不會超出執行價與保護價區間，故遠期合約之公平值甚微。

於二零一五年十二月三十一日，本公司之外匯遠期合約的公平值根據公平值計量第2級計量。

(b) 利率風險

由於本集團除銀行存款及若干銀行貸款外，並無重大的計息資產及負債，故本集團的收入及經營現金流量大致上不受市場利率變化所影響。

於二零一五年十二月三十一日，倘利率上升／下跌50個基點，而所有其他變量保持不變，本集團年內除稅後溢利將減少／增加人民幣1,520,000元（二零一四年：人民幣73,000元），主要由於浮息銀行借貸之利息開支增加／減少所致。

(c) 信貸風險

於二零一五年十二月三十一日，本集團面臨的最高信貸風險產生於綜合財務狀況表內呈列之應收賬款、按金、應收最終控股公司、同系附屬公司及一間最終控股公司之一間聯營公司、合營企業、聯營公司及其附屬公司的款項以及限制性銀行存款、初始期限為三個月以上之定期存款及現金及現金等值物及附註32所披露之有關本集團發行之財務擔保之或然負債。

為盡量減低信貸風險，本集團管理層已委託一組人員專責釐定信貸限額、信貸批核及實施監控程序，確保採取跟進行動以收回逾期債項。此外，於各報告日期，本集團檢討各個別應收貿易客戶的可收回應收金額，以就不可收回金額作出減值虧損撥備。

現金及現金等值物的信貸風險被視為不屬重大，皆因對手方均為國際信貸評級機構給予高度信貸評級的銀行。

綜合財務報表附註

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(d) 流動資金風險

為管理流動資金風險，本集團監察及維持現金及現金等值物以及未使用信貸額度於管理層認為足以應付本集團營運所需資金的水平，以及減少現金流量波動之影響。下表根據報告日期至合約到期日之餘下期間將本集團之金融負債按相關到期組別進行分析。

	按要求 償還或 少於一年 人民幣千元	一年至五年 人民幣千元	五年以上 人民幣千元	未貼現 現金流量 總額 人民幣千元	賬面總值 人民幣千元
於二零一五年十二月三十一日					
應付賬款及其他應付款項	218,645	—	—	218,645	218,645
銀行借貸	408,677	—	—	408,677	408,677
應付最終控股公司款項	160	—	—	160	160
應付直接控股公司款項	1,856	—	—	1,856	1,856
應付一間同系附屬公司及 最終控股公司的 一間聯營公司款項	21,664	—	—	21,664	21,664
應付一間聯營公司及 一間聯營公司的附屬公司款項	10,389	—	—	10,389	10,389
應付合營企業款項	317	—	—	317	317
	661,708	—	—	661,708	661,708

綜合財務報表附註

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(d) 流動資金風險 (續)

	按要求 償還或 少於一年 人民幣千元	一年至五年 人民幣千元	五年以上 人民幣千元	未貼現 現金流量 總額 人民幣千元	賬面總值 人民幣千元
於二零一四年十二月三十一日					
應付賬款及其他應付款項	246,632	—	—	246,632	246,632
銀行借貸	402,079	—	—	402,079	402,079
應付最終控股公司款項	1,716	—	—	1,716	1,716
應付直接控股公司款項	3,447	—	—	3,447	3,447
應付一間同系附屬公司及 最終控股公司的 一間聯營公司款項	784	—	—	784	784
應付一間聯營公司及 一間聯營公司的附屬公司款項	1,128	—	—	1,128	1,128
應付合營企業款項	76	—	—	76	76
	655,862	—	—	655,862	655,862

此外，倘擔保被落實，則本集團可能須自各報告日期起計一年內結清本集團已作出的財務擔保（詳見附註32）。

3.2 資本風險管理

本集團管理資本以確保本集團內各實體能夠以持續經營基準繼續營運，並透過優化債務及權益結餘實現股東回報最大化。本集團的整體策略與過往年度維持不變。

綜合財務報表附註

3. 財務風險管理 (續)

3.2 資本風險管理 (續)

本集團的資本結構包括債務淨額（包括銀行借貸（扣除現金及現金等值物））及本公司權益持有人應佔權益（包括股本、股份溢價及儲備）。

董事定期審閱資本結構。作為此審閱之一環，董事評估不同部門經考慮未來擴展計劃及資金來源後而編製的年度預算。董事考慮資本成本及與各類別資本相關之風險。董事亦透過支付股息、發行新股份及新增債務或贖回現有債務以平衡其整體資本結構。

	二零一五年 人民幣千元	二零一四年 人民幣千元
借貸總額	408,677	402,079
減：現金及現金等值物	(101,583)	(262,751)
借貸淨額	307,094	139,328
總權益	744,439	726,695
總資本	1,051,533	866,023
資本負債比率	29%	16%

二零一五年資本負債比率上升主要由於現金及現金等值物減少。

綜合財務報表附註

4. 關鍵會計估算及判斷

估算及判斷會被持續評估，並根據過往經驗及其他因素進行評價，包括在有關情況下認為對未來事件屬合理的預測。

4.1 關鍵會計估算及假設

本集團就未來作出估算及假設，所得的會計估算如其定義，很少會與其實際結果相同。很有可能導致下個財政年度的資產及負債的賬面值作出重大調整的估算及假設討論如下。

(a) 建造停車設備的收益

在能夠可靠地評估停車設備建造合約的結果時，本集團會依據完成百分比的方法，透過參照工程進行至今所產生的合約成本對比估計合約總成本作計算，將相關收益確認入賬。根據各合約將予產生的估計總成本於整個合約期間定期檢討。依據完成衡量基準確認此收益。這涉及估計過程，並面臨預測未來事件附帶的風險及不明朗因素。吾等的估計受多項內部及外部因素影響，包括所建造不同停車設備的不同成本組成部分；以及本集團承造建設工程員工的效率。已確認收益及溢利於各合約一路進展至完工時須予修訂。溢利估算修訂在修訂確定期間內於綜合損益及其他全面收益表內扣除。因此，本集團估算的任何變動將對本集團的未來經營業績構成影響。

(b) 貿易應收賬款估計減值

本集團根據對應收賬款可收回性之估算對貿易應收賬款減值作出撥備。於出現事件或情況改變顯示可能無法收回結餘時，撥備應用於應收賬款。確認應收賬款減值時須使用估算。倘預期不同於原有估算，有關差額將會影響有關估算變動所在年度之應收賬款之賬面值及減值虧損撥備。

於二零一五年十二月三十一日，本公司確認貿易應收賬款減值撥備約人民幣36,512,000元（二零一四年：人民幣36,544,000元）。

綜合財務報表附註

4. 關鍵會計估算及判斷 (續)

4.1 關鍵會計估算及假設 (續)

(c) 物業、廠房及設備的估計可使用年期及減值

本集團釐定其物業、廠房及設備的估計可使用年期。該項估計乃根據相似性質及功能的物業、廠房及設備的實際可使用年期的歷史經驗作出。倘可使用年期較之前的估計為短，則管理層會提高折舊支出，及將技術過時或非策略資產撇銷或撇減。

倘有事件或情況變動顯示機器及設備之賬面值高於其可收回金額，則就該等資產之減值進行檢討。可收回金額乃參考機器及設備之公平值減銷售成本或使用價值兩者中較高者而釐定。減值虧損按資產賬面值與可收回金額之差額計量。倘可收回金額少於預期，則可能產生重大減值虧損。

(d) 存貨減值撥備

本集團檢討存貨的賬面值，以確保按成本及可變現淨值的較低者入賬。評估可變現淨值及作出適當撥備方面，管理層利用其判斷確定滯銷或陳舊存貨，並考慮存貨的實質條件、帳齡、市場條件及類似項目的市場價格。

(e) 所得稅

本集團大部分附屬公司須繳納中國之所得稅。釐定所得稅撥備時需要作出重大判斷。在日常業務過程中存在一些不能確定其最終稅項釐定的交易及計算。倘若該等事項之最終稅項結果與最初記錄之金額有差異，則有關差異將會影響作出有關釐定之財務期間的即期稅項及遞延稅項撥備。

(f) 保證撥備

本集團通常為其工具機及叉車提供一年保證及為其停車場設施提供兩年保證。管理層根據過往之保證索償資料，以及可能顯示過往的成本資料或有異於未來索償之近期趨勢估計未來保證索償之相關撥備金額。本集團會持續檢討估計基準，並在適當情況下予以修訂。

綜合財務報表附註

4. 關鍵會計估算及判斷 (續)

4.1 關鍵會計估算及假設 (續)

(g) 於已收購之聯營公司之投資中已確認之商譽減值

釐定商譽是否減值需要估計商譽獲分配之現金產生單位之使用價值。使用價值計算需要本集團估計預期有關現金產生單位所產生之未來現金流量及合適之貼現率以計算現值。倘實際未來現金流量少於預期，則會產生重大減值虧損。於截至二零一五年十二月三十一日止年度，本集團並無確認有關於聯營公司投資中確認之商譽之減值虧損。

(h) 財務擔保合約產生之或然負債

本集團已就借貸向一間聯營公司提供財務擔保，有關詳情披露於附註32。管理層估計，聯營公司之違約風險較小，因此該等財務擔保產生之或然負債之風險屬較小且不重大，因此，於本年度並無確認任何或然負債。管理層將持續檢討有關擔保負債之風險及於適當時修訂其估值。

(i) 外匯遠期合約之公平值

倘外匯遠期合約之公平值不能從活躍市場取得，則其公平值採用依賴其他市場數據或通常不能從客觀來源觀察可得的輸入數據之估值技術及按適用報告期間可得之適當資料釐定。其他市場數據或該等估值技術之輸入數據乃盡可能從可觀察市場取得，但倘無法從可觀察市場取得，則於釐定公平值時須作出一定程度的判斷。判斷包括考慮輸入數據，如應用遠期匯率。有關因素的假設之變動可影響外匯遠期合約之公平值。

5. 分類資料

主要經營決策者已確定為本公司執行董事（「執行董事」）。執行董事審閱本集團的內部報告，以評估表現及分配資源。管理層根據執行董事用於作出策略決定所審議的該等報告釐定經營分類。

執行董事認為本集團有三個應呈報分類：(1)工具機；(2)停車設備；及(3)叉車。

執行董事根據各項毛利評估經營分類的表現。

綜合財務報表附註

5. 分類資料 (續)

本集團並無分配分銷及銷售費用、行政費用、其他營運費用或資產至其分類，因為執行董事並無使用此資料分配資源至經營分類或評估經營分類的表現。因此，本集團並無報告各呈報分類的溢利及總資產計量。

	工具機 人民幣千元	停車設備 人民幣千元	叉車 人民幣千元	集團總計 人民幣千元
截至二零一五年十二月三十一日止年度				
收益 (均來自外部銷售)	671,863	229,610	88,766	990,239
收益成本	(468,722)	(172,511)	(81,081)	(722,314)
分類溢利	203,141	57,099	7,685	267,925
	工具機 人民幣千元	停車設備 人民幣千元	叉車 人民幣千元	集團總計 人民幣千元
截至二零一四年十二月三十一日止年度				
收益 (均來自外部銷售)	964,771	205,808	129,540	1,300,119
收益成本	(670,124)	(167,124)	(117,977)	(955,225)
分類溢利	294,647	38,684	11,563	344,894

本集團大部分業務及資產位於中國，及本集團主要向中國市場出售產品。各年度概無客戶貢獻收益總額10%以上。

綜合財務報表附註

6. 其他收入

	二零一五年 人民幣千元	二零一四年 人民幣千元
銷售廢料	3,865	7,542
政府補貼	5,487	1,550
維修收入	8,201	6,646
租金收入	3,412	2,108
利息收入	14,193	9,995
其他	4,639	5,679
	39,797	33,520

7. 除所得稅前溢利

除所得稅前溢利已扣除下列各項：

	二零一五年 人民幣千元	二零一四年 人民幣千元
董事及高級行政人員酬金	2,128	2,054
其他員工成本	135,950	123,854
其他員工退休福利計劃供款	4,915	4,232
員工成本總額	142,993	130,140
核數師酬金	1,408	1,410
確認為開支的存貨成本	627,647	868,176
物業、廠房及設備折舊	26,081	28,080
無形資產攤銷	983	701
存貨撥備，淨額	7,791	7,009
保證撥備	5,121	6,766
產生租金收入的直接經營開支	1,947	1,938
出售物業、廠房及設備的虧損	201	296
淨匯兌虧損	19,196	2,849
確認為開支的研發成本*	17,253	23,275

* 上述披露金額並不包括於確認為開支的研發成本中扣除的物業、廠房及設備折舊、無形資產攤銷及員工成本分別為人民幣1,183,000元、人民幣224,000元及人民幣13,722,000元（二零一四年：分別為人民幣1,898,000元、人民幣286,000元及人民幣11,232,000元）。該等開支計入本附註內彼等之對應標題內。

綜合財務報表附註

8. 董事及行政總裁之酬金

(a) 董事及行政總裁之酬金

各名董事及行政總裁之酬金載列如下：

執行董事

	朱志洋 [#] 人民幣千元	陳向榮 [*] 人民幣千元	陳明河 人民幣千元	溫吉堂 人民幣千元	邱榮賢 人民幣千元	總計 人民幣千元
截至二零一五年十二月三十一日 止年度						
薪金	180	180	144	144	144	792
按工作表現獲派的花紅	500	500	–	–	–	1,000
總額	680	680	144	144	144	1,792
截至二零一四年十二月三十一日 止年度						
薪金	180	180	144	144	144	792
按工作表現獲派的花紅	473	473	–	–	–	946
總額	653	653	144	144	144	1,738

[#] 主席

^{*} 行政總裁

獨立非執行董事

	顧福身 人民幣千元	江俊德 人民幣千元	余玉堂 人民幣千元	總計 人民幣千元
截至二零一五年十二月三十一日 止年度				
袍金	168	84	84	336
總額	168	84	84	336
截至二零一四年十二月三十一日 止年度				
袍金	158	79	79	316
總額	158	79	79	316

綜合財務報表附註

8. 董事及行政總裁之酬金 (續)

(a) 董事及行政總裁之酬金 (續)

上表所示之執行董事及行政總裁之薪酬乃主要源於彼等作為董事及就管理本集團事務所提供之服務。上表所示之獨立非執行董事之薪酬乃主要源於彼等作為董事所提供之服務。

董事及行政總裁之酬金乃根據彼等之時間承擔、職務、表現、經驗及本集團之整體表現等事宜而釐定。

(b) 五名最高薪人士

本集團五名最高薪酬人士當中，兩人（二零一四年：無）為本公司董事。剩餘三名（二零一四年：五名）人士的酬金如下：

	二零一五年 人民幣千元	二零一四年 人民幣千元
基本薪金及津貼	2,158	1,926
花紅	745	2,130
退休成本—定額供款計劃	77	191
	2,980	4,247

五名最高薪人士酬金介乎下列範圍：

	二零一五年	二零一四年
酬金範圍（港元）		
少於1,000,000港元	3	3
1,000,001港元至1,500,000港元	2	1
1,500,001港元至2,000,000港元	—	1

截至二零一四年及二零一五年十二月三十一日止年度，本公司董事及本集團五名最高薪人士概無(i)收取本集團提供的任何酬金作為加入本集團或加入本集團時的賞金；(ii)就失去本集團任何成員公司的董事或管理層職務而收取任何補償；或(iii)放棄或已同意放棄任何酬金。

綜合財務報表附註

9. 財務費用

	二零一五年 人民幣千元	二零一四年 人民幣千元
利息開支：		
— 銀行借貸	8,734	9,174

10. 所得稅開支

	二零一五年 人民幣千元	二零一四年 人民幣千元
即期稅項		
— 本年度	16,301	25,382
— 過往年度超額撥備	(6,280)	—
	10,021	25,382
遞延所得稅抵免	(166)	(1,624)
	9,855	23,758

於兩個年度內，由於本集團並無於開曼群島產生任何應課稅溢利，因此並無就開曼群島利得稅作出撥備。

於兩個年度內，由於本集團並無於香港產生任何應課稅溢利，因此並無就香港利得稅作出撥備。

企業所得稅（「企業所得稅」）乃就中國的企業按25%計提撥備，惟杭州友佳精密機械有限公司（「杭州友佳」）除外。於二零一四年，杭州友佳獲相關政府當局批准延續其高新技術企業稱號，有權於二零一四年起計的三年期間享有15%的優惠稅率。因此，杭州友佳於二零一五年適用的適用稅率為15%（二零一四年：15%）。

綜合財務報表附註

10. 所得稅開支 (續)

本集團除所得稅前溢利之稅項與使用本集團主要運營實體之稅率所得出之理論金額的差額如下：

	二零一五年 人民幣千元	二零一四年 人民幣千元
除所得稅前溢利	55,952	125,071
加：分佔合營企業及聯營公司之虧損淨額	1,286	11,017
	57,238	136,088
按適用於本集團主要營運實體的稅率計算的稅項(15%)	8,586	20,413
以下之稅項影響：		
不可扣稅開支	2,518	1,055
動用先前未確認稅項虧損	(234)	(1,152)
並無確認遞延所得稅資產之稅項虧損	6,501	1,907
未確認暫時差額	669	2,820
獲稅務豁免收入	(99)	—
附屬公司之不同稅率	(94)	957
授予中國附屬公司之稅率減免	(1,712)	(2,242)
於過往年度之超額撥備	(6,280)	—
稅項支出	9,855	23,758

11. 每股盈利

每股基本及攤薄盈利是按本公司權益持有人應佔溢利人民幣46,097,000元（二零一四年：人民幣101,313,000元）除以年內已發行普通股數目403,200,000股（二零一四年：403,200,000股）計算。

	二零一五年	二零一四年
每股基本及攤薄盈利（每股人民幣元）	0.11	0.25

於兩個年度內，並無具潛在攤薄效應的已發行股份。

綜合財務報表附註

12. 股息

	二零一五年 人民幣千元	二零一四年 人民幣千元
年內確認為分派之本公司普通股股東之股息：		
二零一五年中期股息每股普通股一無 (二零一四年：二零一四年中期股息人民幣0.06元)	—	24,192
二零一四年末期股息每股普通股人民幣0.06元 (二零一四年：二零一三年末期股息人民幣0.05元)	24,192	20,160
	24,192	44,352

於二零一六年三月三十一日舉行之董事會會議上，董事決議派付截至二零一五年十二月三十一日止年度之末期股息每股普通股人民幣0.03元（二零一四年：人民幣0.06元）。此建議末期股息並無於截至二零一五年十二月三十一日止年度之綜合財務報表內確認為應付股息。

13. 預付租賃款項

	二零一五年 人民幣千元	二零一四年 人民幣千元
賬面值		
年初	37,538	38,481
撥至損益	(940)	(943)
年終	36,598	37,538
減：於一年內將予攤銷之金額	(940)	(940)
非流動部分	35,658	36,598

於二零一五年十二月三十一日，本集團以賬面值約人民幣5,131,000元（二零一四年：人民幣5,262,000元）之預付租賃款項抵押作本集團獲授之一般銀行信貸額度。於二零一五年十二月三十一日，本集團並無使用有關有抵押銀行信貸額度（二零一四年：人民幣2,896,000元）。

綜合財務報表附註

14. 物業、廠房及設備

	樓宇 人民幣千元	機器及設備 人民幣千元	辦公及 電腦設備 人民幣千元	汽車 人民幣千元	在建工程 人民幣千元	總計 人民幣千元
成本						
於二零一四年一月一日	202,127	156,191	29,851	19,211	12,375	419,755
添置	35	3,774	674	3,597	1,381	9,461
轉撥	–	1,773	939	–	(2,712)	–
出售	–	(1,545)	(1,386)	(1,242)	–	(4,173)
於二零一四年十二月三十一日	202,162	160,193	30,078	21,566	11,044	425,043
添置	580	494	1,446	442	2,856	5,818
轉撥	–	10,225	–	–	(10,225)	–
出售	–	(817)	(279)	(942)	–	(2,038)
於二零一五年十二月三十一日	202,742	170,095	31,245	21,066	3,675	428,823
折舊及減值						
於二零一四年一月一日	48,878	81,121	19,849	13,558	–	163,406
年度撥備	9,301	12,922	2,351	3,506	–	28,080
出售	–	(942)	(1,249)	(1,119)	–	(3,310)
於二零一四年十二月三十一日	58,179	93,101	20,951	15,945	–	188,176
年度撥備	9,308	11,832	2,127	2,814	–	26,081
出售	–	(713)	(257)	(847)	–	(1,817)
於二零一五年十二月三十一日	67,487	104,220	22,821	17,912	–	212,440
賬面值						
於二零一五年十二月三十一日	135,255	65,875	8,424	3,154	3,675	216,383
於二零一四年十二月三十一日	143,983	67,092	9,127	5,621	11,044	236,867

綜合財務報表附註

14. 物業、廠房及設備 (續)

本集團已抵押其於二零一五年十二月三十一日賬面值約人民幣10,131,000元(二零一四年:人民幣10,674,000元)的樓宇,以擔保本集團獲授之一般銀行融資。於二零一五年十二月三十一日,本集團並無動用該等有抵押銀行融資(二零一四年:人民幣2,896,000元)。

於二零一五年十二月三十一日,本集團正在申請若干樓宇(總成本達人民幣37,405,000元(二零一四年:人民幣99,338,000元))的房屋所有權證。

15. 無形資產

	軟件 人民幣千元
成本	
於二零一四年一月一日	9,592
添置	939
於二零一四年十二月三十一日	10,531
添置	2,538
於二零一五年十二月三十一日	13,069
攤銷	
於二零一四年一月一日	8,134
年度支出	701
於二零一四年十二月三十一日	8,835
年度支出	983
於二零一五年十二月三十一日	9,818
賬面值	
於二零一五年十二月三十一日	3,251
於二零一四年十二月三十一日	1,696

綜合財務報表附註

16. 附屬公司詳情

於二零一五年及二零一四年十二月三十一日，本集團的主要附屬公司如下：

名稱	註冊成立／ 經營地點	主要業務	已發行及繳足股本／ 註冊資本	持有權益
直接持有附屬公司				
永達有限公司	英屬處女群島 (「英屬處女群島」)	投資控股	普通股110美元	100%
友華控股有限公司	英屬處女群島	投資控股	普通股1,500,000美元	100%
海盛國際控股有限公司	英屬處女群島	投資控股	普通股200,000美元	100%
天盛投資有限公司	英屬處女群島	投資控股	普通股5,000,000美元	100%
佳勝集團有限公司	英屬處女群島	投資控股	普通股1美元	100%
間接持有附屬公司				
忠盛實業有限公司	香港	暫無營業	普通股1港元	100%
永達香港發展有限公司	香港	投資控股	普通股1,000港元	100%
友華香港實業有限公司	香港	投資控股	普通股1,000港元	100%
海盛國際香港有限公司	香港	投資控股	普通股1,000港元	100%
天盛香港實業有限公司	香港	投資控股	普通股1,000港元	100%

綜合財務報表附註

16. 附屬公司詳情 (續)

名稱	註冊成立／ 經營地點	主要業務	已發行及繳足股本／ 註冊資本	持有權益
杭州友佳精密機械有限公司	中國	設計及生產電腦數控工具機、 設計及建造立體停車設備	註冊資本 11,000,000美元	100%
杭州友高精密機械有限公司	中國	設計及組裝叉車	註冊資本 10,000,000美元	100%
杭州友華精密機械有限公司	中國	設計及生產電腦數控工具機	註冊資本 3,000,000美元	100%
杭州友達機械科技有限公司	中國	加工電腦數控工具機	註冊資本 15,000,000美元	100%
上海友盛精密機械有限公司	中國	買賣電腦數控工具機	註冊資本 200,000美元	100%
上海顯德精密機械有限公司	中國	高端工具機貿易	註冊資本 1,000,000美元	100%

綜合財務報表附註

17. 於合營企業的投資

	二零一五年 人民幣千元	二零一四年 人民幣千元
於合營企業非上市投資的成本	27,666	27,666
分佔收購後虧損及其他全面收益	(10,696)	(9,309)
	16,970	18,357

於二零一五年十二月三十一日，本公司於下列合營企業擁有直接權益：

名稱	註冊成立日期	應佔股本權益		註冊資本	主要業務／註冊成立及經營地點
		二零一五年	二零一四年		
Anest Iwata Feeler Corporation (「AIF」)	二零零九年十一月二十三日	35%	35%	9,000,000美元	製造及銷售氣壓機和零件，中國
Hangzhou Nippon Cable Feeler Corporation (「Nippon Cable Feeler」)	二零一零年十月二十日	50%	50%	100,000美元	批發及出口停車設備，中國
Hangzhou Feeler Mectron Machinery Co., Ltd (「Feeler Mectron」)	二零一一年四月十四日	45%	45%	1,110,000美元	製造及銷售工具機及有關產品，中國
Hangzhou Union Friend Machinery Co., Ltd. (「UFM」)	二零一三年三月十五日	55%	55%	1,000,000美元	製造及銷售工具機及有關產品，中國

附註：

根據上述四間實體各自之組織章程細則，上述實體之每股股份賦予一票，相關業務及可變回報之決議案須經股東三分之二以上票數通過。因此，股東合約性同意共享於上述四間實體各實體之控制權。因此彼等均為本集團之合營企業。

綜合財務報表附註

17. 於合營企業的投資 (續)

財務狀況表摘要

	AIF		Nippon Cable Feeler		Feeler Mectron		UFM		總計	
	二零一五年 人民幣千元	二零一四年 人民幣千元	二零一五年 人民幣千元	二零一四年 人民幣千元	二零一五年 人民幣千元	二零一四年 人民幣千元	二零一五年 人民幣千元	二零一四年 人民幣千元	二零一五年 人民幣千元	二零一四年 人民幣千元
流動										
現金	4,175	3,971	941	869	579	998	53	377	5,748	6,215
其他流動資產	16,588	12,979	2	1	5,987	5,551	1,350	279	23,927	18,810
流動資產總值	20,763	16,950	943	870	6,566	6,549	1,403	656	29,675	25,025
短期銀行借貸	(6,443)	(6,084)	-	-	-	-	-	-	(6,443)	(6,084)
其他金融負債 (包括應付貿易款項)	(6,482)	(4,180)	(7)	(12)	(2,143)	(1,885)	(97)	418	(8,729)	(5,659)
流動負債總額	(12,925)	(10,264)	(7)	(12)	(2,143)	(1,885)	(97)	418	(15,172)	(11,743)
非流動										
資產	34,431	37,666	-	-	417	511	1,972	2,944	36,820	41,121
負債	(6,494)	(6,097)	-	-	-	-	-	-	(6,494)	(6,097)
資產淨值	35,775	38,255	936	858	4,840	5,175	3,278	4,018	44,829	48,306

損益及其他全面收益表摘要

	AIF		Nippon Cable Feeler		Feeler Mectron		UFM		總計	
	二零一五年 人民幣千元	二零一四年 人民幣千元	二零一五年 人民幣千元	二零一四年 人民幣千元	二零一五年 人民幣千元	二零一四年 人民幣千元	二零一五年 人民幣千元	二零一四年 人民幣千元	二零一五年 人民幣千元	二零一四年 人民幣千元
收益	39,716	33,169	155	129	3,453	6,449	579	310	43,903	40,057
收益成本	(38,933)	(36,153)	-	(4)	(2,829)	(5,918)	(747)	(872)	(42,509)	(42,947)
其他開支	(3,263)	(2,799)	(68)	(59)	(959)	(155)	(572)	(580)	(4,862)	(3,593)
除稅前溢利 (虧損)	(2,480)	(5,783)	87	66	(335)	376	(740)	(1,142)	(3,468)	(6,483)
所得稅開支	-	-	(9)	(16)	-	-	-	-	(9)	(16)
年內溢利 (虧損)	(2,480)	(5,783)	78	50	(335)	376	(740)	(1,142)	(3,477)	(6,499)
分佔合營企業溢利 / (虧損)	(868)	(2,024)	39	25	(151)	169	(407)	(628)	(1,387)	(2,458)

綜合財務報表附註

17. 於合營企業的投資 (續)

下表列載所呈列財務資料摘要與其於合營企業投資的賬面值之對賬。

	AIF		Nippon Cable Feeler		Feeler Mectron		UFM		總計	
	二零一五年 人民幣千元	二零一四年 人民幣千元	二零一五年 人民幣千元	二零一四年 人民幣千元	二零一五年 人民幣千元	二零一四年 人民幣千元	二零一五年 人民幣千元	二零一四年 人民幣千元	二零一五年 人民幣千元	二零一四年 人民幣千元
於一月一日的期初資產淨值	38,255	34,784	858	808	5,175	4,799	4,018	5,160	48,306	45,551
注入資本	-	9,254	-	-	-	-	-	-	-	9,254
年內溢利(虧損)	(2,480)	(5,783)	78	50	(335)	376	(740)	(1,142)	(3,477)	(6,499)
於十二月三十一日的期末資產淨值	35,775	38,255	936	858	4,840	5,175	3,278	4,018	44,829	48,306
股本權益	35%	35%	50%	50%	45%	45%	55%	55%	-	-
於十二月三十一日的賬面值	12,521	13,389	468	429	2,178	2,329	1,803	2,210	16,970	18,357

18. 於聯營公司的投資

	二零一五年 人民幣千元	二零一四年 人民幣千元
於聯營公司非上市投資的成本	346,072	32,260
分佔收購後虧損及其他全面收益	(35,270)	(31,053)
貨幣換算差額	157	-
	310,959	1,207

綜合財務報表附註

18. 於聯營公司的投資 (續)

於二零一五年十二月三十一日，本集團於下列聯營公司擁有權益：

名稱	註冊成立日期	應佔股本權益		註冊資本	主要業務／註冊成立地點及業務
		二零一五年	二零一四年		
FFG Europe S.p.A. (「FFG Europe」)	二零一三年一月一日	30.16%	30.16%	11,205,000歐元	製造及銷售工具機及有關產品，意大利
FFG Werke GmbH (「FFG Werke」)	二零一三年十月十七日	39%	13.5%	500,000歐元	製造及分銷工具機、零件及配件；提供有關工具機及相關產品之培訓及保養服務，德國
FFG European and American Holdings GmbH (「FFG EA」)	二零一五年九月十四日	81.37%	—	25,000歐元	投資控股公司，德國

FFG Europe

FFG Europe由天盛香港實業有限公司(「天盛」)(本公司之附屬公司)、金友國際有限公司(「金友」)(本公司最終控股公司之全資附屬公司)、和騰有限公司(「和騰」)(乃一名獨立第三方，其15.58%已發行股本由本公司最終控股公司持有)及Alma S.r.l(一名獨立第三方)分別擁有約30.16%、22.08%、21.70%及26.06%股權。

根據FFG Europe之組織章程細則，股東決議案須透過全體獲授權投票股東之簡單多數投票而採納，且每股股份賦予一票。因此，本集團對FFG Europe具有重大影響。故本集團已於財務報表中將該投資入賬列為聯營公司。

綜合財務報表附註

18. 於聯營公司的投資 (續)

FFG Werke

於二零一四年十二月三十一日，FFG Werke曾分別由和騰、金友、天盛及金輝富有限公司（「金輝富」）（一名獨立第三方）擁有約43.75%、33.75%、13.50%及9.00%股權。於二零一四年十二月三十一日本集團已將該投資入賬列為可供出售金融資產，且該投資已按成本減減值呈列（見附註21）。

於二零一五年八月十七日，天盛與金友及和騰簽訂一份買賣協議，據此，金友及和騰同意出售及天盛已有條件同意收購FFG Werke合共25.5%之股權，總代價為2,340,000歐元（相當於人民幣16,756,000元）。收購FFG Werke 25.5%股權已於二零一五年九月二十三日獲本公司股東批准。其後天盛能夠對FFG Werke施加重大影響。因此，本集團已於財務報表中將該投資入賬列為聯營公司。於收購事項完成日期，FFG Werke資產淨值之公平值金額為約人民幣68,778,000元及本公司確認視作出售可供出售金融資產之收益人民幣662,000元。

FFG EA

FFG EA於二零一五年九月十四日在德國註冊成立為投資控股公司並於二零一五年十二月三十一日分別由天盛、Leadwell CNC Machines Mfg. Corp.（一名獨立第三方）及本公司最終控股公司擁有約81.37%、12.12%及6.51%權益。

FFG EA股東已同意成立股東委員會，據此三名股東均有權指定一名成員於股東委員會投票。股東委員會將掌管對FFG EA之全部控制權，且任何決議案須由股東委員會按簡單多數通過。因此，本集團最終控股公司及通過其對本公司之控制於該股東委員會擁有兩份投票權，因而能夠控制FFG EA。其後本集團能夠對FFG EA施加重大影響。因此，本集團已於財務報表中將該投資入賬列為聯營公司。

FFG EA之主要投資為於FFG European Holding GmbH（「FFG European」，一間於德國註冊成立之投資公司）之55.3%股權，而FFG European於二零一五年年底前實際收購MAG Global Holding GmbH及其附屬公司（「MAG集團」）之100%股權，總代價為110,000,000歐元。FFG European剩餘之44.70%股權分別由Mega Grant Limited（「Mega Grant」，一名獨立第三方）、Full Alliance Investment Limited（「Full Alliance」，一名獨立第三方）及金輝富擁有18.7、17%及9%。MAG集團之主要業務為於德國及美國生產工具機及生產系統。

本集團須對FFG EA之注資為49,500,000歐元。截至二零一五年十二月三十一日止年度本集團已支付40,000,000歐元，而尚未支付之9,500,000歐元披露為資本承擔（見附註33(a)）。

綜合財務報表附註

18. 於聯營公司的投資 (續)

根據國際財務報告準則編製的財務狀況表摘要

	FFG Europe		FFG Werke		FFG EA		總計	
	二零一五年 人民幣千元	二零一四年 人民幣千元	二零一五年 人民幣千元 (附註a)	二零一四年 人民幣千元 (附註a)	二零一五年 人民幣千元	二零一四年 人民幣千元	二零一五年 人民幣千元	二零一四年 人民幣千元
流動								
現金	32,008	32,989	82,354	不適用	266,368	不適用	380,730	32,989
其他流動資產	454,496	408,868	534,332	不適用	2,000,946	不適用	2,989,774	408,868
流動資產總值	486,504	441,857	616,686	不適用	2,267,314	不適用	3,370,504	441,857
短期銀行借貸	(129,656)	(182,729)	(284,624)	不適用	(71,115)	不適用	(485,395)	(182,729)
其他金融負債 (包括應付貿易款項)	(412,243)	(331,876)	(233,758)	不適用	(2,192,041)	不適用	(2,838,042)	(331,876)
流動負債總額	(541,899)	(514,605)	(518,382)	不適用	(2,263,156)	不適用	(3,323,437)	(514,605)
非流動								
資產	139,805	153,369	290,409	不適用	1,445,789	不適用	1,876,003	153,369
負債	(72,134)	(76,618)	(351,056)	不適用	(833,104)	不適用	(1,256,294)	(76,618)
資產淨值	12,276	4,003	37,657	不適用	616,843	不適用	666,776	4,003
減：非控股權益	—	—	—	不適用	343,754	不適用	343,754	—
聯營公司擁有人應佔之資產淨值	12,276	4,003	37,657	不適用	273,089	不適用	323,022	4,003

根據國際財務報告準則編製的損益及其他全面收益表摘要

	FFG Europe		FFG Werke		FFG EA		總計	
	二零一五年 人民幣千元	二零一四年 人民幣千元	二零一五年 人民幣千元 (附註a)	二零一四年 人民幣千元 (附註a)	二零一五年 人民幣千元 (附註d)	二零一四年 人民幣千元	二零一五年 人民幣千元	二零一四年 人民幣千元
收益	497,254	521,112	366,966	不適用	—	不適用	864,220	521,112
收益成本	(263,817)	(268,077)	(245,253)	不適用	—	不適用	(509,070)	(268,077)
其他開支	(239,936)	(285,602)	(101,490)	不適用	(5,588)	不適用	(347,014)	(285,602)
除稅前 (虧損) 溢利	(6,499)	(32,567)	20,223	不適用	(5,588)	不適用	8,136	(32,567)
所得稅抵免 (扣除)	324	4,189	(3,535)	不適用	—	不適用	(3,211)	4,189
年內 (虧損) 溢利	(6,175)	(28,378)	16,688	不適用	(5,588)	不適用	4,925	(28,378)
分佔聯營公司溢利 (虧損)	(1,862)	(8,559)	6,508	不適用	(4,545)	不適用	101	(8,559)

綜合財務報表附註

18. 於聯營公司的投資 (續)

下文載列所呈列財務資料摘要與其於聯營公司的投資賬面值的對賬。

根據國際財務報告準則編製的財務資料摘要

	FFG Europe		FFG Werke		FFG EA		總計	
	二零一五年 人民幣千元 (附註c)	二零一四年 人民幣千元	二零一五年 人民幣千元 (附註a)	二零一四年 人民幣千元 (附註a)	二零一五年 人民幣千元 (附註c)	二零一四年 人民幣千元	二零一五年 人民幣千元	二零一四年 人民幣千元
期初資產淨值	4,003	31,844	-	不適用	-	不適用	4,003	31,844
注入資本及自可供出售金融資產轉撥	13,926	-	21,021	不適用	283,984	不適用	318,931	-
其他儲備	522	537	(52)	不適用	(5,307)	不適用	(4,837)	537
年內溢利 (虧損)	(6,175)	(28,378)	16,688	不適用	(5,588)	不適用	4,925	(28,378)
於十二月三十一日聯營公司擁有人 應佔之期末資產淨值	12,276	4,003	37,657	不適用	273,089	不適用	323,022	4,003
股本權益	30.16%	30.16%	39%	不適用	81.37%	不適用	-	-
分佔資產淨值	3,703	1,207	14,686	不適用	222,211	不適用	240,600	1,207
商譽 (附註a)	-	-	8,907	不適用	-	不適用	8,907	-
於收購時公平值調整的影響 (附註a)	-	-	8,544	不適用	-	不適用	8,544	-
其他調整 (附註b)	-	-	-	-	52,908	不適用	52,908	-
於十二月三十一日的賬面值	3,703	1,207	32,137	不適用	275,119	不適用	310,959	1,207

附註：

- 於二零一五年九月下旬，本集團進一步收購FFG Werke之25.5%股權，代價為2,340,000歐元。商譽人民幣8,907,000元及於收購時公平值調整的影響人民幣8,544,000元已就該進一步收購股權予以確認。於二零一四年十二月三十一日，本集團持有FFG Werke之13.5%股權並使用成本法入賬列作可供出售投資，故並無呈列於二零一四年十二月三十一日的財務狀況及截至該日止年度的財務表現。此外，FFG Werke截至二零一五年十二月三十一日止年度的損益及其他全面收益表內呈列的損益指FFG Werke於收購後日期至二零一五年十二月三十一日所產生的業績。
- FFG EA的其他調整指當時股東未備基金注入資本的影響，並不構成本集團於FFG EA投資的一部分。
- 於二零一五年七月，本集團注入600,000歐元（相等於人民幣4,200,000元），作為FFG Europe的額外股本，其他股東亦按比例注資。於二零一五年十二月，本集團向FFG EA注資40,024,000歐元（相當於人民幣283,984,000元）。
- FFG EA截至二零一五年十二月三十一日止年度的損益及其他全面收益表內呈列的損益指FFG EA於收購後日期至二零一五年十二月三十一日所產生的業績。

綜合財務報表附註

19. 按類別劃分的金融工具

綜合財務狀況表內的資產

	二零一五年 人民幣千元	二零一四年 人民幣千元
應收賬款及按金（不包括預付款項）	433,712	488,316
可供出售金融資產	—	8,623
應收同系附屬公司及最終控股公司的一間聯營公司款項	1,277	296
應收一名被投資方款項	—	4,473
應收最終控股公司款項	—	532
應收合營企業款項	717	891
應收聯營公司及一間聯營公司附屬公司款項	60,841	12,274
限制性銀行存款	172,613	134,681
現金及現金等值物	101,583	262,751
初始期限超過三個月的定期存款	—	98,000
總計	770,743	1,010,837

綜合財務狀況表內的負債

	二零一五年 人民幣千元	二零一四年 人民幣千元
應付賬款及其他應付款項	218,645	246,632
應付最終控股公司款項	160	1,716
應付直接控股公司款項	1,856	3,447
應付一間同系附屬公司及最終控股公司的一間聯營公司款項	21,664	784
應付一間聯營公司及一間聯營公司附屬公司款項	10,389	1,128
應付合營企業款項	317	76
銀行借貸	408,677	402,079
	661,708	655,862

綜合財務報表附註

20. 應收賬款、按金及預付款項

	二零一五年 人民幣千元	二零一四年 人民幣千元
貿易應收賬款及應收票據	444,978	500,438
減：貿易應收賬款減值撥備	(36,512)	(36,544)
貿易應收賬款及應收票據－淨額	408,466	463,894
預付款項	16,033	25,667
其他	25,246	24,422
應收賬款、按金及預付款項合計	449,745	513,983

本集團一般給予其客戶30至180天信貸期。本集團亦允許其客戶保留若干比例的未償還結餘作為出售產品一年或兩年保證期的保留金。

於二零一五年及二零一四年十二月三十一日，貿易應收賬款及應收票據總額根據到期日的賬齡分析如下：

	二零一五年 人民幣千元	二零一四年 人民幣千元
即期－30天	341,202	383,483
31－60天	8,465	5,141
61－90天	9,079	11,542
91－180天	14,038	20,366
180天以上	72,194	79,906
貿易應收賬款及應收票據	444,978	500,438

本集團的貿易應收賬款包括總賬面值約為人民幣82,578,000元（二零一四年：人民幣108,229,000元）的應收賬款，該款項於二零一五年十二月三十一日已逾期，而本集團並無作出減值虧損撥備。本集團並無就該等結餘持有任何抵押品。經考慮該等個別貿易應收賬款的貿易關係、信用狀況及過往還款記錄後，董事認為該等尚未償還結餘將可收回。

綜合財務報表附註

20. 應收賬款、按金及預付款項 (續)

本集團已逾期但並未減值的貿易應收賬款總額的賬齡分析如下：

	二零一五年 人民幣千元	二零一四年 人民幣千元
0–30天	11,573	21,658
31–60天	7,486	5,141
61–90天	8,174	11,542
91–180天	12,338	20,336
180天以上	43,007	49,552
	82,578	108,229

截至二零一五年十二月三十一日，本集團為數人民幣36,512,000元（二零一四年：人民幣36,544,000元）的貿易應收賬款出現減值並作出撥備。個別出現減值的應收款項主要涉及突然陷入財務困境的客戶。該等應收款項按到期日的賬齡如下：

	二零一五年 人民幣千元	二零一四年 人民幣千元
0–30天	4,884	641
31–60天	748	–
61–90天	931	–
91–180天	1,411	30
180天以上	28,538	35,873
	36,512	36,544

本集團貿易應收賬款減值撥備的變動如下：

	二零一五年 人民幣千元	二零一四年 人民幣千元
於一月一日	36,544	21,795
應收款項減值撥備	2,016	15,306
年內於證實無法收回時撇銷的應收款項	(2,048)	(557)
於十二月三十一日	36,512	36,544

綜合財務報表附註

20. 應收賬款、按金及預付款項 (續)

倘有客觀證據表明，由於一個或多個於初始確認貿易應收賬款後發生的事項，貿易應收賬款的估計未來現金流量受到影響，則貿易應收款項被視為減值。應收款項減值撥備的增加及解除已計入綜合損益及其他全面收益表的「行政開支」內。於撥備賬扣除的款項一般會於預期不能收回額外現金時撇銷。

應收賬款、按金及預付款項的賬面值以下列貨幣計值：

	二零一五年 人民幣千元	二零一四年 人民幣千元
人民幣	427,844	479,582
美元	9,909	17,980
歐元	11,147	11,329
其他貨幣	845	5,092
	449,745	513,983

於報告日期，面臨的最高信貸風險為上述各類應收款項的賬面值。本集團並無持有任何抵押品作為抵押。

21. 可供出售金融資產／應收一名被投資方款項

	二零一五年 人民幣千元	二零一四年 人民幣千元
於一月一日	8,623	8,623
轉撥為於聯營公司的投資	(8,623)	—
於十二月三十一日	—	8,623
於一間非上市公司股份之投資	—	8,623
應收一名被投資方款項	—	4,473

於二零一四年十二月三十一日之可供出售金融資產為於FFG Werke之13.5%股權。於二零一五年九月下旬，本集團進一步收購FFG Werke之25.5%股權及其後本公司對FFG Werke行使重大影響力。因此，該投資入賬列作於聯營公司的投資（如附註18所呈列）。

綜合財務報表附註

22. 存貨

	二零一五年 人民幣千元	二零一四年 人民幣千元
原材料	79,263	103,419
在製品	61,901	68,470
製成品	134,399	103,064
	275,563	274,953
撥備	(25,487)	(17,696)
	250,076	257,257

23. 應收／（應付）客戶合約工程款項

	二零一五年 人民幣千元	二零一四年 人民幣千元
已產生合約成本加經確認溢利減經確認虧損 減：工程進度款項	615,251 (594,110)	549,812 (560,118)
	21,141	(10,306)
	二零一五年 人民幣千元	二零一四年 人民幣千元
應收合約客戶款項	36,717	32,494
應付合約客戶款項	(15,576)	(42,800)
應收（應付）客戶合約工程款項淨額	21,141	(10,306)

於二零一五年十二月三十一日，應收賬款中包括客戶就合約工程持有的保留款項人民幣6,994,000元（二零一四年：人民幣12,325,000元）。

綜合財務報表附註

24. 限制性銀行存款

	二零一五年 人民幣千元	二零一四年 人民幣千元
限制性銀行存款	172,613	134,681

該筆款項主要乃本集團為就其所使用的貿易融資信貸發出的擔保而存放於銀行的存款。有關存款於一年內到期，並按固定年利率0.4%（二零一四年：0.4%）計息。

25. 現金及銀行結餘

	二零一五年 人民幣千元	二零一四年 人民幣千元
銀行及手頭現金	53,983	33,251
短期銀行存款	47,600	229,500
現金及現金等值物	101,583	262,751
初始期限超過三個月的定期存款	—	98,000
	101,583	360,751

(a) 銀行及手頭現金、短期銀行存款及初始期限超過三個月的定期存款以下列貨幣計值：

	二零一五年 人民幣千元	二零一四年 人民幣千元
人民幣	73,379	357,423
美元	15,290	1,887
歐元	10,866	957
其他貨幣	2,048	484
	101,583	360,751

綜合財務報表附註

25. 現金及銀行結餘 (續)

- (b) 短期銀行存款之實際年利率介乎2.70%至4.00% (二零一四年: 2.35%)。該等存款於一至三個月內到期。
- (c) 於二零一五年十二月三十一日初始期限超過三個月的定期存款為零 (二零一四年: 人民幣98,000,000元)。於二零一四年十二月三十一日初始期限超過三個月的定期存款之實際年利率介乎2.35%至2.75%。

26. 股本

	股份數目 千股	股本 人民幣千元
每股面值0.01港元的普通股		
法定：		
於二零一四年一月一日、二零一四年十二月三十一日、 二零一五年一月一日及二零一五年十二月三十一日	1,000,000	10,211
已發行及繳足：		
於二零一四年一月一日、二零一四年十二月三十一日、 二零一五年一月一日及二零一五年十二月三十一日	403,200	4,022

27. 應付賬款、其他應付款項及應計費用

	二零一五年 人民幣千元	二零一四年 人民幣千元
貿易應付賬款	177,863	204,785
來自客戶的預付按金	184,316	118,682
其他應付款項	40,782	41,847
應計開支	44,352	44,897
應付賬款、其他應付款項及應計費用總額	447,313	410,211

綜合財務報表附註

27. 應付賬款、其他應付款項及應計費用 (續)

本集團一般獲得30至60天的信貸期。於二零一五年及二零一四年十二月三十一日，貿易應付賬款的賬齡分析如下：

	二零一五年 人民幣千元	二零一四年 人民幣千元
即期－30天	119,353	116,788
31－60天	34,725	57,515
61－90天	3,979	4,657
91－180天	4,921	9,853
180天以上	14,885	15,972
	177,863	204,785

應付賬款、其他應付款項及應計費用以下列貨幣計值：

	二零一五年 人民幣千元	二零一四年 人民幣千元
人民幣	398,800	388,246
美元	6,620	11,029
歐元	38,191	6,368
港元	3,702	4,568
	447,313	410,211

28. 保證撥備

	二零一五年 人民幣千元	二零一四年 人民幣千元
於一月一日	6,329	6,774
年度撥備	5,121	6,766
動用撥備	(5,659)	(7,211)
於十二月三十一日	5,791	6,329

綜合財務報表附註

29. 銀行借貸

	二零一五年 人民幣千元	二零一四年 人民幣千元
即期		
— 有抵押	—	2,896
— 無抵押	408,677	399,183
銀行借貸總額	408,677	402,079

本集團借款的實際利率範圍如下：

	二零一五年	二零一四年
實際利率	每年1.09%至 4.50%	每年1.83%至 6.72%

本集團銀行借貸的償還情況如下：

	二零一五年 人民幣千元	二零一四年 人民幣千元
一年內	408,677	402,079

短期銀行借貸之賬面值與其公平值相若。

本集團銀行借貸的賬面值以下列貨幣計值：

	二零一五年 人民幣千元	二零一四年 人民幣千元
港元	43,068	78,949
美元	176,221	323,130
歐元	164,198	—
人民幣	25,190	—
	408,677	402,079

綜合財務報表附註

29. 銀行借貸 (續)

附註：

- (a) 於二零一五年十二月三十一日，本集團已抵押其賬面值約人民幣5,131,000元（二零一四年：人民幣5,262,000元）之預付租賃款項及賬面值約人民幣10,131,000元（二零一四年：人民幣10,674,000元）之樓宇，作為其獲授一般銀行融資之擔保。於二零一五年十二月三十一日，本集團並無動用該等有抵押銀行融資（二零一四年：人民幣2,896,000元）。
- (b) 於二零一五年十二月三十一日，本集團的銀行借貸人民幣242,350,000元（二零一四年：人民幣152,975,000元）乃由銀行出具的不可撤回備用信用證作擔保，其中人民幣120,601,000元（二零一四年：人民幣122,435,000元）已經動用。
- (c) 於二零一五年十二月三十一日，附屬公司相互作出擔保人民幣176,000,000元（二零一四年：人民幣220,000,000元），為銀行借貸提供擔保，有關借貸已動用人民幣3,969,000元（二零一四年：6,211,000）。
- (d) 於二零一五年十二月三十一日，本集團一名董事及一名關聯方就本集團的銀行借貸人民幣64,936,000元（二零一四年：人民幣31,135,000元）提供個人擔保。

30. 遞延稅項

	二零一五年 人民幣千元	二零一四年 人民幣千元
遞延稅項資產	6,310	6,144
遞延稅項負債	—	16,118

綜合財務報表附註

30. 遞延稅項 (續)

年內，遞延稅項資產的變動如下：

	應收款項 呆賬撥備 人民幣千元	存貨撥備 人民幣千元	保證撥備 人民幣千元	總計 人民幣千元
於二零一四年一月一日	3,225	388	907	4,520
於虧損內(扣除)計入	1,495	224	(95)	1,624
於二零一四年十二月三十一日	4,720	612	812	6,144
於虧損內(扣除)計入	(268)	422	12	166
於二零一五年十二月三十一日	4,452	1,034	824	6,310

年內，遞延稅項負債的總變動分析如下：

	二零一五年 人民幣千元	二零一四年 人民幣千元
於一月一日	16,118	18,775
已付預扣稅	(16,118)	(2,657)
於十二月三十一日	—	16,118

根據二零零七年十二月六日頒佈的《中華人民共和國企業所得稅法實施條例》，自二零零八年一月一日起於中國成立的公司向其境外投資者匯付的股息應按10%的稅率繳納預扣所得稅，適用於二零零七年十二月三十一日後的盈利。倘中國與外國投資者之司法權區訂有稅收協定，或可採用較低之預扣稅率。對本集團而言，適用稅率為5%。本集團因而須按5%的稅率為在中國成立之附屬公司就二零零八年一月一日起產生之盈利而分派的股息繳納預扣稅。

綜合財務報表附註

30. 遞延稅項 (續)

誠如附註12所述，董事決議建議就截至二零一五年十二月三十一日止年度宣派末期股息每股普通股人民幣0.03元（二零一四年：每股普通股人民幣0.06元）。董事提出，股息將自本公司的股份溢價賬中派付而中國附屬公司截至二零一五年十二月三十一日的保留溢利將預留作業務擴展之用，因此，本集團並無就本集團中國實體的保留溢利的預扣稅產生的遞延稅項負債計提撥備，原因是本集團能夠控制有關暫時差額撥回之時間，且有關暫時差額於可見將來不大可能會撥回。

於二零一五年十二月三十一日，本集團擁有未使用稅項虧損約人民幣72,967,000元（二零一四年：人民幣47,024,000元）可供抵銷未來溢利。由於日後應課稅溢利不大可能用以抵銷未使用稅項虧損，故並未確認遞延稅項資產。未確認稅項虧損包括具到期日之虧損人民幣66,781,000元（二零一四年：人民幣46,982,000元）。

該等稅項虧損的到期日如下：

	二零一五年 人民幣千元	二零一四年 人民幣千元
於下列年度屆滿：		
二零一五年	—	1,590
二零一六年	16,755	16,755
二零一七年	13,043	13,043
二零一八年	6,472	6,946
二零一九年	8,185	8,648
二零二零年	22,326	—
	66,781	46,982

綜合財務報表附註

31. 營運所得現金

	二零一五年 人民幣千元	二零一四年 人民幣千元
除所得稅前溢利：	55,952	125,071
調整：		
— 預付租賃款項攤銷	940	943
— 物業、廠房及設備折舊	26,081	28,080
— 無形資產攤銷	983	701
— 分佔合營企業虧損	1,387	2,458
— 分佔聯營公司虧損（溢利）	(101)	8,559
— 視作出售可供出售金融資產之收益	(662)	—
— 出售物業、廠房及設備虧損	201	296
— 利息收入	(14,193)	(9,995)
— 利息開支	8,734	9,174
— 保證撥備	(538)	(445)
營運資金變動（不包括收購的影響及綜合賬目的匯兌差額）：		
— 存貨	7,181	21,759
— 應收賬款、按金及預付款項	64,238	109,177
— 應收客戶合約工程款項	(4,223)	(7,843)
— 應收最終控股公司款項	532	1,380
— 應收合營企業、同系附屬公司及最終控股公司的聯營公司款項	(38,864)	1,490
— 應付賬款、其他應付款項及應計費用	36,652	(45,915)
— 應付客戶合約工程款項	(27,224)	(7,159)
— 應付最終控股公司款項	(1,556)	687
— 應付直接控股公司款項	(1,591)	1,291
— 應付合營企業款項	241	(55)
— 應付一間聯營公司及一間聯營公司的附屬公司款項	9,261	2,519
— 應付一間同系附屬公司及最終控股公司的一間聯營公司款項	5,420	463
營運所得現金	128,851	242,636

綜合財務報表附註

31. 營運所得現金 (續)

於現金流量表內，出售物業、廠房及設備所得款項包括：

本集團	二零一五年 人民幣千元	二零一四年 人民幣千元
賬面值：	221	863
出售物業、廠房及設備虧損	(201)	(296)
出售物業、廠房及設備所得款項	20	567

32. 或然負債

於二零一五年九月二十五日，本公司、FFG Werke與一家銀行（「該銀行」）訂立協議，據此，該銀行將安排一筆本金額最高為50,000,000歐元（相當於人民幣354,500,000元）之融資，以供本公司及FFG Werke共同及個別地使用，因此本公司及FFG Werke各自須對另一方於融資項下產生之債務負責。於二零一五年十二月三十一日，本公司並未自上述融資函中提取任何貸款，而FFG Werke已提取貸款總額6,000,000歐元（相當於人民幣42,517,000元）。

於二零一四年七月九日，FFG Werke與天盛訂立擔保促成契據，據此，天盛同意就FFG Werke之業務經營所需而促成出具最大總額不超過10,600,000歐元（相當於人民幣79,030,000元）的銀行擔保。於二零一五年十二月三十一日，天盛已安排上述銀行擔保，總金額為4,605,000歐元（相當於人民幣32,675,000元）（二零一四年：226,000歐元（相當於人民幣1,680,000元））。

管理層估計FFG Werke之違約風險甚微，故該等財務擔保產生之擔保負債風險並不重大且於本年度並無確認任何擔保負債。

綜合財務報表附註

33. 承擔

(a) 資本承擔

於報告期末已訂約但尚未產生的資本支出分析如下：

	二零一五年 人民幣千元	二零一四年 人民幣千元
就下列各項已訂約，但尚未於綜合財務報表撥備的資本支出：		
— 樓宇建設	625	743
— 向一間聯營公司之注資	67,404	—
	68,029	743

(b) 經營租賃承擔

本集團作為承租人

	二零一五年 人民幣千元	二零一四年 人民幣千元
年內根據經營租賃已付最低租金	10,241	9,102

於報告日期，本集團須就根據不可撤銷之經營租賃而租賃之辦公室支付之未來最低租金如下：

	二零一五年 人民幣千元	二零一四年 人民幣千元
一年內	6,788	4,090
一年後及五年內	5,672	241
	12,460	4,331

綜合財務報表附註

34. 關連人士交易

除附註29及附註32所披露者外，本集團於年內亦與其關連人士進行以下交易：

(a) 交易

公司名稱	關係	交易性質	二零一五年 人民幣千元	二零一四年 人民幣千元
友嘉實業股份有限公司 （「友嘉實業」）	最終控股公司	銷售貨品	1,484	682
		採購貨品	5,007	19,948
杭州友嘉高松機械有限公司 （「友嘉高松」）	最終控股公司的聯營公司	銷售貨品	943	756
		採購貨品	2,188	49
		租金收入	9	15
		提供服務	190	—
友佳實業（香港）有限公司 （「友佳實業（香港）」）	直接控股公司	採購貨品	35,393	44,434
杭州友維機電有限公司 （「友維」）	同系附屬公司	銷售貨品	3	3
		租金收入	641	653
		提供服務	754	—
		—	—	—
AIF（由溫吉堂先生控制）	合營公司	銷售貨品	8	90
		採購貨品	377	421
		租金收入	24	26
		購買服務	11	—
		提供服務	884	—

綜合財務報表附註

34. 關連人士交易 (續)

(a) 交易 (續)

公司名稱	關係	交易性質	二零一五年 人民幣千元	二零一四年 人民幣千元
Hangzhou Best Friend Technology Co., Ltd. (「Best Friend」)	最終控股公司的聯營公司	銷售貨品	11	6
SANCO Machine & Tools Co., Ltd. (「SANCO」)	同系附屬公司	採購貨品	5,171	20,885
		購買服務	511	—
Jobs Automazione S.p.A. (「Jobs」)	本集團一間聯營公司之附屬公司	採購貨品	22,830	198
FFG Werke	聯營公司	採購貨品	3,012	—
Feeler Mectron	合營公司	銷售貨品	—	37
		採購貨品	3,121	1,051
		租金收入	—	36
UFM	合營公司	銷售貨品	10	24
		採購貨品	381	170
		提供服務	38	—
Nippon Cable Feeler	合營公司	銷售貨品	—	4
		採購貨品	—	129
		租金收入	—	6
金友	同系附屬公司	購買權益股份	15,460	—

綜合財務報表附註

34. 關連人士交易 (續)

(a) 交易 (續)

附註：

(a) 上述買賣交易的條款乃根據本公司與各關連人士訂立的框架協議規管。

(b) 租金收入乃根據訂約方共同協定之條款收取。

(c) 上述購買權益股份的條款乃根據本公司與各關連人士訂立的買賣協議規管。

(b) 結餘

公司名稱	關係	結餘性質	二零一五年 人民幣千元	二零一四年 人民幣千元
友嘉實業	最終控股公司	貿易應收賬款 (附註(a))	-	532
		貿易應付賬款 (附註(b))	(160)	(1,716)
友佳實業 (香港)	直接控股公司	貿易應付賬款 (附註(b))	(1,856)	(3,447)
友維 (由陳明河先生控制)	同系附屬公司	其他應收賬款 (附註(b))	222	258
SANCO	同系附屬公司	貿易應付賬款 (附註(b))	(6,204)	(776)
		其他應收賬款 (附註(b))	1,009	-
Best Friend	最終控股公司的聯營公司	貿易應收賬款 (附註(a))	13	2

綜合財務報表附註

34. 關連人士交易 (續)

(b) 結餘 (續)

公司名稱	關係	結餘性質	二零一五年 人民幣千元	二零一四年 人民幣千元
友嘉高松	最終控股公司的聯營公司	其他應收賬款 (附註(b))	32	36
		貿易應付賬款 (附註(b))	—	(8)
		貿易應收賬款 (附註(a))	1	—
AIF (由溫吉堂先生控制)	合營公司	貿易應收賬款 (附註(a))	228	470
		貿易應付賬款 (附註(b))	(206)	—
		其他應付賬款 (附註(b))	(3)	—
Feeler Mectron	合營公司	貿易應收賬款 (附註(a))	48	421
		其他應收賬款 (附註(b))	78	—
UFM	合營公司	貿易應付賬款 (附註(b))	(108)	(76)
		其他應收賬款 (附註(b))	363	—
SIGMA Technology S.r.l	一間聯營公司之附屬公司	貿易應收賬款 (附註(a))	2,127	2,275
		貿易應付賬款 (附註(b))	(182)	(200)

綜合財務報表附註

34. 關連人士交易 (續)

(b) 結餘 (續)

公司名稱	關係	結餘性質	二零一五年 人民幣千元	二零一四年 人民幣千元
SIGMA Machinery Co., Ltd	一間聯營公司之附屬公司	貿易應付賬款 (附註(b))	(72)	(67)
Jobs	一間聯營公司之附屬公司	貿易應收賬款 (附註(a))	–	403
		其他應收賬款 (附註(b))	18,641	9,596
		貿易應付賬款 (附註(b))	(9,837)	(861)
		股東貸款 (附註(b))	5,469	–
FFG Werke	聯營公司	墊款 (附註(b))	28,020	–
		貿易應付賬款 (附註(b))	(298)	–
		股東貸款 (附註(b))	5,041	–
Golden Friendship	同系附屬公司	其他應付賬款 (附註(b))	(15,460)	–
FFG Europe	聯營公司	其他應收賬款 (附註(b))	1,543	–

附註：

(a) 就與同系附屬公司、最終控股公司及其聯營公司以及聯營公司之附屬公司進行的銷售而言，本集團一般給予的信貸期為90天。結餘為無抵押及免息。截至二零一五年及二零一四年十二月三十一日，上列結餘的賬齡大部分為六至十二個月內。

(b) 結餘為無抵押、免息及須於要求時償還。

綜合財務報表附註

34. 關連人士交易 (續)

(c) 主要管理人員報酬

年內，董事及其他主要管理人員的酬金如下：

	二零一五年 人民幣千元	二零一四年 人民幣千元
薪金	2,817	2,711
表現相關花紅	1,304	1,210
退休福利計劃供款	99	79
	4,220	4,000

35. 本公司之財務狀況及權益變動資料

本公司於二零一五年十二月三十一日之財務狀況表如下：

	二零一五年 人民幣千元	二零一四年 人民幣千元
非流動資產		
物業、廠房及設備	2	8
於附屬公司的投資	52,837	52,837
於合營企業的投資	27,666	27,666
應收附屬公司款項	605,881	331,264
	686,386	411,775
流動資產		
應收賬款、按金及預付款項	14,022	14,882
應收聯營公司及一間聯營公司的附屬公司款項	28,592	—
限制性銀行存款	—	2,370
現金及現金等值物	35,301	1,784
	77,915	19,036

綜合財務報表附註

35. 本公司之財務狀況及權益變動資料 (續)

	二零一五年 人民幣千元	二零一四年 人民幣千元
流動負債		
其他應付款項及應計費用	11,641	13,934
應付一間聯營公司及一間聯營公司的附屬公司款項	8,853	—
銀行借貸	332,299	275,706
	352,793	289,640
流動負債淨額	(274,878)	(270,604)
總資產減流動負債	411,508	141,171
資本及儲備		
股本	4,022	4,022
股份溢價	82,281	82,281
其他儲備	7,973	7,973
保留盈利	317,232	46,895
總權益	411,508	141,171

綜合財務報表附註

35. 本公司之財務狀況及權益變動資料 (續)

本公司截至二零一五年十二月三十一日止年度之權益變動表如下：

	股本 人民幣千元	股份溢價 人民幣千元	其他儲備 人民幣千元	保留盈利 人民幣千元	總額 人民幣千元
於二零一四年一月一日	4,022	82,281	7,632	47,374	141,309
年內溢利	—	—	—	43,873	43,873
其他全面收益					
貨幣換算差額	—	—	341	—	341
全面收益總額	—	—	341	43,873	44,214
已付股息	—	—	—	(44,352)	(44,352)
於二零一四年十二月三十一日	4,022	82,281	7,973	46,895	141,171
年內溢利	—	—	—	294,529	294,529
全面收益總額	—	—	—	294,529	294,529
已付股息	—	—	—	(24,192)	(24,192)
於二零一五年十二月三十一日	4,022	82,281	7,973	317,232	411,508

36. 比較數字

若干比較數字已重新分類以符合當前呈列。

37. 報告日期後事項

本集團於報告日期後概無發生任何重大事項。

五年財務概要

經營業績

截至十二月三十一日止年度

	二零一一年 人民幣千元	二零一二年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一五年 人民幣千元
收益	1,884,132	1,540,856	1,350,271	1,300,119	990,239
毛利	439,216	308,947	309,771	344,894	267,925
除稅前溢利	197,032	60,440	54,388	125,071	55,952
本公司權益持有人應佔年內溢利	153,690	42,022	36,868	101,313	46,097
每股盈利－基本（人民幣元）	0.38	0.10	0.09	0.25	0.11

資產與負債

於十二月三十一日

	二零一一年 人民幣千元	二零一二年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一五年 人民幣千元
非流動資產	371,929	345,271	330,119	309,492	589,531
流動資產淨值	332,239	339,800	361,656	433,321	154,908
非流動負債	(21,800)	(23,180)	(18,775)	(16,118)	—
資產淨值	682,368	661,891	673,000	726,695	744,439
股本	4,022	4,022	4,022	4,022	4,022
儲備	678,346	657,869	668,978	722,673	740,417
股東權益	682,368	661,891	673,000	726,695	744,439

附 件 五

GOOD FRIEND INTERNATIONAL HOLDINGS INC. 友佳國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2398



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

CHU Chih-Yaung (*Chairman*)
CHEN Hsiang-Jung (*Chief Executive Officer*)
CHEN Min-Ho
WEN Chi-Tang
CHIU Rung-Hsien

Independent Non-Executive Directors

KOO Fook Sun, Louis
CHIANG Chun-Te
YU Yu-Tang

COMPANY SECRETARY

LO Tai On

AUTHORISED REPRESENTATIVES

CHEN Hsiang-Jung
CHIU Rung-Hsien

LEGAL ADVISERS AS TO HONG KONG LAW

Woo Kwan Lee & Lo

AUDIT COMMITTEE

KOO Fook Sun, Louis (*Chairman of the Committee*)
CHIANG Chun-Te
YU Yu-Tang

REMUNERATION COMMITTEE

KOO Fook Sun, Louis (*Chairman of the Committee*)
CHIANG Chun-Te
CHEN Hsiang-Jung

NOMINATION COMMITTEE

KOO Fook Sun, Louis (*Chairman of the Committee*)
CHIANG Chun-Te
CHEN Hsiang-Jung

AUDITOR

Deloitte Touche Tohmatsu

REGISTERED OFFICE

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

*Corporate Information***PRINCIPAL PLACE OF BUSINESS
IN HONG KONG**

Room 2003, 20th Floor
Kai Tak Commercial Building
317-319 Des Voeux Road Central
Hong Kong

**HONG KONG BRANCH SHARE
REGISTRAR AND TRANSFER OFFICE**

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

**PRINCIPAL PLACE OF BUSINESS
IN THE PRC**

No. 120 Shixin North Road
Xiaoshan Economic and Technological
Development Zone
Xiaoshan District
Hangzhou City
Zhejiang Province
The PRC

PRINCIPAL BANKERS

Bank of China
Cathay United Bank
Hang Seng Bank Limited
Industrial and Commercial Bank of China
KGI Bank
Mega International Commercial Bank
Yuanta Commercial Bank
BNP Paribas

**PRINCIPAL SHARE REGISTRAR AND
TRANSFER OFFICE**

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

STOCK CODE

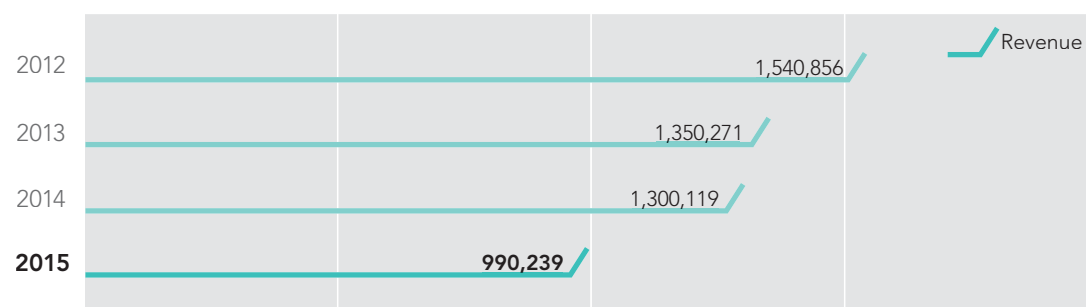
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WEBSITE

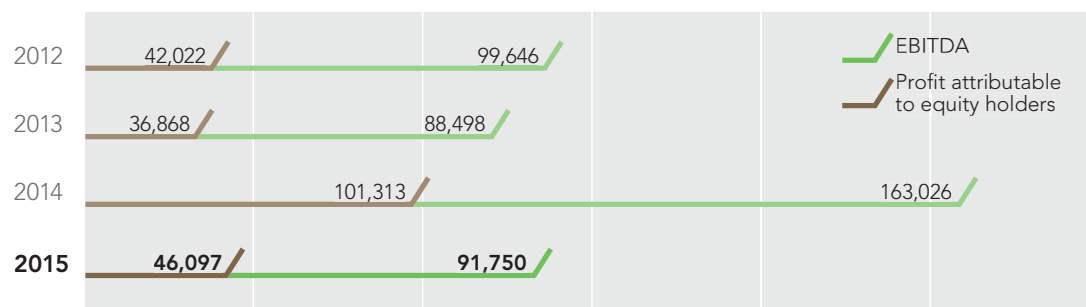
<http://www.goodfriend.hk>

Financial Highlights

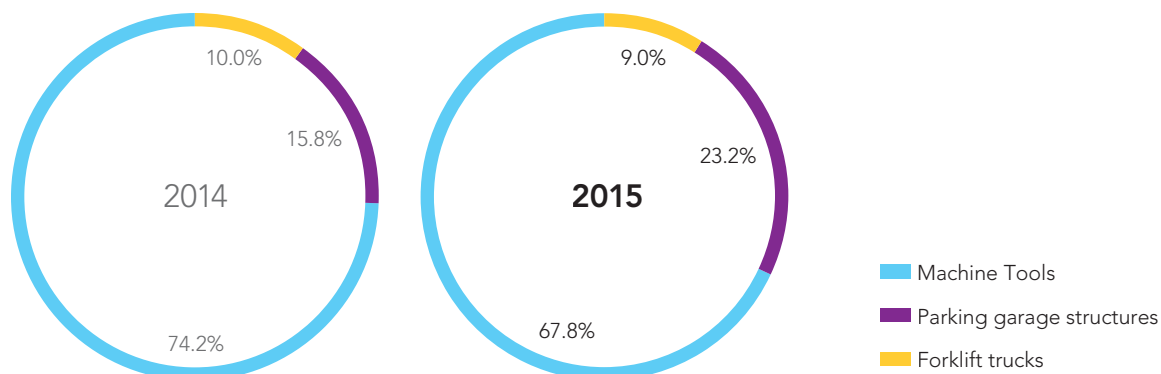
REVENUE (RMB'000)



PROFIT (RMB'000)



BUSINESS SEGMENTS (In terms of revenue)



Financial Highlights

TWO-YEAR COMPARISON OF FINANCIAL FIGURES

For the year ended 31 December

	2015 RMB'000	2014 RMB'000	Change (%)
Revenue	990,239	1,300,119	-23.8%
Gross profit	267,925	344,894	-22.3%
EBITDA	91,750	163,026	-43.7%
Profit attributable to equity holders	46,097	101,313	-54.5%
Shareholders' equity	744,439	726,695	2.4%
Total assets	1,664,040	1,628,064	2.2%
Earnings per share – basic (RMB)	0.11	0.25	-56.0%

SUMMARY OF KEY FINANCIAL RATIOS

For the year ended 31 December

	2015	2014	Change (%)
Gross profit margin <i>Note 1</i>	27.1%	26.5%	2.3%
Net profit margin <i>Note 2</i>	4.7%	7.8%	-39.7%
Inventory turnover days <i>Note 3</i>	126.4	98.3	28.6%
Debtors' turnover days <i>Note 4</i>	150.6	130.2	15.7%
Creditors' turnover days <i>Note 5</i>	89.9	78.3	14.8%
Current ratio (Times) <i>Note 6</i>	1.2	1.5	-20.0%
Quick ratio (Times) <i>Note 7</i>	0.9	1.2	-25.0%
Gearing ratio (%) <i>Note 8</i>	24.6%	24.7%	-0.4%
EBITDA/Finance costs (Times) <i>Note 9</i>	10.5	17.8	-41.0%
Return on equity (%) <i>Note 10</i>	6.2%	13.9%	-55.4%

Note 1: Gross profit margin is calculated as gross profit divided by revenue.

Note 2: Net profit margin is calculated as profit attributable to equity holders divided by revenue.

Note 3: Inventory turnover days is calculated as the ending inventory divided by cost of revenue and multiplied by 365 days.

Note 4: Debtors' turnover days is calculated as the ending trade debtors divided by revenue and multiplied by 365 days.

Note 5: Creditors' turnover days is calculated as the ending trade creditors divided by cost of sales and multiplied by 365 days.

Note 6: Current ratio is calculated as total current assets divided by total current liabilities at the end of the corresponding year. The numbers in the above table are expressed in the form of ratio and not as a percentage.

Note 7: Quick ratio is calculated as total current assets excluding inventories divided by total current liabilities at the end of the corresponding year. The numbers in the above table are expressed in the form of ratio and not as a percentage.

Note 8: Gearing ratio is calculated as total debts divided by total assets at the end of the year. Total debts refer to total interest bearing liabilities at the end of the year.

Note 9: EBITDA/Finance costs is calculated as earnings before finance costs, taxation, depreciation and amortization divided by finance costs for the year. The numbers in the above table are expressed in the form of ratio and not as a percentage.

Note 10: Return on equity is calculated as profit attributable to equity holders divided by total shareholders' equity at the end of the corresponding year.

Chairman's Statement



Chu Chih-Yaung
Chairman

I hereby present on behalf of the board (the "Board") of directors (the "Directors") to the shareholders the report on the results of Good Friend International Holdings Inc. (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2015 (the "year").

FINANCIAL PERFORMANCE

For the year ended 31 December 2015, the Group recorded revenue of approximately RMB990.24 million, representing a decrease of approximately 23.8% compared to the previous year. Whilst profit attributable to equity holders for the year amounted to approximately RMB46.10 million, representing a decrease of approximately 54.5% compared to RMB101.31 million in 2014.

FINAL DIVIDEND

The Board proposed, subject to approval of the shareholders at the forthcoming annual general meeting of the Company, a final dividend of RMB0.03 (equivalent to approximately HK\$0.0360 according to the average mean rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China on 31 March 2016) per ordinary share for the year ended 31 December 2015, amounting to RMB12.10 million (equivalent to approximately HK\$14.52 million), according to number of existing issued ordinary shares, payable to shareholders whose names appear on the register of members of the Company on Thursday, 2 June 2016. The payment date of the final dividend is expected to be around end of June 2016.

Chairman's Statement

BUSINESS REVIEW

The downward pressure on China's economy increased in 2015. According to the economic data released by the National Bureau of Statistics of China, China's gross domestic product ("GDP") growth slowed down to 6.8% in the fourth quarter of 2015. The GDP for the whole year of 2015 grew by 6.9%, which was the lowest growth rate since 1990. The mainstream product of the Group CNC machine tools focus mainly on the China market, sales orders of CNC machine tools business were also affected by that. For the year ended 31 December 2015, sales volume and sales revenue of CNC machine tools amounted to 1,587 units and approximately RMB671.86 million respectively, both representing a decrease when compared to 2014. Nevertheless, the gross profit margin of CNC machine tools business maintained at approximately 30.2% during the year. This was attributable to the stable raw material prices during the year.

During the year, the Group continued to offer high-end CNC machine tools products to the customers. These high-end products could optimise the product portfolio of the Group, and strengthen its core competitiveness. Moreover, the Group has incorporated a wholly-owned entity at the China (Shanghai) Pilot Free Trade Zone. The activities of this Shanghai entity is mainly to exploring and selling the high-end machine tools brands (including "Huller Hille") of FFG Werke GmbH ("FFG Werke", an entity incorporated in Germany) to customers in China.

In August 2015, the Group entered into a sale and purchase agreement for the acquisition of an aggregate of 25.5% equity interest in FFG Werke from the other shareholders, with the aggregate consideration amounted to Euro 2.34 million. The Group currently holds 39.0% equity interest in FFG Werke after completion of this transaction. The management are confident of the business development prospects of FFG Werke. It is believed that the increase of equity interest in FFG Werke would be beneficial to the future business development and results of the Group.

In November 2015, the Group entered into a contribution agreement with the other JV partners to establish FFG European Holding GmbH ("FFG European", an entity incorporated in Germany) and to inject capital in the total amount of Euro 110 million. The Group holds 45.0% interests in FFG European with the relevant capital injection amount being Euro 49.5 million. FFG European has also successfully acquired 100% shareholding interests in MAG Group (including MAG IAS GmbH and MAG Automotive LLC) by the end of 2015. MAG Group is a well-established machine tools manufacturer in operation for more than 10 years, owning leading brands in high-end machine tools favoured by renowned automobile manufacturers, with market presence in Europe, worldwide recognition and 5 production sites in Europe and the United States with more than a thousand employees. The acquisition of MAG Group by FFG European would have positive effect on the Group's product portfolio, allowing it with access to a richer and further diversifying range of products and enhance its investment portfolio overseas.

Chairman's Statement



Chairman's Statement

PROSPECTS

China's economy continued to sail on against the wind. Heading into 2016, which marks the first year of its "13th Five-Year" Planning, China's economy will still face challenges. However, China is the largest machine tools consuming country. It is anticipated that the demand of machine tools from the industries of high-speed railway, transit rails, aerospace, and energy in China, especially demand of those high-end CNC machine tools, would still be great. This in turn will benefit the Group's CNC machine tools business. The Group will continue to explore and sell those high-end CNC machine tools products (production of such primarily from Italy and Germany) to the customers. The management believes that with its extensive sales network and comprehensive after-sales service, solid business foundation as well as outstanding product quality, the Group is capable of meeting customers' different needs and continue to strengthen its market position.

Looking ahead, with the current complex economic environment, the Group will continue to strengthen its business foundation under a consistent cautions manner under tough market environment, in order to weather against the volatility and uncertainty of the market condition ahead. On the other hand, the management will continue to look for appropriate investing projects or acquisition activities so as to increase the competitive edge of the Group. The Group is committed to becoming an international CNC machine tools manufacturer. The management is optimistic on the long-term development prospects of the Group.

The management will also strive to control operating costs for achieving better operating results, in order to bring favorable returns to the shareholders of the Company.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to thank all the staff and management team for their hard work in the past year. I would also like to express heartfelt thanks to all of the customers and suppliers.

Chu Chih-Yaung

Chairman

Hong Kong, 31 March 2016

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2015, the Group recorded revenue of approximately RMB990.24 million, representing a decrease of approximately 23.8% as compared to 2014. During the year, sales volume of CNC machine tools, parking garage structures and forklift trucks amounted to 1,587 units, 15,368 units and 1,492 units respectively (2014 comparative figures: 2,102 units, 13,215 units and 1,997 units). CNC machine tools remained the major source of the Group's revenue. During the year, sales revenue of CNC machine tools business amounted to approximately RMB671.86 million, representing a decrease of approximately 30.4% as compared to 2014. Revenue of CNC machine tools accounted for approximately 67.8% of the Group's total revenue. On the other hand, sales revenue of forklift trucks amounted to approximately RMB88.77 million during the year, representing a decrease of approximately 31.5% as compared to 2014 and accounted for approximately 9.0% of the total revenue. Moreover, sales revenue of the Group's parking garage structures business during the year was increased by approximately 11.6%, as compared to 2014, to approximately RMB229.61 million and approximately 23.2% of the Group's total revenue.

Gross profit and margin

For the year ended 31 December 2015, gross profit of the Group amounted to approximately RMB267.93 million. Overall gross profit margin was approximately 27.1%, compared to 26.5% for 2014. The gross profit margin of CNC machine tools (the Group's major product) during the year remained at 30.2%. As a result, the overall gross profit margin for the year remained fairly stable as compared to 2014.

Distribution and selling expenses

Distribution and selling expenses amounted to approximately RMB122.49 million for the year ended 31 December 2015 representing a decrease of 5.4% as compared to last year. This was mainly attributable to the stringent control of the corresponding expenses by the management. During the year, distribution and selling expenses as a percentage of the Group's revenue amounted to approximately 12.4%, compared to approximately 10.0% for 2014.

Administrative expenses

Administrative expenses for the year ended 31 December 2015 increased by approximately 16.4% as compared to 2014. This was mainly attributable to the increase of the exchange loss and the increase of the relevant administrative expenses arising from the incorporation of the new entity at the Shanghai Pilot Free Trade Zone.

Management Discussion and Analysis

Finance costs

During the year, finance costs decreased to approximately RMB8.73 million. The decrease was primarily due to the decrease of average bank borrowings of the Group during 2015.

Share of profit of associates

For the year ended 31 December 2015, share of profit of associates amounted to approximately RMB0.10 million. The amount represented the Group's share of operating results of the associate "FFG Europe", (located in Italy), the associate "FFG European and American" (located in Germany), and the associate "FFG Werke" (located in Germany), during the year.

Profit attributable to the equity holders of the Company

For the year ended 31 December 2015, profit attributable to the equity holders of the Company amounted to approximately RMB46.1 million, representing a decrease of approximately 54.5% as compared to 2014.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2015, the Group had net current assets of approximately RMB154.91 million (2014: RMB433.32 million), shareholders' fund of approximately RMB744.44 million (2014: RMB726.70 million) and short-term bank borrowings of approximately RMB408.68 million (2014: RMB402.08 million). The Group's working capital was financed by internal cash flows generated from its operation and existing banking facilities.

Cash and cash equivalents as at 31 December 2015 amounted to approximately RMB101.58 million (2014: RMB262.75 million). The current ratio (ratio of total current assets to total current liabilities) of the Group was approximately 1.2 times (2014: 1.5 times). The gearing ratio (ratio of total debts to total assets) was approximately 24.6% (2014: 24.7%), indicating that the Group continued to maintain solid financial position.

Management Discussion and Analysis

CAPITAL STRUCTURE AND TREASURY POLICIES

The share capital of the Company as at 31 December 2015 was HK\$4,032,000 divided into 403,200,000 shares of HK\$0.01 each (at 31 December 2014: HK\$4,032,000 divided into 403,200,000 shares of HK\$0.01 each).

The Group generally finances its operations with internally generated cash flows and loans facilities provided by banks. As of 31 December 2015, the total outstanding short-term borrowings stood at approximately RMB408.68 million (2014: RMB402.08 million). Borrowing methods used by the Group mainly include bank loans. The Group had no interest rate hedging arrangement during the year.

SIGNIFICANT INVESTMENT

The Group had no significant investment held for the year ended 31 December 2015.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

The Group had no material acquisitions or disposals of subsidiaries or associates during the year ended 31 December 2015.

SEGMENTAL INFORMATION

Details of segmental information for the year ended 31 December 2015 are set out in note 5 to the consolidated financial statements.

STAFF AND REMUNERATION POLICIES

As at 31 December 2015, the Group employed a total of 1,320 (2014: 1,450) full-time employees in Hong Kong and China. The total staff costs (including Directors' fee and emoluments) amounted to approximately RMB142.99 million (2014: RMB130.14 million). The salary review policies of the Group are determined with reference to the market trends, future plans and the performance of individuals in various aspects and are reviewed periodically.

The Company had adopted a share option scheme for the purpose of providing incentive and rewards to eligible participants for their contributions to the Group. No share option was granted by the Group since its adoption.

The employees of the Company's subsidiaries join a state-managed social welfare scheme operated by the local government of China and the employees in Hong Kong participate in the Mandatory Provident Fund Scheme. During the year under review, the Group contributed approximately RMB4.92 million (2014: RMB4.23 million) to the said schemes.

Management Discussion and Analysis

CAPITAL COMMITMENTS AND CONTINGENCIES

The Group has made capital expenditure commitments mainly for property, plant and equipment of approximately RMB0.63 million (2014: RMB0.74 million) which are contracted but not provided in the financial statements and for capital contribution to an associate of approximately RMB67.40 million (2014: Nil). The Group had no material contingent liabilities as at 31 December 2015 (2014: Nil).

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2015, restricted bank deposits with an amount of approximately RMB172.61 million (2014: RMB134.68 million) represented mainly deposits placed in banks for guarantees issued for finance facilities used by the Group.

Meanwhile, subsidiaries of the Company pledged its land and buildings with an aggregate carrying amount of approximately RMB15.26 million (2014: RMB15.94 million) to secure general banking facilities granted to them. As at 31 December 2015, the subsidiaries have not utilised such secured bank facilities (2014: RMB2.90 million).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments and acquisition of material capital assets as at 31 December 2015. However, the Group will continue to seek new business development opportunities.

FOREIGN EXCHANGE RISK

The Group mainly operates in China. During the year ended 31 December 2015, the Group collected most of its revenue in Renminbi, some of which were converted into foreign currencies such as United States dollars, Japanese Yen and other foreign currencies for the payment of imported parts and components. As such, the Group had a certain level of exposure to foreign exchange fluctuations. The Group had no hedging activities during the year. Foreign exchange risks arising from fluctuation of exchange rates of foreign currencies are managed by the Group using foreign exchange forward contracts when necessary.

Renminbi currently is not a freely convertible currency. A portion of the Group's Renminbi revenue or profit must be converted into other currencies to meet foreign currency obligations of the Group such as the payment of dividends, if declared.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Chu Chih-Yaung (朱志洋先生), aged 69, was appointed as an executive Director in September 2005 and Chairman of the Board. He is responsible for the Group's overall strategic planning, management, business development, and the formulation of the Group's corporate policies. Mr. Chu has more than 30 years of experience in the mechanics, manufacturing and machine tools industry. Mr. Chu is also a director of Hangzhou Global Friend Precision Machinery Co., Ltd. and Hangzhou Ever Friend Precision Machinery Co., Ltd., both are wholly-owned subsidiaries of the Company.

Mr. Chen Hsiang-Jung (陳向榮先生), aged 70, was appointed as an executive Director in December 2005 and chief executive officer. He is also a member of the remuneration committee and the nomination committee of the Company. He is responsible for general management of the Group. Mr. Chen has more than 30 years of experience in the mechanics, manufacturing and machine tools industry. He is also a director of Hangzhou Good Friend Precision Machinery Co., Ltd., Hangzhou Global Friend Precision Machinery Co., Ltd., Hangzhou Ever Friend Precision Machinery Co., Ltd. and Hangzhou Glory Friend Machinery Technology Co., Ltd. Mr. Chen joined the Group in 1993.

Mr. Chen Min-Ho (陳明河先生), aged 65, was appointed as an executive Director in December 2005. He is responsible for the overall business operation of the Group. Mr. Chen has more than 15 years of experience in mechanics, manufacturing and machine tools industry. He is also a director of Hangzhou Good Friend Precision Machinery Co., Ltd., Rich Friend (Shanghai) Precision Machinery Co., Ltd., Hangzhou Glory Friend Machinery Technology Co., Ltd and Huller Hille (Shanghai) Machinery Co., Ltd. He joined the Group in 1993.

Mr. Wen Chi-Tang (溫吉堂先生), aged 51, was appointed as an executive Director in December 2005. He was the vice general manager of machine tools division of Hangzhou Good Friend Precision Machinery Co., Ltd. and then was promoted as the general manager with effect from 1 January 2011. He is responsible for the production and operation of this division. Mr. Wen has more than 30 years of experience in the machine tools industry. He is also a director of Hangzhou Good Friend Precision Machinery Co., Ltd., Hangzhou Global Friend Precision Machinery Co., Ltd., Hangzhou Ever Friend Precision Machinery Co., Ltd. and Hangzhou Glory Friend Machinery Technology Co., Ltd. He joined the Group in 2003.

Biographical Details of Directors and Senior Management

Mr. Chiu Rung-Hsien (邱榮賢先生), aged 58, was appointed as an executive Director in December 2005. He was the manager of the parking garage structures division of Hangzhou Good Friend Precision Machinery Co., Ltd. and then was promoted as the senior manager with effect from 1 January 2011. He is responsible for the production and operation of this division. Mr. Chiu has more than 31 years of experience in the mechanics and manufacturing industry. He joined the Group in 2001.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Koo Fook Sun, Louis (顧福身先生), aged 59, was appointed as an independent non-executive Director in December 2005 and is the chairman of the audit committee, the remuneration committee and the nomination committee of the Company. He is the founder and managing director of Hercules Capital Limited, a corporate finance advisory firm. He has more than 20 years of experience in investment banking and professional accounting. Mr. Koo currently act as an independent non-executive director of Li Ning Company Limited, Midland Holdings Limited, Xingda International Holdings Limited and Winfull Group Holdings Limited, all of which are companies listed on the Main Board of the Stock Exchange. He is a certified public accountant.

Mr. Chiang Chun-Te, (江俊德先生) aged 55, was appointed as an independent non-executive Director in December 2005. He is also a member of the audit committee, the remuneration and the nomination committee of the Company. He is the general manager of Istra Corporation and is also served as the president with effect from 2000.

He is the director of Long Chen Paper Co., Ltd. He is also a director of Chinatrust Commercial Bank.

From 2003 to February 2010, Mr. Chiang served as the director of Premier Capital Management Corp. and Premier Venture Capital Corp. From 2006 to June 2009, he served as the independent director of Yin King Industrial Co., Ltd., which is a listed company at over-the-counter market on the Taiwan Stock Exchange Corporation. From 2009 to March 2012, he served as the independent director of Feng Sheng Technology Co., Ltd. (listed on the Taiwan Stock Exchange Corporation). From 2011 to June 2013, he served as the independent director of Swancor Ind. Co., Ltd. (listed on the Taiwan Stock Exchange Corporation). From 2001 to December 2014, he served as the president and general manager of PK Investment Corp. From 2000 to 18 June 2015, he served as the director of the Importers and Exporters Association of Taipei, and he resigned on 18 June 2015.

Biographical Details of Directors and Senior Management

Mr. Yu Yu-Tang (余玉堂先生), aged 79, was appointed as an independent non-executive Director in December 2005 and is a member of the audit committee of the Company. He was a consultant of the Taiwan Hsin Chu County Government (台灣新竹縣政府) and the Provincial Government.

SENIOR MANAGEMENT

Mr. Chiang Chia-Shin (強家鑫先生), aged 57, was appointed as the manufacturing, marketing and after sales service manager of Hangzhou Global Friend and is responsible for the manufacturing, operating, marketing and after sales service of forklifts trucks in Mainland China. Mr. Chiang graduated from mechanical engineering department of Taiwan Fushin Institute Technology School (台灣復興工業專科學校) in 1979. He joined the Group in 1 July 2000 and has over 30 years of experience in the design, manufacturing and production of the motor vehicle parts and forklifts trucks.

Mr. Wu Li-Chen (吳立城先生), aged 54, was appointed as the manager of after sales services division of machine tools of Hangzhou Good Friend and then was promoted as the senior manager with effect from January 2014. He joined the Group in October 2000 and has over 31 years of experience in the machine tools industry.

Mr. Yeh Ming-Pin (葉明彬先生), aged 48, was appointed as the vice general manager of Hangzhou Good Friend and is responsible for the general administrative and management functions. Mr. Yeh graduated from Tamkang University, Taiwan (台灣淡江大學) in 1994 with a degree in Accounting. Before he joined the Group in January 2007, Mr. Yeh worked in TNS CPA firm in Taiwan from 1994 to 1998 and has over 18 years of experience in the fields of auditing, accounting and finance.

Mr. Yip Sai Keung, Esmond (葉世強先生), aged 50, was appointed as the financial controller of the Company and is responsible for the finance and accounting functions of the Group. Mr. Yip holds a Bachelor of Social Sciences degree from the University of Hong Kong. He is a fellow member of the Association of Chartered Certified Accountants and a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Yip joined the Group in November 2007 and has over 20 years of experience in the fields of corporate finance, auditing and accounting.

Report of the Directors

The Board is pleased to submit their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and its subsidiaries are principally engaged in the design and production of CNC machine tools, design and construction of three-dimensional car parking garage structures and design and assembling of forklift trucks.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2015 is set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" from pages 6 to 9 and pages 10 to 13 respectively of this Annual Report.

PRINCIPAL RISKS AND UNCERTAINTIES FOCUSING THE COMPANY

A description of possible risks and uncertainties that the Group may be facing are set out in the Chairman's Statement on pages 6 to 9 of this annual report. The financial risk management objectives and policies of the Group are set out in note 3 to the consolidated financial statements.

ENVIRONMENTAL POLICY

The Group has strong commitment towards environmental protection. It is the Group's policy to encourage and promote awareness towards environmental protection to our employees. It has implemented green office practices such as double-sided printing and copying, promoting using recycled paper and reducing energy consumption by switching off idle lightings and electrical appliance in the Group's offices. Moreover, the Group has been committed to operating in compliance with applicable environmental laws and regulations and has taken steps to ensure that any waste and by-products produced as a result of its operations are properly treated and discharged so as to minimise the adverse effects to the environment.

The management will review the Group's environmental practices from time to time and will consider implementing further ecology friendly measures and practices in the operation to enhance environmental protection and sustainability.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year, as far as the Directors are aware, there was no material non-compliance with applicable laws and regulations by the Group that has a significant impact on the Group's business and operations.

Report of the Directors

KEY RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Board recognises that our employees are valuable assets contributing to the Group's future success. The Group provides competitive remuneration package to attract, motivate and retain our employees. The Board also regularly reviews the remuneration package of our employees and makes necessary adjustments to conform to the prevailing market practices.

The Board also treasures that maintaining good relationship with our customers and suppliers is vital to achieve the Group's long-term goals.

During the year, there was no significant dispute between the Group companies and our business partners.

IMPORTANT EVENT THAT HAVE OCCURRED SINCE ENDING OF THE FINANCIAL YEAR

There was no important event that has occurred since the ending of the financial year and up to the printing of this report.

SEGMENTAL INFORMATION

An analysis of the Group's turnover and results by business segments for the year ended 31 December 2015 is set out in note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The Group's profit for the year ended 31 December 2015 and the state of affairs of the Group as at that date are set out in the consolidated financial statements on pages 47 to 121.

The Board proposed, subject to approval of the shareholders at the forthcoming annual general meeting of the Company, a final dividend of RMB0.03 (equivalent to approximately HK\$0.0360 according to the average mean rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China on 31 March 2016) per ordinary share for the year ended 31 December 2015, amounting to RMB12.10 million (equivalent to approximately HK\$14.52 million), according to number of existing issued ordinary shares.

The dates of closure of register of members, record date and payment date of the proposed final dividend will be announced later. It is expected that the proposed final dividend, if approval, will be payable around end of June 2016.

RESERVES

Movements in the reserves of the Company during the year are set out in note 35 to the consolidated financial statements.

Report of the Directors

ANNUAL GENERAL MEETING

The 2016 annual general meeting will be held on Thursday, 2 June 2016. Details of the 2016 annual general meeting, notice of annual general meeting and proxy form are set out in the circular of the Company dated 29 April 2016 which will be despatched to shareholders of the Company together with the 2015 annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the Group's property, plant and equipment during the year are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital for the year ended 31 December 2015 are set out in note 26 to the consolidated financial statements.

BANK BORROWINGS

Details of bank borrowings of the Group as at 31 December 2015 are set out in note 29 to the consolidated financial statements.

DIRECTORS

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

Executive Directors

Mr. Chu Chih-Yaung (*Chairman*)
 Mr. Chen Hsiang-Jung (*Chief Executive Officer*)
 Mr. Chen Min-Ho
 Mr. Wen Chi-Tang
 Mr. Chiu Rung-Hsien

Independent Non-Executive Directors

Mr. Koo Fook Sun, Louis
 Mr. Chiang Chun-Te
 Mr. Yu Yu-Tang

In accordance with article 87(1) of the articles of association of the Company (the "Articles"), Messrs. Chen Hsiang-Jung, Chen Min-Ho and Chiu Rung-Hsien, will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

INDEPENDENCE CONFIRMATION

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company considers all independent non-executive Directors to be independent.

Report of the Directors

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save for the share option scheme of the Company adopted on 22 December 2005, at no time during the year were the rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or Chief Executive of the Company or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or were the Company, its parent company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights or benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement dated 11 January 2015 with the Company for a term of three years commencing from 11 January 2015 and will continue thereafter until terminated by not less than three months' notice in writing served by either party to the other or in accordance with the provisions set out in the respective service agreement. Each of the executive Directors may receive a discretionary bonus, the amount of which will be determined by reference to the comments of the remuneration committee of the Company.

A service agreement has been entered into between each of the independent non-executive Directors and the Company for a fixed term of 2 years commencing from 10 January 2016, and may be terminated by not less than three months' notice in writing served by either party to the other.

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Reference is made to the relevant disclosures on pages 94 to 106 and details on the deed of non-competition on page 105 of the prospectus of the Company dated 30 December 2005. As at 31 December 2015, none of the Directors and their respective associates (as defined in the Listing Rules) had any interest in a business, which competes or may compete with the business of the Group in the PRC, Hong Kong and Macau.

Report of the Directors

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") on 22 December 2005. The purpose of the Scheme is to motivate eligible persons to optimise their future contributions to the Group, to reward them for their past contributions, to attract and maintain on-going relationships with such eligible persons who contribute to the performance, growth or success of the Group. Eligible persons of the Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, persons or entity that provides research, development or other technological support to the Group, any minority shareholder in the Company's subsidiaries, and adviser to business development of the Group and an associate of any of the foregoing persons. The Scheme had been valid and effective for a period of ten years ended on 21 December 2015, after which no-further options would be granted.

The principal terms of the Scheme are summarised as follows:

- (a) The maximum number of the Company's shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Group must not exceed 10% of issued share capital of the Company as at the date of listing of the Company's shares on the Stock Exchange, i.e. 11 January 2006 (which were 280,000,000 shares) unless shareholders' approval has been obtained, and which must not in aggregate exceed 30% of the shares of the Company in issue from time to time.
- (b) Prior to the expiry of the Scheme on 21 December 2015, as no option had been granted under the Scheme, the Company had the capacity to grant options to subscribe for a maximum of 28,000,000 shares in aggregate, which was the total unutilised mandate limit under the Scheme and represented 10% of the issued shares as at the date of listing of the Company's shares on the Stock Exchange and 6.9% of the issued shares of the Company as at the financial year end date.
- (b) The maximum number of shares issued and to be issued upon exercise of the options granted to any eligible person (including exercised and outstanding options) in any 12-month period shall not exceed 1% of the issued shares from time to time.
- (c) The subscription price for the shares under the Scheme shall be such price as the Board may in its absolute discretion determine at the time of grant of the option but the subscription price shall not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets on the date of the Board approving the grant of an option, which must be a business day ("Offer Date"); (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Offer Date; and (iii) the nominal value of the Company's shares.

Report of the Directors

- (d) An option may be exercised in whole or in part in accordance with the terms of the Scheme at any time during the period commencing immediately after the business day on which the option is deemed to be granted and accepted in accordance with the Scheme ("Commencement Date") and expiring on such date of the expiry of the option as the Board of Directors may in its absolute discretion determine and which shall not exceed ten years from the Commencement Date but subject to the provisions for early termination thereof as set out in the Scheme.
- (e) Upon acceptance of the option, the grantee shall pay HK\$1 to the Company as consideration for the grant.
- (f) The Scheme was valid and effective for a period of ten years commencing on the date of adoption of the Scheme, i.e. 22 December 2005 and had expired on 21 December 2015.
- No option had been granted since the adoption of the Scheme.

DIRECTORS' INTEREST IN SHARES

As at 31 December 2015, the interests or short positions of the Directors or chief executive in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code"), are set out below:

1(a). Long positions in shares, underlying shares and debentures of the Company

Name of director	Nature of interest	Number and class of securities	Approximate percentage of shareholding
Mr. Chu Chih-Yaung	Corporate interest	20,000,000 shares	4.96%

Note: These 20,000,000 shares were beneficially owned by Sunward Gold Global Investments Limited, a company in which Mr. Chu Chih-Yaung has an interest of approximately 72.22%.

Report of the Directors

1(b). Aggregate long position in the shares, underlying shares and debentures of associated corporations of the Company

Name of Director	Name of associated corporations	Nature of interest	Number and class of securities	Approximate percentage of shareholdings
Mr. Chu Chih-Yaung	Taiwan FF	Beneficial owner	15,720,255 ordinary shares	15.35%
	Taiwan FF	Spouse interest (Note 1)	2,733,926 ordinary shares	2.67%
	Fair Fine (Hongzhou) Industrial Co., Ltd. (Note 2)	Beneficial owner	750 ordinary shares	0.03%
Mr. Chen Hsiang-Jung	Taiwan FF	Beneficial owner	1,948,553 ordinary shares	1.90%
	Fair Fine (Hongzhou) Industrial Co., Ltd. (Note 2)	Beneficial owner	750 ordinary shares	0.03%

Notes:

- (1) Ms. Wang Tz-Ti (formerly known as Wang Jin-Zu) ("Ms. Wang"), the spouse of Mr. Chu Chih-Yaung, held 2.67% of the issued share capital of Taiwan FF. Mr. Chu Chih-Yaung was deemed to be interested in all the shares held by Ms. Wang in Taiwan FF under the SFO.
- (2) Fair Fine (Hongzhou) Industrial Co., Ltd. is a non-wholly-owned subsidiary of Taiwan FF and is therefore an associated corporation of the Company for the purpose of the SFO.

Save as disclosed above, as at 31 December 2015, none of the Directors or chief executive of the Company had any interest in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO), which were recorded in the register required to be kept under section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code.

Report of the Directors

2. Aggregate short position in the shares, underlying shares and debentures of the Company and its associated corporations

As at 31 December 2015, none of the Directors or chief executive of the Company had any short position in the shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept under section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2015, the interests or short positions of every person, other than a Director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO are set out below:

1. Aggregate long position in the shares and underlying shares of the Company

Name of shareholder	Nature of interest	Number of ordinary shares held	Approximate percentage of the Company's issued share capital
Good Friend (H.K.) Corporation Limited ("Hong Kong GF")	Beneficial owner	232,000,000 shares (Note)	57.54%
Taiwan FF	Interest of controlled corporation	232,000,000 shares (Note)	57.54%

Note: Hong Kong GF is owned as to approximately 99.99% by Taiwan FF. Accordingly, Taiwan FF was deemed to be interested in 232,000,000 shares of the Company held by Hong Kong GF under the SFO.

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 31 December 2015.

Report of the Directors

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules for securities transaction by the Directors. Upon enquiry by the Company, all Directors have confirmed that, for the year ended 31 December 2015, they have complied with the required standards set out in the Model Code regarding securities transactions by the Directors.

EMOLUMENT POLICY

A remuneration committee has been set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices.

The Company had adopted a share option scheme as incentive to Directors and eligible employees, details of the Scheme are set out in the section headed "Share Option Scheme" above.

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the top five highest paid individuals of the Group are set out in note 8 to the consolidated financial statements.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details on related party transactions for the year are set out in note 34 to the consolidated financial statements. Details of any related party transactions which also constitute connected transactions or continuing connected transactions not fully exempted under Rule 14A.73 of the Listing Rules are disclosed below. The Group has complied with the requirements in accordance with Chapter 14A of the Listing Rules in respect of such transactions.

Non-exempt connected transaction(s)

- As disclosed in the announcement of the Company dated 5 November 2015 and the circular of the Company dated 4 December 2015, Sky Thrive Hong Kong Enterprise Limited ("**Sky Thrive**"), a wholly-owned subsidiary of the Company, Mega Grant Limited, Golden Wealth Inc Limited, Full Alliance Investment Limited, Taiwan FF and Leadwell CNC Machines Mfg., Corp (collectively, the "**JV Partners**") had on 5 November 2015 entered into a contribution agreement (the "**Contribution Agreement**"), pursuant to which the JV Partners agreed to establish a joint venture company named FFG European Holding GmbH ("**FFG European**") (with 45% equity interest of which held by Sky Thrive) by paying an aggregate amount of Euro 28,000 pro rata to the JV Partners' shareholding percentages for its initial nominal share capital and incorporation agent fee and to provide further capital in the total amount of Euro 110,000,000 pro rata to the JV Partners' shareholding percentages in cash to FFG

Report of the Directors

European on or before 30 November 2016 (or such later date as the JV Partners may agree) on a pro rata basis (i.e. Sky Thrive, which is interested in 45% of the issued share capital of FFG European, will further inject Euro 49,500,000 into FFG European pursuant to the Contribution Agreement).

FFG European was established by the JV Partners to pool together their respective resources, capabilities and industry expertise to evaluate the potential future acquisition of suitable machine tools manufacturers. FFG European has successfully acquired 100% shareholding interest in MAG Group, details of which are set out in the "Business Review" section of the Chairman's Statement and note 18 to the consolidated financial statements.

As Taiwan FF is the holding company of Hong Kong GF, the controlling shareholder of the Company, Taiwan FF is therefore a connected person of the Company under the Listing Rules. The transactions under the Contribution Agreement constituted connected transactions of the Company, and were subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The resolution approving the Contribution Agreement and the transactions contemplated thereunder was duly passed by the independent shareholders of the Company at the extraordinary general meeting held on 21 December 2015.

As at the date of this report, Euro 40,000,000 has been injected into FFG European by Sky Thrive. The remaining Euro 9,500,000 will be injected into FFG European by Sky Thrive on or before 30 November 2016.

2. As disclosed in the announcement of the Company dated 25 September 2015 and the circular of the Company dated 28 October 2015, the Company, FFG Werke GmbH ("**FFG Werke**") and BNP Paribas had on 25 September 2015 entered into an engagement letter (the "**Engagement Letter**"), pursuant to which BNP Paribas (and other independent financial institutions to be engaged) will, during the period from 14 November 2015 to the date falling one month before the date immediately preceding the expiry of 24 months thereafter (unless extended to the expiry of 36 months with the consent of the relevant lender), make available an unsecured revolving loan facility for the maximum principal amount of Euro 50,000,000 to the Company and FFG Werke on a joint and several basis (the "**Facility**"), with the interest rate being 1.9% plus the Euro interbank offered rate administered by the Banking Federation of the European Union per annum. The Facility was provided by the lenders as general working capital of FFG Werke, and the joint and several borrowing arrangement between the Company and FFG Werke in essence works as if a guarantee by the Company in favour of the lenders in respect of FFG Werke's obligations under the Facility.

Report of the Directors

As at 25 September 2015, Taiwan FF was indirectly holding approximately 57.54% of the entire issued share capital of the Company and the Company was, through Sky Thrive, holding 39% interest in FFG Werke. Taiwan FF, through its wholly-owned subsidiary Golden Friendship International Limited ("**Golden Friendship**"), held 10% in FFG Werke. Accordingly, FFG Werke was a commonly held entity for the purpose of Rule 14A.27 of the Listing Rules. As the Facility is available to the Company and FFG Werke on a joint and several basis, each of the Company and FFG Werke would be liable for the indebtedness incurred by the other under the Facility. Accordingly, the Facility constitutes a connected transaction involving provision of financial assistance to a commonly held entity by the Company under Chapter 14A of the Listing Rules, and are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The resolution approving the Engagement Letter and the transactions contemplated thereunder was duly passed by the independent shareholders of the Company at the extraordinary general meeting held on 13 November 2015.

As at the date of this report, an aggregate amount of Euro 38,000,000 has been drawn down by FFG Werke from the Facility.

3. As disclosed in the announcement of the Company dated 17 August 2015 and the circular of the Company dated 7 September 2015, Golden Friendship, World Ten Limited ("**World Ten**") and Sky Thrive had on 17 August 2015 entered into a sale and purchase agreement (the "**Sale and Purchase Agreement**"), pursuant to which Golden Friendship and World Ten agreed to sell and Sky Thrive agreed to acquire from them an aggregate of 127,500 shares of FFG Werke, representing approximately 25.5% equity interest in FFG Werke, for the aggregate consideration of Euro 2,340,000 (the "**Acquisition**"). The Acquisition was completed on 23 September 2015 and as at the date of this report, Euro 161,000 and Euro 2,179,000 were paid in cash by Sky Thrive to World Ten and Golden Friendship respectively.

Report of the Directors

As Golden Friendship is a wholly-owned subsidiary of Taiwan FF which in turn is the holding company of Hong Kong GF, the controlling shareholder of the Company, Golden Friendship is therefore a connected person of the Company under the Listing Rules. The Acquisition constituted a connected transaction of the Company, and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The resolution approving the Sale and Purchase Agreement and the transactions contemplated thereunder was duly passed by the independent shareholders of the Company at the extraordinary general meeting held on 23 September 2015.

Non-exempt continuing connected transaction(s)

1. As disclosed in the announcement of the Company dated 22 May 2014 and the circular of the Company dated 6 June 2014, the Company had on 22 May 2014 entered into: (a) a components agreement (the "**Components Agreement**") with Taiwan FF, pursuant to which the Company (and/or its permitted designates) (the "**GF Parties**") will supply CKD components to Taiwan FF (and/or its permitted

designates) (the "**FF Parties**") and the FF Parties will supply CKD components to the GF Parties for a term of three years from 27 June 2014; and (b) a machine tools agreement (the "**Machine Tools Agreement**") with Taiwan FF, pursuant to which the GF Parties can purchase from the FF Parties the designated CNC machine tools and have the right to sell such machine tools in the PRC, Hong Kong and Macau Special Administrative Region (the "**Sales Region**") on an exclusive basis, and at the request of the GF Parties, the FF Parties will supply such machine tools to and authorize the GF Parties to sell such machine tools in the Sales Region on an exclusive basis for a period of three years from 27 June 2014.

As Taiwan FF is the holding company of Hong Kong GF, the controlling shareholder of the Company, Taiwan FF is therefore a connected person of the Company under the Listing Rules. The transactions under the Components Agreement and the Machine Tools Agreement respectively constituted continuing connected transactions of the Company, and are subject to the reporting, announcement, independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

Report of the Directors

The resolutions approving the Components Agreement and the Machine Tools Agreement, the transactions contemplated thereunder and the annual caps thereof were duly passed by the independent shareholders of the Company at the extraordinary general meeting held on 27 June 2014. The annual caps for the supply of CKD components to FF Parties by the GF Parties and the purchase of CKD components from the FF Parties by the GF Parties for the period from 1 January 2015 to 31 December 2015 under the Components Agreement were RMB3.26 million and RMB129.05 million respectively and the actual supply amount and purchase amount of the period were RMB1.55 million and RMB43.45 million respectively. The annual cap for the purchase of the designated CNC machine tools from the FF Parties by the GF Parties for the period from 1 January 2015 to 31 December 2015 under the Machine Tools Agreement was RMB138.93 million and the actual purchase amount of the period was RMB33.82 million.

2. As disclosed in the announcement of the Company dated 9 July 2014 and the circular of the Company dated 22 July 2014, FFG Werke and Sky Thrive had on 9 July 2014 entered into a guarantee procurement deed (the "**Guarantee Procurement Deed**"), pursuant

to which FFG Werke may, during the period from 6 August 2014 to the date immediately preceding the expiry of 12 months thereafter, request Sky Thrive to (at the absolute discretion of Sky Thrive) procure the issuance of bank guarantees in respect of manufacturing and/or sales contracts between any member of FFG Werke and its subsidiaries (the "**FFG Werke Group**") and the customer(s) of the FFG Werke Group in favour of such customers for a maximum aggregate amount of Euro 10.6 million.

As FFG Werke is an associate of Taiwan FF, which in turn is the holding company of Hong Kong GF, the controlling shareholder of the Company, FFG Werke is therefore a connected person of the Company under the Listing Rules. The transactions under the Guarantee Procurement Deed constituted continuing connected transactions of the Company, and are subject to the reporting, announcement, independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules. The resolution approving the Guarantee Procurement Deed and the transactions contemplated thereunder was duly passed by the independent shareholders of the Company at the extraordinary general meeting held on 6 August 2014.

Report of the Directors

As at 31 December 2015, bank guarantees in the aggregate amount of Euro 10.6 million has been issued by licensed banks in favour of customers of the FFG Werke Group, as procured pursuant to the Guarantee Procurement Deed.

The independent non-executive Directors have reviewed the Components Agreement, the Machine Tools Agreement and the Guarantee Procurement Deed and the transactions thereunder conducted during the year and confirmed that they have been entered into, in all material respects:–

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms; and
- (iii) in accordance with the respective terms of the Components Agreement, the Machine Tools Agreement and the Guarantee Procurement Deed and on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.

PRE-EMPTIVE RIGHTS

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

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

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the year ended 31 December 2015.

MAJOR CUSTOMERS AND SUPPLIERS

The five largest customers accounted for approximately 10.55% of the Group's total turnover for the year and the largest customer accounted for approximately 2.74% of the Group's total turnover. The five largest suppliers accounted for approximately 28.21% of the Group's total purchases for the year and the largest supplier accounted for approximately 15.07% of the Group's total purchases.

Report of the Directors

None of the Directors or their associates has interests in any of the aforesaid customers and suppliers.

Save that Hong Kong GF and Taiwan FF were among the aforesaid five largest suppliers of the Group, to the knowledge of the Directors, none of the shareholders owning more than 5% of the Company's shares had any interest in the aforesaid customers and suppliers of the Group during the year.

SUFFICIENCY OF PUBLIC FLOAT

As far as the information publicly available to the Company is concerned and to the best knowledge of the Directors of the Company, at least 25% of the Company's issued share capital were held by members of the public as at the date of this report.

PERMITTED INDEMNITY

The Articles provides that every Director shall be indemnified out of the funds of the Company against all liabilities incurred by him in relation to the Company in defending any proceedings,

whether civil or criminal, in which judgement is given in his favour, or in which he is acquitted. In addition, liability insurance for Directors and senior management of the Company is maintained by the Company with appropriate coverage for certain legal actions against the Directors and senior management.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this Annual Report, no equity-linked agreements were entered into during the year or subsisted at the end of the year.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as those set out in note 34 to the consolidated financial statements, no transactions, arrangements or contracts of significance to which the Company, its parent company, its subsidiaries or fellow subsidiaries were a party and in which a director of the Company or his connected entities had a material interest, either directly or indirectly, subsisted at the end of the year or at any time during the year.

Report of the Directors

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with the Corporate Governance Code ("the CG Code") as set out in Appendix 14 of the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group. The Audit Committee comprises three independent non-executive Directors, Mr. Koo Fook Sun, Louis (as Chairman), Mr. Chiang Chun-Te and Mr. Yu Yu-Tang. The Audit Committee has reviewed with the management the consolidated financial statements of the Group for the year ended 31 December 2015.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 33 to 44.

FIVE-YEAR FINANCIAL SUMMARY

A summary of results and of the assets and liabilities of the Group for the last five financial years is set out on page 122.

AUDITOR

Deloitte Touche Tohmatsu ("Deloitte") has been appointed as auditor of the Company by the Board with effect from 27 November 2015 to fill the casual vacancy arising from the resignation of PricewaterhouseCoopers on 25 November 2015 and to hold office until the conclusion of the forthcoming annual general meeting ("AGM"). A resolution will be proposed at the forthcoming AGM to re-appoint Deloitte as auditor of the Company.

Save for the above, there were no other changes of auditor of the Company in the past three years.

The consolidated financial statements for the year ended 31 December 2015 have been audited by Deloitte.

On behalf of the Board

Good Friend International Holdings Inc.

Chu Chih-Yaung

Chairman

Hong Kong, 31 March 2016

Corporate Governance Report

The Company is committed to maintaining good corporate governance standard through a solid and efficient framework to promote the integrity, transparency and quality of disclosure in order to enhance shareholders' value.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted its corporate governance practices which are reproduced from the code provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and has reviewed and updated regularly to follow the latest practices in corporate governance. During the year under review, the Company has complied with the code provisions set out in the CG Code except for the following deviation.

Code provision E.1.2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting.

The chairman of the Board was unable to attend the annual general meeting held on 29 May 2015 due to his business trip and Mr. Chen Hsiang-Jung, an executive Director, took the chair of the annual general meeting pursuant to the articles of association of the Company ("the Articles").

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules for securities transactions by the Directors. Upon enquiry by the Company, all Directors have confirmed that, for the year ended 31 December 2015, they have complied with the required standards set out in the Model Code regarding securities transactions by the Directors.

Corporate Governance Report

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company and oversees the Group's budget, significant policies and transactions, financial results, businesses, strategic decisions and performance. The management was delegated the authority and responsibility by the Board for the day-to-day management of the Group. In addition, the Board has also delegated various responsibilities to the various board committees referred to below. Further details of these committees are set out in this report.

The Board currently consists of eight Directors including five executive Directors and three independent non-executive Directors:

Executive Directors

Mr. CHU Chih-Yaung (*Chairman*)
 Mr. CHEN Hsiang-Jung (*Chief Executive Officer*)
 Mr. CHEN Min-Ho
 Mr. WEN Chi-Tang
 Mr. CHIU Rung-Hsien

Independent Non-Executive Directors

Mr. KOO Fook Sun, Louis
 Mr. CHIANG Chun-Te
 Mr. YU Yu-Tang

Such balanced board composition is formed to ensure a strong independent objectivity exists across the Board and has adhered to the recommended practice under the CG Code for the Board to have at least one-third of its members comprising independent non-executive Directors. The biographical information of the Directors is set out on pages 14 to 16 under the section headed "Biographical Details of Directors and Senior Management".

Directors have given sufficient time and attention to the Group's affairs. The directors have disclosed to the Company annually the number and the nature of offices held in public companies or organizations and other significant commitments. The Board believes that the balance between executive directors and independent non-executive directors is reasonable and adequate to provide sufficient balances that protect the interests of the Shareholders and the Group.

Chairman and Chief Executive Officer

The positions and roles of Chairman of the Board and Chief Executive Officer of the Company are held and performed separately by two individuals to ensure their respective independence, accountability and responsibility. The Chairman, being Mr. CHU Chih-Yaung, is in-charge of the leadership of the Board and strategies planning of the Group. The Chief Executive Officer, being Mr. CHEN Hsiang-Jung, is responsible for the day-to-day management of the Group's business.

Corporate Governance Report

Independent non-executive Directors

The three Directors serving the non-executive role are all independent and are appointed as the independent non-executive Directors.

The three independent non-executive Directors are persons of high caliber, with academic and professional qualifications in the fields of accounting and finance. With their experience gained from various sectors, they provide strong support towards the effective discharge of the duties and responsibilities of the Board. Amongst them, Mr. Koo Fook Sun, Louis has the appropriate professional qualifications and accounting and related financial management expertise required under Rule 3.10(2) of the Listing Rules. Each independent non-executive Director has provided an annual confirmation of his independence to the Company, and the Company considers each of them to be independent under Rule 3.13 of the Listing Rules.

The three independent non-executive Directors are appointed for a specific term of two years and are subject to retirement by rotation, at least once every three years, in accordance with the Articles.

Role of the Board

The Board decides on corporate strategies, approves overall business plans and evaluates the Group's financial performance and management. Specific tasks that the Board delegates to the Group's management include the implementation of strategies approved by the Board, the monitoring of operating budgets, the implementation of internal controls procedures, and the ensuring of compliance with relevant statutory requirements and other rules and regulations.

Corporate Governance Functions

The Board is also responsible for performing the corporate governance duties as set out below:—

1. develop and review the Company's policies and practices on corporate governance and make recommendations;
2. review and monitor the training and continuous professional development of directors and senior management;
3. review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
4. develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and

Corporate Governance Report

5. review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report under Appendix 14 to the Listing Rules.

The Board had attended to the above matters during the year.

Directors' training

Based on the training records provided to the Company by the directors and the Company's record, the directors have participated in the following training during 2015:

Directors	Type of trainings
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Executive Directors

CHU Chih-Yaung	A, B
CHEN Hsiang-Jung	A, B
CHEN Min-Ho	A, B
WEN Chi-Tang	A, B
CHIU Rung-Hsien	A, B

Independent Non-Executive Directors

KOO Fook Sun, Louis	A, B
CHIANG Chun-Te	A, B
YU Yu-Tang	A, B

A: attending seminars and/or conferences and/or forums

B: reading information, newspapers, journals and materials relating to responsibilities of directors, economy, financial, investments and business of the Company

Frequency of Board Meetings and Attendance

Board meetings are held at least four times a year and the Board meets as and when required. During the financial year ended 31 December 2015, the Board convened a total of four regular meetings and the attendances of the Directors at these Board meetings are as follows:

Directors	Number of attendance
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Mr. CHU Chih-Yaung	3/4
Mr. CHEN Hsiang-Jung	4/4
Mr. CHEN Min-Ho	3/4
Mr. WEN Chi-Tang	3/4
Mr. CHIU Rung-Hsien	4/4
Mr. KOO Fook Sun, Louis	3/4
Mr. CHIANG Chun-Te	4/4
Mr. YU Yu-Tang	3/4

The Directors received details of agenda items for decision and minutes of Board meetings in advance of each Board meeting.

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

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

Corporate Governance Report

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with the CG Code. The Audit Committee comprises three independent non-executive Directors, namely Mr. KOO Fook Sun, Louis (as chairman), Mr. CHIANG Chun-Te and Mr. YU Yu-Tang.

The role of the Audit Committee is to monitor the establishment and maintenance of an adequate system of internal control and compliance with such system.

The chief responsibilities of the Audit Committee include making recommendations to the Board on the appointment, reappointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditor; reviewing the interim and annual reports and accounts of the Group; and supervising the financial reporting process and effectiveness of the internal control system of the Group. The Audit Committee had during the year performed such functions and reviewed the unaudited financial statements of the Company for the six months ended 30 June 2015. The audited financial statements of the Company for the year ended 31 December 2015 has also been reviewed by the Audit Committee.

The Audit Committee has recommended to the Board that Deloitte Touche Tohmatsu, Certified Public Accountants (who had been appointed as the auditor of the Group on 27 November 2015 to fill the casual vacancy arising from the resignation of Pricewaterhouse Coopers), be nominated for re-appointment as auditor of the Company at the forthcoming annual general meeting of the Company.

Frequency of Meetings and Attendance

During the year 2015, the Audit Committee met three times, during which the management of the Company and the external auditor were also in attendance, if appropriate. Details of the attendance by members of the Audit Committee of such meetings are as follows:

Name of members	Number of attendance
Mr. KOO Fook Sun, Louis	3/3
Mr. CHIANG Chun-Te	1/3
Mr. YU Yu-Tang	3/3

NOMINATION OF DIRECTORS

In considering the nomination of new Directors, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates, especially their experience in the mechanics industry and/or other professional area.

Corporate Governance Report

The Company established a nomination committee (the "Nomination Committee"), with written terms of reference in compliance with the CG Code and consists of two independent non-executive Directors, namely Mr. KOO Fook Sun, Louis (as chairman) and Mr. CHIANG Chun-Te, and one executive Director, namely Mr. CHEN Hsiang-Jung.

The functions of the Nomination Committee are reviewing and supervising the structure, size and composition of the Board, identifying qualified individuals to become members of the Board, assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors.

During the year and prior to the date of this report, there were no changes of the Directors. The Nomination Committee considered the current Board size as adequate for the Company's present operations. In addition, the Committee has reviewed and satisfied with the independence of all independent non-executive Directors.

In accordance with the Articles, at least one-third of the Directors will retire from office at the forthcoming annual general meeting. In accordance with the Articles 87(1) of the Articles, Mr. Chen Hsiang-Jung, Mr. Chen Min-Ho and Mr. Chiu Rung-Hsien will retire by rotation at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

Frequency of Meetings and Attendance

The Nomination Committee has convened one meeting during the year ended 31 December 2015 and details of the attendance of its meeting are as follows:

Name of members	Number of attendance
Mr. KOO Fook Sun, Louis	1/1
Mr. CHIANG Chun-Te	1/1
Mr. CHEN Hsiang-Jung	1/1

Board Diversity Policy

The Company has formulated and adopted the board diversity policy in August 2013 aiming at setting out the approach on diversity of the Board of the Company.

The Board recognizes the importance of having a diverse Board in enhancing the board effectiveness and corporate governance. A diverse Board will include and make good use of differences in the skills, industry knowledge and experience, education, background and other qualities of directors of the Company (the "Directors") and does not discriminate on the ground of race, age, gender or religious belief. These differences will be taken into account in determining the optimum composition of the Board and when possible should be balanced appropriately.

Corporate Governance Report

The Nomination Committee of the Company has responsibility for identifying and nominating for approval by the Board, candidates for appointment to the Board. It takes responsibility in assessing the appropriate mix of experience, expertise, skills and diversity required on the Board and assessing the extent to which the required skills are represented on the Board and overseeing the Board succession. It is also responsible for reviewing and reporting to the Board in relation to Board diversity.

Board appointments will be based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. Selection of candidates to join the Board will be, in part, dependent on the pool of candidates with the necessary knowledge, experience, skills, educational background and other qualities. The final decision will be based on merit and contribution that the chosen candidate will bring to the Board.

At present, the Nomination Committee has not set any measurable objectives to implement the board diversity policy. However, it will consider and review the board diversity policy and setting of any measurable objectives from time to time.

REMUNERATION OF DIRECTORS

The Company established a remuneration committee (the "Remuneration Committee") with written terms of reference in compliance with the CG Code and consists of two independent non-executive Directors, namely Mr. KOO Fook Sun, Louis (as chairman) and Mr. CHIANG Chun-Te, and one executive Director, namely Mr. CHEN Hsiang-Jung.

The functions of the Remuneration Committee are establishing and reviewing the policy and structure of the remuneration for the Directors and senior management.

Frequency of Meetings and Attendance

The Remuneration Committee has convened one meeting during the year ended 31 December 2015 to review the existing remuneration packages of each of the Directors and senior management of the Company and details of the attendance of its meeting are as follows:

Name of members	Number of attendance
Mr. KOO Fook Sun, Louis	1/1
Mr. CHIANG Chun-Te	1/1
Mr. CHEN Hsiang-Jung	1/1

Corporate Governance Report

Emolument policy

The emolument policy of the employees of the Group is determined on the basis of their merit, qualifications and competence.

The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics. Each of the executive Directors is entitled to the respective basic salary which is reviewed annually. In addition, each of the executive Directors may receive a discretionary bonus as the Board may suggest, the amount of which shall not exceed 2% of the audited consolidated net profits of the Group for the relevant financial year. Such amount has to be approved by the Remuneration Committee. Details of the Directors' remuneration are set out in note 8 to the consolidated financial statements.

The Company had adopted a share option scheme on 22 December 2005 which was effective for a period of 10 years until 21 December 2015. The purpose of the share option scheme was to enable the Board, at its discretion, to grant options to selected eligible participants to motivate them and to optimize their performance and efficiency for the benefit of the Group. Details of the share option scheme are set out in the section headed "Share Option Scheme" of the "Report of the Directors".

Remuneration of Senior Management

The remuneration of the members of the senior management by band for the year ended 31 December 2015 is set out below:

Remuneration bands (HK\$)	Number of persons
Less than \$1,000,000	3
\$1,000,001 to \$1,500,000	2
\$1,500,001 to \$2,000,000	–

Further particulars regarding Director's remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in notes 8(a) and 8(b) to the financial statements, respectively.

OTHER BOARD COMMITTEES

During the year, an independent board committee comprising all the three independent non-executive directors was formed for discloseable and connected transaction involving acquisition of 25.5% equity interest in FFG Werke GmbH. Details of this discloseable and connected transaction were set out in a circular of the Company dated 7 September 2015.

Corporate Governance Report

Another independent board committee comprising all the three independent non-executive directors was formed for the major and connected transaction involving provision of financial assistance. Details of this major and connected transaction were set out in a circular of the Company dated 28 October 2015.

Another independent board committee comprising all the three independent non-executive directors was formed for the major transaction and connected transaction involving formation of joint venture and capital injection. Details of this major transaction and connected transaction were set out in a circular of the Company dated 4 December 2015.

A total of three committee meetings were held to approve respectively the above transactions with the presence of all the committee members.

COMPANY SECRETARY

The Company has engaged and appointed Mr. Lo Tai On, a representative from an external secretarial services provider, as the company secretary of the Company. The primary contact person with the company secretary of the Company is Mr. Esmond Yip, the Financial Controller of the Company. Mr. Lo has duly complied with the relevant training requirement under Rule 3.29 of the Listing Rules.

CONSTITUTIONAL DOCUMENTS

During the year under review, there was no change in the Company's constitutional documents.

AUDITOR'S REMUNERATION

During the year under review, the remuneration paid/payable to the Company's auditor, Deloitte Touche Tohmatsu, is set out below:

Services rendered to the Group	Fee paid/payable HK\$'000
Audit services	1,300
Non-audit services	–

INTERNAL CONTROL SYSTEM

The Board is responsible for the Group's system of internal control and has the responsibility for reviewing its effectiveness including financial, operational and compliance controls, etc.. The Board is committed to implementing an effective and sound internal control system to safeguard the interests of the shareholders and the Group's assets. During the year, the Company has engaged a professional firm to assist the board in conducting a review of certain key parts of the internal control system of the Group. The Board also reviewed the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function and their training programmes and budget. The report and findings of the review, had been submitted to the Board and follow up plan had been adopted. The review did not find any material deficiencies in the internal control system of the Group.

Corporate Governance Report

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Company's accounts for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the financial statements for the year ended 31 December 2015, the Board has selected suitable accounting policies and applied them consistently; made judgments and estimates that are prudent, fair and reasonable and prepared the accounts on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATION

The Board recognises the importance of good communication with the shareholders of the Company (the "Shareholders"). Information in relation to the Group is disseminated to the Shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars of the Company.

The general meetings of the Company are valuable forum for the Board to communicate directly with the Shareholders. The Shareholders are encouraged to attend the general meetings of the Company.

An annual general meeting of the Company was held on 29 May 2015 (the "2015 AGM"). A notice convening the 2015 AGM contained in the circular dated 27 April 2015 was dispatched to the Shareholders together with the 2014 Annual Report. Mr. Chen Hsiang-Jung, the Executive Director and Mr. Koo Fook Sun, Louis, the Chairman of the committees of the Board, attended the 2015 AGM to answer the questions from the Shareholders. Other directors were unable to attend the 2015 AGM due to their other business commitment.

Besides, extraordinary general meetings of the Company were held on 23 September 2015, 13 November 2015 and 21 December 2015, respectively (the "EGMs") to approve, respectively, (i) discloseable and connected transaction; (ii) major and connected transaction and (iii) major transaction and connected transaction of the Company etc. Mr. Chen Hsiang-Jung and Mr. Koo Fook Sun, Louis attended the EGMs. Other Directors were unable to attend the EGMs due to their other business commitment.

The Chairman of the 2015 AGM and EGMs explained detailed procedures for conduction a poll. All the resolutions proposed at the 2015 AGM and EGMs were passed separately by the Shareholders by way of poll. The results of the poll were published on the websites of the Stock Exchange and the Company after the meetings.

Corporate Governance Report

The forthcoming annual general meeting of the Company will be held on 2 June 2016 (the "2016 AGM"). A notice convening 2016 AGM will be published on the websites of the Stock Exchange and the Company and dispatched together with the 2015 Annual Report to the Shareholders as soon as practicable in accordance with the Articles and the CG Code.

The Company is committed to enhancing communications and relationships with its investors. Designated senior management maintains an open dialogue with institutional investors and analysts to keep them abreast of the Company's developments.

The Company also maintains a website at www.goodfriend.hk, where updates on the Company's business developments and operations, financial information and news can always be found.

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary whose contact details are as follows:—

Room 2003, 20/F., Kai Tak Commercial Building,
317-319 Des Voeux Road Central, Hong Kong
Fax: (852) 3586 2620
Email: investor@goodfriend.hk

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year at such place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting ("EGM"). The procedures are subject to the Articles and applicable legislation and regulations.

Procedures for shareholders to convene EGM:

Any one or more shareholders 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 to the Board or the Secretary of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition.

Corporate Governance Report

The written requisition must state the business to be transacted at the meeting, signed by the requisitionist(s) and deposited at the Company's principal place of business in Hong Kong or the Company's registered office for the attention of the Board or the Secretary of the Company, and may consist of several documents in like form, each signed by the requisitionist(s). The requisition will be verified with the Company's branch share registrars in Hong Kong and upon their confirmation that the requisition is proper and in order, the Secretary of the Company will ask the Board to consider convening an EGM, on the contrary, if the requisition has been verified as invalid, the requisitionist(s) will be advised of the outcome and accordingly, an EGM will not be convened.

Any meeting convened by the requisitionists should be convened with the same manner as that in which meetings are convened by the Board.

Procedures for putting forward proposals at general meetings

To put forward proposals at a general meeting of the Company, a shareholder should lodge a written request, duly signed by the shareholder concerned, setting out the proposals at the Company's principal place of business in Hong Kong for the attention of the Board and the Secretary of the Company with sufficient lead time in advance. The request will be verified with the Company's branch share registrar in Hong Kong and upon their confirmation that the request is proper and in order, the Secretary of the Company will pass the request to the Board. Whether a proposal will be put to a general meeting will be decided by the Board in its discretion.

The procedures for shareholders of the Company to propose a person for election as director is posted on the Company's website at www.goodfriend.hk.

AUDITOR'S STATEMENT

The auditor of the Company acknowledge their responsibilities in the auditor's report on the financial statements of the Group for the year ended 31 December 2015.

Hong Kong, 31 March 2016

Independent Auditor's Report

Deloitte.
德勤

德勤 • 關黃陳方會計師行
香港金鐘道88號
太古廣場一座35樓

Deloitte Touche Tohmatsu
35/F One Pacific Place
88 Queensway
Hong Kong

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOOD FRIEND INTERNATIONAL HOLDINGS INC.

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Good Friend International Holdings Inc. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 47 to 121, which comprise the consolidated statement of financial position as at 31 December 2015 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTOR'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

Independent Auditor's Report

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

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

OPINION

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

OTHER MATTER

The consolidated statement of financial position as at 31 December 2014 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended were audited by another auditor who expressed an unmodified opinion on those statements on 27 March 2015.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
31 March 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

		FOR THE YEAR ENDED 31 DECEMBER	
	NOTES	2015 RMB'000	2014 RMB'000
Revenue	5	990,239	1,300,119
Cost of revenue	5	(722,314)	(955,225)
Gross profit		267,925	344,894
Other income	6	39,797	33,520
Distribution and selling expenses		(122,494)	(129,480)
Administrative expenses		(115,895)	(99,528)
Other operating expenses		(4,023)	(4,144)
Finance costs	9	(8,734)	(9,174)
Share of loss of joint ventures	17	(1,387)	(2,458)
Share of profit (loss) of associates	18	101	(8,559)
Gain on deemed disposal of available-for-sale financial asset	18	662	–
Profit before income tax	7	55,952	125,071
Income tax expense	10	(9,855)	(23,758)
Profit attributable to equity holders of the Company		46,097	101,313
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Share of other comprehensive loss of an associate		(4,318)	–
Currency translation differences		157	(3,266)
Total comprehensive income for the year, attributable to equity holders of the Company		41,936	98,047
Earnings per share attributable to the equity holders of the Company (expressed in RMB per share)	11		
– Basic and diluted earnings per share		0.11	0.25
Dividends	12	24,192	44,352

Consolidated Statement of Financial Position

		AT 31 DECEMBER	
	NOTES	2015 RMB'000	2014 RMB'000
Non-current assets			
Prepaid lease payments-non-current	13	35,658	36,598
Property, plant and equipment	14	216,383	236,867
Intangible assets	15	3,251	1,696
Investments in joint ventures	17	16,970	18,357
Investments in associates	18	310,959	1,207
Available-for-sale financial asset	21	–	8,623
Deferred tax assets	30	6,310	6,144
		589,531	309,492
Current assets			
Inventories	22	250,076	257,257
Debtors, deposits and prepayments	20	449,745	513,983
Prepaid lease payments-current	13	940	940
Amount due from an investee	21	–	4,473
Amounts due from customers for contract work	23	36,717	32,494
Amount due from ultimate holding company	34	–	532
Amounts due from fellow subsidiaries and an associate of ultimate holding company	34	1,277	296
Amounts due from joint ventures	34	717	891
Amounts due from associates and subsidiaries of an associate	34	60,841	12,274
Restricted bank deposits	24	172,613	134,681
Term deposits with initial term of over three months	25	–	98,000
Cash and cash equivalents	25	101,583	262,751
		1,074,509	1,318,572

Consolidated Statement of Financial Position

		AT 31 DECEMBER	
	NOTES	2015 RMB'000	2014 RMB'000
Current liabilities			
Amounts due to customers for contract work	23	15,576	42,800
Creditors, other payables and accrued charges	27	447,313	410,211
Amount due to ultimate holding company	34	160	1,716
Amount due to immediate holding company	34	1,856	3,447
Amounts due to a fellow subsidiary and an associate of ultimate holding company	34	21,664	784
Amounts due to an associate and subsidiaries of an associate	34	10,389	1,128
Amounts due to joint ventures	34	317	76
Current income tax liabilities		7,858	16,681
Bank borrowings	29	408,677	402,079
Warranty provision	28	5,791	6,329
		919,601	885,251
Net current assets		154,908	433,321
Total assets less current liabilities		744,439	742,813
Non-current liabilities			
Deferred tax liabilities	30	–	16,118
Net assets		744,439	726,695
Capital and Reserves			
Share capital	26	4,022	4,022
Share premium		82,281	82,281
Capital reserves		77,338	77,338
Other reserves		48,905	53,066
Retained earnings		531,893	509,988
Total equity		744,439	726,695

The consolidated financial statements on pages 47 to 121 were approved and authorised for issue by the Board of Directors on 31 March 2016 and are signed on its behalf by:

Chu Chih-Yaung
DIRECTOR

Chen Hsiang-Jung
DIRECTOR

Consolidated Statement of Changes In Equity

	FOR THE YEAR ENDED 31 DECEMBER 2015					
	Share capital RMB'000	Share premium RMB'000 (note a)	Capital reserves RMB'000 (note b)	Other reserves RMB'000 (note c)	Retained earnings RMB'000	Total RMB'000
At 1 January 2014	4,022	82,281	77,338	56,332	453,027	673,000
Profit for the year	–	–	–	–	101,313	101,313
Other comprehensive income						
Currency translation differences	–	–	–	(3,266)	–	(3,266)
Total comprehensive income	–	–	–	(3,266)	101,313	98,047
Dividends paid	–	–	–	–	(44,352)	(44,352)
At 31 December 2014	4,022	82,281	77,338	53,066	509,988	726,695
Profit for the year	–	–	–	–	46,097	46,097
Other comprehensive income						
Share of other comprehensive loss of an associate	–	–	–	(4,318)	–	(4,318)
Currency translation differences	–	–	–	157	–	157
Total comprehensive income	–	–	–	(4,161)	46,097	41,936
Dividends paid	–	–	–	–	(24,192)	(24,192)
At 31 December 2015	4,022	82,281	77,338	48,905	531,893	744,439

Note:

a. Share premium

Under Section 34(2) of the Companies Law, Cap. 22 (Laws 3 of 1961, as consolidated and revised) of the Cayman Islands, the share premium account may be applied by the Company paying dividends to members provided that no dividend may be paid to members out of the share premium account unless, immediately following the date on which the dividend proposed to be paid, the Company shall be able to pay its debts as they fall due in the ordinary course of business.

b. Capital reserves

Capital reserve represents the difference between the paid-in capital/share capital and share premium of the subsidiaries acquired at the consideration of nominal value of the Company's shares issued during the time of the corporate reorganisation of the Group prior to the listing of the shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

c. Other reserves

In addition to currency translation reserve, other reserves include general reserve and enterprise expansion reserve which are set up in accordance with statutory requirements in the People's Republic of China ("PRC").

Consolidated Statement of Cash Flows

		FOR THE YEAR ENDED 31 DECEMBER	
	NOTES	2015 RMB'000	2014 RMB'000
Operating activities			
Cash generated from operations	31	128,851	242,636
Income tax and withholding tax paid		(34,962)	(26,049)
Net cash generated from operating activities		93,889	216,587
Investing activities			
Investment in a joint venture		–	(3,239)
Investment in associates		(289,067)	–
Placement of shareholder loan		(6,037)	–
Purchases of property, plant and equipment ("PPE")		(5,818)	(4,221)
Proceeds from sale of PPE		20	567
Purchases of intangible assets		(2,538)	(939)
Interest received		14,193	9,995
Withdrawal of restricted bank deposits		134,681	60,167
Placement of restricted bank deposits		(172,613)	(134,681)
Decrease (increase) in term deposits with initial term of over three months		98,000	(74,000)
Net cash used in investing activities		(229,179)	(146,351)
Financing activities			
Proceeds from bank borrowings		1,837,670	192,455
Repayments of bank borrowings		(1,831,072)	(158,128)
Dividends paid to equity holders		(24,192)	(44,352)
Interest paid		(8,734)	(9,174)
Net cash used in financing activities		(26,328)	(19,199)
Net (decrease) increase in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		262,751	211,829
Effect of foreign exchange rate changes		450	(115)
Cash and cash equivalents at end of the year		101,583	262,751

Notes to the Consolidated Financial Statements

1. GENERAL

Good Friend International Holdings Inc. ("the Company") and its subsidiaries are engaged in the design and production of computer numerical control machine tools, three dimensional car parking garage structures and forklift trucks.

The Company was incorporated in the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company's shares have been listed on the Main Board of the Stock Exchange since 11 January 2006. In addition, 67,200,000 units of Taiwan depositary receipts ("TDRs"), representing 67,200,000 newly issued shares of the Company, were issued and listed on the Taiwan Stock Exchange Corporation ("Taiwan Stock Exchange") on 18 March 2010. Good Friend (H.K.) Corporation Limited, a company incorporated in Hong Kong, and Fair Friend Enterprise Company Limited, a company incorporated in Taiwan, are the immediate holding company and the ultimate holding company, respectively.

These financial statements are presented in Renminbi ("RMB"), unless otherwise stated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out below.

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

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

Notes to the Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

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

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

The consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

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

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(a) Application of new and revised HKFRSs:

The following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2015:

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

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

Notes to the Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

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

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

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

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

² Effective for annual periods beginning on or after 1 January 2016.

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

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39.

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the "hedged ratio" to be the same as the one management actually use for risk management purposes.

Notes to the Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

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

Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is yet to assess HKFRS 9's full impact.

HKFRS 15, "Revenue from contracts with customers" deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces HKAS 18 "Revenue" and HKAS 11 "Construction contracts" and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group is assessing the impact of HKFRS 15.

Amendments to HKFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments to HKFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in HKFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards (e.g. HKAS 12 Income Taxes regarding the recognition of deferred taxes at the time of acquisition and HKAS 36 Impairment of Assets regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

The amendments should be applied prospectively to acquisitions of interests in joint operations (in which the activities of the joint operations constitute businesses as defined in HKFRS 3) occurring from the beginning of annual periods beginning on or after 1 January 2016. The directors anticipate that the application of these amendments to HKFRS 11 may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Notes to the Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

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

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to HKFRS 10 Consolidated Financial Statements and HKAS 28 Investments in Associates and Joint Ventures deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The amendments should be applied prospectively to transactions occurring in annual periods beginning on or after 1 January 2016. The directors anticipate that the application of these amendments to HKFRS 10 and HKAS 28 may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Except as described above, the directors anticipate that the application of other new and revised HKFRSs in issue but not effective will have no material effect on the Group's consolidated financial statements.

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Notes to the Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

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

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

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

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

Notes to the Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Subsidiaries *(Continued)*

2.2.2 Separate financial statements

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

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

2.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in an associate are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in an associate includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated statement of profit or loss and other comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount as part of the carrying amount of the investment in the associate.

Notes to the Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Associates *(Continued)*

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in an associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the associate have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interest in an associate are recognised in the consolidated statement of profit or loss and other comprehensive income.

2.4 Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

2.5 Segment reporting

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

Notes to the Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.6 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss and other comprehensive income.

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each consolidated statement of financial position presented are translated at the rate of exchange prevailing at the end of each reporting period;
- (ii) income and expenses for each consolidated statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this average exchange rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the rate of exchange prevailing at the end of each reporting period. Currency translation differences are recognised in the other comprehensive income.

Notes to the Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.6 Foreign currency translation *(Continued)*

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associate or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

2.7 Prepaid lease payments

Upfront prepayments made for the land use rights are initially recognised in the consolidated statement of financial position as lease payments and are expensed in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the periods of the land use right certificate which is 50 years.

2.8 Property, plant and equipment

Property, plant and equipment (other than construction in progress) is stated at historical cost less subsequent accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Notes to the Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Property, plant and equipment *(Continued)*

The items of PPE, except for construction in progress, are depreciated on a straight-line basis at the following rates per annum:

– Buildings	20 years
– Machinery and equipment	10 years
– Office and computer equipment	3-5 years
– Motor vehicles	4 years

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of profit or loss and other comprehensive income.

Construction in progress represents property in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use.

2.9 Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 to 5 years.

2.10 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Notes to the Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes 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.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, 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.

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

2.12 Financial assets

2.12.1 Classification

The Group classifies its financial assets as loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at FVTPL of the Group comprise those designated as at FVTPL upon initial recognition.

Notes to the Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.12 Financial assets *(Continued)*

2.12.1 Classification *(Continued)*

(a) Financial assets at fair value through profit or loss ("FVTPL") (Continued)

A financial asset may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's receivables comprise 'Debtors, deposits and prepayments', 'Amount due from an investee', 'Amount due from ultimate holding company', 'Amounts due from fellow subsidiaries and an associate of ultimate holding company', 'Amounts due from joint ventures', 'Amounts due from associates and subsidiaries of an associate', 'Restricted bank deposits', 'Term deposits with initial term of over three months' and 'Cash and cash equivalents' in the consolidated statement of financial position.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Notes to the Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.12 Financial assets *(Continued)*

2.12.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date, i.e. the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value, except that its fair value cannot be measured reliably. Unlisted equity financial assets are stated at cost less impairment because the range of reasonable fair value estimates is so significant that the fair value cannot be measured reliably. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

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 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 asset, or where appropriate, a shorter period to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments.

2.13 Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or equity according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

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 group entities are recorded at the proceeds received, net of direct issue costs.

Effective interest methods

The effective interest method is a method of calculating the amortized 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 recognized on an effective interest basis.

Notes to the Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.13 Financial liabilities and equity instruments *(Continued)*

Financial liabilities

Financial liabilities including creditors, other payables and accrued charges, amount due to ultimate holding company, amount due to immediate holding company, amounts due to a fellow subsidiary and associate of ultimate holding company, amounts due to an associate and subsidiaries of an associate, amounts due to joint ventures and bank borrowings are subsequently measured at amortized cost, using the effective interest method.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or those designated as at FVTPL on initial recognition.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item.

2.14 Impairment of financial assets

(a) Asset carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss and other comprehensive income. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss and other comprehensive income.

Notes to the Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.14 Impairment of financial assets *(Continued)*

(b) Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria referred to in (a) above. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the profit or loss on equity instruments are not reversed through profit or loss.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes bank borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.16 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

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

2.17 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash at bank and on hand, and short-term bank deposits with original maturities of three months or less.

2.18 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.19 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.20 Bank borrowings

Bank borrowings are recognised initially at fair value, net of transaction costs incurred. Bank borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss and other comprehensive income over the period of the bank borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Bank borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.21 Bank borrowing costs

General and specific bank 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.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.22 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 year. Taxable profit differs from "profit before taxation" as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years 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 enacted or substantively enacted by the end of the reporting period.

Notes to the Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.22 Taxation *(Continued)*

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

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

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

Current and deferred tax is recognised in to profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Notes to the Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Employee benefits

Pension obligations

The Group makes contributions to defined contribution retirement schemes under the Mandatory Provident Fund Schemes ("MPF") Ordinance in Hong Kong, the assets of which are generally held in separate trustee administered funds. The pension plans are generally funded by payments from employees and by the Group. The Group's contributions to the defined contribution retirement schemes are expensed as incurred.

The Group also contributes to employee retirement schemes established by municipal governments in the PRC. The municipal governments undertake to assume the retirement benefit obligations of all existing and future retired employees of the Group. Contributions to these schemes are charged to the consolidated statement of profit or loss and other comprehensive income as incurred.

2.24 Government grants

Government grants are recognised at their fair values where there is reasonable assurance that grant will be received and all attaching conditions will be complied with. Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss and other comprehensive income over the period necessary to match them with the cost that they are intended to compensate.

2.25 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Notes to the Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.26 Revenue recognition and other income

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

- (a) Sales of machine tools and forklift trucks are recognised when goods are delivered and title has been passed.
- (b) Revenue from construction of parking garage structures for contract customers is recognised based on the percentage of completion of the contract, provided that the revenue, the costs incurred and the estimated costs to completion can be measured reliably. The percentage of completion is estimated by reference to the costs incurred to date as compared to the total costs to be incurred under the contract. Provision is made for foreseeable losses as soon as they are anticipated by the management.
- (c) Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired receivables is recognised using the original effective interest rate.
- (d) Repair income is recognised when service are rendered.
- (e) Rental income from lease of properties is recognised in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the term of the lease.

Notes to the Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 Parking garage structures contracts

Where the outcome of a parking garage structures construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, measured by the proportion of contract costs incurred for work performed to date as compared to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customers.

Where the outcome of a parking garage structures construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

Where it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as an amount due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as an amount due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under debtors, deposit and prepayments.

2.28 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

2.29 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved by the Company's shareholders or directors where appropriate.

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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

(a) Foreign exchange risk

The Group is mainly exposed to foreign exchange risk arising from Hong Kong dollars, United States dollars and Euro against RMB. This foreign exchange risk arises from future commercial transactions or recognised assets and liabilities denominated in a currency that is not the entity's functional currency of RMB. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and it has not hedged its foreign exchange risk.

At 31 December 2015, if RMB had strengthened/weakened by 5% (2014: 5%) against the Hong Kong dollars with all other variables held constant, the Group's profit for the year would have been approximately RMB1,863,000 higher/lower (2014: approximately RMB3,382,000 higher/lower).

At 31 December 2015, if RMB had strengthened/weakened by 5% (2014: 5%) against the United States dollars with all other variables held constant, the Group's profit for the year would have been approximately RMB6,532,000 higher/lower (2014: approximately RMB13,444,000 higher/lower).

At 31 December 2015, if RMB had strengthened/weakened by 5% (2014: 5%) against Euro with all other variables held constant, the Group's profit for the year would have been approximately RMB6,545,000 higher/lower (2014: approximately RMB1,200,000 higher/lower).

In addition, the conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange control promulgated by the PRC government.

During the year ended 31 December 2015, the Group entered into a forward foreign exchange contract under which the Group could cover RMB/USD payments and receipts within a target redemption forward purchased from a bank with the maximum notional amount of USD70,000,000. Each USD5,000,000 within the notional amount shall be matured at a fixed settlement date, with 5 fixed settlement dates expired during the year ended 31 December 2015 and the last settlement date of the entire forward foreign exchange contract to be 22 July 2016. The strike price of the forward contract is 6.1840 (the "Strike Price") and the European Knock In is 6.5700 (the "EKI") which means the Group is entitled to the right of selling US dollar to the bank at USD/RMB rate of 6.1840 when the actual exchange rate of USD/RMB falls below the Strike Price, while the bank is entitled to the right of requiring the Company to sell US dollar at USD/RMB rate of 6.1840 when the actual exchange rate of USD/RMB goes up above the EKI.

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(a) Foreign exchange risk (Continued)

As at 31 December 2015, the notional amount of value of the outstanding forward foreign exchange contract was USD45,000,000, while the fair value of the forward contract was insignificance, as the expected exchange rate of USD/RMB for the pre-determined reference dates of the forward foreign exchange contract does not expect to exceed the range of the Strike Price and EKI.

The fair value of the Company's forward foreign exchange contract as at 31 December 2015 is measured based on the Level 2 of fair value measurement.

(b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest bearing assets and liabilities except for the deposits in banks and certain bank loans.

At 31 December 2015, if interest rates had been 50 basis points higher/lower with all other variables held constant, the Group's post-tax profit for the year would have been RMB1,520,000 (2014: RMB73,000) lower/higher, mainly as a result of higher/lower interest expense on floating rate bank borrowings.

(c) Credit risk

As at 31 December 2015, the Group's maximum exposure to credit risk arises from debtors, deposits, amounts due from ultimate holding company, fellow subsidiaries and an associate of ultimate holding company, joint ventures, associates and their subsidiaries as well as restricted bank deposits, term deposits with initial term of over three months, cash and cash equivalents as stated in the consolidated statement of financial position, and the contingent liabilities in relation to financial guarantee issued by the Group as disclosed in Note 32.

In order to minimise the credit risk, management of the Group has delegated a team of personnel responsible for determination of credit limits, credit approvals and implementation of monitoring procedures to ensure follow-up actions are taken to recover overdue debts. In addition, the Group reviews the recoverable amount due from each individual trade customer at each reporting date in order to provide for impairment losses for irrecoverable amounts.

The credit risk on cash and cash equivalents is considered insignificant because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(d) Liquidity risk

In order to manage the liquidity risk, the Group monitors and maintains cash and cash equivalents and unused credit facilities at a level which is deemed to be adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period between the reporting date to the contractual maturity dates.

	Repayable on demand or less than 1 year RMB'000	1 year to 5 years RMB'000	More than 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amount RMB'000
At 31 December 2015					
Creditors and other payables	218,645	–	–	218,645	218,645
Bank borrowings	408,677	–	–	408,677	408,677
Amount due to ultimate holding company	160	–	–	160	160
Amount due to immediate holding company	1,856	–	–	1,856	1,856
Amounts due to a fellow subsidiary and an associate of ultimate holding company	21,664	–	–	21,664	21,664
Amounts due to an associate and subsidiaries of an associate	10,389	–	–	10,389	10,389
Amounts due to joint ventures	317	–	–	317	317
	661,708	–	–	661,708	661,708

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(d) Liquidity risk (Continued)

	Repayable on demand or less than 1 year RMB'000	1 year to 5 years RMB'000	More than 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amount RMB'000
At 31 December 2014					
Creditors and other payables	246,632	–	–	246,632	246,632
Bank borrowings	402,079	–	–	402,079	402,079
Amount due to ultimate holding company	1,716	–	–	1,716	1,716
Amount due to immediate holding company	3,447	–	–	3,447	3,447
Amounts due to a fellow subsidiary and an associate of ultimate holding company	784	–	–	784	784
Amounts due to an associate and subsidiaries of an associate	1,128	–	–	1,128	1,128
Amounts due to joint ventures	76	–	–	76	76
	655,862	–	–	655,862	655,862

In addition, the Group may be required to settle the financial guarantees issued by the Group as detailed in Note 32 within one year from each reporting date should the guarantees be crystallised.

3.2 Capital risk management

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital risk management (Continued)

The capital structure of the Group consists of net debts, which includes bank borrowings net of cash and cash equivalents, and equity attributable to equity holders of the Company, comprising share capital, share premium and reserves.

The directors review the capital structure periodically. As a part of this review, the directors assess the annual budget prepared by various departments, which takes into account future expansion plans and sources of funding. The directors consider the cost of capital and the risk associated with each class of capital. The directors also balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debts or redemption of existing debts.

	2015 RMB'000	2014 RMB'000
Total bank borrowings	408,677	402,079
Less: cash and cash equivalents	(101,583)	(262,751)
Net debt	307,094	139,328
Total equity	744,439	726,695
Net capital	1,051,533	866,023
Gearing ratio	29%	16%

The increase in the gearing ratio during 2015 was mainly due to decrease in cash and cash equivalents.

Notes to the Consolidated Financial Statements

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Revenue from construction of parking garage structures

When the outcome of a parking garage structures construction contract can be estimated reliably, the Group recognises the related revenue based on the percentage-of-completion method, which is measured by the proportion of contract costs incurred for work performed to date to the estimated total contract costs. Estimated total costs to be incurred under each contract are regularly reviewed during the whole term of the contract. Recognition of this revenue is made based on performance measurement. It involves an estimation process and is subject to risks and uncertainties inherent in projecting future events. A number of internal and external factors can affect our estimates, including different cost components applied to different parking garage structures being constructed; and efficiency of the Group's employees undertaking the construction. Recognised revenue and profit are subject to revisions as the respective contract progress to completion. Revisions in profit estimates are charged to the consolidated statement of profit or loss and other comprehensive income in the period in which the revision becomes known. Accordingly, any changes in the Group's estimates would impact the Group's future operating results.

(b) Estimated impairment of trade debtors

The Group makes provision for impairment of trade debtors based on an estimate of the recoverability of the debtors. Provisions are applied to debtors where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment of debtors requires the use of estimates. Where the expectation is different from the original estimate, such difference will impact carrying amount of the debtors and provision for impairment losses in the year in which such estimate has been changed.

As at 31 December 2015, provision for impairment of trade debtors amounting to approximately RMB36,512,000 (2014: RMB36,544,000) had been recognised.

Notes to the Consolidated Financial Statements

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)***4.1 Critical accounting estimates and assumptions** *(Continued)**(c) Estimated useful lives and impairment of property, plant and equipment*

The Group determines the estimated useful lives of its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimated, and will write-off or write-down technically obsolete or non-strategic assets.

Machinery and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the higher of fair value of the machinery and equipment less costs to sell or the value-in-use calculations. An impairment loss is measured as the difference between the asset's carrying amount and the recoverable amount. Where the recoverable amount is less than expected, a material impairment loss may arise.

(d) Provision for impairment of inventories

The Group reviews the carrying value of its inventories to ensure that they are stated at the lower of cost and net realisable value. In assessing the net realisable value and making appropriate allowances, management identifies, using their judgement, inventories that are slow moving or obsolete, and considering their physical conditions, age, market conditions and market price for similar items.

(e) Income taxes

Most of the subsidiaries of the Group are subject to income taxes in the PRC. Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the financial period in which such determination is made.

(f) Warranty provision

The Group generally offers one-year warranties for its machine tools and forklift trucks, and two-year warranties for its parking garage structures. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

Notes to the Consolidated Financial Statements

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

4.1 Critical accounting estimates and assumptions *(Continued)*

(g) Impairment of goodwill recognised in investments in associates acquired

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. During the year ended 31 December 2015, no impairment loss in respect of goodwill recognised in investments in associates was recognised by the Group.

(h) Contingent liability arising from financial guarantee contracts

The Group has provided financial guarantees to an associate in respect of borrowings, the details of which is disclosed in Note 32. Management estimates that the default risk of the associate is remote, thus the exposure to contingent liability arising from these financial guarantees is remote and immaterial, and as a result, no contingent liability has been recognised in current year. Management will review the exposure to such guaranty liability on an ongoing basis and revise its estimate where appropriate.

(i) Fair value of forward foreign exchange contracts

When the fair value of forward foreign exchange contracts cannot be derived from active markets, their fair value is determined using valuation techniques that rely on alternate market data or inputs that are generally less readily observable from objective sources and are estimated based on pertinent information available at the time of the applicable reporting periods. The alternate market data or inputs to these valuation techniques are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as applied forward foreign exchange rate. Changes in assumptions about the factor could affect the fair value of forward foreign exchange contracts.

5. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors (the "Executive Directors") of the Company. The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports reviewed by the Executive Directors that are used to make strategic decisions.

The Executive Directors consider that the Group has three reportable segments: (1) machine tools; (2) parking garage structure; and (3) forklift trucks.

The Executive Directors assess the performance of the operating segments based on their respective gross profit.

Notes to the Consolidated Financial Statements

5. SEGMENT INFORMATION (Continued)

The Group does not allocate distribution and selling expenses, administrative expenses, other operating expenses or assets to its segments, as the Executive Directors do not use this information to allocate resources to or evaluate the performance of the operating segments. Therefore, the Group does not report a measure of profit and total assets for each reportable segment.

	Machine Tools RMB'000	Parking Garage Structures RMB'000	Forklift Trucks RMB'000	Total Group RMB'000
For the year ended 31 December 2015				
Revenue (all from external sales)	671,863	229,610	88,766	990,239
Cost of revenue	(468,722)	(172,511)	(81,081)	(722,314)
Segment profit	203,141	57,099	7,685	267,925
	Machine Tools RMB'000	Parking Garage structures RMB'000	Forklift Trucks RMB'000	Total Group RMB'000
For the year ended 31 December 2014				
Revenue (all from external sales)	964,771	205,808	129,540	1,300,119
Cost of revenue	(670,124)	(167,124)	(117,977)	(955,225)
Segment profit	294,647	38,684	11,563	344,894

Majority of the Group's operations and assets are located in the PRC and the Group mainly sells to the PRC market. No customers contributed over 10% of total revenue for each of the years.

Notes to the Consolidated Financial Statements

6. OTHER INCOME

	2015 RMB'000	2014 RMB'000
Sale of scrap materials	3,865	7,542
Government subsidies	5,487	1,550
Repair income	8,201	6,646
Rental income	3,412	2,108
Interest income	14,193	9,995
Others	4,639	5,679
	39,797	33,520

7. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging:

	2015 RMB'000	2014 RMB'000
Directors and chief executives' remuneration	2,128	2,054
Other staff costs	135,950	123,854
Other staff's retirement benefits scheme contributions	4,915	4,232
Total staff costs	142,993	130,140
Auditor's remuneration	1,408	1,410
Cost of inventories recognised as an expense	627,647	868,176
Depreciation of property, plant and equipment	26,081	28,080
Amortisation of intangible assets	983	701
Allowance for inventories, net	7,791	7,009
Provision for warranty	5,121	6,766
Direct operating expenses incurred for rental income	1,947	1,938
Loss on disposal of property, plant and equipment	201	296
Net exchange loss	19,196	2,849
Research and development costs recognised as expense*	17,253	23,275

* The amount disclosed above does not include depreciation of property, plant and equipment, amortisation of intangible assets and staff costs charged to research and development cost recognised as expense amounting to RMB1,183,000, RMB224,000 and RMB13,722,000 (2014: RMB1,898,000, RMB286,000 and RMB11,232,000) respectively. Such expenses are included in their corresponding headings within this note.

Notes to the Consolidated Financial Statements

8. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

(a) Directors' and chief executive's emoluments

The remuneration of each director and chief executive is set out below:

Executive directors

	Chu Chih Yaung [#] RMB'000	Chen Hsiang- Jung* RMB'000	Chiu Chen Min-Ho RMB'000	Wen Chi-Tang RMB'000	Rung-Hsien RMB'000	Total RMB'000
Year ended 31 December 2015						
Salaries	180	180	144	144	144	792
Performance related bonuses	500	500	–	–	–	1,000
Total	680	680	144	144	144	1,792
Year ended 31 December 2014						
Salaries	180	180	144	144	144	792
Performance related bonuses	473	473	–	–	–	946
Total	653	653	144	144	144	1,738

[#] Chairman

* Chief executive officer

Independent non-executive directors

	Koo Fook Sun, Louis RMB'000	Chiang Chun-Te RMB'000	Yu Yu-Tang RMB'000	Total RMB'000
Year ended 31 December 2015				
Fees	168	84	84	336
Total	168	84	84	336
Year ended 31 December 2014				
Fees	158	79	79	316
Total	158	79	79	316

Notes to the Consolidated Financial Statements

8. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

(a) Directors' and chief executive's emoluments (Continued)

The executive directors and chief executives' emoluments shown above were mainly for their services as directors and in connection with the management of the affairs of the Group. The independent non-executives' emoluments shown above were mainly for their services as directors.

The remuneration of the directors and chief executives is determined by factors including their time commitment, responsibilities, performance, experiences, and the overall performance of the Group.

(b) Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, two (2014: none) were directors of the Company. The emoluments of the remaining three (2014: five) individuals were as follows:

	2015 RMB'000	2014 RMB'000
Basic salaries and allowances	2,158	1,926
Bonus	745	2,130
Pension costs – defined contribution plans	77	191
	2,980	4,247

The emoluments of the five highest paid individuals fell within the following bands:

	2015	2014
Emoluments bands (in HKD)		
Less than HKD1,000,000	3	3
HKD1,000,001 to HKD1,500,000	2	1
HKD1,500,001 to HKD2,000,000	–	1

During the years ended 31 December 2014 and 2015, none of the directors of the Company and the five highest paid individuals of the Group (i) received any emolument from the Group as an inducement to join or upon joining the Group; (ii) received any compensation for loss of office as a director or management of any member of the Group; or (iii) waived or has agreed to waive any emoluments.

Notes to the Consolidated Financial Statements

9. FINANCE COSTS

	2015 RMB'000	2014 RMB'000
Interest expense:		
– Bank borrowings	8,734	9,174

10. INCOME TAX EXPENSE

	2015 RMB'000	2014 RMB'000
Current tax		
– Current year	16,301	25,382
– Overprovision in prior years	(6,280)	–
	10,021	25,382
Deferred tax credit	(166)	(1,624)
	9,855	23,758

No provision for Cayman Islands profits tax has been made as the Group did not have any assessable profits arising in Cayman Islands for both years.

No provision for Hong Kong profits tax has been made as the Group did not have any assessable profits arising in Hong Kong for both years.

Enterprise income tax ("EIT") is provided at 25% for enterprises in the PRC except for Hangzhou Good Friend Precision Machinery Co., Ltd. ("Hangzhou Good Friend"). Hangzhou Good Friend renewed its New and High-Tech Enterprise status in 2014, which has been approved by the relevant government authorities, and it is entitled to a reduced tax rate of 15% for a three-year period commencing 2014. Accordingly, the applicable tax rate for Hangzhou Good Friend in 2015 is 15% (2014: 15%).

Notes to the Consolidated Financial Statements

10. INCOME TAX EXPENSE (Continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the tax rate of principal operating entity of the Group as follows:

	2015 RMB'000	2014 RMB'000
Profit before income tax	55,952	125,071
Add: Share of loss of joint ventures and associates, net	1,286	11,017
	57,238	136,088
Tax calculated at tax rates applicable to the principal operating entity of the Group (15%)	8,586	20,413
Tax effect of:		
Expenses not deductible for tax purpose	2,518	1,055
Utilisation of previously unrecognised tax losses	(234)	(1,152)
Tax losses for which no deferred income tax asset was recognised	6,501	1,907
Unrecognised temporary differences	669	2,820
Income not taxable for tax purpose	(99)	–
Different tax rates of subsidiaries	(94)	957
Tax concession granted to PRC subsidiaries	(1,712)	(2,242)
Over-provision in prior years	(6,280)	–
Tax charge	9,855	23,758

11. EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company of RMB46,097,000 (2014: RMB101,313,000) by the number of ordinary shares in issue during the year of 403,200,000 (2014: 403,200,000).

	2015	2014
Basic and diluted earnings per share (RMB per share)	0.11	0.25

There were no potential dilutive shares in issue for both years.

Notes to the Consolidated Financial Statements

12. DIVIDENDS

	2015 RMB'000	2014 RMB'000
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2015 interim – Nil (2014: 2014 interim dividend RMB0.06) per ordinary share	–	24,192
2014 final – RMB0.06 (2014: 2013 final dividend RMB0.05) per ordinary share	24,192	20,160
	24,192	44,352

At a meeting of the board of directors held on 31 March 2016, the directors resolved to recommend a final dividend of RMB0.03 (2014: RMB0.06) per ordinary share for the year ended 31 December 2015. The proposed final dividend was not recognised as dividend payable in the consolidated financial statements for the year ended 31 December 2015.

13. PREPAID LEASE PAYMENTS

	2015 RMB'000	2014 RMB'000
Carrying values		
At beginning of the year	37,538	38,481
Released to profit or loss	(940)	(943)
At end of the year	36,598	37,538
Less: Amount to be amortised within one year	(940)	(940)
Non-current portion	35,658	36,598

The Group has pledged its prepaid lease payments with carrying amounts of approximately RMB5,131,000 as at 31 December 2015 (2014: RMB5,262,000) to secure the general banking facilities granted to the Group. As at 31 December 2015, the Group has not utilised such secured bank facilities (2014: RMB2,896,000).

Notes to the Consolidated Financial Statements

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Machinery and equipment RMB'000	Office and computer equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
COST						
At 1 January 2014	202,127	156,191	29,851	19,211	12,375	419,755
Additions	35	3,774	674	3,597	1,381	9,461
Transfers	–	1,773	939	–	(2,712)	–
Disposals	–	(1,545)	(1,386)	(1,242)	–	(4,173)
At 31 December 2014	202,162	160,193	30,078	21,566	11,044	425,043
Additions	580	494	1,446	442	2,856	5,818
Transfers	–	10,225	–	–	(10,225)	–
Disposals	–	(817)	(279)	(942)	–	(2,038)
At 31 December 2015	202,742	170,095	31,245	21,066	3,675	428,823
DEPRECIATION AND IMPAIRMENT						
At 1 January 2014	48,878	81,121	19,849	13,558	–	163,406
Provided for the year	9,301	12,922	2,351	3,506	–	28,080
Disposals	–	(942)	(1,249)	(1,119)	–	(3,310)
At 31 December 2014	58,179	93,101	20,951	15,945	–	188,176
Provided for the year	9,308	11,832	2,127	2,814	–	26,081
Disposals	–	(713)	(257)	(847)	–	(1,817)
At 31 December 2015	67,487	104,220	22,821	17,912	–	212,440
CARRYING VALUES						
At 31 December 2015	135,255	65,875	8,424	3,154	3,675	216,383
At 31 December 2014	143,983	67,092	9,127	5,621	11,044	236,867

Notes to the Consolidated Financial Statements

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Group has pledged its buildings with carrying amounts of approximately RMB10,131,000 as at 31 December 2015 (2014: RMB10,674,000) to secure the general banking facilities granted to the Group. As at 31 December 2015, the Group has not utilised such secured bank facilities (2014: RMB2,896,000).

As at 31 December 2015, the Group is in the process of applying the building ownership certificate of certain buildings with the aggregated cost accounted to RMB37,405,000 (2014: RMB99,338,000).

15. INTANGIBLE ASSETS

	Softwares RMB'000
Cost	
At 1 January 2014	9,592
Additions	939
At 31 December 2014	10,531
Additions	2,538
At 31 December 2015	13,069
Amortisation	
At 1 January 2014	8,134
Charge for the year	701
At 31 December 2014	8,835
Charge for the year	983
At 31 December 2015	9,818
CARRYING VALUES	
At 31 December 2015	3,251
At 31 December 2014	1,696

Notes to the Consolidated Financial Statements

16. DETAILS OF SUBSIDIARIES

The following is a list of subsidiaries of the Group at 31 December 2015 and 2014:

Name	Place of incorporation/ operation	Principal activities	Issued and fully paid-up share capital/ registered capital	Interest held
<u>Directly held subsidiaries</u>				
Winning Steps Ltd	British Virgin Island ("BVI")	Investment holding	Ordinary shares USD110	100%
Yu Hwa Holdings Ltd.	BVI	Investment holding	Ordinary shares USD1,500,000	100%
Hai Sheng International Holdings Inc.	BVI	Investment holding	Ordinary shares USD200,000	100%
Sky Thrive Investment Ltd	BVI	Investment holding	Ordinary shares USD5,000,000	100%
Kai Win Group Ltd	BVI	Investment holding	Ordinary shares USD1	100%
<u>Indirectly held subsidiaries</u>				
Full Moral Industrial Ltd	Hong Kong	Inactive	Ordinary shares HKD1	100%
Winnings Steps Hong Kong Development Ltd	Hong Kong	Investment holding	Ordinary shares HKD1,000	100%
Yu Hwa Hong Kong Enterprise Ltd	Hong Kong	Investment holding	Ordinary shares HKD1,000	100%
Hai Sheng International Hong Kong Ltd	Hong Kong	Investment holding	Ordinary shares HKD1,000	100%
Sky Thrive Hong Kong Enterprise Ltd	Hong Kong	Investment holding	Ordinary shares HKD1,000	100%

Notes to the Consolidated Financial Statements

16. DETAILS OF SUBSIDIARIES (Continued)

Name	Place of incorporation/ operation	Principal activities	Issued and fully paid-up share capital/ registered capital	Interest held
Hangzhou Good Friend Precision Machinery Co Ltd	PRC	Design and production of computer numerical control machine tools, design and construction of three dimensional car parking garage structure	Registered Capital USD11,000,000	100%
Hangzhou Global Friend Precision Machinery Co Ltd	PRC	Design and assembling of forklift trucks	Registered Capital USD10,000,000	100%
Hangzhou Ever Friend Precision Machinery Co Ltd	PRC	Design and production of computer numerical control machine tools	Registered Capital USD3,000,000	100%
Hangzhou Glory Friend Machinery Technology Co., Ltd	PRC	Processing of computer numerical control machine tools	Registered Capital USD15,000,000	100%
Rich Friend (Shanghai) Precision Machinery Co Ltd	PRC	Trading of computer numerical control machine tools	Registered Capital USD200,000	100%
Huller Hille (Shanghai) Machinery Co., Ltd.	PRC	Trading of high-end machine tools	Registered Capital USD1,000,000	100%

Notes to the Consolidated Financial Statements

17. INVESTMENTS IN JOINT VENTURES

	2015 RMB'000	2014 RMB'000
Cost of unlisted investments in joint ventures	27,666	27,666
Share post-acquisition loss and other comprehensive income	(10,696)	(9,309)
	16,970	18,357

As at 31 December 2015, the Company had direct interests in the following joint ventures:

Name	Date of incorporation	Attributable equity interest		Registered capital	Principal activities/ place of incorporation and operation
		2015	2014		
Anest Iwata Feeler Corporation ("AIF")	23 November 2009	35%	35%	USD9,000,000	Manufacture and sales of air compressor and parts, PRC
Hangzhou Nippon Cable Feeler Corporation ("Nippon Cable Feeler")	20 October 2010	50%	50%	USD100,000	Wholesale and export of parking garage structures, PRC
Hangzhou Feeler Mectron Machinery Co., Ltd ("Feeler Mectron")	14 April 2011	45%	45%	USD1,110,000	Manufacture and sales of machine tools and related products, PRC
Hangzhou Union Friend Machinery Co., Ltd. ("UFM")	15 March 2013	55%	55%	USD1,000,000	Manufacture and sales of machine tools and related products, PRC

Note:

According to the respective articles of associations of the above four entities, each share in the above entities confers one vote, and the resolution of relevant activities and variable return shall be passed by more than two-thirds of the votes of shareholders. As such, in each of the above four entities, the shareholders contractually agreed to share the control of each entity. Therefore they are all joint ventures of the Group.

Notes to the Consolidated Financial Statements

17. INVESTMENTS IN JOINT VENTURES (Continued)

Summarised statement of financial position

	AIF		Nippon Cable Feeler		Feeler Mectron		UFM		Total	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Current										
Cash	4,175	3,971	941	869	579	998	53	377	5,748	6,215
Other current assets	16,588	12,979	2	1	5,987	5,551	1,350	279	23,927	18,810
Total current assets	20,763	16,950	943	870	6,566	6,549	1,403	656	29,675	25,025
Short term bank borrowings	(6,443)	(6,084)	–	–	–	–	–	–	(6,443)	(6,084)
Other financial liabilities (including trade payable)	(6,482)	(4,180)	(7)	(12)	(2,143)	(1,885)	(97)	418	(8,729)	(5,659)
Total current liabilities	(12,925)	(10,264)	(7)	(12)	(2,143)	(1,885)	(97)	418	(15,172)	(11,743)
Non-current										
Assets	34,431	37,666	–	–	417	511	1,972	2,944	36,820	41,121
Liabilities	(6,494)	(6,097)	–	–	–	–	–	–	(6,494)	(6,097)
Net assets	35,775	38,255	936	858	4,840	5,175	3,278	4,018	44,829	48,306

Summarised statement of profit or loss and other comprehensive income

	AIF		Nippon Cable Feeler		Feeler Mectron		UFM		Total	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Revenue	39,716	33,169	155	129	3,453	6,449	579	310	43,903	40,057
Cost of revenue	(38,933)	(36,153)	–	(4)	(2,829)	(5,918)	(747)	(872)	(42,509)	(42,947)
Other expenses	(3,263)	(2,799)	(68)	(59)	(959)	(155)	(572)	(580)	(4,862)	(3,593)
Profit (loss) before tax	(2,480)	(5,783)	87	66	(335)	376	(740)	(1,142)	(3,468)	(6,483)
Income tax expense	–	–	(9)	(16)	–	–	–	–	(9)	(16)
Profit (loss) for the year	(2,480)	(5,783)	78	50	(335)	376	(740)	(1,142)	(3,477)	(6,499)
Share of profit/(loss) of joint ventures	(868)	(2,024)	39	25	(151)	169	(407)	(628)	(1,387)	(2,458)

Notes to the Consolidated Financial Statements

17. INVESTMENTS IN JOINT VENTURES (Continued)

Set out below is a reconciliation of the summarised financial information presented to the carrying amount of its investments in joint ventures.

	AIF		Nippon Cable Feeler		Feeler Mectron		UFM		Total	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Opening net assets as at 1 January	38,255	34,784	858	808	5,175	4,799	4,018	5,160	48,306	45,551
Capital injection	–	9,254	–	–	–	–	–	–	–	9,254
Profit (loss) for the year	(2,480)	(5,783)	78	50	(335)	376	(740)	(1,142)	(3,477)	(6,499)
Closing net assets as at 31 December	35,775	38,255	936	858	4,840	5,175	3,278	4,018	44,829	48,306
Equity interest	35%	35%	50%	50%	45%	45%	55%	55%	–	–
Carrying value as at 31 December	12,521	13,389	468	429	2,178	2,329	1,803	2,210	16,970	18,357

18. INVESTMENTS IN ASSOCIATES

	2015 RMB'000	2014 RMB'000
Cost of unlisted investments in associates	346,072	32,260
Share of post-acquisition loss and other comprehensive income	(35,270)	(31,053)
Currency translation difference	157	–
	310,959	1,207

Notes to the Consolidated Financial Statements

18. INVESTMENTS IN ASSOCIATES (Continued)

As at 31 December 2015, the Group has interests in the following associate:

Name	Date of incorporation	Attributable equity interest		Registered capital	Principal activities/ place of incorporation and operation
		2015	2014		
FFG Europe S.p.A. ("FFG Europe")	1 January 2013	30.16%	30.16%	Euro11,205,000	Manufacture and sales of machine tools and related products, Italy
FFG Werke GmbH ("FFG Werke")	17 October 2013	39%	13.5%	Euro500,000	Manufacture and distribution of machine tools, spare parts and accessories; providing training and maintenance service for machine tools and products, Germany
FFG European and American Holdings GmbH ("FFG EA")	14 September 2015	81.37%	–	Euro25,000	Investment holding company, Germany

FFG Europe

FFG Europe is owned approximately as to 30.16% by Sky Thrive Hong Kong Enterprise Limited ("Sky Thrive") (a subsidiary of the Company), 22.08% by Golden Friendship International Limited ("Golden Friendship") (a wholly owned subsidiary of the Company's ultimate holding company, and not forming part of the Group), 21.70% by World Ten Limited ("World Ten") (15.58% of its issued share capital held by the Company's ultimate holding company, an independent third party), and 26.06% by Alma S.r.l (an independent third party).

According to the article of associate of FFG Europe, shareholder resolutions are to be adopted by a simple majority of all shareholders authorised to vote, and each share confers one vote. As such the Group has significant influence in FFG Europe. Accordingly, the Group accounted for such investment as an associate in the financial statements.

Notes to the Consolidated Financial Statements

18. INVESTMENTS IN ASSOCIATES *(Continued)*

FFG Werke

FFG Werke was originally owned approximately as to 43.75% by World Ten, 33.75% by Golden Friendship, 13.50% by Sky Thrive and 9.00% by Golden Wealth Inc. Limited ("Golden Wealth") (an independent third party) as at 31 December 2014. The Group accounted for the investment as available-for-sale financial asset as at 31 December 2014 and the investment was stated at cost less impairment (see note 21).

On 17 August 2015, Sky Thrive entered into a sale and purchase agreement with Golden Friendship and World Ten, pursuant to which Golden Friendship and World Ten agreed to sell and Sky Thrive has conditionally agreed to acquire an aggregate of 25.5% equity interest in FFG Werke for the aggregate consideration of Euro2,340,000 (equivalent to RMB16,756,000). The acquisition of 25.5% equity interest in FFG Werke was approved by the shareholders of the Company on 23 September 2015. Sky Thrive is able to exercise significant influence over FFG Werke thereafter. Accordingly, the Group accounted for such investment as an associate in the financial statements. The amount of fair value of the net assets in FFG Werke at the date of completion of the acquisition was approximately RMB68,778,000, and the Company recognised the gain on deemed disposal of available-for-sale financial asset of RMB662,000.

FFG EA

FFG EA was incorporated in Germany on 14 September 2015 as an investment holding and is owned approximately as to 81.37% by Sky Thrive, 12.12% by Leadwell CNC Machines Mfg. Corp. (an independent third party), and 6.51% by the Company's ultimate holding company as at 31 December 2015.

The shareholders of FFG EA have agreed to establish a shareholder committee, under which each of three shareholders shall be entitled to designate one member vote of the shareholders' committee. The entire control over FFG EA shall be governed by the shareholder committee, and any resolution passed with the shareholder committee will be based on simple majority. Thus, the Company's ultimate holding company and via its control in the Company, has two voting rights in the shareholding committee so can control FFG EA. The Group is able to exercise significant influence over FFG EA thereafter. Accordingly, the Group accounted for such investment as an associate in the financial statements.

The principal investment of FFG EA is a 55.3% equity interest in FFG European Holding GmbH ("FFG European"), an investment company incorporated in Germany, which in turn effectively acquired a 100% equity interest in MAG Global Holding GmbH and its subsidiaries (the "MAG Group") by the end of 2015 for a total consideration of Euro 110,000,000. The remaining 44.70% equity interest in FFG European is owned as to 18.7% by Mega Grant Limited ("Mega Grant") (an independent third party), 17% by Full Alliance Investment Limited ("Full Alliance") (an independent third party), and 9% by Golden Wealth. The principal activities of MAG Group are production of machine tools and production systems in Germany and USA.

The Group's obligation to the capital contribution to FFG EA is Euro49,500,000. The Group has paid Euro40,000,000 during the year ended 31 December 2015 and the outstanding Euro9,500,000 is disclosed as capital commitment (see note 33(a)).

Notes to the Consolidated Financial Statements

18. INVESTMENTS IN ASSOCIATES (Continued)

Summarised statement of financial position prepared under IFRS

	FFG Europe		FFG Werke		FFG EA		Total	
	2015 RMB'000	2014 RMB'000	2015 RMB'000 (note a)	2014 RMB'000 (note a)	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Current								
Cash	32,008	32,989	82,354	N/A	266,368	N/A	380,730	32,989
Other current assets	454,496	408,868	534,332	N/A	2,000,946	N/A	2,989,774	408,868
Total current assets	486,504	441,857	616,686	N/A	2,267,314	N/A	3,370,504	441,857
Short term bank borrowings	(129,656)	(182,729)	(284,624)	N/A	(71,115)	N/A	(485,395)	(182,729)
Other financial liabilities (including trade payable)	(412,243)	(331,876)	(233,758)	N/A	(2,192,041)	N/A	(2,838,042)	(331,876)
Total current liabilities	(541,899)	(514,605)	(518,382)	N/A	(2,263,156)	N/A	(3,323,437)	(514,605)
Non-current								
Assets	139,805	153,369	290,409	N/A	1,445,789	N/A	1,876,003	153,369
Liabilities	(72,134)	(76,618)	(351,056)	N/A	(833,104)	N/A	(1,256,294)	(76,618)
Net assets	12,276	4,003	37,657	N/A	616,843	N/A	666,776	4,003
Less: non-controlling interests	–	–	–	N/A	343,754	N/A	343,754	–
Net assets attributed to the owners of the associates	12,276	4,003	37,657	N/A	273,089	N/A	323,022	4,003

Summarised statement of profit or loss and other comprehensive income prepared under IFRS

	FFG Europe		FFG Werke		FFG EA		Total	
	2015 RMB'000	2014 RMB'000	2015 RMB'000 (note a)	2014 RMB'000 (note a)	2015 RMB'000 (note d)	2014 RMB'000	2015 RMB'000	2014 RMB'000
Revenue	497,254	521,112	366,966	N/A	–	N/A	864,220	521,112
Cost of revenue	(263,817)	(268,077)	(245,253)	N/A	–	N/A	(509,070)	(268,077)
Other expenses	(239,936)	(285,602)	(101,490)	N/A	(5,588)	N/A	(347,014)	(285,602)
(Loss) profit before tax	(6,499)	(32,567)	20,223	N/A	(5,588)	N/A	8,136	(32,567)
Income tax credit (charge)	324	4,189	(3,535)	N/A	–	N/A	(3,211)	4,189
(Loss) profit for the year	(6,175)	(28,378)	16,688	N/A	(5,588)	N/A	4,925	(28,378)
Share of profit (loss) of associates	(1,862)	(8,559)	6,508	N/A	(4,545)	N/A	101	(8,559)

Notes to the Consolidated Financial Statements

18. INVESTMENTS IN ASSOCIATES (Continued)

Set out below is a reconciliation of the summarised financial information presented to the carrying amount of its investments in associates.

Summarised financial information prepared under IFRS

	FFG Europe		FFG Werke		FFG EA		Total	
	2015 RMB'000 (note c)	2014 RMB'000	2015 RMB'000 (note a)	2014 RMB'000 (note a)	2015 RMB'000 (note c)	2014 RMB'000	2015 RMB'000	2014 RMB'000
Opening net assets	4,003	31,844	–	N/A	–	N/A	4,003	31,844
Capital injection and transfer from available-for-sale financial asset	13,926	–	21,021	N/A	283,984	N/A	318,931	–
Other reserves	522	537	(52)	N/A	(5,307)	N/A	(4,837)	537
Profit (loss) for the year	(6,175)	(28,378)	16,688	N/A	(5,588)	N/A	4,925	(28,378)
Closing net assets attributed to the owners of the associates as at 31 December	12,276	4,003	37,657	N/A	273,089	N/A	323,022	4,003
Equity interest	30.16%	30.16%	39%	N/A	81.37%	N/A	–	–
Share of net assets	3,703	1,207	14,686	N/A	222,211	N/A	240,600	1,207
Goodwill (note a)	–	–	8,907	N/A	–	N/A	8,907	–
Effect of fair value adjustment at acquisition (note a)	–	–	8,544	N/A	–	N/A	8,544	–
Other adjustment (note b)	–	–	–	–	52,908	N/A	52,908	–
Carrying value as at 31 December	3,703	1,207	32,137	N/A	275,119	N/A	310,959	1,207

Note:

- In late September 2015, the Group acquired further 25.5% equity interest in FFG Werke for the consideration of Euro2,340,000. Goodwill of RMB8,907,000 and effect of fair value adjustment at acquisition of RMB8,544,000 was recognised in respect of this further acquisition of equity interest. The Group held 13.5% equity interest in FFG Werke as at 31 December 2014 and accounted for the investment as available-for-sale using cost method, thus the financial position as at 31 December 2014 and financial performance for the year then ended are not presented. In addition, the profit and loss presented in the statement of profit or loss and other comprehensive income of FFG Werke for the year ended 31 December 2015 represents the results of FFG Werke arising from post-acquisition date to 31 December 2015.
- Other adjustment of FFG EA represents the effect of unfunded capital contribution from the then shareholders which does not form part of the Group's investment in FFG EA.
- In July 2015, the Group contributed Euro600,000 (equivalent to RMB4,200,000) as additional share capital in FFG Europe, together with other shareholders on pro rata basis. In December 2015, the Group contributed Euro40,024,000 (equivalent to RMB283,984,000) to FFG EA.
- The profit and loss presented in the statement of profit or loss and other comprehensive income of FFG EA for the year ended 31 December 2015 represents the results of FFG EA arising from post-acquisition date to 31 December 2015.

Notes to the Consolidated Financial Statements

19. FINANCIAL INSTRUMENTS BY CATEGORY

Assets as per consolidated statement of financial position

	2015 RMB'000	2014 RMB'000
Debtors and deposits excluding prepayments	433,712	488,316
Available-for-sale financial asset	–	8,623
Amounts due from fellow subsidiaries and an associate of ultimate holding company	1,277	296
Amount due from an investee	–	4,473
Amount due from ultimate holding company	–	532
Amounts due from joint ventures	717	891
Amounts due from associates and subsidiaries of an associate	60,841	12,274
Restricted bank deposits	172,613	134,681
Cash and cash equivalents	101,583	262,751
Term deposits with initial term of over three months	–	98,000
Total	770,743	1,010,837

Liabilities as per consolidated statement of financial position

	2015 RMB'000	2014 RMB'000
Creditors and other payables	218,645	246,632
Amount due to ultimate holding company	160	1,716
Amount due to immediate holding company	1,856	3,447
Amounts due to a fellow subsidiary and an associate of ultimate holding company	21,664	784
Amounts due to an associate and subsidiaries of an associate	10,389	1,128
Amounts due to joint ventures	317	76
Bank borrowings	408,677	402,079
	661,708	655,862

Notes to the Consolidated Financial Statements

20. DEBTORS, DEPOSITS AND PREPAYMENTS

	2015 RMB'000	2014 RMB'000
Trade debtors and bills receivables	444,978	500,438
Less: provision for impairment of trade receivables	(36,512)	(36,544)
Trade debtors and bills receivables – net	408,466	463,894
Prepayments	16,033	25,667
Others	25,246	24,422
Total debtors, deposits and prepayments	449,745	513,983

The Group generally allows a credit period of 30 to 180 days to its customers. The Group also allows its customers to retain certain percentage of the outstanding balances as retention money for a one or two-year warranty period of the products sold.

At 31 December 2015 and 2014, the ageing analysis of gross trade debtors and bills receivable based on due date was as follows:

	2015 RMB'000	2014 RMB'000
Current – 30 days	341,202	383,483
31 – 60 days	8,465	5,141
61 – 90 days	9,079	11,542
91 – 180 days	14,038	20,366
Over 180 days	72,194	79,906
Trade debtors and bills receivables	444,978	500,438

Included in the Group's trade debtors are debtors with an aggregate carrying amount of approximately RMB82,578,000 (2014: RMB108,229,000) which were past due as at 31 December 2015 but the Group had not provided for impairment loss. The Group does not hold any collateral over these balances. The directors, after considering the trade relationship, credit status and past settlement history of these individual trade debtors, had concluded that these outstanding balances would be recovered.

Notes to the Consolidated Financial Statements

20. DEBTORS, DEPOSITS AND PREPAYMENTS (Continued)

The following is an ageing analysis of gross trade debtors of the Group which are past due but not impaired:

	2015 RMB'000	2014 RMB'000
0 – 30 days	11,573	21,658
31 – 60 days	7,486	5,141
61 – 90 days	8,174	11,542
91 – 180 days	12,338	20,336
Over 180 days	43,007	49,552
	82,578	108,229

As of 31 December 2015, trade debtors of RMB36,512,000 (2014: RMB36,544,000) of the Group were impaired and provided for. The individually impaired receivables mainly relate to customers which are in unexpected financial difficulties. The ageing of these receivables based on due date is as follows:

	2015 RMB'000	2014 RMB'000
0 – 30 days	4,884	641
31 – 60 days	748	–
61 – 90 days	931	–
91 – 180 days	1,411	30
Over 180 days	28,538	35,873
	36,512	36,544

Movements of provision for impairment of trade receivables of the Group are as follows:

	2015 RMB'000	2014 RMB'000
At 1 January	36,544	21,795
Provision for receivables impairment	2,016	15,306
Receivables written off during the year when proved to be uncollectible	(2,048)	(557)
At 31 December	36,512	36,544

Notes to the Consolidated Financial Statements

20. DEBTORS, DEPOSITS AND PREPAYMENTS (Continued)

Trade receivables 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 trade receivables, the estimated future cash flows of the trade receivables have been affected. The creation and release of provision for impaired receivables have been included in 'Administration expenses' in the consolidated statement of profit or loss and other comprehensive income. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

The carrying amounts of debtors, deposits and prepayments are denominated in the following currencies:

	2015 RMB'000	2014 RMB'000
RMB	427,844	479,582
USD	9,909	17,980
Euro	11,147	11,329
Other currencies	845	5,092
	449,745	513,983

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

21. AVAILABLE-FOR-SALE FINANCIAL ASSET/AMOUNT DUE FROM AN INVESTEE

	2015 RMB'000	2014 RMB'000
At 1 January	8,623	8,623
Transferred as investments in associates	(8,623)	—
At 31 December	—	8,623
Investment in shares of an unlisted company	—	8,623
Amount due from an investee	—	4,473

The available-for-sale financial asset as at 31 December 2014 is 13.5% equity interest in FFG Werke. The Group acquired further 25.5% equity share in FFG Werke in late September 2015 and thereafter the Company exercise significant influence over FFG Werke. Accordingly, the investment is accounted for as investments in associates as presented in Note 18.

Notes to the Consolidated Financial Statements

22. INVENTORIES

	2015 RMB'000	2014 RMB'000
Raw materials	79,263	103,419
Work in progress	61,901	68,470
Finished goods	134,399	103,064
	275,563	274,953
Provision	(25,487)	(17,696)
	250,076	257,257

23. AMOUNTS DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORK

	2015 RMB'000	2014 RMB'000
Contract costs incurred plus recognised profits less recognised losses	615,251	549,812
Less: Progress billings	(594,110)	(560,118)
	21,141	(10,306)

	2015 RMB'000	2014 RMB'000
Amounts due from contract customers	36,717	32,494
Amounts due to contract customers	(15,576)	(42,800)
Net amounts due from(to)customers for contract work	21,141	(10,306)

As at 31 December 2015, retention money held by customers for contract work included in debtors amounted to RMB6,994,000 (2014: RMB12,325,000).

Notes to the Consolidated Financial Statements

24. RESTRICTED BANK DEPOSITS

	2015 RMB'000	2014 RMB'000
Restricted bank deposits	172,613	134,681

The amounts mainly represent deposits placed in banks for guarantees issued for trade finance facilities used by the Group. The deposits have maturity periods within one year which carry fixed rate interest at 0.4% (2014: 0.4%) per annum.

25. CASH AND BANK BALANCES

	2015 RMB'000	2014 RMB'000
Cash at bank and on hand	53,983	33,251
Short-term bank deposits	47,600	229,500
Cash and cash equivalents	101,583	262,751
Term deposits with initial term of over three months	–	98,000
	101,583	360,751

- (a) The cash at bank and on hand, short-term bank deposits and term deposits with initial term of over three months are denominated in the following currencies:

	2015 RMB'000	2014 RMB'000
RMB	73,379	357,423
US dollar	15,290	1,887
Euro	10,866	957
Other currencies	2,048	484
	101,583	360,751

Notes to the Consolidated Financial Statements

25. CASH AND BANK BALANCES (Continued)

- (b) The effective interest rate on short-term bank deposits ranged from 2.70% to 4.00% (2014: 2.35%) per annum. These deposits have maturities ranging from one to three months.
- (c) Term deposits with initial term of over three months as at 31 December 2015 is Nil (2014: RMB98,000,000). The effective interest rate on term deposits with initial term of over three months ranged from 2.35% to 2.75% per annum as at 31 December 2014.

26. SHARE CAPITAL

	Number of shares '000	Share Capital RMB'000
Ordinary share of HKD0.01 each		
Authorised:		
At 1 January 2014, 31 December 2014, 1 January 2015 and 31 December 2015	1,000,000	10,211
Issued and fully paid:		
At 1 January 2014, 31 December 2014, 1 January 2015 and 31 December 2015	403,200	4,022

27. CREDITORS, OTHER PAYABLES AND ACCRUED CHARGES

	2015 RMB'000	2014 RMB'000
Trade creditors	177,863	204,785
Advance deposits from customers	184,316	118,682
Other payables	40,782	41,847
Accrued expenses	44,352	44,897
Total creditors, other payables and accrued charges	447,313	410,211

Notes to the Consolidated Financial Statements

27. CREDITORS, OTHER PAYABLES AND ACCRUED CHARGES (Continued)

The Group normally receives credit terms of 30 to 60 days. At 31 December 2015 and 2014, the ageing analysis of the trade payables was as follows:

	2015 RMB'000	2014 RMB'000
Current – 30 days	119,353	116,788
31 – 60 days	34,725	57,515
61 – 90 days	3,979	4,657
91 – 180 days	4,921	9,853
Over 180 days	14,885	15,972
	177,863	204,785

Creditors, other payables and accrued charges are dominated in the following currencies:

	2015 RMB'000	2014 RMB'000
RMB	398,800	388,246
USD	6,620	11,029
Euro	38,191	6,368
HKD	3,702	4,568
	447,313	410,211

28. WARRANTY PROVISION

	2015 RMB'000	2014 RMB'000
At 1 January	6,329	6,774
Provision for the year	5,121	6,766
Utilisation of provision	(5,659)	(7,211)
At 31 December	5,791	6,329

Notes to the Consolidated Financial Statements

29. BANK BORROWINGS

	2015 RMB'000	2014 RMB'000
Current		
– Secured	–	2,896
– Unsecured	408,677	399,183
Total bank borrowings	408,677	402,079

The range of effective interest rates of the Group's borrowing is as follows:

	2015	2014
Effective interest rate	1.09% to 4.50% per annum	1.83% to 6.72% per annum

The Group's bank borrowings were repayable as follows:

	2015 RMB'000	2014 RMB'000
Within 1 year	408,677	402,079

The carrying amounts of short-term bank borrowings approximate their fair values.

The carrying amounts of the Group's bank borrowings are denominated in the following currencies:

	2015 RMB'000	2014 RMB'000
HKD	43,068	78,949
USD	176,221	323,130
Euro	164,198	–
RMB	25,190	–
	408,677	402,079

Notes to the Consolidated Financial Statements

29. BANK BORROWINGS (Continued)

Note:

- (a) The Group has pledged its prepaid lease payments with carrying amounts of approximately RMB5,131,000 (2014: RMB5,262,000) and buildings with carrying amounts of approximately RMB10,131,000 (2014: RMB10,674,000) as at 31 December 2015 to secure the general banking facilities granted to it. As at 31 December 2015, the Group has not utilised such secured bank facilities (2014: RMB2,896,000).
- (b) As at 31 December 2015, the Group's bank borrowings of RMB242,350,000 (2014: RMB152,975,000) were guaranteed by irrevocable standby letter of credits issued by banks of which RMB120,601,000 (2014: RMB122,435,000) has been utilised.
- (c) As at 31 December 2015, cross guarantees between subsidiaries of RMB176,000,000 (2014: RMB220,000,000) have been provided to guarantee the bank borrowings of which RMB3,969,000 has been utilised (2014: RMB6,211,000).
- (d) As at 31 December 2015, personal guarantees were provided by a director and a related party of the Group in respect of the Group's bank borrowings of RMB64,936,000 (2014: RMB31,135,000).

30. DEFERRED TAXATION

	2015 RMB'000	2014 RMB'000
Deferred tax assets	6,310	6,144
Deferred tax liabilities	–	16,118

Notes to the Consolidated Financial Statements

30. DEFERRED TAXATION (Continued)

The movement on the deferred taxation assets during the year are as follows:

	Allowance for doubtful receivables RMB'000	Allowance for inventories RMB'000	Warranty provision RMB'000	Total RMB'000
At 1 January 2014	3,225	388	907	4,520
(Charge) credit to profit or loss	1,495	224	(95)	1,624
At 31 December 2014	4,720	612	812	6,144
(Charge) credit to profit or loss	(268)	422	12	166
At 31 December 2015	4,452	1,034	824	6,310

The gross movements in deferred tax liabilities during the year are analysed as follows:

	2015 RMB'000	2014 RMB'000
At 1 January	16,118	18,775
Withholding tax paid	(16,118)	(2,657)
At 31 December	–	16,118

Pursuant to the Detailed Implementation Regulations for implementation of the Corporate Income Tax Law issued on 6 December 2007, withholding income tax of 10% shall be levied on the dividends remitted by the companies established in the PRC to their foreign investors starting from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable for withholding taxes at the rate of 5% on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008.

Notes to the Consolidated Financial Statements

30. DEFERRED TAXATION (Continued)

As described in Note 12, the directors resolved to recommend a final dividend of RMB0.03 per ordinary share for the year ended 31 December 2015 (2014: RMB0.06 per ordinary share). The directors present that the dividend will be paid out of the Company's share premium account and the retained profits of the PRC subsidiaries as of December 31, 2015 will be set aside for expansion of operations, and therefore the Group has not provided for the deferred tax liabilities in respect of withholding tax on the retained profits of the Group's PRC entities as the Group is able to control the timing of the reversal of such temporary differences and it is probable that such temporary differences would not be reversed in foreseeable future.

As at 31 December 2015, the Group had unutilised tax losses of approximately RMB72,967,000 (2014: RMB47,024,000) available for offsetting against future profits. No deferred tax asset had been recognised as it is not probable that future taxable profit will be available against which the unused tax losses can be utilised. Included in unrecognised tax losses are losses of RMB66,781,000 (2014: RMB46,982,000) with expiry dates.

The expiry dates of these tax losses are as follows:

	2015 RMB'000	2014 RMB'000
With expiry in:		
2015	–	1,590
2016	16,755	16,755
2017	13,043	13,043
2018	6,472	6,946
2019	8,185	8,648
2020	22,326	–
	66,781	46,982

Notes to the Consolidated Financial Statements

31. CASH GENERATED FROM OPERATIONS

	2015 RMB'000	2014 RMB'000
Profit before income tax:	55,952	125,071
Adjustments for:		
– Amortisation of prepaid lease payments	940	943
– Depreciation of property, plant and equipment	26,081	28,080
– Amortisation of intangible assets	983	701
– Share of loss of joint ventures	1,387	2,458
– Share of loss (profit) of associates	(101)	8,559
– Gain on deemed disposal of available-for-sale financial asset	(662)	–
– Loss on disposal of property, plant and equipment	201	296
– Interest income	(14,193)	(9,995)
– Interest expense	8,734	9,174
– Warranty provision	(538)	(445)
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):		
– Inventories	7,181	21,759
– Debtors, deposits and prepayments	64,238	109,177
– Amounts due from customers for contract work	(4,223)	(7,843)
– Amount due from ultimate holding company	532	1,380
– Amounts due from joint ventures, fellow subsidiaries and associates of ultimate holding company	(38,864)	1,490
– Creditors, other payables and accrued charges	36,652	(45,915)
– Amounts due to customers for contract work	(27,224)	(7,159)
– Amount due to ultimate holding company	(1,556)	687
– Amount due to immediate holding company	(1,591)	1,291
– Amounts due to joint ventures	241	(55)
– Amounts due to an associate and subsidiaries of an associate	9,261	2,519
– Amounts due to a fellow subsidiary and an associate of ultimate holding company	5,420	463
Cash generated from operations	128,851	242,636

Notes to the Consolidated Financial Statements

31. CASH GENERATED FROM OPERATIONS (Continued)

In the statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

Group	2015 RMB'000	2014 RMB'000
Carrying value:	221	863
Loss on disposal of property, plant and equipment	(201)	(296)
Proceeds from disposal of property, plant and equipment	20	567

32. CONTINGENT LIABILITY

On 25 September 2015, the Company, FFG Werke and a bank ("the Bank") entered into an agreement, pursuant to which the Bank will arrange the facility for the maximum principal amount of Euro50,000,000 (equivalent RMB354,500,000) to be available to the Company and FFG Werke on a joint and several basis, whereby each of the Company and FFG Werke is liable for the indebtedness incurred by the other under the facility. As at 31 December 2015, the Company has not drawn down any loan from aforesaid facility letter, while FFG Werke has drawn down a total amount of Euro6,000,000 (equivalent RMB42,517,000).

On 9 July 2014, FFG Werke and Sky Thrive entered into a guarantee procurement deed, pursuant to which Sky Thrive agreed to procure the issuance of the bank guarantees for the business operation of FFG Werke with maximum aggregate amount not exceeding Euro10,600,000 (equivalent RMB79,030,000). As at 31 December 2015, Sky Thrive has arranged the aforesaid bank guarantees of total amount of Euro4,605,000 (equivalent RMB32,675,000) (2014: Euro226,000 (equivalent RMB1,680,000)).

Management estimates that the default risk of FFG Werke is remote, thus the exposure to guaranty liability arising from these financial guarantees is immaterial and no guaranty liability has been recognised in current year.

Notes to the Consolidated Financial Statements

33. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is analysed as follows:

	2015 RMB'000	2014 RMB'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
– Construction of buildings	625	743
– Capital contribution to an associate	67,404	–
	68,029	743

(b) Operating lease commitments

The Group as lessee

	2015 RMB'000	2014 RMB'000
Minimum lease payments paid under operating leases during the year	10,241	9,102

At the reporting date, the Group had commitments for future minimum lease payments relating to office rental under non-cancellable operating leases as follows:

	2015 RMB'000	2014 RMB'000
No later than 1 year	6,788	4,090
Later than 1 year and no later than 5 years	5,672	241
	12,460	4,331

Notes to the Consolidated Financial Statements

34. RELATED PARTY TRANSACTIONS

Save as disclosed in Note 29 and Note 32, the Group also had the following transactions with its related parties during the year:

(a) Transactions

Name of company	Relationship	Nature of transactions	2015 RMB'000	2014 RMB'000
Fair Friend Enterprise Company Limited ("Fair Friend")	Ultimate holding company	Sales of goods	1,484	682
		Purchases of goods	5,007	19,948
Hangzhou Feeler Takamatsu Machinery Co., Ltd. ("Feeler Takamatsu")	Associate of ultimate holding company	Sales of goods	943	756
		Purchases of goods	2,188	49
		Rental income	9	15
		Rendering of services	190	–
Good Friend (H. K.) Corporation Limited ("Hong Kong GF")	Immediate holding company	Purchases of goods	35,393	44,434
Hangzhou Fair Fine Electric & Machinery Co., Ltd. ("Fair Fine")	Fellow subsidiary	Sales of goods	3	3
		Rental income	641	653
		Rendering of services	754	–
AIF (controlled by Mr. Wen Chi-Tang)	Joint venture	Sales of goods	8	90
		Purchases of goods	377	421
		Rental income	24	26
		Purchases of services	11	–
		Rendering of services	884	–

Notes to the Consolidated Financial Statements

34. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions (Continued)

Name of company	Relationship	Nature of transactions	2015 RMB'000	2014 RMB'000
Hangzhou Best Friend Technology Co., Ltd. ("Best Friend")	Associate of ultimate holding company	Sales of goods	11	6
SANCO Machine & Tools Co., Ltd. ("SANCO")	Fellow subsidiary	Purchases of goods	5,171	20,885
		Purchases of services	511	—
Jobs Automazione S.p.A. ("Jobs")	Subsidiary of an associate of the Group	Purchases of goods	22,830	198
FFG Werke	Associate	Purchase of goods	3,012	—
Feeler Mectron	Joint venture	Sales of goods	—	37
		Purchases of goods	3,121	1,051
		Rental income	—	36
UFM	Joint venture	Sales of goods	10	24
		Purchases of goods	381	170
		Rendering of services	38	—
Nippon Cable Feeler	Joint venture	Sales of goods	—	4
		Purchases of goods	—	129
		Rental income	—	6
Golden Friendship	Fellow subsidiary	Purchase of equity share	15,460	—

Notes to the Consolidated Financial Statements

34. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions (Continued)

Notes:

- (a) The terms of the above sale and purchase transactions are governed based on framework agreements entered into between the Company and the respective related parties.
- (b) Rental income was charged at terms mutually agreed between the parties.
- (c) The terms of the above purchase of equity share are governed based on sell and purchase agreement entered into between the Company and the respective related party.

(b) Balances

Name of company	Relationship	Nature of balances	2015 RMB'000	2014 RMB'000
Fair Friend	Ultimate holding company	Trade receivable (note (a))	–	532
		Trade payable (note (b))	(160)	(1,716)
Hong Kong GF	Immediate holding company	Trade payable (note (b))	(1,856)	(3,447)
Fair Fine (controlled by Mr. Chen Min-Ho)	Fellow subsidiary	Other receivable (note (b))	222	258
SANCO	Fellow subsidiary	Trade payable (note (b))	(6,204)	(776)
		Other receivable (note (b))	1,009	–
Best Friend	Associate of ultimate holding company	Trade receivables (note (a))	13	2

Notes to the Consolidated Financial Statements

34. RELATED PARTY TRANSACTIONS (Continued)

(b) Balances (Continued)

Name of company	Relationship	Nature of balances	2015 RMB'000	2014 RMB'000
Feeler Takamatsu	Associate of ultimate holding company	Other receivable (note (b))	32	36
		Trade payable (note (b))	–	(8)
		Trade receivable (note (a))	1	–
AIF (controlled by Mr. Wen Chi-Tang)	Joint venture	Trade receivable (note (a))	228	470
		Trade payable (note (b))	(206)	–
		Other payable (note (b))	(3)	–
Feeler Mectron	Joint venture	Trade receivable (note (a))	48	421
		Other receivable (note (b))	78	–
UFM	Joint venture	Trade payable (note (b))	(108)	(76)
		Other receivable (note (b))	363	–
SIGMA Technology S.r.l	Subsidiary of an associate	Trade receivable (note (a))	2,127	2,275
		Trade payable (note (b))	(182)	(200)

Notes to the Consolidated Financial Statements

34. RELATED PARTY TRANSACTIONS (Continued)

(b) Balances (Continued)

Name of company	Relationship	Nature of balances	2015 RMB'000	2014 RMB'000
SIGMA Machinery Co., Ltd	Subsidiary of an associate	Trade payable (note (b))	(72)	(67)
Jobs	Subsidiary of an associate	Trade receivable (note (a))	–	403
		Other receivable (note (b))	18,641	9,596
		Trade payable (note (b))	(9,837)	(861)
		Shareholder loan (note (b))	5,469	–
FFG Werke	Associate	Advance to (note (b))	28,020	–
		Trade payable (note (b))	(298)	–
		Shareholder loan (note (b))	5,041	–
Golden Friendship	Fellow subsidiary	Other payable (note (b))	(15,460)	–
FFG Europe	Associate	Other receivable (note (b))	1,543	–

Notes:

(a) The Group allowed a normal credit period of 90 days for sales made to the fellow subsidiaries, the ultimate holding company and its associate companies, and subsidiaries of associated company. Balances are unsecured and interest free. As of 31 December 2015 and 2014, the ageing of above balances was mostly within 6 to 12 months.

(b) Balances are unsecured, interest free and repayable on demand.

Notes to the Consolidated Financial Statements

34. RELATED PARTY TRANSACTIONS (Continued)

(c) Key management compensation

The remuneration of directors and other members of key management during the year were as follows:

	2015 RMB'000	2014 RMB'000
Salaries	2,817	2,711
Performance related bonuses	1,304	1,210
Retirement benefits scheme contributions	99	79
	4,220	4,000

35. INFORMATION OF FINANCIAL POSITION AND CHANGES IN EQUITY OF THE COMPANY

The statement of financial position of the Company as at 31 December 2015 is as follows:

	2015 RMB'000	2014 RMB'000
Non-current assets		
Property, plant and equipment	2	8
Investments in subsidiaries	52,837	52,837
Investments in joint ventures	27,666	27,666
Amounts due from subsidiaries	605,881	331,264
	686,386	411,775
Current assets		
Debtors, deposits and prepayments	14,022	14,882
Amounts due from associates and subsidiaries of an associate	28,592	–
Restricted bank deposits	–	2,370
Cash and cash equivalents	35,301	1,784
	77,915	19,036

Notes to the Consolidated Financial Statements

35. INFORMATION OF FINANCIAL POSITION AND CHANGES IN EQUITY OF THE COMPANY (Continued)

	2015 RMB'000	2014 RMB'000
Current liabilities		
Other payables and accrued charges	11,641	13,934
Amounts due to an associate and subsidiaries of an associate	8,853	–
Bank borrowings	332,299	275,706
	352,793	289,640
Net current liabilities	(274,878)	(270,604)
Total assets less current liabilities	411,508	141,171
Capital and reserves		
Share capital	4,022	4,022
Share premium	82,281	82,281
Other reserves	7,973	7,973
Retained earnings	317,232	46,895
Total equity	411,508	141,171

Notes to the Consolidated Financial Statements

35. INFORMATION OF FINANCIAL POSITION AND CHANGES IN EQUITY OF THE COMPANY (Continued)

The statement of changes in equity of the Company for the year ended 31 December 2015 is as follows:

	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2014	4,022	82,281	7,632	47,374	141,309
Profit for the year	–	–	–	43,873	43,873
Other comprehensive income					
Currency translation difference	–	–	341	–	341
Total comprehensive income	–	–	341	43,873	44,214
Dividends paid	–	–	–	(44,352)	(44,352)
At 31 December 2014	4,022	82,281	7,973	46,895	141,171
Profit for the year	–	–	–	294,529	294,529
Total comprehensive income	–	–	–	294,529	294,529
Dividends paid	–	–	–	(24,192)	(24,192)
At 31 December 2015	4,022	82,281	7,973	317,232	411,508

36. COMPARATIVE FIGURES

Certain comparative figures are reclassified in order to conform with the current presentation.

37. EVENT AFTER THE REPORTING DATE

The Group has no significant events occurred after the reporting date.

Five-Year Financial Summary

OPERATING RESULTS

For the year ended 31 December

	2011 RMB'000	2012 RMB'000	2013 RMB'000	2014 RMB'000	2015 RMB'000
Revenue	1,884,132	1,540,856	1,350,271	1,300,119	990,239
Gross profit	439,216	308,947	309,771	344,894	267,925
Profit before income tax	197,032	60,440	54,388	125,071	55,952
Profit attributable to equity holders of the Company	153,690	42,022	36,868	101,313	46,097
Earnings per share – basic (RMB)	0.38	0.10	0.09	0.25	0.11

ASSETS AND LIABILITIES

As at 31 December

	2011 RMB'000	2012 RMB'000	2013 RMB'000	2014 RMB'000	2015 RMB'000
Non-current assets	371,929	345,271	330,119	309,492	589,531
Net current assets	332,239	339,800	361,656	433,321	154,908
Non-current liabilities	(21,800)	(23,180)	(18,775)	(16,118)	–
Net assets	682,368	661,891	673,000	726,695	744,439
Share capital	4,022	4,022	4,022	4,022	4,022
Reserves	678,346	657,869	668,978	722,673	740,417
Shareholders' equity	682,368	661,891	673,000	726,695	744,439