

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。



NEW FOCUS AUTO TECH HOLDINGS LIMITED

新焦點汽車技術控股有限公司*

(於開曼群島註冊成立的有限公司)

(股份代號：360)

海外監管公告

本公告是由新焦點汽車技術控股有限公司（「本公司」）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。

以下所附是本公司依臺灣證券交易所股份有限公司規定於二零一七年四月二十七日在臺灣證券交易所股份有限公司網頁刊發的公告。

承董事會命
新焦點汽車技術控股有限公司
主席
張健行

香港，二零一七年四月二十七日

於本公佈刊發日期，本公司董事會包括以下董事：執行董事 - 張健行及杜敬磊；非執行董事應偉及王振宇；及獨立非執行董事 - 胡玉明、林雷及張曉亞。

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* 僅供識別

新焦點汽車技術控股有限公司及子公司

民國105年度合併財務報告

(上市之台灣存託憑證用外國公司財務報告)

(股票代碼9106)

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附 件 一

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

- 一、合併資產負債表。
- 二、合併綜合損益表
- 三、合併權益變動表。
- 四、合併現金流量表。

民國105年度及民國104年度比較報表之所有科目金額，係分別以民國105年12月31日之人民幣對新台幣匯率(RMB\$1：NTD\$4.6170)及民國104年12月31日之人民幣對新台幣匯率(RMB\$1：NTD\$4.9950)換算。

最近三年度人民幣兌新台幣匯率最高、最低及平均匯率如下：

	<u>收盤最高</u>	<u>收盤最低</u>	<u>收盤平均</u>
民國105年度	RMB\$1：NTD\$5.1050	RMB\$1：NTD\$4.5910	RMB\$1：NTD\$4.8425
民國104年度	RMB\$1：NTD\$5.1840	RMB\$1：NTD\$4.8900	RMB\$1：NTD\$5.0331
民國103年度	RMB\$1：NTD\$5.1090	RMB\$1：NTD\$4.7970	RMB\$1：NTD\$4.9202

新焦點汽車技術控股有限公司及子公司
綜合財務狀況報表
民國105年及104年12月31日

單位：千元

	105. 12. 31.		104. 12. 31.	
	人民幣	新台幣	人民幣	新台幣
資 產				
非流動資產				
物業、廠房及設備	182,450	842,372	177,380	886,013
租賃土地及土地使用權	30,221	139,530	31,289	156,289
投資物業	43,864	202,520	42,775	213,661
商譽	43,919	202,774	118,253	590,674
其他無形資產	56,038	258,727	47,923	239,375
於一間聯營公司的權益	393	1,814	6,121	30,574
遞延所得稅資產	31,166	143,893	21,196	105,874
應收關聯人士款項	-	-	6,991	34,920
	<u>388,051</u>	<u>1,791,630</u>	<u>451,928</u>	<u>2,257,380</u>
流動資產				
存貨	177,135	817,832	196,143	979,734
可退回稅款	6	28	274	1,369
應收貿易帳款	161,590	746,061	130,742	653,056
按金、預付款項及其他應收款項	284,650	1,314,229	335,729	1,676,966
應收關聯人士款項	32,633	150,667	3,603	17,997
已抵押定期存款	4,500	20,777	6,903	34,480
可供出售金融資產	-	-	53,383	266,648
現金及現金等值物	164,269	758,430	140,327	700,933
	<u>824,783</u>	<u>3,808,024</u>	<u>867,104</u>	<u>4,331,183</u>
流動負債				
已抵押銀行借款	178,475	824,019	216,325	1,080,543
應付貿易帳款	185,641	857,104	171,557	856,927
應計費用及其他應付款項	208,662	963,392	158,241	790,414
應付稅項	4,423	20,421	4,009	20,025
可換股債券	183,834	848,762	156,319	780,813
	<u>761,035</u>	<u>3,513,698</u>	<u>706,451</u>	<u>3,528,722</u>
流動資產淨值	<u>63,748</u>	<u>294,326</u>	<u>160,653</u>	<u>802,461</u>
資產總值減流動負債	<u>451,799</u>	<u>2,085,956</u>	<u>612,581</u>	<u>3,059,841</u>
非流動負債				
已抵押銀行借款	-	-	7,920	39,560
遞延稅項負債	22,632	104,492	19,948	99,640
	<u>22,632</u>	<u>104,492</u>	<u>27,868</u>	<u>139,200</u>
淨資產	<u>429,167</u>	<u>1,981,464</u>	<u>584,713</u>	<u>2,920,641</u>
資本及儲備				
股本	376,184	1,736,841	376,133	1,878,784
儲備	(21,897)	(101,098)	100,784	503,416
本公司擁有人應佔權益總額	<u>354,287</u>	<u>1,635,743</u>	<u>476,917</u>	<u>2,382,200</u>
非控制權益	<u>74,880</u>	<u>345,721</u>	<u>107,796</u>	<u>538,441</u>
權益總額	<u>429,167</u>	<u>1,981,464</u>	<u>584,713</u>	<u>2,920,641</u>

註：民國105年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國105年12月31日之匯率RMB1:NTD4.6170換算。
民國104年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國104年12月31日之匯率RMB1:NTD4.9950換算。

董事長：張健行

經理人：張健行

會計主管：林明

新焦點汽車技術控股有限公司及子公司
綜合全面收入報表
民國105年及104年1月1日至12月31日

單位：千元

	105年度		104年度	
	人民幣	新台幣	人民幣	新台幣
營業額	1,292,665	5,968,234	1,254,191	6,264,684
銷售及服務成本	(1,017,862)	(4,699,469)	(999,070)	(4,990,355)
毛利	274,803	1,268,765	255,121	1,274,329
其他收入及盈虧	59,934	276,715	55,124	275,344
分銷成本	(213,738)	(986,828)	(198,621)	(992,112)
行政開支	(149,492)	(690,205)	(143,331)	(715,938)
商譽的減值虧損	(74,334)	(343,200)	(28,003)	(139,875)
融資成本	(40,885)	(188,766)	(37,713)	(188,376)
應佔一間聯營公司虧損	(2,099)	(9,691)	(5,879)	(29,366)
除稅前虧損	(145,811)	(673,210)	(103,302)	(515,994)
所得稅開支	(2,507)	(11,574)	(645)	(3,222)
年度虧損	(148,318)	(684,784)	(103,947)	(519,216)
其他綜合收益				
可能在其後重新分類至損益的項目：				
換算海外業務匯兌差額	(8,403)	(38,797)	(17,136)	(85,594)
可供出售金融資產：公平價值儲備變動淨額	(325)	(1,500)	325	1,623
年度其他綜合收益，除稅後	(8,728)	(40,297)	(16,811)	(83,971)
年度綜合收益總額	(157,046)	(725,081)	(120,758)	(603,187)
年度應佔虧損				
— 本公司擁有人	(123,459)	(570,010)	(90,967)	(454,380)
— 非控制權益	(24,859)	(114,774)	(12,980)	(64,836)
	(148,318)	(684,784)	(103,947)	(519,216)
應佔綜合收益總額				
— 本公司擁有人	(132,187)	(610,307)	(107,778)	(538,351)
— 非控制權益	(24,859)	(114,774)	(12,980)	(64,836)
	(157,046)	(725,081)	(120,758)	(603,187)
每股虧損				
基本	人民幣(2.70)分	新台幣(0.12)元	人民幣(2.41)分	新台幣(0.12)元
攤薄	人民幣(2.70)分	新台幣(0.12)元	人民幣(2.41)分	新台幣(0.12)元

註：民國105年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國105年12月31日之匯率RMB1:NTD4.6170換算。

民國104年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國104年12月31日之匯率RMB1:NTD4.9950換算。

董事長：張健行

經理人：張健行

會計主管：林明

新焦點汽車技術控股有限公司及子公司
綜合權益變動表
民國105年及104年1月1日至12月31日

單位：人民幣千元

	股本	股份溢價	法定儲備金	企業擴充 基金	可換股債券 儲備	其他	股本贖回 儲備	匯兌儲備	保留溢利 (累計虧損)	本公司 擁有人應佔	非控制權益	總計
民國104年1月1日餘額	307,931	760,136	49,045	2,756	28,888	10,261	1,545	(12,354)	(737,453)	410,755	129,542	540,297
年度虧損	-	-	-	-	-	-	-	-	(90,967)	(90,967)	(12,980)	(103,947)
其他綜合損益	-	-	-	-	-	325	-	(17,136)	-	(16,811)	-	(16,811)
年度綜合收益總額(扣除稅項)	-	-	-	-	-	325	-	(17,136)	(90,967)	(107,778)	(12,980)	(120,758)
轉撥儲備	-	-	3,596	-	-	-	-	-	(3,596)	-	-	-
兌換可換股債券	68,090	115,892	-	-	(28,888)	-	-	-	-	155,094	-	155,094
收購一間附屬公司額外權益	-	-	-	-	-	9,051	-	-	-	9,051	(9,051)	-
收購一間附屬公司所產生	-	-	-	-	-	-	-	-	-	-	1,390	1,390
已宣派附屬公司非控制擁有人股息	-	-	-	-	-	-	-	-	-	-	(1,105)	(1,105)
確認股本結算股份付款	-	-	-	-	-	9,246	-	-	-	9,246	-	9,246
根據購股權計畫發行股份	112	664	-	-	-	(227)	-	-	-	549	-	549
民國104年12月31日餘額	376,133	876,692	52,641	2,756	-	28,656	1,545	(29,490)	(832,016)	476,917	107,796	584,713
民國105年1月1日餘額	376,133	876,692	52,641	2,756	-	28,656	1,545	(29,490)	(832,016)	476,917	107,796	584,713
年度虧損	-	-	-	-	-	-	-	-	(123,459)	(123,459)	(24,859)	(148,318)
其他綜合損益	-	-	-	-	-	(325)	-	(8,403)	-	(8,728)	-	(8,728)
年度綜合收益總額(扣除稅項)	-	-	-	-	-	(325)	-	(8,403)	(123,459)	(132,187)	(24,859)	(157,046)
轉撥儲備	-	-	2,510	-	-	-	-	-	(2,510)	-	-	-
出售附屬公司	-	-	-	-	-	(116)	-	-	-	(116)	(11,836)	(11,952)
確認為可換股債券儲備	-	-	-	-	1,619	-	-	-	-	1,619	-	1,619
收購一間附屬公司	-	-	-	-	-	-	-	-	-	-	(528)	(528)
非控股股東注資	-	-	-	-	-	1,903	-	-	-	1,903	4,307	6,210
確認股本結算股份付款	-	-	-	-	-	5,963	-	-	-	5,963	-	5,963
根據購股權計畫發行股份	51	207	-	-	-	(70)	-	-	-	188	-	188
民國105年12月31日餘額	376,184	876,899	55,151	2,756	1,619	36,011	1,545	(37,893)	(957,985)	354,287	74,880	429,167

(續下頁)

董事長：張健行

經理人：張健行

會計主管：林明

新焦點汽車技術控股有限公司及子公司
綜合權益變動表
民國105年及104年1月1日至12月31日

單位：新台幣千元

	股本	股份溢價	法定儲備金	企業擴充 基金	可換股債券 儲備	其他	股本贖回 儲備	匯兌儲備	保留溢利 (累計虧損)	本公司 擁有人應佔	非控制權益	總計
民國104年1月1日餘額	1,567,985	3,870,612	249,737	14,034	147,098	52,249	7,867	(62,907)	(3,755,111)	2,091,564	659,628	2,751,192
年度虧損	-	-	-	-	-	-	-	-	(454,380)	(454,380)	(64,836)	(519,216)
其他綜合損益	-	-	-	-	-	1,623	-	(85,594)	-	(83,971)	-	(83,971)
年度綜合收益總額(扣除稅額)	-	-	-	-	-	1,623	-	(85,594)	(454,380)	(538,351)	(64,836)	(603,187)
轉撥儲備	-	-	17,962	-	-	-	-	-	(17,962)	-	-	-
兌換可換股債券	340,110	578,881	-	-	(144,296)	-	-	-	-	774,695	-	774,695
收購一間附屬公司額外權益	-	-	-	-	-	45,210	-	-	-	45,210	(45,210)	-
收購一間附屬公司所產生	-	-	-	-	-	-	-	-	-	-	6,943	6,943
已宣派附屬公司非控制擁有人股息	-	-	-	-	-	-	-	-	-	-	(5,519)	(5,519)
確認股本結算股份付款	-	-	-	-	-	46,184	-	-	-	46,184	-	46,184
根據購股權計畫發行股份	559	3,317	-	-	-	(1,134)	-	-	-	2,742	-	2,742
匯率調整數	(29,870)	(73,733)	(4,757)	(268)	(2,802)	(996)	(150)	1,199	71,533	(39,844)	(12,565)	(52,409)
民國104年12月31日餘額	1,878,784	4,379,077	262,942	13,766	-	143,136	7,717	(147,302)	(4,155,920)	2,382,200	538,441	2,920,641
民國105年1月1日餘額	1,878,784	4,379,077	262,942	13,766	-	143,136	7,717	(147,302)	(4,155,920)	2,382,200	538,441	2,920,641
年度虧損	-	-	-	-	-	-	-	-	(570,010)	(570,010)	(114,774)	(684,784)
其他綜合損益	-	-	-	-	-	(1,500)	-	(38,797)	-	(40,297)	-	(40,297)
年度綜合收益總額(扣除稅額)	-	-	-	-	-	(1,500)	-	(38,797)	(570,010)	(610,307)	(114,774)	(725,081)
轉撥儲備	-	-	11,589	-	-	-	-	-	(11,589)	-	-	-
出售附屬公司	-	-	-	-	-	(536)	-	-	-	(536)	(54,647)	(55,183)
確認為可換股債券儲備	-	-	-	-	7,475	-	-	-	-	7,475	-	7,475
收購一間附屬公司	-	-	-	-	-	-	-	-	-	-	(2,438)	(2,438)
非控股股東注資	-	-	-	-	-	8,786	-	-	-	8,786	19,885	28,671
確認股本結算股份付款	-	-	-	-	-	27,531	-	-	-	27,531	-	27,531
根據購股權計畫發行股份	235	956	-	-	-	(323)	-	-	-	868	-	868
匯率調整數	(142,178)	(331,390)	(19,899)	(1,041)	-	(10,831)	(584)	11,147	314,502	(180,274)	(40,746)	(221,020)
民國105年12月31日餘額	1,736,841	4,048,643	254,632	12,725	7,475	166,263	7,133	(174,952)	(4,423,017)	1,635,743	345,721	1,981,464

註：民國105年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國105年12月31日之匯率RMB1:NTD4.6170換算。

民國104年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國104年12月31日之匯率RMB1:NTD4.9950換算。

董事長：張健行

經理人：張健行

會計主管：林明

新焦點汽車技術控股有限公司及子公司
綜合現金流量表
民國105年及104年1月1日至12月31日

單位：千元

	105年度		104年度	
	人民幣	新台幣	人民幣	新台幣
經營活動				
除稅前虧損	(145,811)	(673,210)	(103,302)	(515,994)
就以下各項調整：				
搬減存貨	5,416	25,006	5,329	26,618
折舊	35,794	165,261	39,244	196,024
攤銷	1,703	7,863	1,035	5,170
呆帳額外撥備	4,509	20,818	2,138	10,679
商譽減值	74,334	343,200	28,003	139,875
股本結算股份付款	5,963	27,531	9,246	46,184
利息收入	(13,551)	(62,565)	(24,333)	(121,543)
利息開支	40,885	188,766	37,713	188,376
出售物業、機器及設備(收益)/虧損	(135)	(623)	2,921	14,590
投資物業公平價值變動	(1,089)	(5,025)	(742)	(3,706)
出售附屬公司及一間聯營公司收益	(19,820)	(91,509)	-	-
搬銷其他應付款項	(1,274)	(5,882)	(394)	(1,968)
換股權的公平價值收益	(4,250)	(19,622)	(19,330)	(96,553)
應佔一間聯營公司虧損	2,099	9,691	5,879	29,366
營運資金變動前的經營現金流量	(15,227)	(70,300)	(16,593)	(82,882)
存貨(增加)/減少	(32,442)	(149,785)	13,174	65,804
應收貿易帳款(增加)/減少	(50,675)	(233,966)	614	3,067
按金、預付款項及其他應收款項(增加)/減少	(25,276)	(116,699)	5,378	26,863
應收關連公司款項增加	(406)	(1,875)	(417)	(2,083)
應付貿易帳款增加/(減少)	56,431	260,542	(18,494)	(92,378)
應計費用及其他應付款項增加	41,551	191,841	24,876	124,256
經營活動(使用)/產生的現金	(26,044)	(120,242)	8,538	42,647
已付所得稅	(7,034)	(32,476)	(4,004)	(20,000)
經營活動(使用)/產生的現金淨額	(33,078)	(152,718)	4,534	22,647
投資活動				
購置其他無形資產	-	-	(4)	(20)
購置物業、機器及設備	(57,713)	(266,461)	(35,819)	(178,916)
購置可供出售金融資產	-	-	(91,000)	(454,545)
出售可供出售金融資產所得款項	54,649	252,315	38,896	194,286
出售物業、機器及設備以及投資物業的所得款項	2,149	9,922	15,893	79,385
給予一間聯營公司的貸款	-	-	(6,991)	(34,920)
給予一名第三方的貸款	-	-	(190,000)	(949,050)
一名第三方償還的貸款	60,000	277,020	40,000	199,800
收購一間附屬公司的付款淨額	(889)	(4,105)	-	-
出售附屬公司的現金流出淨額	(10,925)	(50,441)	-	-
於聯營公司的投資	(598)	(2,761)	(12,000)	(59,940)
已抵押定期存款減少/(增加)	38	176	(691)	(3,452)
已收利息	21,725	100,304	13,670	68,282
投資活動產生/(使用)的現金淨額	68,436	315,969	(228,046)	(1,139,090)
融資活動				
發行股份及可換股債券所得款項	-	-	152,833	763,401
股份及可換股債券的發行成本	-	-	(156)	(779)
一間附屬公司非控制擁有人注資	1,210	5,587	490	2,448
行使購股權所得款項	188	868	549	2,742
新銀行貸款所得款項	178,477	824,028	329,804	1,647,371
償還銀行貸款	(175,456)	(810,080)	(267,389)	(1,335,608)
償還一間附屬公司一名非控制擁有人人的貸款	-	-	(5,000)	(24,975)
已付附屬公司非控制擁有人股息	-	-	(1,105)	(5,520)
已付利息	(18,418)	(85,036)	(10,694)	(53,416)
融資活動(使用)/產生的現金淨額	(13,999)	(64,633)	199,332	995,664
現金及現金等值物增加/(減少)淨額	21,359	98,618	(24,180)	(120,779)
年初的現金及現金等值物	140,327	700,933	163,511	832,598
匯率變動的影響	2,583	11,926	996	4,975
匯率調整數	-	(53,047)	-	(15,861)
年末的現金及現金等值物	<u>164,269</u>	<u>758,430</u>	<u>140,327</u>	<u>700,933</u>
現金及現金等值物結餘分析				
銀行存款及手頭現金	164,269	758,430	140,327	700,933
	<u>164,269</u>	<u>758,430</u>	<u>140,327</u>	<u>700,933</u>

註：民國105年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國105年12月31日之匯率RMB1:NTD4.6170換算。
民國104年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國104年12月31日之匯率RMB1:NTD4.9950換算。

董事長：張健行

經理人：張健行

會計主管：林明

附 件 二

新焦點汽車技術控股有限公司及子公司
 合併資產負債表
 (依證券發行人財務報告編製準則規定格式調節)
 民國105年及104年12月31日

單位：新台幣千元

		105年12月31日			104年12月31日		
		依國際財務 報導準則 編製金額(註2)	調節金額增(減)	依台灣規定 格式編製金額	依國際財務 報導準則 編製金額(註2)	調節金額增(減)	依台灣規定 格式編製金額
資 產							
流動資產							
1100	現金及約當現金	758,430	-	758,430	700,933	-	700,933
1125	備供出售金融資產－流動	-	-	-	266,648	-	266,648
1170	應收帳款淨額	746,061	-	746,061	653,056	-	653,056
1180	應收帳款－關係人	150,667	-	150,667	17,997	-	17,997
1220	本期所得稅資產	28	-	28	1,369	-	1,369
130x	存貨淨額	817,832	-	817,832	979,734	-	979,734
1476	其他金融資產－流動	20,777	-	20,777	34,480	-	34,480
1479	其他流動資產－其他	1,314,229	-	1,314,229	1,676,966	-	1,676,966
	流動資產總計	<u>3,808,024</u>	<u>-</u>	<u>3,808,024</u>	<u>4,331,183</u>	<u>-</u>	<u>4,331,183</u>
非流動資產							
1551	採用權益法之投資	1,814	-	1,814	30,574	-	30,574
1600	不動產、廠房及設備	842,372	-	842,372	886,013	-	886,013
1760	投資性不動產淨額	202,520	(145,786)	56,734	213,661	(145,889)	67,772
1805	商譽	202,774	-	202,774	590,674	-	590,674
1821	其他無形資產淨額	258,727	-	258,727	239,375	-	239,375
1840	遞延所得稅資產	143,893	-	143,893	105,874	-	105,874
1942	長期應收款－關係人	-	-	-	34,920	-	34,920
1985	長期預付租金	139,530	4,215	143,745	156,289	4,560	160,849
	非流動資產總計	<u>1,791,630</u>	<u>(141,571)</u>	<u>1,650,059</u>	<u>2,257,380</u>	<u>(141,329)</u>	<u>2,116,051</u>
	資產總計	<u><u>5,599,654</u></u>	<u><u>(141,571)</u></u>	<u><u>5,458,083</u></u>	<u><u>6,588,563</u></u>	<u><u>(141,329)</u></u>	<u><u>6,447,234</u></u>

(續次頁)

新焦點汽車技術控股有限公司及子公司
 合併資產負債表
 (依證券發行人財務報告編製準則規定格式調節)
 民國105年及104年12月31日

單位：新台幣千元

		105年12月31日			104年12月31日		
		依國際財務 報導準則 編製金額(註2)	調節金額增(減)	依台灣規定 格式編製金額	依國際財務 報導準則 編製金額(註2)	調節金額增(減)	依台灣規定 格式編製金額
負債及權益							
流動負債							
2100	短期借款	824,019	-	824,019	1,080,543	-	1,080,543
2170	應付帳款	857,104	-	857,104	856,927	-	856,927
2200	其他應付款	963,392	-	963,392	790,414	-	790,414
2230	本期所得稅負債	20,421	-	20,421	20,025	-	20,025
2321	一年或一營業週期內到期公司債	848,762	-	848,762	780,813	-	780,813
	流動負債總計	3,513,698	-	3,513,698	3,528,722	-	3,528,722
非流動負債							
2540	長期借款	-	-	-	39,560	-	39,560
2570	遞延所得稅負債	104,492	(33,925)	70,567	99,640	(35,889)	63,751
	非流動負債總計	104,492	(33,925)	70,567	139,200	(35,889)	103,311
	負債總計	3,618,190	(33,925)	3,584,265	3,667,922	(35,889)	3,632,033
權益							
3100	股本	1,736,841	-	1,736,841	1,878,784	-	1,878,784
3200	資本公積	4,242,239	(15,070)	4,227,169	4,543,696	(16,303)	4,527,393
3310	法定盈餘公積	254,632	-	254,632	262,942	-	262,942
3350	未分配盈餘	(4,423,017)	(92,576)	(4,515,593)	(4,155,920)	(89,137)	(4,245,057)
3410	國外營運機構財務報表換算之兌換差額	(174,952)	-	(174,952)	(147,302)	-	(147,302)
	歸屬於母公司業主之權益總計	1,635,743	(107,646)	1,528,097	2,382,200	(105,440)	2,276,760
36xx	非控制權益	345,721	-	345,721	538,441	-	538,441
	權益總計	1,981,464	(107,646)	1,873,818	2,920,641	(105,440)	2,815,201
	負債及權益總計	5,599,654	(141,571)	5,458,083	6,588,563	(141,329)	6,447,234

註1：民國105年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國105年12月31日之匯率RMB1:NTD4.6170換算。
 民國104年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國104年12月31日之匯率RMB1:NTD4.9950換算。
 註2：揭露之報表格式業已依我國證券發行人財務報告編製準則予以調節。

董事長：張健行

經理人：張健行

主辦會計：林明

新焦點汽車技術控股有限公司及子公司
 合併綜合損益表
 (依證券發行人財務報告編製準則規定格式調節)
 民國105年及104年12月31日

單位：新台幣千元

項 目	105年度			104年度		
	依國際財務 報導準則 編製金額(註2)	調節金額增(減)	依台灣規定 格式編製金額	依國際財務 報導準則 編製金額(註2)	調節金額增(減)	依台灣規定 格式編製金額
4000 營業收入	5,968,234	-	5,968,234	6,264,684	-	6,264,684
5000 營業成本	(4,699,469)	-	(4,699,469)	(4,990,355)	-	(4,990,355)
5900 營業毛利	1,268,765	-	1,268,765	1,274,329	-	1,274,329
6000 營業費用	(1,677,033)	(5,910)	(1,682,943)	(1,708,050)	(6,314)	(1,714,364)
6500 其他收益及費損淨額	276,715	(5,025)	271,690	275,344	(3,706)	271,638
6900 營業損失	(131,553)	(10,935)	(142,488)	(158,377)	(10,020)	(168,397)
營業外收入及支出						
7050 財務成本	(188,766)	-	(188,766)	(188,376)	-	(188,376)
7060 採用權益法認列之關聯企業及合資損益之份額	(9,691)	-	(9,691)	(29,366)	-	(29,366)
7675 無形資產減損損失	343,200	-	343,200	139,875	-	139,875
7000 營業外收入及支出合計	(541,657)	-	(541,657)	(357,617)	-	(357,617)
7900 繼續營業單位稅前淨損	(673,210)	(10,935)	(684,145)	(515,994)	(10,020)	(526,014)
7950 所得稅費用	(11,574)	753	(10,821)	(3,222)	1,224	(1,998)
8200 本期淨損	(684,784)	(10,182)	(694,966)	(519,216)	(8,796)	(528,012)
其他綜合損益：						
後續可能重分類至損益之項目						
8361 國外營運機構財務報表換算之兌換差額	(38,797)	-	(38,797)	(85,594)	-	(85,594)
8362 備供出售金融資產未實現利益	(1,500)	-	(1,500)	1,623	-	1,623
8360 後續可能重分類至損益之項目合計	(40,297)	-	(40,297)	(83,971)	-	(83,971)
8300 本期其他綜合損益(稅後淨額)	(40,297)	-	(40,297)	(83,971)	-	(83,971)
8500 本期綜合損益總額	(725,081)	(10,182)	(735,263)	(603,187)	(8,796)	(611,983)
淨損歸屬於：						
8610 母公司業主	(570,010)	(10,182)	(580,192)	(454,380)	(8,796)	(463,176)
8620 非控制權益	(114,774)	-	(114,774)	(64,836)	-	(64,836)
	(684,784)	(10,182)	(694,966)	(519,216)	(8,796)	(528,012)
綜合損益總額歸屬於：						
8710 母公司業主	(610,307)	(10,182)	(620,489)	(538,351)	(8,796)	(547,147)
8720 非控制權益	(114,774)	-	(114,774)	(64,836)	-	(64,836)
	(725,081)	(10,182)	(735,263)	(603,187)	(8,796)	(611,983)
每股虧損						
9750 基本每股虧損	新台幣(0.12)元	新台幣(0.01)元	新台幣(0.13)元	新台幣(0.12)元	新台幣0.00元	新台幣(0.12)元
9850 稀釋每股虧損	新台幣(0.12)元	新台幣(0.01)元	新台幣(0.13)元	新台幣(0.12)元	新台幣0.00元	新台幣(0.12)元

註1：民國105年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國105年12月31日之匯率RMB1:NTD4.6170換算。

民國104年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國104年12月31日之匯率RMB1:NTD4.9950換算。

註2：揭露之報表格式業已依我國證券發行人財務報告編製準則予以調節。

董事長：張健行

經理人：張健行

主辦會計：林明

新焦點汽車技術控股有限公司及子公司
合併現金流量表
 (依證券發行人財務報告編製準則規定格式調節)
 民國105年及104年12月31日

單位：新台幣千元

105年1月1日至12月31日

104年1月1日至12月31日

	依國際財務 報導準則		依台灣規定 格式編製金額	依國際財務 報導準則		依台灣規定 格式編製金額
	編製金額(註2)	調節金額增(減)		編製金額(註2)	調節金額增(減)	
營業活動之現金流量：						
繼續營業單位稅前淨損	(\$ 673,210)	(\$ 10,935)	(\$ 684,145)	(\$ 515,994)	(\$ 10,020)	(\$ 526,014)
調整項目：						
不影響現金流量之收益費損項目						
存貨呆滯及跌價損失	25,006	-	25,006	26,618	-	26,618
折舊費用	165,261	5,910	171,171	196,024	6,314	202,338
攤銷費用	7,863	-	7,863	5,170	-	5,170
呆帳費用提列數	20,818	-	20,818	10,679	-	10,679
透過損益按公允價值衡量金融負債之淨利益	(19,622)	-	(19,622)	(96,553)	-	(96,553)
利息費用	188,766	-	188,766	188,376	-	188,376
利息收入	(62,565)	-	(62,565)	(121,543)	-	(121,543)
股份基礎給付酬勞成本	27,531	-	27,531	46,184	-	46,184
採用權益法認列之關聯企業及合資損失之份額	9,691	-	9,691	29,366	-	29,366
處分及報廢不動產、廠房及設備損失(利益)	(623)	-	(623)	14,590	-	14,590
處分子公司及採用權益法之投資利益	(91,509)	-	(91,509)	-	-	-
非金融資產減損損失	343,200	-	343,200	139,875	-	139,875
投資性不動產公允價值調整利益	(5,025)	5,025	-	(3,706)	3,706	-
逾期其他應付款項轉列其他收入	(5,882)	-	(5,882)	(1,968)	-	(1,968)
不影響現金流量之收益費損項目合計	602,910	10,935	613,845	433,112	10,020	443,132
與營業活動相關之資產/負債變動數						
應收帳款(增加)減少	(233,966)	-	(233,966)	3,067	-	3,067
應收帳款—關係人增加	(1,875)	-	(1,875)	(2,083)	-	(2,083)
存貨(增加)減少	(149,785)	-	(149,785)	65,804	-	65,804
其他流動資產—其他(增加)減少	(116,699)	-	(116,699)	26,863	-	26,863
應付帳款增加(減少)	260,542	-	260,542	(92,378)	-	(92,378)
其他應付款增加	191,841	-	191,841	124,256	-	124,256
與營業活動相關之資產/負債淨變動數合計	(49,942)	-	(49,942)	125,529	-	125,529
營運產生之現金流入(出)	(120,242)	-	(120,242)	42,647	-	42,647
支付之所得稅	(32,476)	-	(32,476)	(20,000)	-	(20,000)
營業活動之淨現金流入(出)	(152,718)	-	(152,718)	22,647	-	22,647
投資活動之現金流量：						
取得備供出售金融資產	-	-	-	(454,545)	-	(454,545)
處分備供出售金融資產價款	252,315	-	252,315	194,286	-	194,286
取得採用權益法之投資	(2,761)	-	(2,761)	(59,940)	-	(59,940)
對子公司之收購(扣除所取得之現金)	(4,105)	-	(4,105)	-	-	-
處分子公司(扣除所流出之現金)	(50,441)	-	(50,441)	-	-	-
取得不動產、廠房及設備	(266,461)	-	(266,461)	(178,916)	-	(178,916)
處分不動產、廠房及設備	9,922	-	9,922	79,385	-	79,385
其他應收款(表列其他流動資產—其他)增加	-	-	-	(949,050)	-	(949,050)
其他應收款(表列其他流動資產—其他)減少	277,020	-	277,020	199,800	-	199,800
長期應收款—關係人增加	-	-	-	(34,920)	-	(34,920)
取得無形資產	-	-	-	(20)	-	(20)
其他金融資產(增加)減少	176	-	176	(3,452)	-	(3,452)
收取之利息	100,304	-	100,304	68,282	-	68,282
投資活動之淨現金流入(出)	315,969	-	315,969	(1,139,090)	-	(1,139,090)
籌資活動之現金流量：						
發行公司債(扣除債券發行成本)	-	-	-	762,622	-	762,622
舉借借款	824,028	-	824,028	1,647,371	-	1,647,371
償還借款	(810,080)	-	(810,080)	(1,335,608)	-	(1,335,608)
員工執行認股權	868	-	868	2,742	-	2,742
支付之利息	(85,036)	-	(85,036)	(53,416)	-	(53,416)
非控制權益變動	5,587	-	5,587	(28,047)	-	(28,047)
籌資活動之淨現金流入(出)	(64,633)	-	(64,633)	995,664	-	995,664
匯率變動對現金及約當現金之影響	(41,121)	-	(41,121)	(10,886)	-	(10,886)
本期現金及約當現金淨增加(減少)數	57,497	-	57,497	(131,665)	-	(131,665)
期初現金及約當現金餘額	700,933	-	700,933	832,598	-	832,598
期末現金及約當現金餘額	758,430	-	758,430	700,933	-	700,933
合併資產負債表帳列之現金及約當現金	758,430	-	758,430	700,933	-	700,933

註1：民國105年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國105年12月31日之匯率RMB1:NTD4.6170換算。

民國104年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國104年12月31日之匯率RMB1:NTD4.9950換算。

註2：揭露之報表格式業已依我國證券發行人財務報告編製準則予以調節。

董事長：張健行

經理人：張健行

主辦會計：林明

新焦點汽車技術控股有限公司及子公司
 合併財務報表調節說明
 民國105年度及104年度
 (除另予註明者外，金額係以新台幣仟元為單位)

一、合併財務報表重編原則

新焦點汽車技術控股有限公司及子公司(以下簡稱合併公司)如附件三所列之民國105年度及104年度財務報告，係包括新焦點汽車技術控股有限公司(以下簡稱本公司)及子公司之合併財務資訊。

合併公司民國105年度及104年度依國際財務報導準則及國際會計準則(以下簡稱IFRS)編製之合併資產負債表、合併綜合損益表及合併現金流量表，因適用之會計原則與報表格式，與證券發行人財務報告編製準則、中華民國金融監督管理委員會目前發布及修訂之國際財務報導準則及國際會計準則(以下簡稱TIFRS)規定部分不同，爰依中華民國金融監督管理委員會證券期貨局101年12月13日金管證審字第1010056540號函「第二上市(櫃)公司財務報告複核要點」規定，就上述合併資產負債表、合併綜合損益表及合併現金流量表依證券發行人財務報告編製準則及報表格式予以重編(以下簡稱重編合併財務報表)。

惟因適用之會計原則不同對合併公司民國105年度及104年度合併綜合損益表之損益影響金額，部分已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已依證券發行人財務報告編製準則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予以重分類，並執行相關損益調整。

二、合併公司所適用之IFRS與TIFRS之特定重大差異彙總說明

現行已發布生效之IFRS與TIFRS在特定方面可能有重大差異；其中影響合併公司民國105年度及104年度合併資產負債及合併綜合損益表，進而影響重編合併財務報表之主要差異，彙總說明如下：

		台灣證券發行人財務報告編製準則	IFRS	調節合併財務報表之影響
(一)	投資性不動產	投資性不動產原始認列時以成本衡量，後續衡量亦按成本模式處理，並計提折舊費用。 土地使用權屬於其他非流動資產下長期預付租金之獨立項目。	符合規定的不動產需分類為投資物業，並得以採公平價值執行重評價，每期公平價值的變動則列入損益。 長期預付租金分類為投資性不動產項下。	105年度： 長期預付租金及遞延所得稅負債分別增加4,215仟元及1,547仟元，投資性不動產、未分配盈餘及資本公積分別減少145,786仟元、123,103仟元及20,015仟元；其他收入減少5,025仟元，營業費用增加5,910仟元。

		台灣證券發行人財務報告編製準則	IFRS	調節合併財務報表之影響
				104年度： 長期預付租金及遞延所得稅負債分別增加4,560仟元及1,673仟元，投資性不動產、未分配盈餘及資本公積分別減少145,889仟元、121,349仟元及21,653仟元；其他收入減少3,706仟元，營業費用增加6,314仟元。
(二)	因投資性不動產而導致之遞延所得稅效果	以成本認列並計提折舊的方式計算財稅的課稅基礎差異，並計算其遞延所得稅效果。	以公平價值執行重評價的方式計算財稅的課稅基礎差異，並計算其遞延所得稅效果。	105年度： 遞延所得稅負債減少35,472仟元，未分配盈餘及資本公積分別增加30,527仟元及4,945仟元；所得稅費用減少753仟元。 104年度： 遞延所得稅負債減少37,562仟元，未分配盈餘及資本公積分別增加32,212仟元及5,350仟元；所得稅費用減少1,224仟元。
(三)	未分配盈餘加徵10%之所得稅費用	應於股東會通過盈餘分配時認列。	應於當年度認列	註

註：影響金額未達證券交易法施行細則第六條所訂應重編財務報表之準則，未具重大性，故不予調整或重分類。

附件三

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公司資料

董事

執行董事

張健行(行政總裁／主席)
杜敬磊

非執行董事

應偉
王振宇

獨立非執行董事

胡玉明
林雷
張曉亞

公司秘書

劉小華

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核數師

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執業會計師
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法律顧問

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主要股份過戶登記處

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(Cayman) Limited
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Grand Cayman KY1-1110
Cayman Islands

股份過戶登記處香港分處

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合和中心17M樓

股份編號

360

網址

<http://www.nfa360.com>

主席致辭

借這個機會，我想表達幾個意思：一是對各位股東的理解和堅守的感謝；二是對員工同事們的辛勞、堅持的感謝。

有心人會發現，我們已經走在價值發現和價值回歸的路上。財報上的數字，已經是過去了的歷史，是我們對昨天的一種告別方式。

去年，我們集中做了「減法」，既減去了過去收購中類似「商譽」的泡沫，也減去了不符合發展戰略的一些分支和業務。

例如，我們大規模撤裁了不同區域團隊管理的40餘家汽車服務門店，在短期內影響了營收。我們認為碎片化的商務合約不盡符合連鎖經營的場景標準化要素要求，服務價格的重構預期也難以對沖商務成本的現實控制。所以我們把汽服連鎖門店聚焦在「北京愛義行」作為載體的「城市加油站」全國推廣模式上，扎實推進與中石化和中石油的合作，儘管新的投入短期內不會立竿見影，但我們堅信實體連鎖有著光明的未來。

原有的幾家汽車用品批發服務業經過重組，整合成唯一以「美車驛站」汽車用品電商平台為主體的專業B2B流通網絡和垂直電商門戶，存量的調整和提升就已經大大拓寬了我們的視野，這是一個有前景的業務。



主席致辭

以汽車電源產品出口為主的紐福克斯工廠，經營質量也有了長足的進步，而且具備了持續進步的學習基因，相信在新能源汽車用品領域的研發會帶來新的增長點。

可以說，我們的路綫圖非常清晰：城市油站汽服連鎖是我們的核心業務，已經具備了全國複製的成熟模式，面臨快速拓展的機遇；美車驛站電商平台的孵化，追求的是精準、專業、高效，是我們重要的戰略配置；而作為集團出發點的製造業，是我們的基礎和依托。

雖然中國汽車保有量龐大，但汽車售後服務業的碎片化現狀，對本集團的後續發展而言，既是歷史機遇，又是嚴峻挑戰。我們將繼續貫徹有效的經營策略，持續完善經營模式，發掘和提升本集團的價值。

藉此機會，代表董事會再次向盡忠職守、努力不懈的管理層及員工深表謝意！

管理層討論與分析

縱覽

於二零一六年，新焦點汽車技術控股有限公司(「本公司」)及其附屬公司(「本集團」)專注於中國汽車售後連鎖服務，滿足廣大汽車消費者的全面需求，在業界位居產業龍頭。

業務摘要

收入

截至二零一六年十二月三十一日止年度(「本年度」)，本集團之綜合收入約人民幣1,292,665,000元(二零一五年：人民幣1,254,191,000元)，上升約3.07%。

本集團零售服務業綜合收入約為人民幣469,143,000元(二零一五年：人民幣481,910,000元)，下降約2.65%。下降主要源於本公司於二零一六年七月出售附屬公司新焦點麗車坊股份有限公司(「新焦點麗車坊」)和台灣新焦點汽車服務股份有限公司(「台灣新焦點」)各自100%的股權(「新焦點麗車坊和台灣新焦點股權出售」)，導致綜合收入較二零一五年減少約人民幣53,030,000元。去除該因素，本集團零售服務業綜合收入較二零一五年增加約人民幣40,263,000元，主要源於門店擴張。

本集團批發服務業綜合收入約為人民幣401,541,000元(二零一五年：人民幣356,062,000元)，上升約12.77%。上升主要由於本公司附屬公司遼寧新天成實業有限公司(「遼寧新天成」)以及浙江歐特隆實業有限公司(「浙江歐特隆」)分別自二零一五年五月和二零一六年七月開始發展電商平台業務，該電商平台業務發展迅速。

本集團製造業綜合收入約為人民幣421,981,000元(二零一五年：人民幣416,219,000元)，上升約1.38%，主要源於所研發的新產品的銷售。

毛利及毛利率

本年度綜合毛利約為人民幣274,803,000元(二零一五年：人民幣255,121,000元)，上升約7.71%。毛利率則由二零一五年的約20.34%上升至二零一六年的約21.26%。

本集團零售服務業毛利約為人民幣100,177,000元(二零一五年：人民幣99,253,000元)，上升約0.93%；毛利率由約20.60%上升到約21.35%，毛利率上升主要是由於本年度高毛利產品銷售相比二零一五年增加。其中，新焦點麗車坊和台灣新焦點股權出售導致毛利較二零一五年減少約人民幣7,246,000元。去除該因素，毛利較二零一五年上升約人民幣8,170,000元，主要由於本集團零售服務業的門店擴張。

管理層討論與分析

本集團批發服務業毛利約為人民幣81,010,000元(二零一五年：人民幣70,285,000元)，上升約15.26%；毛利率由約19.74%上升到約20.17%，毛利率上升主要由於本公司附屬公司浙江歐特隆優化存貨成本管理。

本集團製造業毛利約為人民幣93,615,000元(二零一五年：人民幣85,583,000元)，上升約9.39%；毛利率約為22.18%(二零一五年：20.6%)，毛利率上升主要是由於本集團製造業優化產品結構，高毛利率產品的銷售額佔比提升。

其他收入及盈虧

本年度其他收入及盈虧約為人民幣59,934,000元(二零一五年：人民幣55,124,000元)，增加約8.73%，主要由於本集團因新焦點麗車坊和台灣新焦點股權出售、出售上海追得貿易發展有限公司(「上海追得」)51%股權、出售上海新焦點汽車維修服務有限公司100%股權以及出售深圳市永隆行汽車服務有限公司100%股權取得投資收益人民幣18,840,000元(「本年度投資收益」)，以及本公司於二零一五年七月十三日完成向海通國際金融產品有限公司(「海通」)發行的本金為25,000,000美元的可換股債券(「海通可換股債券」)相關的嵌入式衍生金融工具的公平價值變動收益減少人民幣15,080,000元。

開支

本年度銷售及市場推廣開支約為人民幣213,738,000元(二零一五年：人民幣198,621,000元)，上升約7.61%；其中，新焦點麗車坊和台灣新焦點股權出售導致銷售及市場推廣開支減少約人民幣8,773,000元。去除該因素，銷售及市場推廣開支增加約人民幣23,890,000元，原因包括本集團零售服務業因門店擴張增加費用人民幣15,700,000元及批發服務業為促進銷售加大宣傳力度增加市場推廣費用人民幣6,058,000元。

本年度行政開支約為人民幣149,492,000元(二零一五年：人民幣143,331,000元)，上升約4.30%。因新焦點麗車坊和台灣新焦點股權出售相較二零一五年減少的行政開支約人民幣5,624,000元。去除該因素，行政開支增加約人民幣11,785,000元，主要由於本集團零售服務業門店擴張。

管理層討論與分析

經營虧損

本集團經營虧損約為人民幣104,926,000元(二零一五年：經營虧損人民幣65,589,000元)，其中包括因本公司附屬公司長春市廣達汽車貿易有限公司(「長春廣達」)於本年度的經營業績未達預期而計提的商譽減值約人民幣74,334,000元，結餘約人民幣30,592,000元主要源於本集團零售服務業新設門店的前期虧損和電商競爭對手非理性擴張對本集團零售服務業及批發服務業產生的衝擊。

本公司原於二零一二年十月收購長春廣達51%股本權益(「二零一二年收購事項」)。有關收購詳情，請參閱本公司日期為二零一二年七月十七日的公佈、本公司日期為二零一二年九月二十三日的通函及本公司日期為二零一二年十月二十三日的投票表決結果公佈。於二零一四年一月，本公司與賣方訂立二零一二年收購事項之補充協議，以修訂股權轉讓合同之若干條款，詳情於本公司日期為二零一四年一月二十九日之公佈內披露。長春廣達主要從事提供全面汽車售後服務，包括汽車清洗、精洗、例行養護、鈹噴、改裝及汽車配件銷售。

長春廣達預期於本年度取得營業收入和除稅後淨利潤分別為人民幣96,586,000元和人民幣9,870,000元，而實際表現未如理想，本年度的營業收入和除稅後淨利潤分別為人民幣77,943,000元和人民幣1,677,000元。長春廣達的業務表現不佳，乃由於：(a)中國政府改革公務用車造成的影響導致來源於公務用車的收入下跌；及(b)電商競爭對手的非理性擴張對長春廣達的業務造成衝擊。

董事根據曾於二零一五年度採用的使用價值計算方式估計長春廣達的可收回金額(作為現金產生單位)。本公司董事批准之五年期財政預算作出之現金流量預測被用於計算可收回金額。涵蓋五年期以後之現金流量則按3%之估計增長率預測。董事亦假設，增長比率並無超越長春廣達所營運行業之長期平均增長率。

管理層討論與分析

使用價值計算方式所採用主要假設如下：

	二零一六年 十二月三十一日 %	二零一五年 十二月三十一日 %
毛利率	28-33	25-40
於預測年期內之增長率	3-6	6-17
貼現率	15	15

董事根據過往業績及其對市場發展之預測釐定預算毛利率。所使用加權平均增長率乃與各行業一般採納之預測貫徹一致。所採用貼現率反映相關分部之特定風險。董事根據使用價值計算方式認為，長春廣達就商譽作出減值人民幣74,334,000元，以將其於本年度年末之賬面值按可收回金額列賬。本公司已委聘獨立估值師永利行評值顧問有限公司評估商譽減值。

融資成本

融資成本淨額約為人民幣40,885,000元(二零一五年：人民幣37,713,000元)，上升約8.41%，主要是由於向海通發行本金為25,000,000美元的海通可換股債券於本年度的利息支出有所增加。

稅項

所得稅開支約為人民幣2,507,000元(二零一五年：人民幣645,000元)。所得稅開支增加主要源於本公司部分盈利的附屬公司之稅前利潤增加。

本公司擁有人應佔虧損

本公司擁有人應佔虧損約為人民幣123,459,000元(二零一五年：人民幣90,967,000元)。扣除長春廣達計提的商譽減值撥備相較二零一五年度增加約人民幣46,331,000元的因素，本公司擁有人應佔虧損相較二零一五年減少人民幣13,839,000元，主要源於本集團取得本年度投資收益。每股虧損約人民幣2.70分(二零一五年：人民幣2.41分)。

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財務狀況與流動資金

本集團於本年度繼續保持一貫穩健的財務狀況，本集團資產維持良好流動性。本集團經營性活動的現金流出淨額約為人民幣33,078,000元(二零一五年：現金流出淨額人民幣6,160,000元)。

於二零一六年十二月三十一日，非流動資產約為人民幣388,051,000元(二零一五年十二月三十一日：人民幣451,928,000元)。

於二零一六年十二月三十一日，流動資產淨值約為人民幣63,748,000元(二零一五年十二月三十一日：人民幣160,653,000元)，流動比率約為1.08(二零一五年十二月三十一日：1.23)。

於二零一六年十二月三十一日，以總負債除以總資產計算的資產負債比率約為64.61%(二零一五年十二月三十一日：55.67%)。

於二零一六年十二月三十一日，本集團銀行借款總額約為人民幣178,475,000元(二零一五年十二月三十一日：人民幣224,245,000元)，其中約23.40%以美元借入，約76.60%以人民幣借入。所有銀行借款須於一年內償還並按固定利率計息。本集團於本年度對借款的需求整體平穩。本集團在本年度內於銀行借款到期時予以償還或延期。於二零一六年十二月三十一日，本集團獲承諾提供但未動用的借貸額為人民幣43,245,000元。本集團擁有健康及充足的經營現金流、銀行存款及銀行信貸額度，足以支付日常營運及資本支出。

資本結構

於二零一五年七月五日，本公司與海通訂立認購協議，據此，本公司有條件同意發行，且海通有條件同意認購本金總額達25,000,000美元(相當於約194,500,000港元)於二零一七年到期的海通可換股債券。假設海通可換股債券按初始轉換價每股3.00港元獲悉數轉換，海通可換股債券將可轉換為約64,833,333股轉換股份。發行海通可換股債券所得款項淨額(經扣除所有相關費用及開支後)為約192,500,000港元。向海通發行海通可換股債券於二零一五年七月十三日完成。上述交易的更多細節載於本公司日期為二零一五年七月六日、二零一五年七月七日和二零一五年七月十三日的公佈。

於二零一六年十二月三十一日，本集團總資產為人民幣1,212,834,000元(二零一五年十二月三十一日：人民幣1,319,032,000元)，當中包括：(1)股本人民幣376,184,000元(二零一五年十二月三十一日：人民幣376,133,000元)，(2)儲備人民幣52,983,000元(二零一五年十二月三十一日：人民幣208,580,000元)，及(3)債務人民幣783,667,000元(二零一五年十二月三十一日：人民幣734,319,000元)。

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財務擔保與資產抵押

於二零一六年十二月三十一日，已抵押作本集團銀行借款之擔保之投資物業、物業、機器及設備以及租賃土地及土地使用權之賬面淨值合計約為人民幣107,516,000元(二零一五年十二月三十一日：人民幣128,528,000元)。

附屬公司重大出售

出售上海追得51%股權

本公司一間直接持有上海追得51%股權(「上海追得股權」)的全資附屬公司紐福克斯光電同劉鳳喜女士簽署於二零一六年十二月二十八日生效的股權轉讓協議(「上海追得股權轉讓協議」)。根據上海追得股權轉讓協議，劉鳳喜女士同意購買且紐福克斯光電同意出售上海追得股權，對價為現金人民幣20,000,000元(「上海追得出售事項」)。上海追得出售事項於二零一六年十二月二十九日完成後，上海追得不再是本公司的附屬公司。更多細節請參考本公司日期為二零一六年十二月二十八日的公佈。

新焦點麗車坊和台灣新焦點股權出售

本公司一間直接持有新焦點麗車坊和台灣新焦點各自100%股權(合稱為「標的股權」)的全資附屬公司Perfect Progress Investments Limited(「PPI」)同Asia Centre Auto Service Holdings Limited(「買方」)簽署於二零一六年七月十九日生效的股權轉讓協議(「股權轉讓協議」)。買方由擔任本集團副總裁、新焦點麗車坊和台灣新焦點董事的洪瑛蓮女士全資擁有。根據股權轉讓協議，買方同意購買且PPI同意出售標的股權，名義對價為現金新台幣1元(「出售」)。出售於二零一六年七月二十九日完成後，新焦點麗車坊和台灣新焦點不再是本公司的附屬公司。更多細節請參考本公司日期為二零一六年七月十九日的公佈。

重大投資

本集團於本年度無重大投資。本集團沒有明確的未來重大投資或購入業務的計劃。

匯兌風險

本集團的零售及批發服務業務主要位於中國大陸，結算貨幣為人民幣，不存在匯兌風險。本集團製造業務約80%的營業額來自於以美元結算的產品出口，而購買用於生產這些產品的原材料則以人民幣結算，因此美元對人民幣的貶值通常會對本集團製造業務的盈利能力造成負面影響。本集團通過借入美元借款得以減少其美元外匯風險，以降低匯兌風險。於二零一六年十二月三十一日，本集團的美元借款金額約為6,000,000美元。

管理層討論與分析

其他主要風險及不確定性

本集團的主要業務位於中國大陸，面臨的其他主要風險及不確定性主要包括中國大陸經濟的未來發展。如果中國大陸的經濟走向疲軟，將會影響到車主的消費意願，從而減少本集團的營收。本集團已經採取了和戰略伙伴合作開設加油站門店的發展方式來降低成本，並將密切關注中國大陸的經濟走向，及時應對該等風險及不確定性。

或然負債

於二零一六年十二月三十一日，本集團並無任何重大或然負債。

僱員及酬金政策

於二零一六年十二月三十一日，本集團僱用共4,339名全職員工(二零一五年十二月三十一日：3,815名)，其中管理人員627名(二零一五年十二月三十一日：543名)。本集團的僱員酬金組合包括工資、獎金(例如根據工作表現的花紅)及津貼。本集團同時為員工提供社會保險和福利，並制定和實施期權計劃作為本集團的長期獎勵計劃。本集團本年度的僱員福利開支總額約為人民幣320,496,000元(二零一五年：人民幣280,261,000元)。有關期權計劃之詳情於本年報「董事會報告」內披露。本集團重視員工的發展，並基於本集團的戰略目標和本集團員工的績效持續提供相關培訓計劃。

環境政策及表現

本集團一直持續推進環境相關管理體系及制度的建立及完善。該等制度要求本集團所有員工在日常工作中遵守適用的環境法律法規。本集團的相關零售及服務門店在正式運營前均取得環保部門的許可，並在後續運營中嚴格遵守適用的環境法律法規，把對環境的損害降至最低。本集團的製造業主動將綠色理念融入產品的設計及製造中，為客戶提供節能環保的產品。本集團鼓勵員工節約能源和珍惜資源。

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遵守法律法規

本集團在本年度實質遵守對本集團的經營有重大影響的法律法規，該等法律法規涵蓋勞動、消防和環保等方面。

同僱員、客戶和供應商的關係

本集團重視同其僱員、客戶、供應商和其他相關主體的關係，因為該等關係是本集團持續發展的關鍵。本集團在日常經營中遵循合法、公平、合理和互利的原則，妥善處理與其僱員、客戶、供應商和其他主體的關係。

行業發展與業務進展

中國的乘用車銷量於本年度超過2,400萬輛，相較二零一五年增長約15%。中國乘用車市場的銷售持續穩定增長，推動乘用車的保有量不斷增加。預期二零一七年中國汽車後市場規模將突破人民幣一萬億元，對應於汽車服務行業的碎片化現狀，既是歷史機遇，又是嚴峻挑戰。

隨著中國乘用車平均車齡的不斷增長，超過保修期限以及進入自然老化部件更換高峰（通常在汽車售後5-10年）的車輛比例不斷增大，越來越多的車主尋求轉向獨立的汽車售後服務連鎖網絡和電商平台，以獲得更加經濟、可靠及有保障的替代維修保養方案。目前市場上除了大型的4S店集團以及小型獨立的街邊店外，大型的經濟型汽車售後連鎖網絡非常少見，市場對該類經濟型連鎖網絡的需求非常旺盛，非常類似中國市場對酒店業中經濟型連鎖酒店以及餐飲業中對快餐連鎖的消費需求。在成熟市場如美國和日本，大型的獨立售後連鎖網絡的發展歷史也印證了這一發展趨勢。本集團將持續堅持經濟型的定位，連鎖化品牌化的經營和標準化、規範化的服務理念，逐漸擴大本集團旗下獨立汽車售後服務連鎖門店的數量及品牌影響力，預期本集團旗下汽車售後服務連鎖體系的規模及營收將穩步提升。

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同時，中國市場目前存在**30**多萬家獨立的小型售後門店，其維修保養業務所需的零配件仍然依賴傳統的經銷商體系和汽配城分銷模式，供應鏈效率比較低下。對於那些常用的保養型零配件以及改裝用品，這些小型售後店面非常需要綜合性的一站式供應商來解決目前供應鏈分散低效的問題。我們認為互聯網化的瀏覽及下單模式、綜合的商品品類以及完善的一站式的倉儲及配送是解決這些小型售後店零配件供應問題的主要發展方向。本集團將在該**B2B**領域內，以「美車驛站」電商平台為基礎，通過電腦及移動終端下單的模式，向這些小型店面提供一站式的零配件批發及配送服務。預期本集團該業務模式將在所在區域內快速替換傳統的經銷商及汽配城分銷模式，該業務的規模及營收也將快速提升。

截至二零一六年十二月三十一日，本集團總共擁有**176**家零售服務門店，**10**家批發服務網點及**2**家製造業工廠。

本集團服務業

基於管理層對汽車後服務市場的分析，本集團分別在**B2C**領域聚焦於獨立汽車服務連鎖網絡的拓展以及在**B2B**領域聚焦於「美車驛站」汽車用品電商平台的建設與拓展。

本集團於本年度實施的經營策略主要包括以下方面：

第一，穩步擴展本集團零售服務網絡。本集團於本年度內大規模撤裁了分散在各區域的**40**餘家門店，主要原因是商務場景一致性、經營周期可延續性、服務內容及品牌的一致性考量，相應帶來了營收和門店數量的變化。本集團在汽車綜合服務實體連鎖業務將集中資源投資於加油站門店。基於和中國石化銷售有限公司（「**中石化**」）湖北石油分公司簽訂的戰略合作協議，本集團和中石化湖北在其體系內的加油站合作開設汽車零售服務門店，截至二零一六年十二月三十一日，雙方合作開設的汽車零售服務門店達**64**家，顯著提升了本集團在華中區域汽車後市場的佔有率及品牌知名度。本集團隨後又與中石化天津、中石化江西、中石化安徽、中石化廣東和中國石油天然氣股份有限公司（「**中石油**」）甘肅銷售分公司及中石油北京銷售分公司簽署了戰略合作協議，並將繼續擴大與中石化和中石油的合作範圍。

管理層討論與分析

市區範圍內汽車服務門店的租金過高成為制約汽車售後連鎖企業進一步拓展的瓶頸。除了商業成本外，商業場景和物業屬性的一致性也是連鎖化複製的極大挑戰。規模化首先是標準化，也是應對目前汽車服務行業經營態碎片化的途徑。本集團通過和中石化和中石油的戰略合作協議開設加油站門店較好的突破了該瓶頸。本集團選擇用於開設汽車零售服務門店的加油站均在車流量充足的城市地段，該加油站所在的土地往往由中石化和中石油自身享有土地使用權或者由中石化和中石油在較早期以低廉的價格承租了較長的期限，因此同本集團自行開設門店相比，和中石化、中石油合作開設加油站門店使得本集團在保證車流量充足的前提下具備了競爭對手所不可比擬的租金成本優勢。

借助中石化、中石油在中國累計5萬多家的加油站，本集團得以突破一般汽車售後連鎖企業通常面對的新設門店選址瓶頸，從而能夠大幅提升開設零售服務門店的速度及標準化程度，逐步落實和完善本集團加油站門店在全國的佈局。截至二零一六年十二月三十一日，本集團在甘肅、江西、天津、安徽和廣東開設門店的數量總計達67家。

第二，整合本集團體系內的批發業務，並將其全部納入到「美車驛站」電子商務平台之中。本集團將子公司遼寧新天成和浙江歐特隆的批發業務予以整合，發揮本集團批發業在商品、渠道和人力資源方面的協同效應，以提升經營效率。本集團同時投入較多資源完善「美車驛站」電子商務平台，成效顯著，原本線下業務已基本轉移至「美車驛站」線上平台，並以此為基礎拓展新的客戶。該電子商務平台面向小型零售服務門店，為這些客戶提供維修保養零配件、汽車用品的採購、配送及倉儲服務；同時也吸納相關廠家及大型批發商於「美車驛站」平台上開設店鋪，為其提供銷售、收款及配送服務，構建集汽車用品批發業務自營及第三方銷售於一體的電子商務平台。

「美車驛站」電子商務平台的業績於本年度以較高的速度增長，其中年度自營業務銷售額超過人民幣3億元，第三方透過「美車驛站」成交的年度營業額超過人民幣1億元。預期該電子商務平台將持續顯著增加本集團的銷售額，提升本集團的經營效益。目前該電子商務平台的業務已覆蓋東北三省、蒙東地區、浙江省及江蘇省，預計將進一步擴展至北京，上海及廣東。

管理層討論與分析

本集團現階段的經營方針為集中資源發展核心業務。為向本集團旗下加油站門店和「美車驛站」電子商務平台的後續發展持續提供包括人力和資金在內各類資源，本集團於本年度精簡了現有的汽車售後連鎖網絡，處置了台灣、深圳和上海地區的若干汽車售後門店以及本集團旗下的汽車膜業務，著重發展本集團旗下符合連鎖服務市場特性和需求的重點優勢業務，最大化本集團的資源性擴張和網絡覆蓋密度。

本集團製造業

基於二零一五年度卓有成效的經營和管理方式，製造業持續對目標市場、客戶和產品進行梳理，瞭解客戶對產品的需求及同類產品在國際市場的發展趨勢。製造業的深圳研發中心專注於新能源汽車電源多元化的解決方案，並已經有效完成對技術平台、產品路線、供應鏈體系、目標客戶群和質量管控體系的戰略佈局，為進一步提升本集團製造業的業務增長打下了良好的基礎。

展望

本集團服務業將繼續採取以下營運策略：

第一，擴大和中石化、中石油的合作範圍。基於在中石化湖北體系內加油站開設的零售服務門店的示範效應，在其他區域市場推廣本集團和中石油的合作模式，最終將合作範圍擴展至全國加油站網絡。本集團也將進一步落實與中石油甘肅和中石油北京的合作協議，通過複製本集團和中石油的合作展店模式，進一步擴張和完善本集團的汽車服務連鎖網絡。

第二，積極調整批發業務的產品結構，以剛需的汽車維修保養產品作為側重點，提高物流效率和服務質量，提升電子商務銷售的佔比，持續完善「美車驛站」電子商務平台，使本集團成為目標市場內汽車售後服務門店不可或缺的提供全面維修保養產品的綜合平台供貨商。

第三，繼續積極搜尋並洽談有助於實現本集團戰略目標的潛在並購目標和合作拓展夥伴。

董事及高級管理人員個人資料

於本年報日期，董事及高級管理人員個人資料載列如下：

執行董事

張健行先生(主席)

張先生，50歲，本公司執行董事、行政總裁兼主席，目前全面負責本集團之營運及管理。張先生自二零一三年八月起擔任本公司執行董事和行政總裁，自二零一六年三月起擔任本公司主席。張先生亦擔任本公司多間附屬公司的董事。

張先生畢業於同濟大學，持有土木工程理學士學位，自二零一一年起一直受聘於CDH Investments Management (Hong Kong) Limited(「CDH」)，其目前職位為董事總經理。加入CDH之前，自二零零九年至二零一一年，張先生於華潤資產管理有限公司擔任董事運營總監。張先生於二零一五年三月二十四日至二零一五年九月二十一日擔任天臣控股有限公司(股份代號：1201)獨立非執行董事。

杜敬磊先生

杜先生，39歲，執行董事，畢業於清華大學，分別於二零零零年七月及二零零二年七月取得機械工程學士學位及測試技術及儀器碩士學位。自二零零六年八月起，杜先生一直受聘於鼎輝股權投資管理(天津)有限公司，其目前職位為董事總經理，負責物色及執行交易。加入CDH之前，自二零零二年八月至二零零六年八月，杜先生於畢馬威中國擔任助理經理，負責若干首次公開發售審核及其他審核核證工作。杜先生還擔任寧波亞錦電子科技股份有限公司(中華人民共和國全國中小企業股份轉讓系統(「NEEQ」)上市公司，股份代號：830806)董事、常務副總經理及董事會秘書。杜先生於二零一三年八月加入本集團。

董事及高級管理人員個人資料

非執行董事

應偉先生

應先生，50歲，非執行董事，持有舊金山大學工商管理碩士學位及浙江工商大學(前稱杭州商學院)經濟學士學位，亦為中國註冊會計師協會非執業會員。目前，應先生為CDH Investments的董事總經理，並為恒天立信工業有限公司(股份代號：641)、福田實業(集團)有限公司(股份代號：420)和中升集團控股有限公司(股份代號：881)的獨立非執行董事，中國衛生集團有限公司(股份代號：673)的非執行董事和重慶新世紀游輪股份有限公司(深圳證券交易所(「深交所」)股份代號：002558)的董事。應先生於二零一三年八月加入本集團。

王振宇先生

王先生，53歲，非執行董事，畢業於合肥工業大學，於一九八五年獲得機械工程學士學位及於一九八八年獲得工業管理工程專業碩士學位。王先生自二零零八年起一直受聘於CDH，其目前職位為董事總經理。自二零零二年起，王先生擔任CDH多家聯屬公司的副總裁及董事總經理。加入CDH前，自二零零零年至二零零二年，王先生於中國國際金融有限公司擔任投資顧問部門的經理。王先生自二零一二年六月至二零一四年七月擔任協眾國際控股有限公司(股份代號：3663)非執行董事。目前，王先生亦擔任中鼎聯合牧業股份有限公司(NEEQ上市公司，股份代號：834586)董事。王先生於二零一三年八月加入本集團。

獨立非執行董事

胡玉明先生

胡先生，51歲，獨立非執行董事，分別於一九八六年、一九八九年及一九九五年自廈門大學取得經濟學學士學位、經濟學碩士學位及經濟學博士學位，亦為中國註冊會計師協會非執業會員。自二零零零年起至今為暨南大學管理學院教授，並自一九八九年至二零零零年於廈門大學擔任多項教職。自二零零四年至二零一零年間，胡先生為華潤錦華股份有限公司(深交所股份代號：000810)的獨立董事。自二零零九年至二零一二年間及二零一零年至二零一三年間，胡先生亦曾於廣州珠江啤酒股份有限公司(深交所股份代號：002461)及廣東宏大爆破股份有限公司(深交所股份代號：002683)擔任獨立董事。胡先生亦於二零零八年十二月至二零一五年一月擔任廣州卡奴迪路服飾股份有限公司(深交所股份代號：002656)獨立董事。目前，胡先生為湯臣倍健股份有限公司(深交所股份代號：300146)、廣州視源電子科技股份有限公司(深交所股份代號：002841)的獨立董事。胡先生於二零一三年八月加入本集團。

董事及高級管理人員個人資料

林雷先生

林先生，49歲，獨立非執行董事，於一九九零年自中國人民大學取得經濟應用數學專業學士學位，為新華信國際信息諮詢(北京)有限公司(現更名為特恩斯新華信市場諮詢(北京)有限公司，「新華信」)的創辦人及董事局主席。於一九九二年創辦新華信前，自一九九零年至一九九二年，林先生於對外經濟貿易部工作。目前，林先生為聖元國際集團(納斯達克股份代號：SYUT)、協眾國際控股有限公司(股份代號：3663)以及神州租車有限公司(股份代號：699)的獨立非執行董事。就專業會籍及資格而言，林先生為歐洲民意與市場研究協會(ESOMAR)會員，亦為中國市場信息調查業協會(CAMIR)副會長、中國汽車工程學會(SAE)理事、中國汽車流通協會(CADA)專家委員會委員。林先生於二零一三年八月加入本集團。

張曉亞先生

張先生，54歲，獨立非執行董事。張先生畢業於山東大學及北京航空航天大學管理學院，為高級工程師。張先生現任中鼎聯合牧業股份有限公司(NEEQ上市公司，股份代號：834586)董事長，同時還擔任北京信達嘉鼎投資有限公司董事長、中國蒙牛乳業有限公司(股份代號：02319)獨立非執行董事以及廣州珠江數碼集團獨立董事。張先生之前曾擔任航美傳媒集團(納斯達克股票代碼：AMCN)董事兼總裁、銀廣通傳媒集團董事長及思源經紀(於紐約證券交易所上市至二零一三年四月)獨立董事。張先生於二零一五年三月加入本集團。

高級管理人員

林明先生

林先生，37歲，本公司財務總監，負責本集團財務預算及資金管理事宜。林先生亦擔任本公司多間附屬公司的董事。

林先生於二零零二年畢業於南開大學，持有會計學學士學位，亦為中國註冊會計師協會非執業會員。林先生自二零零二年至二零零七年，於畢馬威華振會計師事務所擔任審計經理，負責若干首次公開發售審核及其他審核核証工作；自二零零七年至二零一三年，於世通華納移動電視傳媒集團(中國)有限公司擔任財務總監兼高級副總裁。林先生於二零一三年八月加入本集團。

董事及高級管理人員個人資料

洪瑛蓮女士

洪女士，51歲，本公司副總裁兼運營總監，負責本集團運營相關事宜。洪女士亦擔任本公司多間附屬公司的董事。

洪女士於一九八八年畢業於台灣輔仁大學，持有會計學學士學位，於批發零售服務業及財務方面具有多年經驗，於加入本集團之前，洪女士由一九九一年至二零零一年期間一直在台灣一家超級市場連鎖店工作，擔任多個職位，負責批發營運、人力資源管理、產品管理、存貨物流及財務管理；洪女士於二零零一年七月加入本集團。

左雲貴先生

左先生，44歲，本公司副總裁，負責本集團製造業、IT部、戰略投資部之運營和管理。左先生亦擔任本公司多間附屬公司的董事。

左先生於一九九六年畢業於成都紡織高等專科學校機織與產品設計專業，本科學歷，擁有工程師職稱。左先生曾供職於華潤錦華股份有限公司、華潤紡織集團有限公司以及梅花生物科技集團股份有限公司。左先生擁有豐富的生產製造業管理經驗，以及連續七年集團戰略管理經歷。左先生於二零一三年八月加入本集團。

邢愛義先生

邢先生，55歲，本公司副總裁及本集團附屬公司北京愛義行汽車服務有限責任公司（「北京愛義行」）董事兼總經理，負責北方區零售服務業以及北京愛義行之營運及管理。邢先生於二零零九年獲得北京市委黨校工商管理碩士學位。邢先生於一九九二年至一九九七年，建立愛義行汽車服務中心；於一九九七年創立北京愛義行並開始從事汽車連鎖經營。邢先生於二零零七年二月加入本集團。

李海東先生

李先生，47歲，本集團附屬公司遼寧新天成董事長兼執行總經理，負責本集團批發服務業務之營運及管理。李先生於一九九四年創立遼寧新天成，於二零一零年六月加入本集團。

吳彥德先生

吳先生，47歲，本集團附屬公司長春廣達董事兼執行總經理，負責長春廣達之營運及管理。吳先生於一九九六年創辦長春廣達，於二零一二年七月加入本集團。

企業管治報告

董事會(「**董事會**」或「**董事**」)謹此提呈本公司截至二零一六年十二月三十一日止年度年報內之企業管治報告。

企業管治常規

董事會相信良好企業管治常規為帶動本集團業務增長及管理之要素。

本公司於截止至二零一六年十二月三十一日之年度採用載於香港聯合交易所有限公司(「**聯交所**」)證券上市規則(「**上市規則**」)附錄十四之企業管治守則(「**企業管治守則**」)所載原則。

董事會認為，本公司於截至二零一六年十二月三十一日止年度一直遵守企業管治守則所載守則條文，惟偏離守則條文第A.2.1條之情況除外。

本公司主要企業管治原則及常規以及有關上述偏離之詳情在下文概述。

董事進行證券交易

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「**標準守則**」)，作為本公司董事及標準守則所定義的相關僱員進行本公司證券交易的行為守則。本公司已經向全體董事作出具體查詢，全體董事確認，彼等於截至二零一六年十二月三十一日止財務年度一直遵照標準守則的要求。

董事會

職責與委任

本公司之整體管理及控制由董事會負責。其主要職責為發揮領導作用及批准策略政策與計劃，以提升股東價值。全體董事忠實地執行職務，並遵守適用法律及法規，客觀地作出決定以及每時每刻為本公司及其股東之利益行事。

所有董事均可全面及時地取得所有相關資料，以及獲得公司秘書與高級管理層之意見及服務。任何董事可於適當情況下向董事會提出合理要求以尋求獨立專業意見，費用由本公司支付。董事會已實施合適措施及內部監控程序，確保本公司根據一切適用法律及規則要求以謹慎及誠信方式經營業務。

高級管理人員有責任及時向董事會提供足夠資料，以使董事會及時作出知情決定。各董事亦有權獲得致使彼等作出知情決定所需之本公司有關記錄。有關董事履歷詳情以及彼等之關係載於本年報「**董事及高級管理人員個人資料**」一節。

預留由董事會討論及批准之事宜包括下列各項：(i)企業策略；(ii)年度預算及年度業務計劃；(iii)年度及中期業績；(iv)內部監控及風險管理；(v)重大收購、出售及資金交易；及(vi)其他重要運營及財務事項。

由董事會特別向管理層授權之主要企業事項包括編製年度及中期財務報表，讓董事會在刊發前批准、執行董事會採納之業務策略及行動、充分實施內部監控及風險管理程式，及遵守相關法定規定及規例與法規。各執行董事均肩負個人責任，須監督及監察特定業務單位之運營及執行董事會所制定之策略及政策。獨立非執行董事將向董事會提供獨立意見，並與董事會其他成員分享彼此之知識及經驗。

董事會組成

董事會現包括兩名執行董事與五名非執行董事，其中三名為獨立非執行董事：

執行董事

張健行先生(主席／行政總裁，自二零一六年三月三十一日被委任為主席)

杜敬磊先生(由非執行董事調任為執行董事，自二零一六年三月三十一日生效)

非執行董事

應偉先生(已辭任主席，自二零一六年三月三十一日生效)

王振宇先生

獨立非執行董事

胡玉明先生

林雷先生

張曉亞先生

本公司已接獲各獨立非執行董事根據上市規則第3.13條就獨立性作出之年度確認書或確認書。本公司認為有關董事屬獨立人士。

全體董事為董事會投入大量寶貴之業務經驗、知識及專業水準，使董事會高效及有效運作。此外，透過積極參與董事會會議、帶領管理涉及具潛在利益衝突之事宜及為董事委員會服務，全體獨立非執行董事對本公司之有效方針作出多項貢獻。

董事委任及重選

所有董事均以三年固定任期獲委任。本公司組織章程細則(「章程細則」)規定，三分之一董事(包括執行及非執行董事)須每年退任。每年退任之董事應為董事會於該年委任之董事，及自推選及重選起計任期最長者。退任董事合資格重選連任。

除各非執行董事所訂立之固定任期服務協議或委任書(視情形而定)外，彼等並無與本公司或其任何附屬公司訂立任何形式之服務合約。

董事之持續專業發展

根據守則條文第A.6.5條，董事應參與適當之持續專業發展，以提高及更新其知識及技能，藉此確保其繼續向董事會作出可獲知之相關貢獻。

本公司鼓勵所有董事參加相關培訓課程，費用由本公司支付。於截至二零一六年十二月三十一日止年度，本公司安排由公司秘書為全體董事，即張健行先生、杜敬磊先生、應偉先生、王振宇先生、胡玉明先生、林雷先生及張曉亞先生提供有關企業管治之簡報，並向全體董事提供規管更新閱讀材料以供彼等參考及研究。董事須向公司秘書提供其培訓記錄以作記錄。

主席及行政總裁的角色

根據守則第A.2.1條，主席與行政總裁的角色應有區分，並不應由一人同時兼任。張健行先生自二零一六年三月三十一日開始擔任本公司主席兼行政總裁，與守則有所不符，原因在於張健行先生負責領導本集團之日常管理。董事會認為此安排可為本集團提供強勁而貫徹之領導，有助規劃與執行有效及高效之業務策略及決策。

董事委員會及企業管治職能

於二零一三年八月二十八日，董事會成立審核委員會、薪酬委員會、提名委員會及戰略委員會，以監督本公司特定範疇之事項。審核委員會、薪酬委員會及提名委員會已制訂明確之書面職權範圍，該等職權範圍刊載於本公司網站「www.nfa360.com」及聯交所網站，並可按要求供股東查閱。所有董事委員會須就其決策或建議向董事會匯報。

所有董事委員會獲提供足夠資源以履行職務，並可於適當情況下作出合理要求以尋求獨立專業意見，費用由本公司支付。

審核委員會

審核委員會共有三名成員，包括兩名獨立非執行董事胡玉明先生(主席)和林雷先生，以及一名非執行董事應偉先生(被委任以替任杜敬磊先生，自二零一六年三月三十一日生效)。胡玉明先生為審核委員會主席，擁有上市規則第3.10(2)條所規定之適合會計及財務管理專業知識。審核委員會成員均非本公司現有外聘核數師之前任合夥人。

審核委員會參考企業管治守則釐定職權範圍。審核委員會之首要職務為(i)審閱財務報表及報告，並在提交董事會前考慮本集團財務主任或外聘核數師提出之任何重大或特別事項；(ii)審閱及監察外聘核數師之獨立性及核數過程之客觀性及成效；(iii)就委任、重新委任及罷免外聘核數師向董事會提供建議；及(iv)審閱本公司財務報告制度、內部監控制度、風險管理制度、內部審核功能及有關程序之完善性及成效，以及本公司僱員在保密情況下就本公司財務報告、內部監控或其他方面可能作出不正當行為提出關注之安排。

於二零一五年十二月十日，董事會採納經更新的審核委員會職權範圍，據此審核委員會自二零一六年一月一日起亦須監察本集團的風險管理系統。

於截至二零一六年十二月三十一日止年度，審核委員會通過其分別於二零一六年三月三十日、二零一六年八月三十日的會議進行(其中包括)以下主要工作：

- 審閱及討論截至二零一五年十二月三十一日止年度之年度財務業績及報告，以及截至二零一六年六月三十日止六個月之中期財務業績及報告，並與管理層討論本集團採納之會計原則及慣例；
- 討論及建議重新委任外聘核數師；及
- 審閱本集團之內部監控、財務報告及風險管理制度以及內部審核功能的有效性。

外聘核數師獲邀出席年內舉行之審核委員會會議，並就審核及財務報告事宜引起之問題與審核委員會成員展開討論。

薪酬委員會

薪酬委員會共有三名成員，包括兩名獨立非執行董事胡玉明先生(主席)及張曉亞先生，以及一名非執行董事應偉先生。

薪酬委員會職權範圍經參考企業管治守則後確定。根據薪酬委員會職權範圍，薪酬委員會職責為(其中包括)(i)就本公司董事及高級管理層之薪酬政策及架構，以及建立正式及具透明度之程序以制訂該等薪酬政策及架構向董事會提供建議，以確保概無董事或其任何聯繫人士參與釐定其本身薪酬；及(ii)獲轉授責任釐定個別執行董事及本公司高級管理層之薪酬待遇。

截至二零一六年十二月三十一日止年度，薪酬委員會通過其於二零一六年三月三十日的會議，審閱並討論了本集團薪酬政策、本公司董事及高級管理層之薪酬待遇及本公司執行董事的表現。

董事的薪酬由董事會聽取薪酬委員會的建議後釐定。根據本公司現行薪酬安排，執行董事有權獲取的報酬包括薪金及董事會釐定的表現相關花紅。非執行董事有權獲取董事袍金及董事釐定的年度花紅。所有獨立非執行董事均有權獲取固定金額的薪酬。

截至二零一六年十二月三十一日止年度，概無向董事或五名最高薪酬人士支付或應付薪酬，作為加入或加盟本集團的獎勵或作為就有關本集團旗下任何成員公司之管理事務而離職之補償。

截至二零一六年十二月三十一日止年度各董事薪酬及高級管理層成員之薪酬範圍詳情載於本年度報告財務報表附註10。

於二零一六年，向本公司高級管理人員支付的薪酬介乎以下範圍：

	員工人數
零至1,000,000港元	—
1,000,001港元至1,500,000港元	2
1,500,001港元至2,000,000港元	3
2,000,001港元至2,500,000港元	—
2,500,001港元至3,000,000港元	—

提名委員會

提名委員會共有三名成員，分別為兩名獨立非執行董事張曉亞先生及林雷先生以及一名執行董事張健行先生(主席，被委任以替代應偉先生，自二零一六年三月三十一日生效)。

提名委員會參考企業管治守則釐定職權範圍。根據提名委員會之職權範圍，提名委員會之首要職務主要為(i)每年檢討董事會之架構、人數及組成；(ii)物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見；(iii)評核獨立非執行董事之獨立性；及(iv)就本公司董事委任或重新委任向董事會提出建議。

董事會已於二零一三年八月採納董事會成員多元化的政策，當中載有達致董事會成員多元化的方針。因此，在甄選董事會成員之候選人時，會以多項可計量目標為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗及資歷、技能、知識及工作年資，並應考慮本公司本身的業務模式及不時的具體需要。鑒於現時董事會成員來自不同業務及專業背景，本公司認為董事會擁有均衡之技能、經驗、專長及多元化觀點，以配合本公司業務所需。

截至二零一六年十二月三十一日止年度，提名委員會透過於二零一六年三月三十日舉行會議，進行以下工作：

- 審閱董事會之架構、人數及組成，以確保董事會具備切合本公司業務所需之專業知識、技能及經驗；
- 建議重新委任於本公司二零一六年股東週年大會上膺選連任之董事。

戰略委員會

本公司的戰略委員會(「**戰略委員會**」)由三名成員組成，分別為張曉亞先生、王振宇先生及林雷先生(主席)。戰略委員會負責本集團日後發展戰略的制定及修正，開展程式及提高重大決策程式的效率和質素。戰略委員會須根據重大投融資事宜召開會議。

於本年度，本集團概無參與任何涉及戰略委員會的企業行動。

企業管治報告

企業管治職能

董事會負責履行企業管治守則條文第D.3.1條所載之職能。

至本年報日期，董事會曾舉行一次會議，檢討本公司之企業管治政策及常規、董事及高級管理層之培訓及持續職業發展、本公司在遵守標準守則方面之政策及常規、本公司遵守企業管治守則之情況以及於本企業管治報告內之披露。

董事及委員會成員之會議出席記錄

於截至二零一六年十二月三十一日止年度，董事會曾舉行四次董事會會議。下表載列各董事出席截至二零一六年十二月三十一日止年度舉行之董事會會議、董事委員會會議及本公司股東大會之記錄：

董事姓名	董事會	審核委員會	薪酬委員會	提名委員會	股東大會
張健行先生(附註1)	4/4	—	—	—	1/1
杜敬磊先生(附註2)	4/4	1/1	—	—	1/1
應偉先生(附註2)	4/4	1/1	1/1	1/1	1/1
王振宇先生	4/4	—	—	—	1/1
胡玉明先生	4/4	2/2	1/1	—	1/1
林雷先生	4/4	2/2	—	1/1	1/1
張曉亞先生	4/4	—	1/1	1/1	1/1

附註：

1. 張健行先生獲委任為主席兼提名委員會成員以取代應偉先生，自二零一六年三月三十一日起生效。
2. 應偉先生獲委任為審核委員會成員以取代杜敬磊先生，自二零一六年三月三十一日起生效。

董事及核數師就財務報表之責任

董事確認彼等編製本公司截至二零一六年十二月三十一日止年度財務報表之責任。董事須對賬目承擔之責任及外聘核數師對股東承擔之責任載於第53、54及55頁。

董事並無知悉任何事項或情況之重大不明朗因素可能會嚴重質疑本公司持續經營之能力。

內部監控及風險管理

本集團的內部監控及風險管理系統旨在保障本集團的資產，盡量減低本集團所承受的風險，並用作日常業務營運的管理工具。該制度旨在管理(而非消除)失誤的風險，以達成業務目標，並僅可就錯誤陳述或損失提供合理而非絕對的保證。年內，本集團設立內部審核職能，以審視其內部監控及風險管理系統是否足夠及有效。

董事會負責維持及檢討本集團內部監控及風險管理系統的有效性。年內，本集團內部審核人員透過檢討該等系統每項重要措施及程序，評估本集團業務可能存在的營運及合規風險，詳細評估本集團內部監控及風險管理系統的成效。審核委員會審閱及討論本集團內部審核人員的發現以及本公司外部核數師就本集團內部監控及風險管理系統提供的意見及建議。參考審核委員會的報告，董事會已審閱本集團涵蓋內部監控、財務、營運、合規控制的所有主要控制及風險管理職能的風險管理及內部監控系統，並認為該等系統有效及足夠。

本集團已制定發佈內幕消息的系統及程序，以確保得以及時識別內幕消息。本集團董事及管理層了解內幕消息必須根據上市規則和證券及期貨條例(第571章)予以處理及傳播。年內，本集團已有效及一致地傳播內幕消息，該等工作由公司秘書協助執行，於有需要時亦已諮詢外部法律顧問的意見。

年內，董事會亦已評估會計、內部審核及財務報告職能上的資源、員工資歷和經驗，以及其培訓計劃和預算是否足夠，並認為該等措施有效及足夠。

外聘核數師及核數師酬金

於回顧年內，就畢馬威會計師事務所(「核數師」)於二零一六年之核數服務已付／應付核數師之費用約為人民幣2,600,000元，包括年度審核服務費用人民幣2,000,000元及有關一間附屬公司擬於NEEQ上市的費用人民幣600,000元。

於回顧年內，審核委員會已審閱核數師表現，並向董事會建議，而董事會已認可，待股東於應屆股東週年大會批准後，續聘核數師為本公司二零一七年之外聘核數師。

公司秘書

本公司並無委聘外部服務供應商為公司秘書。截至二零一六年十二月三十一日止年度，公司秘書劉小華先生已接受不少於15個小時之相關專業培訓。

與股東溝通及投資者關係

本公司認為，與股東保持有效溝通，對促進投資者關係及加深投資者對本集團業務表現及策略瞭解至為重要。本公司亦明白保持透明度及適時披露公司資料之重要性，因其有利於股東及投資者作出最佳投資決策。

為促進有效溝通，本公司設有網站「www.nfa360.com」以刊載有關本集團業務發展及運作、財務資料及企業管治常規之廣泛最新資料及其他資料供公眾查閱。股東及投資者可直接將意見投寄本公司總辦事處，地址為中華人民共和國上海閘行區紫秀路100號1號樓9樓A室。本公司將儘快處理及詳細解答查詢。

董事會歡迎股東提出意見，並鼓勵彼等出席股東大會以直接就其對董事會或管理層之任何存疑作出提問。本集團董事會成員會出席大會，解答股東之任何提問。

本公司繼續加強與投資者之溝通及關係，並指定高級管理層保持與機構投資者及分析員進行定期會談，以知會彼等有關本集團之發展。

股東權利

為保障股東權益及權利，股東大會上會就各重大事項(包括選舉個別董事)提呈獨立決議案，供股東審議及投票。此外，根據組織章程細則，持有不少於十分之一本公司附有股東大會投票權之繳足股本之股東可透過向董事會或公司秘書發出書面要求以要求本公司召開股東特別大會。大會目的須載於書面要求內。

股東可向本公司寄發書面查詢以向本公司董事會作出任何查詢或作出建議。聯絡詳情如下：

地址：中華人民共和國上海閔行區紫秀路100號1號樓9樓A室(收件人為公司秘書)

傳真：86-21-6405-6816

電子郵件：gavin_liu@nfa360.com

為免生疑問，股東須將妥為簽署之書面要求、通知或聲明或查詢(視情況而定)之正本存放於及寄發至上述地址，並提供彼等之全名、聯絡詳情及身份，以便本公司回覆。股東資料可能根據法律規定予以披露。

於回顧年內，本公司並無對其組織章程細則作出任何變動。組織章程細則之最新版本可在本公司網站及聯交所網站查閱。股東亦可參考組織章程細則以取得有關其權利之進一步詳情。

根據上市規則，所有在股東大會提呈之決議案將以投票方式表決，且投票表決結果將緊隨有關股東大會召開後於聯交所網站(www.hkexnews.hk)及本公司網站(www.nfa360.com)刊登。

環境、社會及管治報告

關於本報告

本報告根據香港聯合交易所有限公司證券上市規則附錄27所載環境、社會及管治報告指引(「環境、社會及管治指引」)編製。本報告為本公司向公眾發佈的第一份報告，旨在闡述截至二零一六年十二月三十一日止年度本公司根據環境、社會及管治指引規定履行其有關可持續發展及社會責任方面義務的政策。董事會認為，本公司於本年度已遵守環境、社會及管治指引所載「不遵守就解釋」條文。

本公司相信，良好的環境、社會及管治表現對其業務及社區的可持續發展至關重要。本公司不僅致力於為股東創造價值，亦致力於促進環境保護、社會責任及有效的企業管治。本集團各成員公司已於營運及活動中納入若干環境、社會及管治標準。本集團管理層持續監測本集團各成員公司所開展的各項環境、社會及管治舉措的發展、執行及成效。

本報告所披露資料主要涉及本集團於上海及山東省的兩間生產廠房及其零售服務業務。

1. 環境保護

為實踐本公司致力於可持續發展並遵守環保法律及法規的承諾，我們力求將業務活動對環境的影響減至最低，保持綠色營運及綠色辦公室的慣例。

1.1 排放物

本集團遵守《中華人民共和國環境保護法》、《中華人民共和國環境影響評價法》及《中華人民共和國環境噪聲污染防治法》並受其規管。本集團致力於減少廢氣排放、向水及土地的排污及有害廢棄物的產生。本集團總部參考有關法律規定及國家標準制訂一套相關指引，以令本集團成員公司於日常營運中遵守該等指定規則及規定。年內，本集團未因涉及環境污染而遭受任何罰款或相關訴訟。

本集團零售服務業務的營運產生有限的工作場所排放物及廢物。本集團相關零售服務門店於正式營運前須經環境保護部門批准，且其後營運須嚴格遵守環境管治適用法律及法規以減少對環境的損害。

環境、社會及管治報告

所有工作場所排放物皆排入市政下水道系統進行集中處理，工作場所廢物則由相關組織妥善處置。溫室氣體排放主要由本集團工作場所(包括兩間工廠)的電力消耗所致。

1.2 所用資源及對環境和自然資源的影響

本集團所用資源主要為廠房、零售服務門店及辦公室消耗的水電。

本集團廠房及零售服務業務已進行多種措施節約水電用量，包括使用自動洗車機等節能設備。

除加強日常管理外，本集團亦實施各種政策及措施以盡量減輕對環境的影響並減少對自然資源的消耗，並採用有害廢棄物處置計劃以將本集團對環境及自然資源造成的影響減至最低。按照本集團的有害廢棄物處置計劃，就無法回收的有害廢棄物而言，本集團各成員公司應遵照國務院環境保護主管部門的適用規定，將有害廢棄物進行適當分類並按類型選擇適當安全的存儲設施及場所並對有關有害廢棄物進行無害化處理。

本集團採納綠色辦公室慣例以降低對自然資源的消耗及對環境的影響，我們根據實際氣溫管控空調的使用，鼓勵員工使用雙面列印並引入電話會議系統以減少員工差旅及由此引致的碳排放。

2. 社會責任

本集團相信與僱員保持良好的關係為其成功的一個關鍵，為確保僱員的滿意度，本集團提供具競爭力的僱員福利及綜合培訓計劃以鼓勵僱員發揮其潛能並善用其能力。

此外，本集團若干附屬公司提供多項僱員活動以增強僱員歸屬感及幫助構建友善和諧的工作環境。

2.1 僱傭及勞工常規

本集團內部所採用有關(i)招聘及晉升；(ii)工作時數；(iii)假期；(iv)平等機會；(v)多樣化；(vi)反歧視；(vii)其他待遇及福利；(viii)薪酬及解僱的常規及政策符合《中華人民共和國勞動法》、《中華人民共和國勞動合同法》及其他相關法律及法規。藉由該等常規及政策，本集團旨在平等對待每一位員工並確保概無員工(包含本集團潛在候選人)因民族、種族、國籍、性別、宗教、年齡、性取向、婚姻情況等社會身份而受到歧視。

本集團各成員公司已採納一份員工手冊，其中包括有關僱傭管理、終止僱傭權利、業務行為、社會保障基金、薪酬、僱員福利、休假福利、工作時數／加班及績效管理和其他僱員福利政策的資料。

本集團於中國的所有僱員於僱傭開始時有權取得一份僱傭合同。本集團各成員公司一般根據適用規則及法規制定僱員報酬，當中包括薪金、紅利、長期激勵及福利等一項或多項。根據適用中國勞動規則及法規，本集團各成員公司為其僱員繳付各種公積金。

本集團僱員一般每週工作40小時。倘獲其主管事先批准，僱員有權取得加班費。本集團亦為僱員提供帶薪休假，包括年假、喪假、婚假、產假、事假及病假等國家公共假期。

本集團致力確保工作環境的平等公平，概不容忍工作場合任何形式的性騷擾或虐待。

2.2 健康及安全

為保障僱員的職業健康及安全，本集團致力於提供安全、健康及舒適的工作環境並遵守《中華人民共和國勞動法》、《工傷保險條例》及其他適用法規。僱員須嚴格遵循所有安全規則及法規，並隨時採取現有適當保護措施避免意外，保護彼等及其同事遠離安全風險。就新招聘的僱員而言，本集團將安排相關培訓以確保該等僱員能完全理解僱員手冊中的規則(包括與工作相關的風險及相應的保護措施)。於本集團的工廠及零售服務業務方面，新進僱員的主管負責密切監督彼等於生產廠房及門店的活動，以保障該等新進僱員的健康及安全。本集團亦向僱員提供充足的安全設備。

我們每年舉辦消防安全研討會，以確保僱員理解並熟悉消防安全及消防救援知識並於必要且適當時安排消防演習。於二零一六年九月，本公司附屬公司甘肅愛義行汽車服務有限公司組織24家加油站門店進行消防演習，藉以加強僱員的業務安全意識。

本集團為全體僱員投保工傷保險，僱員因工受傷時可根據相關法律及法規的規定獲得若干賠償。

2.3 發展及培訓

為鼓勵僱員發展，本集團提供人力資源培訓(包括定製培訓課程)，幫助彼等發展能推進其職業生涯的管理知識及其他專業技能。

環境、社會及管治報告

本集團向新進僱員提供入職培訓以幫助彼等熟悉本集團相關附屬公司的文化、業務及營運。此外，就生產線及零售服務門店的僱員而言，我們向每位新聘僱員提供職前技術培訓，以提升其工作必備的專業技能。下圖為本公司附屬公司湖北愛義行汽車服務有限公司新進僱員於二零一六年五月參加訓練營的照片。



本集團已制定科學的表現評估管理系統，以確保表現標準公開且評估的過程及結果公正及公平。個人表現結果與僱員的收入及於本集團內晉升的機會相關。

2.4 勞工標準

本集團嚴格禁止童工及強迫勞動，並遵守《中華人民共和國勞動合同法》的規定。在招聘過程中，我們會對員工的身份進行審核及驗證，以確保並無聘用童工。本集團亦嚴格遵守有關工時、休息與假期的中國勞動法規，以保證全體僱員身心健康。僱員不會被強迫加班，並有權根據當地法規獲得加班費。

環境、社會及管治報告

2.5 供應鏈管理

在選擇供應商時，本集團已就審查供應商資質設立若干標準，包括檢討企業法人資質、資歷級別、註冊資本、ISO質量認證、ISO環境認證、ISO職業健康安全認證、生產安全及財務狀況。我們亦對供應商的生產廠房進行實地考察，並審閱供應商所提供資料的真實性。

本集團亦致力確保其供應商履行社會責任，並敦促供應商採取措施減少環境及社會風險。本集團密切監督供應商的表現並定期進行評估。

2.6 產品責任

本集團遵守若干與其業務營運各方面(如健康及安全、廣告、標籤及與其產品及服務有關的私隱事宜)相關的中國法規，包括《中華人民共和國產品質量法》、《中華人民共和國商標法》及《中華人民共和國廣告法》。

本集團意識到保證其產品及服務安全至關重要。本集團的製造業在設計及生產汽車配件的過程中採取嚴格的品質控制體系，並根據適用法律及法規的規定以及客戶要求為其產品投購產品責任保險。本集團的服務業務審慎審查供應商的資質，以確保該等供應商所提供產品的品質。

本集團的客戶資料透過客戶關係管理系統集中管理。本集團所有僱員(尤其是從事本集團服務業務工作的僱員)均須對客戶資料嚴格保密。嚴禁未經授權使用任何客戶資料。

年內，本集團概不知悉任何違反產品及服務(包括產品及服務品質、廣告、標籤、客戶私隱、客戶權利及權益等)的法律及法規，從而對本集團產生重大影響。

2.7 反貪污

本集團於營運過程中維持高水平的商業誠信及絕不容忍任何形式的貪污或賄賂，並且嚴格遵守《中華人民共和國刑法》、《中華人民共和國反不正當競爭法》及其他有關反貪污、賄賂、勒索、欺詐行為及洗錢的相關法律及法規。

本集團亦建立行為守則以打擊及防止本集團發生賄賂、貪污、勒索及其他非法活動。該行為守則包括舉報政策，鼓勵本集團僱員、供應商及客戶舉報本集團內任何有關涉嫌非法行為。

2.8 社區投資

本集團一直致力於社會責任及社區溝通，並已按照社區的需求進行相關社區活動。心懷社會責任，本集團不斷加強其對慈善工作方面的努力。本集團致力透過對教育、慈善及其他領域作出貢獻促進社會發展及進步。

下圖為本公司附屬公司浙江歐特隆實業有限公司於二零一六年十一月為貧困地區小學募資所舉辦的拍賣會照片。



董事會報告

董事欣然提呈截至二零一六年十二月三十一日止年度年報，以及本集團本年度的經審核綜合財務報表（「財務報表」）。

集團重組、附屬公司及編製基礎

本公司於二零零二年五月十五日根據開曼群島法例第22章公司法（一九六一年第三冊，經綜合及修訂）在開曼群島註冊成立為獲豁免有限公司。根據載於本公司日期為二零零五年二月十七日的招股章程附錄六第4節「公司重組」，為籌備本公司股份於聯交所主板上市而進行的集團重組，本公司於二零零五年二月十三日成為組成本集團其他公司的控股公司。

主要業務

本集團專注於中國汽車服務連鎖通路之建設（本集團服務業）以及汽車綠色照明和汽車電子電源領域的創新生產（本集團製造業），向汽車消費者提供優質性價比之產品和服務。

本公司附屬公司的主要業務詳情載於財務報表附註20。

業務回顧

本集團業務討論及回顧載於本年度報告之管理層討論及分析。該等討論及回顧乃本董事會報告之一部分。

業績及股息

本集團於本年度的綜合業績載於第56頁的綜合全面收入報表。本年度按地區及業務分部劃分之營業額及分部業績分析載於財務報表附註6。

董事不建議派付本年度的末期股息（二零一五年：零）。

物業、機器及設備

於本年度，本集團物業、機器及設備的變動詳情載於財務報表附註15。

投資物業

於本年度，本集團投資物業之變動詳情載於財務報表附註17。

股本

有關本公司本年度已發行股本及其變動詳情連同有關原因載於財務報表附註27。

董事會報告

儲備

本集團及本公司儲備按綜合基準的變動載於財務報表附註28。

可供分派儲備

根據開曼群島公司法例，股份溢價約人民幣876,899,000元可供分派予股東，惟在緊隨作出有關分派或股息建議的日期後，本公司須有能力在日常業務中償還到期債務。

於二零一六年十二月三十一日，本公司可供分派予本公司股東（「股東」）的儲備約為人民幣132,318,000元。

暫停辦理股份過戶登記手續

本公司將於二零一七年六月二十六日至二零一七年六月二十九日（包括首尾兩日）暫停辦理股份過戶登記手續，期間概不辦理任何股份過戶登記。為符合資格出席股東週年大會，所有過戶文件連同有關股票須於二零一七年六月二十三日下午四時三十分前，送呈本公司的香港股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712至1716號舖。

董事

於本年度及截至本年報日期任職的董事如下：

執行董事

張健行先生*（行政總裁，並被委任為主席，自二零一六年三月三十一日生效）

杜敬磊（由非執行董事調任為執行董事，自二零一六年三月三十一日生效）

非執行董事

應偉先生*（已辭任主席，自二零一六年三月三十一日生效）

王振宇先生

獨立非執行董事

胡玉明先生

林雷先生

張曉亞先生

* 如本公司日期為二零一六年三月三十日公告所披露，應偉先生已辭任本公司主席及提名委員會主席，自二零一六年三月三十一日生效，但仍留任本公司非執行董事；張健行先生被委任為本公司主席及提名委員會主席，自二零一六年三月三十一日生效。

董事會報告

董事(續)

董事履歷載於本年報「董事及高級管理人員個人資料」一節。

根據本公司的公司章程細則第87(1)條，胡玉明先生、林雷先生及杜敬磊先生將於本公司應屆股東週年大會輪席退任。上述所有董事均符合資格並願意重選連任。

本公司已接獲各獨立非執行董事就彼的獨立身份出具的年度確認書或確認書。本公司認為所有獨立非執行董事均為獨立人士。

董事的服務合約

張健行先生、應偉先生、王振宇先生及杜敬磊先生各自已經與本公司訂立為期三年的服務協議，自二零一六年八月二十八日起生效，惟須根據本公司的章程細則輪席退任。

根據相關委任書，獨立非執行董事胡玉明先生及林雷先生各自按由二零一六年八月二十八日起為期三年之任期獲委任，惟須根據本公司的章程細則輪席退任。

獨立非執行董事張曉亞先生已與本公司訂立委任書，自二零一五年三月二十日起計為期三年，惟須根據本公司的章程細則輪席退任。

除上文披露者外，概無董事與本公司訂立本公司在一年內不可在毋須支付賠償(法定賠償除外)的情況下終止的服務合約。

董事會報告

董事資料的變動

根據上市規則第13.51(B)(1)條，董事資料於二零一五年年報日期後的變動載列如下：

董事姓名	變動詳情
張健行先生	— 獲委任為董事會主席兼提名委員會主席，自二零一六年三月三十一日起生效。
應偉先生	— 辭任董事會主席兼提名委員會主席，自二零一六年三月三十一日起生效。 — 留任本公司非執行董事，並獲委任為審核委員會成員以取代杜敬磊先生，自二零一六年三月三十一日起生效。 — 獲委任為中國衛生集團有限公司(一間於聯交所主板上市的公司(股份代號：673))的非執行董事，自二零一六年六月五日起生效。 — 獲委任為中升集團控股有限公司(股份代號：881)的獨立非執行董事，自二零一六年十二月十九日起生效。 — 獲委任為重慶新世紀遊輪股份有限公司(一間於深圳證券交易所(「深圳證券交易所」)上市的公司(股份代號：002558))的獨立非執行董事，自二零一六年五月二十七日起生效。
杜敬磊先生	— 由非執行董事調任執行董事，並終止擔任審核委員會成員的職務，自二零一六年三月三十一日起生效。
胡玉明先生	— 胡玉明先生擔任董事的廣州視源電子科技股份有限公司(深圳證券交易所股份代號：002841)於二零一七年一月十九日在深圳證券交易所上市。

董事於合約的權益

除本報告「關連交易」一節披露者外，概無董事於本公司、其控股公司或其任何附屬公司或同系附屬公司於本年度內所訂立且對本集團業務屬重大的合約中直接或間接擁有重大權益。

管理合約

於本年度並無訂立或存在任何有關本公司全部或其中任何主要部分業務之管理及行政的合約。

期權計劃

本公司根據於二零一四年六月二十五日通過之股東決議案終止原期權計劃並採納一項新期權計劃(「計劃」)，作為對本集團經營成果有貢獻的合資格參與者之鼓勵及獎賞。計劃的合資格參與者包括董事、本集團僱員、供應商、客戶、業務或策略聯盟夥伴。計劃於二零一四年六月二十五日生效，除非遭注銷或修訂，否則將於當日起計十年內有效。計劃主要條款的摘要包含在二零一四年四月三十日發給股東的通函中。

根據計劃授出及將予授出的期權獲悉數行使時可予發行的股份最高數目為**376,116,501**股，分別相當於本公司在採納計劃當日及本年報日期已發行股份的**10%**及**8.22%**，除非獲本公司股東批准更新**10%**限額則作別論。於任何十二個月期間內，根據計劃授予各合資格參與者期權(包括已行使及尚未行使的期權)所發行及可發行的股份最高數目，以本公司已發行股份的**1%**為限。凡進一步授出超出此限額之期權須經股東於股東大會批准。

向董事、本公司主要行政人員或主要股東或彼等任何聯繫人士授出期權，均須事先獲獨立非執行董事批准。此外，凡於截至及包括授出期權之日止十二個月期間內，向本公司主要股東或獨立非執行董事或彼等之任何聯繫人士授出期權會超出本公司已發行股份**0.1%**及其總值(按授出當日本公司股份之收市價計算)超逾**5,000,000**港元，須事先獲股東於股東大會批准。

授出期權之要約可由承授人於要約日期起計**28**日內支付象徵式代價合共**10**港元後接納。所授期權的行使期由董事會決定，惟於現有計劃所載提早終止條文規限下，該行使期不得超過期權授出之日起計十年。除非董事全權酌情另行決定，否則，並無規定須持有期權的最短期限，或行使期權前必須達到的表現目標。

期權的行使價將為下列三者中的最高值：**(i)**本公司股份於授出日期的面值；**(ii)**授出期權當日本公司股份於聯交所每日報價表所報的收市價；及**(iii)**緊接授出日期前五個營業日本公司股份於聯交所的平均收市價。

期權並無授予持有人可獲取股息或於股東大會表決的權利。

董事會報告

期權計劃(續)

於二零一六年十二月三十一日，本公司已根據計劃授出期權，倘該等期權獲悉數行使，承授人有權認購119,611,116股股份。根據計劃可供發行的股份總數(不含已授出期權)為254,572,055股，相當於本公司在該日已發行股本總額約5.56%。

於二零一六年十二月三十一日，根據計劃授出的期權詳情如下：

期權持有人姓名	授出日期	行使期	行使價 (每股)	授出日期的 股份收市價 (每股)	於二零一六年	自二零一六年	自二零一六年	於二零一六年
					一月一日 尚未行使 期權涉及的 相關股份數目	一月一日 已授出 期權涉及的 相關股份數目	一月一日起 已行使/失效/ 註銷的 期權數量	十二月三十一日 尚未行使 期權涉及的 相關股份數目
洪瑛蓮女士(附註1)	二零一四年 十月十四日	二零一四年 十月十五日至 二零一九年 十月十四日 (附註3)	0.50港元	0.50港元	12,092,768	-	33,333	12,059,435
持續合約僱員(累計)	二零一四年 十月十四日	二零一四年 十月十五日至 二零一九年 十月十四日 (附註2)	0.50港元	0.50港元	125,990,564	-	18,438,883	107,551,681
總計					138,083,332	-	18,472,216 (附註3)	119,611,116

附註1：洪瑛蓮女士已辭去本公司執行董事及財務總監，自二零一三年八月二十八日生效，並獲委任為本公司副總裁兼運營總監。洪瑛蓮女士為已於二零一五年五月二十日辭任的本公司非執行董事洪偉弼先生的胞妹。

附註2：於二零一六年一月一日起至二零一六年十二月三十一日止期間，總共138,083,332份期權中的599,998份期權被行使，餘下期權可於二零一七年一月一日起至二零一九年十月十四日止期間行使，惟須受限於本公司發給每位承授人的授予函中所述之若干表現目標及其他歸屬條件之達成。

附註3：於二零一六年一月一日起至二零一六年十二月三十一日止期間行使、失效或註銷的18,472,216份期權中，599,998份期權由持續合約僱員行使及17,872,218份期權失效。

董事會報告

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

於二零一六年十二月三十一日，據本公司董事及主要行政人員所知，本公司董事及主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份或債券中並無擁有須記錄於本公司根據證券及期貨條例第352條存置的登記冊，或根據證券及期貨條例第XV部第7及8分部以及上市規則上市發行人董事進行證券交易的標準守則的規定須知會本公司及聯交所的權益及淡倉(包括彼等根據證券及期貨條例有關條文被當作或視作擁有的權益及淡倉)。

主要股東於本公司股份中擁有的權益及淡倉

據本公司董事及主要行政人員所知，於二零一六年十二月三十一日，以下人士(本公司董事及主要行政人員除外)於本公司的股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部的規定須知會本公司的權益或淡倉，或記錄於本公司根據證券及期貨條例第336條設置的登記冊中的權益或淡倉：

名稱	身份/權益性質	擁有權益(根據股本 衍生工具擁有者除外) 的股份數目 (附註1)	根據股本衍生工具 擁有權益的 股份數目	股份總數/ 根據股本衍生工具 擁有的相關股份	佔已發行股份 百分比
CDH Fast Two Limited	實益擁有人 (附註2)	2,889,580,226 (L)	-	2,889,580,226 (L)	63.14%
CDH Fast One Limited	於受控公司的權益 (附註2)	2,889,580,226 (L)	-	2,889,580,226 (L)	63.14%
CDH Fund IV, L.P.	於受控公司的權益 (附註2)	2,889,580,226 (L)	-	2,889,580,226 (L)	63.14%
CDH IV Holdings Company Limited	於受控公司的權益 (附註2)	2,889,580,226 (L)	-	2,889,580,226 (L)	63.14%
China Diamond Holdings IV, L.P.	於受控公司的權益 (附註2)	2,889,580,226 (L)	-	2,889,580,226 (L)	63.14%
China Diamond Holdings Company Limited	於受控公司的權益 (附註2)	2,889,580,226 (L)	-	2,889,580,226 (L)	63.14%

主要股東於本公司股份中擁有的權益及淡倉(續)

附註：

1. 「L」代表股份的好倉。
2. CDH Fast Two Limited於二零一三年六月二十五日與本公司簽署一份投資協議(「投資協議」)，據此投資協議，CDH Fast Two Limited同意認購本公司發行的1,262,564,333股新股份及本金為48,685,000美元之可換股債券(「可換股債券」)。CDH Fast One Limited(CDH Fast Two Limited的唯一股東)、CDH Fund IV, L.P. (CDH Fast One Limited的唯一股東)、CDH IV Holdings Company Limited(CDH Fund IV, L.P.的普通合夥人)、China Diamond Holdings IV, L.P. (CDH IV Holdings Company Limited的控股股東)及China Diamond Holdings Company Limited(China Diamond Holdings IV, L.P.的普通合夥人)均被視為對公司的股份享有權益。投資協議項下的交易已於二零一三年八月二十八日完成。於二零一四年六月十一日接獲CDH Fast Two Limited發出的就轉換本金額為24,342,500美元之部份可換股債券之轉換通知後，本公司於二零一四年六月十二日按轉換價每股轉換股份0.2328港元向CDH Fast Two Limited配發及發行合共813,507,946股轉換股份。於二零一五年十二月二十五日接獲CDH Fast Two Limited發出的就轉換本金額為24,342,500美元(約為港幣189,384,650元)之全部剩餘可換股債券之轉換通知後，本公司於二零一五年十二月二十八日按轉換價每股轉換股份0.2328港元向CDH Fast Two Limited配發及發行合共813,507,947股轉換股份。

除上文披露者外，於二零一六年十二月三十一日，董事並不知悉任何人士(董事及本公司主要行政人員除外)於本公司的股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部的規定須向本公司披露的權益或淡倉，或記錄於本公司根據證券及期貨條例第336條設置的登記冊中的權益或淡倉。

購買股份或債券的安排

除上文及「期權計劃」一節披露者外，於本年度任何時間概無任何董事或彼等各自之配偶或18歲以下之子女獲賦予權利，可藉購入本公司股份或債券而獲益，彼等亦無行使任何該等權利；而本公司、其控股公司或其任何附屬公司或同系附屬公司亦無訂立任何安排，致使董事可於任何其他法人團體獲得該等權利。

股票掛鈎協議

除本年度報告管理層討論與分析及財務報表附註25所披露的海通可換股債券及本董事會報告「購股權計劃」一節所披露的計劃外，截至二零一六年十二月三十一日止之年度內，概無訂立或存在之股票掛鈎協議。

優先購買權

本公司的章程細則或開曼群島法例並無有關優先購買權的條文，規定本公司須按比例向其現有股東提呈發售新股。

關連交易

於二零一六年及隨後至本年度報告之日，本公司及其附屬公司根據上市規則第14A章進行以下關連交易：

(i) 出售上海追得貿易發展有限公司(「上海追得」)51%股權

紐福克斯光電科技(上海)有限公司(「紐福克斯光電」)(本公司直接擁有上海追得51%股權(「上海追得股權」)的一間全資附屬公司)與劉鳳喜女士訂立股權協議，自二零一六年十二月二十八日起生效(「上海追得股權轉讓協議」)。根據上海追得股權轉讓協議，劉鳳喜女士同意收購而紐福克斯光電同意出售上海追得股權，代價為人民幣20,000,000元，以現金方式支付(「上海追得出售」)。於二零一六年十二月二十九日完成上海追得出售後，上海追得不再是本公司的附屬公司。有關進一步詳情，請參閱本公司日期為二零一六年十二月二十八日的公布。

由於上海追得出售涉及的有關百分比率高於5%但低於25%，因此上海追得出售構成上市規則第14章項下本公司一項須予披露的交易，須遵守通知及公告的規定。由於劉鳳喜女士是上海追得的一名主要股東和董事，是本公司附屬公司層面的關連人士，因此上海追得出售也構成上市規則第14A章項下本公司一項關連交易。由於董事會已批准該出售且本公司獨立非執行董事認為上海追得股權轉讓協議的條款公平合理，上海追得出售按照一般商業條款訂立且符合本公司及整體股東的利益，根據上市規則第14A.101條，上海追得出售須遵守申報及公告的規定，但獲豁免遵守通函、獨立財務意見和股東批准的規定。

關連交易(續)

(ii) 出售新焦點麗車坊股份有限公司(「新焦點麗車坊」)及臺灣新焦點汽車服務股份有限公司(「臺灣新焦點」)各自100%股權

Perfect Progress Investments Limited(「PPI」)(本公司分別直接擁有新焦點麗車坊及臺灣新焦點全部股權(統稱「目標股權」)的一間全資附屬公司)與Asia Centre Auto Service Holdings Limited(「買方」)(由本集團副總裁兼新焦點麗車坊及臺灣新焦點董事的洪女士間接全資持有)訂立日期為二零一六年七月十九日的股權轉讓協議(「股權轉讓協議」)。根據股權轉讓協議，買方同意收購而PPI同意出售目標股權，代價名義對價新臺幣1元，並以現金方式支付(「出售」)。於二零一六年七月二十九日完成出售後，新焦點麗車坊及臺灣新焦點不再是本公司的附屬公司。有關進一步詳情，請參閱本公司日期為二零一六年七月十九日的公布。

由於出售涉及的適用百分比率高於5%但低於25%，根據上市規則第14章，出售構成本公司一項須予披露的交易，須遵守申報及公告之規定。出售也構成上市規則第14A章項下本公司的關聯交易。由於股權轉讓協議乃按一般商務條款訂立且出售涉及的所有百分比率(盈利比率除外)低於25%且總代價低於10,000,000港元，根據上市規則第14A.76(2)(b)條，出售獲豁免遵守通函、獨立財務意見和股東批准之規定。

(iii) 向遼寧美車驛站商業管理有限公司銷售商品

二零一六年，遼寧新天成(由本公司持有50.10%、李海東持有27.63%)向遼寧美車驛站商業管理有限公司(由李海東之配偶及其一名近親持有)銷售貨品。該等貨品銷售構成上市規則第14A章項下本公司的持續關聯交易。由於適用百分比率(盈利比率除外)低於1%，且該等交易之所以屬於持續關聯交易，純粹因為涉及附屬公司層面的關聯人士。因此，根據第14A.76(1)b條，該等持續關聯交易屬於符合最低豁免水平的交易，獲全面豁免遵守股東批准、年度審閱以及所有披露規定。

關連交易(續)

(iv) 遼寧新天成從李海東收到的財務資助

二零一六年，李海東通過將其物業設定抵押，就遼寧新天成對其一家供應商上限為人民幣15,183,000元的債務為該供應商提供擔保(「李海東提供的財務資助」)。李海東提供的財務資助構成上市規則第14A章項下本公司的關連交易。李海東提供的財務資助是按一般商業條款或更佳條款進行，且並無以本集團的資產作抵押。因此，根據14A.90條，李海東提供的財務資助獲全面豁免遵守股東批准、年度審閱以及所有披露規定。

(v) 本公司從應偉先生處收到的財務資助

二零一六年，本公司的非執行董事應偉先生向一家台灣的銀行提供擔保，就本公司附屬公司新焦點麗車坊對該銀行的債務提供擔保(「應偉先生提供的財務資助」)。應偉先生提供的財務資助構成上市規則第14A章項下本公司的關連交易。應偉先生提供的財務資助是按一般商業條款或更佳條款進行，且並無以本集團的資產作抵押。因此，根據14A.90條，應偉先生提供的財務資助獲全面豁免遵守股東批准、年度審閱以及所有披露規定。誠如本節(ii)段所披露，新焦點麗車坊自二零一六年七月二十九日不再是本公司的附屬公司。

本公司確認已經就本年度進行的所有關連交易和持續關連交易遵守上市規則第14A章的披露要求。

獲准許彌償

本公司已為其董事及高級管理人員因公司活動引致之法律行動安排合適之董事及行政人員責任保險。各董事有權就於或有關彼履行職務或在其他有關情況所蒙受或產生之所有損失或責任，由本公司資產獲取彌償。

董事於競爭業務之權益

於二零一六年十二月三十一日及截至本年報日期，概無董事被視為直接或間接從事與本集團業務競爭或可能有競爭之業務。

買賣或贖回本公司上市股份

於回顧年內，本公司並無根據二零一六年六月二十四日舉行之股東週年大會所授出一般授權於香港聯交所購回任何本公司普通股，且於回顧年內本公司或其任何附屬公司並無買賣或購回本公司之上市股份。

董事會報告

主要客戶及供應商

向五大客戶的銷售額約佔年度總收入不足30%。向五大供應商的採購額佔年內總採購額不足30%。

概無董事、彼等任何聯繫人士或股東(據董事所知擁有本公司已發行股本5%以上的權益)在本集團五大客戶或供應商中擁有任何實益權益。

釐定應付董事酬金的基準

董事的酬金乃由董事會取得薪酬委員會的推薦建議後釐定。於釐定董事酬金時，本公司計及每位董事的資質、經驗、其於本公司的職責和責任、本公司業績及目前市場狀況。

稅項減免

本公司並不知悉本公司股東由於持有本公司股份而獲得任何稅項減免之事宜。

公眾持股量

截至本年報日期，根據本公司所獲公開資料及據董事所知，本公司維持上市規則所規定相當於本公司已發行股本25%的足夠公眾持股量。

核數師

財務報表已經由畢馬威會計師事務所審核。於本公司應屆股東週年大會上，將提呈一項決議案，重新委任畢馬威會計師事務所為本公司的核數師。

代表董事會

主席

張健行

香港，二零一七年三月三十日

獨立核數師報告



致新焦點汽車技術控股有限公司股東

(於開曼群島註冊成立之有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第56至143頁新焦點汽車技術控股有限公司(「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零一六年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合全面收入報表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,該等綜合財務報表已根據國際會計準則理事會頒佈的所有適用的《國際財務報告準則》真實而中肯地反映貴集團於二零一六年十二月三十一日的綜合財務狀況及貴集團截至該日止年度的綜合財務表現及綜合現金流量,並已按照香港《公司條例》的披露規定妥為擬備。

意見的基礎

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

關鍵審計事項

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

關鍵審計事項(續)

商譽、無形資產及物業、機器及設備減值

請分別參閱第101頁、第104頁及第106頁之綜合財務報表附註15、18及19和第72頁之會計政策。

關鍵審計事項

由於近年來中國大陸經濟增長減緩，貴集團部分業務單元之收入和盈利低於預期。一些業務單元本年度虧損，貴集團管理層認為，這可能導致與該業務單元有關的非流動資產出現減值。

商譽和無確定使用年限之無形資產於每年年末進行減值測試；物業、機器及設備當識別出潛在減值跡象時進行減值測試。

對於商譽、無確定使用年限之無形資產及已識別出減值跡象的物業、機器及設備，管理層採用貼現現金流量法規定各最小現金產生單位的可收回金額；各項相關資產已分配至上述最小現金產生單位。管理層聘請獨立評估師編製未來折現現金流量預測，從而進行減值測試。

編製未來折現現金流量預測需要管理層作出重大判斷，尤其是估計收入增長率、長期增長率、通貨膨脹率及折現率。

我們審計時如何處理事項

我們評估商譽、無形資產及物業、機器及設備的減值的審計程序包括以下各項：

- 評估管理層對現金產出單元的劃分及分配至各現金產生單位之商譽、無形資產及物業、機器及設備的數額是否適當，並在內部估值專家的協助下，評估管理層使用的減值測試方法；
- 評估貴集團所聘請的獨立評估師的專業勝任能力及客觀獨立性。該獨立評估師編製未來折現現金流量預測以協助管理層評估相關現金產出單元的使用價值；
- 取得管理層聘請之獨立評估師出具的估值報告，將計算中所應用包括收入增長率、毛利率及營運資本等在內的關鍵參數，與經董事批准的管理層之財務預算、相關外部資料及我們根據在貴集團所處行業積累的職業經驗做出的判斷進行比對；
- 評價貴集團財務預算程式，該程式乃盈利預測之基礎，包括詢問管理層在制定預算過程中做出的重大假設及將預算參數與以往年度實際資料進行比對；

獨立核數師報告

關鍵審計事項(續)

商譽、無形資產及物業、機器及設備－減值(續)

請分別參閱第101頁、第104頁及第106頁之綜合財務報表附註15、18及19和第72頁之會計政策。

關鍵審計事項

我們視檢測商譽、無形資產及物業、機器及設備減值為關鍵審計事項，是因為該等資產對綜合財務報表具有重大影響，且在對參數進行假設時需依賴管理層重大判斷，該等參數存在固有不確定性，且可能會受到管理層偏見之影響。

我們審計時如何處理事項

- 在我們內部估值專家的協助下，評估管理層在計算未來現金流折現時對通貨膨脹率、永續期增長率、折現率做出的假設及判斷的合理性，從而得出現金產出單元的可收回金額。該等評估包括查詢有關通貨膨脹率等的公共資訊及根據貴集團所在行業其他上市公司的資料重新獨立計算折現率；
- 將以往年度現金流預測中的關鍵假設與當前年度表現比對，以評估過往年度管理層預測的準確性並考慮如出現任何重大變化是否已包含在本年現金流預測之中；
- 對所應用之折現率及預測現金流量進行敏感性分析，考慮減值帶來的影響並評估管理層在選取重大假設時是否存在管理層偏見的跡象；
- 考慮綜合財務報表中管理層對減值測試部分的相關披露是否符合現行會計準則之規定，考慮關鍵假設之變化對減值測試結果敏感性影響之披露是否正確反映了減值測試的固有風險。

獨立核數師報告

關鍵審計事項(續)

評估向深圳佳鴻借款之可回收性

請參閱第114頁之綜合財務報表附註22(b)和第70頁之會計政策。

關鍵審計事項

貴集團截至2016年12月31日的按金、預付款項及其他應收款項中囊括向深圳市佳鴻集團控股有限公司(「深圳佳鴻」)提供的借款共計人民幣1.9億元。

該等借款的年息為12%，並應於2015年12月31日或以前到期，但深圳佳鴻並未按期歸還。

該等借款：

- 由深圳佳鴻兩名截至2016年12月31日合計持有85%股份的股東分別提供擔保；
- 由深圳佳鴻擁有之15間附屬公司提供擔保；
- 由深圳佳鴻一間全資附屬公司之全部股份進行抵押；及
- 由深圳佳鴻兩名主要股東之一間接持有80%股份的一間礦業公司之30%股份進行抵押。

我們視評估向深圳佳鴻之借款的可回收性為關鍵審計事項，是因為該等款項的歸還存在重大不確定性並可能對貴集團的流動性及盈利情況產生重大影響。

我們審計時如何處理事項

我們評估向深圳佳鴻之借款的可回收性的審計程序包括以下各項：

- 就貴集團截至2016年12月31日尚未收到的本金及發生的利息及罰息向深圳佳鴻獲取詢證函回函；
- 檢查由深圳佳鴻提供給貴集團的還款計畫；
- 通過檢查從貴集團管理層獲取的相關資料評估深圳佳鴻還款能力，該等資料包括深圳佳鴻近期出售兩間門店之相關交易資料及基於獨立評估師於2015年執行的外部評估並根據近期企業發展調整的深圳佳鴻擁有的門店之估值；
- 通過自貴集團法律顧問獲取法律詢證函評估質押之有效性，並通過考慮質押資產之市場活躍度來評估其強制性；及
- 與相對應之銀行對帳單或其他有關單據核對截至報告出具日收到之償還本金及利息信息。

獨立核數師報告

綜合財務報表及其核數師報告以外的資訊

董事需對其他資訊負責。其他資訊包括刊載於年報內的全部資訊，但不包括綜合財務報表及我們的核數師報告。

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

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

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

董事就綜合財務報表須承擔的責任

董事須負責根據國際會計準則理事會頒佈的國際財務報告準則及香港《公司條例》的披露要求擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審計委員會協助董事履行監督貴集團的財務報告過程的責任。

核數師就審計綜合財務報表承擔的責任

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

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

獨立核數師報告

核數師就審計綜合財務報表承擔的責任(續)

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程式以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計適當的審計程式，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團內實體或業務活動的財務資訊獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

獨立核數師報告

核數師就審計合併財務報表承擔的責任(續)

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

出具本獨立核數師報告的審計專案合夥人是楊家俊。

畢馬威會計師事務所

執業會計師

香港中環

遮打道十號

太子大廈八樓

二零一七年三月三十日

綜合全面收入報表

截至二零一六年十二月三十一日止年度(以人民幣列示)

	附註	二零一六年 人民幣千元	二零一五年 人民幣千元
收入	6	1,292,665	1,254,191
銷售及服務成本		(1,017,862)	(999,070)
毛利		274,803	255,121
其他收入及盈虧	7	59,934	55,124
分銷成本		(213,738)	(198,621)
行政開支		(149,492)	(143,331)
商譽的減值虧損	18	(74,334)	(28,003)
融資成本	8	(40,885)	(37,713)
應佔一間聯營公司虧損		(2,099)	(5,879)
除稅前虧損	9	(145,811)	(103,302)
所得稅開支	11	(2,507)	(645)
年度虧損		(148,318)	(103,947)
其他綜合收益			
可能在其後重新分類至損益的項目：			
換算海外業務的匯兌差額	14	(8,403)	(17,136)
可供出售金融資產：公平價值儲備變動淨額	14	(325)	325
年度其他綜合收益，除稅後		(8,728)	(16,811)
年度綜合收益總額		(157,046)	(120,758)
年度應佔虧損			
—本公司擁有人		(123,459)	(90,967)
—非控制權益		(24,859)	(12,980)
		(148,318)	(103,947)
應佔綜合收益總額			
—本公司擁有人		(132,187)	(107,778)
—非控制權益		(24,859)	(12,980)
		(157,046)	(120,758)
每股虧損	13		
基本(人民幣分)		(2.70)	(2.41)
攤薄(人民幣分)		(2.70)	(2.41)

第62頁至第143頁的附註屬此等財務報表的一部分。

綜合財務狀況報表

於二零一六年十二月三十一日(以人民幣列示)

	附註	二零一六年 十二月 三十一日 人民幣千元	二零一五年 十二月 三十一日 人民幣千元
資產及負債			
非流動資產			
物業、機器及設備	15	182,450	177,380
租賃土地及土地使用權	16	30,221	31,289
投資物業	17	43,864	42,775
商譽	18	43,919	118,253
其他無形資產	19	56,038	47,923
於一間聯營公司的權益		393	6,121
遞延稅項資產	26	31,166	21,196
應收關連人士款項	31(b)	-	6,991
		388,051	451,928
流動資產			
存貨	21	177,135	196,143
可退回稅款		6	274
應收貿易賬款	22(a)	161,590	130,742
按金、預付款項及其他應收款項	22(b)	284,650	335,729
應收關連人士款項	31(b)	32,633	3,603
已抵押定期存款	29	4,500	6,903
可供出售金融資產		-	53,383
現金及現金等值物	29	164,269	140,327
		824,783	867,104
流動負債			
已抵押銀行借款	23	178,475	216,325
應付貿易賬款	24(a)	185,641	171,557
應計費用及其他應付款項	24(b)	208,662	158,241
應付稅項		4,423	4,009
可換股債券	25	183,834	156,319
		761,035	706,451
流動資產淨值		63,748	160,653
資產總值減流動負債		451,799	612,581

綜合財務狀況報表

於二零一六年十二月三十一日(以人民幣列示)

	附註	二零一六年 十二月 三十一日 人民幣千元	二零一五年 十二月 三十一日 人民幣千元
非流動負債			
已抵押銀行借款	23	-	7,920
遞延稅項負債	26	22,632	19,948
		22,632	27,868
淨資產			
		429,167	584,713
資本及儲備			
股本	27	376,184	376,133
儲備	28	(21,897)	100,784
本公司擁有人應佔權益總額		354,287	476,917
非控制權益		74,880	107,796
權益總額		429,167	584,713

此等財務報表於二零一七年三月三十日經董事會批准並授權發佈。

張健行
董事

杜敬磊
董事

第62頁至第143頁的附註屬此等財務報表的一部分。

綜合權益變動表

截至二零一六年十二月三十一日止年度(以人民幣列值)

	股本	股份溢價	法定儲備金	企業擴充基金	可換股債券 儲備	股本 贖回儲備	匯兌儲備	其他	保留溢利/ (累計虧損)	本公司 擁有人應佔	非控制權益	總計
	人民幣千元 (附註27)	人民幣千元 (附註28(i)(a))	人民幣千元 (附註28(i)(b))	人民幣千元 (附註28(i)(c))	人民幣千元 (附註28(i)(f))	人民幣千元 (附註28(i)(d))	人民幣千元 (附註28(i)(e))	人民幣千元 (附註28(i)(g))	人民幣千元	人民幣千元	人民幣千元	人民幣千元
於二零一六年一月一日	376,133	876,692	52,641	2,756	-	1,545	(29,490)	28,656	(832,016)	476,917	107,796	584,713
年度虧損	-	-	-	-	-	-	-	-	(123,459)	(123,459)	(24,859)	(148,318)
其他綜合收益	-	-	-	-	-	-	(8,403)	(325)	-	(8,728)	-	(8,728)
年度綜合收益總額(扣除稅項)	-	-	-	-	-	-	(8,403)	(325)	(123,459)	(132,187)	(24,859)	(157,046)
轉撥儲備	-	-	2,510	-	-	-	-	-	(2,510)	-	-	-
出售附屬公司(附註34)	-	-	-	-	-	-	-	(116)	-	(116)	(11,836)	(11,952)
確認為可換股債券儲備(附註25)	-	-	-	-	1,619	-	-	-	-	1,619	-	1,619
收購一間附屬公司	-	-	-	-	-	-	-	-	-	-	(528)	(528)
非控股股東注資	-	-	-	-	-	-	-	1,903	-	1,903	4,307	6,210
確認股本結算股份付款(附註33)	-	-	-	-	-	-	-	5,963	-	5,963	-	5,963
根據購股權計劃發行股份(附註33)	51	207	-	-	-	-	-	(70)	-	188	-	188
於二零一六年十二月三十一日	376,184	876,899	55,151	2,756	1,619	1,545	(37,893)	36,011	(957,985)	354,287	74,880	429,167
於二零一五年一月一日	307,931	760,136	49,045	2,756	28,888	1,545	(12,354)	10,261	(737,453)	410,755	129,542	540,297
年度虧損	-	-	-	-	-	-	-	-	(90,967)	(90,967)	(12,980)	(103,947)
其他綜合收益	-	-	-	-	-	-	(17,136)	325	-	(16,811)	-	(16,811)
年度綜合收益總額(扣除稅項)	-	-	-	-	-	-	(17,136)	325	(90,967)	(107,778)	(12,980)	(120,758)
轉撥儲備	-	-	3,596	-	-	-	-	-	(3,596)	-	-	-
兌換可換股債券(附註25)	68,090	115,892	-	-	(28,888)	-	-	-	-	155,094	-	155,094
收購一間附屬公司額外權益	-	-	-	-	-	-	-	9,051	-	9,051	(9,051)	-
收購一間附屬公司所產生	-	-	-	-	-	-	-	-	-	-	1,390	1,390
已宣派附屬公司非控制擁有人股息	-	-	-	-	-	-	-	-	-	-	(1,105)	(1,105)
確認股本結算股份付款(附註33)	-	-	-	-	-	-	-	9,246	-	9,246	-	9,246
根據購股權計劃發行股份(附註33)	112	664	-	-	-	-	-	(227)	-	549	-	549
於二零一五年十二月三十一日	376,133	876,692	52,641	2,756	-	1,545	(29,490)	28,656	(832,016)	476,917	107,796	584,713

第62頁至第143頁的附註屬此等財務報表的一部分。

綜合現金流量表

截至二零一六年十二月三十一日止年度(以人民幣列值)

	二零一六年 人民幣千元	二零一五年 人民幣千元
經營活動：		
除稅前虧損	(145,811)	(103,302)
就以下各項調整：		
— 撇減存貨	5,416	5,329
— 折舊及攤銷	37,497	40,279
— 呆賬額外撥備	4,509	2,138
— 商譽減值	74,334	28,003
— 股本結算股份付款	5,963	9,246
— 利息收入	(13,551)	(24,333)
— 利息開支	40,885	37,713
— 出售物業、機器及設備(收益)/虧損	(135)	2,921
— 投資物業公平價值變動	(1,089)	(742)
— 出售附屬公司及一間聯營公司收益	(19,820)	—
— 撇銷其他應付款項	(1,274)	(394)
— 換股權的公平價值收益	(4,250)	(19,330)
— 應佔一間聯營公司虧損	2,099	5,879
營運資金變動前的經營現金流量	(15,227)	(16,593)
存貨(增加)/減少	(32,442)	13,174
應收貿易賬款(增加)/減少	(50,675)	614
按金、預付款項及其他應收款項(增加)/減少	(25,276)	5,378
應收關連公司款項增加	(406)	(417)
應付貿易賬款增加/(減少)	56,431	(18,494)
應計費用及其他應付款項增加	41,551	24,876
經營活動(使用)/產生的現金	(26,044)	8,538
已付所得稅	(7,034)	(4,004)
經營活動(使用)/產生的現金淨額	(33,078)	4,534

綜合現金流量表

截至二零一六年十二月三十一日止年度(以人民幣列值)

	二零一六年 人民幣千元	二零一五年 人民幣千元
投資活動		
購置其他無形資產	—	(4)
購置物業、機器及設備	(57,713)	(35,819)
購置可供出售金融資產	—	(91,000)
出售可供出售金融資產所得款項	54,649	38,896
出售物業、機器及設備以及投資物業的所得款項	2,149	15,893
給予一間聯營公司的貸款	—	(6,991)
給予一名第三方的貸款	—	(190,000)
一名第三方償還的貸款	60,000	40,000
收購一間附屬公司的付款淨額	(889)	—
出售附屬公司的現金流出淨額	(10,925)	—
於聯營公司的投資	(598)	(12,000)
已抵押定期存款增加/(減少)	38	(691)
已收利息	21,725	13,670
投資活動產生/(使用)的現金淨額	68,436	(228,046)
融資活動		
發行股份及可換股債券所得款項	—	152,833
股份及可換股債券的發行成本	—	(156)
一間附屬公司非控制擁有人注資	1,210	490
行使購股權所得款項	188	549
新銀行貸款所得款項	178,477	329,804
償還銀行貸款	(175,456)	(267,389)
償還一間附屬公司一名非控制擁有人的貸款	—	(5,000)
已付附屬公司非控制擁有人股息	—	(1,105)
已付利息	(18,418)	(10,694)
融資活動(使用)/產生的現金淨額	(13,999)	199,332
現金及現金等值物增加/(減少)淨額	21,359	(24,180)
年初的現金及現金等值物	140,327	163,511
匯率變動的影響	2,583	996
年末的現金及現金等值物	164,269	140,327
現金及現金等值物結餘分析		
銀行存款及手頭現金	164,269	140,327

第62頁至第143頁的附註屬此等財務報表的一部分。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

1 組成及主要業務

新焦點汽車技術控股有限公司(「本公司」)為於開曼群島註冊成立的有限公司，其股份在香港聯合交易所有限公司(「聯交所」)主板上市，其註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands，主要營業地點位於中華人民共和國(「中國」)上海。

本公司為投資控股公司，其附屬公司主要從事生產及銷售電子及電力相關汽車零件及配件；提供汽車維修、養護及修飾服務；通過大中華地區的服務連鎖店網絡進行商品零售分銷以及汽車配件貿易。本公司及其附屬公司統稱為本集團。

2 編製基準

(a) 合規聲明

此等綜合財務報表乃遵照所有適用的國際會計準則理事會頒佈的國際財務報告準則編製，國際財務報告準則為國際會計準則理事會頒佈的所有適用個別國際財務報告準則、國際會計準則及詮釋的統稱，並符合香港公司條例的披露規定編製。此外，此等財務報表亦遵守香港聯合交易所有限公司證券上市規則的適合披露條文。本集團採納的重要會計政策載於下文。

國際會計準則理事會已頒佈若干新訂及經修訂國際財務報告準則，該等準則為於本集團現時會計期間首次生效或可提早採納。附註3就初步應用該等發展所產生的任何會計政策變動提供資料，惟以該等財務報表所反映本集團現時及過往會計期間所相關者為限。

綜合財務報表已於二零一七年三月三十日獲董事會授權刊發。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

2 編製基準(續)

(b) 編製財務報表基準

截至二零一六年十二月三十一日止年度之綜合財務報表涵蓋本公司及其附屬公司(統稱「本集團」)及本集團於聯營公司之權益。

編製財務報表所用計量基準為歷史成本基準，惟下列以公平價值計量之資產及負債除外，其解釋會計政策載列如下：

- 投資物業；
- 可供出售金融資產；
- 證券買賣；及
- 衍生金融工具。

非流動資產及持作出售的出售組別以賬面值與公平價值減成本兩者中的較低者入賬出售。

(c) 功能及呈列貨幣

財務報表乃以人民幣呈列，是由於本集團主要實體經營所處首要經濟環境的貨幣為人民幣。本公司的功能貨幣為美元。

3 會計政策變動

國際會計準則理事會已頒佈若干於本集團本會計期間首次生效的國際財務報告準則修訂本。該等變動對本集團於現時或過往期間編製或呈列的業績及財務狀況並無造成重大影響。

本集團並無於本會計期間應用尚未生效的任何新準則或詮釋。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

4 業務合併及綜合基準

(a) 業務合併及綜合基準

綜合財務報表包括本公司及其附屬公司的財務報表。集團公司間的公司間交易與結餘連同未變現溢利乃於編製綜合財務報表時全數對銷。於有關交易可提供所轉讓資產的減值證明時，則亦可對銷未變現虧損，在此情況下，虧損於損益中確認。

年內收購或出售的附屬公司業績自收購生效日期起或截至出售生效日期止(視適用情況而定)計入綜合全面收入報表。倘有需要時，會就附屬公司的財務報表作出調整，使其會計政策與本集團其他成員公司所採用者一致。

收購附屬公司或業務以收購法入賬。收購成本按所轉讓資產、所產生負債及本集團(作為收購方)所發行的股本權益於收購日期的公平價值總和計量。所收購的可識別資產及所承擔負債主要按收購日期的公平價值計量。本集團事先於被收購方中所持有的股本權益按收購日期的公平價值重新計量，產生的收益或虧損則於損益中確認。本集團或可選擇，以逐筆交易的基準，按公平價值或應佔被收購方可識別資產淨值的比例計量相當於目前於附屬公司擁有權益的非控制權益。所有其他非控制權益均按公平價值計量，惟國際財務報告準則另行規定則作別論。所產生的收購相關成本列作開支，除非該等成本乃於發行股本工具時產生，在該情況下，有關成本乃從權益中扣除。

收購方將予轉讓的任何或然代價按於收購日期的公平價值確認。其後對代價的調整於商譽內確認，惟僅以計量期間(自收購日期起計最多十二個月)內獲得的與收購日期的公平價值有關的新資料所引致者為限。所有對或然代價的其他其後調整，則分類為資產或負債，於損益中確認。或然代價(視作一項資產或負債)公平價值的其後變動根據國際會計準則第39號於損益確認，或計作其他綜合收益變動。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

4 業務合併及綜合基準(續)

(b) 附屬公司及非控股權益

附屬公司為本集團控制的實體。當本集團因參與實體而面對或有權收取可變回報，及有能力透過其對實體的權力影響該等回報，則本集團對實體擁有控制權。評估是否擁有控制權時，亦會考慮現時可行使的潛在表決權。

於附屬公司的權益乃按成本扣除任何減值虧損於本公司財務狀況報表入賬。本公司按已收及應收股息基準將附屬公司的業績入賬。

非控股權益指非直接或間接歸屬於本公司的附屬公司權益，且本集團就此並無與該等權益持有人協定任何額外條款，致使本集團整體須就該等符合金融負債定義的權益承擔合約責任。就各業務合併而言，本集團可選擇按公平價值或按非控股權益佔附屬公司可識別淨資產的比例份額而計量任何非控股權益。

非控股權益於綜合財務狀況表的權益內呈列，獨立於本公司權益持有人應佔的權益。本集團業績的非控股權益乃於綜合全面收入報表列作本公司非控股權益及權益持有人之間的年度溢利或虧損總額及綜合收益總額的分配結果。非控股權益持有人提供的貸款及向該等持有人承擔的合約責任乃視乎負債的性質於綜合財務狀況表列作金融負債。

倘本集團於附屬公司的權益變動不會導致喪失控制權，則作為股權交易入賬，據此於綜合權益內的控股及非控股權益金額會作出調整，以反映相關權益轉變，惟不會調整商譽及確認盈虧。

當本集團喪失對附屬公司的控制權，將按出售於該附屬公司的所有權益入賬，而所產生的盈虧於損益中確認。任何在喪失控制權的日期仍保留的該前附屬公司權益按公平價值確認，而此金額被視為初步確認金融資產的公平價值，或(如適用)初步確認於聯營公司的投資成本。

於本公司的財務狀況表中，於附屬公司的投資乃按成本扣除減值虧損列賬，除非該投資乃分類為持作出售(或計入分類為持作出售的出售組別)。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

4 業務合併及綜合基準(續)

(c) 聯營公司

聯營公司指本集團或本公司對其管理層有重大影響力(而非控制或共同控制)，包括參與財務及經營決策。

於聯營公司的投資按權益法於綜合財務報表入賬，除非該投資分類為持作出售(或計入分類為持作出售的出售組別)。根據權益法，投資初步按成本記賬，並按本集團應佔被投資公司於收購日期可識別淨資產的公平價值超出投資成本的差額(如有)作出調整。其後，投資乃就本集團應佔被投資公司收購後的淨資產變動及與投資有關的任何減值虧損作出調整。收購日期超出成本的任何差額、本集團應佔被投資公司於收購後及除稅後業績以及年內任何減值虧損乃於綜合損益表確認，而本集團應佔被投資公司於收購後及除稅後其他綜合收益項目乃於綜合損益及其他全面收入報表內確認。

當本集團應佔聯營公司的虧損超出其權益時，本集團的權益將減至零，除非本集團已承擔法律或推定責任，或代表被投資公司作出付款，否則將不再確認進一步虧損。就此而言，本集團的權益為根據權益法計算的投資賬面值，連同實質上構成本集團於聯營公司淨投資一部分的本集團長期權益。

本集團與其聯營公司間的交易所產生的未變現損益，乃以本集團於被投資公司的權益為限予以對銷，除非未變現虧損提供已轉讓資產的減值證據，在此情況下，則該等未變現虧損即時於損益中確認。

倘於聯營公司的投資成為於合營公司的投資(反之亦然)，保留權益則不予重新計量。反之，該投資繼續根據權益法入賬。

於所有其他情況，倘本集團不再對聯營公司有重大影響力，其乃被視作出售於該被投資公司的全部權益，而其盈虧將於損益中確認。任何在喪失重大影響力的日期仍保留在該前被投資公司的權益按公平價值確認，而此金額被視為初步確認金融資產的公平價值。

於本公司的財務狀況表內，於聯營公司的投資按成本減減值虧損列賬，除非該投資分類為持作出售(或計入分類為持作出售的出售組別)。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

4 業務合併及綜合基準(續)

(d) 商譽

於收購附屬公司時產生的商譽指所轉讓總代價及確認為非控股權益的金額超出所收購可識別資產、負債及或然負債公平淨值的差額。商譽初步按成本確認為資產，其後按成本減任何累計減值虧損計算。

就進行減值檢測而言，商譽乃分配予預期受惠於合併所產生協同效益的本集團現金產生單位。已獲分配商譽的現金產生單位會每年或於有跡象顯示單位可能出現減值時更頻密地進行減值檢測。倘現金產生單位的可收回金額少於單位的賬面值，則減值虧損首先分配以減少分配予該單位任何商譽的賬面值，其後根據該單位各資產的賬面值按比例分配至該單位的其他資產。就商譽確認的減值虧損不會於往後期間撥回。

於出售附屬公司時，商譽的應佔金額於釐定出售溢利或虧損時計算在內。

(e) 物業、機器及設備

物業、機器及設備以歷史成本扣除累計折舊及任何累計減值虧損列賬。資產於其可作擬定用途時開始計算折舊。

一項物業、機器及設備項目的歷史成本包括其購入價及將該資產達至其營運狀態及地點以作擬定用途的任何直接應佔成本。該物業、機器及設備項目投入運作後產生的開支，例如維修及保養，一般在其產生期間自損益扣除。倘若可清楚顯示有關開支導致使用該物業、機器及設備項目預計可取得的未來經濟效益有所增加，且該項目的成本能可靠計量，則有關開支予以資本化，作為該資產的額外成本或替代。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

4 業務合併及綜合基準(續)

(e) 物業、機器及設備(續)

除在建物業外，折舊乃按資產估計可使用年期以直線法撇銷其成本計算。於各報告期間結算日審閱估計可使用年期、剩餘價值及折舊方式，而任何估計變動乃按預期基準入賬。採用的主要估計可使用年期如下：

永久業權土地	未折舊
樓宇	二十年
租賃物業裝修	租賃餘下年期但不超過十年
廠房及機器	三至十年
汽車	五年
辦公室設備、傢俬及裝置	三至五年

在建工程指按成本扣除任何減值虧損入賬且並無折舊的在建樓宇。成本包括於建築及裝置期間的直接建築成本及撥作資本的借貸成本。當大部分準備該資產以用作擬定用途所須的活動已完成時，則停止資本化成本，並將在建工程轉移至相關類別的物業、機器及設備。在建工程於完成及可按擬定用途使用前不作折舊撥備。

倘資產的賬面值高於其估計可收回金額，該項資產將即時撇減至其可收回金額。

出售一項物業、機器及設備的盈虧按出售所得款項淨額與其賬面值的差額釐定，並於損益確認。

(f) 投資物業

投資物業乃為賺取租金及／或資本增值而持有的物業，而並非持作在日常業務過程中出售、用作生產或供應貨物或服務或用作行政用途。投資物業初步按成本(包括交易成本)計量。於初步確認後，投資物業乃按公平價值計量。投資物業公平價值變動產生的盈虧於其產生期間計入損益。

有關出售投資物業的任何收益或虧損(按出售所得款項淨額與該項物業賬面值間差額計算)於損益中確認。倘先前分類為物業、機器及設備的投資物業獲出售，則任何計入重估儲備的有關金額轉撥至保留溢利。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

4 業務合併及綜合基準(續)

(g) 研究及開發

研究活動的支出於產生時在損益確認。

開發支出僅在該支出能可靠計量、產品或程序技術上及商業上可行、可能具有未來經濟利益，及本集團有意並具有足夠資源完成開發以及使用或出售資產的情況下，方會撥充資本。否則，其產生時於損益確認。初步確認後，開發支出按成本扣除累計攤銷以及任何累計減值虧損計量。

(h) 其他無形資產

其他無形資產初步按成本入賬。於業務合併時購入的其他無形資產，其成本為收購日期的公平價值。具無限可使用年期的其他無形資產其後按成本減任何減值虧損入賬，而具有有限可使用年期的其他無形資產則按成本減累計攤銷及減值虧損入賬。

其後支出僅於其會增加相關特定資產內含未來經濟利益的情況下撥充資本。所有其他支出，包括內部產生商譽及品牌，在產生時於損益確認。

攤銷按直線基準於其估計可使用年期扣除。估計可使用年期及攤銷方式於各年度報告期間結算日審閱，任何估計變動的影響按預期基準入賬。具有有限可使用年期其他無形資產的主要年率如下：

具有有限可使用年期的商標	6.6%至10%
技術知識	20%

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

4 業務合併及綜合基準(續)

(i) 債務及股本證券投資以及其他應收款項減值

本集團於各報告期末審閱按成本或攤銷成本入賬或被分類至持作出售證券債務及股本證券投資以及其他流動及非流動應收款項，以確定是否有客觀證據顯示出現減值跡象。減值之客觀證據包括本集團注意到以下一項或多項虧損事項：

- 債務人面臨重大財務困難；
- 違反合約，如拖欠或逾期償還利息或本金；
- 債務人有可能申請破產或需要進行其他財務重組安排；
- 環境的重大變動(包括技術、市場、經濟或法律)對債務人構成不利影響；及
- 股本證券投資的公平價值遠低於或長期低於其成本。

當上述任何一個情況出現時，按下列方法釐定及確認減值虧損：

- 於綜合財務報表按權益法確認之聯營公司及合營企業投資而言(參閱附註4(c))，按附註4(j)所述以其投資可收回金額與其賬面值作比較而計算其減值虧損。倘用以釐定可收回金額(按附註4(j)所述)的估計出現利好變化時，可撥回已確認的減值虧損。
- 就按成本入賬的無報價股本證券而言，以該金融資產的賬面值與其估計的未來現金流量的差額作為其減值虧損，若貼現有重大影響，未來現金流量需按近似的金融資產現時市場回報率貼現。按成本列值之股本證券的減值虧損不予撥回。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

4 業務合併及綜合基準(續)

(i) 債務及股本證券投資以及其他應收款項減值(續)

- 就按攤銷成本列賬的貿易及其他即期應收款項以及其他金融資產而言，若貼現有重大影響，減值虧損乃以資產的賬面值與按該金融資產原實際利率(即最初確認該等資產時所用的實際利率)貼現的估計未來現金流現值間的差額估量。倘按攤銷成本列賬的金融資產具備類似風險特徵，例如類似逾期情況及不曾單獨評估為減值，則有關評估會同時進行。共同評估有否減值的金融資產未來現金流會根據與整個組別所持具有類似信貸風險特徵的資產的過往虧損情況評估。

倘減值虧損金額其後減少，且該等減少可客觀與確認減值虧損後發生的事件相關，則減值虧損將在損益撥回。撥回減值虧損不得導致資產賬面值超過假設該資產於以往年度並無確認減值虧損而應已釐定的賬面值。

- 就持作出售證券而言，已於公平價值儲備確認的累計虧損重新分類至損益。於損益確認的累計虧損金額為收購成本(減任何償還本金及攤銷)與現時公平價值之差額減任何該資產過往於損益確認的減值虧損。

有關持作出售股本債券於損益確認的減值虧損不透過損益撥回。該等資產公平價值其後的任何增額將於其他綜合收益內確認。

倘若確認減值虧損後出現導致公平價值回升的情形，則有關持作出售債務證券的減值虧損可予撥回。在該情況下，減值虧損撥回於損益確認。

減值虧損直接於相應資產撇銷，惟就計入應收貿易賬款及其他應收款項的應收貿易賬款及應收票據的確認減值虧損除外，其可收回情況存疑但並非遙遙無期。在此情況下，呆賬減值虧損會於撥備賬記錄。倘本集團認為收回情況遙遙無期，視為不可收回的金額將直接自應收貿易賬款及應收票據中撇銷，而在撥備賬中所持有關該債務的任何金額會予以撥回。倘早前計入撥備賬的款項其後收回，則有關款項於撥備賬撥回。撥備賬的其他變動及其後收回先前直接撇銷的款項均於損益確認。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

4 業務合併及綜合基準(續)

(j) 其他資產減值

本集團在各報告期末審閱內部及外部資料，以確定下列資產是否出現減值跡象，或已確認的減值虧損(不包括相關商譽的減值虧損)已不再存在或減少：

- 物業、機器及設備(以重估價值入賬的物業除外)；
- 分類為按經營租賃持有的租賃土地預付利息；
- 無形資產；
- 商譽；及
- 於本公司財務狀況報表下附屬公司、聯營公司及合營企業的投資。

倘任何上述減值跡象出現，須估算該資產的可收回金額。此外，就商譽、未可使用的無形資產及擁有無限可使用年期的無形資產，每年均會估算其可收回金額是否出現減值跡象。

- 計算可收回金額

資產的可收回金額是其公平價值扣除出售成本與其使用價值兩者中的較高者。在評估資產的使用價值時，估計未來現金流量按可反映當時市場估計貨幣時間價值及該資產特定風險的稅前貼現率貼現現值。若一項資產產生的現金流入不能很大程度上獨立於其他資產產生的現金流入，則以能獨立產生現金流入的最小資產組別(即現金產生單位)釐定其可收回金額。

- 確認減值虧損

減值虧損於資產或其所屬現金產生單位的賬面值超出其可收金額時確認為損益。相關現金產生單位的減值虧損會先用以減低任何分配至該單一(或一組)現金產生單位的商譽的賬面值，其後會按比例減低附屬於該單一(或一組)現金產生單位的其他資產的賬面值，惟該資產賬面值不可被減低至低於其個別公平價值扣除出售成本(倘可計量)或其使用價值(倘可釐定)。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

4 業務合併及綜合基準(續)

(j) 其他資產減值(續)

— 撥回減值虧損

減值虧損在用作釐定資產(不包括商譽)可收回金額的估計出現利好變化時撥回。而與商譽有關的減值虧損一概不予撥回。

減值虧損撥回以於過往年度並無確認減值虧損而應釐定的資產賬面值為限。撥回的減值虧損於確認撥回的年度計入損益。

(k) 政府補貼

合理地保證本集團會遵守政府補貼的附帶條件以及將會得到補貼後，政府補貼方會予以確認。

政府補貼在需要與其擬補償的成本配合的各期間內按有系統基準確認為收入。用作補償本集團已產生開支或虧損或旨在為本集團提供即時財務資助(而無未來相關成本)的應收政府補貼，乃於應收期間於損益確認。

(l) 存貨

存貨初步按成本確認，其後則以成本與可變現淨值兩者中的較低者確認。成本包括固定及可變經常開支的適當部分，乃按對特定存貨類別最為適當的方法分配至存貨，其中大部分以加權平均法估值。可變現淨值指估計存貨售價減所有估計完工成本及銷售必要費用。

(m) 應收貿易賬款及其他應收款項

應收貿易賬款及其他應收款項初步按公平價值確認，其後以實際利率法按攤銷成本扣除呆壞賬減值撥備(參閱附註4(i))入賬，惟應收款項若為借予關連人士的免息及無固定還款期貸款或其貼現影響屬輕微則作別論。在該等情況下，應收款項按成本扣除呆壞賬減值撥備入賬。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

4 業務合併及綜合基準(續)

(n) 換股票據

(i) 含股權部分的可換股票據

就持有人可選擇兌換為權益股本的可換股票據而言，倘因兌換而發行的股份數目及於當時收取的代價價值不會變動，則列作複合式金融工具入賬，其中包括負債部分及股權部分。

於首次確認時，可換股票據的負債部分按未來利息及本金付款的現值計算，並按首次確認為並無兌換權的同類負債時適用的市場利率貼現。所得款項超出首次確認為負債部分的金額乃確認為股權部分。發行複合金融工具所產生的交易成本按發行所得款項的分配比例撥入負債及股權部分。

負債部分其後以攤銷成本列賬。就負債部分於損益中確認的利息開支乃使用實際利率法計算。於票據獲兌換或贖回時，股權部分於資本儲備中確認。

倘票據獲兌換，則資本儲備將連同兌換時負債部分的賬面值轉撥至股本及股份溢價，作為所發行股份的代價。倘票據被贖回，則資本儲備將直接轉撥至保留溢利。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

4 業務合併及綜合基準(續)

(n) 換股票據(續)

(ii) 其他可換股票據

不包含股權部分的可換股票據按下列方式列賬：

於初步確認時，可換股票據的衍生部分按公平價值計量，並呈列為衍生財務工具的一部分。任何超出初步確認為衍生部分金額的所得款項會確認為負債部分。有關發行可換股票據的交易成本將按所得款項分配比例分配至負債及衍生部分。有關負債部分交易成本首先確認為負債的一部分，而有關衍生部分的金額則即時於損益中確認。

衍生部分其後會按照附註4(o)計量。負債部分其後按攤銷成本入賬。於損益中確認的負債部分利息支出以實際利率法計算。

倘票據已兌換，衍生工具及負債部分的賬面值轉撥至股本及股份溢價，作為所發行股份的代價。倘票據已贖回，已付金額與兩個部分的賬面值間的差額於損益賬確認。

(iii) 因合約條款修訂或有效條款更改而重新分類

本公司或會修訂一項工具的合約條款，致使該工具的分類由金融負債變為權益或由權益變為金融負債。在其他情況，倘一項工具的相關合約條文已生效或因下列事宜而不再生效，則其有效條款被視為已更改：

- 隨時間過去；
- 一方的行動；或
- 預期於該工具的合約條款中出現的其他突發事件。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

4 業務合併及綜合基準(續)

(n) 換股票據(續)

(iii) 因合約條款修訂或有效條款更改而重新分類(續)

當一項工具的分類基於合約條款修訂或有效條款更改而由金融負債變為權益，此即注銷一項金融負債及發行權益工具。在此情況下，注銷該項負債產生的盈虧須於損益確認。

(o) 衍生金融工具

衍生金融工具初步按公平價值確認，並於各報告期末重新計量。於按公平價值重新計量時所得收益或虧損即時於損益中確認，惟符合現金流量對沖會計處理或對沖海外業務淨投資的衍生工具於重新計量時所得收益或虧損的確認則須視乎所對沖項目的性質而定。

(p) 計息貸款

計息貸款最初按公平價值扣除相關的交易成本確認。初始確認後，計息貸款按攤銷成本入賬，最初已確認的金額與贖回金額的差額，以及任何應付利息及費用按貸款期限以實際利率確認為損益。

(q) 應付貿易賬款及其他應付款項

應付貿易賬款及其他應付款項最初按公平價值確認，其後按攤銷成本入賬，若貼現影響屬輕微，則會按成本入賬。

(r) 現金及現金等值物

現金及現金等值物包括手頭現金及銀行活期存款以及可隨時轉換為已知數額現金、並無重大價值變動風險且原到期日為三個月或以內的短期高流通投資。就綜合現金流量表而言，須應要求償還及構成本集團現金管理重要部分的銀行透支，亦為現金及現金等值物的一部分。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

4 業務合併及綜合基準(續)

(s) 經營租賃

出租人保留資產擁有權的絕大部分回報及風險的租賃入賬列作經營租賃。倘本集團為出租人，本集團根據經營租賃出租的資產計入非流動資產，而根據經營租賃應收的租金乃按直線基準於租賃期內計入損益。磋商及安排經營租賃所產生首次直接成本計入該項租賃資產的賬面值內，並按直線法在租賃期內支銷。倘本集團為承租人，經營租賃付款按直線法在租賃期內支銷，惟有另一系統基準更能代表消耗來自租賃資產經濟利益的時間模式則除外。已收租賃獎勵按租期確認為租金開支總額的一部分。經營租賃項下產生的或有租金於產生期內確認為開支。

經營租賃項下持作自用的租賃土地及土地使用權指收購承租人佔用物業的長期權益的預付款。該等款項乃按成本列賬，並於租賃期內以直線法列作開支扣除任何減值虧損而攤銷。

(t) 撥備

本集團因過往事件而須承擔現有法定或推定責任，且可能須履行該責任，並可對有關責任金額作出可靠估計時確認撥備。

已確認為撥備的金額為計及與責任有關的風險及不明朗因素後，於報告期間結算日履行現有責任的最佳估計代價。倘使用履行現有責任的估計現金流量撥備，其賬面值為該等現金流的現值。

當須用於結算撥備的部分或全部經濟利益預期可向第三方收回時，倘幾乎肯定將可獲償付且能可靠估計應收款項金額，則應收款項確認為資產。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

4 業務合併及綜合基準(續)

(u) 所得稅

所得稅開支包括即期稅項及遞延稅項。除非所得稅與業務合併，或直接與於權益及其他綜合收益確認的項目有關，否則所得稅於損益確認。

即期稅項包括年內就應課稅收入及虧損應付或應收的預期稅項，連同就過往年度應付或應收稅項的任何調整。即期稅項乃使用報告日期已頒佈或大致已頒佈的稅率計量。即期稅項亦包括股息產生的稅項。

遞延稅項按資產與負債就財務報告而言的賬面值與就稅項而言所用金額的暫時差額確認。遞延稅項不會就以下各項確認：

- (i) 就並非業務合併，且不會影響會計或應課稅溢利或虧損的交易初步確認資產或負債的暫時差額；
- (ii) 有關於附屬公司、聯營公司及合營安排的投資的暫時差額，惟以本集團能控制暫時差額的撥回時間，且暫時差額可能未會於可見未來撥回的情況為限；及
- (iii) 初步確認商譽產生的應課稅暫時差額。

遞延稅項資產乃就未動用稅項虧損、未動用稅項抵免及可扣稅暫時差額確認，惟以有可能可動用應課稅溢利的情況為限。遞延稅項資產於各報告期間結算日審閱，倘不再可能變現相關稅項利益時，則予以減少。

遞延稅項按預期於撥回時應用於暫時差額的稅率，並利用報告日期已頒佈或大致已頒佈的稅率計量。

遞延稅項的計量反映於報告日期預期本集團收回或清償其資產及負債賬面值的方式所帶來的稅務後果。就此而言，按公平價值計量的投資物業賬面值乃假定可透過出售收回，及本集團並無推翻該推定。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

4 業務合併及綜合基準(續)

(u) 所得稅

遞延稅項資產及負債僅於符合若干條件時抵銷：

- 就即期稅項資產及負債而言，本公司或本集團擬按照淨額基準結算，或同時變現資產及清償負債；或
- 就遞延稅項資產及負債而言，該等遞延稅項資產及負債與同一稅務當局所徵收的所得稅有關，且有關所得稅乃向：
 - 同一應課稅實體徵收；或
 - 不同的應課稅實體徵收，而該等實體計劃在未來各個預期有大額遞延稅項負債需要結算或大額遞延稅項資產可以收回的期間內，按照淨額基準變現即期稅項資產及結算即期稅項負債，或同時變現該資產及結算該負債。

(v) 外幣

集團實體以其經營所在主要經濟環境的貨幣(「功能貨幣」)以外幣訂立交易，乃以進行交易當時的匯率記賬。外幣貨幣資產及負債按各報告期間結算日當時的匯率換算。按公平價值以外幣計值的非貨幣項目按釐定公平價值當日的匯率重新換算。按歷史成本以外幣計量的非貨幣項目不作重新換算。

結算及換算貨幣項目所產生的匯兌差額於其產生期間在損益中確認。重新換算非貨幣項目所產生的匯兌差額按公平價值計入該期間的損益，惟重新換算有關盈虧在其他綜合收益確認的非貨幣項目所產生的差額除外，在此情況下，有關匯兌差額亦於其他綜合收益確認。

綜合賬目時，海外業務的收支項目以年內平均匯率換算為本集團的呈列貨幣(即人民幣)，除非期內匯率大幅波動，則按進行該等交易時的相若匯率換算。所有海外業務的資產及負債均以報告期間結算日的適用匯率換算。所產生的匯兌差額(如有)於其他綜合收益確認，並於權益內累計入賬為匯兌儲備(非控制權益應佔外匯儲備(如適用))。於換算構成本集團於所涉海外業務的部分投資淨額的長期貨幣項目時，在集團實體獨立財務報表的損益內確認的匯兌差額則重新分類至其他綜合收益，並於權益內累計入賬為匯兌儲備。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

4 業務合併及綜合基準(續)

(v) 外幣(續)

出售海外業務時，匯兌儲備內確認該業務截至出售日期止的累計匯兌差額將重新分類至損益，作為出售溢利或虧損的一部分。

收購海外業務產生的已收購可識別資產商譽及公平價值調整，乃作為該海外業務的資產及負債處理，並按報告期間結算日當時的匯率換算。產生的匯兌差額於匯兌儲備中確認。

(w) 僱員福利

(i) 短期福利

薪酬、年終花紅、帶薪年假及其他津貼乃於僱員提供相關服務年度內累計。倘延遲支付或償付有關福利，且影響重大，則該等金額會以現值列賬。

(ii) 定額供款退休金責任

定額供款退休計劃的供款乃於僱員提供服務時支銷。本集團於支付供款後即無進一步付款責任。

(iii) 終止福利

終止福利於本集團不再提取該等福利，及本集團就重組確認成本兩者的較早者支銷。倘預期福利不會於報告期間結算日後12個月內悉數償還，則會貼現處理。

(x) 以股本結算的股份付款交易

向僱員及提供類似服務的其他人士所作以股本結算的股份付款乃按授出日期股本工具的公平價值計算。

於授出日期釐定的以股本結算的股份付款公平價值，乃以本集團對最終歸屬股本工具的估計為基準，於歸屬期內以直線法支銷，並對權益(即購股權儲備)作出相應增加。於各報告期間結算日，本集團修訂其預期將會歸屬的估計股本工具數目。修訂原先估計的影響(如有)乃按剩餘歸屬期於損益賬確認，並於購股權儲備作出相應調整。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

4 業務合併及綜合基準(續)

(x) 以股本結算的股份付款交易(續)

當購股權獲行使時，早前於購股權儲備確認的金額將轉撥至股份溢價。當購股權於歸屬日期後遭沒收，或於屆滿日期仍未行使，早前於購股權儲備確認的金額將轉撥至保留溢利。

與其他人士進行以股本結算的股份付款交易乃以所收取貨物或服務的公平價值計量，惟若公平價值無法可靠估計，則按授出股本工具的公平價值(以本集團取得貨物或對手方提供服務之日計算)計算。

(y) 借款成本

與收購、建造或生產需要一段頗長時間方可達致擬定用途或銷售的合資格資產直接相關的借款成本，均會撥充作為該等資產成本的一部分。將有待用於該等資產的特定借款作短期投資賺取的收入會於撥充資本的借款成本扣除。所有其他借款成本會於產生期間於損益確認。

(z) 關連人士

(a) 倘屬以下人士，即該人士或該人士的近親與本集團有關連：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響；或
- (iii) 為本集團或本公司母公司的主要管理層成員。

(b) 倘符合下列任何條件，即該實體與本集團有關連：

- (i) 該實體與本集團屬同一集團的成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
- (ii) 一間實體為另一實體的聯營公司或合營企業(或為另一實體所屬集團成員公司的聯營公司或合營企業)。
- (iii) 兩間實體均為同一第三方的合營企業。
- (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

4 業務合併及綜合基準(續)

(z) 關連人士(續)

- (v) 該實體為本集團或與本集團有關連的實體就僱員利益設立的離職福利計劃。
- (vi) 該實體受(a)所識別人士控制或共同控制。
- (vii) (a)(i)所識別人士對該實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。
- (viii) 實體或任何一個集團的成員公司屬其中一部分向本集團或本集團母公司提供主要管理人員人事服務。

該名人士的近親指與該實體進行交易時預期可影響該名人士或受該名人士影響的該等家族成員。

(aa) 收入確認

收入按已收或應收代價的公平價值計量。收入已就估計客戶退貨、折扣及其他類似備抵作出扣減。

- (i) 銷售產品的收入於本集團向客戶付運產品，該客戶已接獲該等產品，且合理保證相關應收款項可收回時確認。
- (ii) 提供服務的收入以所提供的服務及根據協議條款確認。
- (iii) 利息收入參考未償還本金額使用實際利息法按時間比例累計。
- (iv) 經營租賃的租金收入乃於租賃期所涵蓋的會計期間內以等額分期確認。
- (v) 政府補貼乃於可合理保證將可收回及本集團將遵守一切附帶條件時，按其公平價值確認。
- (vi) 贊助收入乃於收取收入的權利確立時，按累計基準確認。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

4 業務合併及綜合基準(續)

(bb) 或然負債

或然負債為由過往事件而可能產生的責任，且其存在與否只可由一項或多項並非本集團可控制的未確定未來事件是否發生而確定。或然負債亦可為過往事件產生的現有責任，惟並無確認，原因為不可能需要流出經濟資源或責任金額不能可靠計量。

或然負債並無確認，惟已於財務報表披露。當流出的機會有變，致令有可能流出，則屆時將確認為撥備。

(cc) 分部報告

經營分部及財務資料所呈列各分部的金額，乃從為向本集團各項業務及地理位置分配資源及評估其業績而定期向本集團最高行政管理層提供的財務報表當中識別出來。

個別重要的經營分部不會會計以供財務報告之用，但如該等經營分部的產品和服務性質、生產工序性質、客戶類別或階層、分銷產品或提供服務的方法以至監管環境的本質等經濟特性均屬類似，則作別論。個別不重要的經營分部如果符合以上大部分條件，則可以合計為一個報告分部。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

5 重要會計判斷及估計不確定因素的主要來源

在應用本集團會計政策時，董事須對未能從其他來源輕易獲得的資產及負債賬面值作出判斷、估計和假設。估計和相關假設以過往經驗及視為有關的其他因素為基準作出。實際結果可能與該等估計有所不同。

估計及相關假設會持續審閱。會計估計的修訂採用未來適用法進行確認。

(a) 應用會計政策的重要判斷

以下為董事於應用本集團會計政策時作出且對財務報表已確認金額造成最重大影響的重要判斷。

(i) 投資物業與自用物業間的分類

本集團決定一項物業是否合資格作為投資物業，並已制定作出該判斷的標準。投資物業為就賺取租金或資本增值或兩者兼得而持有的物業。因此，本集團認為，物業能否產生現金流量，很大程度不受本集團持有的其他資產影響。

判斷乃就個別物業作出，以決定附設服務是否重大，令該物業不符資格作為投資物業。

(ii) 其他無形資產及攤銷

本集團就本集團其他無形資產釐定估計可使用年期及相關攤銷。其他無形資產的可使用年期按市場需求變動或資產服務輸出的預期用途及技術陳舊程度基準評估為有限或無限。具有限可使用年期的其他無形資產隨預期可使用經濟年限攤銷，並於無形資產有跡象顯示會出現減值時作出減值評估。具有限可使用年期的無形資產的攤銷期及攤銷法由管理層至少於各報告期間結算日作出檢討。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

5 重要會計判斷及估計不確定因素的主要來源(續)

(b) 估計不確定因素的主要來源

有重大風險會導致截至二零一六年十二月三十一日止年度重大調整的假設及估計不明朗因素資料包括下列各項：

(i) 商譽減值

釐定商譽是否減值須估計獲分配商譽的現金產生單位使用價值。計算使用價值時，管理層須估計預期可自現金產生單位產生的未來現金流量及適當貼現率，從而計算現值。進一步詳情載於附註18。

(ii) 非金融資產的減值(商譽除外)

本集團於各報告期間結算日評估所有非金融資產是否出現任何減值跡象。無限年期的無形資產每年及於出現減值跡象的其他時候測試減值。其他非金融資產於有跡象顯示賬面值可能無法收回時測試減值。資產或現金產生單位賬面值超逾其可回收金額時，即高出其公平值減出售成本及使用值，則存在減值。計量公平值減出售成本時，按以公平基準就類似資產進行具有約束力的銷售交易可得數據，或可觀察所得市價減出售資產的已增加成本得出。當計算使用價值時，管理層必須估計來自資產或現金產生單位的預期未來現金流量，並選擇合適的貼現率，以計算該等現金流量的現值。

(iii) 應收貿易賬款及其他應收款項減值

本集團管理層釐定應收貿易賬款及其他應收款項的減值撥備。該估計乃根據其客戶及欠款人的信貸記錄以及當時市況作出。管理層將於各報告期間結算日重新評估撥備。

(iv) 存貨的可變現淨值

存貨的可變現淨值為於日常業務中作出的估計售價減估計完成成本及出售開支。此等估計乃根據當時市況以及製造及出售類似性質產品的過往經驗作出，並會因應競爭對手就劇烈行業週期所作行動而作出重大改變。管理層將於各報告期間結算日重新評估此等估計。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

6 收入及分部資料

收入指向客戶供應貨品及提供服務的銷售價值，分析如下：

	二零一六年 人民幣千元	二零一五年 人民幣千元
銷售貨品	887,064	838,260
服務收入	405,601	415,931
	1,292,665	1,254,191

(a) 可呈報分部

本集團根據主要營運決策人為作出策略決定而審閱的報告來釐定經營分部。

本集團經營三項可呈報分部，分別為(i)汽車配件生產及銷售(「製造業務」)；(ii)汽車配件貿易(「批發業務」)；及(iii)提供汽車維修、養護及修飾服務(「零售服務業務」)。

分部間交易參考就類似訂單向外部人士收取的費用定價。由於核心開支並未計入主要營運決策人評估分部表現時使用的分部業績計量方法，故並無分配至各經營分部。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

6 收入及分部資料(續)

(a) 可呈報分部(續)

下文載列分部資料的分析：

	製造業務 人民幣千元	批發業務 人民幣千元	零售服務 業務 人民幣千元	總計 人民幣千元
截至二零一六年十二月三十一日止年度				
收入				
外部收入	421,981	401,541	469,143	1,292,665
分部間收入	271	884	687	1,842
分部收入	422,252	402,425	469,830	1,294,507
減：分部間收入				(1,842)
收入總額				1,292,665
可呈報分部業績	19,971	(7,089)	(133,780)	(120,898)
利息收入	402	1,182	309	1,893
未分配利息收入				10,067
利息收入總額				11,960
利息開支	(830)	—	(685)	(1,515)
未分配利息開支				(39,370)
利息開支總額				(40,885)
商譽的減值虧損	—	—	(74,334)	(74,334)
折舊及攤銷費用	(11,188)	(3,543)	(20,614)	(35,345)
未分配折舊及攤銷費用				(2,152)
折舊及攤銷費用總額				(37,497)
可呈報分部資產	411,644	134,909	422,253	968,806
添置非流動資產總產	6,706	3,888	49,673	60,267
可呈報分部負債	245,733	76,524	290,326	612,583

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

6 收入及分部資料(續)

(a) 可呈報分部(續)

	製造業務 人民幣千元	批發業務 人民幣千元	零售服務 業務 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				
收入				
外部收入	416,219	356,062	481,910	1,254,191
分部間收入	827	428	4,121	5,376
分部收入	417,046	356,490	486,031	1,259,567
減：分部間收入				(5,376)
收入總額				1,254,191
可呈報分部業績	13,995	(8,971)	(75,094)	(70,070)
利息收入	263	603	131	997
未分配利息收入				22,438
利息收入總額				23,435
利息開支	(1,183)	—	(1,532)	(2,715)
未分配利息開支				(34,998)
利息開支總額				(37,713)
商譽的減值虧損	—	—	(28,003)	(28,003)
折舊及攤銷費用	(15,239)	(3,454)	(19,111)	(37,804)
未分配折舊及攤銷費用				(2,475)
折舊及攤銷費用總額				(40,279)
可呈報分部資產	384,161	151,809	506,045	1,042,015
添置非流動資產總額	5,738	2,326	33,426	41,490
可呈報分部負債	274,128	66,596	245,367	586,091

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

6 收入及分部資料(續)

(b) 可呈報分部損益以及資產及負債的對賬

	二零一六年 人民幣千元	二零一五年 人民幣千元
除稅前虧損		
可呈報分部虧損	(120,898)	(70,070)
未分配其他收入及盈虧	35,706	40,600
未分配公司開支	(21,249)	(38,834)
未分配融資成本	(39,370)	(34,998)
除稅前合併虧損	(145,811)	(103,302)
	二零一六年 十二月三十一日 人民幣千元	二零一五年 十二月三十一日 人民幣千元
資產：		
可呈報分部資產	968,806	1,042,015
未分配公司資產	244,028	277,017
合併資產總值	1,212,834	1,319,032
負債：		
可呈報分部負債	612,583	586,091
未分配公司負債	171,084	148,228
合併負債總額	783,667	734,319

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

6 收入及分部資料(續)

(c) 地區資料

下表列載有關(i)本集團從外部客戶所取得收入及(ii)本集團投資物業、物業、機器及設備、租賃土地及土地使用權、其他無形資產、商譽及於一間聯營公司的權益(「指定非流動資產」)所在地區之資料：

	來自外部客戶的收入		特定非流動資產	
	二零一六年 人民幣千元	二零一五年 人民幣千元	二零一六年 人民幣千元	二零一五年 人民幣千元
中國(所在地)	877,167	772,787	356,885	403,695
美洲	271,296	288,452	—	—
歐洲	33,221	36,239	—	—
亞太地區	32,508	25,210	—	—
台灣	78,473	131,503	—	27,037
	1,292,665	1,254,191	356,885	430,732

上述收入資料按照客戶所在地點作出。

(d) 主要客戶

年內，本集團的客戶基礎分散，並無(二零一五年：無)客戶的交易額佔本集團收入超過10%。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

7 其他收入及盈虧

	附註	二零一六年 人民幣千元	二零一五年 人民幣千元
投資物業的租金及其他租金收入總額		3,062	2,657
銀行存款的利息收入		1,893	1,837
貸款予深圳佳鴻的利息收入		10,067	21,598
投資物業估值收益	17	1,089	742
換股權的公平價值變動	25	4,250	19,330
銷售廢棄存貨及樣本收入		449	633
政府補貼		2,058	107
匯兌收益淨額		5,984	4,289
撤銷其他應付款項		1,274	394
出售附屬公司及一間聯營公司的收益		19,820	-
出售可供出售金融資產的收益		1,591	898
出售物業、機器及設備的收益／(虧損)		135	(2,921)
其他		8,262	5,560
		59,934	55,124

8 融資成本

	附註	二零一六年 人民幣千元	二零一五年 人民幣千元
應付銀行借款利息			
—於五年內		8,660	10,338
—於五年後		-	180
可換股債券的利息	25	32,225	27,195
		40,885	37,713

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

9 除稅前虧損

	二零一六年 人民幣千元	二零一五年 人民幣千元
以下各項乃經扣除：		
存貨成本*	1,012,446	993,741
存貨撇減	5,416	5,329
	1,017,862	999,070
物業、機器及設備折舊	35,794	39,244
租賃土地及土地使用權攤銷	1,068	1,035
其他無形資產攤銷	635	—
折舊及攤銷費用總額	37,497	40,279
應收貿易賬款及其他應收款項呆賬額外撥備	4,509	2,138
商譽的減值虧損	74,334	28,003
	78,843	30,141
核數師酬金		
— 審核服務	2,600	6,500
經營租賃開支	64,340	58,074
僱員福利開支(包括董事酬金)(附註10(a))		
薪金及津貼	278,226	244,617
退休計劃供款	19,406	17,186
股本結算股份付款	5,963	9,246
其他福利	16,901	9,212
僱員福利開支總額	320,496	280,261

* 存貨成本包括人民幣205,430,000元(二零一五年：人民幣191,104,000元)，乃關於僱員福利開支以及折舊及攤銷費用，亦計入上文個別披露的相關總額內。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

10 董事及五名最高薪酬人士之酬金

(a) 董事酬金

董事酬金根據香港公司條例第383(1)條及公司(披露董事利益資料)規例第2部披露如下：

二零一六年

董事姓名	薪金及		退休計劃			總計
	袍金	其他津貼	酌情花紅	供款	股份付款	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
執行董事：						
張行健(主席兼行政總裁)	-	-	-	-	-	-
杜敬磊	-	-	-	-	-	-
非執行董事：						
應偉	-	-	-	-	-	-
王振宇	-	-	-	-	-	-
獨立非執行董事：						
胡玉明	100	-	-	-	-	100
林雷	100	-	-	-	-	100
張曉亞	100	-	-	-	-	100
	300	-	-	-	-	300

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

10 董事及五名最高薪酬人士之酬金(續)

(a) 董事酬金(續)

二零一五年

董事姓名	薪金及		退休計劃		股份付款	總計
	袍金	其他津貼	酌情花紅	供款		
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
執行董事：						
張健行(行政總裁)	-	-	-	-	-	-
非執行董事：						
應偉(主席)	-	-	-	-	-	-
王振宇	-	-	-	-	-	-
洪偉弼*(副主席)	-	-	-	-	-	-
杜敬磊	-	-	-	-	-	-
獨立非執行董事：						
胡玉明	100	-	-	-	-	100
林雷	100	-	-	-	-	100
張杰*	-	-	-	-	-	-
張曉亞&	100	-	-	-	-	100
	300	-	-	-	-	300

於二零一五年五月二十日辭任

* 於二零一五年三月二十日辭任

& 於二零一五年三月十九日獲委任

於本年度，本集團並無向任何董事支付酌情花紅、獎勵金、僱主退休計劃供款或董事離職補償(二零一五年：無)。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

10 董事及五名最高薪酬人士之酬金(續)

(a) 董事酬金(續)

年內，有兩名董事放棄或同意放棄本集團支付之酬金(二零一五年：兩名)。詳情如下：

	二零一六年 人民幣千元	二零一五年 人民幣千元
張健行	1,000	1,200
張杰	—	100
總計	1,000	1,300

(b) 五名最高薪酬人士

本集團於截至二零一六年十二月三十一日止年度之五名最高薪酬人士中並無董事(二零一五年：無)，彼等之酬金於上文附註10(a)呈列之分析內反映。

向該五名(二零一五年：五名)非董事最高薪酬僱員支付或應付之酬金載列如下：

	二零一六年 人民幣千元	二零一五年 人民幣千元
薪金及其他津貼	4,759	3,439
退休計劃供款	150	162
股份付款	2,144	3,633
總計	7,053	7,234

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

10 董事及五名最高薪酬人士之酬金(續)

(b) 五名最高薪酬人士(續)

該五名(二零一五年：五名)最高薪酬人士之酬金介乎以下範圍：

	二零一六年 員工人數	二零一五年 員工人數
零至1,000,000港元	—	—
1,000,001港元至1,500,000港元	2	3
1,500,001港元至2,000,000港元	3	—
2,000,001港元至2,500,000港元	—	1
2,500,001港元至3,000,000港元	—	1
總計	5	5

11 所得稅開支

(a) 於損益確認的金額

	二零一六年 人民幣千元	二零一五年 人民幣千元
即期稅項開支		
—本年度	7,161	6,211
—過往年度調整	(79)	(76)
	7,082	6,135
遞延稅項開支		
—源自暫時差額的產生及撥回淨額	(4,575)	(5,490)
	(4,575)	(5,490)
	2,507	645

- (b) 由於本集團於截至二零一六年及二零一五年十二月三十一日止年度內並無於香港產生應課稅溢利，故並無計提香港利得稅撥備。海外附屬公司稅項乃同樣按相關司法權區適用的現有稅率計算。

年內適用的中國及台灣所得稅率分別為25%(二零一五年：25%)及17%(二零一五年：17%)。本公司一家主要中國附屬公司重續中國高新技術企業的資格，自二零一四年一月一日起三年按適用的全國中國所得稅率15%(二零一五年：15%)繳稅。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

11 所得稅開支(續)

(c) 本年度所得稅開支與綜合全面收入報表所示除稅前虧損對賬如下：

	二零一六年 人民幣千元	二零一五年 人民幣千元
除稅前虧損	(145,811)	(103,302)
按25%(二零一五年：25%)適用稅率計算的稅項	(36,453)	(25,826)
不可扣稅開支的稅務影響	22,849	8,914
動用以往未確認的稅項虧損	—	(1,377)
未確認稅項虧損	16,284	13,584
稅務優惠及稅務豁免的影響	(4,211)	(4,633)
於其他司法權區經營的附屬公司不同稅率的影響	3,604	9,926
過往年度超額撥備	(79)	(76)
重估投資物業產生的土地增值稅	513	133
所得稅開支	2,507	645

12 股息

董事會並不建議就截至二零一六年十二月三十一日止年度派付末期股息(二零一五年：零)。截至二零一六年十二月三十一日止年度概無宣派中期股息(二零一五年：零)。

13 每股虧損

每股基本虧損按本公司擁有人應佔年內虧損及年內已發行普通股的加權平均數為基準計算。

每股攤薄虧損按本公司擁有人應佔年內虧損為基準計算。計算中所用普通股加權平均數為就所有攤薄性的潛在普通股的影響作出調整後的已發行普通股數目。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

13 每股虧損(續)

每股基本及攤薄虧損按以下基準計算：

	二零一六年 人民幣千元	二零一五年 人民幣千元
虧損		
計算每股基本及攤薄虧損所用本公司擁有人應佔年內虧損	(123,459)	(90,967)
股份		
計算每股基本虧損所用普通股加權平均數	4,576,331,973	3,770,249,117
攤薄影響—普通股加權平均數：		
—購股權#	—	—
—可換股債券*	—	—
就所有潛在普通股影響作出調整的普通股加權平均數	4,576,331,973	3,770,249,117

由於行使本公司未行使購股權將引致每股虧損減少，故於計算截至二零一六年及二零一五年十二月三十一日止年度的每股攤薄虧損時，並無假設其獲兌換。

* 由於本公司按附註25所述向海通國際金融產品有限公司發行之可換股債券(「海通可換股債券」)獲行使會引致每股虧損減少，故計算截至二零一六年及二零一五年十二月三十一日止年度之每股攤薄虧損時並無假設海通可換股債券獲兌換。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

14 其他綜合收益，扣除稅項

(a) 有關其他綜合收益各組成部分的稅務影響

二零一六年

	除稅前金額 人民幣千元	稅項開支 人民幣千元	扣除稅項金額 人民幣千元
換算海外業務的匯兌差額	(8,403)	—	(8,403)
可供出售金融資產：			
公平值儲備的淨變動	(381)	56	(325)
	<u>(8,784)</u>	<u>56</u>	<u>(8,728)</u>

二零一五年

	除稅前金額 人民幣千元	稅項開支 人民幣千元	扣除稅項金額 人民幣千元
換算海外業務的匯兌差額	(17,136)	—	(17,136)
可供出售金融資產：			
公平值儲備的淨變動	381	(56)	325
	<u>(16,755)</u>	<u>(56)</u>	<u>(16,811)</u>

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

14 其他綜合收益，扣除稅項(續)

(b) 其他綜合收益的組成部分，包括分類調整

	二零一六年 人民幣千元	二零一五年 人民幣千元
換算海外業務的匯兌差額：期內確認的匯兌差額	(10,041)	(17,136)
重新分類至損益：出售附屬公司	1,638	—
期內於其他綜合收益確認的匯兌儲備淨變動	(8,403)	(17,136)
可供出售金融資產：		
期內確認的公平值變動	989	1,279
轉撥至損益金額的重新分類調整：		
出售收益(附註7)	(1,591)	(898)
計入其他綜合收益的遞延稅項淨額	277	(56)
期內於其他綜合收益確認的公平值儲備淨變動	(325)	325

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

15 物業、機器及設備

	在建工程	永久業權 土地及樓宇	租賃物業 裝修	廠房及機器	汽車	辦公室 設備、 傢俬及裝置	總計
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
於二零一六年一月一日之							
期初賬面淨值	2,848	76,923	39,032	28,467	7,424	22,686	177,380
添置	36,682	158	-	13,012	1,980	8,435	60,267
完成時轉撥	(30,788)	-	26,578	4,181	-	29	-
出售	-	-	-	(850)	(374)	(790)	(2,014)
出售附屬公司	(2,574)	(17,507)	(5,854)	(4,957)	(899)	(2,932)	(34,723)
年內折舊費用	-	(4,113)	(11,490)	(9,382)	(2,975)	(7,834)	(35,794)
收購一間附屬公司	795	-	5,757	7,469	613	2,700	17,334
於二零一六年十二月三十一日							
之期末賬面淨值	6,963	55,461	54,023	37,940	5,769	22,294	182,450
於二零一五年一月一日之							
期初賬面淨值	466	81,024	39,618	34,402	8,000	22,186	185,696
添置	20,676	-	-	7,851	3,384	9,575	41,486
完成時轉撥	(18,294)	755	17,286	67	-	186	-
出售	-	(213)	(7,243)	(1,015)	(632)	(289)	(9,392)
年內折舊費用	-	(3,946)	(10,373)	(12,736)	(3,328)	(8,861)	(39,244)
匯兌調整	-	(697)	(256)	(102)	-	(111)	(1,166)
於二零一五年十二月三十一日							
之期末賬面淨值	2,848	76,923	39,032	28,467	7,424	22,686	177,380

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

15 物業、機器及設備(續)

	永久業權		租賃物業		辦公室 設備、		
	在建工程	土地及樓宇	裝修	廠房及機器	汽車	傢俬及裝置	總計
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
於二零一六年十二月三十一日：							
成本	6,963	86,915	94,455	137,248	21,757	69,795	417,133
累計折舊及減值	-	(31,454)	(40,432)	(99,308)	(15,988)	(47,501)	(234,683)
	6,963	55,461	54,023	37,940	5,769	22,294	182,450

	永久業權		租賃物業		辦公室 設備、		
	在建工程	土地及樓宇	裝修	廠房及機器	汽車	傢俬及裝置	總計
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
於二零一五年十二月三十一日：							
成本	2,848	104,826	105,887	126,791	23,560	83,744	447,656
累計折舊及減值	-	(27,903)	(66,855)	(98,324)	(16,136)	(61,058)	(270,276)
	2,848	76,923	39,032	28,467	7,424	22,686	177,380

本集團之永久業權土地及樓宇均位於香港以外地區。本集團之若干樓宇已就取得本集團銀行借款作出抵押，有關詳情刊載於附註23。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

16 租賃土地及土地使用權

	二零一六年 人民幣千元	二零一五年 人民幣千元
賬面淨值：		
於一月一日	31,289	32,324
年內折舊費用	(1,068)	(1,035)
於十二月三十一日	30,221	31,289
成本	37,801	37,801
累計攤銷	(7,580)	(6,512)
賬面淨值	30,221	31,289

本集團於香港境外持有之租賃土地及土地使用權權益以中期租賃持有。

本集團租賃土地及土地使用權已就取得本集團銀行借款作出抵押，有關詳情刊載於附註23。

17 投資物業

	附註	二零一六年 人民幣千元	二零一五年 人民幣千元
公平值：			
於一月一日		42,775	42,033
公平值變動	7	1,089	742
於十二月三十一日		43,864	42,775

本集團所有投資物業均位於香港境外，其中投資物業人民幣14,942,000元(二零一五年：人民幣14,790,000元)及人民幣28,922,000元(二零一五年：人民幣27,985,000元)分別以長期及中期年期持有。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

17 投資物業(續)

於二零一六年十二月三十一日，上海萬隆房地產估價有限公司按下列基準重估投資物業之價值人民幣43,864,000元(二零一五年：人民幣42,775,000元)，該事務所為獲中國相關估值機構認可之獨立合資格專業估值師事務所，對所估值物業的位置及類別有近期估值經驗。

估值乃經參考下列事項達致：(i)類似物業之市場交易價格實況；(ii)根據現有租約所持物業目前之租金及租賃之復歸收入潛力；及(iii)土地價值連同工業樓宇的重置成本。

本集團自其投資物業賺取物業租金收入，該等投資物業全部根據經營租賃出租，詳情載於附註7及30。

若干投資物業已就取得本集團銀行借款作出抵押，有關詳情刊載於附註23。

18 商譽

	二零一六年 人民幣千元	二零一五年 人民幣千元
賬面淨值：		
於一月一日	118,253	146,256
減值	(74,334)	(28,003)
於十二月三十一日	43,919	118,253

於業務合併時收購之商譽，於收購時分配至預期將從該業務合併中受惠之現金產生單位(「現金產生單位」)。商譽之賬面值分配如下：

	二零一六年 人民幣千元	二零一五年 人民幣千元
提供汽車維修、養護及修飾服務：		
長春市廣達汽車貿易有限公司	—	74,334
北京愛義行汽車服務有限公司	43,919	43,919
於十二月三十一日	43,919	118,253

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

18 商譽(續)

現金產生單位的可收回金額乃本公司董事經參照獨立專業合資格估值師永利行評值顧問有限公司發出的專業估值報告後，按使用價值計算方式釐定。計算所有可收回金額乃採用基於董事批准之五年期財政預算作出之現金流量預測。涵蓋五年期以後之現金流量則按3%(二零一五年：3%)之估計比率預測。增長比率並無超越現金產生單位所營運業務之長期平均增長率。

使用價值計算方式所採用主要假設如下：

	二零一六年 十二月三十一日 %	二零一五年 十二月三十一日 %
毛利率	28-33	25-40
於預測年期內之增長率	3-6	4-17
貼現率	15	15

董事根據過往業績及其對市場發展之預測釐定預算毛利率。所使用加權平均增長率乃與各行業一般採納之預測貫徹一致。所採用貼現率並未計入稅項，反映相關分部之特定風險。

本集團最初預期若干現金產生單位之收入及盈利率於截至各收購日期將會有大幅增長。然而，於本年度，長春廣達之收入及盈利之增長率較預期低。本公司董事認為，根據使用價值計算方式，上述與長春廣達有關之商譽作出減值人民幣74,334,000元(二零一五年：人民幣28,003,000元)以將其於報告期間結算日之賬面值按可收回金額列賬。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

19 其他無形資產

	商標 人民幣千元	合作協議 人民幣千元	商號 人民幣千元	技術知識 人民幣千元	總計 人民幣千元
於二零一五年一月一日	47,919	—	—	—	47,919
添置	4	—	—	—	4
於二零一五年十二月三十一日 及二零一六年一月一日	47,923	—	—	—	47,923
收購一間附屬公司	—	10,816	—	—	10,816
年內攤銷費用	—	(635)	—	—	(635)
出售附屬公司	(2,066)	—	—	—	(2,066)
於二零一六年十二月三十一日	45,857	10,181	—	—	56,038
於二零一六年十二月三十一日：					
成本	274,843	10,816	—	—	285,659
累計攤銷及減值	(228,986)	(635)	—	—	(229,621)
賬面淨值	45,857	10,181	—	—	56,038
於二零一五年十二月三十一日：					
成本	335,058	—	13,068	4,646	352,772
累計攤銷及減值	(287,135)	—	(13,068)	(4,646)	(304,849)
賬面淨值	47,923	—	—	—	47,923

於二零一六年十二月三十一日，上述無形資產包括(i)若干商標；(ii)附註34所載收購附屬公司所產生之合作協議；(iii)具無限可使用年期商號；及(iv)來自當中已確認商譽之相同現金產生單位之技術知識。現金產生單位之減值評估詳情載於附註18。

於報告期間結算日，成本為人民幣274,843,000元(二零一五年：人民幣335,058,000元)的商標具無限使用年期，原因為其被視為可以最低成本重續。本集團董事認為，本集團應會且有能力繼續重續商標。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

20 附屬公司權益

於二零一六年十二月三十一日，本公司的主要附屬公司詳情如下：

公司名稱	註冊成立／ 成立國家／ 地點及日期	中國成立的 實體的 法律形式	註冊資本／ 股本	已發行及 繳足股本	應佔股權 百分比	主要業務／ 經營地點
直接持有權益：						
Perfect Progress Investments Limited (「Perfect Progress」)	英屬處女島 二零零二年 四月八日	—	50,000美元 普通股	500美元	100%	投資控股／ 香港
New Focus Auto Tech International Limited	英屬處女島 二零零七年 四月二日	—	1美元 註冊資本	1美元	100%	銷售汽車配件／ 香港
間接持有權益：						
紐福克斯光電科技 (上海)有限公司 (「紐福克斯光電」)	中國 二零零一年 四月二十四日	外商獨資 企業	67,800,000美元 註冊資本	67,800,000美元	100%	生產及銷售 汽車配件／ 中國
遼寧新天成實業 有限公司 (「遼寧新天成」)	中國 二零零九年 一月八日	有限公司	人民幣 20,000,000元 註冊資本	人民幣 20,000,000元	50.098%	汽車產品貿易／ 中國
山東新焦點龍盛汽車 配件有限公司	中國 二零零六年 四月二十六日	有限公司	4,012,700美元 註冊資本	4,012,700美元	59%	生產及銷售 汽車配件／ 中國
北京愛義行汽車服務 有限公司 (「北京愛義行」)	中國 一九九七年 九月	有限公司	人民幣 38,500,000元 註冊資本	人民幣 38,500,000元	60%	汽車維修、 養護及修飾 服務；銷售 汽車產品／ 中國

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

20 附屬公司權益(續)

公司名稱	註冊成立/ 成立國家/ 地點及日期	中國成立的 實體的 法律形式	註冊資本/ 股本	已發行及 繳足股本	應佔股權 百分比	主要業務/ 經營地點
山東行者汽車用品服務有限公司(「山東行者」)	中國 二零零八年 二月二十五日	有限公司	人民幣 10,000,000元 註冊資本	人民幣 10,000,000元	60%	汽車維修、養護 及修飾服務； 銷售汽車產品 中國
山東鼎康汽車用品服務有限公司	中國 二零零五年 十月十三日	有限公司	人民幣 10,000,000元 註冊資本	人民幣 10,000,000元	60%	汽車維修、養護 及修飾服務； 銷售汽車產品 中國
湖北愛義行汽車服務有限公司(「湖北愛義行」)	中國 二零一四年 十二月二十二日	有限公司	人民幣 30,000,000元 註冊資本	人民幣 30,000,000元	36%	汽車維修、養護 及修飾服務； 銷售汽車產品 中國
浙江歐特隆實業有限公司(「浙江歐特隆」)	中國 二零零八年 十二月	有限公司	人民幣 28,000,000元 註冊資本	人民幣 28,000,000元	50.098%	汽車產品貿易/ 中國
長春市廣達汽車貿易有限公司(「長春廣達」)	中國 二零零二年 一月三十一日	有限公司	人民幣 47,800,000元 註冊資本	人民幣 47,800,000元	61%	汽車維修、 養護及修飾 服務；銷售 汽車產品/ 中國

上表載列董事認為會影響年度業績或構成本集團大部分資產淨值的本公司附屬公司。董事認為提供其他附屬公司的詳情將會令資料過於冗長。

下表列示本集團擁有重大非控制權益(「非控制權益」)的三間附屬公司遼寧新天成、北京愛義行及長春廣達的有關資料。以下呈列的財務資料概要乃公司間對銷前的金額。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

20 附屬公司權益(續)

遼寧新天成實業有限公司

	二零一六年 人民幣千元	二零一五年 人民幣千元
非控股權益百分比	49.902%	49%
流動資產	132,873	54,682
非流動資產	8,082	4,480
流動負債	(82,587)	(25,914)
非流動負債	(692)	(348)
淨資產	57,676	32,900
非控股權益賬面值	28,781	16,121
收入	331,784	186,195
年度虧損	(10,385)	(4,640)
綜合收益總額	(10,385)	(4,640)
分配予非控股權益的虧損	(5,182)	(2,274)
經營活動所用現金流量	(31,281)	(1,101)
投資活動所產生/(所用)現金流量	1,313	(2,877)
融資活動所產生現金流量	30,000	—

上述財務資料指遼寧新天成及其全資擁有附屬公司(包括浙江歐特隆)之綜合財務資料。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

20 附屬公司權益(續)

北京愛義行汽車服務有限公司

	二零一六年 人民幣千元	二零一五年 人民幣千元
非控股權益百分比(有效)	50%	43%
流動資產	130,708	103,617
非流動資產	135,443	64,343
流動負債	(259,722)	(121,469)
非流動負債	(2,546)	—
淨資產	3,883	46,491
非控股權益賬面值	(3,638)	18,845
收入	263,326	207,072
年度虧損	(43,126)	(18,563)
綜合收益總額	(43,126)	(18,563)
分配予非控股權益的虧損	(21,659)	(7,911)
經營活動所產生現金流量	22,697	6,409
投資活動所用現金流量	(48,873)	(23,605)
融資活動所產生現金流量	33,293	10,000

上述財務資料指北京愛義行及其附屬公司之綜合財務資料，包括全資擁有附屬公司山東行者及擁有60%股權的湖北愛義行。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

20 附屬公司權益(續)

長春市廣達汽車貿易有限公司

	二零一六年 人民幣千元	二零一五年 人民幣千元
非控股權益百分比	39%	39%
流動資產	45,650	28,784
非流動資產	77,273	89,854
流動負債	(18,518)	(17,334)
非流動負債	(10,798)	(10,798)
淨資產	93,607	90,506
非控股權益賬面值	36,694	34,623
收入	77,943	84,485
年度溢利／(虧損)	1,677	(959)
綜合收益總額	1,677	(959)
分配予非控股權益的溢利／(虧損)	860	(470)
經營活動所產生現金流量	6,909	4,232
投資活動所產生／(所用)現金流量	8,023	(16,878)
融資活動所產生現金流量	1,210	—

上述財務資料指長春廣達及其附屬公司之綜合財務資料，其中包括長春廣達擁有60%股權的附屬公司長春廣達二手車經紀有限公司。

21 存貨

	二零一六年 十二月三十一日 人民幣千元	二零一五年 十二月三十一日 人民幣千元
原材料	28,117	19,387
在製品	14,182	9,278
製成品	20,474	15,189
商品貨物	114,362	152,289
	177,135	196,143

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

22 應收貿易賬款、按金、預付款項及其他應收款項

(a) 應收貿易賬款

	二零一六年 十二月三十一日 人民幣千元	二零一五年 十二月三十一日 人民幣千元
應收貿易賬款	168,175	154,557
減：呆賬撥備	(6,585)	(23,815)
	161,590	130,742

(i) 本集團應收貿易賬款的信貸期介乎0至120天。

(ii) 年內呆賬撥備(包括特定及集合虧損部分)的變動如下：

	附註	二零一六年 人民幣千元	二零一五年 人民幣千元
於年初		23,815	25,039
年內額外撥備	9	3,709	—
出售附屬公司		(20,939)	—
不可收回金額撇銷		—	(1,224)
於年終		6,585	23,815

於二零一六年十二月三十一日，本集團的應收貿易賬款為人民幣12,000,000元(二零一五年：人民幣33,831,000元)已個別釐定為全數或部分減值。該等應收貿易賬款乃與面對財務困難或長期拖欠付款的客戶有關，而管理層評估預計完全不能收回或只能收回部分應收賬款。因此，於二零一六年十二月三十一日，已作出累計呆賬撥備人民幣6,585,000元(二零一五年：人民幣23,815,000元)。本集團並無就該等結餘持有任何抵押品。

除上述者外，概無就銷售貨品及提供服務的估計不可收回金額作出撥備。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

22 應收貿易賬款、按金、預付款項及其他應收款項(續)

(a) 應收貿易賬款(續)

(iii) 應收貿易賬款於報告期間結算日按發票日期的賬齡分析如下：

	二零一六年 十二月三十一日 人民幣千元	二零一五年 十二月三十一日 人民幣千元
即期至30天	91,609	61,605
31天至60天	42,381	43,761
61天至90天	13,850	13,369
超過90天	20,335	35,822
	168,175	154,557
減：呆賬撥備	(6,585)	(23,815)
	161,590	130,742

(iv) 並非個別或共同視為減值的應收貿易賬款賬齡分析如下：

	十二月三十一日 二零一六年 人民幣千元	十二月三十一日 二零一五年 人民幣千元
未逾期亦無減值	127,267	93,091
逾期少於1個月	25,097	23,865
逾期1至2個月	3,811	3,770
	28,908	27,635
	156,175	120,726

未逾期亦無減值的應收款項乃與近期無拖欠記錄的廣大客戶有關。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

22 應收貿易賬款、按金、預付款項及其他應收款項(續)

(a) 應收貿易賬款(續)

(iv) (續)

已逾期但無減值的應收款項乃與多名與本集團具有良好往績記錄的獨立客戶有關。根據過往經驗，由於信貸質素並無重大變動，且結餘仍視作為可以悉數收回，故管理層相信毋須就該等結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品。

(b) 按金、預付款項及其他應收款項

	二零一六年 十二月三十一日 人民幣千元	二零一五年 十二月三十一日 人民幣千元
按金及預付款項	40,028	49,178
向僱員墊款	12,754	9,510
可收回增值稅	4,013	7,068
貸款予深圳佳鴻及應收深圳佳鴻利息	190,000	259,765
出售附屬公司應收代價款項	24,347	—
其他	14,308	15,758
	285,450	341,279
減：呆賬撥備	(800)	(5,550)
	284,650	335,729

於二零一六年十二月三十一日，本集團的按金、預付款項及其他應收款項中包括向深圳市佳鴻集團控股有限公司(「深圳佳鴻」)作出的貸款人民幣190,000,000元(二零一五年：人民幣250,000,000元及應收相關利息人民幣9,765,000元)。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

22 應收貿易賬款、按金、預付款項及其他應收款項(續)

(b) 按金、預付款項及其他應收款項(續)

於二零一四年十二月二十九日向深圳佳鴻授予委託貸款人民幣100,000,000元(「首筆委託貸款」)後，本公司透過其附屬公司紐福克斯光電於二零一五年向深圳佳鴻提供進一步貸款人民幣190,000,000元，當中人民幣30,000,000元為就總採購協議項下向深圳佳鴻提供的履約保證金。

於二零一五年十二月及二零一六年三月，深圳佳鴻償還首筆委託貸款金額分別為人民幣40,000,000元及人民幣60,000,000元。於二零一六年十二月三十一日，餘下所有貸款及履約保證金已逾期。該等貸款按年利率12厘計息，而逾期貸款及利息須支付每日0.05厘之罰息率。

於二零一六年十二月三十一日，該等貸款：

- 由深圳佳鴻兩名股東各自作為擔保人擔保，彼等於二零一六年十二月三十一日合共持有深圳佳鴻85%股權；
- 由深圳佳鴻擁有的十五間附屬公司作為擔保人擔保；
- 由深圳佳鴻全資擁有的一間附屬公司的全部股份作質押；及
- 由深圳佳鴻兩名股東其中一名間接擁有80%權益之礦業公司的30%股份作抵押。

董事預期所有應收貸款將於二零一七年六月底前收回。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

23 已抵押銀行借款

	二零一六年 十二月三十一日 人民幣千元	二零一五年 十二月三十一日 人民幣千元
銀行貸款	178,475	224,245
須償還銀行借款如下：		
應要求或一年內	178,475	216,325
一年後但兩年內	—	1,362
兩年後但五年內	—	2,509
五年後	—	4,049
列入流動負債的一年內到期金額	178,475 (178,475)	224,245 (216,325)
列入非流動負債的金額	—	7,920

於二零一六年及二零一五年十二月三十一日，銀行融資乃由以下各項作抵押：(i)總賬面淨值為人民幣48,002,000元(二零一五年：人民幣51,614,000元)的本集團若干樓宇；(ii)人民幣15,650,000元(二零一五年：人民幣16,144,000元)的本集團若干土地使用權；(iii)人民幣43,864,000元(二零一五年：人民幣42,775,000元)的本集團若干投資物業；(iv)本公司一名董事、一間附屬公司一名董事及彼等的配偶授出的個人擔保；(v)本公司及其附屬公司提供的公司擔保。此外，於二零一五年十二月三十一日，銀行證券亦以本集團賬面淨值為人民幣17,995,000元的永久業權土地及抵押定期存款人民幣2,365,000元作抵押。

大部分銀行貸款的固定年利率介乎3.84厘至6.09厘(二零一五年：年利率1.99厘至6.42厘)。

	二零一六年 十二月三十一日 人民幣千元	二零一五年 十二月三十一日 人民幣千元
以下列貨幣計值的本集團銀行借款		
人民幣	136,754	157,282
美元(「美元」)	41,721	38,962
新台幣(「新台幣」)	—	28,001
	178,475	224,245

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

24 應付貿易賬款、應計費用及其他應付款項

(a) 應付貿易賬款

本集團應付貿易賬款於報告期間結算日按發票日期的賬齡分析如下：

	二零一六年 十二月三十一日 人民幣千元	二零一五年 十二月三十一日 人民幣千元
即期至30天	82,437	59,024
31天至60天	33,336	60,496
61天至90天	19,253	14,879
超過90天	50,615	37,158
	185,641	171,557

本集團應付貿易賬款的平均信貸期為60天。

(b) 應計費用及其他應付款項

	二零一六年 十二月三十一日 人民幣千元	二零一五年 十二月三十一日 人民幣千元
預收款項	114,529	69,816
應付工資	20,156	28,929
其他應付稅項	8,066	5,367
其他	65,911	54,129
	208,662	158,241

25 可換股債券

可換股債券的賬面值分析如下：

	二零一六年 十二月三十一日 人民幣千元	二零一五年 十二月三十一日 人民幣千元
主合約	183,834	150,450
換股權	—	5,869
	183,834	156,319

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

25 可換股債券(續)

	CDH 可換股債券 人民幣千元	海通 可換股債券 人民幣千元	總計 人民幣千元
發行時可換股債券面值，扣除發行成本	292,720	152,677	
權益部分	(57,775)	—	
初步確認時的負債部分	234,945	152,677	
於二零一五年一月一日的負債部分	134,755	—	134,755
發行可換股債券	—	152,677	152,677
隱含利息開支	14,110	13,085	27,195
轉換可換股債券	(155,095)	—	(155,095)
換股權之公平值變動(附註37(b))	—	(19,330)	(19,330)
匯兌調整	6,230	9,887	16,117
於二零一五年十二月三十一日及 二零一六年一月一日的負債部分	—	156,319	156,319
隱含利息開支	—	32,225	32,225
已付利息	—	(9,882)	(9,882)
換股權之公平值變動(附註37(b))	—	(4,250)	(4,250)
於權益部分確認	—	(1,619)	(1,619)
匯兌調整	—	11,041	11,041
於二零一六年十二月三十一日的負債部分	—	183,834	183,834
列示			
主合約	—	183,834	183,834
換股權(附註37(b))	—	—	—

海通可換股債券

於二零一五年七月，本公司向海通國際金融產品有限公司發行本金金額為25,000,000美元(相等於人民幣152,832,500元)的可贖回可換股債券(「海通可換股債券」)。扣除發行成本人民幣156,000元後，本集團可動用的海通可換股債券所得款項淨額為人民幣152,676,500元。海通可換股債券的息票利率為6厘，須每半年在各年的一月十三日及七月十三日到期後支付。海通可換股債券的到期日將為發行日期起滿兩週年之日，即二零一七年七月，及海通可換股債券可按持有人的選擇，以初步轉換價每股3.00港元(可作若干調整)轉換為本公司的普通股。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

25 可換股債券(續)

海通可換股債券(續)

除過往贖回、轉換或購買及註銷外，本公司將贖回債券，價格相等於已贖回尚未償還本金額加按發行日期至贖回日期以12厘複合計算的溢價減到期日利率為6厘的應計及已付利息(「贖回金額」)。

於二零一六年一月十三日後任何時間及到期日前，債券持有人有權按其選擇要求本公司以贖回金額贖回全部或部分可換股債券。

倘股份不再於聯交所上市或買賣，債券持有人可按贖回金額贖回所有海通可換股債券。

發行時，海通可換股債券可換股購股權的公平值乃根據永利行評值顧問有限公司(獨立合資格專業估值師事務所)出具的專業估值報告，按二項式模式計算並視作衍生金融負債。剩餘價值指主合約的價值，分類為其他金融負債。海通可換股債券的初步確認衍生工具及主合約經扣除發行成本後分別合共人民幣23,723,000元及人民幣128,954,000元。於二零一五年十二月三十一日，可換股購股權的公平值為人民幣5,869,000元，其中公平值的變動為人民幣19,330,000元，已於損益確認。

於二零一六年一月二十七日，海通可換股債券的若干條款已經本公司及海通國際進行修訂或已失效，導致滿足了指定為權益的條件。因此，本公司將公平價值為人民幣1,619,000元的換股權由負債重新分類至權益。

CDH可換股債券

於二零一三年八月，本公司向CDH Fast Two Limited發行本金金額為48,685,000美元(相等於人民幣300,226,000元)的可贖回可換股債券(「CDH可換股債券」)。扣除發行成本人民幣7,506,000元後，本集團可動用的CDH可換股債券所得款項淨額為人民幣292,720,000元。CDH可換股債券的息票利率為5厘。CDH可換股債券的到期日將為發行日期起滿五週年之日，即二零一八年八月，及CDH可換股債券可按持有人的選擇，以初步轉換價每股0.2328港元(可作若干反攤薄調整)轉換為本公司的普通股。

於二零一五年十二月三十一日，本集團按換股價0.2328港元向CDH Fast Two Limited發行合共1,627,015,893股股份以悉數轉換CDH可換股債券。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

26 遞延稅項

遞延稅項資產／(負債)變動如下：

遞延稅項資產

	稅項虧損 人民幣千元	應計開支 人民幣千元	遞延收入 人民幣千元	準備及撥備 人民幣千元	其他 人民幣千元	總計 人民幣千元
於二零一五年一月一日	1,055	2,724	8,912	2,930	32	15,653
於損益確認(附註11)	3,119	352	3,174	(1,083)	(32)	5,530
匯兌調整	8	-	-	5	-	13
於二零一五年十二月三十一日及 二零一六年一月一日	4,182	3,076	12,086	1,852	-	21,196
於損益確認(附註11)	(3,870)	(138)	9,473	1,099	(1,470)	5,094
收購一間附屬公司	3,187	570	2,740	-	-	6,497
出售附屬公司	(855)	(151)	-	(615)	-	(1,621)
於二零一六年十二月三十一日	2,644	3,357	24,299	2,336	(1,470)	31,166

遞延稅項資產已就上述項目確認，乃由於董事認為可能有應課稅溢利及上述項目可供使用。

於二零一六年十二月三十一日，由於董事認為，該等稅項虧損利益不大可能在到期前變現，故本集團有未確認結轉稅項虧損人民幣49,914,000元(二零一五年：人民幣268,165,000元)。未確認稅項虧損到期年度如下：

	二零一六年 人民幣千元	二零一五年 人民幣千元
中國實體到期年度		
二零一六年	-	277
二零一七年	-	34,259
二零一八年	8,702	110,469
二零一九年	18,293	40,876
二零二零年	19,177	50,130
二零二一年	3,742	-
	49,914	236,011

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

26 遞延稅項(續)

	二零一六年 人民幣千元	二零一五年 人民幣千元
台灣實體到期年度		
二零二三年	—	22,429
二零二四年	—	—
二零二五年	—	9,725
	—	32,154

遞延稅項負債：

	其他 無形資產 人民幣千元	投資物業的 公平值收益 人民幣千元	可供出售 金融資產 公平值變動 人民幣千元	應計 補貼收入 人民幣千元	總計 人民幣千元
於二零一五年一月一日	(11,971)	(7,483)	—	(398)	(19,852)
於損益確認(附註11)	—	(246)	—	206	(40)
於權益確認	—	—	(56)	—	(56)
於二零一五年十二月三十一日 及二零一六年一月一日	(11,971)	(7,729)	(56)	(192)	(19,948)
於損益確認(附註11)	158	(677)	—	—	(519)
於權益確認	—	—	56	—	56
收購一間附屬公司	(2,702)	—	—	—	(2,702)
出售附屬公司	481	—	—	—	481
於二零一六年十二月三十一日	(14,034)	(8,406)	—	(192)	(22,632)

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

26 遞延稅項(續)

遞延稅項負債：(續)

上述已確認遞延稅項資產及負債不可互相抵銷。

於中國成立的外資企業向外國投資者宣派的股息須繳納10%的中國預扣稅。該規定自二零零八年一月一日起生效及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所在司法權區訂有稅務條約，或可應用較低預扣稅率。就本集團而言，適用稅率為10%。因此，本集團須就該等於中國成立的附屬公司就二零零八年一月一日起產生的盈利宣派的股息繳納預扣稅。

概無就本集團於中國成立的附屬公司未匯出盈利(須繳納預扣稅)而應付的預扣稅確認遞延稅項。董事認為，此等附屬公司不大可能於可見將來分派有關盈利。於二零一六年十二月三十一日，與投資於中國附屬公司有關而尚未確認遞延稅項負債的暫時差額總額約為人民幣17,097,000元(二零一五年：人民幣15,645,000元)。

27 股本

	二零一六年		二零一五年	
	股份數目	金額	股份數目	金額
	千股	千港元	千股	千港元
法定：				
每股面值0.1港元之普通股	10,000,000	1,000,000	10,000,000	1,000,000

	二零一六年			二零一五年		
	股份數目	金額	金額	股份數目	金額	金額
	千股	千港元	人民幣千元	千股	千港元	人民幣千元
已發行及繳足：						
於年初	4,576,006	457,601	376,133	3,761,165	376,117	307,931
轉換可換股債券	-	-	-	813,508	81,351	68,090
根據購股權計劃發行股份	600	60	51	1,333	133	112
於年終	4,576,606	457,661	376,184	4,576,006	457,601	376,133

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

28 儲備

(i) 本集團之儲備

(a) 股份溢價

結餘指就發行股份已收取代價高於已發行股份相關面值的差額。應用股份溢價賬須受開曼群島適用法例所監管。

(b) 法定儲備金

本集團於中國成立的附屬公司須轉撥不少於除稅後溢利(按中國適用會計準則釐定)的10%至法定儲備金，直至該儲備金累積至各附屬公司註冊資本的50%為止。

法定儲備金僅可於各自董事會批准後，用作抵銷任何累計虧損或增加資本。

(c) 企業擴充基金

根據中華人民共和國中外合資企業法律及附屬公司章程細則，附屬公司須將其年度法定淨利潤(經抵銷上年度虧損)的5%轉撥至企業擴充基金。

(d) 資本贖回儲備

當全數動用本公司溢利贖回或購回公司股份時，則出現資本贖回儲備，而因註銷已贖回或購回股份以致本公司已發行股本金額減少的金額，乃轉撥至資本贖回儲備。

倘股份贖回或購買全部或部分動用發行新股所得款項進行，且此等所得款項總額少於總面值，有關差額將轉撥至資本贖回儲備。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

28 儲備(續)

(i) 本集團之儲備(續)

(e) 匯兌儲備

匯兌儲備包括換算海外業務財務報表產生的所有匯兌差額。該儲備已根據附註4(v)所載會計政策處理。

(f) 可換股債券儲備

結餘指由本公司發行且已根據附註4(n)所載可換股債券採用之會計政策確認之尚未行使換股債券權益部分。

(g) 其他儲備

其他儲備包括購股權儲備、物業重估儲備及公平值儲備。

購股權儲備指實際或估計授予本公司僱員及其他人士的未行使購股權的公平值，並根據附註4(x)所載的會計政策確認。

物業重估儲備指重估物業(投資物業除外)產生之收益/虧損。此項儲備之結餘全數不得分派。

公平值儲備指於報告期間結算日所持可供出售金融資產的公平值累計淨變動。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

28 儲備(續)

(ii) 本公司之儲備

	附註	股份溢價 人民幣千元	繳入盈餘 人民幣千元	可換股		匯兌儲備 人民幣千元	累計虧損 人民幣千元	總計 人民幣千元
				債券儲備 人民幣千元	其他 人民幣千元			
於二零一五年一月一日		760,136	84,242	28,888	4,451	1,760	(596,804)	282,673
年度綜合收益總額		-	-	-	-	(16,117)	(71,089)	(87,206)
確認股本結算股份付款	33	-	-	-	9,246	-	-	9,246
兌換可換股債券	25	115,892	-	(28,888)	-	-	-	87,004
根據購股權計劃發行之股份		664	-	-	(227)	-	-	437
於二零一五年十二月三十一日 及二零一六年一月一日		876,692	84,242	-	13,470	(14,357)	(667,893)	292,154
年度綜合收益總額		-	-	-	-	(8,864)	(137,709)	(146,573)
確認股本結算股份付款	33	-	-	-	5,963	-	-	5,963
於可換股債券儲備確認	25	-	-	1,619	-	-	-	1,619
根據購股權計劃發行之股份		207	-	-	(70)	-	-	137
於二零一六年十二月三十一日		876,899	84,242	1,619	19,363	(23,221)	(805,602)	153,300

(iii) 可供分派儲備

於二零一六年十二月三十一日，根據開曼群島公司法例，本公司可供分派予權益股東之儲備總額為人民幣132,318,000元(二零一五年：人民幣278,684,000元)。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

29 現金及現金等值物以及已抵押定期存款

銀行存款按每日銀行存款利率計算之浮動利率計息，並存入近期並無違約紀錄及信譽可靠之金融機構。

已抵押定期存款分析如下：

	二零一六年 人民幣千元	二零一五年 人民幣千元
發行銀行承兌匯票之保證金	4,500	4,538
銀行貸款之保證金	—	2,365
	4,500	6,903

於二零一六年十二月三十一日，概無抵押存款以擔保本集團任何銀行貸款(二零一五年：人民幣2,365,000元)。

30 承擔

(a) 資本承擔

於報告期間結算日，未於財務報表撥備之資本承擔如下：

	二零一六年 人民幣千元	二零一五年 人民幣千元
已訂約	12,687	—
已授權但未訂約	140,064	62,144
	152,751	62,144

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

30 承擔(續)

(b) 經營租賃承擔

於報告期間結算日，本集團根據不可撤銷經營租賃之未來最低租賃付款總額如下：

作為承租人

	二零一六年 人民幣千元	二零一五年 人民幣千元
一年內	45,425	53,116
一年後但於五年內	107,037	131,091
五年後	21,551	43,824
	174,013	228,031

作為出租人

於二零一六年及二零一五年十二月三十一日，本集團根據經營租賃出租其投資物業。於報告期間結算日，本集團根據不可撤銷經營租賃應收之未來最低租賃付款總額如下：

	二零一六年 人民幣千元	二零一五年 人民幣千元
一年內	1,659	2,667
一年後但於五年內	3,024	8,105
五年後	1,890	9,378
	6,573	20,150

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

31 關連人士

本公司與其附屬公司(為本公司之關連人士)之間之交易已於綜合賬目時全數對銷，並無於此附註披露。除財務報表其他附註披露者外，本集團與其他關連人士間之交易詳情披露如下。

(a) 關連人士交易

- (i) 於本年度，本集團在日常業務中與關連公司(並非本集團成員公司)進行之重大交易如下：

	二零一六年 人民幣千元	二零一五年 人民幣千元
向遼寧美車驛站商業管理有限公司(「美車驛站」) 銷售貨品	3,026	6,046

貨品乃按本集團之一般價單銷售並予以折扣，以反映所購買數量及與訂約方之關係。

於報告期間結算日，美車驛站之股本權益由本集團附屬公司之非控制擁有的近親家屬人佟岩及李海鵬持有。

- (ii) 於二零一六年七月十九日，本集團出售其持有的新焦點麗車坊股份有限公司(「新焦點麗車坊」)及台灣新焦點汽車服務股份有限公司(「台灣新焦點」)全部股權予Asia Centre Auto Service Holdings Limited(由本集團副總裁及該兩間已出售實體的董事洪瑛蓮女士間接全資擁有的公司)。名義代價為新台幣1元。

於二零一六年十二月二十七日，本集團出售附屬公司上海追得貿易發展有限公司(「上海追得」)51%股權予上海追得的非控股擁有人劉鳳喜女士，總代價為人民幣20,000,000元。

- (iii) 於二零一六年十二月三十一日，附屬公司一名非控制擁有人授予附屬公司其為數人民幣15,183,000元(二零一五年：人民幣3,603,000元)的自有物業作為債權人提供擔保。

- (iv) 於二零一六年十二月三十一日，本公司一名高級管理層成員(其亦為附屬公司的非控制擁有人)為附屬公司所獲授的銀行貸款人民幣5,000,000元提供擔保(連同其他擔保)。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

31 關連人士(續)

(a) 關連人士交易(續)

(v) 與重要管理層人員之交易

本年度重要管理層人員僅由執行董事與非執行董事構成，彼等之薪酬載於附註10(a)。

於二零一六年七月二十八日，董事應偉先生就台灣麗車坊借入的總額新台幣123,735,000元的銀行貸款提供擔保(二零一五年：新台幣139,884,000元)。自二零一六年七月二十九日，台灣麗車坊不再是本公司之附屬公司。

(vi) 有關關連交易上市規則的適用性

上述第(i)、(iii)、(iv)及(v)項關連人士交易構成上市規則第14A章項下的關連交易或持續關連交易，惟該等交易獲豁免遵守上市規則第14A章的披露規定，因為該等交易低於第14A.76(1)條的最低門檻規定或符合第14A.90條項下上市發行人集團接獲財務援助的豁免標準。

(b) 應收關連人士款項

於報告期間結算日，本集團與其關連人士之重大應收賬目結餘如下：

	二零一六年 人民幣千元	二零一五年 人民幣千元
美車驛站	3,265	2,663
湖北愛義行汽車服務有限公司	—	6,991
沈陽迅馳汽車服務有限公司	711	885
新焦點麗車坊*	23,624	—
其他#	5,033	55
	32,633	10,594

* 應收新焦點麗車坊的款項為金額人民幣23,624,000元，為免息，且預期將於二零一七年收回。

金額人民幣5,000,000元為應收一間附屬公司非控股股東的承諾資本，而有關金額已於二零一七年二月全數注入。

二零一六年內應收美車驛站的最高款項達人民幣3,265,000元(二零一五年：人民幣2,663,000元)。

二零一六年內應收新焦點麗車坊的最高款項達人民幣23,624,000元(二零一五年：零)。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

31 關連人士(續)

(c) 直接及最終控股方

於二零一六年十二月三十一日，董事認為本集團的直接母公司和最終控股方分別為於英屬維爾京群島註冊成立之CDH Fast Two Limited及China Diamond Holdings Company Limited。該等實體並無編製可供公共用途的財務報表。

32 僱員退休福利

根據中國的相關勞工規則及法規，本集團的中國附屬公司參與其所登記註冊的中國地方政府機關組織的界定供款退休計劃(「計劃」)，據此，該等中國附屬公司須按合資格僱員薪金的各自當地比率向計劃作出供款。本集團已經累計規定的退休金供款，於該等供款到期時匯入相關社保辦公室。社保辦公室負責向計劃涵蓋的退休僱員作出福利付款。

除上述年度供款外，本集團並無任何有關退休金福利付款的其他重大責任。

33 股本結算股份付款交易

本公司透過於二零一四年六月二十五日通過股東決議案採納新購股權計劃(「新計劃」)，並於同日終止本公司於二零零五年二月十三日採納的購股權計劃(「舊計劃」)。新計劃主要目的為激勵及獎勵為本集團作出或可能作出貢獻之合資格參與者。

於二零一四年十月十四日，本公司根據新計劃向合資格人士授出購股權，以認購合共149,500,000股每股面值0.1港元的本公司普通股。所授購股權的行使價為每股0.5港元，等同於授出日股份收市價，每位承授人獲授的購股權有效期自授出日期翌日起計為期五年(即有效期直至二零一九年十月十四日)，每三分之一的購股權將分別於二零一五年十月十四日、二零一六年十月十四日及二零一七年十月十四日可予行使，並須達成若干表現目標及本公司向每位承授人發出的授出函中所載的其他歸屬條件後方可歸屬。

為換取授出購股權所取得服務的公平價值乃經參考授出購股權的公平價值計量。授出購股權的公平價值估算乃根據二項式點陣模式計量。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

33 股本結算股份付款交易(續)

本集團攤銷上述按有關歸屬期計算之購股權公平價值。因此，金額人民幣5,963,000元作為二零一六年度股本結算股份付款(二零一五年：人民幣9,246,000元)，於本年度損益扣除。

於二零一六年，599,998份購股權已由承授人根據購股權計劃之條款獲行使(二零一五年：1,333,332股)，及17,872,218份購股權沒收(二零一五年：10,083,336股)。

於二零一六年十二月三十一日新計劃之可行使購股權數目為69,777,782份(二零一五年：38,417,000份)。

於二零一六年及二零一五年十二月三十一日尚未行使購股權之到期日及行使價如下：

二零一六年

到期日	行使價 每股港元	購股權		
		授予董事 千份	授予僱員 千份	總計 千份
二零一九年十月十四日	0.5	—	119,611	119,611
加權平均行使價(港元)	—	0.5	0.5	0.5

二零一五年

到期日	行使價 每股港元	購股權		
		授予董事 千份	授予僱員 千份	總計 千份
二零一九年十月十四日	0.5	—	138,083	138,083
加權平均行使價(港元)	—	0.5	0.5	0.5

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

34 收購／出售附屬公司

(i) 收購一間附屬公司

於二零一五年十二月三十一日，湖北愛義行汽車服務有限公司(「湖北愛義行」)為北京愛義行擁有40%股權的聯營公司。

於二零一六年五月二十七日，北京愛義行以總代價人民幣4,000,000元自前任股東收購湖北愛義行額外20%股權，並持有湖北愛義行60%股權。湖北愛義行成為本公司的附屬公司。

於二零一六年五月二十七日的可識別資產及負債的公平價值如下：

	賬面價值 人民幣千元	公平價值 人民幣千元
物業、廠房及設備	17,700	17,700
無形資產	67	10,883
遞延稅項資產	6,497	6,497
存貨	5,328	5,328
應收貿易賬款	2,622	2,622
按金、預付款項及其他應收款項	3,834	3,834
現金及現金等值物	1,151	1,151
應付貿易賬款	(5,528)	(5,528)
應計費用及其他應付款項	(31,106)	(31,106)
遞延稅項負債	—	(2,702)
		8,679
減：非控制權益		(528)
按公平價值計量的可識別總資產淨值		9,207
年內已付現金		2,040
以現金支付的代價		1,960
40%股權的公平價值		5,207
總代價		9,207

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

34 收購／出售附屬公司(續)

(ii) 出售附屬公司

於二零一六年七月十九日，本集團出售兩間附屬公司台灣新焦點及新焦點麗車坊100%股本權益予一名高級管理層人員，總代價為新台幣1元。

本集團於二零一六年十二月二日及四日出售深圳市永隆行汽車服務有限公司及上海新焦點汽車維修服務有限公司100%股本權益予第三方，代價分別為人民幣10,347,000元及6,000,000元。

於二零一六年十二月二十七日，本集團出售附屬公司上海迫得51%股本權益予上海迫得非控制擁有人，總代價為人民幣20,000,000元。

下表概述上述所有已出售附屬公司於出售日期前的業績及現金流量：

	二零一六年 人民幣千元	二零一五年 人民幣千元
收入	217,255	267,959
成本及開支	(244,063)	(302,776)
除稅前虧損	(26,808)	(34,817)
所得稅開支	(737)	(778)
已出售附屬公司的業績	(27,545)	(35,595)
	二零一六年 人民幣千元	二零一五年 人民幣千元
經營活動所用現金流量	(13,501)	(20,842)
投資活動所用現金流量	(9,825)	(8,574)
融資活動所產生現金流量	22,838	27,296
年內現金流量淨額	(488)	(2,120)

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

34 收購／出售附屬公司(續)

下表概述出售該等附屬公司對本集團財務狀況造成的影響：

	二零一六年 人民幣千元
物業、機器及設備	(41,794)
其他無形資產	(64,166)
存貨	(50,867)
應收貿易賬款及其他應收款項	(50,067)
現金及現金等值物	(22,925)
其他資產	(1,918)
已抵押銀行借款	48,791
應付貿易賬款及其他應付款項	99,681
遞延稅項負債	16,006
其他負債	6,098
淨資產	(61,161)
已收代價，以現金支付	12,000
出售之現金及現金等值物	(22,925)
現金流出淨額	(10,925)

35 資本風險管理

本集團的資本管理目標為保障本集團按持續經營基準繼續營運之能力，以為股東帶來回報，同時兼顧其他權益持有人的利益，並維持最佳的資本架構，以減低資金成本。

本集團的資本架構由(i)債務(包括分別於附註23及25披露的借款及可換股債券)；(ii)附註29的現金及現金等值物以及已抵押定期存款；(iii)本公司擁有人應佔權益，包括於附註27披露的股本及於綜合權益變動表披露的儲備等構成。

本集團的風險管理人員每半年檢討一次資本架構。作為檢討其中一環，管理層會考慮各類資本的融資成本及相關風險。本集團根據經濟狀況變動及相關資產之風險特性管理資本架構及對其作出調整。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

35 資本風險管理(續)

於報告期間結算日之淨債務對權益比率如下：

	二零一六年 人民幣千元	二零一五年 人民幣千元
債務	362,309	374,695
現金及現金等值物以及已抵押定期存款	(168,769)	(147,230)
淨債務狀況	193,540	227,465
本公司擁有人應佔權益	354,287	476,917
淨債務對權益比率	54.6%	47.7%

36 金融風險管理

本集團的金融工具在本集團日常業務中涉及的主要風險為信貸風險、流動資金風險、利率風險及外匯風險。

該等風險受下述本集團財務管理政策及慣例所限制。

(a) 信貸風險

本集團的信貸風險主要來自其應收貿易賬款及其他應收款項。管理層訂有信貸政策，持續監察該等信貸風險。

就應收貿易賬款及其他應收款項而言，本集團會對所有要求一定金額信貸的客戶及債務人進行個別信貸評估。該等評估注重客戶過往按期付款的記錄及現時的付款能力，並考慮有關客戶及債務人的特定資料，以及客戶業務營運所在地的經濟環境。本集團一般不向客戶收取抵押品，向深圳佳鴻之貸款除外。

有關向深圳佳鴻貸款的詳情，請參閱附註22(b)。

投資一般僅指具浮動利率的高流動性貨幣基金。

本集團之信貸風險主要受個別客戶不同情況所影響。客戶所經營行業及國家的違約風險亦對信貸風險產生影響，惟影響較微。於報告期間結算日，由於應收貿易賬款總額之6%(二零一五年：16%)及25%(二零一五年：33%)分別為應收本集團生產及銷售汽車配件分部最大客戶及五大客戶之金額，故本集團在某程度上存在信貸風險集中。

有關本集團來自應收貿易賬款的信貸風險進一步量化披露載於附註22。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

36 金融風險管理(續)

(b) 流動資金風險

本集團之政策為定期監控當前及預期流動資金需求，確保維持充裕現金儲備，以應付短期及較長期流動資金需求。

下表載列於報告期間結算日本集團金融負債的餘下合約到期日，此乃根據合約未貼現現金流量(包括以合約利率計算的利息金額，或倘為浮息，則按於報告期間結算日的利率計算)及本集團須償還款項之最早日期計算得出：

	賬面值 人民幣千元	合約未貼現	一年內或	超過一年	超過兩年	超過五年 人民幣千元
		現金流量總額 人民幣千元	應要求償還 人民幣千元	但少於兩年 人民幣千元	但少於五年 人民幣千元	
二零一六年						
已抵押銀行借款	178,475	185,449	185,449	-	-	-
應付貿易賬款	185,641	185,641	185,641	-	-	-
其他應付款項	94,133	94,133	94,133	-	-	-
可換股債券	183,834	207,183	207,183	-	-	-
總計	642,083	672,406	672,406	-	-	-
二零一五年						
已抵押銀行借款	224,245	233,991	225,049	1,416	2,671	4,855
應付貿易賬款	171,557	171,557	171,557	-	-	-
其他應付款項	88,425	88,425	88,425	-	-	-
可換股債券	150,450	203,707	9,767	193,940	-	-
總計	634,677	697,680	494,798	195,356	2,671	4,855

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

36 金融風險管理(續)

(c) 利率風險

本集團之公平價值利率風險主要分別來自於附註25披露之可換股債券之負債部分。大部分銀行借款以固定利率發行，令本集團承擔公平價值利率風險。

倘利率整體上調／下調100個基點，而所有其他變數維持不變，本集團年內虧損及於二零一六年十二月三十一日之累計虧損將增加／減少人民幣260,093元(二零一五年：人民幣125,091元)。本集團並無使用任何金融工具對沖利率之潛在波動。本集團借款之利率及還款期於附註23披露。

(d) 外匯風險

本集團主要透過與其業務有關之功能貨幣以外之貨幣列值之買賣而承擔外匯風險。產生該風險之貨幣主要為美元。

本集團亦面對以美元列示現金及現金等值物產生之外匯風險。

下表詳述本集團於報告期間結算日承擔來自以與其有關實體之功能貨幣以外貨幣所列值交易或已確認資產或負債之貨幣風險。

	二零一六年 千美元	二零一五年 千美元
應收貿易賬款及其他應收款項	11,489	10,871
應付貿易賬款及其他應付款項	(142)	—
現金及現金等值物及已抵押定期存款	7,891	2,699
銀行借款	(6,000)	(6,000)
整體淨風險	13,238	7,570

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

36 金融風險管理(續)

(d) 外匯風險(續)

下表顯示因應於報告期間結算日本集團面對重大風險之匯率合理可能變動之本集團本年度虧損及累計虧損以及綜合權益其他部分之概約變動。敏感度分析包括本集團成員公司間之結餘，該等結餘以放款人或借款人功能貨幣以外之貨幣列值。下述正數顯示於人民幣兌相關貨幣貶值時虧損減少或溢利及其他權益增加。倘人民幣兌相關貨幣升值，則對溢利或虧損及其他權益造成同等之相反影響，而以下結餘將為負數。

	二零一六年			二零一五年		
	對年內虧損及累計虧損之影響	對權益其他部分之影響	人民幣千元	對年內虧損及累計虧損之影響	對權益其他部分之影響	人民幣千元
美元	5%	3,360	-	5%	1,843	-

敏感度分析乃按於報告期間結算日已出現匯率變動，並已應用於本集團各實體，而衍生及非衍生金融工具之外匯風險於結算日已存在，而所有其他變數，特別是利率維持不變之假設釐定。

所述變動指管理層對匯率於直至下個報告期間結算日止期間合理可能變動之評估。上表所呈列分析結果代表對年內本集團各實體之業績，及對就呈列而言按於報告期間結算日之適用匯率將個別功能貨幣兌換為人民幣計算得出之權益之綜合影響。分析按與二零一五年相同之基準進行。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

37 按類別劃分之金融資產及金融負債概要

本集團於二零一六年及二零一五年十二月三十一日確認之金融資產及金融負債賬面值及公平價值可分類如下：

	二零一六年		二零一五年	
	賬面值 人民幣千元	公平價值 人民幣千元	賬面值 人民幣千元	公平價值 人民幣千元
金融資產				
— 按公平價值計量之可供出售金融資產	—	—	53,383	53,383
— 按攤銷成本計量之貸款及應收款項 (包括現金及現金等值物以及 已抵押定期存款)	479,360	479,360	576,930	576,930
金融負債				
— 按攤銷成本計量之金融負債	490,663	490,663	638,686	638,686
— 按公平價值計量之可換股債券內嵌之 換股權	—	—	5,869	5,869

(a) 金融資產及金融負債之公平價值根據下列因素釐定：

- 附帶標準條款及條件並於活躍流通市場買賣之金融資產及負債之公平價值分別參考市場所報價格釐定。
- 根據一般公認之定價模式，按使用可觀察現時市場交易及交易商所報類似工具之價格之貼現現金流量分析，以及根據或然代價安排被購買方的財務表現預測及其他計量，釐定其他金融資產及負債之公平價值。董事認為於公平價值計量輸入資料中並無合理可能替代假設。

(b) 公平價值等級

下表呈列於報告期末按經常性基準計量的本集團金融工具的公平價值，有關公平價值乃分類為國際財務報告準則第13號公平價值計量所界定的三級公平價值等級。公平價值計量分類的等級乃經參考以下估值技術所使用的輸入數據的可觀察性及重要性釐定：

第一級估值： 僅使用第一級輸入數據(即於計量日期相同資產或負債於活躍市場的未經調整報價)計量之公平價值。

第二級估值： 使用第二級輸入數據(即未能達致第一級的可觀察輸入數據，且未使用重大不可觀察輸入數據)計量之公平價值。不可觀察輸入數據為無市場數據的輸入數據。

第三級估值： 使用重大不可觀察輸入數據計量之公平價值。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

37 按類別劃分之金融資產及金融負債概要(續)

(b) 公平價值等級(續)

於二零一六年十二月三十一日，概無按公平價值計量之金融工具。

	於二零一五年十二月三十一日 分類為以下等級之公平價值計量		
	第一級 人民幣千元	第二級 人民幣千元	第三級 人民幣千元
經常性公平價值計量：			
—可供出售貨幣市場基金	42,383	—	—
—可供出售理財產品	—	11,000	—
—可換股債券內嵌之換股權	—	—	5,869

可換股債券內嵌之換股權之公平價值乃採用二項式期權定價模式釐定，而公平價值計量所用不可觀察輸入值乃為預期波幅。公平價值計量與預期波幅為正相關。於二零一五年十二月三十一日，估計所有其他變數保持不變，當預期波幅增加／減少5%，本集團之溢利應分別減少／增加人民幣983,000/790,000元。於二零一六年十二月三十一日，換股分類為權益。

年內第三級公平價值計量之變動如下：

	二零一六年 人民幣千元	二零一五年 人民幣千元
於一月一日	5,869	—
發行可換股債券	—	23,723
年內於損益確認之公平價值變動	(4,250)	(19,330)
轉入權益	(1,619)	—
匯兌調整	—	1,476
於十二月三十一日	—	5,869

38 或然負債

於二零一五年及二零一六年十二月三十一日，本集團並無任何重大或然負債。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

39 公司層面的財務狀況表

(以人民幣列示)

	附註	二零一六年 十二月三十一日 人民幣千元	二零一五年 十二月三十一日 人民幣千元
資產及負債			
非流動資產			
附屬公司權益		679,717	729,606
		679,717	729,606
流動資產			
按金、預付款項及其他應收款項		23,802	1,031
給予一間附屬公司的短期貸款		—	104,000
現金及現金等值物		18,625	592
		42,427	105,623
流動負債			
應計費用及其他應付項		8,826	10,623
可換股債券	25	183,834	156,319
		192,660	166,942
流動資產淨值		(150,233)	(61,319)
資產總值減流動負債		529,484	668,287
淨資產		529,484	668,287
資本及儲備			
股本	27	376,184	376,133
儲備	28(ii)	153,300	292,154
權益總額		529,484	668,287

財務報表於二零一七年三月三十日經董事會批准並授權發佈。

張健行
董事

杜敬磊
董事

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

40 於截至二零一六年十二月三十一日止年度已頒佈但尚未生效修訂本、新訂準則及詮釋的潛在影響

截至刊發該等財務報表日期，國際會計準則理事會已頒佈若干於截至二零一六年十二月三十一日止年度尚未生效亦無應用於該等財務報表的修訂本及新訂準則，包括以下可能與本集團有關者。

	於以下日期或之後 開始的會計期間生效
國際會計準則第7號修訂本，現金流量表：披露計劃	二零一七年一月一日
國際會計準則第12號修訂本，所得稅：就未變現虧損確認遞延稅資產	二零一七年一月一日
國際財務報告準則第9號，金融工具	二零一八年一月一日
國際財務報告準則第16號，客戶合約收益	二零一八年一月一日
國際財務報告準則第2號修訂本，以股份為基礎付款：股份結算交易的分類及計量	二零一八年一月一日
國際財務報告準則第16號，租賃	二零一九年一月一日

本集團現正評估該等修訂本及新訂準則於首次應用期間的預期影響。截至目前為止，本集團已識別新訂準則中或會對綜合財務報表產生重大影響的若干方面。由於本集團並無完成其評估，故進一步影響或會於適當時候識別，且將於其生效日期前決定是否採納任何該等新規定及所採取的過渡性方式(倘新準則准許其他方式)時納入考慮範圍內。

國際財務報告準則第9號，金融工具

國際財務報告準則第9號將取代有關金融工具會計處理方法的現有準則國際會計準則第39號，金融工具：確認及計量。國際財務報告準則第9號引入分類及計量金融資產、計算金融資產減值及對沖會計的新規定。另一方面，國際財務報告準則第9號納入且並無大幅變動國際會計準則第39號有關確認及終止確認金融工具及金融負債分類的規定。

國際財務報告準則第15號，客戶合約收益

國際財務報告準則第15號建立了確認客戶合約收益的全面框架。國際財務報告準則第15號將取代現有收益準則，即國際會計準則第18號收益(包括銷售貨物及提供服務所產生的收益)及國際會計準則第11號建造合約(訂明建造合約收益的會計處理方法)。本集團現正評估採納國際財務報告準則第15號對其財務報表之影響。

綜合財務報表附註

(除另有說明外，數額均以人民幣列示)

40 於截至二零一六年十二月三十一日止年度已頒佈但尚未生效修訂本、新訂準則及詮釋的潛在影響(續)

國際財務報告準則第16號，租賃

誠如附註4(s)所披露，本集團現時將租賃分類為融資租賃與經營租賃，並視乎租賃分類對租賃安排進行入賬。本集團分別作為出租人與承租人訂立若干租約。

預期國際財務報告準則第16號不會大幅影響出租人根據租約入賬權利及義務的方式。然而，一旦採納國際財務報告準則第16號，承租人將不再區分融資租賃及經營租賃。相反，受可行權宜方法的規限，承租人將按與現有融資租賃會計處理方法類似的方式入賬所有租約，即於租約開始日期，承租人將按日後最低租金的現值確認及計量租賃負債，及將確認相應的「使用權」資產。於初步確認該資產及負債後，承租人將確認租賃負債結餘所產生的利息開支及使用權資產折舊，而非根據現有政策於租期內按系統基準確認根據經營租賃所產生的租賃開支。作為可行權宜方法，承租人可選擇不將此會計模式應用於短期租賃(即租期為12個月或以下)及低價值資產的租賃，在此情況下，租金開支將繼續於租期內按系統基準確認。

國際財務報告準則第16號將主要影響集團作為租約承租人就物業、廠房及設備(現時分類為經營租賃)的會計處理方法。預期應用新會計模式將導致資產及負債增加，及影響租約期間於損益表確認開支的時間。誠如附註30(b)所披露，於2016年12月31日，本集團不可撤銷經營租賃的日後最低租金達人民幣174,013,000元，其中大部分須於報告日期後一至五年內支付。因此，一旦採納國際財務報告準則第16號，若干該等款項可能須確認為租賃負債，並附帶相應使用權資產。經考慮可行權宜方法的適用性及就現時與採納國際財務報告準則第16號期間已訂立或終止的任何租約及貼現影響作出調整後，本集團將須進行更詳盡的分析以釐定於採納國際財務報告準則第16號時經營租賃承擔所產生的新資產及負債金額。

財務摘要

本集團過去五個財政年度已公佈業績及資產與負債摘要摘錄自經審核財務報表，載列如下：

業績

	二零一六年 一月一日至 二零一六年 十二月三十一日 人民幣千元	二零一五年 一月一日至 二零一五年 十二月三十一日 人民幣千元	二零一四年 一月一日至 二零一四年 十二月三十一日 人民幣千元	二零一三年 一月一日至 二零一三年 十二月三十一日 人民幣千元	二零一二年 一月一日至 二零一二年 十二月三十一日 人民幣千元
收入	1,292,665	1,254,191	1,397,498	1,414,616	1,397,885
除所得稅開支前虧損	(145,811)	(103,302)	(26,379)	(565,262)	(374,376)
所得稅開支	(2,507)	(645)	(9,422)	48,412	16,017
年度虧損	(148,318)	(103,947)	(35,801)	(516,850)	(358,359)
應佔：					
本公司擁有人	(123,459)	(90,967)	(43,223)	(446,700)	(324,761)
非控制權益	(24,859)	(12,980)	7,422	(70,150)	(33,598)
	(148,318)	(103,947)	(35,801)	(516,850)	(358,359)

資產與負債

	二零一六年 十二月三十一日 人民幣千元	二零一五年 十二月三十一日 人民幣千元	二零一四年 十二月三十一日 人民幣千元	二零一三年 十二月三十一日 人民幣千元	二零一二年 十二月三十一日 人民幣千元
資產總值	1,212,834	1,319,032	1,188,415	1,346,733	1,694,039
負債總額	(783,667)	(734,319)	(648,118)	(853,058)	(1,168,351)
資產淨值	429,167	584,713	540,297	493,675	525,688

附件 四

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CORPORATE INFORMATION

Directors

Executive Directors

Zhang Jianxing (*Chief Executive Officer/Chairman*)
Du Jinglei

Non-executive Directors

Ying Wei
Wang Zhenyu

Independent Non-executive Directors

Hu Yuming
Lin Lei
Zhang Xiaoya

Company Secretary

Liu Xiaohua

Registered Office

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Principal Place of Business in Hong Kong

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Wan Chai
Hong Kong

Auditor

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

Legal Advisers

Paul Hastings
21-22/F Bank of China Tower
1 Garden Road
Hong Kong

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

Branch Share Registrar and Transfer Office in Hong Kong

Computershare Hong Kong Investor
Services Limited
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183 Queen's Road East
Wan Chai
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Stock Code

360

Websites

<http://www.nfa360.com>

CHAIRMAN'S STATEMENT

I would like to take this opportunity to express my appreciation to the shareholders for their understanding and loyalty, and to the staff for their hardwork and persistence.

It may be found out by an observant person that we have been on the road of value discovery and value return. The figures in financial statements are bygones and a way we bid farewell to yesterday.

Last year, we concentrated on the “subtraction” initiatives, we thereby have not only abandoned bubbles like “goodwill” in the previous acquisitions but also stripped off several branches and businesses which are not in line with our development strategies.

For example, a large-scale disposal by the Group of over 40 automotive service stores under the management of our teams in various districts, is not conducive to our revenue in a short period. We believe that fragmented business contracts are not able to meet in full the scenario standardized element requirements of chain operations and the service price reconstruction is also expected to be hard to hedge the reality control on business cost. Thus, we have made the automotive service chain stores focus on the national promotion mode “City Gas Station (城市加油站)” carried out by “Beijing Aiyihang (北京愛義行)” and have solidly pushed forward the cooperation with Sinopec and PetroChina. Although there is no immediate return on new investment in the short run, we firmly believe that the physical chain stores have a bright future.

Several original wholesale service businesses of automotive products have been restructured and integrated into a sole professional B2B distribution network and vertical e-commerce portal with “Auto Make” automotive products e-commerce platform being its principal platform. We consider it as a promising business thanks to our greatly broadened horizons by its inventory adjustment and upgrading.



CHAIRMAN'S STATEMENT

The New Focus (紐福克斯) factory, which mainly engages in the export of automotive power products, has achieved a considerable progress in operating quality, and has possessed the learning gene to make continuous progress. The research in new energy automotive products will bring a new growth point.

Our read map, I might say, is very clear: automotive service chain of city gas station is our core business, owning a well-established mode that can be applied nationwide and facing the opportunity of rapid expansion; the incubation of "Auto Make" e-commerce platform is our significant strategic initiatives in pursuit of precision, specialty and high efficiency; and the manufacturing business, as the initial business of the Group, is our foundation and reliance.

Although China has a large car retention, the current fragmented automotive after-sales service business is not only a historical opportunity but also a severe challenge to the subsequent development of the Group. We will keep adhering to our effective operating strategies and improving our operation model with a view of exploring and upgrading the value of the Group.

I would like to take this opportunity to express once again, on behalf of the board of directors, deep appreciation to our loyal, responsible and diligent management and staff.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

In 2016, New Focus Auto Tech Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) focused on the automotive after-sales chain service in China to satisfy the comprehensive needs of numerous automotive users, taking the market-leading position in the industry.

Results Highlights

Revenue

For the year ended 31 December 2016 (the “**Year**”), the Group recorded a consolidated revenue of approximately RMB1,292,665,000 (2015: RMB1,254,191,000), representing an increase of approximately 3.07%.

The consolidated revenue of the Group’s retail service business amounted to approximately RMB469,143,000 (2015: RMB481,910,000), representing a decrease of approximately 2.65%. The decrease was mainly due to the disposal of 100% of equity interest in each of the subsidiaries of the Company, New Focus Richahaus Corporation Limited (“**New Focus Richahaus**”) and Taiwan New Focus Auto Service Corporation Limited (“**Taiwan New Focus**”) in July 2016 (the “**Disposal of Equity Interest in New Focus Richahaus and Taiwan New Focus**”), resulting in a decrease in consolidated revenue of approximately RMB53,030,000 as compared with 2015. Excluding such factor, the consolidated revenue of retail service business of the Group recorded an increase of approximately RMB40,263,000 as compared to that of 2015, which was mainly attributable to the expansion of the Group’s stores.

The consolidated revenue of the wholesale service business of the Group was RMB401,541,000 (2015: RMB356,062,000), representing an increase of approximately 12.77%. The increase was mainly attributable to the rapid development in e-commerce platform business conducted by subsidiaries of the Company, namely, Liaoning Xin Tian Cheng Industrial Co., Ltd (“**Liaoning XTC**”) and Zhejiang Autoboom Industrial Co., Limited (“**Zhejiang Autoboom**”), since May 2015 and July 2016 respectively.

The consolidated revenue of the manufacturing business of the Group was RMB421,981,000 (2015: RMB416,219,000), representing an increase of approximately 1.38%, which was mainly attributable to the sales of new products developed.

Gross profit and gross margin

The consolidated gross profit of the Group for the Year was approximately RMB274,803,000 (2015: RMB255,121,000), representing an increase of approximately 7.71%. Gross margin increased from approximately 20.34% in 2015 to approximately 21.26% in 2016.

The gross profit of the Group’s retail service business was approximately RMB100,177,000 (2015: RMB99,253,000), representing an increase of approximately 0.93%, and its gross margin increased from approximately 20.60% to approximately 21.35%. The increase in gross margin was mainly attributable to the increase in sales of products with high gross profit during the Year compared with 2015. Disposal of Equity Interest in New Focus Richahaus and Taiwan New Focus resulted in the decrease in gross profit of RMB7,246,000 as compared with 2015. Excluding such factor, the gross profit increased by approximately RMB8,170,000 as compared with 2015, which was mainly attributable to the expansion of the stores of the retail service business of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

The gross profit of the Group's wholesale service business was approximately RMB81,010,000 (2015: RMB70,285,000), representing an increase of approximately 15.26%, and its gross margin increased from approximately 19.74% to approximately 20.17%, which was mainly attributable to the optimization of inventory cost management of the Company's subsidiary Zhejiang Autoboom.

The gross profit of the Group's manufacturing business was RMB93,615,000 (2015: RMB85,583,000), representing an increase of approximately 9.39%, and its gross margin was approximately 22.18% (2015: 20.6%). The increase of gross margin was mainly attributable to the optimization of product portfolio in the Group's manufacturing business, leading to an increase in the proportion of sales of products with high gross margin.

Other revenue and gains and losses

Other revenue and gains and losses for the Year were approximately RMB59,934,000 (2015: RMB55,124,000), representing an increase of approximately 8.73%. It was mainly attributable to the investment income of RMB18,840,000 ("**Investment Income during the Year**") received from the Disposal of Equity Interest in New Focus Richahaus and Taiwan New Focus, the disposal of 51% of equity interest in Shanghai Astrace Trade Development Co., Ltd. ("**Shanghai Astrace**"), the disposal of 100% equity interest in Shanghai New Focus Auto Repair Service Co., Ltd. and the disposal of 100% equity interest in Shenzhen Yonglonghang Auto Service Ltd., and a decrease of RMB15,080,000 in gain on fair value change in embedded derivative financial instruments in relation to the convertible bonds in the principal amount of US\$25,000,000 which was issued to Haitong International Financial Products Limited ("**Haitong**") by the Company on 13 July 2015 ("**Haitong CBs**").

Expenses

Sales and marketing expenses for the Year were approximately RMB213,738,000 (2015: RMB198,621,000), representing an increase of approximately 7.61%. Disposal of Equity Interest in New Focus Richahaus and Taiwan New Focus resulted in the decrease of sales and marketing expenses of RMB8,773,000. Excluding such factor, sales and marketing expenses increased by approximately RMB23,890,000. It was due to the increase in expenses of RMB15,700,000 arising from the expansion of the store network of the Group's retail service business and the increase in marketing and promotional expenses of RMB6,058,000 arising from the increased marketing efforts by the wholesale service business to promote sales.

The administrative expenses for the Year were approximately RMB149,492,000 (2015: RMB143,331,000), representing an increase of approximately 4.30%. Compared with 2015, the administrative expenses decreased by approximately RMB5,624,000 due to the Disposal of Equity Interest in New Focus Richahaus and Taiwan New Focus. Excluding such factor, administrative expense increased by approximately RMB11,785,000, which was mainly attributable to the expansion of the stores of retail service business of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Operating loss

The operating loss of the Group was approximately RMB104,926,000 (2015: operating loss of RMB65,589,000), of which approximately RMB74,334,000 arose from the impairment loss on goodwill allocated to Changchun Guangda Automobile Trading Co., Ltd. (“**Changchun Guangda**”), a subsidiary of the Company due to its failure to meet anticipated business performance for the Year, while the remaining balance of approximately RMB30,592,000 was attributable to the initial loss from newly established stores of the retail service business of the Group and the impact on the Group’s retail service business and wholesale service business arising from irrational expansion of e-commerce competitors.

The Company originally acquired 51% of equity interest in Changchun Guangda (the “**2012 Acquisition**”) in October 2012. For details of such acquisition, please refer to the announcement of the Company dated 17 July 2012, the circular of the Company dated 23 September 2012 and the poll results announcement of the Company dated 23 October 2012. In January 2014, the Company entered into with the vendor a supplemental agreement in respect of the 2012 Acquisition to amend certain terms of the equity transfer agreement, details of which were disclosed in the announcement of the Company dated 29 January 2014. Changchun Guangda is principally engaged in the provision of comprehensive auto after-sales services, including auto cleaning, detailing, routine maintenance, body repair, modification and sale of auto accessories.

Changchun Guangda was expected to achieve an operational revenue and a net profit after taxation of RMB96,586,000 and RMB9,870,000 respectively for the Year. The actual performance fell short of the expectation and the operational revenue and the net profit after taxation for the Year were RMB77,943,000 and RMB1,677,000 respectively. The deteriorated business performance of Changchun Guangda was caused by: (a) the decrease in revenue from public service cars arising from the impact of reform on public service cars initiated by the PRC government; and (b) the irrational expansion of e-commerce competitors resulting in business challenges to Changchun Guangda.

The Directors made an estimation of the recoverable amount of Changchun Guangda (as a cash-generating unit) based on value-in-use calculation which was also used in 2015. Cash flow forecasts based on financial budgets approved by the Company’s Directors covering a five-year period are used for the calculation of the recoverable amount. Cash flows beyond the five-year period are extrapolated using the estimated growth rate of 3%. The Directors also assumed that the growth rate does not exceed the long-term average growth rate for the industry in which Changchun Guangda operates.

MANAGEMENT DISCUSSION AND ANALYSIS

The key assumptions used for value-in-use calculation are as follows:

	31 December 2016 %	31 December 2015 %
Gross margin	28-33	25-40
Growth rate within the forecast period	3-6	6-17
Discount rate	15	15

The Directors determined the budgeted gross margin based on past performance and their expectation for market development. The weighted average growth rate used is consistent with the forecasts generally adopted in the respective industries. The discount rates used reflect specific risks relating to the relevant segment. The Directors are of the opinion that based on value-in-use calculation, goodwill associated with Changchun Guangda was impaired by RMB74,334,000 in order to state the carrying values to its recoverable amounts as at the end of the Year. The Company has engaged RHL Appraisal Ltd., an independent valuer, for the purpose of assessing the goodwill impairment.

Finance costs

Net finance costs amounted to approximately RMB40,885,000 (2015: RMB37,713,000), representing an increase of approximately 8.41%. It was mainly attributable to the increased interest expenses during the Year from the issuance of Haitong CBs in the principal amount of US\$25,000,000 to Haitong.

Taxation

Income tax expenses were approximately RMB2,507,000 (2015: RMB645,000). The increase in income tax expenses was mainly attributable to the increase in profit before tax of certain profitable subsidiaries of the Company.

Loss attributable to owners of the Company

Loss attributable to owners of the Company was approximately RMB123,459,000 (2015: RMB90,967,000). Excluding the increase in the provision for goodwill impairment for Changchun Guangda of approximately RMB46,331,000 as compared with 2015, the loss attributable to owners of the Company decreased by RMB13,839,000 as compared with 2015, which was mainly attributable to the Investment Income during the Year. Loss per share was approximately RMB2.70 cents (2015: RMB2.41 cents).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Position and Liquidity

The Group continued to maintain a stable financial position during the Year and the liquidity of assets of the Group remained healthy. The Group had a net cash outflow from operating activities of approximately RMB33,078,000 (2015: net cash outflow of RMB6,160,000).

The non-current assets were approximately RMB388,051,000 as at 31 December 2016 (31 December 2015: RMB451,928,000).

The net current assets were approximately RMB63,748,000 as at 31 December 2016 (31 December 2015: RMB160,653,000), with a current ratio of approximately 1.08 (31 December 2015: 1.23).

Gearing ratio calculated by dividing total liabilities by total assets was approximately 64.61% as at 31 December 2016 (31 December 2015: 55.67%).

As at 31 December 2016, the total bank borrowings of the Group were approximately RMB178,475,000 (31 December 2015: RMB224,245,000), approximately 23.40% of which were made in USD and approximately 76.60% were made in RMB. All of the bank borrowings are repayable within one year and at fixed interest rates. The Group's need for borrowings was generally steady during the Year. The Group repaid or renewed the bank borrowings during the Year when they became due. Committed borrowing facilities available to the Group but not drawn as at 31 December 2016 amounted to RMB43,245,000. The Group maintains strong and sufficient operating cash flow, bank deposits and banking facilities to finance its daily operation and capital expenditure.

Capital Structure

On 5 July 2015, the Company entered into a subscription agreement with Haitong pursuant to which the Company has conditionally agreed to issue, and Haitong has conditionally agreed to subscribe for the Haitong CBs in an aggregate principal amount of US\$25,000,000 (equivalent to approximately HK\$194,500,000) due in 2017. Assuming full conversion of the Haitong CBs at the initial conversion price of HK\$3.00 per share, the Haitong CBs will be converted into approximately 64,833,333 conversion shares. The net proceeds from the issue of the Haitong CBs, after deducting all related fees and expenses are approximately HK\$192,500,000. The issue of Haitong CBs to Haitong was completed on 13 July 2015. Details of the transaction above were set out in the announcements of the Company dated 6 July 2015, 7 July 2015 and 13 July 2015.

As at 31 December 2016, the Group's total assets were RMB1,212,834,000 (31 December 2015: RMB1,319,032,000), comprising: (1) share capital of RMB376,184,000 (31 December 2015: RMB376,133,000), (2) reserves of RMB52,983,000 (31 December 2015: RMB208,580,000), and (3) debts of RMB783,667,000 (31 December 2015: RMB734,319,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Guarantees and Pledge of Assets

As at 31 December 2016, the net book values of investment properties, property, plant and equipment and leasehold land and land use rights pledged as security for the Group's bank borrowings amounted to approximately RMB107,516,000 (31 December 2015: RMB128,528,000).

Material Disposal of Subsidiaries

Disposal of 51% of equity interest in Shanghai Astrace

NFLP, a wholly-owned subsidiary of the Company which indirectly held 51% of equity interest in Shanghai Astrace (the "**SA Interest**"), entered into an equity transfer agreement (the "**SA Equity Transfer Agreement**") with Ms. Liu Fengxi, with effect from 28 December 2016. Pursuant to the SA Equity Transfer Agreement, Ms. Liu Fengxi has agreed to acquire, and NFLP has agreed to sell, the SA Interest at the consideration of RMB20,000,000 to be satisfied in cash (the "**SA Disposal**"). Upon completion of the SA Disposal on 29 December 2016, Shanghai Astrace ceased to be a subsidiary of the Company. For further details, please refer to the announcement of the Company dated 28 December 2016.

Disposal of Equity Interest in New Focus Richahaus and Taiwan New Focus

Perfect Progress Investments Limited ("**PPI**"), a wholly-owned subsidiary of the Company which indirectly held 100% of equity interest in each of the New Focus Richahaus and Taiwan New Focus (collectively as the "**Target Interests**"), entered into an equity transfer agreement (the "**Equity Transfer Agreement**") with Asia Centre Auto Service Holdings Limited (the "**Purchaser**"), with effect from 19 July 2016. The Purchaser is wholly-owned by Ms. Hung Ying-Lien (洪瑛蓮), vice president of the Group and director of New Focus Richahaus and Taiwan New Focus. Pursuant to the Equity Transfer Agreement, the Purchaser has agreed to acquire, and PPI has agreed to sell, the Target Interests at the nominal consideration of NTD1 to be satisfied in cash (the "**Disposal**"). Upon completion of the Disposal on 29 July 2016, New Focus Richahaus and Taiwan New Focus ceased to be subsidiaries of the Company. For further details, please refer to the announcement of the Company dated 19 July 2016.

Significant Investments

The Group had no significant investments during the Year. The Group has no specific future plans for material investments or acquisition of business.

Exchange Risk

The Group's retail and wholesale service businesses were mainly in Mainland China and their settlement currency was RMB, so there was no exchange risk. As approximately 80% of the revenue of the Group's manufacturing business was generated from the export of its products which was settled in USD and most of the materials used to produce those exports were purchased in RMB, normally, the depreciation of USD against RMB would adversely affect the profitability of the Group's manufacturing business. The Group managed its exposure to USD foreign currency risk by making USD borrowings to minimize exchange risk. As at 31 December 2016, the amount of the Group's USD borrowings was approximately USD6,000,000.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Material Risks and Uncertainties

The Group operates its major business in Mainland China and faces other material risks and uncertainties, mainly including the future prospect of Mainland China's economy. Should Mainland China's economy suffer from downturn, the consumption sentiment of car owners will be affected which in turn will decrease the revenue of the Group. The Group has adopted a development path of establishing stores within gas stations with strategic partners to reduce its costs. It will pay close attention to the economic trend of Mainland China and deal with those risks and uncertainties in a timely manner.

Contingent Liabilities

As at 31 December 2016, the Group had no significant contingent liabilities.

Employees and Remuneration Policy

As at 31 December 2016, the Group employed a total of 4,339 (31 December 2015: 3,815) full-time employees, of which 627 (31 December 2015: 543) were managerial staff. The remuneration package for the Group's employees includes wages, incentives (such as performance-based bonus) and allowances. The Group also provides social security insurance and benefits to its employees, and formulates and implements share option schemes as a long-term incentive scheme of the Group. The total employee benefit expenses of the Group for the Year was approximately RMB320,496,000 (2015: RMB280,261,000). Details of the share options scheme are disclosed in the "Report of the Directors" of this annual report. The Group stresses the importance of staff development and provides training programmes on an ongoing basis with reference to its strategic objectives and performance of its staff.

Environmental Policies and Performance

The Group has been continuously promoting the establishment and improvement of environmentally friendly management mechanism and system. Those systems require all the employees of the Group to comply with applicable environmental laws and regulations in their daily work. The relevant retail and service stores of the Group are subject to the approval of environmental protection administration prior to official operation and strictly comply with applicable environmental laws and regulations in the subsequent operation to minimize the damages to the environment. The manufacturing business of the Group proactively incorporates the concept of environmental protection into the design and production process of the products, aiming at providing energy saving and environmentally friendly products to our customers. The Group encourages the employees to save energy and treasure the resources.

MANAGEMENT DISCUSSION AND ANALYSIS

Compliance with Laws and Regulations

During the Year, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the operation of the Group which cover various aspects such as labor, fire and environmental protection.

Relationship with Employees, Customers and Suppliers

The Group attaches great importance to its relationships with its employees, customers, suppliers and other relevant parties as such relationships are the core element for the Group's sustainable development. The Group adheres to the principle of legality, fairness, reasonableness and mutual benefit in its daily operation and duly handles its relationships with its employees, customers, suppliers and other relevant parties.

Industry Development and Business Review

The sales volume of passenger vehicles during the Year in the PRC was approximately 24 million, representing an increase of approximately 15% as compared with 2015. The sales of passenger vehicles in the PRC market continued to grow steadily, promoting a constant increase of retention of passenger vehicles. It is expected that the scale of the China automobile after-sales market will reach RMB1,000 billion in 2017, which is both a historical opportunity and a severe challenge in light of the segmentation of automobile after-sales market.

Along with increasing average age of passenger vehicles in China, the proportion of vehicles with expired warranties which are in the peak of need for replacement of naturally ageing accessories (normally 5-10 years after sales) has been increasing. More and more vehicle owners have shifted to individual automotive after-sales service chain network and e-commerce platform to obtain more economic, reliable and secure maintenance and repair replacement programs. Currently, other than the large-scale 4S dealership groups and small-scale individual stores, the number of large-scale economic automotive after-sales chain network is extremely small. The strong demand for automotive after-sales services in China is materially similar to the demand for economic chain hotels in hotel industry and demand for fast-food chain consumption in beverage industry in China. In mature markets, such as the United States of America and Japan, their development history of large-scale individual after-sales chain network has also proved this development trend. The Group will continue to maintain our modest position and our principles of chain and branding operation and standardized and customized servicing, to gradually increase our numbers of individual after-sales chain retail stores and branding influence of the Group. It is expected that the scale and revenue of individual after-sales chain system of the Group will grow steadily.

MANAGEMENT DISCUSSION AND ANALYSIS

In the meantime, there are more than 300,000 individual small-scale individual stores in China, of which the parts and accessories required in the maintenance and repair business has relied on the traditional dealership system and the distribution model in an automotive parts city, a supply chain of relatively low efficiency. For the popular maintenance parts and accessories and modification products, there is a significant need for comprehensive one-stop suppliers for small-scale after-sales stores to address the low efficiency of scattered supply chain at the current stage. We considered that the solutions of finding and ordering products on internet, integrated categories of products and optimized one-stop storage and delivery are the main development approach to the problems existed in the supply of automotive parts and accessories to those small-scale individual stores. The Group will provide one-stop parts and accessories wholesale and delivery service to those small-scale individual stores through ordering on computers and mobile devices with the foundation of “Auto Make” e-commerce platform in B2B field. Such business model the Group is expected to replace the traditional model of dealerships and distribution of automotive parts city at a quick pace while the scale and revenue of the business will also grow rapidly.

As at 31 December 2016, the Group had a total of 176 retail service stores, 10 wholesale service stores and 2 manufacturing factories.

The Group’s Service Business

Based on the analysis of automobile after-sales market by the management, the Group focused on the expansion of individual automobiles service chained network in B2C field and the construction and expansion of the automotive products e-commerce platform “Auto Make” in B2B field.

The operating strategies implemented during the Year mainly include the following aspects:

First, the Group steadily expanded its retail service network. The Group has disposed of over 40 retail stores in various districts in a large scale during the Year, which is mainly attributable to the consideration of the unity of commercial environment, sustainability of operation cycle and unity of service contents and the brand, which led to changes in revenue and number of retail stores correspondingly. The consolidated service chain business of the Group will focus the investment on gas station stores. Pursuant to the strategic cooperation agreement between the Group and Hubei Oil Products Branch of Sinopec Chemical Products Sales Company (“**Sinopec**”), the Group and Sinopec Hubei cooperated to establish automotive retail service stores at the gas stations within the Sinopec Hubei network. As at 31 December 2016, the number of automotive retail service stores jointly established by both parties reached 64, resulting in a significant increase of the Group’s market share and brand recognition in the automotive after-sales market in central China region. Afterwards, the Group has also entered into the strategic cooperation agreements with Sinopec Tianjin, Sinopec Jiangxi, Sinopec Anhui, Sinopce Guangdong, Gansu Sales Branch Company of PetroChina Company Limited (“**PetroChina**”), and Beijing Sales Branch Company of PetroChina, and will gradually expand the scope of strategic cooperation with Sinopec and PetroChina.

MANAGEMENT DISCUSSION AND ANALYSIS

The rentals of automotive service stores in urban areas are too high, which become a constraint to the further expansion of after-sales automotive chained business, and also the unity of the commercial environment and nature of property is a great challenge for chain replicating. Standardisation is a condition precedent to economies of scale, which is also a path to cope with the segmentation of the current automotive service industry. The Group has established gas station stores pursuant to the strategic cooperation with Sinopec and PetroChina, which made a breakthrough in the bottleneck point. The Group chose to commence the automotive after-sales service stores in gas stations with high traffic volume in urban areas. The land use right in the areas where the gas stations are located were owned by Sinopec and PetroChina, or rented previously by Sinopec and PetroChina at lower rentals and for a longer term. Accordingly, establishing gas station stores with Sinopec and PetroChina helps the Group to benefit from the advantages in rent and adequate traffic flow which are not available to our competitors, as compared with self operation by the Group.

With more than 50,000 gas stations set up in China by Sinopec and PetroChina, the Group has made breakthrough in the bottleneck of site selection of new retail stores which is normally faced by automotive after-sales chained corporation. In this regard, the Group will be able to substantially increase its pace in setting up retail service stores and level of standardization and gradually implement and optimize the layout of the Group's gas station stores in China. As at 31 December 2016, the number of stores established by the Group in Gansu, Jiangxi, Tianjin, Anhui and Guangdong was 67 in total.

Secondly, the wholesale business of the Group was integrated into the e-commerce business platform "Auto Make". The Group integrated the wholesale businesses of Liaoning XTC and Zhejiang Autoboom to exert the synergy of wholesale businesses in various aspects including products, channels and human resources for the purpose of increasing operation efficiency. The Group also invested more resources to improve the e-commerce platform "Auto Make", and obtained significant result. The originally offline business has been fundamentally transformed into the online platform "Auto Make", which become our foundation for developing new customers. Targeting small-scale and chain automotive after-sales service retail stores, the e-commerce platform provides customers with purchase, delivery and warehouse storage services of repair and maintenance products and automotive accessories, and it also attracts relevant manufacturers and large-scale wholesalers to set up stores on the "Auto Make" platform for the purpose of providing services such as sales, collection of payment and delivery. Through these functions, the Group has set up an e-commerce platform combining a self-operated wholesale platform of the Group and third-party sales of automotive products.

The sales amount of e-commerce platform "Auto Make" during the Year grew at high pace, of which revenue generated from self-operated business reached over RMB300 million while the revenue generated from the transactions of "Auto Make" by the third parties reached over RMB100 million. The e-commerce platform is expected to continue to increase the sales amount of the Group significantly and enhance the Group's operation efficiency. At present, the e-commerce business platform has covered three provinces in Northeast China as well as Eastern Mongolia Region, Zhejiang Province and Jiangsu Province, and it is expected to further expand to Beijing, Shanghai, and Guangdong.

MANAGEMENT DISCUSSION AND ANALYSIS

The operating strategy of the Group at this stage is to focus the resources on the development of its core business. In order to continuously provide various resources in aspects of manual labor and capital for the subsequent developments of gas station stores of the Group and the e-commerce platform “Auto Make”, the Group has customized the current automotive after-sales chain network by disposing of certain automotive after-sales stores in Taiwan, Shenzhen and Shanghai and automotive film business of the Group for the purpose of focusing on the development of key advantageous business of the Group which meets the market features and demands of chained service and maximizing the expansion of resources and network coverage of the Group.

The Group’s Manufacturing Business

Based on the effective and remarkable operation and management approaches in 2015, the Group has continually reviewed information regarding our target markets, customers and products, leading to an understanding of the customers’ demand for products and the development trend of similar products in the international market. The Shenzhen R&D center, which is part of the Group’s manufacturing business, focused on the field of the solutions for battery diversification of new energy automobiles and it effectively completed strategic setting for technology platform, production lines, supply chain systems, targeted customers and quality control systems, which help further strengthen the foundation of high business growth of the Group’s manufacturing business.

Prospects

The Group will continue to adopt the following operational strategies for its service business:

First, the Group will expand the scope of cooperation with Sinopec and PetroChina. Leveraging on the demonstrative effects of retail service stores established at the gas stations within the Sinopec Hubei network, the Group will promote the cooperation model of the Group and Sinopec in the markets of other regions, and expand the scope of cooperation to the nationwide gas station network of Sinopec eventually. The Group will also further implement the cooperation agreements with PetroChina Gansu and PetroChina Beijing by replicating its partnership store set-up model with Sinopec in order to further expand and improve the retail service chain network of the Group.

Secondly, the Group will actively adjust the product portfolio of the Group’s wholesale business; focus on automotive repair and maintenance products with rigid demand; improve logistics efficiency and service quality; enhance the proportion of e-commerce sales; and continue to improve its unified e-commerce platform “Auto Make”, thereby enabling the Group to become an indispensable comprehensive supplier that provides integrated repair and maintenance products for automotive after-sales service stores in target markets.

Thirdly, the Group will continue to actively search for and negotiate with potential acquisition targets and cooperation partners which will help achieve the strategic objectives of the Group.

PROFILES OF THE DIRECTORS AND SENIOR MANAGEMENT

Profiles of the Directors and senior management as at the date of this annual report are set out below.

Executive Directors

Mr. Zhang Jianxing (Chairman)

Mr. Zhang, aged 50, is an executive Director, the chief executive officer and the Chairman of the Company, and is currently responsible for the operation and management of the Group. Mr. Zhang has been the executive Director and the chief executive officer since August 2013, and has been the Chairman since March 2016. Mr. Zhang is also a director of several subsidiaries of the Company.

Mr. Zhang graduated from Tongji University (同濟大學) and received a Bachelor of Science degree in civil engineering. He has been employed by CDH Investments Management (Hong Kong) Limited (“CDH”) since 2011, and his current position is managing director. Prior to joining CDH, Mr. Zhang served as a managing operation director at China Resources Asset Management Limited (華潤資產管理有限公司) from 2009 to 2011. Mr. Zhang served as an independent non-executive director at Tesson Holdings Limited (天臣控股有限公司) (Stock Code: 1201) from 24 March 2015 to 21 September 2015.

Mr. Du Jinglei

Mr. Du, aged 39, is an executive Director. He graduated with a bachelor’s degree in mechanical engineering and a master’s degree in measurement technology and instrumentation from Tsinghua University (清華大學) in July 2000 and July 2002, respectively. He has been employed by Ding Hui Investment Management (Tianjin) Company Limited (鼎暉股權投資管理(天津)有限公司) since August 2006, and his current position is managing director who is in charge of deal sourcing and executions. Prior to joining CDH, Mr. Du worked as an assistant manager in KPMG China and was responsible for certain IPO audit and other audit assurance engagements from August 2002 to August 2006. Currently, Mr. Du is also a director, executive deputy general manager and company secretary of Ningbo Yajin Electronic Science and Technology Corporation Limited (寧波亞錦電子科技股份有限公司) (a company listed on the National Equities Exchange and Quotations System of the People’s Republic of China (“NEEQ”), Stock Code: 830806). Mr. Du joined the Group in August 2013.

PROFILES OF THE DIRECTORS AND SENIOR MANAGEMENT

Non-executive Directors

Mr. Ying Wei

Mr. Ying, aged 50, is a non-executive Director. He holds a master's degree in business administration from the University of San Francisco and a bachelor's degree in economics from the Zhejiang Gongshang University (浙江工商大學) (formerly known as Hangzhou Institute of Commerce (杭州商學院) and is a non-practicing member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會). Currently, Mr. Ying is the managing director of CDH Investments, an independent non-executive director of CHTC Fong's Industries Company Limited (恒天立信工業有限公司) (Stock Code: 641) and Fountain Set (Holdings) Limited (福田實業(集團)有限公司) (Stock Code: 420) and Zhongsheng Group Holdings Limited (中升集團控股有限公司) (Stock Code: 881), a non-executive director of China Health Group Limited (中國衛生集團有限公司) (Stock Code: 673) and a director of Chongqing New Century Cruise Co., Ltd (重慶新世紀游輪股份有限公司) (a company listed on the Shenzhen Stock Exchange ("SZSE"), Stock Code: 002558). Mr. Ying joined the Group since August 2013.

Mr. Wang Zhenyu

Mr. Wang, aged 53, is a non-executive Director. He graduated from Hefei University of Technology (合肥工業大學) with a bachelor's degree in machinery engineering in 1985 and a master's degree in industrial management engineering in 1988. Mr. Wang has been employed by CDH since 2008, and his current position is managing director. From 2002, he served as a vice President and managing Director in several affiliates of CDH. Prior to joining CDH, from 2000 to 2002, he served as an associate in the investment consultancy department of China International Capital Corporation Limited (中國國際金融有限公司). He served as a non-executive director of Xiezhong International Holdings Limited (協眾國際控股有限公司) (Stock Code: 3663) from June 2012 to July 2014. Currently, Mr. Wang is also a director of Zhong Ding United Dairy Farming Co., Ltd (中鼎聯合牧業股份有限公司) (a company listed on NEEQ, Stock Code: 834586). Mr. Wang joined the Group in August 2013.

Independent Non-executive Directors

Mr. Hu Yuming

Mr. Hu, aged 51, is an independent non-executive Director. He received a Bachelor's degree in Economics, a master's degree in Economics and a doctor's degree in economics from Xiamen University (廈門大學) in 1986, 1989 and 1995, respectively and is a non-practicing member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會). He has been a professor at the School of Management of Jinan University (暨南大學管理學院) from 2000 to present and held various teaching positions in Xiamen University (廈門大學) from 1989 to 2000. He had worked for China Resources Jinhua Co., Ltd. (華潤錦華股份有限公司) (SZSE Stock Code: 000810) as an independent director during the period from 2004 to 2010. Mr. Hu had also worked for Guangzhou Zhujiang Brewery Co., Ltd. (廣州珠江啤酒股份有限公司) (SZSE Stock Code: 002461) and Guangdong HongDa Blasting Co., Ltd. (廣東宏大爆破股份有限公司) (SZSE Stock Code: 002683) as an independent director during the period from 2009 to 2012 and from 2010 to 2013, respectively. He also worked for Guangzhou Canudilo Fashion and Accessories Co., Ltd. (廣州卡奴迪路服飾股份有限公司) (SZSE Stock Code: 002656) as an independent director during the period from December 2008 to January 2015. Currently, Mr. Hu is an independent director of By-health Co., Ltd. (湯臣倍健股份有限公司) (SZSE Stock Code: 300146) and Guangzhou Shiyuan Electronic Co., Ltd. (廣州視源電子科技股份有限公司) (SZSE Stock Code: 002841). Mr. Hu joined the Group in August 2013.

PROFILES OF THE DIRECTORS AND SENIOR MANAGEMENT

Mr. Lin Lei

Mr. Lin, aged 49 is an independent non-executive Director. He received a bachelor's degree in Applied Economic Mathematics from the Renmin University of China (中國人民大學) in 1990. He is the founder and Chairman of the Board of Sinotrust International Information & Consulting (Beijing) Co., Ltd. (新華信國際信息諮詢(北京)有限公司) (re-named as TNS Sinotrust Market Research Consulting (Beijing) Co., Ltd. (特恩斯新華信市場諮詢(北京)有限公司, "Sinotrust"). Prior to founding Sinotrust in 1992, from 1990 to 1992, Mr. Lin worked at the Ministry of Foreign Economic Relation and Trade (對外經濟貿易部). Currently, Mr. Lin is an independent non-executive Director of Synutra International Inc (聖元國際集團) (NASDAQ: SYUT), Xiezhong International Holdings Limited (協眾國際控股有限公司) (Stock Code: 3663) and CAR Inc (神州租車有限公司). (Stock Code: 699). Concerning his professional memberships and qualifications, Mr. Lin is currently a member of the European Society for Opinion and Marketing Research (ESOMAR) (歐洲民意與市場研究協會), the vice president of China Association of Market Information and Research (CAMIR) (中國市場信息調查業協會), a council member of Society of Automotive Engineers of China (SAE) (中國汽車工程學會), commissioner of the expert committee of China Automobile Dealers Association (CADA) (中國汽車流通協會). Mr. Lin joined the Group in August 2013.

Mr. Zhang Xiaoya

Mr. Zhang, aged 54, is an independent non-executive Director. He is a graduate of the Shangdong University (山東大學) and the school of management at the Beijing University of Aeronautics and Astronautics (北京航空航天大學) and is a senior engineer. Mr. Zhang is the chairman of Zhong Ding United Dairy Farming Co.,Ltd (中鼎聯合牧業股份有限公司) (a company listed on NEEQ, Stock Code:834586) and the chairman of Beijing Xindajiating Investment Company (北京信達嘉鼎投資公司), an independent non-executive director of China Mengniu Dairy Company Limited (中國蒙牛乳業有限公司) (Stock Code: 02319), and an independent director of Guangzhou Zhujiang Digital Group (廣州珠江數碼集團). Mr. Zhang previously served as a director and president of AirMedia Group Inc. (航美傳媒集團) (NASDAQ: AMCN), the chairman of Unibank Media (銀廣通傳媒集團) and an independent director of Syswin Inc. (思源經紀), which was listed on the New York Stock Exchange until April 2013. Mr. Zhang joined the Group in March 2015.

Senior Management

Mr. Lin Ming

Mr. Lin, aged 37, is the chief financial officer of the Company. He is currently responsible for financial budget and capital management of the Group. Mr. Lin is also an director of several subsidiaries of the Company.

Mr. Lin graduated from Nankai University (南開大學) in 2002. He holds a bachelor's degree in accountancy and is a non-practicing member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會). From 2002 to 2007, he served as audit manager in KPMG Huazhen (畢馬威華振會計師事務所) and was responsible for certain IPO audit and other audit assurance engagements. From 2007 to 2013, he served as chief financial officer and senior vice president of Towona Mobile TV Media Group (China) Limited (世通華納移動電視傳媒集團(中國)有限公司). Mr. Lin joined the Group in August 2013.

PROFILES OF THE DIRECTORS AND SENIOR MANAGEMENT

Ms. Hung Ying-Lien

Ms. Hung, aged 51, vice president and chief operating officer of the Company, is responsible for the operations of the Group.

She graduated from Taiwan Fu Jen Catholic University (台灣輔仁大學) with a bachelor's degree in accountancy in 1988. She has extensive experience in the wholesale and retail service sector and in the finance field. Prior to joining the Group, Ms. Hung had worked in various positions in a hypermarket chain stores in Taiwan from 1991 to 2001, responsible for wholesale operations, human resource management, product management, inventory logistics and financial management. Ms. Hung joined the Group in July 2001.

Mr. Zuo Yungui

Mr. Zuo, aged 44, vice president of the Company, is responsible for the operations and management of the Group's manufacturing industry, the information technology department, merger and acquisition department of the Group. Mr. Zuo is also a director of several subsidiaries of the Company.

Mr. Zuo obtained his bachelor's degree in weaving and product design from Chengdu Textile College (成都紡織高等專科學校) in 1996, with engineers titles. He worked for China Resources Jinhua Co., Ltd. (華潤錦華股份有限公司), China Resources Textiles (Holdings) Company Limited (華潤紡織(集團)有限公司) and Meihua Holdings Group Co., Ltd. (梅花生物科技集團股份有限公司). He has extensive management experience in the manufacturing sector, as well as seven consecutive years of group strategic management experience. Mr. Zuo joined the Group in August 2013.

Mr. Xing Aiyi

Mr. Xing, aged 55, is a vice president of the Company and a director and general manager of Beijing Aiyihang Auto Service Ltd. (北京愛義行汽車服務有限責任公司) ("**Beijing Aiyihang**"), a subsidiary of the Group, and is responsible for the retail service business of the northern region and the operating and management of Beijing Aiyihang. Mr. Xing received a master's degree in Business Administration from Party School of Beijing Municipal Committee (北京市委黨校) in 2009. He established Aiyihang Auto Service Centre in 1992, founded Beijing Aiyihang and started the automotive chain operation in 1997. Mr. Xing joined the Group in February 2007.

Mr. Li Haidong

Mr. Li, aged 47, is the chairman and executive general manager of Liaoning XTC, a subsidiary of the Group, and is responsible for the operations and management of the Group's wholesale service business. He founded Liaoning XTC in 1994. Mr. Li joined the Group in June 2010.

Mr. Wu Yande

Mr. Wu, aged 47, is a director and executive general manager of Changchun Guangda, a subsidiary of the Group, and is responsible for the operating and management of Changchun Guangda. He founded Changchun Guangda in 1996. Mr. Wu joined the Group in July 2012.

CORPORATE GOVERNANCE REPORT

The board of Directors (the “**Board**” or the “**Directors**”) hereby presents this Corporate Governance Report in the Company’s annual report for the year ended 31 December 2016.

Corporate Governance Practices

The Board believes good corporate governance practice is the key to business growth and management of the Group.

The Company has applied the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) throughout the year ended 31 December 2016.

In the opinion of the Board, the Company has complied with the code provisions set out in the CG Code throughout the year ended 31 December 2016, save and except for the deviation from code provision A.2.1.

Key corporate governance principles and practices of the Company as well as details relating to the forgoing deviation are summarized as below.

Securities Transactions of Directors

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix 10 of the Listing Rules as its own code of conduct for dealings in securities of the Company by the directors or relevant employees as defined in the Model Code. Having made specific enquiry to all directors by the Company, all directors confirmed that they had complied with the requirements set out in the Model Code during the financial year ended 31 December 2016.

Board of Directors

Responsibilities and Delegation

The Board is responsible for the overall management and control of the Company. Its main roles are to provide leadership and to approve strategic policies and plans with a view to enhancing shareholder value. All Directors carry out their duties in good faith and in compliance with applicable laws and regulations, taking decisions objectively, and acting in the interests of the Company and its shareholders at all times.

All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary and senior management. Any director may request independent professional advice in appropriate circumstances at the Company’s expense, upon making reasonable request to the Board. The Board has implemented appropriate measures and internal control procedures to ensure that the Company runs its business pursuant to all applicable legal and regulatory requirements with prudence and integrity.

The senior management are obliged to supply the Board with adequate information in a timely manner to enable the Board to make informed decisions in a timely manner. Each of the Directors is entitled to obtain such records of the Company as are necessary to enable them to make informed decisions. Biographical details of the Directors and their relationships are set out under the section headed “Profiles of the Directors and Senior Management” in this annual report.

CORPORATE GOVERNANCE REPORT

Issues reserved for discussion and approval by the Board include the following: (i) corporate strategies; (ii) annual budget and annual business plan; (iii) annual and interim results; (iv) internal control and risk management; (v) major acquisitions, disposals and capital transactions; and (vi) other significant operational and financial matters.

Major corporate matters that are specifically delegated by the Board to the management include the preparation of annual and interim financial statements for Board approval before publication, execution of business strategies and initiatives adopted by the Board, implementation of adequate internal control and risk management system, and compliance with relevant statutory requirements and rules and regulations. Each executive Director should assume individual responsibilities to oversee and monitor the operations of a specific business unit, and to implement the strategies and policies set by the Board. The independent non-executive Directors will provide independent advice to the Board and share their knowledge and experience with other members of the Board.

Board Composition

The Board currently comprises two executive Directors and five non-executive Directors with three of them being independent non-executive Directors:

Executive Directors

Mr. Zhang Jianxing

(Chairman/Chief Executive Officer, appointed as Chairman with effect from 31 March 2016)

Mr. Du Jinglei

(re-designated from non-executive director to executive director with effect from 31 March 2016)

Non-executive Directors

Mr. Ying Wei *(resigned as Chairman with effect from 31 March 2016)*

Mr. Wang Zhenyu

Independent Non-executive Directors

Mr. Hu Yuming

Mr. Lin Lei

Mr. Zhang Xiaoya

The Company has received from each independent non-executive Director an annual confirmation or confirmation of independence pursuant to Rule 3.13 of the Listing Rules and the Company considers such Directors to be independent.

All Directors have brought a wide range of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Moreover, through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all independent non-executive Directors make various contributions to the effective direction of the Company.

CORPORATE GOVERNANCE REPORT

Appointment and Re-election of Directors

All Directors are appointed for a fixed term of three years. The articles of association of the Company (“**Articles**”) require that one-third of the Directors (including executive and non-executive Directors) retire each year. The Directors to retire each year shall be those appointed by the Board during that year and those who have been longest in office since their election or re-election. A retiring Director is eligible for re-election.

Apart from the service agreement or letter of appointment (as the case may be) entered into by each non-executive Director with a fixed term, none of them has signed any form of service contract with the Company or any of its subsidiaries.

Continuous Professional Development of Directors

Under code provision A.6.5, directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

All directors are encouraged to attend relevant training courses at the Company’s expense. During the year ended 31 December 2016, the Company organized briefings conducted by the Company Secretary for all its Directors, namely, Mr. Zhang Jianxing, Mr. Du Jinglei, Mr. Ying Wei, Mr. Wang Zhenyu, Mr. Hu Yuming, Mr. Lin Lei and Mr. Zhang Xiaoya, on corporate governance and provided reading materials on regulatory update to all the directors for their reference and studying. Directors are requested to provide their training records to the Company Secretary for record-keeping.

Roles of Chairman and Chief Executive Officer

Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Zhang Jianxing acted as both the chairman and chief executive officer of the Company since 31 March 2016. Such deviation is due to the fact that the day-to-day management of the Group was led by Mr. Zhang Jianxing. The Board considers that such arrangement provided the Group with strong and consistent leadership, allowed for effective and efficient planning and implementation of business strategies and decisions.

Board Committees & Corporate Governance Functions

On 28 August 2013, the Board has established the Audit Committee, the Remuneration Committee, the Nomination Committee and the Strategy Committee for overseeing particular aspects of the Company’s affairs. The Audit Committee, the Remuneration Committee and the Nomination Committee have been established with defined written terms of reference, which are posted on the Company’s website “www.nfa360.com” and the Stock Exchange’s website and are available to shareholders upon request. All Board committees report to the Board on their decisions or recommendations.

All Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company’s expense.

CORPORATE GOVERNANCE REPORT

Audit Committee

The Audit Committee comprises a total of three members, being two independent non-executive Directors, namely, Mr. Hu Yuming (Chairman) and Mr. Lin Lei, and one non-executive Director, namely, Mr. Ying Wei (appointed to replace Mr. Du Jinglei with effect from 31 March 2016). The chairman of the Audit Committee is Mr. Hu Yuming who possesses the appropriate accounting and financial management expertise as required under Rule 3.10(2) of the Listing Rules. None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The terms of reference of the Audit Committee have been determined with reference to the CG Code. The main duties of the Audit Committee are to (i) review the financial statements and reports and consider any significant or unusual items raised by the financial officers of the Group or external auditors before submission to the Board; (ii) review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process; (iii) make recommendation to the Board on the appointment, re-appointment and removal of external auditors; and (iv) review the adequacy and effectiveness of the Company's financial reporting system, internal control system, risk management system, internal audit function and associated procedures and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

On 10 December 2015, the Board adopted the updated terms of reference of the audit committee so that the audit committee shall also oversee the risk management system of the Group starting from 1 January 2016.

During the year ended 31 December 2016, the audit committee, through its meetings held on 30 March 2016 and 30 August 2016 respectively, has performed, among others, the following:

- review and discussion of the annual financial results and report in respect of the year ended 31 December 2015 and interim financial results and report for the six months ended 30 June 2016 and discussion with the management of the accounting principles and practices adopted by the Group;
- discussion on and recommendation of the re-appointment of the external auditors; and
- review of the internal control, financial reporting and risk management systems and effectiveness of internal audit function of the Group.

The external auditors were invited to attend the meetings of the Audit Committee held during the Year to discuss with the Audit Committee members issues arising from the audit and financial reporting matters.

CORPORATE GOVERNANCE REPORT

Remuneration Committee

The Remuneration Committee comprises a total of three members, being two independent non-executive directors, namely, Mr. Hu Yuming (Chairman) and Mr. Zhang Xiaoya; and one non-executive director, namely, Mr. Ying Wei.

The terms of reference of the Remuneration Committee have been determined with reference to the CG Code. Under the terms of reference of the Remuneration Committee, the responsibilities of the Remuneration Committee include, among others, (i) to make recommendations to the Board on the Company's policy and structure for directors and senior management's remuneration and the establishment of a formal and transparent procedure for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration; and (ii) to determine, with delegated responsibility, the remuneration packages of individual executive Directors and the Company's senior management.

During the year ended 31 December 2016, the Remuneration Committee, through its meetings held on 30 March 2016, reviewed and discussed the remuneration policy of the Group, the remuneration packages of the Directors and senior management of the Company, and assessed performance of executive Directors of the Company.

The remuneration of the Directors is determined by the Board which receives recommendations from the Remuneration Committee. Under our current compensation arrangements, the executive Directors are entitled to compensation in the form of salaries and performance-related bonus to be determined by the Board. Non-executive Directors are entitled to a Directors' fees and annual bonus payment to be determined by the Board. All the Independent non-executive Directors are entitled to remuneration of a fixed amount.

There has been no remuneration paid or payable to the Directors or the five highest paid individuals as inducement to join or upon joining the Group or as a compensation for loss of office in connection with the management of the affairs of any member of the Group in respect of the year ended 31 December 2016.

Details of the remuneration of each Director and the remuneration of the five highest paid individuals for the year ended 31 December 2016 are set out in note 10 to the financial statements in this annual report.

Remuneration paid to senior management staff of the Company in 2016 by band is as follows:

	Number of staff
Nil to HK\$1,000,000	–
HK\$1,000,000 to HK\$1,500,000	2
HK\$1,500,001 to HK\$2,000,000	3
HK\$2,000,001 to HK\$2,500,000	–
HK\$2,500,001 to HK\$3,000,000	–

CORPORATE GOVERNANCE REPORT

Nomination Committee

The Nomination Committee comprises a total of three members, being two independent non-executive Directors, namely, Mr. Zhang Xiaoya and Mr. Lin Lei and one executive Director, namely, Mr. Zhang Jianxing (Chairman, appointed to replace Mr. Ying Wei with effect from 31 March 2016).

The terms of reference of the Nomination Committee have been determined with reference to the CG Code. Under the terms of reference of the Nomination Committee, the principal duties of the Nomination Committee are mainly to (i) review the structure, size and composition of the Board annually; (ii) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; (iii) assess the independence of independent non-executive Directors; and (iv) make recommendations to the Board on the appointment or re-appointment of directors of the Company.

The Board has adopted a board diversity policy which sets out the approach to achieve diversity on the Board in August 2013. Accordingly, selection of candidates to the Board is based on a range of measurable objectives, including but not limited to gender, age, cultural and educational background, professional experience and qualifications, skills, knowledge and length of service, having due regard to the Company's own business model and specific needs from time to time. With the existing Board members coming from a variety of business and professional background, the Company considers that the Board possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the Company's business.

During the year ended 31 December 2016, the Nomination Committee, through its meeting held on 30 March 2016, performed the following:

- reviewed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements of the business of the Company; and
- recommendation of the re-appointment of those directors standing for re-election at the 2016 annual general meeting of the Company.

Strategy Committee

The strategy committee of the Company (the "**Strategy Committee**") consists of three members, namely Mr. Zhang Xiaoya, Mr. Wang Zhenyu, and Mr. Lin Lei (Chairman). The duties of the Strategy Committee include formulating and revising the Group's future development strategies, carrying out procedures and enhancing the efficiency and quality of important decision-making procedures. The Strategy Committee shall convene meetings to discuss important investment and financing matters.

During the Year, the Group has not been involved in any corporate action that requires the involvement of the Strategy Committee.

CORPORATE GOVERNANCE REPORT

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

Up to the date of this annual report, the Board met once to review the Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company's policies and practices on the compliance of the Model Code, the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

Attendance Record of Directors and Committee Members

During the year ended 31 December 2016, the Board held 4 Board meetings. The attendance record of each director at the Board and Board Committee meetings and the general meetings of the Company held during the year ended 31 December 2016 is set out in the table below:

Name of Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting
Mr. Zhang Jianxing (Note 1)	4/4	–	–	–	1/1
Mr. Du Jinglei (Note 2)	4/4	1/1	–	–	1/1
Mr. Ying Wei (Note 2)	4/4	1/1	1/1	1/1	1/1
Mr. Wang Zhenyu	4/4	–	–	–	1/1
Mr. Hu Yuming	4/4	2/2	1/1	–	1/1
Mr. Lin Lei	4/4	2/2	–	1/1	1/1
Mr. Zhang Xiaoya	4/4	–	1/1	1/1	1/1

Notes:

1. Mr. Zhang Jianxing was appointed as Chairman and a member of the Nomination Committee to replace Mr. Ying Wei with effect from 31 March 2016.
2. Mr. Ying Wei was appointed as a member of the Audit Committee to replace Mr. Du Jinglei with effect from 31 March 2016.

CORPORATE GOVERNANCE REPORT

Directors' and Auditors' Responsibilities for the Financial Statements

The Directors have acknowledged their responsibilities for preparing the financial statements of the Company for the year ended 31 December 2016. The Directors' responsibilities for the accounts and the responsibilities of the external auditors to the shareholders are set out on pages 53, 54 and 55.

The directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

Internal Control and Risk Management

The internal control and risk management systems of the Group have been designed to safeguard the assets of the Group, minimise the risks to which the Group is exposed and used as a management tool for the day to-day operation of business. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against misstatement or losses. During the Year, an internal audit function has been in place within the Group to review the adequacy and effectiveness of its systems of internal control and risk management.

The Board is responsible for maintaining and reviewing the effectiveness of the risk management and internal control systems of the Group. During the Year, the Group's internal audit personnel assessed in detail the effectiveness of the risk management and internal control systems of the Group by reviewing each important steps and procedures of the systems and evaluating the possible operational and compliance risks which may exist in the Group's business. The Audit Committee reviewed and discussed the findings of the Group's internal audit personnel, as well as the comments and suggestion from the Company's external auditors regarding the effectiveness of the risk management and internal control systems of the Group. With reference to the report from the Audit Committee, the Board has held a meeting to conduct a review of the effectiveness of the risk management and internal control systems of the Group, which covered all material control including internal control, financial, operational and compliance control and risk management functions. The Board considered that the risk management and internal control systems of the Group are effective and adequate.

The Group has established systems and procedures for disseminating inside information so as to ensure that inside information is promptly identified. Directors and the management of the Group understand that inside information should be handled and disseminated in accordance with the requirements under the Listing Rules and the Securities and Futures Ordinance (Cap. 571). During the Year, the dissemination of inside information of the Group has been efficiently and consistently made with the assistance of the company secretary and, when necessary, outside legal counsel.

During the Year, The Board has also assessed the adequacy of resources, staff qualifications and experience, training programmes and budget of the accounting, internal audit and financial reporting functions of the Group and considered that they are effective and adequate.

CORPORATE GOVERNANCE REPORT

External Auditors and Auditors' Remuneration

During the year under review, the fees paid/payable to KPMG (the “**Auditor**”) in respect of their audit services for the year 2016 amounted to RMB2,600,000, including RMB2,000,000 for the annual audit service and RMB600,000 in relation to the proposed listing of a subsidiary in NEEQ in the PRC.

During the year under review, the performance of the Auditor has been reviewed by the Audit Committee and the Audit Committee recommended to the Board (which endorsed the view) that subject to shareholders' approval at the forthcoming annual general meeting, the Auditor will be re-appointed as the external auditor of the Company for 2017.

Company Secretary

The Company does not engage an external service provider as its company secretary. Mr. Liu Xiaohua, being the secretary of the Company, has taken no less than 15 hours of relevant professional training during the year ended 31 December 2016.

Communications with Shareholders and Investors Relations

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

To promote effective communication, the Company maintains a website at “www.nfa360.com”, where extensive information and updates on the Group's business developments and operations, financial information, corporate governance practices and other information are available for public access. For enquiries, shareholders and investors may write directly to the Company's head office at Unit A, 9th Floor, Building 1, 100 Zixiu Road, Minhang District, Shanghai, the People's Republic of China and all enquiries will be dealt with in an informative and timely manner.

The Board welcomes views of shareholders and encourages them to attend general meetings to raise any concerns they might have with the Board or the management directly. Board members of the Group are available at the general meetings to answer any questions raised by shareholders.

The Company continues to enhance communication and relationship with its investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them informed of the Group's developments.

CORPORATE GOVERNANCE REPORT

Shareholders' Rights

To safeguard shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors, for shareholders' consideration and voting. Besides, pursuant to the Articles, shareholder(s) holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings may request the Company to convene an extraordinary general meeting by sending a written requisition to the Board or the Company Secretary. The objects of the meeting must be stated in the written requisition.

Shareholders may send written enquiries to the Company for putting forward any enquiries or proposals to the Board of the Company. Contact details are as follows:

Address: Unit A, 9th Floor, Building 1, 100 Zixiu Road, Minhang District, Shanghai, the People's Republic of China (For the attention of the Company Secretary)

Fax: 86-21-6405-6816

Email: gavin_liu@nfa360.com

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

During the year under review, the Company has not made any changes to its Articles. An up-to-date version of the Articles is available on the Company's website and the Stock Exchange's website. Shareholders may refer to the Articles for further details of their rights.

All resolutions put forward at shareholders' meetings will be voted by poll pursuant to the Listing Rules and the poll voting results will be posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.nfa360.com) immediately after the relevant general meetings.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

About the Report

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Guide**”) set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This report, which is the first one issued by the Company to the public, aims to describe the Company’s policies in the year ended 31 December 2016 that were designed to fulfill the Company’s obligation with respect to sustainable development and social responsibilities as required by the ESG Guide. The Board is of the view that the Company has complied with the “comply or explain” provisions set out in the ESG Guide for the Year.

The Company believes that having a sound environmental, social and governance performance is important to the continued sustainable development of its business and community. The Company is committed, not only in creating value for its shareholders, but also in promoting environmental protection, social responsibility and effective corporate governance. A certain level of environmental, social and governance standards have been integrated into the operations and activities of different members of the Group. The management of the Group monitored on an on-going basis the development, implementation and results of various environmental, social and governance initiatives carried out by different members of the Group.

The information disclosed in this report is primarily about the two production plants of the Group in Shanghai and Shandong province and its retail service businesses.

1. Environmental Protection

To demonstrate the Company’s commitment to sustainable development and compliance with laws and regulations relating to environmental protection, we strive to minimize the environmental impact of our business activities and maintain green operations and green office practices.

1.1 Emissions

The Group is governed by, and has complied with, the Law of Environmental Protection of the People’s Republic of China (中華人民共和國環境保護法), the Environmental Impact Assessment Law of the People’s Republic of China (中華人民共和國環境影響評價法) and the Prevention and Control of Environmental Noise Pollution of the People’s Republic of China (中華人民共和國環境噪聲污染防治法). The Group strives to minimize generation of air emissions, discharges into water and land and hazardous waste, and a set of relevant guidelines has been established at the headquarters of the Group with reference to the relevant legal requirements and national standards to provide for specific rules and requirements to be complied with by the members of the Group in their daily operations. During the Year, the Group has not been subject to any fines or related litigation arising out of alleged environmental pollution.

Limited workplace emissions and wastes are mainly attributable to the operation of the Group’s retail service business. The relevant retail service stores of the Group are subject to the approval of environmental protection administration prior to official operation and strictly comply with applicable laws and regulations governing environment in their subsequent operation to minimize the damages to the environment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

All workplace emissions are discharged into the municipal sewer systems for collective treatment and workplace wastes are treated properly by the relevant organizations. Our greenhouse gases emissions are principally resulting from electricity consumed at the Group's workplaces including its two factories.

1.2 *Use of Resources and Impact on the Environment and Natural Resources*

The resources used by the Group are principally electricity and water consumed at its factories, retail service stores and offices.

The factories and retail service businesses of the Group have conducted various measures to preserve electricity and water usage, including the use of energy efficient equipment such as automatic car washers.

Other than strengthening daily management, implementing various policies and measures to mitigate the impact on the environment and reduce the use of natural resources as much as possible, the Group also adopted a plan to deal with hazardous waste disposal to minimize the Group's adverse impact on the environment and natural resources. According to the Group's hazardous waste disposal plan, for hazardous waste that cannot be recycled, each member of the Group shall, in accordance with the applicable regulations of the administrative department for environmental protection under the State Council, build appropriate facilities and grounds for its safe storage with appropriate classification by different types of hazardous waste and adopt measures for the innocuous treatment of such hazardous waste.

The Group has adopted green office practices to reduce natural resource consumption and the impact on the environment. We regulate the use of air conditioning according to the actual weather, encourage employees to use paper in double-sided, and introduce teleconferencing systems to reduce the number of staff traveling for business trip and carbon emissions caused thereby.

2. **Social Responsibility**

The Group believes that one of the key aspects of its success is its good relationship with the employees. With the aim of ensuring employee satisfaction, the Group provides competitive employee benefits and comprehensive training programs to encourage employees to achieve their potential and put their abilities to good use.

Moreover, certain subsidiaries of the Group provide for a number of staff activities to enhance employees' sense of belonging and to help create a friendly and harmonious working environment.

2.1 *Employment and Labor Practices*

The practices and policies adopted within the Group with respect to: (i) recruitment and promotion; (ii) working hours; (iii) rest periods; (iv) equal opportunity; (v) diversity; (vi) anti-discrimination; (vii) welfare and other benefits and (viii) compensation and dismissal have complied with the Labor law of the People's Republic of China (中華人民共和國勞動法), Labor Contract Law of the People's Republic of China (中華人民共和國勞動合同法) and other relevant laws and regulations. Through these practices and policies, the Group aims to equally treat each staff and to ensure that no staff, including potential candidate of the Group, will not be discriminated due to their social identities such as ethnicity, race, nationality, gender, religion, age, sexual orientation, marital status and so on.

Each member of the Group has adopted an employee handbook, which contains information regarding employment management, rights on termination, business conduct, social security funds, compensation, employee benefits, leave benefits, working hours/overtime and performance management and other policies for the benefit of its employees.

All employees of the Group in the PRC are entitled to an employment contract at the start of their employment. Each member of the Group generally formulates their employees' remuneration based on one or more elements such as salaries, bonuses, long-term incentives and benefits, subject to applicable rules and regulations. In accordance with applicable Chinese labor rules and regulations, each member of the Group contributes to various public funds for their employees.

The Group's employees normally work under a standard of 40 hours per week. Employees are entitled to overtime pay if they obtain prior approval from their manager. The Group also provide employees paid days off from work for national public holidays including annual vacation leave, compassionate leave, marriage leave, maternity leave, personal leave and sick leave.

The Group works to ensure an equal and fair working environment and does not tolerate sexual harassment or abuse in the workplace in any form.

2.2 *Health & Safety*

To safeguard employees' occupational health and safety, the Group works hard to provide a safe, healthy and comfortable working environment and has complied with the Labor Law of the People's Republic of China (中華人民共和國勞動法), Regulations on Work-Related Injury Insurance (工傷保險條例) and other applicable regulations. Employees are asked to stringently abide by all safety rules and regulations, and utilize available and applicable protection measures at all times to avoid accidents and protect themselves and coworkers from safety risks. For newly recruited employees, relevant training will be arranged to ensure that such employees fully understand the rules of the employee handbook including those concerning the work-related risks and corresponding protective measures. In the Group's factories and retail service businesses, the supervisors of the new employees are responsible for closely monitoring their activities within the production plants and stores to safeguard the health and safety of those new employees. Adequate safety equipment is also provided to the employees by the Group.

We organize fire safety seminars annually to ensure that employees understand and are familiar with fire safety and fire rescue knowledge. Fire drills are arranged when necessary and appropriate. In September 2016, Gansu Aiyi Hang Auto Service Company Ltd., a subsidiary of the Company, carried out a fire drill involving 24 stores located in gas station to strengthen the employee's awareness of safety in business.

All employees of the Group are covered by work-related injury insurance, which would provide our employees who suffered work-related injury with certain compensation as provided by the relevant laws and regulations.

2.3 *Development & Trainings*

To encourage employee development, the Group provides human resource trainings, including customized training courses, to help them develop managerial knowledge and other professional skills that help advance their careers.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

New employees are provided with on-board trainings to help them familiarize themselves with the culture, business and operations of the relevant subsidiaries of the Group. In addition, for those employees who are to work in the production lines and retail service stores, every newly-hired employee will be provided with pre-job technical training to enhance the professional skills necessary for the job. Below is a picture of new employees of Hubei Aiyi Hang Auto Service Company., Ltd., a subsidiary of the Company, when they were attending a training camp in May 2016.



The Group has developed a scientific performance evaluation management system to ensure criteria of performance are open and the processes and the results of evaluation are just and fair. Individual performance results are linked with the employee's income and opportunities for promotion within the Group.

2.4 Labor Standards

The Group strictly prohibits child labor and forced labor and has complied with the Labor Contract law of the People's Republic of China (中華人民共和國勞動合同法). We audit and verify staff identity during the recruitment process to ensure that no child labor is employed. The Group also strictly complies with the relevant PRC labor regulations relating to working hours, rest and holidays to ensure the physical and mental health of all employees. Employees are not forced to work beyond working hours and are entitled to overtime pay in accordance with local regulations.

2.5 *Supply Chain Management*

In the selection of our suppliers, the Group has established certain criteria on the examination of supplier qualifications, which involve the review of the qualification of the enterprise legal person, qualification level, registered capital, ISO quality certification, ISO environmental certification, ISO occupational health and safety certification, production safety and financial conditions. We also conduct on-site inspection on the suppliers' production plants and review the authenticity of information provided by our suppliers.

The Group is also committed to ensure that its suppliers are socially responsible. Suppliers are urged to take measures to reduce their environmental and social risks. The Group closely supervises the performance of its suppliers and conduct assessment on a regular basis.

2.6 *Product Responsibility*

The Group complies with various PRC regulations relevant to the operation of its business in areas such as health and safety, advertising, labelling and privacy matters relating to its products and services, including the Law of the People's Republic of China on Product Quality (中華人民共和國產品質量法), Law of the People's Republic of China on Trademark (中華人民共和國商標法) and Law of the People's Republic of China on Advertising (中華人民共和國廣告法).

The Group realizes that it's extremely important to guarantee the safety of its products and services. The manufacturing business of the Group adopts strict quality control systems throughout its design and production of auto accessories and has purchased products liability insurance for its products in accordance with the requirements of applicable laws and regulations and the requirements of our customers as well. The service business of the Group carefully inspects the qualification of its suppliers to ensure the quality of the products provided by those suppliers.

The Group's customer information is centrally managed through a customer relationship management system. All employees of the Group, in particular those employees work in the Group's service business, are required to keep the information of our customers strictly confidential. Any unauthorized use of the customer information is strictly prohibited.

During the Year, the Group was not aware of any violation of the laws and regulations on products and services (including product and service quality, advertising, labelling, customer privacy, consumer right and interest etc.) which had a material impact on the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2.7 *Anti-corruption*

The Group maintains a high standard of business integrity throughout its operations and tolerates no corruption or bribery of any kind, and strictly complies with the Criminal Law of the People's Republic of China (中華人民共和國刑法), the Anti-Unfair Competition Law of the People's Republic of China (中華人民共和國反不正當競爭法) and other relevant laws and regulations relating to anti-corruption, bribery, extortion, fraudulent behavior and money-laundering.

The Group also established a code of conduct to combat and prevent the occurrence of bribery, corruption, extortion and other illegal activities within the Group. A whistle-blowing policy was included in such code of conduct to encourage employees, suppliers and customers of the Group to report any such alleged illegal activities within the Group.

2.8 *Community Investment*

The Group has been committed to social responsibilities and community communication and has undertaken related community activities according to the needs of the community. With social responsibility in mind, the Group has been increasing its efforts in charity work. The Group strives to promote social development and progress by contributing to education, charity and other areas.

Below is a picture of the auction held by Zhejiang Autoboom Industrial Co., Limited, a subsidiary of the Company, in November 2016 to raise money for elementary schools in poverty areas.



REPORT OF THE DIRECTORS

The Directors are pleased to present their annual report for the year ended 31 December 2016 and the audited consolidated financial statements (the “**Financial Statements**”) of the Group for the Year.

Group Reorganisation, Subsidiaries and Basis of Presentation

The Company was incorporated in the Cayman Islands on 15 May 2002 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Pursuant to the group reorganisation as detailed in section 4 headed “Corporate Reorganisation” in Appendix VI to the prospectus dated 17 February 2005 of the Company, in preparation for the listing of the Company’s shares on the Main Board of the Stock Exchange, the Company became the holding company of other companies comprising the Group on 13 February 2005.

Principal Activities

The Group focused on the construction of automotive chain service network in China (the Group’s service business) as well as the innovative production of environmentally friendly automotive lighting and automotive electronic power products (the Group’s manufacturing business), with an aim to providing automobile consumers with products and services with premium performance-price ratio.

Details of the principal activities of the subsidiaries of the Company are set out in note 20 to the Financial Statements.

Business Review

Discussions and reviews of the Group’s business are contained in the Management Discussion and Analysis of this annual report. These discussions and reviews form part of this Report of the Directors.

Results and Dividends

The consolidated results of the Group for the Year are set out in the consolidated statement of comprehensive income on page 56. An analysis of turnover and segmental results for the Year by geographical and business segments is set out in note 6 to the Financial Statements.

The Directors do not recommend the payment of a final dividend for the Year (2015: Nil).

Property, Plant and Equipment

Details of the movements of property, plant and equipment of the Group during the Year are set out in note 15 to the Financial Statements.

Investment Properties

Details of the movements of investment properties of the Group during the Year are set out in note 17 to the Financial Statements.

Share Capital

Details of the issued share capital of the Company and its movements during the Year along with the relevant reasons are set out in note 27 to the Financial Statements.

REPORT OF THE DIRECTORS

Reserves

Movements of reserves of the Group and the Company are set out in the consolidated statement of changes in equity and note 28 to the Financial Statements respectively.

Distributable Reserves

Under the Companies Law of the Cayman Islands, share premium amounting to approximately RMB876,899,000 is distributable to shareholders, provided that immediately following the date on which the distribution or dividend is proposed to be made, the Company is able to settle its debts as they fall due in the ordinary course of business.

As at 31 December 2016, the reserve available for distribution to shareholders of the Company (the “Shareholders”) amounted to approximately RMB132,318,000.

Closure of Register of Members

The register of members will be closed from 26 June 2017 to 29 June 2017 (both days inclusive), during which period no transfer of shares will be registered. In order to be entitled to attend the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 23 June 2017.

Directors

The Directors who held office during the Year and up to the date of this annual report were:

Executive Directors

Zhang Jianxing* (*Chief Executive Officer, and appointed as Chairman with effect from 31 March 2016*)

Du Jinglei (*re-designated from non-executive Director to executive Director with effect from 31 March 2016*)

Non-executive Directors

Ying Wei* (*resigned as Chairman with effect from 31 March 2016*)

Wang Zhenyu

Independent Non-executive Directors

Hu Yuming

Lin Lei

Zhang Xiaoya

* As disclosed in the announcement of the Company dated 30 March 2016, Mr. Ying Wei resigned as chairman of the Company and the chairman of the Nomination Committee but remained as a non-executive Director of the Company with effect from 31 March 2016, while Mr. Zhang Jianxing was appointed as the chairman of the Company and the chairman of the Nomination Committee with effect from 31 March 2016.

REPORT OF THE DIRECTORS

Directors (Continued)

Biographical details of the Directors are set out in the section headed “Profiles of the Directors and Senior Management” in this annual report.

In accordance with Article 87(1) of the Company’s Articles, Mr. Hu Yuming, Mr. Lin Lei and Mr. Du Jinglei will retire by rotation at the forthcoming annual general meeting of the Company. All such Directors being eligible, offer themselves for re-election.

The Company has received from each of its independent non-executive Directors an annual confirmation or confirmation of his independence. The Company considers that all of its independent non-executive Directors are independent.

Directors’ Service Contracts

Each of Mr. Zhang Jianxing, Mr. Ying Wei, Mr. Wang Zhenyu and Mr. Du Jinglei, has entered into a service agreement with the Company for a term of three years commencing from 28 August 2016, subject to retirement by rotation in accordance with the Articles of the Company.

Pursuant to the respective letters of appointment of the independent non-executive Directors, namely, Mr. Hu Yuming and Mr. Lin Lei, each of them was appointed for a term of three years commencing from 28 August 2016, subject to retirement by rotation in accordance with the Articles of the Company.

Mr. Zhang Xiaoya, an independent non-executive Director, has entered into a letter of appointment with the Company for a term of three years commencing from 20 March 2015, subject to retirement by rotation in accordance with the Articles of the Company.

Save as disclosed above, none of the Directors had entered into service contracts with the Company which are not determinable by the Company within one year without payment of compensation (other than statutory compensation).

REPORT OF THE DIRECTORS

Changes in Information of Directors

Pursuant to Rule 13.51(B)(1) of the Listing Rules, the changes in information of Directors subsequent to the date of the 2015 Annual Report are set out below:

Name of Director	Details of Changes
Mr. Zhang Jianxing	– Appointed as chairman of the Board and chairman of the Nomination Committee effective from 31 March 2016.
Mr. Ying Wei	– Resigned as chairman of the Board and chairman of the Nomination Committee effective from 31 March 2016. – Remained as non-executive director of the Company and appointed as a member of the Audit Committee to replace Mr. Du Jingle effective from 31 March 2016. – Appointed as a non-executive director of China Health Group Limited (stock code: 673), a company listed on the Main Board of the Stock Exchange, effective from 5 June 2016. – Appointed as an independent non-executive director of Zhongsheng Group Holdings Limited (stock code: 881) with effect from 19 December 2016. – Appointed as a director of Chongqing New Century Cruise Co., Ltd. (a company listed on the Shenzhen Stock Exchange (“SZSE”), stock code: 002558) with effect from 27 May 2016.
Mr. Du Jinglei	– Re-designated from non-executive director to executive director and ceased to be a member of the Audit Committee effective from 31 March 2016.
Mr. Hu Yuming	– Guangzhou Shiyuan Electronic Co., Ltd. (SZSE stock code: 002841) with which Mr. Hu Yuming is a director became listed in SZSE on 19 January 2017

Directors’ Interests in Contracts

Save as disclosed in the section headed “Connected Transactions” in this report, none of the Directors had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during the Year.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the Year.

REPORT OF THE DIRECTORS

Share Option Scheme

The Company terminated the old share option scheme and adopted a new share option scheme (the “Scheme”) pursuant to a shareholders’ resolution passed on 25 June 2014 for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operation. Eligible participants of the Scheme include the Directors, employees, suppliers, customers and business or strategic alliance partners of the Group. The Scheme became effective on 25 June 2014 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. A summary of the principal terms of the Scheme was included in the circular dated 30 April 2014 dispatched to the Shareholders.

The maximum number of shares which may be issued upon exercise of all share options granted and to be granted under the Scheme is 376,116,501 shares, representing 10% and 8.22% of the shares of the Company in issue as at the date of adoption of the Scheme and as at the date of this annual report respectively, unless approval for refreshing the 10% limit from the Company’s shareholders has been obtained. The maximum number of shares issued and may be issued under share options granted to each eligible participant in the Scheme (including both exercised and outstanding share options) within any 12-month period is limited to 1% of the shares of the Company in issue. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

The grant of share options to a Director, chief executive or substantial shareholder of the Company, or to any of their associates, is subject to prior approval by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in the 12-month period up to and including the date of the grant of share options in excess of 0.1% of the shares of the Company in issue and with an aggregate value (based on the closing price of the Company’s shares at the date of the grant) in excess of HK\$5 million, are subject to shareholders’ prior approval in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of the offer upon payment of a nominal consideration of HK\$10 in total by the grantee. The exercise period of the share options granted is determined by the Board, save that such a period shall not be more than 10 years from the date of grant of the share options subject to the provisions for early termination as set out in the Scheme. Unless otherwise determined by the Directors at their sole discretion, there is no requirement of a minimum holding period or a performance target which must be achieved before a share option can be exercised.

The exercise price of the share options shall be the highest of (i) the nominal value of a share of the Company on the date of grant; (ii) the closing price of the Company’s shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant of the share options; and (iii) the average Stock Exchange closing price of the Company’s shares for the five business days immediately preceding the date of grant.

Share options do not confer rights on the holders to dividends or to vote at general meetings.

REPORT OF THE DIRECTORS

Share Option Scheme (Continued)

As at 31 December 2016, options had been granted by the Company under the Scheme which, if exercised in full, would entitle the grantees to subscribe for 119,611,116 shares. The total number of shares available for issue under the Scheme (excluding share options already granted) is 254,572,055 shares, representing approximately 5.56% of the total issued share capital of the Company as at that date.

As at 31 December 2016, details of share options granted under the Scheme are as follows:

Name of option holder	Date of grant	Exercise period	Exercise price (per share)	Closing price of share on date of grant (per share)	Number of underlying shares subject to options outstanding as at 1 January 2016	Number of underlying shares subject to options granted since 1 January 2016	Number of options exercised/ lapsed/ cancelled since 1 January 2016	Number of underlying shares subject to options outstanding as at 31 December 2016
Ms. Hung Ying-Lien (Note 1)	14 October 2014	15 October 2014 to 14 October 2019 (Note 2)	HK\$0.50	HK\$0.50	12,092,768	-	33,333	12,059,435
Continuous contractual employees (in aggregate)	14 October 2014	15 October 2014 to 14 October 2019 (Note 2)	HK\$0.50	HK\$0.50	125,990,564	-	18,438,883	107,551,681
Total					138,083,332	-	18,472,216 (Note 3)	119,611,116

Note 1: Ms. Hung Ying-Lien resigned as an executive Director and the chief financial officer of the Company with effect from 28 August 2013 and was appointed as vice president and chief operating officer of the Company. Ms. Hung Ying-Lien is the sister of Mr. Hung Wei-Pi, John, a non-executive Director of the Company who has resigned with effect from 20 May 2015.

Note 2: 599,998 share options out of the total of 138,083,332 share options were exercised during the period from 1 January 2016 to 31 December 2016 and the remaining share options shall be vested and are exercisable during the period from 1 January 2017 to 14 October 2019, subject to the fulfilment of certain performance targets and other vesting conditions as described in the grant letter issued by the Company to each Grantee.

Note 3: Among 18,472,216 share options which were exercised, lapsed or cancelled during the period from 1 January 2016 to 31 December 2016, 599,998 share options were exercised by continuous contractual employees, 17,872,218 share options lapsed.

REPORT OF THE DIRECTORS

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

As at 31 December 2016, to the best knowledge of the Directors and chief executives of the Company, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be recorded in the register maintained by the Company under Section 352 of the SFO, or required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO) and the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules.

Substantial Shareholders' Interests and Short Positions in the Shares of the Company

So far as is known to the Directors and chief executives of the Company, as at 31 December 2016, the following persons (other than Directors and chief executives of the Company) had interests or short positions in the shares and underlying shares of the Company, which are required to be notified to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which are recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Capacity/Nature of interest	Number of shares interested (other than under equity derivatives) (Note 1)	Number of shares interested under equity derivatives	Total number of shares/ underlying shares under equity derivatives	Percentage of issued shares
CDH Fast Two Limited	Beneficial owner (Note 2)	2,889,580,226 (L)	–	2,889,580,226 (L)	63.14%
CDH Fast One Limited	Interest in a controlled corporation (Note 2)	2,889,580,226 (L)	–	2,889,580,226 (L)	63.14%
CDH Fund IV, L.P.	Interest in a controlled corporation (Note 2)	2,889,580,226 (L)	–	2,889,580,226 (L)	63.14%
CDH IV Holdings Company Limited	Interest in a controlled corporation (Note 2)	2,889,580,226 (L)	–	2,889,580,226 (L)	63.14%
China Diamond Holdings IV, L.P.	Interest in a controlled corporation (Note 2)	2,889,580,226 (L)	–	2,889,580,226 (L)	63.14%
China Diamond Holdings Company Limited	Interest in a controlled corporation (Note 2)	2,889,580,226 (L)	–	2,889,580,226 (L)	63.14%

REPORT OF THE DIRECTORS

Substantial Shareholders' Interests and Short Positions in the Shares of the Company (Continued)

Notes:

1. The letter "L" denotes a long position in the shares.
2. CDH Fast Two Limited entered into an investment agreement (the "**Investment Agreement**") with the Company on 25 June 2013 pursuant to which CDH Fast Two Limited agreed to subscribe for 1,262,564,333 new shares and convertible bonds in principal amount of US\$48,685,000 (the "**Convertible Bonds**") issued by the Company. Each of CDH Fast One Limited (as the sole shareholder of CDH Fast Two Limited); CDH Fund IV, L.P. (as the sole shareholder of CDH Fast One Limited); CDH IV Holdings Company Limited (as the general partner of CDH Fund IV, L.P.); China Diamond Holdings IV, L.P. (as the controlling shareholder of CDH IV Holdings Company Limited); and China Diamond Holdings Company Limited (as the general partner of China Diamond Holdings IV, L.P.) is deemed to be interested in the shares of the Company. Transactions contemplated under the Investment Agreement were completed on 28 August 2013. Upon the receipt of a conversion notice on 11 June 2014 from CDH Fast Two Limited for partial conversion of the Convertible Bonds in the principal amount of US\$24,342,500, the Company allotted and issued a total of 813,507,946 Conversion Shares to CDH Fast Two Limited at the Conversion Price of HK\$0.2328 per Conversion Share on 12 June 2014. Upon the receipt of a conversion notice on 25 December 2015 from CDH Fast Two Limited for full conversion of the remaining Convertible Bonds in the principal amount of US\$24,342,500 (approximately HK\$189,384,650), the Company allotted and issued a total of 813,507,947 Conversion Shares to CDH Fast Two Limited at the Conversion Price of HK\$0.2328 per Conversion Share on 28 December 2015.

Save as disclosed above, as at 31 December 2016, the Directors are not aware of any person (other than the Directors and chief executives of the Company) who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which are recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Arrangements to Purchase Shares or Debentures

Save as disclosed above and under the section headed "Share Option Scheme", at no time during the Year were there any rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, nor were there any such rights exercised by them. Also, there was no arrangement to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries is a party that would enable the Directors to acquire such rights in any other body corporate.

Equity-linked Agreements

Save for the Haitong CBs disclosed in the Management Discussion and Analysis of this annual report and note 25 to the Financial Statements, and the Scheme as disclosed in section "Share Option Schemes" of this Report of the Directors, no equity-linked agreement was entered into or subsisted during the year ended 31 December 2016.

REPORT OF THE DIRECTORS

Pre-emptive Rights

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

Connected Transactions

During 2016 and up to the date hereof, the following connected transactions were carried out by the Company and its subsidiaries pursuant to Chapter 14A of the Listing Rules.

(i) Disposal of 51% Equity Interest in Shanghai Astrace Trade Development Company Limited (“Shanghai Astrace”)

New Focus Lighting & Power Technology (Shanghai) Company Limited (“**NFLP**”), a wholly owned subsidiary of the Company which directly owned 51% equity interest in Shanghai Astrace (“**SA Interest**”), entered into an equity transfer agreement with effect from 28 December 2016 (“**SA Equity Transfer Agreement**”) with Ms. Liu Fengxi. Pursuant to the SA Equity Transfer Agreement, Ms. Liu Fengxi agreed to acquire, and NFLP agreed to dispose of, the SA Interest at the consideration of RMB20,000,000 to be satisfied in cash (the “**SA Disposal**”). Upon completion of the SA Disposal on 29 December 2016, Shanghai Astrace ceased to be a subsidiary of the Company. For further details, please refer to the announcement of the Company dated 28 December 2016.

As the applicable percentage ratios in respect of the SA Disposal are more than 5% but less than 25%, the SA Disposal constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules. As Ms. Liu Fengxi is a substantial shareholder and a director of Shanghai Astrace and therefore a connected person of the Company at the subsidiary level, the SA Disposal also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.101 of the Listing Rules, the SA Disposal is subject to the reporting and announcement requirements but exempt from the circular, independent financial advice and shareholders' approval requirements since the Directors have approved the Disposal and the independent non-executive directors have confirmed that the terms of the SA Equity Transfer Agreement are fair and reasonable and the SA Disposal is on normal commercial terms and in the interests of the Company and the shareholders as a whole.

REPORT OF THE DIRECTORS

Connected Transactions (Continued)

- (ii) **Disposal of 100% Equity Interests in New Focus Richahaus Corporation Limited (“New Focus Richahaus”) and Taiwan New Focus Auto Service Corporation Limited (“Taiwan New Focus”)**
- Perfect Progress Investments Limited (“PPI”), a wholly-owned subsidiary of the Company which directly owns the 100% equity interest in New Focus Richahaus and Taiwan New Focus, respectively (collectively the “**Target Interest**”), entered into an equity transfer agreement dated 19 July 2016 (the “**Equity Transfer Agreement**”) with Asia Centre Auto Service Holdings Limited (the “**Purchaser**”) which is wholly owned by Ms. Hung Ying-Lien, a vice president of the Group and a director of both New Focus Richahaus and Taiwan New Focus. Pursuant to the Equity Transfer Agreement, the Purchaser agreed to acquire, and PPI agreed to dispose of, the Target Interest at the nominal consideration of NTD1 to be satisfied in cash (the “**Disposal**”). Upon completion of the Disposal on 29 July 2016, New Focus Richahaus and Taiwan New Focus ceased to be subsidiaries of the Company. For further details, please refer to the announcement of the Company dated 19 July 2016.

As the applicable percentage ratios in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. The Disposal also constitutes connected transaction for the Company under Chapter 14A of the Listing Rules. As the Equity Transfer Agreement is on normal commercial terms and all the percentage ratios (other than the profits ratio) in respect of the Disposal are less than 25% and the total consideration is less than HK\$10,000,000, the Disposal is exempt from the circular, independent financial advice and shareholders’ approval requirements pursuant to Rule 14A.76(2)(b) of the Listing Rules.

- (iii) **Sale of goods to Liaoning Auto Make Business Management Co., Ltd.**

In 2016, Liaoning XTC, owned as to 50.10% by the Company and 27.63% by Li Haidong, has sold goods to Liaoning Auto Make Business Management Co., Ltd. which was owned by the spouse and a close family member of Li Haidong. Such sale of goods constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The applicable percentage ratios (other than the profit ratios) are less than 1% and the transactions are continuing connected transactions only because they involve connected persons at the subsidiary level. As such, the continuing connected transactions are de minimis transactions and are fully exempt from shareholders’ approval, annual review and all disclosure requirements pursuant to Rule 14A.76(1)(b).

REPORT OF THE DIRECTORS

Connected Transactions (Continued)

(iv) Financial Assistance received by Liaoning XTC from Li Haidong

In 2016, Li Haidong provided guarantee to a supplier of Liaoning XTC to secure the debt up to RMB15,183,000 owed to such supplier by Liaoning XTC by using the properties owned by Li Haidong as mortgage (“**Financial Assistance from Li Haidong**”). The Financial Assistance from Li Haidong constitutes connected transaction of the Company under Chapter 14A of the Listing Rules. The Financial Assistance from Li Haidong was conducted on normal or better commercial terms and it was not secured by the assets of the Group. As such, it is fully exempt from shareholders’ approval, annual review and all disclosure requirements pursuant to Rule 14A.90.

(v) Financial assistance received by the Company from Mr. Ying Wei

In 2016, Mr. Ying Wei, a non-executive Director of the Company, provided guarantee to a bank in Taiwan to secure the debt owed to such bank by New Focus Richahaus (“**Financial Assistance from Ying Wei**”). The Financial Assistance from Ying Wei constitutes connected transaction of the Company under Chapter 14A of the Listing Rules. The Financial Assistance from Ying Wei was conducted on normal or better commercial terms and it was not secured by the assets of the Group. As such, it is fully exempt from shareholders’ approval, annual review and all disclosure requirements pursuant to Rule 14A.90. As disclosed in paragraph (ii) of this section, New Focus Richahaus ceased to be a subsidiary of the Company from 29 July 2016.

The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules for all connected transactions and continuing connected transactions conducted during the Year.

Permitted Indemnity

The Company has arranged for appropriate insurance cover for Directors’ and officers’ liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. Every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto.

Directors’ Interests in Competing Business

As at 31 December 2016 and up to the date of this annual report, none of the Directors are considered to be in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

Sale, Purchase or Redemption of the Company’s Listed Securities

During the Year, the Company did not repurchase any ordinary shares of the Company on the Stock Exchange under the general mandate granted at the annual general meeting held on 24 June 2016, and, there were no purchases, sales or redemption of the Company’s listed securities by the Company or any of its subsidiaries during the Year.

REPORT OF THE DIRECTORS

Major Customers and Suppliers

Sales to our five largest customers were less than 30% of the total revenue for the Year. Purchases from the five largest suppliers were less than 30% of the total purchases for the Year.

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

Basis of Determining the Emolument Payable to the Directors

The remuneration of the Directors is determined by the Board which receives recommendations from the Remuneration Committee. In determining the remuneration of the Directors, the Company take into account of each Director's qualifications, experience, duties and responsibilities with the Company, as well as the Company's performance and the prevailing market conditions.

Tax Relief

The Company is not aware of any relief from taxation available to the shareholders of the Company by reason of their holdings in the shares of the Company.

Public Float

As at the date of this annual report, based on public information available to the Company and to the best knowledge of the Directors, the Company maintained sufficient public float, being 25% of the issued share capital of the Company, as required under the Listing Rules.

Auditor

The Financial Statements have been audited by KPMG. At the forthcoming annual general meeting, the Company will propose a resolution to re-appoint KPMG as the auditor of the Company.



On behalf of the Board
Zhang Jianxing
Chairman

Hong Kong, 30 March 2017

INDEPENDENT AUDITOR'S REPORT



**Independent auditor's report to the shareholders of
New Focus Auto Tech Holdings Limited**
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of New Focus Auto Tech Holdings Limited ("the Company") and its subsidiaries ("the Group") set out on pages 56 to 143, which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

INDEPENDENT AUDITOR'S REPORT

Key audit matters (continued)

Impairment of goodwill, intangible assets and property, plant and equipment ("PPE")

Refer to notes 15, 18 and 19 to the consolidated financial statements on page 101, 104 and 106 respectively and the accounting policies on page 72.

The key audit matter

The revenue and profitability of certain of the Group's business units have been lower than expectations partly as a result of the slowdown in the Mainland China economy in recent years. Certain business units recorded a net loss for the current year which management considered was an indicator of potential impairment of the non-current assets attributable to these business units.

Goodwill and intangible assets with an indefinite useful life are tested for impairment annually. PPE is tested for impairment when indicators of potential impairment are identified.

For goodwill, intangible assets with indefinite useful lives and PPE where indicators of impairment were identified, management assessed the recoverable amounts of the smallest separately identifiable cash generating unit ("CGU") to which the relevant assets were allocated based on value-in-use calculations using discounted cash flow forecasts. An independent appraiser was engaged by management to prepare the discounted cash flow forecasts in order for management to assess impairment.

The preparation of discounted cash flow forecasts involves the exercise of significant judgement, in particular in forecasting revenue growth rates and in determining long-term growth rates, inflation rates and the discount rates applied.

How the matter was addressed in our audit

Our audit procedures to assess impairment of goodwill, intangible assets and PPE included the following:

- assessing management's identification of CGUs, the amounts of goodwill, intangible assets and PPE allocated to each CGU and, with the assistance of our internal valuation specialists, the impairment assessment methodology adopted by management with reference to the requirements of the prevailing accounting standards;
- evaluating the competence, capabilities and objectivity of the independent appraiser engaged by the Company to prepare discounted cash flow forecasts to help management assess the value-in-use of the relevant GCUs;
- obtaining the independent valuation report from the independent appraiser engaged by management and comparing key inputs in the calculations, which include revenue growth rates, gross profit ratios and working capital assumptions, with the financial budget approved by the directors, available relevant external data and our own views based on our experience and knowledge of the industry in which the Group operates;
- evaluating the Group's financial budgeting procedures upon which forecasts are based, including enquiring of management relating to the significant assumptions used in the budgeting process and comparing the budgeted figures with previous year's actual figures;

INDEPENDENT AUDITOR'S REPORT

Key audit matters (continued)

Impairment of goodwill, intangible assets and property, plant and equipment ("PPE") (continued)

Refer to notes 15, 18 and 19 to the consolidated financial statements on page 101, 104 and 106 respectively and the accounting policies on page 72.

The key audit matter

We identified assessing impairment of goodwill, intangible assets and PPE as a key audit matter because of its significance to the consolidated financial statements and because of the high level of judgement involved in making assumptions about factors which can be inherently uncertain and could be subject to management bias.

How the matter was addressed in our audit

- utilising our internal valuation specialists to assist us in evaluating the assumptions and judgements adopted in the discounted cash flow forecasts relating to inflation, the growth rate beyond the forecast period and the discount rates applied to derive the recoverable amount of the CGUs. This evaluation included researching public information relating to inflation and independently recalculating the discount rates applied with reference to those of other comparable listed companies in the same industries;
- comparing the key assumptions adopted in cash flow forecasts prepared in the previous year with the current year's actual performance to assess the historical accuracy of management's forecasting process and considering whether any significant variances had been incorporated in the current year's cash flow forecasts;
- performing a sensitivity analysis of both the discount rates applied and forecast cash flows, considering the resulting impact on the impairment charge for the year and assessing whether there were any indicators of management bias in the selection of key assumptions;
- considering the disclosures in the consolidated financial statements in respect of management's impairment assessments and whether the disclosures in relation to the sensitivity of the outcome of the impairment assessments to changes in key assumptions properly reflected the risks inherent in the assessments with reference to the requirements of the prevailing accounting standards.

INDEPENDENT AUDITOR'S REPORT

Key audit matters (continued)

Assessing the recoverability of loans to Shenzhen Jiahong

Refer to note 22(b) to the consolidated financial statements on page 114 and the accounting policies on page 70.

The key audit matter

Included in deposits, prepayments and other receivables as at 31 December 2016 are loans to Shenzhen Jiahong Group Holdings Limited ("Shenzhen Jiahong") which total RMB190 million.

The loans bear interest at an annual rate of 12% and were due to be repaid on or before 31 December 2015. These loans have not been paid as scheduled.

These loans are:

- guaranteed by each of the two shareholders of Shenzhen Jiahong who collectively owned 85% of Shenzhen Jiahong as at 31 December 2016;
- guaranteed by 15 subsidiaries owned by Shenzhen Jiahong;
- secured by the pledge of 100% of the shares in a subsidiary wholly owned by Shenzhen Jiahong; and
- secured by the pledge of 30% of the shares in a mineral company which is indirectly owned 80% by one of the two principal shareholders of Shenzhen Jiahong.

We identified assessing the recoverability of loans to Shenzhen Jiahong as a key audit matter because significant uncertainty exists as to whether the loans will be repaid in full or not which may have a significant impact on the Group's liquidity and profit or loss.

How the matter was addressed in our audit

Our audit procedures to assess the recoverability of loans to Shenzhen Jiahong included the following:

- obtaining confirmation from Shenzhen Jiahong of the outstanding loans and interest due to the Group as at 31 December 2016;
- inspecting the payment schedule provided by Shenzhen Jiahong to the Company;
- evaluating the financial ability of Shenzhen Jiahong to repay the outstanding loans by inspecting relevant information obtained from management of the Company, which included transaction documents for recent sales of two shops owned by Shenzhen Jiahong and valuations of shops owned by Shenzhen Jiahong based on an external valuation performed by an independent valuation specialist in 2015 as adjusted for recent developments;
- assessing the validity of the pledges provided by Shenzhen Jiahong to the Group by obtaining confirmation from the Company's lawyer and the enforceability by considering the availability of relevant active markets for the assets pledged; and
- comparing settlement of the outstanding loans and interest thereon subsequent to the reporting date with bank statements and other relevant underlying documentation.



INDEPENDENT AUDITOR'S REPORT

Information other than the consolidated financial statements and auditor's report thereon

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

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

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

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

Responsibilities of the directors for the consolidated financial statements

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

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

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

Auditor's responsibility for the audit of the consolidated financial statements

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

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

INDEPENDENT AUDITOR'S REPORT

Auditor's responsibility for the audit of the consolidated financial statements *(continued)*

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

INDEPENDENT AUDITOR'S REPORT

Auditor's responsibility for the audit of the consolidated financial statements *(continued)*

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

The engagement partner on the audit resulting in this independent auditor's report is Yeung Ka Chun.



KPMG

Certified Public Accountants

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

30 March, 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016 (Expressed in Renminbi)

	Note	2016 RMB'000	2015 RMB'000
Revenue	6	1,292,665	1,254,191
Cost of sales and services		(1,017,862)	(999,070)
Gross profit		274,803	255,121
Other revenue and gains and losses	7	59,934	55,124
Distribution costs		(213,738)	(198,621)
Administrative expenses		(149,492)	(143,331)
Impairment loss on goodwill	18	(74,334)	(28,003)
Finance costs	8	(40,885)	(37,713)
Share of loss of an associate		(2,099)	(5,879)
Loss before taxation	9	(145,811)	(103,302)
Income tax expenses	11	(2,507)	(645)
Loss for the year		(148,318)	(103,947)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	14	(8,403)	(17,136)
Available-for-sale financial assets: net movement in the fair value reserve	14	(325)	325
Other comprehensive income for the year, net of tax		(8,728)	(16,811)
Total comprehensive income for the year		(157,046)	(120,758)
Loss for the year attributable to			
– Owners of the Company		(123,459)	(90,967)
– Non-controlling interests		(24,859)	(12,980)
		(148,318)	(103,947)
Total comprehensive income attributable to			
– Owners of the Company		(132,187)	(107,778)
– Non-controlling interests		(24,859)	(12,980)
		(157,046)	(120,758)
Loss per share	13		
Basic (RMB cents)		(2.70)	(2.41)
Diluted (RMB cents)		(2.70)	(2.41)

The notes on pages 62 to 143 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2016 (Expressed in Renminbi)

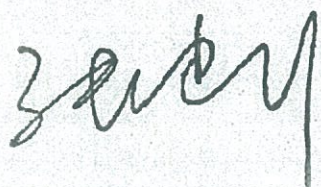
	Note	31 December 2016 RMB'000	31 December 2015 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	15	182,450	177,380
Leasehold land and land use rights	16	30,221	31,289
Investment properties	17	43,864	42,775
Goodwill	18	43,919	118,253
Other intangible assets	19	56,038	47,923
Interest in an associate		393	6,121
Deferred tax assets	26	31,166	21,196
Amounts due from related parties	31(b)	–	6,991
		388,051	451,928
Current assets			
Inventories	21	177,135	196,143
Tax recoverable		6	274
Trade receivables	22(a)	161,590	130,742
Deposits, prepayments and other receivables	22(b)	284,650	335,729
Amounts due from related parties	31(b)	32,633	3,603
Pledged time deposits	29	4,500	6,903
Available-for-sale financial assets		–	53,383
Cash and cash equivalents	29	164,269	140,327
		824,783	867,104
Current liabilities			
Bank borrowings, secured	23	178,475	216,325
Trade payables	24(a)	185,641	171,557
Accruals and other payables	24(b)	208,662	158,241
Tax payable		4,423	4,009
Convertible bonds	25	183,834	156,319
		761,035	706,451
Net current assets		63,748	160,653
Total assets less current liabilities		451,799	612,581

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

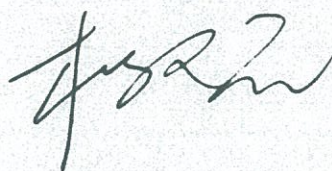
At 31 December 2016 (Expressed in Renminbi)

	Note	31 December 2016 RMB'000	31 December 2015 RMB'000
Non-current liabilities			
Bank borrowings, secured	23	–	7,920
Deferred tax liabilities	26	22,632	19,948
		22,632	27,868
NET ASSETS			
		429,167	584,713
CAPITAL AND RESERVES			
Share capital	27	376,184	376,133
Reserves	28	(21,897)	100,784
Total equity attributable to owners of the Company		354,287	476,917
Non-controlling interests		74,880	107,796
TOTAL EQUITY		429,167	584,713

Approved and authorised for issue by the board of directors on 30 March 2017.



Zhang Jianxing
Director



Du Jinglei
Director

The notes on pages 62 to 143 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016 (Expressed in Renminbi)

	Share capital	Share premium	Statutory reserve fund	Enterprise expansion fund	Convertible bonds reserve	Capital redemption reserve	Exchange reserve	Others	Retained profits/(accumulated losses)	Attributable to owners of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 27)	(Note 28(i)(a))	(Note 28(i)(b))	(Note 28(i)(c))	(Note 28(i)(f))	(Note 28(i)(d))	(Note 28(i)(e))	(Note 28(i)(g))				
At 1 January 2016	376,133	876,692	52,641	2,756	-	1,545	(29,490)	28,656	(832,016)	476,917	107,796	584,713
Loss for the year	-	-	-	-	-	-	-	-	(123,459)	(123,459)	(24,859)	(148,318)
Other comprehensive income	-	-	-	-	-	-	(8,403)	(325)	-	(8,728)	-	(8,728)
Total comprehensive income for the year, net of tax	-	-	-	-	-	-	(8,403)	(325)	(123,459)	(132,187)	(24,859)	(157,046)
Transfer of reserves	-	-	2,510	-	-	-	-	-	(2,510)	-	-	-
Disposal of subsidiaries (Note 34)	-	-	-	-	-	-	-	(116)	-	(116)	(11,836)	(11,952)
Recognition into convertible bonds reserve (Note 25)	-	-	-	-	1,619	-	-	-	-	1,619	-	1,619
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	(528)	(528)
Capital injection from non-controlling shareholders	-	-	-	-	-	-	-	1,903	-	1,903	4,307	6,210
Recognition of equity-settled share-based payments (Note 33)	-	-	-	-	-	-	-	5,963	-	5,963	-	5,963
Shares issued under share option scheme (Note 33)	51	207	-	-	-	-	-	(70)	-	188	-	188
At 31 December 2016	376,184	876,899	55,151	2,756	1,619	1,545	(37,893)	36,011	(957,985)	354,287	74,880	429,167
At 1 January 2015	307,931	760,136	49,045	2,756	28,888	1,545	(12,354)	10,261	(737,453)	410,755	129,542	540,297
Loss for the year	-	-	-	-	-	-	-	-	(90,967)	(90,967)	(12,980)	(103,947)
Other comprehensive income	-	-	-	-	-	-	(17,136)	325	-	(16,811)	-	(16,811)
Total comprehensive income for the year, net of tax	-	-	-	-	-	-	(17,136)	325	(90,967)	(107,778)	(12,980)	(120,758)
Transfer of reserves	-	-	3,596	-	-	-	-	-	(3,596)	-	-	-
Conversion of convertible bonds (Note 25)	68,090	115,892	-	-	(28,888)	-	-	-	-	155,094	-	155,094
Acquisition of additional interests in a subsidiary	-	-	-	-	-	-	-	9,051	-	9,051	(9,051)	-
Arising from acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	1,390	1,390
Dividends declared to non-controlling owners of subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,105)	(1,105)
Recognition of equity-settled share-based payments (Note 33)	-	-	-	-	-	-	-	9,246	-	9,246	-	9,246
Shares issued under share option scheme (Note 33)	112	664	-	-	-	-	-	(227)	-	549	-	549
At 31 December 2015	376,133	876,692	52,641	2,756	-	1,545	(29,490)	28,656	(832,016)	476,917	107,796	584,713

The notes on pages 62 to 143 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2016 (Expressed in Renminbi)

	2016 RMB'000	2015 RMB'000
Operating activities:		
Loss before taxation	(145,811)	(103,302)
Adjustments for:		
– Write-down of inventories	5,416	5,329
– Depreciation and amortisation	37,497	40,279
– Additional allowance for doubtful debts	4,509	2,138
– Impairment of goodwill	74,334	28,003
– Equity-settled share-based payments	5,963	9,246
– Interest income	(13,551)	(24,333)
– Interest expenses	40,885	37,713
– (Gain)/loss on disposal of property, plant and equipment	(135)	2,921
– Fair value change on investment properties	(1,089)	(742)
– Gain on disposal of subsidiaries and an associate	(19,820)	–
– Written-off of other payables	(1,274)	(394)
– Fair value change of conversion option	(4,250)	(19,330)
– Share of loss of associates	2,099	5,879
Operating cash flows before working capital changes	(15,227)	(16,593)
(Increase)/decrease in inventories	(32,442)	13,174
(Increase)/decrease in trade receivables	(50,675)	614
(Increase)/decrease in deposits, prepayments and other receivables	(25,276)	5,378
Increase in amounts due from related companies	(406)	(417)
Increase/(decrease) in trade payables	56,431	(18,494)
Increase in accruals and other payables	41,551	24,876
Cash (used in)/generated from operations	(26,044)	8,538
Income tax paid	(7,034)	(4,004)
Net cash (used in)/generated from operating activities	(33,078)	4,534

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2016 (Expressed in Renminbi)

	2016 RMB'000	2015 RMB'000
Investing activities		
Purchase of other intangible assets	–	(4)
Purchase of property, plant and equipment	(57,713)	(35,819)
Purchase of available-for-sale financial assets	–	(91,000)
Proceeds from sale of available-for-sale financial assets	54,649	38,896
Proceeds from disposal of property, plant and equipment and investment properties	2,149	15,893
Loans to an associate	–	(6,991)
Loans to a third party	–	(190,000)
Loans repaid by a third party	60,000	40,000
Net payment for acquiring a subsidiary	(889)	–
Net cash out for disposal of subsidiaries	(10,925)	–
Investment in associates	(598)	(12,000)
Increase/(decrease) in pledged time deposits	38	(691)
Interest received	21,725	13,670
Net cash generated from/(used in) investing activities	68,436	(228,046)
Financing activities		
Proceeds from issue of shares and convertible bonds	–	152,833
Issuance costs of shares and convertible bonds	–	(156)
Capital injection from non-controlling owners of a subsidiary	1,210	490
Proceeds from exercise of share options	188	549
Proceeds from new bank loans	178,477	329,804
Repayment of bank loans	(175,456)	(267,389)
Repayment of loan from a non-controlling owner of a subsidiary	–	(5,000)
Dividend paid to non-controlling owners of subsidiaries	–	(1,105)
Interest paid	(18,418)	(10,694)
Net cash (used in)/generated from financing activities	(13,999)	199,332
Net increase/(decrease) in cash and cash equivalents	21,359	(24,180)
Cash and cash equivalents at beginning of year	140,327	163,511
Effect of foreign exchange rate changes	2,583	996
Cash and cash equivalents at end of year	164,269	140,327
Analysis of the balances of cash and cash equivalents		
Cash at bank and in hand	164,269	140,327

The notes on pages 62 to 143 form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

1 ORGANISATION AND PRINCIPAL ACTIVITIES

New Focus Auto Tech Holdings Limited (the “Company”) was incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and its registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands. Its principal place of business is in Shanghai, the People’s Republic of China (the “PRC”).

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacture and sale of electronic and power-related automotive parts and accessories; and the provision of automobile repair, maintenance and restyling services and retail distribution of merchandise goods through its service chain stores network in the Greater China Region and trading of automobile accessories. The Company and its subsidiaries are collectively referred to as the Group.

2 BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations issued by the IASB, and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, these financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. Significant accounting policies adopted by the Group are disclosed below.

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

These consolidated financial statements were authorised for issue by the Board of Directors on 30 March 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

2 BASIS OF PREPARATION (Continued)

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at fair value as explained in the accounting policies set out below:

- Investment properties;
- Available-for-sale financial assets;
- Trading securities; and
- Derivative financial instruments.

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

(c) Functional and presentation currency

The financial statements are presented in Renminbi (“RMB”), which is the currency of the primary economic environment in which the major entities of the Group operate. The functional currency of the Company is US dollar.

3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to IFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

4 **PRINCIPAL ACCOUNTING POLICIES**

(a) **Business combination and basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction – by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by IFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as change to other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

4 **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(b) **Subsidiaries and non-controlling interests**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. In assessing control, potential voting rights that presently are exercisable are taken into account.

Interests in subsidiaries are included in the Company's statement of financial position at cost less any impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

4 **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(c) **Associates**

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

4 **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(d) **Goodwill**

Goodwill arising on the acquisition of a subsidiary represents the excess of the aggregate of consideration transferred and the amount recognised for non-controlling interests over the net fair value of the identifiable assets, liabilities and contingent liabilities acquired. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to other asset of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent period.

On the disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(e) **Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation of these assets commences when the assets are ready for their intended use.

The historical cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

4 **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(e) **Property, plant and equipment** (Continued)

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

Freehold land	Not depreciated
Buildings	20 years
Leasehold improvements	Over the remaining term of the lease but not exceeding 10 years
Plant and machinery	3-10 years
Motor vehicles	5 years
Office equipment, furniture and fixtures	3-5 years

Construction in progress represents buildings under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction as well as borrowing costs capitalised during the period of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to the appropriate class of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

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

(f) **Investment properties**

Investment properties, which are properties held to earn rentals and/or for capital appreciation, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured initially at their costs, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in fair value of investment properties are included in profit or loss for the period in which they arise.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

4 **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(g) **Research and development**

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

(h) **Other intangible assets**

Other intangible assets are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, other intangible assets with indefinite useful lives are carried at cost less any impairment losses and other intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any change in estimate being accounted for on a prospective basis. The principal annual rates of other intangible assets with definite useful lives are as follows:

Trademarks with definite useful lives	6.6% to 10%
Technical know-how	20%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

4 **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(i) **Impairment of investments in debt and equity securities and other receivables**

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For investments in associates and joint ventures accounted for under the equity method in the consolidated financial statements (see note 4(c)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 4(j). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 4(j).
- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

4 **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(i) **Impairment of investments in debt and equity securities and other receivables** (Continued)

- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

- For available-for-sale securities, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors and bills receivable included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

4 **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(j) **Impairment of other assets**

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment (other than properties carried at revalued amounts);
- pre-paid interests in leasehold land classified as being held under an operating lease;
- intangible assets;
- goodwill; and
- investments in subsidiaries, associates and joint ventures in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

4 **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(j) **Impairment of other assets** (Continued)

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(k) **Government grants**

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

Government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(l) **Inventories**

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost, including an appropriate portion of fixed and variable overhead expenses, is assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued using a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and cost necessary to make the sale.

(m) **Trade and other receivables**

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 4(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

4 **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(n) **Convertible notes**

(i) *Convertible notes that contain an equity component*

Convertible notes that can be converted to equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

At initial recognition the liability component of the convertible notes is measured as the present value of the future interest and principal payments, discounted at the market rate of interest applicable at the time of initial recognition to similar liabilities that do not have a conversion option. Any excess of proceeds over the amount initially recognised as the liability component is recognised as the equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method. The equity component is recognised in the capital reserve until either the note is converted or redeemed.

If the note is converted, the capital reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the note is redeemed, the capital reserve is released directly to retained profits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

4 **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(n) **Convertible notes** (Continued)

(ii) *Other convertible notes*

Convertible notes which do not contain an equity component are accounted for as follows:

At initial recognition the derivative component of the convertible notes is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs that relate to the issue of the convertible note are allocated to the liability and derivative components in proportion to the allocation of proceeds. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in profit or loss.

The derivative component is subsequently remeasured in accordance with note 4(o). The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method.

If the note is converted, the carrying amounts of the derivative and liability components are transferred to share capital and share premium as consideration for the shares issued. If the note is redeemed, any difference between the amount paid and the carrying amounts of both components is recognised in profit or loss.

(iii) *Reclassification due to amendment of contractual terms or change of effective terms*

The Company may amend the contractual terms of an instrument such that the classification of the instrument changes from a financial liability to equity or vice versa. In other cases, the effective terms of an instrument are considered to have changed if relevant contractual provisions of an instrument become effective or cease to be effective as a result of:

- the passage of time;
- the action of a party; or
- other contingent events that are anticipated in the contractual terms of the instrument.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

4 **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(n) **Convertible notes** (Continued)

(iii) *Reclassification due to amendment of contractual terms or change of effective terms* (Continued)

When the classification of an instrument changes from a financial liability to equity due to an amendment of the contractual terms or change of effective terms, this represents the extinguishment of a financial liability and the issue of equity instruments. In this case, the resulting gain or loss on the extinguishment of the liability should be recognised in profit or loss.

(o) **Derivative financial instruments**

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedge the net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

(p) **Interest-bearing borrowings**

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(q) **Trade and other payables**

Trade and other payables are initially recognised at fair value. Trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(r) **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

4 **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(s) **Operating leases**

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight line basis over the lease term. Where the Group is the lessee, operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Leasehold land and land use rights held for own use under operating leases represent up-front payments to acquire long-term interests in lessee-occupied properties. These payments are stated at cost and are amortised over the period of the lease on a straight-line basis as an expense and less any impairment losses.

(t) **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

4 **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(u) **Income taxes**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- (i) temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

4 **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(u) **Income taxes** (Continued)

Deferred tax assets and liabilities are offset only if certain criteria are met:

- In the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- In the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - The same taxable entity; or
 - Different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(v) **Foreign currencies**

Transactions entered into by the Group entities in currencies other than the currency of the primary economic environment in which it/they operate(s) (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Renminbi) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as exchange reserve (attributed to non-controlling interests as appropriate). Exchange differences recognised in profit or loss of group entities’ separate financial statements on the translation of long-term monetary items forming part of the Group’s net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as exchange reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

4 **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(v) **Foreign currencies** (Continued)

On disposal of a foreign operation, the cumulative exchange differences recognised in the exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the exchange reserve.

(w) **Employees' benefits**

(i) *Short-term benefits*

Salaries, annual bonuses, paid annual leaves and other allowances are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present value.

(ii) *Defined contribution pension obligations*

Contributions to defined contribution retirement plans are expensed when the services are rendered by the employees. The Group has no further payment obligation once the contributions have been paid.

(iii) *Termination benefits*

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

(x) **Equity-settled share-based payment transactions**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period with a corresponding increase in equity (i.e. share options reserve), based on the Group's estimate of equity instruments that will eventually vest. At end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the share options reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

4 **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(x) **Equity-settled share-based payment transactions** (Continued)

At the time when the share options are exercised, the amount previously recognised in the share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Group obtains the goods or the counterparty renders the service.

(y) **Borrowing costs**

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(z) **Related parties**

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of key management personnel of the Group or the Company's parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

4 **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(z) **Related parties** (Continued)

- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(aa) **Revenue recognition**

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

- (i) Revenue from the sale of products is recognised when the Group has delivered products to the customer, the customer has accepted the products and collectability of the related receivable is reasonably assured.
- (ii) Revenue for providing services is recognised to the extent of services rendered and according to the terms of the agreement.
- (iii) Interest income is accrued on a time-apportioned basis by reference to the principal outstanding using the effective interest method.
- (iv) Rental income from operating leases is recognised in equal instalments over the accounting periods covered by the lease terms.
- (v) Subsidies from the government are recognised at their fair values when there is reasonable assurance that the subsidies will be received and the Group will comply with all attached conditions.
- (vi) Sponsorship income is recognised on an accrual basis when the right to receive has been established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

4 **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(bb) **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(cc) **Segment reporting**

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(a) Critical judgments in applying accounting policies

The following is the critical judgement that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect of the amounts recognised in financial statements.

(i) *Classification between investment properties and owner-occupied properties*

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Judgment is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

(ii) *Other intangible assets and amortisation*

The Group determines the estimated useful lives and related amortisation for the Group's other intangible assets. The useful lives of other intangible assets are assessed to be either finite or indefinite, based on the expected usage and technical obsolescence from the changes in the market demands or services output from the assets. Other intangible assets with finite useful lives are amortised over the expected useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for the intangible assets with finite useful lives are reviewed by the management at least at the end of each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key sources of estimation uncertainty

Information about assumption and estimation uncertainties that has a significant risk of resulting in a material adjustment in the year ended 31 December 2016 is included in the follow:

(i) Impairment of goodwill

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 management 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. Further details are set out in Note 18.

(ii) Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash – generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(iii) Impairment of trade and other receivables

The Group's management determines the allowance for impairment of trade and other receivables. This estimate is based on the credit history of its customers and debtors and the current market condition. Management will reassess the allowance at end of each reporting period.

(iv) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of competitors' actions in response to severe industry cycles. Management will reassess the estimations at end of each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

6 REVENUE AND SEGMENT INFORMATION

Revenue, represents the sales value of goods supplied and services provided to customers and is analysed as follows:

	2016 RMB'000	2015 RMB'000
Sale of goods	887,064	838,260
Services income	405,601	415,931
	1,292,665	1,254,191

(a) Reportable segment

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions.

The Group operates in three reportable segments: (i) the manufacture and sale of automobile accessories (the "Manufacturing Business"); (ii) trading of automobile accessories (the "Wholesale Business"); and (iii) the provision of automobile repair, maintenance and restyling services (the "Retail Service Business").

Inter-segment transactions are priced with reference to prices charged to external parties for similar orders. Central expenses are not allocated to the operating segments as they are not included in the measure of the segments' results that is used by the chief operating decision-makers for assessment of segment performance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

6 REVENUE AND SEGMENT INFORMATION (Continued)

(a) Reportable segment (Continued)

Set out below is an analysis of segment information:

	The Manufacturing Business RMB'000	The Wholesale Business RMB'000	The Retail Service Business RMB'000	Total RMB'000
For the year ended 31 December 2016				
Revenue				
External revenue	421,981	401,541	469,143	1,292,665
Inter-segment revenue	271	884	687	1,842
Segment revenue	422,252	402,425	469,830	1,294,507
Less: inter-segment revenue				(1,842)
Total revenue				1,292,665
Reportable segment results	19,971	(7,089)	(133,780)	(120,898)
Interest income	402	1,182	309	1,893
Unallocated interest income				10,067
Total interest income				11,960
Interest expenses	(830)	–	(685)	(1,515)
Unallocated interest expenses				(39,370)
Total interest expenses				(40,885)
Impairment loss on goodwill	–	–	(74,334)	(74,334)
Depreciation and amortisation charges	(11,188)	(3,543)	(20,614)	(35,345)
Unallocated depreciation and amortisation charges				(2,152)
Total depreciation and amortisation charges				(37,497)
Reportable segment assets	411,644	134,909	422,253	968,806
Total additions to non-current assets	6,706	3,888	49,673	60,267
Reportable segment liabilities	245,733	76,524	290,326	612,583

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

6 REVENUE AND SEGMENT INFORMATION (Continued)

(a) Reportable segment (Continued)

	The Manufacturing Business RMB'000	The Wholesale Business RMB'000	The Retail Service Business RMB'000	Total RMB'000
For the year ended 31 December 2015				
Revenue				
External revenue	416,219	356,062	481,910	1,254,191
Inter-segment revenue	827	428	4,121	5,376
Segment revenue	417,046	356,490	486,031	1,259,567
Less: inter-segment revenue				(5,376)
Total revenue				1,254,191
Reportable segment results	13,995	(8,971)	(75,094)	(70,070)
Interest income	263	603	131	997
Unallocated interest income				22,438
Total interest income				23,435
Interest expenses	(1,183)	–	(1,532)	(2,715)
Unallocated interest expenses				(34,998)
Total interest expenses				(37,713)
Impairment loss on goodwill	–	–	(28,003)	(28,003)
Depreciation and amortisation charges	(15,239)	(3,454)	(19,111)	(37,804)
Unallocated depreciation and amortisation charges				(2,475)
Total depreciation and amortisation charges				(40,279)
Reportable segment assets	384,161	151,809	506,045	1,042,015
Total additions to non-current assets	5,738	2,326	33,426	41,490
Reportable segment liabilities	274,128	66,596	245,367	586,091

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

6 REVENUE AND SEGMENT INFORMATION (Continued)

(b) Reconciliation of reportable segment profit or loss, and assets and liabilities

	2016 RMB'000	2015 RMB'000
Loss before taxation		
Reportable segment loss	(120,898)	(70,070)
Unallocated other revenue and gains and losses	35,706	40,600
Unallocated corporate expenses	(21,249)	(38,834)
Unallocated finance costs	(39,370)	(34,998)
Consolidated loss before taxation	(145,811)	(103,302)
Assets:		
Reportable segment assets	968,806	1,042,015
Unallocated corporate assets	244,028	277,017
Consolidated total assets	1,212,834	1,319,032
Liabilities:		
Reportable segment liabilities	612,583	586,091
Unallocated corporate liabilities	171,084	148,228
Consolidated total liabilities	783,667	734,319

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

6 REVENUE AND SEGMENT INFORMATION (Continued)

(c) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's investment properties, property, plant and equipment, leasehold land and land use rights, other intangible assets, goodwill and interest in an associate ("specified non-current assets"):

	Revenue from external customers		Specified non-current assets	
	2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000
PRC (Place of domicile)	877,167	772,787	356,885	403,695
America	271,296	288,452	—	—
Europe	33,221	36,239	—	—
Asia Pacific	32,508	25,210	—	—
Taiwan	78,473	131,503	—	27,037
	1,292,665	1,254,191	356,885	430,732

The revenue information is based on the locations of the customers.

(d) Major customers

During the year, the Group's customer base is diversified and there was no customer (2015: Nil) with whom transactions exceeded 10% of the Group's revenues.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

7 OTHER REVENUE AND GAINS AND LOSSES

	Note	2016 RMB'000	2015 RMB'000
Gross rentals from investment properties and other rental income		3,062	2,657
Interest income from bank deposits		1,893	1,837
Interest income from loans to Shenzhen Jiahong		10,067	21,598
Valuation gains on investment properties	17	1,089	742
Fair value change of conversion option	25	4,250	19,330
Sale of scrap inventories and sample income		449	633
Government subsidies		2,058	107
Exchange gain, net		5,984	4,289
Written-off of other payables		1,274	394
Gain on disposal of subsidiaries and an associate		19,820	–
Gain on disposal of available-for-sale financial assets		1,591	898
Gain/(loss) on disposal of property, plant and equipment		135	(2,921)
Others		8,262	5,560
		59,934	55,124

8 FINANCE COSTS

	Note	2016 RMB'000	2015 RMB'000
Interests on bank borrowings repayable			
– within five years		8,660	10,338
– after five years		–	180
Interest on convertible bonds	25	32,225	27,195
		40,885	37,713

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

9 LOSS BEFORE TAXATION

	2016 RMB'000	2015 RMB'000
This is arrived at after charging:		
Cost of inventories*	1,012,446	993,741
Write-down of inventories	5,416	5,329
	1,017,862	999,070
Depreciation of property, plant and equipment	35,794	39,244
Amortisation of leasehold land and land use rights	1,068	1,035
Amortisation of other intangible assets	635	–
Total depreciation and amortisation charges	37,497	40,279
Additional allowance for doubtful debts on trade receivables and other receivables	4,509	2,138
Impairment loss on goodwill	74,334	28,003
	78,843	30,141
Auditors' remuneration – audit services	2,600	6,500
Operating lease charges	64,340	58,074
Employee benefit expenses (including directors' remuneration) (Note 10(a))		
Salaries and allowances	278,226	244,617
Retirement scheme contributions	19,406	17,186
Equity-settled share-based payments	5,963	9,246
Other benefits	16,901	9,212
Total employee benefit expenses	320,496	280,261

* Costs of inventories includes RMB205,430,000 (2015: RMB191,104,000) relating to employee benefit expenses, depreciation and amortisation charges, which are also included in the respective total amounts disclosed separately above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

10 DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' remuneration

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

2016

Name of directors	Fees RMB'000	Salaries and other allowances RMB'000	Discretionary bonuses RMB'000	Retirement Scheme contributions RMB'000	Share- based payments RMB'000	Total RMB'000
Executive directors:						
Zhang Jianxing (Chairman & Chief Executive Officer)	-	-	-	-	-	-
Du Jinglei	-	-	-	-	-	-
Non-executive directors:						
Ying Wei	-	-	-	-	-	-
Wang Zhenyu	-	-	-	-	-	-
Independent non-executive directors:						
Hu Yuming	100	-	-	-	-	100
Lin Lei	100	-	-	-	-	100
Zhang Xiaoya	100	-	-	-	-	100
	300	-	-	-	-	300

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

10 DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Directors' remuneration (Continued)

2015

Name of directors	Fees RMB'000	Salaries and other allowances RMB'000	Discretionary bonuses RMB'000	Retirement Scheme contributions RMB'000	Share- based payments RMB'000	Total RMB'000
Executive directors:						
Zhang Jianxing (Chief Executive Officer)	-	-	-	-	-	-
Non-executive directors:						
Ying Wei (Chairman)	-	-	-	-	-	-
Wang Zhenyu	-	-	-	-	-	-
Hung Wei-Pi, John [#] (Vice-chairman)	-	-	-	-	-	-
Du Jinglei	-	-	-	-	-	-
Independent non-executive directors:						
Hu Yuming	100	-	-	-	-	100
Lin Lei	100	-	-	-	-	100
Zhang Jie [*]	-	-	-	-	-	-
Zhang Xiaoya ^{&}	100	-	-	-	-	100
	300	-	-	-	-	300

[#] resigned on 20 May 2015

^{*} resigned on 20 March 2015

[&] appointed on 19 March 2015

No discretionary bonus, inducement fee, employer's contribution to retirement scheme or compensation for loss of office as directors was given to any of the directors during the year (2015: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

10 DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Directors' remuneration (Continued)

One of the directors have waived or agreed to waive any emolument paid by the Group during the year (2015: Two). The details are set out below:

	2016 RMB'000	2015 RMB'000
Zhang Jianxing	1,000	1,200
Zhang Jie	–	100
Total	1,000	1,300

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2016 included no director (2015: Nil) whose emolument is reflected in the analysis presented in Note 10(a) above.

The emoluments paid or payment to the five non-director (2015: five) highest paid employees are as follows:

	2016 RMB'000	2015 RMB'000
Salaries and other allowances	4,759	3,439
Retirement scheme contributions	150	162
Share-based payments	2,144	3,633
Total	7,053	7,234

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

10 DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(b) Five highest paid individuals (Continued)

The emoluments of the five (2015: five) individuals with the highest emoluments are within the following bands:

	2016 Number of Individuals	2015 Number of Individuals
Nil to HK\$1,000,000	–	–
HK\$1,000,001 to HK\$1,500,000	2	3
HK\$1,500,001 to HK\$2,000,000	3	–
HK\$2,000,001 to HK\$2,500,000	–	1
HK\$2,500,001 to HK\$3,000,000	–	1
Total	5	5

11 INCOME TAX EXPENSES

(a) Amounts recognized in profit or loss

	2016 RMB'000	2015 RMB'000
Current tax expense		
– Current year	7,161	6,211
– Adjustment for prior years	(79)	(76)
	7,082	6,135
Deferred tax expense		
– Origination and reversal of temporary differences, net	(4,575)	(5,490)
	(4,575)	(5,490)
	2,507	645

- (b) No provision for Hong Kong profits tax has been made as the Group had no taxable profits arising in Hong Kong for the years ended 31 December 2016 and 2015. Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

The applicable PRC and Taiwan income tax rate is 25% (2015: 25%) and 17% (2015: 17%) respectively for the year. One major PRC subsidiary of the Company, renewed the qualification of high and new technology enterprise in the PRC, is subject to an applicable national PRC income tax rate of 15% (2015: 15%) for three years from 1 January 2014.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

11 INCOME TAX EXPENSES (Continued)

(c) The income tax expense for the year can be reconciled to the loss before taxation per consolidated statement of comprehensive income as follows:

	2016 RMB'000	2015 RMB'000
Loss before taxation	(145,811)	(103,302)
Tax calculated at applicable tax rate of 25% (2015: 25%)	(36,453)	(25,826)
Tax effect of non-deductible expenses	22,849	8,914
Utilisation of tax losses not previously recognised	–	(1,377)
Unrecognised tax losses	16,284	13,584
Effect of preferential tax treatments and tax exemptions	(4,211)	(4,633)
Effect of different tax rates of subsidiaries operating in other jurisdictions	3,604	9,926
Over-provision in respect of prior years	(79)	(76)
Land appreciation tax arising from the valuation on investment properties	513	133
Income tax expense	2,507	645

12 DIVIDEND

The board of directors did not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: Nil). No interim dividend was declared in respect of the year ended 31 December 2016 (2015: Nil).

13 LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the year attributable to the owners of the Company, and the weighted average number of ordinary shares in issue during the year.

The calculation of diluted loss per share is based on the loss for the year attributable to the owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue after adjusting for the effect of all dilutive potential ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

13 LOSS PER SHARE (Continued)

The calculations of basic and diluted loss per share are based on:

	2016 RMB'000	2015 RMB'000
Loss		
Loss for the year attributable to the owners of the Company, used in the basic and diluted loss per share calculation	(123,459)	(90,967)
Shares		
Weighted average number of ordinary shares for the basic loss per share calculation	4,576,331,973	3,770,249,117
Effect of dilution – weighted average number of ordinary shares:		
– Share options [#]	–	–
– Convertible bonds [*]	–	–
Weighted average number of ordinary shares adjusted for the effect of all potential ordinary shares	4,576,331,973	3,770,249,117

[#] The computation of diluted loss per share for the years ended 31 December 2016 and 2015 does not assume the conversion of the Company's outstanding share options since their exercise would result in a reduction in loss per share.

^{*} The computation of diluted loss per share for the years ended 31 December 2016 and 2015 does not assume the conversion of the Company's convertible bonds issued to Haitong International Financial Products Limited ("Haitong CBs"), as described in note 25, since their exercises would result in a reduction in loss per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

14 OTHER COMPREHENSIVE INCOME, NET OF TAX

(a) Tax effects relating to each component of other comprehensive income

2016

	Before tax amount RMB'000	Tax expense RMB'000	Net of tax amount RMB'000
Exchange differences on translating foreign operations	(8,403)	–	(8,403)
Available-for-sale financial assets: net movement in the fair value reserve	(381)	56	(325)
	(8,784)	56	(8,728)

2015

	Before tax amount RMB'000	Tax expense RMB'000	Net of tax amount RMB'000
Exchange differences on translating foreign operations	(17,136)	–	(17,136)
Available-for-sale financial assets: net movement in the fair value reserve	381	(56)	325
	(16,755)	(56)	(16,811)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

14 OTHER COMPREHENSIVE INCOME, NET OF TAX (Continued)

(b) Components of other comprehensive income, including reclassification adjustments

	2016 RMB'000	2015 RMB'000
Exchange differences on translation of foreign operations:		
exchange differences recognised during the period	(10,041)	(17,136)
Reclassified to profit or loss: disposal of subsidiaries	1,638	–
Net movement in the exchange reserve during the period recognised in other comprehensive income	(8,403)	(17,136)
Available-for-sale financial assets:		
Changes in fair value recognised during the period	989	1,279
Reclassification adjustments for amounts transferred to profit or loss:		
gains on disposal (Note 7)	(1,591)	(898)
Net deferred tax credited to other comprehensive income	277	(56)
Net movement in the fair value reserve during the period recognised in other comprehensive income	(325)	325

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

15 PROPERTY, PLANT AND EQUIPMENT

	Construction in progress RMB'000	Freehold land and buildings RMB'000	Leasehold Impr- ovements RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Office equipment, furniture and fixtures RMB'000	Total RMB'000
Opening net carrying amount as at 1 January 2016	2,848	76,923	39,032	28,467	7,424	22,686	177,380
Additions	36,682	158	–	13,012	1,980	8,435	60,267
Transfers upon completion	(30,788)	–	26,578	4,181	–	29	–
Disposals	–	–	–	(850)	(374)	(790)	(2,014)
Disposals of subsidiaries	(2,574)	(17,507)	(5,854)	(4,957)	(899)	(2,932)	(34,723)
Depreciation charge for the year	–	(4,113)	(11,490)	(9,382)	(2,975)	(7,834)	(35,794)
Acquisition of a subsidiary	795	–	5,757	7,469	613	2,700	17,334
Closing net carrying amount as at 31 December 2016	6,963	55,461	54,023	37,940	5,769	22,294	182,450

	Construction in progress RMB'000	Freehold land and buildings RMB'000	Leasehold Impr- ovements RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Office equipment, furniture and fixtures RMB'000	Total RMB'000
Opening net carrying amount as at 1 January 2015	466	81,024	39,618	34,402	8,000	22,186	185,696
Additions	20,676	–	–	7,851	3,384	9,575	41,486
Transfers upon completion	(18,294)	755	17,286	67	–	186	–
Disposals	–	(213)	(7,243)	(1,015)	(632)	(289)	(9,392)
Depreciation charge for the year	–	(3,946)	(10,373)	(12,736)	(3,328)	(8,861)	(39,244)
Exchange realignment	–	(697)	(256)	(102)	–	(111)	(1,166)
Closing net carrying amount as at 31 December 2015	2,848	76,923	39,032	28,467	7,424	22,686	177,380

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

15 PROPERTY, PLANT AND EQUIPMENT (Continued)

	Construction in progress RMB'000	Freehold land and buildings RMB'000	Leasehold Impr- ovements RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Office equipment, furniture and fixtures RMB'000	Total RMB'000
At 31 December 2016:							
Cost	6,963	86,915	94,455	137,248	21,757	69,795	417,133
Accumulated depreciation and impairment	–	(31,454)	(40,432)	(99,308)	(15,988)	(47,501)	(234,683)
	6,963	55,461	54,023	37,940	5,769	22,294	182,450

	Construction in progress RMB'000	Freehold land and buildings RMB'000	Leasehold Impr- ovements RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Office equipment, furniture and fixtures RMB'000	Total RMB'000
At 31 December 2015:							
Cost	2,848	104,826	105,887	126,791	23,560	83,744	447,656
Accumulated depreciation and impairment	–	(27,903)	(66,855)	(98,324)	(16,136)	(61,058)	(270,276)
	2,848	76,923	39,032	28,467	7,424	22,686	177,380

Freehold land and buildings of the Group are located outside Hong Kong. Certain buildings of the Group were pledged to secure the bank borrowings of the Group as detailed in Note 23.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

16 LEASEHOLD LAND AND LAND USE RIGHTS

	2016 RMB'000	2015 RMB'000
Net carrying amount:		
At 1 January	31,289	32,324
Amortisation charge for the year	(1,068)	(1,035)
At 31 December	30,221	31,289
Cost	37,801	37,801
Accumulated amortisation	(7,580)	(6,512)
Net carrying amount	30,221	31,289

The Group's interests in leasehold land and land use rights were held outside Hong Kong under medium term leases.

Certain leasehold land and land use rights of the Group were pledged to secure the bank borrowings of the Group as detailed in Note 23.

17 INVESTMENT PROPERTIES

	<i>Note</i>	2016 RMB'000	2015 RMB'000
Fair value:			
At 1 January		42,775	42,033
Change in fair value	7	1,089	742
At 31 December		43,864	42,775

All investment properties of the Group are located outside Hong Kong, of which investment properties of RMB14,942,000 (2015: RMB14,790,000) and RMB28,922,000 (2015: RMB27,985,000) are held under long and medium terms respectively.

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17 INVESTMENT PROPERTIES (Continued)

As at 31 December 2016, the investment properties were revalued at RMB43,864,000 (2015: RMB42,775,000) by Shanghai Wan Long Real Estate Appraisal Co., Ltd., an independent firm of professionally qualified valuers recognised by the relevant PRC association of valuers with recent experience in the location and category of property being valued, on the following basis.

The valuation was arrived of by reference to (i) market evidence of transaction price for similar properties, (ii) current rent of properties being held under existing tenancies and the reversionary income potential of tenancies, and (iii) the value of the land, together with the replacement costs of industrial buildings.

Details of the property rental income earned by the Group from its investment properties, all of which are leased out under operating leases, are set out in Notes 7 and 30.

Certain investment properties were pledged to secure the bank borrowings of the Group as detailed in Note 23.

18 GOODWILL

	2016 RMB'000	2015 RMB'000
Net carrying amount:		
At 1 January	118,253	146,256
Impairment	(74,334)	(28,003)
At 31 December	43,919	118,253

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill is allocated as follows:

	2016 RMB'000	2015 RMB'000
Provision of automobile repair, maintenance and restyling services:		
Changchun Guangda Automobile Trading Co., Ltd.	–	74,334
Beijing Aiyihang Auto Services Ltd.	43,919	43,919
At 31 December	43,919	118,253

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

18 GOODWILL (Continued)

The recoverable amounts of the CGU were determined by the directors of the Company with the reference to professional valuation reports issued by RHL Appraisal Limited, independent firm of professionally qualified valuers, which were based on value-in-use calculations. All the calculations of recoverable amounts use cash flow projections based on financial budgets approved by the directors covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates of 3% (2015: 3%). The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

Key assumptions used for value-in-use calculations are as follows:

	31 December 2016	31 December 2015
	%	%
Gross margin	28-33	25-40
Growth rate within the forecast period	3-6	4-17
Discount rate	15	15

The directors determined the budgeted gross margin based on past performance and its expectation for market development. The weighted average growth rate used is consistent with the forecasts generally adopted in the respective industries. The discount rates used are pre-tax and reflect specific risks relating to the relevant segment.

The Group had originally anticipated that there would be significant growths of revenue and profitability of certain CGUs at the respective dates of acquisition. However, in the current year, the growth rates of revenue and profitability of Changchun Guangda had been lower than expected. The directors of the Company are of the opinion, based on value-in-use calculations, that goodwill associated with Changchun Guangda above was impaired by RMB74,334,000 (2015: RMB28,003,000) in order to state the carrying values to the recoverable amount as at the end of reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

19 OTHER INTANGIBLE ASSETS

	Trademarks RMB'000	Cooperation agreement RMB'000	Tradenames RMB'000	Technical know-how RMB'000	Total RMB'000
At 1 January 2015	47,919	–	–	–	47,919
Additions	4	–	–	–	4
At 31 December 2015 and 1 January 2016	47,923	–	–	–	47,923
Acquisition of a subsidiary	–	10,816	–	–	10,816
Amortisation charge for the year	–	(635)	–	–	(635)
Disposal of subsidiaries	(2,066)	–	–	–	(2,066)
At 31 December 2016	45,857	10,181	–	–	56,038
At 31 December 2016:					
Cost	274,843	10,816	–	–	285,659
Accumulated amortisation and impairment	(228,986)	(635)	–	–	(229,621)
Net carrying amount	45,857	10,181	–	–	56,038
At 31 December 2015:					
Cost	335,058	–	13,068	4,646	352,772
Accumulated amortisation and impairment	(287,135)	–	(13,068)	(4,646)	(304,849)
Net carrying amount	47,923	–	–	–	47,923

Included in the above intangible assets as at 31 December 2016 are (i) certain trademarks, (ii) cooperation agreement arised from the acquisition of a subsidiary as set out in note 34, (iii) tradenames with indefinite useful lives and (iv) technical know-how which are attributable to the same CGUs with which the goodwill amounts are recognised. Details of the impairment assessment of the CGUs are set out in Note 18.

As at end of reporting period, trademarks with cost of RMB274,843,000 (2015: RMB335,058,000) have indefinite useful lives as they are considered renewable at minimal costs. The directors of the Group are of the opinion that the Group would renew the trademarks continuously and has the ability to do so.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

20 INTERESTS IN SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 December 2016 are as follows:

Company name	Country/place and date of incorporation/ establishment	Legal form of entities for those established in the PRC	Registered capital/ share capital	Issued and fully paid up capital	Percentage of attributable equity interest	Principal activities/place of operation
<i>Interests directly held:</i>						
Perfect Progress Investments Limited ("Perfect Progress")	The British Virgin Islands 8 April 2002	–	US\$50,000 Ordinary shares	US\$500	100%	Investment Holding/ Hong Kong
New Focus Auto Tech International Limited	The British Virgin Islands 2 April 2007	–	US\$1 Registered capital	US\$1	100%	Sale of automobile accessories/ Hong Kong
<i>Interests indirectly held:</i>						
New Focus Lighting and Power Technology (Shanghai) Co., Ltd. ("New Focus Lighting & Power")	The PRC 24 April 2001	Wholly-owned foreign enterprise	US\$67,800,000 Registered capital	US\$67,800,000	100%	Manufacture and sale of automobile accessories/ The PRC
Liaoning Xin Tian Cheng Industrial Co., Limited ("Liaoning XTC")	The PRC 8 January 2009	Limited liability company	RMB20,000,000 Registered capital	RMB20,000,000	50.098%	Trading of automobile products/ The PRC
Shandong New Focus Longsheng Auto Parts Co. Ltd.	The PRC 26 April 2006	Limited liability company	US\$4,012,700 Registered Capital	US\$4,012,700	59%	Manufacture and sale of automobile accessories/ The PRC
Beijing Aiyihang Auto Service Ltd. ("Beijing Aiyihang")	The PRC September 1997	Limited liability company	RMB38,500,000 Registered Capital	RMB38,500,000	60%	Automobile repair, maintenance and restyling services; sales of automobile products/ The PRC

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(Expressed in Renminbi unless otherwise indicated)

20 INTERESTS IN SUBSIDIARIES (Continued)

Company name	Country/place and date of incorporation/ establishment	Legal form of entities for those established in the PRC	Registered capital/ share capital	Issued and fully paid up capital	Percentage of attributable equity interest	Principal activities/place of operation
Shandong Xingzhe Auto Service Co. Ltd. ("Shandong Xingzhe")	The PRC 25 February 2008	Limited liability company	RMB10,000,000 Registered capital	RMB10,000,000	60%	Automobile repair, maintenance and restyling services; sales of automobile products/ The PRC
Shandong Dingkang Auto Service Ltd.	The PRC 13 October 2005	Limited liability company	RMB10,000,000 Registered capital	RMB10,000,000	60%	Automobile repair, maintenance and restyling services; sales of automobile products/ The PRC
Hubei Aiyihang Auto Service Ltd. ("Hubei Aiyihang")	The PRC 22 December 2014	Limited liability company	RMB30,000,000 Registered capital	RMB30,000,000	36%	Automobile repair, maintenance and restyling services; sales of automobile products/ The PRC
Zhejiang Autoboom Industrial Co., Limited ("Zhejiang Autoboom")	The PRC December 2008	Limited liability company	RMB28,000,000 Registered Capital	RMB28,000,000	50.098%	Trading of automobile products/ The PRC
Changchun Guangda Automobile Trading Co., Ltd. ("Changchun Guangda")	The PRC 31 January 2002	Limited liability company	RMB47,800,000 Registered capital	RMB47,800,000	61%	Automobile repair, maintenance and restyling services; sales of automobile products/ The PRC

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

The following table listed out the information relating to Liaoning XTC, Beijing Aiyihang and Changchun Guangda, the three subsidiaries of the Group which have a material non-controlling interest ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

20 INTERESTS IN SUBSIDIARIES (Continued)

Liaoning Xin Tian Cheng Industrial Co., Limited

	2016 RMB'000	2015 RMB'000
NCI percentage	49.902%	49%
Current assets	132,873	54,682
Non-current assets	8,082	4,480
Current liabilities	(82,587)	(25,914)
Non-current liabilities	(692)	(348)
Net assets	57,676	32,900
Carrying amount of NCI	28,781	16,121
Revenue	331,784	186,195
Loss for the year	(10,385)	(4,640)
Total comprehensive income	(10,385)	(4,640)
Loss allocated to NCI	(5,182)	(2,274)
Cash flows used in operating activities	(31,281)	(1,101)
Cash flows generated from/(used in) investing activities	1,313	(2,877)
Cash flows generated from financing activities	30,000	-

Above financial information represents the consolidated financial information of Liaoning XTC and its fully owned subsidiaries, including Zhejiang Autoboom.

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(Expressed in Renminbi unless otherwise indicated)

20 INTERESTS IN SUBSIDIARIES (Continued)

Beijing Aiyihang Auto Service Ltd.

	2016 RMB'000	2015 RMB'000
NCI percentage (effective)	50%	43%
Current assets	130,708	103,617
Non-current assets	135,443	64,343
Current liabilities	(259,722)	(121,469)
Non-current liabilities	(2,546)	–
Net assets	3,883	46,491
Carrying amount of NCI	(3,638)	18,845
Revenue	263,326	207,072
Loss for the year	(43,126)	(18,563)
Total comprehensive income	(43,126)	(18,563)
Loss allocated to NCI	(21,659)	(7,911)
Cash flows generated from operating activities	22,697	6,409
Cash flows used in investing activities	(48,873)	(23,605)
Cash flows generated from financing activities	33,293	10,000

Above financial information represents the consolidated financial information of Beijing Aiyihang and its subsidiaries, including Shandong Xingzhe, a fully owned subsidiary, and Hubei Aiyihang of which Beijing Aiyihang owns 60% of its shareholdings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

20 INTERESTS IN SUBSIDIARIES (Continued) Changchun Guangda Automobile Trading Co., Ltd.

	2016 RMB'000	2015 RMB'000
NCI percentage	39%	39%
Current assets	45,650	28,784
Non-current assets	77,273	89,854
Current liabilities	(18,518)	(17,334)
Non-current liabilities	(10,798)	(10,798)
Net assets	93,607	90,506
Carrying amount of NCI	36,694	34,623
Revenue	77,943	84,485
Profit/(loss) for the year	1,677	(959)
Total comprehensive income	1,677	(959)
Profit/(loss) allocated to NCI	860	(470)
Cash flows generated from operating activities	6,909	4,232
Cash flows generated from/(used in) investing activities	8,023	(16,878)
Cash flows generated from financing activities	1,210	-

Above financial information represents the consolidated financial information of Changchun Guangda and its subsidiaries, including Changchun Guangda Second-hand Car Broker Co., Ltd. of which Changchun Guangda owns 60% of its shareholdings.

21 INVENTORIES

	31 December 2016 RMB'000	31 December 2015 RMB'000
Raw materials	28,117	19,387
Work-in-progress	14,182	9,278
Finished goods	20,474	15,189
Merchandise goods	114,362	152,289
	177,135	196,143

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

22 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

(a) Trade receivables

	31 December 2016 RMB'000	31 December 2015 RMB'000
Trade receivables	168,175	154,557
Less: allowance for doubtful debts	(6,585)	(23,815)
	161,590	130,742

- (i) The credit period to the Group's trade debtors ranged from 0 to 120 days.
- (ii) The movements in the allowance for doubtful debts during the year, including both specific and collective loss components, are as follows:

	<i>Note</i>	2016 RMB'000	2015 RMB'000
At beginning of year		23,815	25,039
Additional allowance for the year	9	3,709	–
Disposal of subsidiaries		(20,939)	–
Uncollectible amounts written off		–	(1,224)
At end of year		6,585	23,815

As at 31 December 2016, the Group's trade receivables of RMB12,000,000 (2015: RMB33,831,000) were individually determined to be fully or partially impaired. Such trade receivables related to customers that were in financial difficulties or had a prolonged delay in settlement, and management assessed that none or only a portion of the receivables is expected to be recovered. Consequently, an accumulated allowance for doubtful debts of RMB6,585,000 (2015: RMB23,815,000) is made as at 31 December 2016. The Group does not hold any collateral over these balances.

Except for the above, no allowance has been made for estimated irrecoverable amounts from the sale of goods and provision of services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

22 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

(Continued)

(a) Trade receivables (Continued)

- (iii) The ageing analysis of trade receivables at the end of reporting period by invoice date is as follows:

	31 December 2016 RMB'000	31 December 2015 RMB'000
Current to 30 days	91,609	61,605
31 to 60 days	42,381	43,761
61 to 90 days	13,850	13,369
Over 90 days	20,335	35,822
	168,175	154,557
Less: allowance for doubtful debts	(6,585)	(23,815)
	161,590	130,742

- (iv) The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	31 December 2016 RMB'000	31 December 2015 RMB'000
Neither past due nor impaired	127,267	93,091
Less than 1 month past due	25,097	23,865
1 to 2 months past due	3,811	3,770
	28,908	27,635
	156,175	120,726

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

22 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

(Continued)

(a) Trade receivables (Continued)

(iv) (Continued)

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

(b) Deposits, prepayments and other receivables

	31 December 2016 RMB'000	31 December 2015 RMB'000
Deposits and prepayments	40,028	49,178
Advances to employees	12,754	9,510
Value-added tax recoverable	4,013	7,068
Loans to and interest receivable from Shenzhen Jiahong	190,000	259,765
Consideration receivables for disposal of subsidiaries	24,347	–
Others	14,308	15,758
	285,450	341,279
Less: allowance for doubtful debts	(800)	(5,550)
	284,650	335,729

Included in the Group's deposits, prepayments and other receivables are loans to Shenzhen Jiahong Group Holdings Limited ("Shenzhen Jiahong") of RMB190,000,000 as at 31 December 2016 (2015: Loan of RMB250,000,000 and relevant interest receivable of RMB9,765,000).

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22 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

(Continued)

(b) Deposits, prepayments and other receivables (Continued)

Following the entrusted loan of RMB100,000,000 provided to Shenzhen Jiahong on 29 December 2014 (the "First Entrusted Loan"), the Company, through its subsidiary, New Focus Lighting & Power, provided further loans of RMB190,000,000 to Shenzhen Jiahong during 2015, among which RMB30,000,000 was treated as performance security to Shenzhen Jiahong in connection with a master purchase agreement.

In December 2015 and March 2016, Shenzhen Jiahong repaid the First Entrusted Loan with amount of RMB40,000,000 and RMB60,000,000, respectively. As at 31 December 2016, all the remaining loans and performance security are overdue. Such loans are subject to an annual interest of 12%, or a penalty interest of 0.05% per day if overdue.

As at 31 December 2016, such loans are:

- guaranteed by each of the two shareholders of Shenzhen Jiahong as sureties who collectively owned 85% equity interest in Shenzhen Jiahong as at 31 December 2016;
- guaranteed by fifteen subsidiaries owned by Shenzhen Jiahong as sureties;
- secured by the pledge of 100% of shares in a subsidiary wholly owned by Shenzhen Jiahong; and
- secured by the pledge of 30% of shares in a mineral company which was indirectly owned as to 80% by one of the two principal shareholders of Shenzhen Jiahong.

The Directors expect that all the loans will be collected before the end of June 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

23 BANK BORROWINGS, SECURED

	31 December 2016 RMB'000	31 December 2015 RMB'000
Bank loans	178,475	224,245
Bank borrowings are repayable as follows:		
On demand or within one year	178,475	216,325
After one year but within two years	–	1,362
After two years but within five years	–	2,509
After five years	–	4,049
	178,475	224,245
Amount due within one year included in current liabilities	(178,475)	(216,325)
Amount included in non-current liabilities	–	7,920

As at 31 December 2016 and 2015, the banking facilities are secured by (i) the Group's certain buildings with an aggregate net carrying amount of RMB48,002,000 (2015: RMB51,614,000); (ii) the Group's certain land use rights of RMB15,650,000 (2015: RMB16,144,000); (iii) the Group's certain investment properties of RMB43,864,000 (2015: RMB42,775,000); (iv) personal guarantees from a director of the Company and a director of a subsidiary, and their spouses; (v) corporate guarantees provided by the Company and its subsidiaries. Besides, as at 31 December 2015, banking securities were also secured by the Group's freehold land with a net carrying at of RMB17,995,000 and pledged time deposits of RMB2,365,000.

Most of the bank loans bear fixed interest rates ranging from 3.84% to 6.09% per annum (2015: 1.99% to 6.42% per annum).

	31 December 2016 RMB'000	31 December 2015 RMB'000
Bank borrowings of the Group were denominated in		
RMB	136,754	157,282
United States dollars ("US\$")	41,721	38,962
Taiwan dollars ("NTD")	–	28,001
	178,475	224,245

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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24 TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

(a) Trade payables

The ageing analysis of trade payables of the Group at the end of reporting period by invoice date is as follows:

	31 December 2016 RMB'000	31 December 2015 RMB'000
Current to 30 days	82,437	59,024
31 to 60 days	33,336	60,496
61 to 90 days	19,253	14,879
Over 90 days	50,615	37,158
	185,641	171,557

The average credit period for the Group's trade creditors is 60 days.

(b) Accruals and other payables

	31 December 2016 RMB'000	31 December 2015 RMB'000
Receipts in advance	114,529	69,816
Payroll payable	20,156	28,929
Other taxation payable	8,066	5,367
Others	65,911	54,129
	208,662	158,241

25 CONVERTIBLE BONDS

The analysis of the carrying amount of convertible bonds is as follows:

	31 December 2016 RMB'000	31 December 2015 RMB'000
Host contract	183,834	150,450
Conversion option	—	5,869
	183,834	156,319

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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25 CONVERTIBLE BONDS (Continued)

	CDH CBs RMB'000	Haitong CBs RMB'000	Total RMB'000
Face value of convertible bonds upon issuance, net of issuance cost	292,720	152,677	
Equity component	(57,775)	–	
Liability component on initial recognition	234,945	152,677	
Liability component at 1 January 2015	134,755	–	134,755
Issuance of convertible bonds	–	152,677	152,677
Imputed interest expenses	14,110	13,085	27,195
Conversion of convertible bonds	(155,095)	–	(155,095)
Fair value change of conversion option (Note 37(b))	–	(19,330)	(19,330)
Exchange realignment	6,230	9,887	16,117
Liability component at 31 December 2015 and 1 January 2016	–	156,319	156,319
Imputed interest expenses	–	32,225	32,225
Interest paid	–	(9,882)	(9,882)
Fair value change of conversion option (Note 37(b))	–	(4,250)	(4,250)
Recognition into equity component	–	(1,619)	(1,619)
Exchange realignment	–	11,041	11,041
Liability component at 31 December 2016	–	183,834	183,834
Representing			
Host contract	–	183,834	183,834
Conversion option (Note 37(b))	–	–	–

Haitong CBs

In July 2015, the Company issued redeemable convertible bonds (the “Haitong CBs”) in the principal amount of US\$25,000,000 (equivalent to RMB152,832,500) to Haitong International Financial Products Limited (“Haitong International”). The net proceeds of the Haitong CBs available to the Group was RMB152,676,500, after net-off of issuance costs of RMB156,000. The coupon interest rate of Haitong CBs is 6%, payable semi-annually in arrears on 13 January and 13 July in each year. The maturity date of the Haitong CBs will be the second anniversary of the issue date (i.e. July 2017) and the Haitong CBs can be converted into ordinary shares of the Company at the holder’s option at initial conversion price of HK\$3.00 per share, subject to certain adjustments.

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25 CONVERTIBLE BONDS (Continued)

Haitong CBs (Continued)

Unless previously redeemed, converted or purchased and cancelled, the Company will redeem the bond at the price equal to outstanding principal amount being redeemed plus premium compounded at 12% from the issue date to the redemption date, minus interests accrued and paid at the rate of 6% on the maturity date (the "Redemption Amount").

At any time after 13 January 2016 and prior to the maturity date, the bondholder will have the right, at such holder's option, to require the Company to redeem all or part of the convertible bond at the Redemption Amount.

If the shares are no longer listed or traded in Stock Exchange or there is a change of control, bondholders can redeem all Haitong CBs at the Redemption Amount.

The fair value of the conversion option of the Haitong CBs upon issuance is calculated by binomial model based on a professional valuation report issued by RHL Appraisal Limited, an independent firm of professionally qualified valuers, and is treated as a derivative financial liability. The residual amount, representing the value of the host contract, is classified as other financial liability. The initially recognised derivative and host contract of the Haitong CBs amounted to RMB23,723,000 and RMB128,954,000 respectively after net-off of the issuance costs. As at 31 December 2015, the fair value of conversion option was RMB5,869,000, of which changes on fair value of RMB19,330,200 had been recognised in profit or loss.

As at 27 January 2016, certain terms of Haitong CBs were either amended by the Company and Haitong International or changed as a result of the passage of time, resulting in satisfaction of designating as equity. Therefore, the Company reclassified the conversion option with fair value of RMB1,619,000 from liability to equity.

CDH CBs

In August 2013, the Company issued redeemable convertible bonds (the "CDH CBs") in the principal amount of US\$48,685,000 (equivalent to RMB300,226,000) to CDH Fast Two Limited. The net proceeds of the CDH CBs available to the Group was RMB292,720,000, after net-off of issuance costs of RMB7,506,000. The coupon interest rate of CDH CBs is 5%. The maturity date of the CDH CBs will be the date falling on the fifth anniversary of the issue date (i.e. August 2018) and the CDH CBs can be converted into ordinary shares of the Company at the holder's option at initial conversion price of HK\$0.2328 per share, subject to certain anti-dilutive adjustments.

As at 31 December 2015, the Group has fully converted CDH CBs by issuing a total of 1,627,015,893 shares to CDH Fast Two Limited at the conversion price of HK\$0.2328.

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26 DEFERRED TAX

The movements in deferred tax assets/(liabilities) are as follows:

Deferred tax assets

	Tax losses	Accrued expenses	Deferred income	Allowances and provisions	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2015	1,055	2,724	8,912	2,930	32	15,653
Recognised in profit or loss (Note 11)	3,119	352	3,174	(1,083)	(32)	5,530
Exchange realignment	8	–	–	5	–	13
At 31 December 2015 and 1 January 2016	4,182	3,076	12,086	1,852	–	21,196
Recognised in profit or loss (Note 11)	(3,870)	(138)	9,473	1,099	(1,470)	5,094
Acquisition of a subsidiary	3,187	570	2,740	–	–	6,497
Disposals of subsidiaries	(855)	(151)	–	(615)	–	(1,621)
At 31 December 2016	2,644	3,357	24,299	2,336	(1,470)	31,166

Deferred tax assets have been recognised in respect of the above item as the directors, in their opinion, consider it is probable that taxable profits will be available and the above item can be utilised.

As at 31 December 2016, the Group had unrecognised tax losses carried forward of RMB49,914,000 (2015: RMB268,165,000) as the directors are of the view that it was not probable that such benefit of tax losses would be realised before they expire. The years of expiry of the tax losses unrecognised is as below:

Year of expiry of PRC entities	2016 RMB'000	2015 RMB'000
2016	–	277
2017	–	34,259
2018	8,702	110,469
2019	18,293	40,876
2020	19,177	50,130
2021	3,742	–
	49,914	236,011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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26 DEFERRED TAX (Continued)

	2016 RMB'000	2015 RMB'000
Year of expiry of Taiwan entities		
2023	–	22,429
2024	–	–
2025	–	9,725
	–	32,154

Deferred tax liabilities:

	Other intangible assets RMB'000	Fair value gain on investment properties RMB'000	Fair value change on available-for- sale financial assets RMB'000	Accrued subsidy income RMB'000	Total RMB'000
At 1 January 2015	(11,971)	(7,483)	–	(398)	(19,852)
Recognised in profit or loss (Note 11)	–	(246)	–	206	(40)
Recognised in equity	–	–	(56)	–	(56)
At 31 December 2015 and 1 January 2016	(11,971)	(7,729)	(56)	(192)	(19,948)
Recognised in profit or loss (Note 11)	158	(677)	–	–	(519)
Recognised in equity	–	–	56	–	56
Acquisition of a subsidiary	(2,702)	–	–	–	(2,702)
Disposals of subsidiaries	481	–	–	–	481
At 31 December 2016	(14,034)	(8,406)	–	(192)	(22,632)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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26 DEFERRED TAX (Continued)

Deferred tax liabilities: (Continued)

The above recognised deferred tax assets and liabilities cannot be set off.

A 10% PRC withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective 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 China and jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008.

No deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in the PRC. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in the PRC for which deferred tax liabilities have not been recognised was approximately RMB17,097,000 as at 31 December 2016 (2015: RMB15,645,000).

27 SHARE CAPITAL

	2016		2015	
	Number of shares '000	Amount HK\$'000	Number of shares '000	Amount HK\$'000
Authorised: Ordinary shares of HK\$0.1 each	10,000,000	1,000,000	10,000,000	1,000,000

	2016			2015		
	Number of shares '000	Amount HK\$'000	Amount RMB'000	Number of shares '000	Amount HK\$'000	Amount RMB'000
Issued and fully paid:						
At beginning of year	4,576,006	457,601	376,133	3,761,165	376,117	307,931
Conversion of convertible bonds	–	–	–	813,508	81,351	68,090
Share issued under share option scheme	600	60	51	1,333	133	112
At end of year	4,576,606	457,661	376,184	4,576,006	457,601	376,133

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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28 RESERVES

(i) Reserves of the Group

(a) Share premium

The balance represents the excess of consideration received for issue of shares over the corresponding par value of the issued shares. The application of the share premium account is governed by the applicable laws of the Cayman Islands.

(b) Statutory reserve fund

The Group's subsidiaries established in the PRC are required to transfer no less than 10% of the profit after taxation, as determined in accordance with the applicable PRC accounting standards, to statutory reserve fund until the fund aggregates to 50% of their respective registered capital.

The statutory reserve fund can only be used, upon approval by the respective board of directors, to offset accumulated losses or increase capital.

(c) Enterprise expansion fund

In accordance with the Law of the People's Republic of China on Chinese-foreign Equity Joint Venture and the articles of association of a subsidiary, a subsidiary shall appropriate 5% of its annual statutory net profit (after offsetting any prior years' losses) to enterprise expansion fund.

(d) Capital redemption reserve

Capital redemption reserve occurs when shares of a company are redeemed or purchased wholly out of the Company's profits, the amount by which the Company's issued share capital is diminished on cancellation of the shares redeemed or purchased, shall be transferred to the capital redemption reserve.

If the shares are redeemed or purchased wholly or partly out of the proceeds of a fresh issue, and the aggregate amount of those proceeds is less than the aggregate nominal value, the amount of the difference shall be transferred to the capital redemption reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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28 RESERVES (Continued)

(i) Reserves of the Group (Continued)

(e) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy in Note 4(v).

(f) Convertible bonds reserve

The balance represents the equity component of outstanding convertible bonds issued by the Company recognised in accordance with the accounting policy adopted for convertible bonds in Note 4(n).

(g) Others

Others comprise the share option reserve, property revaluation reserve, and fair value reserve.

The share options reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Company and other parties recognised in accordance with the accounting policy in Note 4(x).

The property revaluation reserve represents the gains/losses arising on the revaluation of property (other than investment property). The balance on this reserve is wholly undistributable.

The fair value reserve represents the cumulative net change in the fair value of available-for-sale financial assets held at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

28 RESERVES (Continued)

(ii) Reserves of the Company

	Note	Share premium RMB'000	Contributed surplus RMB'000	Convertible bonds reserve RMB'000	Others RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2015		760,136	84,242	28,888	4,451	1,760	(596,804)	282,673
Total comprehensive income for the year		-	-	-	-	(16,117)	(71,089)	(87,206)
Recognition of equity-settled share-based payments	33	-	-	-	9,246	-	-	9,246
Conversion of convertible bonds	25	115,892	-	(28,888)	-	-	-	87,004
Shares issued under share option scheme		664	-	-	(227)	-	-	437
At 31 December 2015 and 1 January 2016		876,692	84,242	-	13,470	(14,357)	(667,893)	292,154
Total comprehensive income for the year		-	-	-	-	(8,864)	(137,709)	(146,573)
Recognition of equity-settled share-based payments	33	-	-	-	5,963	-	-	5,963
Recognition into convertible bonds reserve	25	-	-	1,619	-	-	-	1,619
Shares issued under share option scheme		207	-	-	(70)	-	-	137
At 31 December 2016		876,899	84,242	1,619	19,363	(23,221)	(805,602)	153,300

(iii) Distributability of reserves

At 31 December 2016, the aggregate amount of reserves available for distribution to equity shareholders of the Company, as calculated under the Company Law of the Cayman Islands, was RMB132,318,000 (2015: RMB278,684,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

29 CASH AND CASH EQUIVALENTS AND PLEDGED TIME DEPOSITS

Cash at banks earns interest at floating rates based on daily bank deposit rates and are deposited with creditworthy financial institutions with no recent history of default.

Pledged time deposits can be analysed as follows:

	2016 RMB'000	2015 RMB'000
Guarantee deposits for issuance of bank acceptance	4,500	4,538
Guarantee deposits for bank loans	–	2,365
	4,500	6,903

As at 31 December 2016, there is no deposit pledged to secure any bank loan of the Group (2015: RMB2,365,000).

30 COMMITMENTS

(a) Capital commitments

As at the end of the reporting period, capital commitments not provided for in the financial statements were as follows:

	2016 RMB'000	2015 RMB'000
Contracted for	12,687	–
Authorised but not contracted for	140,064	62,144
	152,751	62,144

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

30 COMMITMENTS (Continued)

(b) Operating lease commitments

As at the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases are payables as follows:

As lessee

	2016 RMB'000	2015 RMB'000
Within 1 year	45,425	53,116
Over 1 year but within 5 years	107,037	131,091
Over 5 years	21,551	43,824
	174,013	228,031

As lessor

As at 31 December 2016 and 2015, the Group leased out its investment property under operating leases. As at the end of the reporting period, the total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2016 RMB'000	2015 RMB'000
Within 1 year	1,659	2,667
Over 1 year but within 5 years	3,024	8,105
Over 5 years	1,890	9,378
	6,573	20,150

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

31 RELATED PARTIES

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation in full and are not disclosed in this note. Except for disclosed elsewhere in the notes to financial statements, details of transactions between the Group and other related parties are disclosed below.

(a) Transactions with related parties

- (i) During the year and in the ordinary course of business, the Group has the following material transactions with related companies which are not member of the Group:

	2016 RMB'000	2015 RMB'000
Sales of goods to Liaoning Auto Make Commercial Management Co., Limited ("Auto Make")	3,026	6,046

Sales of goods were made at the Group's usual list prices discounted to reflect the quantity of purchase and the relationship between the parties.

The equity interest of Auto Make are held by Tong Yan and Li Hai Peng who are close family members of the non-controlling owner of a subsidiary of the Group as at the end of the reporting period.

- (ii) On 19 July 2016, the Group disposed all the 100% equity interests in New Focus Richahaus Co., Ltd. ("New Focus Richahaus") and Taiwan New Focus Auto Service Corporation Limited ("Taiwan New Focus") to Asia Center Auto Service Holdings Limited, which is indirectly wholly-owned by Ms. Hung Ying-lien, vice president of the Group and directors of both disposed entities. The nominal consideration is NTD1.

On 27 December 2016, the Group disposed 51% equity interest in a subsidiary, Shanghai Astrace Trade Development Co., Limited ("Shanghai Astrace") to Ms. Liu Fengxi, the non-controlling owner of Shanghai Astrace at a total consideration of RMB20,000,000.

- (iii) As at 31 December 2016, a non-controlling owner of a subsidiary granted the subsidiary collateral of creditor amounting to RMB15,183,000 (2015: RMB3,603,000) with his own properties.
- (iv) As at 31 December 2016, a senior management member of the Company who is also a non-controlling owner of a subsidiary provided a guarantee, together with other guarantees, to a bank loan of RMB5,000,000 to the subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

31 RELATED PARTIES (Continued)

(a) Transactions with related parties (Continued)

(v) Transaction with key management personnel

Members of key management during the year comprised only the executive directors and non-executive directors whose remuneration is set out in Note 10(a).

As at 28 July 2016, one of the directors, Mr. Ying Wei, provided guarantee, together with other guarantees to bank loans of New Focus Richahaus with total amount of NTD123,735,000 (2015: NTD139,884,000). New Focus Richahaus ceased to be a subsidiary of the Company from 29 July 2016.

(vi) Applicability of the Listing Rules relating to connected transactions

The related party transactions included in (i), (iii), (iv) and (v) above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. However those transactions are exempt from the disclosure requirements in Chapter 14A of the Listing Rules as they are either below the de minimis threshold under Rule 14A.76(1) or meeting the exemption criterion for financial assistance received by the listed issuer's group under Rule 14A.90.

(b) Amounts due from related parties

As at the end of the reporting period, the Group had the following material account receivable balance with its related parties:

	2016 RMB'000	2015 RMB'000
Auto Make	3,265	2,663
Hubei Aiyihang Auto Service Ltd.	–	6,991
Shenyang Xunchi Auto Service Ltd.	711	885
New Focus Richahaus*	23,624	–
Others#	5,033	55
	32,633	10,594

* The amount of RMB23,624,000 due from New Focus Richahaus is interest free and expected to be collected in 2017.

The amount of RMB5,000,000 is the committed capital due from non-controlling interest shareholders of a subsidiary, which has been fully injected in February 2017.

The highest amount due from Auto Make during 2016 reached RMB3,265,000 (2015: RMB2,663,000).

The highest amount due from New Focus Richahaus during 2016 reached RMB23,624,000 (2015: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

31 RELATED PARTIES (Continued)

(c) Immediate and ultimate controlling parties

At 31 December 2016, the directors consider the immediate parent and ultimate controlling parties of the Group to be CDH Fast Two Limited and China Diamond Holdings Company Limited respectively, both of which are incorporated in British Virgin Islands. These equities do not produce financial statement available for public use.

32 EMPLOYEE RETIREMENT BENEFITS

Pursuant to the relevant labour rules and regulations in the PRC, the PRC subsidiaries of the Company participate in defined contribution retirement schemes (the “Schemes”) organised by the PRC municipal government authorities where the subsidiaries are registered whereby these PRC subsidiaries are required to make a contribution at the respective local rates of the eligible employees’ salaries to the Schemes. The Group has accrued for the required pension fund contributions which are remitted to the respective social security offices when the contributions become due. The social security offices are responsible for making the benefit payments to the retired employee covered under the Schemes.

The Group has no other material obligation for the payment of pension benefits beyond the annual contributions described above.

33 EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

The Company adopted a new share option scheme (“New Scheme”) by a resolution of the shareholders passed on 25 June 2014 and terminated on the same date the share option scheme (“Old Scheme”) adopted by the Company on 13 February 2005. The principal purpose of the New Scheme is to provide incentives and rewards to eligible participants for their contribution or potential contribution to the Group.

On 14 October 2014, the Company granted share options to eligible persons under the New Scheme to subscribe for a total of 149,500,000 ordinary shares of HK\$0.1 of the Company. The exercise price of the granted options is HK\$0.5 per share, which is equal to the closing price of the shares on the date of grant. The options granted to each grantee are valid for a period of five years (i.e. valid until 14 October 2019) commencing from the day after the date of grant. Each of the three tranches of the options, representing one third of the options equally, will be excisable on 14 October 2015, 14 October 2016 and 14 October 2017 respectively and shall be vested upon the fulfilment of certain performance targets and other vesting conditions as described in the grant letter issued by the Company to each grantee.

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binominal lattice model.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

33 EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS (Continued)

The Group amortised the fair value of the share options calculated above over the relevant vesting period. Accordingly, an amount of RMB5,963,000 was charged as an equity-settled share-based payment to profit or loss for the year of 2016 (2015: RMB9,246,000).

During 2016, 599,998 shares options had been exercised by the grantees to the terms of the share option scheme (2015: 1,333,332 shares), and 17,872,218 share options had been forfeited (2015: 10,083,336 shares).

The number of share options exercisable under the New Scheme as at 31 December 2016 is 69,777,782 (2015: 38,417,000).

Share options outstanding as at 31 December 2016 and 2015 have the following expiry dates and exercise prices:

2016

Expiry date	Exercise price HK\$ per share	Share options		Total '000
		granted to directors '000	granted to employees '000	
14 October 2019	0.5	–	119,611	119,611
Weighted average exercise price (HK\$)	–	0.5	0.5	0.5

2015

Expiry date	Exercise price HK\$ per share	Share options		Total '000
		granted to directors '000	granted to employees '000	
14 October 2019	0.5	–	138,083	138,083
Weighted average exercise price (HK\$)	–	0.5	0.5	0.5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

34 ACQUISITION/DISPOSAL OF SUBSIDIARIES

(i) Acquisition of a subsidiary

Hubei Aiyihang Auto Service Ltd.(Hubei Aiyihang) was an associate of Beijing Aiyihang which owned 40% of the shareholdings as at 31 December 2015.

On 27 May 2016, Beijing Aiyihang acquired additional 20% of shareholdings of Hubei Aiyihang from a former shareholder at a total consideration of RMB4,000,000 and thus held 60% of shareholdings of Hubei Aiyihang. Hubei Aiyihang became a subsidiary of the Company.

The fair values of identifiable assets and liabilities on 27 May 2016 were as follow:

	Carrying Value RMB'000	Fair Value RMB'000
Property, plant and equipment	17,700	17,700
Intangible assets	67	10,883
Deferred tax assets	6,497	6,497
Inventories	5,328	5,328
Trade receivables	2,622	2,622
Deposits, prepayments and other receivables	3,834	3,834
Cash and cash equivalents	1,151	1,151
Trade payables	(5,528)	(5,528)
Accruals and other payables	(31,106)	(31,106)
Deferred tax liabilities	–	(2,702)
		8,679
Less: Non-controlling interest		(528)
Total identifiable net assets at fair value		9,207
Cash paid during the year		2,040
Consideration payable by cash		1,960
Fair value of 40% shareholdings		5,207
Total consideration		9,207

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

34 ACQUISITION/DISPOSAL OF SUBSIDIARIES (Continued)

(ii) Disposal of subsidiaries

On 19 July 2016, the Group disposed all the 100% equity interest in two subsidiaries, Taiwan New Focus and New Focus Richahaus to a senior management member at a total consideration of NTD1.

The Group disposed 100% equity interests in Shenzhen Yonglonghang Auto Service Ltd. and Shanghai New Focus Auto Repair Service Co., Ltd. on 2nd and 4th of December 2016 to third parties at considerations of RMB10,347,000 and RMB6,000,000, respectively.

On 27 December 2016, the Group disposed 51% equity interest in a subsidiary, Shanghai Astrace to the non-controlling owner of Shanghai Astrace at a total consideration of RMB20,000,000.

The following tables summarize the results and cash flows of all above disposed subsidiaries prior to the date of disposal:

	2016 RMB'000	2015 RMB'000
Revenue	217,255	267,959
Cost and expenses	(244,063)	(302,776)
Loss before taxation	(26,808)	(34,817)
Income tax expenses	(737)	(778)
Results from disposed subsidiaries	(27,545)	(35,595)

	2016 RMB'000	2015 RMB'000
Cash flows used in operating activities	(13,501)	(20,842)
Cash flows used in investing activities	(9,825)	(8,574)
Cash flows generated from financing activities	22,838	27,296
Net cash flows for the year	(488)	(2,120)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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34 ACQUISITION/DISPOSAL OF SUBSIDIARIES (Continued)

The following table summarizes the effect of disposal of these subsidiaries on the financial position of the Group:

	2016 RMB'000
Property, plant and equipment	(41,794)
Other intangible assets	(64,166)
Inventories	(50,867)
Trade and other receivables	(50,067)
Cash and cash equivalents	(22,925)
Other assets	(1,918)
Bank borrowings, secured	48,791
Trade and other payables	99,681
Deferred tax liabilities	16,006
Other liabilities	6,098
Net assets	(61,161)
Consideration received, satisfied in cash	12,000
Cash and cash equivalents disposed of	(22,925)
Net cash outflows	(10,925)

35 CAPITAL RISK MANAGEMENT

The Group's objective of managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The capital structure of the Group consists of (i) debts, which includes the borrowings and the convertible bonds as disclosed in Notes 23 and 25, respectively; (ii) cash and cash equivalents and pledged time deposits in Note 29; (iii) equity attributable to owners of the Company, comprising share capital disclosed in Note 27 and reserves as disclosed in consolidated statement of changes in equity.

The Group's risk management reviews the capital structure on a semi-annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Group manages the capital structure and make adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

35 CAPITAL RISK MANAGEMENT (Continued)

The net debt to equity ratio at end of the reporting period was as follows:

	2016 RMB'000	2015 RMB'000
Debts	362,309	374,695
Cash and cash equivalents and pledged time deposits	(168,769)	(147,230)
Net debt position	193,540	227,465
Equity attributable to owners of the Company	354,287	476,917
Net debt to equity ratio	54.6%	47.7%

36 FINANCIAL RISK MANAGEMENT

The main risks arising from the Group's financial instruments in the normal course of the Group's business are credit risk, liquidity risk, interest rate risk and currency risk.

These risks are limited by the Group's financial management policies and practices described below.

(a) Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers and debtors requiring credit over a certain amount. These evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customers and debtors as well as pertaining to the economic environment in which the customers operate. Normally, the Group does not obtain collateral from customers, except for the loans to Shenzhen Jiahong.

For the detail of loans to Shenzhen Jiahong, please refer to Note 22(b).

Investments are normally only in highly liquid monetary funds with floating interest.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. At the end of reporting period, the Group has a certain concentration of credit risk as 6% (2015: 16%) and 25% (2015: 33%) of the total gross trade receivables that were due from the Group's largest customer and the five largest customers respectively within the manufacture and sale of automobile accessories business segment.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in Note 22.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

36 FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities of the Group's financial liabilities at the end of reporting period, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates, or if floating, based on rates current at the end of reporting period) and the earliest date the Group can be required to pay:

	Carrying amount RMB'000	Total contractual undiscounted cash flow RMB'000	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000
2016						
Bank borrowings, secured	178,475	185,449	185,449	-	-	-
Trade payables	185,641	185,641	185,641	-	-	-
Other payables	94,133	94,133	94,133	-	-	-
Convertible bonds	183,834	207,183	207,183	-	-	-
Total	642,083	672,406	672,406	-	-	-
2015						
Bank borrowings, secured	224,245	233,991	225,049	1,416	2,671	4,855
Trade payables	171,557	171,557	171,557	-	-	-
Other payables	88,425	88,425	88,425	-	-	-
Convertible bonds	150,450	203,707	9,767	193,940	-	-
Total	634,677	697,680	494,798	195,356	2,671	4,855

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

36 FINANCIAL RISK MANAGEMENT (Continued)

(c) Interest rate risk

The Group's fair value interest-rate risk mainly arises from liability component of convertible bonds as disclosed in Note 25. Most of bank borrowings were issued at fixed rates which expose the Group to fair value interest rate risk.

It is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's loss for the year and accumulated losses as at 31 December 2016 by RMB260,093 (2015: by RMB125,091). The Group has not used any financial instrument to hedge potential fluctuations in interest rate. The interest rates and terms of repayment of the Group's borrowings are disclosed in Note 23.

(d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is primarily US\$.

The Group is also exposed to foreign currency exchange risk arising from the cash and cash equivalents denominated in US\$.

The following table details the Group's exposure at the end of reporting period to currency risk arising from transactions or recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

	2016 US\$'000	2015 US\$'000
Trade and other receivables	11,489	10,871
Trade and other payables	(142)	–
Cash and cash equivalents and pledged time deposits	7,891	2,699
Bank borrowings	(6,000)	(6,000)
Overall net exposure	13,238	7,570

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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36 FINANCIAL RISK MANAGEMENT (Continued)

(d) Currency risk (Continued)

The following table indicates the approximate change in the Group's loss for the year and accumulated losses and other components of consolidated equity in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of reporting period. The sensitivity analysis includes balances between group companies where the denomination of the balances is in a currency other than the functional currencies of the lender or the borrower. A positive number below indicates a decrease in loss or an increase in profit and other equity where the RMB weakens against the relevant currency. For a strengthening of the RMB against the relevant currency, there would be an equal and opposite impact on the profit or loss and other equity, and the balances below would be negative.

	2016			2015		
	Increase in foreign exchange rate	Effect on loss for the year and accumulated losses RMB'000	Effect on other components of equity RMB'000	Increase in foreign exchange rate	Effect on loss for the year and accumulated losses RMB'000	Effect on other components of equity RMB'000
US\$	5%	3,360	-	5%	1,843	-

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of reporting period and had been applied to each of the Group entities; exposure to currency risk for both derivative and non-derivative financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rate over the period until the end of the next reporting period. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the Group entities' results for the year and equity measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of reporting period for presentation purposes. The analysis is performed on the same basis for 2015.

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37 SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts and fair values of the Group's financial assets and financial liabilities as recognised at 31 December 2016 and 2015 may be categorised as follows:

	2016		2015	
	Carrying value RMB'000	Fair value RMB'000	Carrying value RMB'000	Fair value RMB'000
Financial assets				
– Available-for-sale, at fair value	–	–	53,383	53,383
– Loans and receivables (including cash and cash equivalents and pledged time deposits), at amortised cost	479,360	479,360	576,930	576,930
Financial liabilities				
– Financial liabilities, at amortised cost	490,663	490,663	638,686	638,686
– Conversion option embedded in convertible bonds, at fair value	–	–	5,869	5,869

(a) The fair values of financial assets and liabilities are determined as follows:

- The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair value of other financial assets and liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments and forecast on the financial performance and other measures of the acquirees under the contingent consideration arrangements. The directors are of the opinion that there are no reasonably possible alternative assumptions to the inputs in the fair value measurement.

(b) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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37 SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

(Continued)

(b) Fair value hierarchy (Continued)

As at 31 December 2016, there was no financial instrument measured at fair value.

Fair value measurements as at 31 December 2015 categorised into

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurement:			
– Available-for-sale money market fund	42,383	–	–
– Available-for-sale wealth management products	–	11,000	–
– Conversion option embedded in convertible bonds	–	–	5,869

The fair value of conversion option embedded in convertible bonds is determined using binomial option pricing model and the significant unobservable input used in the fair value measurement is expected volatility. The fair value measurement is positively correlated to the expected volatility. As at 31 December 2015, it is estimated that with all other variables held constant, an increase/decrease in the expected volatility by 5% would have decreased/increased the Group's profit by RMB983,000/790,000. As at 31 December 2016, the conversion option was reclassified to equity.

The movement in fair value measurements in Level 3 during the year are as follows:

	2016 RMB'000	2015 RMB'000
At 1 January	5,869	–
Issuance of convertible bonds	–	23,723
Changes in fair value recognised in profit or loss during the year	(4,250)	(19,330)
Transferred to equity	(1,619)	–
Exchange realignment	–	1,476
At 31 December	–	5,869

38 CONTINGENT LIABILITIES

At the end of 31 December 2015 and 2016, the Group had no significant contingent liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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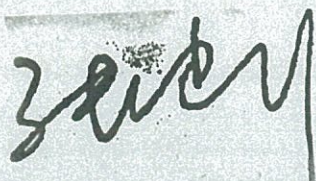
39 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

(Expressed in Renminbi)

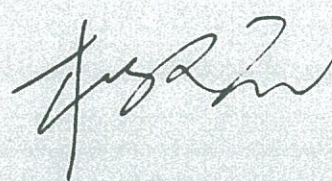
Note	31 December 2016 RMB'000	31 December 2015 RMB'000
ASSETS AND LIABILITIES		
Non-current assets		
Interest in subsidiaries	679,717	729,606
	679,717	729,606
Current assets		
Deposits, prepayments and other receivables	23,802	1,031
Short-term loan to a subsidiary	–	104,000
Cash and cash equivalents	18,625	592
	42,427	105,623
Current liabilities		
Accruals and other payables	8,826	10,623
Convertible bonds	183,834	156,319
	192,660	166,942
Net current liabilities	(150,233)	(61,319)
Total assets less current liabilities	529,484	668,287
NET ASSETS	529,484	668,287
CAPITAL AND RESERVES		
Share capital	27 376,184	376,133
Reserves	28(ii) 153,300	292,154
TOTAL EQUITY	529,484	668,287

Approved and authorised for issue by the board of directors on 30 March 2017.

Zhang Jianxing
Director



Du Jinglei
Director



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

40 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016

Up to the date of issue of these financial statements, the IASB has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2016 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IAS 7, <i>Statement of cash flows: Disclosure initiative</i>	1 January 2017
Amendments to IAS 12, <i>Income taxes: Recognition of deferred tax assets for unrealised losses</i>	1 January 2017
IFRS 9, <i>Financial instruments</i>	1 January 2018
IFRS 15, <i>Revenue from contracts with customers</i>	1 January 2018
Amendments to IFRS 2, <i>Share-based payment: Classification and measurement of share-based payment transactions</i>	1 January 2018
IFRS 16, <i>Leases</i>	1 January 2019

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. As the Group has not completed its assessment, further impacts may be identified in due course and will be taken into consideration when determining whether to adopt any of these new requirements before their effective date and which transitional approach to take, where there are alternative approaches allowed under the new standards.

IFRS 9, *Financial instruments*

IFRS 9 will replace the current standard on accounting for financial instruments, IAS 39, *Financial instruments: Recognition and measurement*. IFRS 9 introduces new requirements for classification and measurement of financial assets, calculation of impairment of financial assets and hedge accounting. On the other hand, IFRS 9 incorporates without substantive changes the requirements of IAS 39 for recognition and derecognition of financial instruments and the classification of financial liabilities.

IFRS 15, *Revenue from contracts with customers*

IFRS 15 establishes a comprehensive framework for recognising revenue from contracts with customers. IFRS 15 will replace the existing revenue standards, IAS 18, *Revenue*, which covers revenue arising from sale of goods and rendering of services, and IAS 11, *Construction contracts*, which specifies the accounting for revenue from construction contracts. The Group is currently assessing the impacts of adopting IFRS 15 on its financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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40 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016

(Continued)

IFRS 16, Leases

As disclosed in note 4(s), currently the group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The group enters into some leases as the lessor and others as the lessee.

IFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once IFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding “right-of-use” asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

IFRS 16 will primarily affect the group’s accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As disclosed in note 30(b), at 31 December 2016 the group’s future minimum lease payments under non-cancellable operating leases amount to RMB174,013,000 for properties, the majority of which is payable either between 1 and 5 years after the reporting date or in more than 5 years. Some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once IFRS 16 is adopted. The group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of IFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of IFRS 16 and the effects of discounting.

FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out below:

RESULTS

	1.1.2016 to 31.12.2016 RMB'000	1.1.2015 to 31.12.2015 RMB'000	1.1.2014 to 31.12.2014 RMB'000	1.1.2013 to 31.12.2013 RMB'000	1.1.2012 to 31.12.2012 RMB'000
Revenue	1,292,665	1,254,191	1,397,498	1,414,616	1,397,885
Loss before taxation	(145,811)	(103,302)	(26,379)	(565,262)	(374,376)
Income tax expenses	(2,507)	(645)	(9,422)	48,412	16,017
Loss for the year	(148,318)	(103,947)	(35,801)	(516,850)	(358,359)
Attributable to:					
Owners of the Company	(123,459)	(90,967)	(43,223)	(446,700)	(324,761)
Non-controlling interests	(24,859)	(12,980)	7,422	(70,150)	(33,598)
	(148,318)	(103,947)	(35,801)	(516,850)	(358,359)

ASSETS AND LIABILITIES

	31.12.2016 RMB'000	31.12.2015 RMB'000	31.12.2014 RMB'000	31.12.2013 RMB'000	31.12.2012 RMB'000
Total assets	1,212,834	1,319,032	1,188,415	1,346,733	1,694,039
Total liabilities	(783,667)	(734,319)	(648,118)	(853,058)	(1,168,351)
Net assets	429,167	584,713	540,297	493,675	525,688