

Millennium Pacific

GROUP HOLDINGS LIMITED

匯思太平洋集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 8147

2016 年度 ANNUAL
報告 REPORT

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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This report, for which the directors (the “Directors”) of Millennium Pacific Group Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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創業板乃為較於聯交所上市的其他公司帶有更高投資風險的公司提供上市的市場。有意投資者應了解投資於該等公司的潛在風險，並應經過審慎周詳考慮後方作出投資決定。基於創業板的較高風險及其他特色，創業板較適合專業及其他經驗豐富的投資者。

由於創業板上市公司的新興性質使然，在創業板買賣的證券可能會承受較於聯交所主板買賣的證券為高的市場波動風險，同時亦不保證在創業板買賣的證券會有高流通量的市場。

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本報告乃遵照聯交所創業板證券上市規則(「創業板上市規則」)的規定提供有關匯思太平洋集團控股有限公司(「本公司」)的資料。本公司各董事(「董事」)共同及個別對本報告承擔全部責任。董事於作出一切合理查詢後確認，就彼等所深知及確信，本報告所載資料在各重大方面均屬準確及完整，且並無誤導或欺詐成分，亦無遺漏任何其他事項，致使本報告內任何聲明或本報告有所誤導。

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Corporate Information

公司資料

REGISTERED OFFICE

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KY1-1108
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HEADQUARTERS IN PRC

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Lanzhu West Road
Export Processing Zone
Pingshan New District
Shenzhen
Guangdong Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

EXECUTIVE DIRECTORS

Mr. Tang Wai Ting, Samson (*Chairman*)
Mr. Kor Sing Mung, Michael (*Vice-Chairman*)
Mr. Mak Hing Keung, Thomas
Mr. Liu Liang

NON-EXECUTIVE DIRECTORS

Dr. Li Ying (Resigned on 1 February 2017)
Mr. Tse Yee Hin, Tony
Mr. Au Hoi Fung (Appointed on 1 February 2017)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Chan Sze Man
Mr. Lee Wai Hung
Mr. Ng Ka Chung
Ms. Eugenia Yang

AUTHORISED REPRESENTATIVES

Mr. Kor Sing Mung, Michael (Appointed on 18 March 2017)
Mr. Chou Chiu Ho (Resigned on 18 March 2017)
Mr. Mak Hing Keung, Thomas

COMPANY SECRETARY

Mr. Chou Chiu Ho (*HKICPA, ACCA*) (Resigned on 18 March 2017)

COMPLIANCE OFFICER

Mr. Tang Wai Ting Samson

註冊辦事處

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執行董事

鄧偉廷先生 (*主席*)
Kor Sing Mung, Michael 先生 (*副主席*)
麥興強先生
劉亮先生

非執行董事

李鷹博士 (於二零一七年二月一日辭任)
謝宇軒先生
區凱峰先生 (於二零一七年二月一日獲委任)

獨立非執行董事

陳詩敏女士
李偉雄先生
伍家聰先生
楊元晶女士

授權代表

Kor Sing Mung, Michael 先生 (於二零一七年三月十八日獲委任)
周昭何先生 (於二零一七年三月十八日辭任)
麥興強先生

公司秘書

周昭何先生 (*HKICPA, ACCA*) (於二零一七年三月十八日辭任)

合規主任

鄧偉廷先生

Corporate Information

公司資料

AUDIT COMMITTEE

Ms. Eugenia Yang (*Chairlady*)
Ms. Chan Sze Man
Mr. Lee Wai Hung
Mr. Ng Ka Chung

NOMINATION COMMITTEE

Mr. Lee Wai Hung (*Chairman*)
Ms. Chan Sze Man
Mr. Ng Ka Chung
Ms. Eugenia Yang

REMUNERATION COMMITTEE

Mr. Ng Ka Chung (*Chairman*)
Ms. Chan Sze Man
Mr. Lee Wai Hung
Ms. Eugenia Yang

COMPLIANCE COMMITTEE

Ms. Eugenia Yang (*Chairlady*)
Mr. Chou Chiu Ho (Resigned on 18 March 2017)
Mr. Lee Wai Hung
Mr. Ng Ka Chung
Mr. Tang Wai Ting Samson

LEGAL ADVISER

F. Zimmern & Co.

COMPLIANCE ADVISER

Ample Capital Limited

AUDITOR

World Link CPA Limited
5/F., Fast East Consortium Building,
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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Estera Trust (Cayman) Ltd.

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

WEBSITE

www.mpgroup.com.hk

STOCK CODE

8147

審核委員會

楊元晶女士 (*主席*)
陳詩敏女士
李偉雄先生
伍家聰先生

提名委員會

李偉雄先生 (*主席*)
陳詩敏女士
伍家聰先生
楊元晶女士

薪酬委員會

伍家聰先生 (*主席*)
陳詩敏女士
李偉雄先生
楊元晶女士

合規委員會

楊元晶女士 (*主席*)
周昭何先生 (於二零一七年三月十八日辭任)
李偉雄先生
伍家聰先生
鄧偉廷先生

法律顧問

施文律師行

合規顧問

豐盛融資有限公司

核數師

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開曼群島主要股份過戶登記處

Estera Trust (Cayman) Ltd.

香港股份過戶登記分處

卓佳證券登記有限公司

主要往來銀行

香港上海滙豐銀行有限公司

網站

www.mpgroup.com.hk

股份代號

8147

Chairman's Statement

主席報告

Dear Shareholders,

On behalf of the board of directors (the “**Board**”) of Millennium Pacific Group Holdings Limited (the “**Company**”), I hereby present the annual report of the Company and its subsidiaries (together the “**Group**”) for the year ended 31 December 2016.

LISTING

On 18 July 2014, the Company was successfully listed on the Growth Enterprise Market of the Stock Exchange (the “**Listing**”). The Listing has laid a foundation for the Group's continuous development.

BUSINESS REVIEW

2016 was a year of fast changing and difficulties. During the year, the Group recorded a net loss. Such loss was mainly because (i) the largest customer of the Group has ceased to place order for GPS personal navigation devices from the Group since June 2015; (ii) the unsatisfactory sales of the Group's consumer electronic products, such as fitness bracelet and mobile internet devices; (iii) a significant amount of allowance for inventories has been made during the year ended 31 December 2016 as a result of the drop in market needs of its consumer electronic products; and (iv) the operation of internet trading platform was unsatisfactory. All the above reasons resulted in significant net loss of the Group.

The Group would like to share more details of the Group's performance, financial position and other information in the year 2016 with shareholders in the following section of management discussion and analysis.

PROSPECTS

Apart from our commitment to the development of our principal business, we will actively make progress to generate growth and strive for potential and new business opportunities. The Group is actively developing electronic products market, through various channels, and on 3 February 2017, the Company entered into the memorandum of understanding (“**MOU**”) with the target company in respect of the possible acquisition by the Company of interest in a company established in the People's Republic of China with limited liability on 8 August 2011 (the “**Possible Acquisition**”). The Target Company is principally engaged in research, development, design, manufacture and sales of weak alkaline waste-free water purification machine. The Company believes that the Possible Acquisition, if materializes, will enable the Company to complement on the business of research, development, manufacturing and trading of electronic devices. The Company will make further announcement(s) as and when appropriate and comply with all other applicable requirements under the GEM Listing Rules. Our Group will keep the shareholders abreast of the latest development of the Group.

CORPORATE GOVERNANCE

The Group remains committed to maintaining high standards of corporate governance. All board committees have effectively supported the Board in carrying out its responsibilities. By conducting its business under good corporate governance, the Group's and shareholders' long term interests will be maximized.

各位股東：

本人謹此代表匯思太平洋集團控股有限公司(「本公司」)董事會(「董事會」)呈報本公司及其附屬公司(統稱「本集團」)截至二零一六年十二月三十一日止年度的年報。

上市

於二零一四年七月十八日，本公司成功於聯交所創業板上市(「上市」)。上市為本集團持續發展奠定基石。

業務回顧

二零一六年是充滿變化和波折的一年。年內，本集團錄得淨虧損。虧損主要由於(i)本集團之最大客戶自二零一五年六月起終止向本集團訂購GPS個人導航設備；(ii)本集團的消費電子產品(例如，健身手環及行動連網裝置)的銷售表現不理想；(iii)消費電子產品的市場需求下降導致於截至二零一六年十二月三十一日止年度就存貨作出高額撥備；及(iv)互聯網交易平台營運未見理想。以上各種原因導致本集團錄得重大虧損淨額。

本集團謹此於下文「管理層討論及分析」一節中，向股東提供更多關於本集團於二零一六年之表現、財務狀況及其他資料。

前景

本集團除致力發展其主要業務外，我們亦將積極推進業務增長，開拓潛在及新商機。本集團正積極透過不同渠道開發電子產品市場，同時於二零一七年二月三日，本公司與目標公司就本公司可能收購目標公司權益(「可能收購事項」)訂立諒解備忘錄(「諒解備忘錄」)。該目標公司乃於二零一一年八月八日在中華人民共和國成立之有限責任公司，主要從事研發、設計、生產及銷售弱鹼性無廢料淨水機。本公司相信，倘可能收購事項得以落實進行，將使本公司完善研發、製造及電子產品貿易的業務。本公司將適時另行刊發公告及遵守創業板上市規則項下所有其他適用規定。本集團將會繼續向各位股東報告本集團之最新發展。

企業管治

本集團繼續致力維持高水平之企業管治。全部董事委員會均已克盡其任，有效支持董事會。在良好的企業管治下，本集團及股東的長遠利益將能擴至最大。

Chairman's Statement

主席報告

APPRECIATION

On behalf of the Board, I would like to express my warmest thanks to the management and our staff for their significant contributions. I would like to expend my sincere gratitude to all our shareholders and investors for their endless support. With the solid business base and the effort of all staff, the Group will endeavor to open a new chapter in the future.

Tang Wai Ting, Samson
Chairman

Hong Kong, 21 March 2017

致謝

本人謹此代表董事會衷心感謝管理層及員工所付出之寶貴貢獻，亦衷心感激本集團全體股東及投資者一直以來的支持。憑藉本集團穩固的業務基礎及全體員工的努力，本集團的發展日後定能更上一層樓。

主席
鄧偉廷

香港，二零一七年三月二十一日

Management Discussion and Analysis

管理層討論及分析

OVERVIEW

The Group is principally engaged in the research and development, manufacture and sale of consumer electronic products, such as fitness bracelets, GPS personal navigation devices, mobile internet devices and TV set-top boxes. The Group provides one-stop services to our customers by offering design, prototyping/sampling, manufacturing, assembling and packaging of their products. The turnover of the Group for the year ended 31 December 2016 was approximately HK\$51.7 million, representing a decrease of approximately 23.0% from approximately HK\$67.1 million for the year ended 31 December 2015. In 2016, the global economic environment was extremely volatile, with the personal electronics market taking the brunt. Several leading brands in the market suffered from declined performance, and the Group was also affected in terms of the sales of its electronic devices. Therefore, we set aside a significant amount of allowance for the inventory during the year. In addition, as operation of its online transaction platform was not as good as expected and failed to improve sales revenue by leveraging on the Big Data of the online platform and Business Intelligence Technology, the Group suspended relevant expansion efforts and expanded its product diversity by every possible means to supply the existing trade business while keeping an eye on potential acquisition targets, in order for the Group to realise profit as soon as possible.

In an attempt to broaden our product category and sales channel, in July 2016, the Group launched the internet trading platform, namely "CQP Mall", which is an online sales and advertisement platform. The internet trading platform business was carried out under our subsidiaries, namely Millennium Pacific Information Technology Limited ("MPIT"), Truvisio Limited ("Truvisio") and Millennium Pacific Information Technology (Shenzhen) Limited ("MPITSZ"). After the launch, the performance of the internet trading platform was unsatisfactory. In December 2016, the Group has ended the internet trading platform business by disposing of the above subsidiaries. The net loss of the internet trading platform until the date of disposal was approximately HK\$9.6 million.

The following table sets forth the breakdowns of the turnover of the Group for each of the years ended 31 December 2015 and 2016:

概覽

本集團主要從事研發、製造及銷售消費電子產品，例如健身手環、GPS個人導航設備、行動連網裝置及電視機頂盒。本集團通過提供設計、原型機製造/樣機製造、製造、裝配及包裝產品而向客戶提供一站式服務。本集團截至二零一六年十二月三十一日止年度之營業額為約51.7百萬港元，較截至二零一五年十二月三十一日止年度之約67.1百萬港元減少約23.0%。二零一六年環球經濟環境極不穩定，個人電子消費品更是首當其衝，除市場上幾個主要龍頭品牌的業績倒退外，本集團的電子產品銷售亦受波及，從而對本年度之存貨作出高額撥備。另外，由於本集團的互聯網交易平台營運未如理想，未能有效透過網上平台的大數據及商業智能技術，提升銷售收益，本集團已停止相關拓展行動並積極通過各種渠道擴大其產品類別，以鞏固現有的貿易業務及不時留意有潛質的業務進行併購，務求令本集團盡快體現利潤。

為拓闊產品類別及銷售渠道，於二零一六年七月，本集團推出互聯網交易平台「旗美薈」，這是一個網上銷售及廣告平台。互聯網交易平台業務乃由我們的附屬公司Millennium Pacific Information Technology Limited（「MPIT」）、匯視創新有限公司（「匯視創新」）及匯思太平洋信息科技（深圳）有限公司（「匯思太平洋信息科技（深圳）」）負責進行。推出後，互聯網交易平台營運未見理想。於二零一六年十二月，本集團透過出售上述附屬公司終止了互聯網交易平台業務。直至出售日期，互聯網交易平台虧損淨額約為9.6百萬港元。

下表載列本集團於截至二零一五年及二零一六年十二月三十一日止年度各年之營業額明細：

		For the year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Sales of manufactured products	銷售製成產品	28,721	56,150
Sales on trading of electronic products, accessories and raw materials	電子產品、配件及原材料貿易銷售	23,006	10,948
		51,727	67,098

Management Discussion and Analysis

管理層討論及分析

Cost of Sales and Gross Profit

The majority of the Group's cost of sales was raw material costs. The Group's cost of sales dropped by 24.5% to approximately HK\$46.1 million between the year ended 31 December 2015 and 2016. The gross profit margin increased from approximately 9.0% for the year ended 31 December 2015 to approximately 10.8% for the year ended 31 December 2016. The increase in gross profit margin was mainly due to stringent cost control measure implemented during the year ended 31 December 2016. The gross profit dropped slightly from approximately HK\$6.0 million for the year ended 31 December 2015 to approximately HK\$5.6 million for the year ended 31 December 2016. The decrease in gross profit was in line with the decrease in turnover of the Group mainly because (i) the largest customer of the Group has ceased to place order for GPS personal navigation devices from the Group due to the change of its product line; and (ii) the sales of the Group's consumer electronic products, such as fitness bracelets and mobile internet devices were unsatisfactory.

Expenses

Staff costs for the year ended 31 December 2016 was approximately HK\$18.5 million (2015: approximately HK\$14.5 million), representing an increase of approximately HK\$4 million as compared with the last year, which was mainly due to increase in head count in Hong Kong during the period.

Administrative expenses for the year ended 31 December 2016 was approximately HK\$51.4 million (2015: approximately HK\$20.9 million), representing an increase of approximately HK\$30.5 million as compared with the last corresponding period, mainly due to the increase in operating lease charges on premises in respect of offices in Hong Kong and PRC, the allowance for inventories, staff costs and foreign exchange loss. A significant amount of allowance for inventories of approximately HK\$15.8 million (2015: approximately HK\$2.8 million) has been made during the year ended 31 December 2016 as a result of the drop in market needs of its consumer electronic products.

Taxes

The income tax expense comprised Hong Kong Profits Tax and PRC Enterprise Income Tax ("EIT") for the year. The income tax expense for the year ended 31 December 2016 was approximately HK\$1,000 (2015: approximately HK\$19,000).

Hong Kong Profits Tax is provided at 16.5% (2015: 16.5%) based on the assessable profits for the year. On 26 December 2014, Central Pacific Int Technology Limited ("CPIT"), a Company's PRC subsidiary, was granted status of High and New Technology Enterprise and entitled to preferential EIT rate of 15% from 1 January 2014 to 31 December 2016 provided that CPIT continues engaging in activities which meet the criteria of being a High and New Technology Enterprise pursuant to No. 28 of the EIT Law of the PRC ("EIT Law") and No. 93 of the Regulation on the Implementation of the EIT Law promulgated by the State Council of the PRC. The tax rate applicable to the Group's other PRC subsidiaries were 25% (2015: 25%) during the year.

銷售成本及毛利

本集團銷售成本主要為原材料成本。於截至二零一五年及二零一六年十二月三十一日止年度，本集團銷售成本減少24.5%至約46.1百萬港元。毛利率由截至二零一五年十二月三十一日止年度約9.0%上升至截至二零一六年十二月三十一日止年度約10.8%，毛利率上升主要由於於截至二零一六年十二月三十一日止年度實施嚴格的成本控制措施。毛利由截至二零一五年十二月三十一日止年度約6.0百萬港元略降至截至二零一六年十二月三十一日止年度約5.6百萬港元。毛利之減幅與本集團營業額之減幅一致，主要由於(i)本集團之最大客戶由於其產品組合有所改變而終止向本集團訂購GPS個人導航設備；及(ii)本集團的消費電子產品(例如健身手環及行動連網裝置)的銷售表現未如理想。

開支

截至二零一六年十二月三十一日止年度的員工成本約為18.5百萬港元(二零一五年：約14.5百萬港元)，較去年增加約4百萬港元，乃主要由於期內香港職員人數增加所致。

截至二零一六年十二月三十一日止年度的行政開支約51.4百萬港元(二零一五年：約20.9百萬港元)，較去年同期增加約30.5百萬港元，主要由於香港及中國辦公室物業之經營租賃費用、存貨撥備、員工成本及匯兌虧損增加所致。由於消費電子產品的市場需求下降，本公司於截至二零一六年十二月三十一日止年度就存貨作出高額撥備約15.8百萬港元(二零一五年：約2.8百萬港元)。

稅項

所得稅開支包括本年度香港利得稅及中國企業所得稅(「企業所得稅」)。截至二零一六年十二月三十一日止年度之所得稅開支約為1,000港元(二零一五年：約19,000港元)。

香港利得稅乃根據年內應課稅溢利按16.5%(二零一五年：16.5%)計提撥備。於二零一四年十二月二十六日，中匯洲電子(深圳)有限公司(「中匯洲電子」，本公司的中國附屬公司)獲批高新科技企業資格，由二零一四年一月一日至二零一六年十二月三十一日有權按15%的優惠企業所得稅率繳納企業所得稅，前提為中匯洲電子繼續從事符合中國國務院頒佈的中國企業所得稅法(「企業所得稅法」)第28條及企業所得稅法實施條例第93條的高新技術企業標準的活動。年內，本集團其他中國附屬公司的適用稅率為25%(二零一五年：25%)。

Management Discussion and Analysis

管理層討論及分析

Loss for the Year

The Group incurred a net loss of approximately HK\$44.1 million during the year ended 31 December 2016, as compared with a net loss of approximately HK\$17.5 million for the year ended 31 December 2015. The loss incurred was mainly because (i) the largest customer of the Group has ceased to place order for GPS personal navigation devices from the Group due to the change of its product line; (ii) the sales of the Group's consumer electronic products, such as fitness bracelets and mobile internet devices were unsatisfactory; (iii) a significant amount of allowance for inventories of approximately HK\$15.8 million (2015: approximately HK\$2.8 million) has been made during the year ended 31 December 2016 as a result of the drop in market needs of its consumer electronic products; and (iv) the operation of internet trading platform was unsatisfactory. All the above reasons resulted in significant net loss of the Group during the year ended 31 December 2016.

Liquidity, Financial Resources and Capital Structure

Historically, the Group has funded its liquidity and capital requirements primarily through operating cash flows, bank borrowings and funds from the listing of the Company's shares on GEM of the Stock Exchange. The Group requires cash primarily for working capital needs. As at 31 December 2016, the Group had bank and cash balances of approximately HK\$7.2 million (31 December 2015: approximately HK\$33.0 million). The Board kept monitoring the cash level of the Group and would consider different ways of financing in order to ensure the sufficiency of cash.

The Group incurred a loss attributable to owners of the Company of approximately HK\$44.1 million and net cash outflow from operating activities of approximately HK\$28.4 million for the year ended 31 December 2016, and had decrease in net current assets by approximately HK\$35.2 million with net amount due to a director of approximately HK\$6.5 million as at 31 December 2016. These conditions to the financial statements, indicate the existence of an uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

Taking into account the Group's future development needs, the Company and a placing agent (the "Placing Agent") entered into a placing agreement (the "Placing Agreement") on 16 March 2017, pursuant to which the Company agreed to appoint the Placing Agent to, on a best effort basis, procure places to subscribe for the 4.0% coupon unlisted bonds with a term of 12 months, to be issued in tranches by the Company in an aggregate principal amount up to HK\$30,000,000 (the "Bonds"). Details of Placing Agreement have been disclosed in the announcement of the Company dated 20 March 2017. Up to the date of this announcement, the placing of Bonds has yet been completed.

Proceeds from bond issuance will be used for potential acquisitions or working capital to strengthen the trading business of the Group.

年內虧損

截至二零一六年十二月三十一日止年度，本集團產生虧損淨額約44.1百萬港元，而截至二零一五年十二月三十一日止年度產生淨虧損約17.5百萬港元。產生虧損主要由於(i)本集團之最大客戶由於其產品組合有所改變而終止向本集團訂購GPS個人導航設備；(ii)本集團的消費電子產品(例如，健身手環及行動連網裝置)的銷售表現不理想；(iii)消費電子產品的市場需求下降導致於截至二零一六年十二月三十一日止年度就存貨作出高額撥備約15.8百萬港元(二零一五年：約2.8百萬港元)；及(iv)互聯網交易平台營運未見理想。以上各種原因導致本集團於截至二零一六年十二月三十一日止年度錄得重大虧損淨額。

流動資金、財務資源及資本結構

過往，本集團主要以經營現金流量、銀行借貸及本公司股份於聯交所創業板上市所得資金應付其流動資金及資本需求。本集團的現金主要用於滿足營運資金需求。於二零一六年十二月三十一日，本集團的銀行及現金結餘約為7.2百萬港元(二零一五年十二月三十一日：約33.0百萬港元)。董事會持續監控本集團的現金水平，並將考慮多種融資方法以維持充足的現金。

截至二零一六年十二月三十一日止年度，本集團錄得本公司擁有人應佔虧損約44.1百萬港元及經營活動現金流出淨額約28.4百萬港元，及於二零一六年十二月三十一日，流動資產淨值減少約35.2百萬港元及應付一名董事款項淨額約6.5百萬港元。該等財務報表情況顯示有不確定因素可能對本集團的持續經營能力構成重大疑問。

考慮到本集團未來的發展需要，本公司於二零一七年三月十六日與一名配售代理(「配售代理」)訂立配售協議(「配售協議」)，據此，本公司已同意委任配售代理按盡力基準促使承配人認購本公司將分批發行的，本金總額最多為30,000,000港元，期限為12個月，及票息為4厘的非上市債券(「債券」)。配售協議詳情已於本公司二零一七年三月二十日之公告披露。直至本公告日期，債券配售尚未完成。

發行債券所得之金額，將用作潛在有收購之項目或加強本集團貿易業務之營運資金。

Management Discussion and Analysis

管理層討論及分析

Gearing Ratio

As at 31 December 2016, we had bank overdraft of approximately HK\$50,000 (31 December 2015: nil) and finance lease payables of approximately HK\$41,000 (31 December 2015: HK\$0.2 million). Due to the drop of total equity, the gearing ratio increased from approximately 0.4% as at 31 December 2015 to approximately 1.5% as at 31 December 2016.

Note: Gearing ratio is calculated as the total debt divided by total equity. For the avoidance of doubt, total debt includes bank borrowing and finance lease obligations.

OPERATION REVIEW

Outlook

In 2016, the global economic environment was extremely volatile, with the personal electronics market taking the brunt. Several leading brands in the market suffered from declined performance, and the Group was also affected in terms of the sales of its electronic devices. Therefore, we set aside a significant amount of allowance for inventory during the year. In addition, as operation of its online transaction platform was not as good as expected and failed to improve sales revenue. Both led to the increase in the net loss for the year ended 31 December 2016.

According to International Data Corporation (“IDC”), an international provider of market data for the information technology, telecommunications and consumer technology markets, global tablet shipment declined for the first time in the last quarter of 2014 since 2010. The global tablet shipments have been declining since then with global tablet shipments dropping further by 15.6% in 2016 to 174.8 million units compared to 2015, marking the second straight year of declining shipments. The global tablet market has become even more difficult for small manufacturers as the market share of small manufacturers was shrinking, with the aggregate market share of all tablet manufacturers other than top 5 manufacturers dropping from 37.4% in the last quarter of 2014 to 19.8% in the last quarter of 2016. The small manufacturers are competing for the smaller share in a shrinking market.

Source: IDC Worldwide Quarterly Tablet Tracker, February 1, 2016 and February 2, 2017

With the competitive market condition, the Group has sought to expand its product portfolio. In 2016, the Group has launched its health tracking products, Skipping Rope and Bike Meter, under its existing principal business.

資產負債比率

於二零一六年十二月三十一日，我們的銀行透支約50,000港元(二零一五年十二月三十一日：無)及融資租賃應付款項約41,000港元(二零一五年十二月三十一日：0.2百萬港元)。由於總權益減少，資產負債比率由二零一五年十二月三十一日約0.4%上升至二零一六年十二月三十一日約1.5%。

附註： 資產負債比率乃按債務總額除以總權益計算。為免生疑，債務總額包括銀行借貸及融資租賃承擔。

業務回顧

展望

二零一六年，環球經濟環境極不穩定，個人電子消費品更是首當其衝，除市場上幾個主要龍頭品牌業績倒退外，本集團的電子產品銷售亦受波及，從而對本年度之存貨作出高額撥備。另外，本集團的互聯網交易平台營運未如理想，未能有效提升銷售收益。該等因素導致本集團截至二零一六年十二月三十一日止年度之淨虧損增加。

根據專注於資訊科技、電訊及消費者科技市場的國際市場數據供應商 International Data Corporation (「IDC」) 的資料顯示，全球平板電腦出貨量自二零一零年以來首次於二零一四年第四季度錄得下跌。自此，全球平板電腦出貨量開始下跌，相比二零一五年，二零一六年進一步下跌15.6%至174.8百萬台，標誌著連續兩年出貨量下降。由於小型生產商的市場份額縮減，而且所有平板生產商(五大生產商除外)的市場總份額從二零一四年第四季度的37.4%下跌至二零一六年第四季度的19.8%，全球平板電腦市場對於小型生產商而言更加艱難。在萎縮的市場中，小型生產商的競爭更加激烈。

資料來源： IDC全球季度平板電腦追蹤報告，二零一六年二月一日及二零一七年二月二日

由於市場環境競爭激烈，本集團已尋求擴大其產品組合。二零一六年，本集團在其現有主要業務下推出健康追蹤產品、跳繩及自行車儀表。

Management Discussion and Analysis

管理層討論及分析

In July 2015, our Group launched its new product fitness bracelet. Our fitness bracelets were sold at various platforms such as our own website, a third party online platform and various retail stores. We sold 19,000 units of fitness bracelets in 2016 (2015: 576 units), generating revenue of approximately HK\$3.4 million in 2016 (2015: approximately HK\$0.1 million).

In an attempt to broaden our product category and sales channel, in July 2016, the Group launched the internet trading platform, namely “CQP Mall”, which is an online sales and advertisement platform. The internet trading platform business was carried out under our subsidiaries, MPIT, Truvisio and MPITSZ. After the launch, the performance of the internet trading platform was unsatisfactory. In December 2016, the Group has ended the internet trading platform business by disposing of the above subsidiaries. The net loss of the internet trading platform until the date of disposal was approximately HK\$9.6 million.

Looking forward, the Group will remain committed to the development of our trading business. Apart from enhancing the research and development function and expanding its product functionality, the Group is actively developing electronic products market, through various channels and continues to seek new investment opportunities with growth potential. No target has been confirmed and no decision of such investment has been made by the Board. The Company will publish announcement on these matters (if any) in due course.

Litigation

On 27 July 2016, the Company received a writ of summons filed by Kim, Sungho as the plaintiff (“**Plaintiff**”) against (i) CPIT Investments Limited, which is beneficially owned as to 99% by Mr. Tang Wai Ting Samson (“**Mr. Tang**”), an executive director and the chairman of the Company, and 1% by Ms. Chan Kai Hei (“**Mrs. Tang**”), a director of Central Pacific International Group Limited which is an indirect wholly-owned subsidiary of the Company and the spouse of Mr. Tang); (ii) Mr. Tang; (iii) Mrs. Tang; (iv) Mr. Kor Sing Mung, Michael (an executive director and the vice-chairman of the Company); (v) Mr. Yang Wu; and (vi) the Company as the defendants under an action number HCA 1935/2016 (“**First Proceeding**”) in the High Court of Hong Kong (“**Court**”) regarding certain dealings in the shares of the Company. On 12 August 2016, the Company received a writ of summons filed by Lim Hang Young as the plaintiff against (i) World Link CPA Limited (the auditor of the Company) (“**Auditor**”); (ii) Mr. Tang; (iii) Mr. Chan Kwon Chi Vicky (a director of CPIT Investments Limited); (iv) CPIT Investments Limited; and (v) the Company as the defendants under an action number HCA 2041/2016 (“**Second Proceeding**”) in the Court regarding, inter alia, certain accounting issues. The Company has obtained orders from the Court on 18 January 2017 to dismiss the First Proceeding and the Second Proceeding against the Company with costs of the proceedings to be paid by Kim, Sungho and Lim Hang Young respectively. The Company is therefore no longer a party in these actions. Details of the above legal proceedings are set out in the Company’s announcements dated 27 July 2016, 12 August 2016 and 3 February 2017.

於二零一五年七月，本集團推出其新產品健身手環。我們的健身手環在多個平台出售，如我們的網站、第三方網絡平台及各種零售商店等。於二零一六年，我們售出19,000個健身手環（二零一五年：576個），產生收入約3.4百萬港元（二零一五年：約0.1百萬港元）。

為拓闊產品類別及銷售渠道，於二零一六年七月，本集團推出互聯網交易平台「旗美薈」，這是一個網上銷售及廣告平台。互聯網交易平台業務乃由我們的附屬公司MPIT、匯視創新及匯思太平洋信息科技（深圳）負責進行。推出後，互聯網交易平台營運未見理想。於二零一六年十二月，本集團透過出售上述附屬公司終止了互聯網交易平台業務。直至出售日期，互聯網交易平台虧損淨額約為9.6百萬港元。

展望未來，本集團仍將致力於開發其貿易業務。除改善研發功能及擴展其產品性能外，本集團正積極透過不同渠道開發電子產品市場，同時繼續尋找具有增長潛力之新投資機遇。董事會尚未確定任何目標及亦未作出任何相關投資決定。本公司將適時就此等事宜（如有）作出公告。

訴訟

於二零一六年七月二十七日，本公司接獲一份傳訊令狀，由Kim, Sungho作為原告（「**原告**」）入稟香港高等法院（「**法院**」）向(i) CPIT Investments Limited（由本公司執行董事兼主席鄧偉廷先生（「**鄧先生**」）及本公司旗下一家間接全資附屬公司中匯環球集團有限公司的董事兼鄧先生配偶陳佳曦女士（「**鄧太太**」）分別實益擁有99%及1%權益）；(ii) 鄧先生；(iii) 鄧太太；(iv) 本公司執行董事兼副主席Kor Sing Mung, Michael先生；(v) 楊武先生；及(vi) 本公司作為被告發出，訴訟編號為HCA 1935/2016號（「**首宗訴訟**」），其涉及本公司之若干股份交易。於二零一六年八月十二日，本公司接獲一份傳訊令狀，由Lim Hang Young作為原告入稟法院向(i) 華普天健（香港）會計師事務所有限公司（本公司核數師（「**核數師**」））；(ii) 鄧先生；(iii) Chan Kwon Chi Vicky先生（CPIT Investments Limited的董事）；(iv) CPIT Investments Limited；及(v) 本公司作為被告發出，訴訟編號為HCA 2041/2016號（「**第二宗訴訟**」），其涉及（其中包括）若干會計問題。本公司已於二零一七年一月十八日取得法院命令，撤銷對本公司提出之首宗訴訟及第二宗訴訟，訟費分別由Kim, Sungho及Lim Hang Young支付。因此，本公司不再牽涉該等訴訟。上述法律訴訟之詳情載於本公司日期為二零一六年七月二十七日、二零一六年八月十二日及二零一七年二月三日之公告。

Management Discussion and Analysis

管理層討論及分析

Employees and Remuneration Policies

As at 31 December 2016, the Group had a total of 66 employees. The Group's staff costs for the year ended 31 December 2016 amounted to approximately HK\$18.5 million (2015: approximately HK\$14.5 million). The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee. The Group recognises the importance of a good relationship with its employees. The remuneration payable to its employees includes salaries and allowances. Other benefits and incentives include trainings and share options.

In Hong Kong, the Group's employees have participated in the mandatory provident fund schemes prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). In the PRC, the Group's employees have participated in the basic pension insurance, basic medical insurance, unemployment insurance, occupational injury insurance, maternity insurance prescribed by the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), and housing provident fund prescribed by the Regulations on the Administration of Housing Fund (《住房公積金管理條例》). All PRC-based employees have the right to participate in the social insurance and housing provident fund schemes.

Capital expenditure

The Group purchased property, plant and equipment amounting to approximately HK\$2.0 million for the year ended 31 December 2016 (2015: approximately HK\$0.8 million).

Capital commitments

The Group did not have any significant capital commitments as at 31 December 2016 (2015: Nil).

Foreign Currency Risk

The Company does not have significant exposure on foreign currency risk.

The functional currencies of the Group's entities are principally denominated in HK\$ and Renminbi ("RMB"). The Group has certain exposure to foreign currency risk as some of its business transactions, assets and liabilities are denominated in currencies other than the functional currencies of the respective Group entities such as United States dollars ("US\$"). The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities.

The Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge against its foreign exchange exposure during the year ended 31 December 2016.

僱員及薪酬政策

於二零一六年十二月三十一日，本集團共有66名僱員。截至二零一六年十二月三十一日止年度，本集團的員工成本約為18.5百萬港元(二零一五年：約14.5百萬港元)。本集團之薪酬政策與現行市場慣例一致，並按個別僱員的表現、資格及經驗釐定。本集團深明與其僱員保持良好關係的重要性。應付僱員薪酬包括薪金及津貼。其他福利及獎勵包括培訓及購股權。

在香港，本集團僱員已參與香港法例第485章《強制性公積金計劃條例》規定的強制性公積金計劃。在中國，本集團僱員已參與《中華人民共和國社會保險法》規定的基本退休保險、基本醫療保險、失業保險、工傷保險及生育保險以及《住房公積金管理條例》規定的住房公積金。所有駐中國僱員均有權參與社會保險及住房公積金計劃。

資本開支

截至二零一六年十二月三十一日止年度，本集團購買的物業、廠房及設備約為2.0百萬港元(二零一五年：約0.8百萬港元)。

資本承擔

於二零一六年十二月三十一日，本集團並無任何重大資本承擔(二零一五年：無)。

外幣風險

本公司並無重大外幣風險。

本集團實體的功能貨幣主要為港元及人民幣(「人民幣」)。本集團面臨若干外幣風險，乃由於其若干業務交易、資產及負債以本集團相關實體的功能貨幣以外的貨幣(如美元(「美元」))計值。本集團目前並無就外幣交易、資產及負債制定外幣對沖政策。

截至二零一六年十二月三十一日止年度，本集團並無涉及任何衍生工具協議，亦無使用任何金融工具對沖其匯兌風險。

Management Discussion and Analysis

管理層討論及分析

Significant Investments held, Material Acquisitions and Disposals of Subsidiaries, and Future Plans for Material Investments or Capital Assets

In December 2016, the Group disposed of three subsidiaries, MPIT, Truvisio and MPITSZ, to an independent third party. Before the disposals, MPIT and MPITSZ assisted the Group's internet trading platform. Truvisio assisted the Group's research and development in consumer electronic products. The management believes that such disposals will help the Group to centralise resources management and improve original trading business so that the Group is able to realise profit as soon as possible.

Save for the above, there were neither significant investments held as at 31 December 2016 nor material acquisitions and disposals of subsidiaries made during the year ended 31 December 2016. Save for the possible acquisition of a company established in the PRC (the "Possible Acquisition"), details of which are set out in the announcement of the Company dated 3 February 2017, there is no plan for material investments or capital assets as at the date of this announcement.

Charges over Assets of the Group

As at 31 December 2016, the Group had no pledged deposits (2015: HK\$Nil). The Group had a motor vehicle with carrying amount of HK\$40,000 (2015: HK\$198,000) acquired under finance leases. As at 31 December 2016, the carrying value of finance leases payables amounted to approximately HK\$41,000 (2015: approximately HK\$0.2 million).

Dividend

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

Comparison of business objectives with actual business progress

An analysis comparing the business objectives as set out in the Prospectus for the period from 21 June 2014, being the latest practicable date as defined in the Prospectus ("LPD"), to 31 December 2016 (the "Review Period") with the Group's actual business progress for the Review Period is set out as follows:

Business Objective for the Review Period

回顧期間業務目標

Expanding the production capacity and scale

擴大產能及規模

- determine the specification of additional surface mount technology (the "SMT") production facilities
釐定新增表面黏貼技術(「SMT」)製造設施規格
- acquire and install additional SMT production facilities
購置及安裝額外 SMT 生產設施
- expand the Group's operation with the additional SMT production facilities
以新增的 SMT 生產設施擴大本集團營運

所持有之重大投資、重大收購及出售附屬公司及重大投資或資本資產之未來計劃

於二零一六年十二月，本集團向一名獨立第三方出售三間附屬公司(即MPIT、匯視創新及匯思太平洋信息科技(深圳))。在出售前，MPIT及匯思太平洋信息科技(深圳)乃為輔助本集團的互聯網交易平台。匯視創新乃為輔助本集團研發消費電子產品。管理層相信相關出售有助本集團集中資源管理及加強原有貿易業務，務求令本集團盡快體現利潤。

除上述者外，於二零一六年十二月三十一日概無持有重大投資，且截至二零一六年十二月三十一日止年度亦無進行重大收購及出售附屬公司事項。除一家於中國註冊成立之公司之可能收購事項(「可能收購事項」)(詳情載於本公司二零一七年二月三日之公告)外，本公司於本公告日期並無重大投資或資本資產的計劃。

本集團的資產抵押

於二零一六年十二月三十一日，本集團並無任何抵押存款(二零一五年：零港元)。本集團根據融資租賃購得一輛汽車，賬面值為40,000港元(二零一五年：198,000港元)。於二零一六年十二月三十一日，應付融資租賃款項的賬面值約為41,000港元(二零一五年：約0.2百萬港元)。

股息

董事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。

業務目標與實際業務進展之比較

招股章程所載由二零一四年六月二十一日(即招股章程定義的最後可行日期(「最後可行日期」))至二零一六年十二月三十一日期間(「回顧期間」)的業務目標與本集團於回顧期間的實際業務進展之比較分析如下：

Actual Business Progress up to 31 December 2016

截至二零一六年十二月三十一日之實際業務進展

Considering production and sales performance of its production facilities, the Group will adjust the use of proceeds to generate more effective returns for the Group. For more information, please refer to "Use of Proceeds from the Listing" on page 15. 本集團考慮到工廠的生產及銷售情況，將調整資金用途，為本集團帶來更有效的回報，詳情參考第15頁「上市所得款項用途」。

Management Discussion and Analysis

管理層討論及分析

Business Objective for the Review Period

回顧期間業務目標

Actual Business Progress up to 31 December 2016

截至二零一六年十二月三十一日之實際業務進展

Strengthening the research and development capabilities

加強研發能力

- formulate an research and development improvement plan and set out the detailed steps, measures and scope of engineering improvement programme
制定研發改進計劃，並載明詳細步驟、方法及改進工程計劃的範圍
The Group has formulated a research and development improvement plan which sets out the detailed steps, measures and scope of engineering improvement programme
本集團已制定研發改進計劃，並載列詳細步驟、措施及改進工程計劃之範疇
- recruit six employees with engineering expertise in the PRC
在中國招募六名工程專業人員
The Group has employed six engineers in the PRC
本集團已於中國聘用六名工程師
- acquire equipment to enhance the operating system for both GPS personal navigation devices and mobile internet devices
購置設備以增強 GPS 個人導航設備及行動連網裝置的操作系統
The Group has acquired equipment to enhance the operating system
本集團已購置設備以提升運作系統
- acquire equipment to enhance the audio/visual effect of mobile internet devices
購置設備用以提升行動連網裝置的音頻／視頻效果
The Group has acquired equipment to enhance the operating system
本集團已購置設備以提升運作系統
- acquire equipment to raise the energy consumption efficiency of the products
購置設備用以提高產品的能源消耗效率
- provide support to the Group's existing research and development function
提供支援予本集團現有研發職能
The Group has cooperated with third party for supporting our existing research and development
本集團已與第三方合作，支持現有研發

Improving the information technology system

升級資訊科技系統

- acquire a new Enterprise Resource Planning (“ERP”) system
購置新企業資源規劃(「ERP」)系統
The Group is reviewing the timeframe for acquiring a new ERP system. During the Review Period, the Group has upgraded the existing ERP system on a small scale
本集團正在審閱關於購置新 ERP 系統的時間表，於回顧期間，本集團已對現有 ERP 系統進行小規模升級
- recruit six personnel with expertise in information technology for the operation and maintenance of the new ERP system
招募六名資訊科技專業人員操作及維護新 ERP 系統
The Group has employed six programmers
本集團已聘用六名程式編寫員
- integrate the ERP system into the Group's operation
將 ERP 系統與本集團營運整合
The Group has integrated existing ERP system into the Group's operation
本集團已將現有 ERP 系統與本集團營運整合
- acquire computers and servers to support the new ERP system and to upgrade the new ERP system
購置計算機及伺服器支援新 ERP 系統及升級新 ERP 系統
The Group has acquired the equipment to support the ERP system and upgraded the existing ERP system on a small scale
本集團已購置設備以支援 ERP 系統並已對現有 ERP 系統進行小規模升級

Management Discussion and Analysis

管理層討論及分析

Use of Proceeds from the Listing

The actual net proceeds from the issue of new shares of the Company under the placing as set out in the Prospectus were approximately HK\$30.3 million, which was different from the estimated net proceeds of approximately HK\$34.8 million (estimated on the assumption that the placing price would be the mid-point of the stated range as stated in the Prospectus). The Group adjusted the use of proceeds in the same manner and in the same proportion as shown in the Prospectus, and approximately HK\$12.4 million, HK\$8.0 million, HK\$3.3 million, HK\$3.6 million and HK\$3.0 million were adjusted for (i) repayment of bank borrowings; (ii) expanding the production capacity and scale through the acquisition of additional SMT production facilities; (iii) strengthening and expanding the research and development team; (iv) improving the information technology system; and (v) working capital respectively. During the Review Period, the Group has applied the net proceeds as follows:

上市所得款項用途

誠如招股章程所載，根據配售發行本公司新股的所得款項實際淨額為約30.3百萬港元，與估計所得款項淨額約34.8百萬港元（按配售價為招股章程所述指定範圍的中位數的假設而作出估計）不同。本集團已按招股章程所述方式及比例調整所得款項用途，約12.4百萬港元、8.0百萬港元、3.3百萬港元、3.6百萬港元及3.0百萬港元分別為以下各項的調整金額：(i)償還銀行借款；(ii)透過收購額外SMT製造設施擴大產能及規模；(iii)加強及擴充研發團隊；(iv)升級資訊科技系統；及(v)營運資金。於回顧期間，本集團已將所得款項淨額用作下列用途：

		Adjusted use of proceeds in the same manner and proportion as stated in Prospectus (note)	Actual usage
		招股章程所述方式及比例調整所得款項用途（附註）	實際用途
		HK\$ million 百萬港元	HK\$ million 百萬港元
Repayment of bank borrowings	償還銀行借款	12.4	12.4
Marketing and brand promotion “Archon” and “Millennium Pacific” (note)	市場品牌推廣「Archon」及「匯思太平洋」(附註)	2.0	1.0
Development of trading business and/or potential acquisition(s) (note)	發展貿易業務及／或有可能的收購(附註)	6.0	1.0
Strengthening and expanding the research and development team	加強及擴充研發團隊	3.3	3.3
Improving the information technology system	升級資訊科技系統	3.6	3.6
Working capital	營運資金	3	3
		30.3	24.3

Note: On 20 March 2017 the Board resolved to change and ratify any past change in the proposed use of net proceeds of HK\$8.0 million originally allocated for expanding the production capacity and scale through the acquisition of additional SMT production facilities to the purposes indicated above. For further details, please refer to the announcement of the Company dated 20 March 2017. Up to the date of this report, out of HK\$8.0 million the Group has temporarily utilised HK\$5.4 million as working capital to leverage on its principal business.

附註：於二零一七年三月二十日，董事會議決及追認原本分配於通過收購新增SMT製造設施擴充產能及規模之所得款項淨額8.0百萬港元之擬定用途變更為上述用途。進一步詳情，請參閱本公司於二零一七年三月二十日的公告。直至本報告日期，本集團將8.0百萬港元中的約5.4百萬港元暫用作營運資金以支持其主要業務。

Biographies of Directors and Senior Management

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Mr. Tang Wai Ting Samson, aged 54, is one of the co-founders of the Group, an executive Director, the chairman of the Board and the chief executive officer of the Group. He is also a member of the Compliance Committee. He is the spouse of Mrs. Tang. He is responsible for formulating the corporate strategies and overseeing the overall business of the Group. Mr. Tang has over 15 years of experience in selling consumer electronic devices and over 20 years of experience in the research and development of consumer electronic devices.

Mr. Tang received a Bachelor's Degree in Electrical and Electronics Engineering from the University of Bradford, United Kingdom, in July 1984. He worked in the research and development department of two companies in United Kingdom, namely, Racal Electronics Group Plc Ltd. from 1984 to 1988 and AFE Electronics Group Ltd. from 1988 to 1992. The businesses of these companies were manufacture of products in relation to aviation, marine and electric equipment and industrial control products respectively.

In 1997, Mr. Tang and Mrs. Tang jointly incorporated a company in United Kingdom, namely Central Pacific International Trading Limited (formerly known as Pan Express Foods Limited), to engage in the trading of computer accessories. In light of the growing demand for GPS personal navigation devices and leveraged on the experience and connections gained in the trading business, Mr. Tang and Mrs. Tang together established CPE (one of our subsidiaries) with the base situated in the PRC in 2004 to focus on the development and sale of GPS personal navigation devices. The operation of Central Pacific International Trading Limited then ceased and it was de-registered in 2006.

Mr. Kor Sing Mung, Michael, aged 44, is an executive Director and the vice chairman of the Board. Mr. Kor has over 10 years of experience in project investment and corporation management. He is an investor engaged in property and securities investment. Mr. Kor is currently the president of an investment holding company which operates a financial service group in the Asia Pacific region.

執行董事

鄧偉廷先生，54歲，本集團的共同創辦人之一、執行董事、董事會主席兼本集團行政總裁。彼亦為合規委員會成員。彼為鄧太的配偶。彼負責制訂公司策略及監督本集團的整體業務。鄧先生在銷售消費電子設備方面擁有逾15年經驗，亦在研究及開發消費電子設備方面擁有逾20年經驗。

鄧先生於一九八四年七月在英國布拉德福德大學(University of Bradford)取得電氣及電子工程理學士學位。彼曾在英國兩家公司的研發部門工作(一九八四年至一九八八年任職於Racal Electronics Group Plc Ltd.及一九八八年至一九九二年任職於AFE Electronics Group Ltd.)。該等公司所從事業務涉及為航空、海洋及電子設備及工業控制類製造相關產品。

於一九九七年，鄧先生與鄧太在英國共同註冊成立一家公司，名為Central Pacific International Trading Limited(前稱Pan Express Foods Limited)，從事電腦配件買賣。鑑於GPS個人導航設備的需求日漸增長，並憑藉於貿易業務中所累積的經驗及關係，鄧先生與鄧太於二零零四年共同創立中匯環球電子(我們的附屬公司之一)，並把總部設於中國，專注開發及銷售GPS個人導航設備。Central Pacific International Trading Limited其後停止營運並於二零零六年撤銷註冊。

Kor Sing Mung, Michael先生，44歲，執行董事及董事會副主席。Kor先生於項目投資及企業管理方面積逾10年經驗。彼為從事物業及證券投資之投資者。Kor先生現時為一間投資控股公司之總裁，該公司於亞太區經營一間金融服務集團。

Biographies of Directors and Senior Management 董事及高級管理層履歷

Mr. Mak Hing Keung Thomas, aged 54, is an executive Director of the Company. Mr. Mak holds a Bachelor degree of Commerce from Queen's University, Canada. Mr. Mak is a member of the Chartered Professional Accountants of Canada, a member of Hong Kong Business Accountants Association and a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Mak has over 25 years of corporate finance and accounting experience in Hong Kong and overseas. Mr. Mak is currently also the chief financial officer of Fortunet e-Commerce Group Limited (stock code: 1039). He was the chief operations officer of HF Financial Group (China) Limited. Prior to HF Financial Group (China) Limited, Mr. Mak was the chief financial officer and company secretary in various Main Board listed and private companies. Mr. Mak worked for an investment bank and Listing Division of the Stock Exchange respectively. Mr. Mak has also worked for an international accounting firm in Hong Kong, Singapore and Canada for over seven years. Mr. Mak was appointed as an independent non-executive Director of Huge China Holdings Limited (stock code: 428) on 1 January 2015 and was re-designated to a non-executive Director on 1 July 2015. He is also a member of the audit committee and remuneration committee of Huge China Holdings Limited. Mr. Mak is an independent non-executive director, the chairman of audit committee and a member of remuneration committee of Tao Heung Holdings Limited (stock code: 573). Mr. Mak is also the independent non-executive director, the chairman of audit committee and member of remuneration committee of China Greenfresh Group Co. Ltd (stock code: 6183).

Mr. Liu Liang, aged 35, is an executive Director of the Company. He graduated from Guizhou University of Commerce (formerly Commercial College of Guizhou) in 2000, majoring in Finance and Securities Investment. Mr. Liu has held various business management positions in fund management, import and export trading since 2000. Mr. Liu has extensive working experience in management and leadership. Mr. Liu is currently Director of Shenzhen Honghe Tianyu Assets Company Limited.

麥興強先生，54歲，本公司執行董事。麥先生持有加拿大Queen's University的商學士學位。麥先生為加拿大特許會計師公會會員、香港商界會計師協會會員及香港會計師公會資深會員。麥先生擁有逾25年的香港及海外企業融資及會計經驗。麥先生目前亦擔任鑫網易商集團有限公司(股份代號：1039)的首席財務官。麥先生曾擔任滙富金融集團(中國)有限公司的首席營運官。於加入滙富金融集團(中國)有限公司前，麥先生曾任多間主板上市及私人公司的首席財務官及公司秘書。麥先生曾先後任職於一間投資銀行及聯交所上市科。麥先生亦曾於一間跨香港、新加坡及加拿大地區的國際會計師行任職逾七年。麥先生於二零一五年獲委任為匯嘉中國控股有限公司(股份代號：428)的獨立非執行董事及於二零一五年七月一日獲調任為非執行董事。彼亦擔任匯嘉中國控股有限公司的審核委員會及薪酬委員會成員。麥先生現為稻香控股有限公司(股份代號：573)的獨立非執行董事、審核委員會主席兼薪酬委員會成員。麥先生亦為中國綠寶集團有限公司(股份代號：6183)的獨立非執行董事、審核委員會主席兼薪酬委員會成員。

劉亮先生，35歲。本公司執行董事。彼於二零零零年畢業於貴州商學院(前稱貴州商業高等專科學院)，主修金融與證券投資專業。劉先生自二零零零年以來在基金管理、進出口貿易公司擔任多項業務管理職務。劉先生擁有豐富的管理及領導經驗。劉先生現為深圳紅河天域基金資產管理有限公司董事。

Biographies of Directors and Senior Management

董事及高級管理層履歷

NON-EXECUTIVE DIRECTORS

Mr. Tse Yee Hin, Tony, aged 47, is a non-executive Director of the Company. He holds a Bachelor of Science degree with honors in Finance and Accounting from University of Salford, United Kingdom and a degree in Executive Master of Business Administration from Richard Ivey School of Business, The University of Western Ontario, Canada. Mr. Tse is a member of each of Illinois Certified Public Accountants Society, American Institute of Certified Public Accountants, Institute of Accountants Exchange, Hong Kong Securities and Investment Institute and Hong Kong Securities Professionals Association. Mr. Tse is also an associate member of The Chartered Institute of Management Accountants of the United Kingdom and Hong Kong Institute of Certified Public Accountants. Mr. Tse has over 18 years of experience in corporate finance and accounting and has worked for several international accounting firms, investment banks and The Stock Exchange of Hong Kong Limited. Mr. Tse is currently a managing director of corporate finance department in Essence Corporate Finance (Hong Kong) Limited and acts as its principal under the sponsor regime. Mr. Tse was a non-executive director of China Oil Gangran Energy Group Holdings Limited (Stock Code: 8132) from 10 January 2014 to 30 April 2015. Mr. Tse is currently an independent non-executive director of Yunbo Digital Synergy Group Limited (Stock Code: 8050). Mr. Tse is a responsible officer licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities.

Mr. Au Hoi Fung, aged 39, is a non-executive Director of the Company. Mr. Au graduated from the Department of Accounting of China Television Broadcasting University (中國電視廣播大學) in 1998. He has over 17 years of experience in accounting, financial management and internal control management and he had served a number of management positions in a number of listed companies from 2006 to 2016. Mr. Au served as a Finance manager of Novo Group Limited (Stock code: 1048) and China Sandi Holdings Limited (Stock code: 910) in 2015 and 2016 respectively.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Chan Sze Man, aged 35, is an independent non-executive Director. Ms. Chan is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. Ms. Chan has been a member of the HKICPA since February 2007 and has over 9 years of experience in accounting and auditing for Hong Kong listed companies and private companies. Ms. Chan received a Bachelor’s Degree in Business Administration (majoring in Accountancy) from The Hong Kong University of Science and Technology in November 2003. Ms. Chan has been serving as the chief financial officer and the company secretary of Tongda Group Holdings Limited (stock code: 698), a company listed on the Main Board of the Stock Exchange since January 2011. Between February 2012 and November 2013, Ms. Chan served as an independent non-executive director of Seamless Green China (Holdings) Limited (stock code: 8150), a company listed on GEM of the Stock Exchange. Ms. Chan has also been serving as an independent non-executive director of Sunrise (China) Technology Group Limited (stock code: 8226), a company listed on GEM of the Stock Exchange from October 2012 to April 2015.

非執行董事

謝宇軒先生，47歲，本公司非執行董事。彼持有英國索爾福德大學(University of Salford)之金融及會計學榮譽理學學士學位及加拿大西安大略大學理查·艾維商學院(Richard Ivey School of Business)之行政人員工商管理碩士學位。謝先生為伊利諾斯州執業會計師學會、美國註冊會計師協會、青年會計師發展交流協會、香港證券及投資學會及香港證券學會之會員。謝先生亦為英國特許管理會計師公會及香港會計師公會之會員。謝先生於企業融資及會計方面擁有逾18年經驗，並曾任職於多間國際會計師行、投資銀行及香港聯合交易所有限公司。謝先生現為安信融資(香港)有限公司之企業融資董事總經理及為其保薦人制度負責人。謝先生自二零一四年一月十日至二零一五年四月三十日擔任中油港燃能源集團控股有限公司(股份代碼：8132)的非執行董事。謝先生目前擔任雲博產業集團有限公司(股份代碼：8050)的獨立非執行董事。謝先生乃根據香港法例第571章證券及期貨條例(「證券及期貨條例」)可進行第1類(證券交易)及第6類(就企業融資提供意見)受規管活動之持牌負責人員。

區凱峰先生，39歲，本公司非執行董事。區先生於一九九八年畢業於中國電視廣播大學會計學系。彼擁有逾17年會計、財務管理及內部控制管理經驗，而彼曾於二零零六年至二零一六年間出任多間上市公司之管理職位。區先生於二零一五年及二零一六年間曾出任新源控股有限公司(股份代號：1048)及中國三迪控股有限公司(股份代號：910)之財務經理。

獨立非執行董事

陳詩敏女士，35歲，獨立非執行董事。陳女士亦為審核委員會、薪酬委員會及提名委員會成員。陳女士自二零零七年二月一直為香港會計師公會會員，並於香港上市公司及私營公司的會計及審核方面擁有逾9年經驗。陳女士於二零零三年十一月在香港科技大學取得工商管理學士學位(主修會計)。自二零一一年一月起，陳女士一直擔任聯交所主板上市公司通達集團控股有限公司(股份代號：698)財務總監及公司秘書。於二零一二年二月與二零一三年十一月期間，陳女士曾擔任聯交所創業板上市公司無縫綠色中國(集團)有限公司(股份代號：8150)的獨立非執行董事。自二零一二年十月起至二零一五年四月，陳女士亦擔任聯交所創業板上市的公司中昱科技集團有限公司(股份代號：8226)的獨立非執行董事。

Biographies of Directors and Senior Management 董事及高級管理層履歷

In March 2012, two writs of summons were issued against Seamless Green China (Holdings) Limited (“**Seamless Green**”) and its directors including Ms. Chan. The writs were issued against Ms. Chan solely because she was one of the directors of Seamless Green and none of the claims stated in the writs was made against Ms. Chan personally. Both plaintiffs (the “**Plaintiffs**”) were the shareholders of Seamless Green. The legal representative of both claims confirmed that the writs will be obsolete in due course. We are advised by Seamless Green’s legal representative that the plaintiffs in both claims have not taken further step after the close of the pleadings. Ms. Chan resigned her position as director of Seamless Green on 1 November 2013.

Mr. Lee Wai Hung, aged 55, is an independent non-executive Director. Mr. Lee is the chairman of the Nomination Committee and a member of the Audit Committee, the Remuneration Committee and the Compliance Committee. Mr. Lee has been a fellow member of the Association of Chartered Certified Accountants since September 1988 and he received a Professional Diploma in Accountancy from the Hong Kong Polytechnic University in November 1985 and a Master Degree in Business Administration from The Hong Kong University of Science and Technology in November 1995. Mr. Lee has extensive experience in providing corporate and financial advisory services. From March 1989 to October 1997, Mr. Lee worked in various senior positions with a number of companies in different industries. Since October 1997, Mr. Lee has been engaging in several corporate and financial advisory roles such as acted as the vice-manager for South China Bluesky Aviation Oil Co. Ltd., financial controller for Pearl Glorious Investment Ltd., and in June 2003, Mr. Lee acted as a financial controller for China Gas Holdings Limited (stock code: 384), a company listed on the Main Board of the Stock Exchange. From September 2007 to June 2011, Mr. Lee worked in a private company, which is principally engaged in providing finance advisory services to corporate clients. Mr. Lee who acts as a consultant, is mainly responsible for providing advice and day-to-day management of the company. From October 2011 to present, Mr. Lee has been working in a private company as a corporate advisor who is mainly responsible for providing advice to the company and its associates.

於二零一二年三月，已對無縫綠色中國(集團)有限公司(「**無縫綠色**」)及其董事(包括陳女士)發出兩份傳訊令狀，該等令狀僅因為陳女士為無縫綠色的一名董事而向其發出，概無令狀所述索償乃針對陳女士個人作出。原告(「**原告**」)均為無縫綠色的股東。該兩項申索的法定代表確認，該等令狀將適時失去法律時效。我們獲無縫綠色法定代表告知，兩項申索的被告於辯護結束後並無採取其他步驟。陳女士於二零一三年十一月一日辭任無縫綠色的董事職務。

李偉雄先生，55歲，獨立非執行董事，提名委員會主席、審核委員會、薪酬委員會及合規委員會成員。李先生自一九八八年九月起一直為英國特許公認會計師公會資深會員。彼於一九八五年十一月在香港理工大學取得會計專業文憑並於一九九五年十一月獲得香港科技大學工商管理碩士學位。李先生於提供企業及財務顧問服務方面有豐富經驗。自一九八九年三月至一九九七年十月，李先生在若干不同行業之公司擔任若干高級職務。自一九九七年十月以來，李先生擔任多項企業及財務顧問職務，例如擔任華南藍天航空油料有限公司副經理、Pearl Glorious Investment Ltd財務總監。於二零零三年六月，李先生擔任中國燃氣控股有限公司(一間於聯交所主板上市的公司)(股份代號：384)財務總監。於二零零七年九月至二零一一年六月，李先生於一間私人公司工作，該公司主要為企業客戶提供財務顧問服務。李先生作為顧問，主要負責提供意見及本公司日常管理。從二零一一年十月至今，李先生一直於一間私人公司擔任公司顧問，主要負責向本公司及其聯繫人士提供意見。

Biographies of Directors and Senior Management 董事及高級管理層履歷

Mr. Ng Ka Chung, aged 60, is an independent non-executive Director. Mr. Ng is the chairman of the Remuneration Committee, a member of the Audit Committee, the Nomination Committee and the Compliance Committee. Mr. Ng has been admitted as a barrister in Hong Kong in October 1993 and had served as a court prosecutor and senior court prosecutor at the Legal Department (now known as the Department of Justice) of the Hong Kong government. He is currently a practicing barrister with over 20 years of experience in the legal field. Mr. Ng received a Bachelor's Degree in Science from the University of Alberta (Canada), in December 1980. He is a Graduate of Common Profession of Examination in Laws from The HKU School of Professional and Continuing Education, in May 1992, and the Postgraduate Certificate in Laws (PCLL) from The University of Hong Kong in July 1993. Mr. Ng has been serving as an independent non-executive director of China Oil Gangran Energy Group Holdings Limited (formerly known as Fairson Holdings Limited) (stock code: 8132), a company listed on GEM, since August 2013. Mr. Ng also served as an independent non-executive director of China Billion Resources Limited (formerly known as Global Green Tech Group Limited) (stock code: 274), a company listed on the Main Board of the Stock Exchange, from 7 January 2011 to 27 January 2011, and an independent non-executive director of Carnival Group International Holdings Limited (formerly known as Cash Retail Management Group Limited and Oriental Ginza Holdings Limited) (stock code: 996), a company listed on the Main Board of the Stock Exchange, from 28 February 2006 to 16 December 2013.

Ms. Eugenia Yang, aged 40, is an independent non-executive Director. Ms. Yang is the chairlady of the Audit Committee and the Compliance Committee and a member of both the Remuneration Committee and the Nomination Committee. Ms. Yang is a practicing barrister in Hong Kong. She has been a member of the HKICPA since July 2005, a member of CPA Australia since September 2003 and a member of the Institute of Chartered Accountants in England and Wales (ICAEW) since May 2016. Ms. Yang received a Bachelor's Degree in Commerce, Postgraduate Diploma in Finance and a Master's Degree in Commerce (majoring in Finance) from The University of Melbourne, Australia, in March 1998, April 1999 and September 2000 respectively, and a Bachelor's Degree in Laws from Monash University, Australia, in March 2003. From August 2005 to May 2006, Ms. Yang was an independent non-executive director of Nority International Group Limited (currently known as Wai Chun Mining Industry Group Co. Ltd.) (stock code: 660), a company listed on the Main Board of the Stock Exchange. Ms. Yang has been serving as an independent non-executive director of China Oil Gangran Energy Group Holdings Limited (formerly known as Fairson Holdings Limited) (stock code: 8132), a company listed on GEM of the Stock Exchange since August 2013.

伍家聰先生，60歲，獨立非執行董事，薪酬委員會主席、審核委員會、提名委員會及合規委員會成員。伍先生於一九九三年十月獲授香港大律師資格，並曾於律政署（現今香港政府的律政司）擔任法院檢察官及高級法院檢察官。彼現為執業大律師，在法律界擁有逾20年經驗。伍先生於一九八零年十二月在加拿大阿爾伯塔大學（University of Alberta (Canada)）取得科學理學士學位。彼於一九九二年五月為香港大學專業進修學院法律普通專業考試研究生，並於一九九三年七月在香港大學取得法學深造證書（PCLL）。伍先生於二零一三年八月起擔任創業板上市公司中國港燃能源集團控股有限公司（前稱鉦皓控股有限公司）（股份代號：8132）的獨立非執行董事。伍先生亦於二零一一年一月七日至二零一一年一月二十七日擔任聯交所主板上市公司中富資源有限公司（前稱高寶綠色科技集團有限公司）（股份代號：274）獨立非執行董事，且於二零零六年二月二十八日至二零一三年十二月十六日擔任聯交所主板上市公司嘉年華國際控股有限公司（前稱時惠環球控股有限公司及東方銀座控股有限公司）（股份代號：996）的獨立非執行董事。

楊元晶女士，40歲，獨立非執行董事，審核委員會及合規委員會主席、薪酬委員會及提名委員會成員。楊女士為香港執業大律師。彼自二零零五年七月起為香港會計師公會會員，自二零零三年九月起為澳洲會計師公會會員以及自二零一六年五月起為英格蘭及威爾斯特許會計師公會會員。楊女士分別於一九九八年三月、一九九九年四月及二零零零年九月在澳洲墨爾本大學（University of Melbourne）取得商務學士學位、財務深造文憑及商務碩士學位（主修財務），並於二零零三年三月在澳洲莫納什大學（Monash University）取得法學學士學位。於二零零五年八月至二零零六年五月，楊女士擔任聯交所主板上市公司耐力國際集團有限公司（現稱為偉俊礦業集團有限公司）（股份代號：660）的獨立非執行董事。自二零一三年八月起，楊女士一直擔任聯交所創業板上市公司中油港燃能源集團控股有限公司（前稱鉦皓控股有限公司）（股份代號：8132）的獨立非執行董事。

Biographies of Directors and Senior Management

董事及高級管理層履歷

SENIOR MANAGEMENT

Mr. Lau Yau Chuen, Louis, aged 40, is the chief financial officer of the Group. Mr. Lau graduated from City University of Hong Kong and is a member of the Association of Chartered Certified Accountants. Mr. Lau has around 17 years of financial reporting, audit and compliance experiences gained from international CPA firms and listed companies. Mr. Lau was formerly an executive director and financial controller of Artini China Co. Ltd. (stock code: 789) from May 2010 to July 2011. Mr. Lau has been serving as company secretary of China Innovative Finance Group Limited (stock code: 412), a company listed on Main Board of the Stock Exchange.

Mr. Chou Chiu Ho, aged 35, is the company secretary of the Group. Mr. Chou is a member of the compliance committee. Mr. Chou has over 10 years of experience in accounting and auditing. Prior to joining our Group, Mr. Chou served at PricewaterhouseCoopers from January 2006 to December 2010. From January 2011 to March 2012, Mr. Chou worked as the head of corporate services of ASR Holdings Limited (“**ASR**”) and was responsible for overseeing the application of ASR for listing on the Main Board of the Stock Exchange. ASR was successfully listed on the Main Board of the Stock Exchange in January 2012 (stock code: 1803).

Mr. Chou received a Bachelor’s Degree in Accountancy from The Hong Kong Polytechnic University in 2003. Mr. Chou is a member of both the HKICPA and the Association of Chartered Certified Accountants.

高級管理層

劉友專先生，40歲，本集團的首席財務官。劉先生畢業於香港城市大學，為英國特許公認會計師公會會員。劉先生曾任職於國際性的會計師事務所及上市公司，於財務報告、審計和合規方面累積17年經驗。劉先生於二零一零年五月至二零一一年七月曾任雅天妮中國有限公司(股份代號：789)之執行董事及財務總監。劉先生現擔任聯交所主板上市公司中國新金融集團有限公司(股份代號：412)之公司秘書。

周昭何先生，35歲，本集團的公司秘書。周先生為合規委員會成員。周先生在會計及審核方面擁有逾10年經驗。加入本集團前，周先生曾於二零零六年一月至二零一零年十二月在羅兵咸永道會計師事務所工作。於二零一一年一月至二零一二年三月，周先生擔任瀚洋控股有限公司(「**瀚洋控股**」)的企業服務主管並負責監管瀚洋控股申請於在聯交所主板上市。瀚洋控股於二零一二年一月成功於聯交所主板上市(股份代號：1803)。

周先生於二零零三年在香港理工大學取得會計學學士學位。周先生為香港會計師公會及英國特許公認會計師公會會員。

Environmental, Social and Governance Report

環境、社會及管治報告

FOREWORD

The Group primarily adopts the principles and basis of the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) as set out in Appendix 20 to the Rules Governing the Listing of Securities on Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, with an aim to establish a sound environment, social and governance structure.

This report comprises the review of environment, social and governance areas, which sets out the Company and its major subsidiaries’ policies and practices in respect of three environmental aspects and eight social aspects in accordance with ESG Reporting Guide for the year from 1 January 2016 to 31 December 2016 (the “**Year 2016**”). This report is designed to allow the Company’s stakeholders, such as shareholders, investors, customers, suppliers, employees, creditors, regulators and the general public to have comprehensive understanding of the long-term sustainability information of the Group. The Group seeks to balance the views and interests of these stakeholders through constructive conversation with a view to setting the course for long term prosperity. The Board of directors is responsible for evaluating and determining the environmental, social and governance risks of the Group, and ensuring that relevant risk management and internal control systems are in place and operate effectively.

The Group is principally engaged in research and development, manufacturing and sale of consumer electronic products, such as fitness bracelets, GPS personal navigation devices, mobile internet devices and TV set-top boxes. In addition, the Group launched an internet trading platform, namely CQP Mall in July 2016 which creates refreshing online shopping experiences for its customers.

CPIT, a limited company established in the PRC and an indirect wholly-owned subsidiary of the Company is principally engaged in research, development and manufacturing of electronic devices located in Shenzhen, PRC. This report will focus on CPIT as its business activities are most relevant to the environmental and social aspects of the Group.

前言

本集團主要採納《香港聯合交易所有限公司創業板證券上市規則》附錄20所載《環境、社會及管治報告指引》(「**ESG 報告指引**」)的原則及基準作為其準則，旨在構建良好的環境、社會及管治架構。

本報告包括對環境、社會及管治方面的檢討，其中載列本公司及其主要附屬公司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年度(「**二零一六年度**」)根據ESG報告指引在三個環境方面及八個社會方面制定的政策及實踐情況。本報告旨在讓本公司的利益相關者，例如股東、投資者、客戶、供應商、僱員、債權人、監管機構及公眾對本公司的長期可持續發展具有全面的了解。本集團透過具建設性的溝通，努力平衡該等利益相關人士的意見和利益，從而釐定長遠的發展方向。董事會負責評估及確定本集團的環境、社會及管治風險，並確保相關風險管理及內部監控系統屬適當及可有效運作。

本集團主要從事研發、製造及銷售消費電子產品，例如健身手環、GPS個人導航設備、行動連網裝置及電視機頂盒。此外，本集團於二零一六年七月推出互聯網交易平台「旗美薈」，為客戶提供全新的網上購物體驗。

中匯洲電子為一間於中國註冊成立的有限公司及為本公司的一間間接全資附屬公司。該公司位於中國深圳，主要從事研究、開發及製造電子產品。本報告集中於中匯洲電子，原因是其業務活動與本集團的環境及社會方面最為相關。

Environmental, Social and Governance Report

環境、社會及管治報告

EMISSIONS

Environmental protection is one of the core values of the Group. The Group has proactively looked for and implemented new technology at various stages of production in order to minimise its impact on the environment. The Group's products are designed to be safe and environmental friendly for customer use, meaning recyclable and safe to dispose materials are specified in its designs, and clean production processes are adopted in its manufacturing process. Moreover, unnecessary packaging that can cause harm to environment is not introduced into its products.

For Hong Kong office operations, the key environmental impacts from the Group's operations related to energy and paper consumption. To achieve environment protection, the Group encourages employees to shift to e-statement or scanning to reduce the use of paper and greenhouse gas emissions; to switch off all computers and office equipment and air-conditioner at the end of each working day.

CPIT ensures its products are produced efficiently in an energy-wise manner at its manufacturing factory in Shenzhen, PRC. CPIT has also incorporated the 3Rs, namely Reduce, Reuse and Recycle principles (the "3Rs Principles") into the manufacturing process which aim to improve the reuse rate of resources. In addition, CPIT has maintained an environmental management system in line with the requirement of ISO 14001:2004 in practices to minimise air, noise, energy consumption, water consumption, solid waste pollutions, and insisted that its suppliers respect the same.

CPIT has integrated environmental objectives into the business decisions in a cost-effective manner. CPIT has required all staff to assume environmental responsibilities in normal operating procedures and has enhanced the awareness of environmental and resource efficiency issues amongst the customers, staff and stakeholders. All important green and quality assurance policies have been posted on the notice board and stated in the standard operating procedures of the manufacturing plant.

Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact relating to air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous waste of the Group during the Year 2016. In addition, no significant fines or non-monetary sanctions for non-compliance with relevant laws and regulations had been reported in the Year 2016.

排放

環境保護為本集團的核心價值之一。本集團積極尋找，並在產品的各個階段實施新技術，以降低對環境的影響。本集團致力於提供安全及環保的產品供客戶使用，這意味著其設計蘊含可循環及安全處理材料的理念以及在其生產過程中採用清潔生產工藝。此外，不必要的包裝會對環境造成破壞，因此將不會對其產品進行不必要的包裝。

香港辦事處營運方面，本集團營運產生的主要環境影響與能源及紙類消耗有關。為實現保護環境的目的，本集團鼓勵僱員轉向使用電子月結單或掃描來減少紙張使用，並減少溫室氣體排放；並在各工作日結束時關閉所有電腦及辦公室設備及空調。

中匯洲電子確保其產品在位於中國深圳的製造工廠以節能有效方式生產。中匯洲電子亦將「減少使用、重複使用及循環再用」的3R原則（「3Rs原則」）融入生產過程，目的在於提高資源的再利用率。此外，中匯洲電子在實踐中維持的環境管理系統符合ISO 14001:2004規定，以最大程度降低空氣、噪音、能源消耗、水消耗、固體廢物污染，且要求獲其供應商同樣跟從。

中匯洲電子已按成本效益方式將環境目標納入業務決策的一部分。中匯洲電子已要求全體員工在正常營運過程中擔負環保責任，並提高客戶、員工及利益相關者在環境及資源效率問題方面的意識。所有重要的綠色及質量保證政策均已在通知板上作出公佈，並於製造廠的標準營運程序中列明。

遵守相關法律及法規

於二零一六年度，本集團並不知悉有任何嚴重違反相關法律及法規而在廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生方面造成重大影響的情況。此外，於二零一六年度，並無列報因違反相關法律及法規而被處以重大罰款或非貨幣制裁的情況。

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USE OF RESOURCES

The Group is committed to minimising the impact of business activities on the environment, and supporting environmental protection programmes. In particular, a number of initiatives designed to conserve resources were introduced to promote employee awareness of the need to achieve efficient utilisation of resources.

CPIT's operation is purely SMT plus flow soldering. As stated in "Emission" section, CPIT has maintained procedures in practices in line with ISO14001:2004 and 3Rs Principles to minimise the energy, water and packaging material consumption. The energy consumption is driven by energy efficiency ratings of those SMT machines installed, which CPIT can do nothing to minimise consumption but can switch them off whenever there is no scheduled production.

THE ENVIRONMENT AND NATURAL RESOURCES

CPIT has established a series of policies, mechanisms and measures on environmental protection and natural resources conservation to enhance its efficiency in the usage of energy, water and materials and also complies with relevant local environmental regulations and international general practices, with an aim to reduce the use of natural resources and protect the environment.

CPIT has dedicated responsible persons to monitor its ISO14001:2004 compliance and implementation of 3Rs Principles from time to time. The policy statement on what needs to be enforced to preserve the environment is printed at the back of each and every staff's carrying badge.

EMPLOYMENT

The Group places a significant emphasis on developing human capital and provides competitive remuneration and welfare packages. Promotion opportunities and salary adjustments are benchmarked against individual performance. Employees are entitled to benefits such as annual leave, sick leave, maternity leave, marriage leave, funeral leave and medical coverage in accordance with local regulations.

The Group emphasis on equal opportunities for all personnel in respect of hiring, pay rates, training and development, promotion and other terms of employment. The Group is committed to providing a work environment free from any form of discrimination on the basis of ethnicity, gender, religion, age, disability or sexual orientation.

資源使用

本集團致力於最大程度地降低業務活動對環境的影響，並支持環保計劃。特別是，本集團已推出多項旨在保護資源的計劃，以提高僱員實現高效利用資源的需求意識。

中匯洲電子的業務純為SMT加流動焊接。誠如「排放」一節所述，中匯洲電子在實踐中維持符合ISO14001：2004及3Rs原則的程序以最大程度降低能源、水及包裝材料消耗。能源消耗受已安裝的該等SMT機器的能源效率評級所影響，中匯洲電子不能將消耗降至最低，但能在無生產排期時關閉機器。

環境及自然資源

中匯洲電子已制定一系列有關環境保護及自然資源保護的政策、機制及措施來提高使用能源、水及材料的效率，亦遵守有關本地環境法規及一般國際慣例，旨在減少資源使用及保護環境。

中匯洲電子已委派專人不時監控ISO14001：2004的合規情況及3Rs原則的實施情況。有關需強制實施事項的政策聲明刊印於每位員工隨身攜帶的證卡背面。

僱傭

本集團非常重視開發人力資本及提供具有競爭力的薪酬及福利待遇。晉升機會及薪金調整以個人表現為基準。按照當地法規，僱員有權享有多項福利，例如年假、病假、產假、婚假、喪假及醫療保險。

本集團在招聘、工資標準、培訓與發展、晉升以及其他聘用條款方面對所有人員提供公平的機會。本集團致力提供一個不存在種族、性別、宗教、年齡、殘疾或性取向等任何形式歧視的工作環境。

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The Group has a wide diversity of cultures including the employees with different genders, ages, skills, educational backgrounds, industry experiences and other qualifications in order to achieve the most suitable composition and balance.

The Group's remuneration package is structured with reference to the individual performance, working experience and prevailing salary levels in the market. In addition to basic salaries and mandatory provident fund for Hong Kong office staff, fringe benefits include a basic five-day working week, flexible leave arrangement, medical coverage scheme and annual dinner.

CPIT has developed an employee handbook in accordance with the Labour Law of the PRC and has distributed it to all employees since they commence working for CPIT. The remuneration policies are determined on the basis of performance, qualification and experience of individual employee. The remuneration generally includes salaries and allowances. In the Year 2016, CPIT had subscribed to those basic pension insurance, basic medical insurance, unemployment insurance, occupational injury insurance, maternity insurance as prescribed by the Social Insurance Law of the PRC, as well as housing fund schemes as prescribed by the Regulations on the Administration of Housing Fund.

Employees' wages, overtime payments and related benefits are made not less than the local government's minimum requirements. The normal working hours for general employees are normally 8 hours a day and 40 hours a week. Integrated computation of working hours is implemented with reference to the requirements of the Labour Law of the PRC.

Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare on the Group during the Year 2016. In addition, no non-compliance with relevant laws and regulations that resulted in significant fines or sanctions had been reported in the Year 2016.

本集團具備多元化文化，包括不同的性別、年齡、技能、教育背景、行業經驗及其他資歷之僱員，以達致最適合之組合及平衡。

本集團參考個人表現、工作經驗及當前市場薪金水平而釐定薪酬待遇。香港辦事處員工除享有基本薪金及強制性公積金外，還享有的額外福利包括基本的五天工作週、彈性休假安排、醫療保險計劃和周年晚宴。

中匯洲電子根據《中華人民共和國勞動法》編製員工手冊，並自僱員開始為中匯洲電子工作起向僱員發放員工手冊。薪酬政策乃按個別僱員的表現、資歷及經驗釐定。薪酬一般包括薪金及津貼。二零一六年度，中匯洲電子已按《中華人民共和國社會保險法》規定為員工辦理基本退休保險、基本醫療保險、失業保險、工傷保險及生育保險以及《住房公積金管理條例》規定的住房公積金計劃。

僱員的工資、加班時間及相關福利均不低於當地政府的最低要求。一般員工的正常工作時間為每日8小時及每週40小時。工時乃參照《中華人民共和國勞動法》規定綜合計算。

遵守相關法律及法規

於二零一六年度，本集團並不知悉有任何嚴重違反相關法律及法規而在補償及解僱、招聘及晉升、工時、休息期、平等機會、多元化、反歧視及其他利益及福利方面對本集團造成重大影響的情況。此外，二零一六年度亦無列報因違反相關法律及法規而被判處巨額罰款或處分的情況。

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HEALTH AND SAFETY

The Group adopts non-discriminatory employment practices and provides a healthy and safe workplace. The Group seeks to attract and retain talented employees through providing a safe and healthy workplace for each and every employee in line with established internal guidelines and systems.

For Hong Kong office staff, the Group provides its employee with flexible rest leave arrangement, medical and hospital scheme. The Group understands that a good working environment for its employees with a safe and comfortable working condition is very important. The Group has set a clear guideline of work arrangement for typhoon and rainstorm warning.

CPIT applied the principles of OHSAS18001:2007 requirements to set up occupational health and safety operating system in practices and has assigned a designated safety officer to follow through those regulatory practices at its manufacturing plant in Shenzhen, PRC. CPIT has been granted a Working Safety Standardisation Certificate from State Administration of Work Safety which is valid up to March 2017. In addition, all employees are strictly required to follow a series of working safety standards and internal control policies. As a result, no material industrial accident had ever been reported in the Year 2016.

Smoking is prohibited in factory areas of CPIT. First aid exercises are regularly performed. Regular fire prevention talks and fire fighting drills are organised at least annually to improve employees' capability to deal with potential fire hazards.

Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact relating to providing a safe working environment and protecting employees from occupational hazards on the Group during the Year 2016. In addition, no non-compliance with relevant laws and regulations that resulted in significant fines or sanctions had been reported in the Year 2016.

DEVELOPMENT AND TRAINING

The Group has committed to provide on-the-job education and training to its employees in order to enhance their knowledge and skills. All employees are encouraged to enhance their skills and knowledge at every opportunity in order to perform their current job more efficiently and effectively and to be better prepared for career opportunities which may arise. During the Year 2016, regular training courses were provided to the employees included but not limited to orientation training, technical training and quality training.

Performance evaluations are initiated each year. Recognising the value in the skill and experience of our staff, the Group has adopted a policy that any promotions will be considered internally first before hiring any outside staff. It is the Group's policy to select the most suitable candidate for appointment to a higher rank based on merit, rather than on the seniority of the candidates.

健康與安全

本集團採納反歧視僱傭慣例，並提供健康安全的工作場所。本集團根據內部指引及制度為每位僱員提供安全健康的工作環境，致力於招攬及挽留優秀僱員。

香港辦事處員工方面，本集團提供彈性休假安排、醫療及住院計劃。本集團明白，為僱員打造良好工作環境，確保工作環境安全舒適極為重要。本集團已就發出颱風和暴雨警告時的工作安排作出明確指引。

中匯洲電子應用OHSAS18001：2007規定原則在實踐中設立職業健康及安全營運系統，並指定安全專員在中國深圳的製造廠跟進整個監管實踐過程。中匯洲電子已獲國家安全生產監督管理總局授出安全生產標準化證書，有效期至二零一七年三月為止。此外，所有僱員須嚴格遵守一系列安全生產標準及內部控制政策。因此，於二零一六年度，並無列報任何重大工傷事故。

本集團嚴禁在中匯洲電子廠區內吸煙。本集團會定期進行急救訓練。本集團亦會定期舉行防火講座，並至少每年舉行一次消防演習，以提高僱員應對潛在火災危險的能力。

遵守相關法律及法規

於二零一六年度，本集團並不知悉有任何嚴重違反相關法律及法規而在提供安全工作場所及保護僱員免受職業危害方面對本集團造成重大影響的情況。此外，於二零一六年度亦無列報因違反相關法律及法規而被判處巨額罰款或處分的情況。

發展及培訓

本集團致力於為僱員提供在職教育及培訓，以提升彼等的知識及技能。本集團鼓勵所有僱員把握一切機會提升彼等的技能及知識，以便更切實高效地完成彼等目前的工作以及更好地為可能出現的職業發展機會做準備。於二零一六年度，本集團為僱員提供的定期培訓課程包括但不限於入職培訓、技能培訓及質量培訓。

本集團每年進行績效評估。為了肯定員工技能及經驗的寶貴價值，本集團採取之政策為，擢升將以內部人才為首選，然後方會考慮對外招聘。本集團挑選最合適人才擢升，以用人唯才為原則而非論資排輩。

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LABOUR STANDARDS

The Group fully understand that the exploitation of child and forced labour are universally prohibited, and therefore take the responsibility against child and forced labour very seriously. The Group strictly comply with all laws and regulations against child labour and forced labour for the manufacturing plant in Shenzhen, PRC.

CPIT applied the principles listed under SA8000 with regard to child labour and excessive long working hours. For entry registration, all employees must present valid documents to the CPIT as follows: (i) identity card and vocational qualification certificate; (ii) social security card; (iii) medical or health certificate; (iv) recent photos; and (v) other relevant information and documents required by CPIT. The above procedures can ensure no child labour will be employed in manufacturing plant.

All employees of CPIT are entitled to have sick leave, injury leave and maternity leave with medical proof in accordance with the Labour Law of PRC and Law of the PRC on the Protection of Labour Rights and Interests and other applicable regulations. In addition, all employees work normally 8 hours daily and are not encouraged to work overtime. But if overtime work is required, the relevant employees and superior will agree mutually in written form. The compensation for overtime work is in accordance with the provisions of the Labour Law of PRC.

Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact relating to preventing child or forced labour on the Group during the Year 2016. In addition, no non-compliance with relevant laws and regulations that resulted in significant fines or sanctions had been reported in the Year 2016.

SUPPLY CHAIN MANAGEMENT

The Group has the greatest respect for the laws and regulations that govern its business. The Group always adheres to international best practices and conducts fair and unbiased procurement processes when dealing with suppliers.

The Group adheres to the principle of transparency and implements the value of honesty, integrity and fairness in its supply chain management. The Group's procurement procedures provide directions and guidelines on evaluation and engagement when dealing with suppliers of goods and services to ensure business is conducted with legally, financially and technically-sound entities. In addition, approval procedures are in place to ensure that supplier engagements are monitored and approved by the appropriate level of management.

勞工標準

本集團深知僱用童工及強迫勞動嚴重違反普世價值觀，因此竭力反對一切僱用童工及強迫勞動的行為。本集團於中國深圳的製造廠嚴格遵守所有針對僱用童工及強迫勞動的法律法規。

在童工及過長工時方面，中匯洲電子應用SA8000的原則。就入職登記而言，所有僱員必須向中匯洲電子出示下列有效證件：(i) 身份證及職業資格證書；(ii) 社會保障卡；(iii) 醫療或健康證明；(iv) 近期照片；及(v) 中匯洲電子規定的其他相關資料及證件。上述程序可以確保製造廠不會僱用童工。

根據《中華人民共和國勞動法》及《中華人民共和國勞動權益保護法》及其他適用規例，中匯洲電子的所有僱員在取得醫療證明的情況下，均有權享有病假、傷假及產假。此外，所有僱員的正常工作時間為每日8小時，不鼓勵超時工作。倘若需要進行超時工作，則相關僱員與監管人員雙方須以書名形式達成一致。超時工作的補償將根據《中華人民共和國勞動法》的條款計算。

遵守相關法律及法規

二零一六年度，本集團並不知悉有任何嚴重違反法律及法規且會在童工或強迫勞動方面對本集團造成重大影響的情況。此外，二零一六年度亦無列報因違反相關法律及法規而被判處巨額罰款或處分的情況。

供應鏈管理

本集團遵守法律及法規，並以此規管我們的業務。本集團一直以國際最佳守則和公平公正的採購程序處理與供應商的交易。

在供應鏈管理方面，本集團秉持透明、誠實、正直及公平的原則。在處理與供應商的交易時，本集團的採購程序在評估及採用貨品及服務方面提供了方向及指引，以確保我們與符合法規、財務穩健以及技術出眾的供應商展開業務。此外，審批程序確保我們與供應商的合作受到適當的管理層監控與審批。

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During the selection process of suppliers, CPIT takes into account factors such as quality of services and products, past performance and green elements, under the major principles of ISO 9001:2008 or the ISO 14001:2004. In addition, 3Rs Principles are in practice throughout supply chain to demonstrate its commitment to contribute towards a cleaner environment as good corporate citizen. CPIT has asked for all major suppliers on its supply chain to work with CPIT as a team to use energy efficient processing equipment, non-toxic chemicals in their production, practice clean production in their plants and eliminate unnecessary packaging in their deliveries to drive down hazard and non-hazard waste as well as greenhouse gases.

PRODUCT RESPONSIBILITY

A high priority for the Group is to ensure customer satisfaction in terms of our products and services. Strenuous efforts are made to ensure compliance with the relevant laws and regulations relating to product health and safety, advertising, labelling and privacy matters of the jurisdictions in which the Group operates. The Group requires its employees to comply with applicable governmental and regulatory laws, rules, codes and regulations.

CPIT has signed environmental agreements initiated by its major customers to confirm its determination to manufacture in accordance with environmentally related regulatory requirements.

Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress on the Company during the Year 2016. In addition, no non-compliance with relevant laws and regulations that resulted in significant fines or sanctions had been reported in the Year 2016.

ANTI-CORRUPTION

Corruption, bribery or fraud in any form is strictly prohibited. The Group's anti-corruption policies set out standards of conduct to which all employees are required to adhere in order to promote the integrity environment in the workplace.

To combat corruption and to govern conflicts of interest, unless with the Group's approval, Directors and employees are prohibited from accepting any valuable items from co-workers, customers, suppliers or other stakeholders. Unless with approval the Board, senior management members are also prohibited from engaging in any activities that involve a potential conflict of interest with the Group or may do harm to the Group's overall interests. Breaches are subject to disciplinary actions, including the termination of employment contracts where necessary.

根據ISO 9001:2008或ISO 14001:2004的主要原則，中匯洲電子在甄選供應商時會考慮多項因素，如服務及產品質素、過往表現及綠色元素。此外，在整個供應鏈貫徹3R原則表明本集團作為優秀企業公民致力於創建更清潔的環境。中匯洲電子要求其供應鏈上的所有主要供應商與中匯洲電子合作，在生產過程中使用節能加工設備、使用無毒化工产品、在車間貫徹清潔生產及在交付過程中去除不必要的包裝，以減少危險及非危險廢棄物以及綠色溫室氣體。

產品責任

確保顧客滿意我們的產品和服務是本集團的主要目標。本集團致力確保本集團在產品健康、安全、廣告、標籤以及私隱權方面遵守本集團經營所在地司法權區法律和法規。本集團亦要求僱員遵守相關的政府及監管法律、規定、規則、守則及規例。

中匯洲電子已簽訂由其重要客戶發起的環境協議，確認其決定根據有關環境監管規定進行生產。

遵守相關法律及法規

於二零一六年度，本集團並不知悉有任何嚴重違反相關法律及法規而在所提供有關產品的健康、安全、廣告、標籤以及私隱權以及補救方法方面對本公司造成重大影響的情況。此外，二零一六年度亦無列報因違反相關法律及法規而被判處巨額罰款或處分的情況。

反貪污

本集團禁止任何形式的貪污、受賄或欺詐。本集團的反貪污政策列明了所有僱員須遵守的行為標準，以提升工作場所的誠信。

為反貪污及規管利益衝突，除非經本集團批准，否則董事及僱員不得接受合作者、客戶、供應商或其他利益相關者的任何貴重物品。除非經董事會批准，否則高級管理人員亦不得從事任何可能與本集團存在利益衝突或可能有損本集團整體利益的活動。違反規定須受紀律處分，包括終止僱傭合約（倘有必要）。

Environmental, Social and Governance Report

環境、社會及管治報告

Various policies have also been formulated to accord with the Securities and Futures Commission's Guideline on Anti-Money Laundering and Counter-Terrorist Financing, including the basic procedures for customer identification and due diligence, suspicious transactions report and recordkeeping. Ongoing staff training has also been carried out to ensure each of the employees is fully aware of these policies.

CPIT is fully aware of the Group's anti-corruption policies and of the priority to avoid corruption from taking root in its operation. Its management understands layered audits and clear accountability to monitor work related activities of the next level and as well one more level below is the key to avoid possible corruption.

In the Year 2016, there is no legal case concerning corruption brought against the Group or our employees.

COMMUNITY INVESTMENT

The Group always seeks to be a positive force in the communities in which it operates and maintain close communications and interactions with the communities in order to contribute to local development from time to time.

As global responsible citizen, the Group strives to improve the society image and social responsibility through community investment. All employees of the Group are encouraged to participate their own initiatives on helping and supporting the local communities and neighbours.

CPIT is fully aware of the need to plough back to the community as good corporate citizens. CPIT has arranged for its research and development team to take in university interns during summer months to train them up and give them hands-on experience to pave their ways for their future career development.

本集團亦已按照證券及期貨事務監察委員會有關打擊洗錢及恐怖分子資金籌集指引制定多項政策，包括客戶身份識別及盡職調查、可疑交易報告以及備存紀錄的基本程序。本集團亦已進行持續員工培訓以確保僱員完全了解該等政策。

中匯洲電子充分了解本集團的反貪污政策及防止貪污滋生的重要性。其管理層深知，在監控下級及更下級相關活動時，分層審核及明確問責乃避免潛在貪污的關鍵。

於二零一六年度，並無針對本集團或本集團僱員的涉及貪污的法律案件。

社區參與

本集團一直致力於為營運所在的社區帶來積極力量，並與社區群眾保持緊密溝通及互動，以不時為當地發展做出貢獻。

作為負責的全球公民，本集團致力透過社區參與提升社會形象及社會責任。本集團鼓勵所有僱員主動幫助及支持當地社區及鄰里。

作為優秀的企業公民，中匯洲電子深切意識到回饋社會的必要性。中匯洲電子已安排其研發團隊在暑期招攬大學實習生，並對其進行培訓，幫助他們進行實踐以為其未來職業發展做準備。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Group has committed to upholding high standards of corporate governance. The Board considers that enhanced public accountability and corporate governance are beneficial for the healthy growth of the Group, improving customer and supplier confidence and safeguarding the interests of shareholders of the Group.

The Company has adopted the Corporate Governance Code (the “CG Code”) contained in Appendix 15 to the GEM Listing Rules as its own code effective from 18 July 2014 (the “Listing Date”) upon the listing of the Company and had complied with the CG Code during the year ended 31 December 2016, except for the following deviation. The Board has continued to monitor and review the corporate governance principles and practices to ensure compliance.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

CG 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. Tang Wai Ting Samson (“Mr. Tang”) is the Chairman and the chief executive officer of the Company. In view of Mr. Tang is one of the co-founders of the Group and has been operating and managing the Group since 2004, the Board believes that it is in the best interest of the Group to have Mr. Tang taking up both roles for effective management and business development. Therefore the Directors consider that the deviation from the CG Code provision A.2.1 is appropriate in such circumstance.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors (the “Model Code”) on terms no less exacting than the required standard of dealings set out in Rule 5.48 to 5.67 of the GEM Listing Rules effective from the Listing Date on 18 July 2014.

Upon the specific enquiry made to all the Directors, the Company was not aware of any non-compliance with the Model Code regarding securities transactions by the Directors during the year ended 31 December 2016.

企業管治常規

本集團致力維持高水平的企業管治。董事會認為增加公眾問責性及企業管治有利於本集團穩健增長、提高顧客及供應商的信心，以及保障本集團股東的利益。

於本公司上市後，本公司已採納創業板上市規則附錄15所載之企業管治守則（「企業管治守則」）作為其自身之守則，由二零一四年七月十八日（「上市日期」）起生效，並於截至二零一六年十二月三十一日止年度遵守企業管治守則，惟下列偏離事項除外。董事會持續監察及審閱企業管治原則及常規以確保合規。

主席及行政總裁

企業管治守則條文第A.2.1條規定，主席及行政總裁的職責應予區分，且不應由同一人士擔任。鄧偉廷先生（「鄧先生」）為本公司主席兼行政總裁。鑑於鄧先生為本集團共同創始人之一以及自二零零四年以來一直營運及管理本集團，董事會相信鄧先生兼任該兩個職位可以實現有效管理及業務發展，符合本集團的最佳利益。因此，董事認為，偏離企業管治守則條文第A.2.1條就此情況而言屬恰當。

董事之證券交易

本公司就董事進行證券交易採納條款不遜於創業板上市規則第5.48至5.67條所載交易規定準則之操守守則（「標準守則」），自於二零一四年七月十八日上市以來生效。

經向全體董事進行具體查詢後，本公司並不知悉於截至二零一六年十二月三十一日止年度董事曾就證券交易違反標準守則。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS

Composition

The Board currently comprises 10 directors, including 4 Executive Directors, 2 Non-executive Directors and 4 Independent Non-executive Directors.

Executive Directors

Mr. Tang Wai Ting, Samson (*Chairman*)
Mr. Kor Sing Mung, Michael (*Vice-Chairman*)
Mr. Mak Hing Keung, Thomas
Mr. Liu Liang

Non-executive Directors

Dr. Li Ying (Resigned on 1 February 2017)
Mr. Tse Yee Hin, Tony
Mr. Au Hoi Fung (Appointed on 1 February 2017)

Independent Non-executive Directors

Ms. Chan Sze Man
Mr. Lee Wai Hung
Mr. Ng Ka Chung
Ms. Eugenia Yang

Details of backgrounds and qualifications of all directors are set out in the “Biographies of Directors and Senior Management” section of this annual report. All directors have given sufficient time and attention to the affairs of the Group. Each executive director has sufficient experience, knowledge and execution ability to hold the position so as to carry out his duties effectively and efficiently.

董事會 組成

董事會目前由10名董事組成，包括4名執行董事、2名非執行董事及4名獨立非執行董事。

執行董事

鄧偉廷先生(主席)
Kor Sing Mung, Michael 先生(副主席)
麥興強先生
劉亮先生

非執行董事

李鷹博士(於二零一七年二月一日辭任)
謝宇軒先生
區凱峰先生(於二零一七年二月一日獲委任)

獨立非執行董事

陳詩敏女士
李偉雄先生
伍家聰先生
楊元晶女士

所有董事的背景及資歷詳情載於本年報「董事及高級管理層履歷」一節。所有董事已投放足夠時間及精力於本集團事務。各執行董事具備之經驗、知識及執行能力，足以勝任有關職位，並有效和高效履行職務。

Corporate Governance Report

企業管治報告

During the year ended 31 December 2016, 1 general meeting, 4 regular Board meetings and other 11 Board meetings were held in addition to circulation of written board resolutions. The composition of the Board and Board Committees during the year and up to the date of this report, and its members' attendance record of meetings held in 2016 are shown below:

截至二零一六年十二月三十一日止年度，除了傳閱書面董事會決議案，已舉行1次股東大會、4次常規董事會會議及11次其他董事會會議。年內及截至本報告日期，董事會及董事委員會之組成及其成員於二零一六年所舉行會議的出席記錄列示如下：

Name of member 成員姓名	Attendance record of meetings held in 2016 二零一六年所舉行會議的出席記錄					
	Annual General Meeting 週年股東大會	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Compliance Committee 合規委員會
Number of total meetings 會議總數	1	15	4	4	4	4
	1	15	4	4	4	4

Number of Meetings attended/Total

已出席會議之次數／總數

Executive Directors

執行董事

Mr. Tang Wai Ting, Samson 鄧偉廷先生	1/1	11/15	N/A 不適用	N/A 不適用	N/A 不適用	3/4
Mr. Kor Sing Mung, Michael Kor Sing Mung, Michael 先生	1/1	12/15	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Ms. Leung Wai Hing, Ella (Resigned on 15 September 2016) 梁蕙馨女士(於二零一六年九月十五日辭任)	1/1	8/15	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Mak Hing Keung, Thomas 麥興強先生	1/1	15/15	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Liu Liang (Appointed on 21 December 2016) 劉亮先生(於二零一六年十二月二十一日獲委任)	N/A 不適用	2/15	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用

Non-executive Directors

非執行董事

Dr. Li Ying (Resigned on 1 February 2017) 李鷹博士(於二零一七年二月一日辭任)	1/1	15/15	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Tse Yee Hin, Tony 謝宇軒先生	1/1	14/15	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Au Hoi Fung (Appointed on 1 February 2017) 區凱峰(於二零一七年二月一日獲委任)	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用

Independent non-executive Directors

獨立非執行董事

Ms. Chan Sze Man 陳詩敏女士	1/1	13/15	4/4	4/4	4/4	N/A 不適用
Mr. Lee Wai Hung 李偉雄先生	1/1	14/15	4/4	4/4	4/4	4/4
Mr. Ng Ka Chung 伍家聰先生	0/1	13/15	3/4	3/4	3/4	3/4
Ms. Eugenia Yang 楊元晶女士	1/1	14/15	3/4	3/4	3/4	3/4

Corporate Governance Report

企業管治報告

CG Code provision A.6.7 requires that Independent Non-Executive Directors and other Non-executive Directors shall attend general meetings and develop a balanced understanding of the views of Shareholders. Two Non-executive Directors and three Independent Non-executive Directors attended Annual General Meeting. The other Directors were obliged to be away for their business matters and for negotiating with potential business partners.

THE RESPONSIBILITIES OF THE BOARD

The Board is responsible for the control and leadership of management company's business and is collectively responsible for the Company's affair under the Board's direction and supervision. All the Directors should make decision objectively in the interests of the Company.

The overall responsibilities of the Board include considering and making decisions on the following matters:

- (i) Setting the cooperate goals of the Group and formulating the Group's strategy and monitoring the implementation;
- (ii) Diversification and extension of activities into new business area;
- (iii) Approving the annual, half year and quarterly results;
- (iv) Dividend policy;
- (v) Material acquisitions and disposal;
- (vi) Reviewing and monitoring the Group's internal control systems;
- (vii) Monitoring the performance of the Management; and
- (viii) Determining and reviewing the composition and diversity of the Board.

BOARD COMPOSITION AND DIVERSITY POLICY

The Company has adopted the board diversity policy since 20 June 2014. The policy sets out the approach to achieve diversity in the Board that should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business and compliance with policies. The composition and diversity policies of the Board is reviewed annually and regularly. The Board should ensure that its changes in composition will not result in any undue interruption. The Board members should possess appropriate professionalism, experience and trustworthiness in performing their duties and functions. The Board would diversify its members according to the Company's situations and need. While participating in nomination and recommendation of director candidates during the year, each member of the Board may consider a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, or professional experience in achieving diversity for the benefit of the Company's various business development and management. The Board is to review the policy concerning diversity of Board members, and to disclose the policy or a summary of the policy in the corporate governance report, including any quantitative targets and standards and its progress with policy implementation.

企業管治守則條文第A.6.7條規定，獨立非執行董事及其他非執行董事應出席股東大會，並對公司股東的意見有平衡的了解。兩位非執行董事及三位獨立非執行董事已出席股東週年大會。其他董事則由於有事務需要處理及與潛在業務夥伴磋商而未能出席大會。

董事會的職責

董事會負責控制及領導管理本公司之業務，並根據董事會指示及監督對本公司事務共同承擔責任。全體董事應客觀地作出符合本公司利益的決策。

董事會的整體職責包括就以下事宜作出考慮及決策：

- (i) 設定本集團企業目標及制定本集團策略及監督執行；
- (ii) 多元化發展及拓展業務至新業務領域；
- (iii) 批准全年、中期及季度業績；
- (iv) 股息政策；
- (v) 重大收購及出售；
- (vi) 檢討及監控本集團內部監控制度；
- (vii) 監察管理層的表现；及
- (viii) 確定及審閱董事會組成及多元化。

董事會組成及多元化政策

自二零一四年六月二十日起，本公司已採納董事會多元化政策。該政策載有達致董事會多元化的方法，以組成技能、經驗均衡，且觀點多元化的董事會，以切合本集團業務需求並配合政策。董事會組成及多元化政策會每年及定期審閱。董事會應確保其組成的變動將不會導致任何不適宜的干擾。董事會成員須具備合適專業精神、經驗及誠信以履行彼等職務及職能。董事會將根據本公司的情況及需要增添成員。年內，各董事會成員於提名及建議董事候選人時可考慮一系列多元化因素，包括但不限於年齡、性別、文化及教育背景，或專業經驗，以達致多元化組成，有利本公司各項業務發展及管理。董事會將審閱有關董事會成員多元化的政策，並於企業管治報告披露政策或政策概要，包括任何定量目標及標準以及政策執行進度。

Corporate Governance Report

企業管治報告

In 2016, the Board has reviewed the diversity of the Board and considered the Board composition and diversity is appropriate.

MANAGEMENT

The daily management, administration and operation of the Company are delegated to the Chief Executive Officer and senior management (the “Management”). The delegated functions and assignments are periodically reviewed by the Board. Approval has to be obtained from the Board prior to entering into any significant transactions by the Management.

The overall responsibilities of the Management include considering and making decisions on the following matters:

- (i) Implementing the Group’s policy and strategies set by the Board;
- (ii) Strategic planning of different business and functions;
- (iii) Closely monitoring operational and financial results in accordance with plans and budgets;
- (iv) Putting adequate operational, planning and financial control systems in place; and
- (v) Managing the Group’s day-to-day business.

CONFIRMATION OF INDEPENDENCE

In compliance with Rules 5.05(1) and (2) of the GEM Listing Rules, the Company has appointed 4 Independent Non-executive Directors; and at least one of whom has appropriate professional qualifications or accounting or related financial management expertise. Each of the Independent Non-executive Directors has made an annual confirmation in writing of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers that all the Independent Non-executive Directors were independent during the year ended 31 December 2016 since their respective date of appointment.

All Independent Non-executive Directors are identified as such in all corporate communications containing the names of the Directors by the Company.

Mr. Tang Wai Ting, Samson, the Chairman and an executive Director, is the spouse of Ms. Chan Kai Hei, a director of the Company’s subsidiary Central Pacific International Group Limited. Save as otherwise disclosed herein, there is no family or other material relationship among members of the Board.

於二零一六年，董事會已審閱董事會多元化並認為董事會組成及多元化實屬合適。

管理層

本公司日常管理、行政及營運指派予行政總裁及高級管理人員（「管理層」）。董事會定期審閱指派的職能及任務。管理層人員進行任何重大交易須獲得董事會批准方可進行。

管理層的整體職責包括就以下事宜作出考慮及決策：

- (i) 執行董事會定立的本集團政策及策略；
- (ii) 制定不同業務及職能的策略計劃；
- (iii) 根據計劃及預算，密切監察經營及財務業績；
- (iv) 制定足夠的營運、計劃及財務監控制度；及
- (v) 管理本集團日常業務。

獨立性確認

遵照創業板上市規則第5.05(1)及(2)條，本公司已委任4名獨立非執行董事，其中至少一名具備合適專業資格或會計或相關財務管理專業知識。各獨立非執行董事已根據創業板上市規則第5.09條就其獨立性發出年度確認書，而本公司認為，截至二零一六年十二月三十一日止年度，全體獨立非執行董事自其各自委任日期起均屬獨立。

所有載有本公司董事姓名的公司通訊中均列明全體獨立非執行董事之身份。

主席兼執行董事鄧偉廷先生為本公司附屬公司中匯環球集團有限公司董事陳佳曦女士之配偶。除本報告另有披露外，董事會成員之間概無家族或其他重大關係。

Corporate Governance Report

企業管治報告

CONTINUOUS PROFESSIONAL DEVELOPMENT

All Directors, including Independent Non-executive Directors, should keep abreast of their collective responsibilities as Directors and of the businesses and activities of the Group. The Group also provides briefings and other training to develop and refresh the Directors' knowledge and skills, and updates all Directors on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements to ensure compliance and to enhance their awareness of good corporate governance practices.

During the year ended 31 December 2016, the Directors provided their training record to the Company in respect of their participation in training activities such as attending seminars relevant to their duties and responsibilities as directors of a listed company, particulars of which are as follows:

持續專業發展

全體董事(包括獨立非執行董事)應緊貼作為董事及於本集團業務與活動的共同責任。本集團亦會提供簡報會及其他培訓，以發展及更新董事的知識及技能，並就創業板上市規則及其他適用監管規定的最新發展向全體董事提供最新資訊，確保合規及加強彼等對良好企業管治常規的意識。

於截至二零一六年十二月三十一日止年度，董事就彼等參與涉及及彼等作為上市公司董事之職務及職責的培訓活動(如出席研討會)向本公司提供培訓記錄，詳情如下：

		Reading materials relevant to directors' duties and responsibilities 與董事職務及職責有關的閱讀材料	Attending the seminar provided by the Company 出席本公司舉辦的研討會	Attending the seminar relevant to the skills of the Director's position 出席與董事職位技能有關的研討會
Executive Directors	執行董事			
Mr. Tang Wai Ting, Samson	鄧偉廷先生	✓	✓	✓
Mr. Kor Sing Mung, Michael	Kor Sing Mung, Michael 先生	✓	✓	✓
Ms. Leung Wai Hing, Ella (Resigned on 15 September 2016)	梁蕙馨女士(於二零一六年九月十五日辭任)	✓	✓	✓
Mr. Mak Hing Keung, Thomas	麥興強先生	✓	✓	✓
Mr. Liu Liang	劉亮先生	✓	✓	✓
Non-executive Directors	非執行董事			
Dr. Li Ying (Resigned on 1 February 2017)	李鷹博士(於二零一七年二月一日辭任)	✓	✓	✓
Mr. Tse Yee Hin, Tony	謝宇軒先生	✓	✓	✓
Mr. Au Hoi Fung (Appointed on 1 February 2017)	區凱峰(於二零一七年二月一日獲委任)	N/A 不適用	N/A 不適用	N/A 不適用
Independent Non-executive Directors	獨立非執行董事			
Ms. Chan Sze Man	陳詩敏女士	✓	✓	✓
Mr. Lee Wai Hung	李偉雄先生	✓	✓	✓
Mr. Ng Ka Chung	伍家聰先生	✓	✓	✓
Ms. Eugenia Yang	楊元晶女士	✓	✓	✓

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CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Tang Wai Ting Samson (“**Mr. Tang**”) is both the Chairman and the chief executive officer of the Company. In view of Mr. Tang is one of the co-founders of the Group and has been operating and managing the Group since 2004, the Board believes that it is in the best interest of the Group to have Mr. Tang taking up both roles for effective management and business development. The role of the Chairman is primarily responsible for managing the Board, whereas the role of the chief executive officer is primarily responsible for overseeing the various businesses of the Group. Their respective roles and responsibilities are summarised as follows:

Responsibilities of the Chairman include: (i) leading the Board and ensuring that the Board functions effectively and smoothly; (ii) chairing the Board and shareholder’s meetings; (iii) approving the agenda for each Board meeting, taking into account, where appropriate, any matters proposed by the other Directors and the company secretary of the Company for inclusion in the agenda; (iv) ensuring that all Directors receive all relevant information prior to each meeting and are properly briefed on issues arising at Board meetings; (v) ensuring all key and appropriate issues are discussed by the Board in a timely and constructive manner; (vi) encouraging all Directors, including the Independent Non-executive Directors, to actively participate in all Board and Board committees meetings and promoting a culture of openness for the Directors to share and voice their concerns on all matters during each meeting; (vii) ensuring that good corporate governance practices and procedures are established and followed; and (viii) taking appropriate steps to provide effective communication with shareholders and to ensure that shareholders’ view are communicated to the Board as a whole.

Responsibilities of the chief executive officer include: (i) implementing the Group’s policy and strategies set by the Board; (ii) strategic planning of different business and functions; (iii) closely monitoring operational and financial results in accordance with plans and budgets; (iv) assuming full accountability to the Board for all aspects of the Group’s operations and performance; (v) maintaining ongoing dialogue with the Chairman and the other Directors; (vi) developing and leading an effective executive team; (vii) putting adequate operational, planning and financial control systems in place; and (viii) representing the Company and managing the Group’s day-to-day business.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

All the Directors are appointed for an initial term of one or three years and subject to retirement by rotation and re-election in accordance with the Company’s articles of association (the “**Articles**”). At each annual general meeting, not less than one-third of the Directors then in office shall retire and every Director is subject to retirement by rotation at least once every three years.

All existing Executive Directors and Independent Non-executive Directors are entitled to a fixed remuneration per month or fee per annum respectively. The remuneration of each Director is subject to the annual review of the Board with reference to his contribution in terms of time, effort and his expertise.

主席及行政總裁

鄧偉廷先生(「**鄧先生**」)為本公司主席兼行政總裁。鑑於鄧先生為本集團共同創始人之一以及自二零零四年以來一直營運及管理本集團，董事會相信鄧先生兼任該兩個職位可以實現有效管理及業務發展，符合本集團的最佳利益。主席一職主要負責管理董事會，而行政總裁一職則主要負責監察本集團各業務。兩者的角色及職責概述如下：

主席的職責包括：(i) 領導董事會，確保董事會能有效及暢順運作；(ii) 主持董事會及股東會議；(iii) 批准各董事會會議的議程，考慮(倘適用)其他董事及本公司的公司秘書建議的任何事宜以載入議程；(iv) 確保全體董事於各會議前接獲全部相關資料並獲得有關於董事會會議上所提出事宜的簡介；(v) 確保董事會及時且積極商討所有重要及適當的事宜；(vi) 鼓勵全體董事(包括獨立非執行董事)積極參與所有董事會及董事委員會會議，及提倡公開討論的文化，讓董事於各會議上就所有事宜分享及提出意見；(vii) 確保建立良好企業管治常規及程序，並得以遵循；及(viii) 採取適當步驟與股東有效溝通並確保股東能向董事會整體表達意見。

行政總裁的職責包括：(i) 執行董事會定立的本集團政策及策略；(ii) 制定不同業務及職能的策略計劃；(iii) 根據計劃及預算，密切監察經營及財務業績；(iv) 就本集團營運及表現的所有方面向董事會負全責；(v) 與主席及其他董事維持對話；(vi) 發展及領導有效的執行團隊；(vii) 制定足夠的營運、計劃及財務監控制度；及(viii) 代表本公司及管理本集團日常業務。

委任及重選董事

所有董事獲委任之初步年期為一或三年，惟須根據本公司之章程細則(「**細則**」)輪席退任並重選連任。於各股東週年大會，不少於三分之一的時任董事須退任及每名董事須至少每三年輪席退任一次。

所有現任執行董事及獨立非執行董事均有權分別收取每月固定酬金或每年袍金。各董事之酬金須由董事會參考彼所貢獻的時間、努力及其經驗後進行年度檢討。

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Details of remuneration paid to each of the Directors during the year are disclosed in Note 14 to the financial statements.

All Directors are entitled to be reimbursed for reasonable expenses incurred during the performance of their duties to the Company and are eligible for share options under the share option scheme of the Company.

BOARD COMMITTEES

The Board has established the board committees, namely, the audit committee, the remuneration committee, the nomination committee and the compliance committee, all with specific terms of reference clearly defining the powers and responsibilities of the respective board committees. All board committees are required by their terms of reference to report to the Board in relation to their decisions, findings or recommendations.

AUDIT COMMITTEE

The Company has established an audit committee (“**Audit Committee**”) with written terms of reference that are in conformity of the requirements of the CG Code which are available on the websites of the Stock Exchange and the Company.

The Audit Committee is currently composed of the 4 Independent Non-executive Directors, namely Ms. Eugenia Yang, Ms. Chan Sze Man, Mr. Lee Wai Hung and Mr. Ng Ka Chung, and chaired by Ms. Eugenia Yang, with all members being Independent Non-executive Directors of the Company in full compliance with Rule 5.28 of the GEM Listing Rules.

For the year ended 31 December 2016, 4 audit committee meetings were held and the members’ attendance is shown on page 32 of this annual report.

The functions of the Audit Committee include the following:

(i) Appointment of the Company’s auditors

- (a) to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- (b) to act as the key representative body for overseeing the Company’s relations with the external auditor;
- (c) to review and monitor the external auditor’s independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

年內支付各董事的酬金詳情披露於財務報表附註14。

所有董事均有權就彼等履行本公司職責而產生的合理開支獲得補償，且合資格獲得本公司購股權計劃下的購股權。

董事委員會

董事會已成立董事委員會，包括審核委員會、薪酬委員會、提名委員會及合規委員會，全部已制定特定職權範圍，明確界定各董事委員會的權力及責任。所有董事委員會須按其職權範圍向董事會報告其決定、結果或建議。

審核委員會

本公司已遵循企業管治守則的規定成立審核委員會（「**審核委員會**」），並以書面列明其職權範圍，並可於聯交所及本公司網站查閱。

審核委員會現時由四名獨立非執行董事組成，即楊元晶女士、陳詩敏女士、李偉雄先生及伍家聰先生，並由楊元晶女士擔任主席。審核委員會全體成員均為本公司獨立非執行董事，並全面遵守創業板上市規則第5.28條。

截至二零一六年十二月三十一日止年度，審核委員會舉行了四次會議，成員出席情況載於本年報第32頁。

審核委員會的職能包括下列各項：

(i) 任命本公司核數師

- (a) 主要負責就外聘核數師的委任、重新委任和罷免向董事會提出建議，批准外聘核數師的薪酬和聘用條款，以及處理任何有關外聘核數師辭職或辭退該核數師的問題；
- (b) 擔任本公司與外聘核數師之間的主要代表，負責監察二者之間的關係；
- (c) 按適用的標準檢討及監察外聘核數師是否獨立客觀及核數程序是否有效。審核委員會應於核數工作開始前先與核數師討論核數性質及範疇及有關申報責任；

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- (d) to develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, “external auditor” includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed; and
- (e) to discuss problems and reservations arising from the quarterly (if any), interim and final audits and any matters the external auditors may wish to discuss (in the absence of the Board and other employees of the Group at the discretion of the Audit Committee where necessary).

(ii) Review of the Company's financial information

- (a) to monitor integrity of the Company's financial statements and annual report and accounts, half-year report and quarterly reports, and to review significant financial reporting judgements contained in them. In reviewing these reports before submission to the Board, the Audit Committee should focus particularly on:
 - (1) any changes in accounting policies and practices;
 - (2) major judgmental areas;
 - (3) significant adjustments resulting from audit;
 - (4) the going concern assumptions and any qualifications;
 - (5) compliance with accounting standards;
 - (6) compliance with the GEM Listing Rules and legal requirements in relation to financial reporting;
 - (7) any connected transactions and their impact on the profitability of the Company;
 - (8) items requiring disclosure; and
 - (9) the cash flow position;

- (d) 就委聘外聘核數師提供非核數服務制定政策，並予以執行。就此規定而言，「外聘核數師」包括與負責核數的公司處於同一控制權、所有權或管理權之下的任何實體，或一個合理知悉所有有關資料的第三方，在合理情況下會斷定該實體屬於該負責核數的公司的本土或國際業務的一部分的任何實體。審核委員會應就任何須採取行動或改善的事項向董事會報告，識別並提出建議；及
- (e) 討論每季度（如有）、中期和末期的審核結果出現的問題和保留事項，以及外聘核數人員希望討論的任何事項（有需要時，審核委員會在董事會和集團其他僱員不在場時可酌情進行）。

(ii) 審閱本公司的財務資料

- (a) 監察本公司的財務報表以及年度報告和賬目、中期報告和季度報告的完整性，並審閱報表和報告所載有關財務申報的重大判斷。在向董事會提交相關報告之前，審核委員會應特別針對以下事項加以審閱：
 - (1) 會計政策及常規的任何更改；
 - (2) 涉及作出重要判斷的地方；
 - (3) 因核數而出現的重大調整；
 - (4) 持續經營的假設以及任何保留意見；
 - (5) 是否遵守會計準則；
 - (6) 是否遵守有關財務申報的創業板上市規則及法律規定；
 - (7) 任何關聯交易以及其對本公司盈利能力的影響；
 - (8) 需要對外披露的事項；及
 - (9) 現金流狀況；

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(b) regarding point (a) above:

- (1) members of the Audit Committee should liaise with the Board and senior management and the Audit Committee must meet, at least twice a year, with the Company's auditors; and
- (2) the Audit Committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, it should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors.

(iii) Overseeing of the Company's financial reporting system and internal control procedures

- (a) to review the Company's financial controls, internal control and risk management systems;
- (b) to discuss the internal control system with management to ensure that management has performed its duty to have an effective internal control system. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;
- (c) to consider major investigations findings on internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- (d) where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;
- (e) to review the Group's financial and accounting policies and practices;
- (f) to review the external auditor's management letter, any material queries raised by the auditor to management about the accounting records, financial accounts or systems of control and management's response;
- (g) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;

(b) 以下規定適用於上述(a)項中所列各事項：

- (1) 審核委員會成員應與董事會以及高層管理人員聯絡，並至少每年與本公司核數師開會兩次；及
- (2) 審核委員會應考慮在該等報告和賬目中所反映或需要反映的任何重大或不尋常事項，並應適當考慮由公司屬下會計和財務申報職員、合規主任或核數師提出的任何事項。

(iii) 監督公司的財務申報制度和內部監控程序

- (a) 檢討本公司的財務監控、內部監控及風險管理制度；
- (b) 與管理層討論內部監控系統，確保管理層已履行其職責建立有效的內部監控系統。討論內容應包括本公司在會計及財務申報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算又是否充足；
- (c) 應董事會的委派或主動就有關內部監控事宜的重要調查結果及管理層對調查結果的回應進行研究；
- (d) 如公司設有內部審核功能，須確保內部和外聘核數師的工作得到協調，並確保內部審核功能在公司內部有足夠資源運作，並且有適當的地位，以及檢討及監察其成效；
- (e) 檢討本集團的財務及會計政策及常規；
- (f) 檢查外聘核數師給予的管理層的《審核情況說明函件》、外聘核數師就會計紀錄、財務賬目或監控系統向管理層提出的任何重大疑問及管理層作出的回應；
- (g) 確保董事會及時回應於外聘核數師給予管理層的《審核情況說明函件》中提出的事宜；

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| <p>(h) to review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters and ensuring that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;</p> | <p>(h) 檢討本公司設定的以下安排：僱員可暗中就財務申報、內部監控或其他方面可能發生的不當行為提出關注。委員會應確保有適當安排，讓公司可對此等事宜作出公平獨立的調查及採取適當行動；</p> |
| <p>(i) to report to the Board on the matters in the Corporate Governance Code and Corporate Governance Report in Appendix 15 of the GEM Listing Rules;</p> | <p>(i) 遵守創業板上市規則附錄15向董事會報告企業管治守則及企業管治報告中所列事項；</p> |
| <p>(j) to report to the Board on the matters set out in the terms of reference of the Audit Committee;</p> | <p>(j) 向董事會報告審核委員會職權範圍規定的事項；</p> |
| <p>(k) to establish a whistleblowing policy and system for employees and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence, with the audit committee about possible improprieties in any matter related to the Company; and</p> | <p>(k) 訂立舉報政策和舉報體系，以便讓僱員和其他與公司有往來者（如客戶和供應商）可暗中向審核委員會提出其對任何可能牽涉本公司的不當事宜的關注；及</p> |
| <p>(l) to review the disclosure in the Company's interim and annual reports regarding any regulatory deficiencies and remedial actions.</p> | <p>(l) 檢討本公司在中期及年度報告中關於任何不合規事宜及補救行動的披露資料。</p> |

Major accomplishments of the Audit Committee in 2016 comprised the following:

審核委員會於二零一六年達成的主要事項包括下列各項：

- | | |
|---|--|
| <p>(a) reviewed the financial statements for disclosure on a quarterly, half-yearly and annually basis, where applicable;</p> | <p>(a) 按季度、半年度及年度基準（如適用）審閱財務報表作披露用途；</p> |
| <p>(b) reviewed the external auditor's significant findings and management's response to the recommendation raised, if any;</p> | <p>(b) 審閱外聘核數師的主要審核結果，以及管理層對所提出建議作出的回應（如有）；</p> |
| <p>(c) reviewed the effectiveness of the internal control system and the adequacy of the accounting and financial reporting functions of the Group;</p> | <p>(c) 檢討本集團內部監控系統的有效性以及會計與財務申報功能的充分性；</p> |
| <p>(d) reviewed and approved the external auditor's statutory audit scope for 2016 and the letter of representation to be given by the Board; and</p> | <p>(d) 檢討及審批外聘核數師二零一六年的法定審核範圍，以及由董事會發出的聲明書；及</p> |
| <p>(e) considered and approved the 2016 external audit fees and engagement letters.</p> | <p>(e) 省覽及批准二零一六年度之外聘核數費用及聘任書。</p> |

The Group's internal control system is reviewed regularly by management. With the view of enhancing the Group's internal control system, during the year ended 31 December 2016, the Company had appointed Zhonghui Anda Risk Services Limited ("ZHONGHUA RS"), as independent consultant, to review the Group's internal control systems and recommend actions to improve our internal controls.

管理層定期審核本集團的內部監控系統。為提升本集團的內部監控系統，本公司已於截至二零一六年十二月三十一日止年度委任中匯安達風險管理有限公司（「中匯安達風險管理」）擔任獨立顧問，評核本集團的內部監控系統，以及建議採取的行動，以加強我們的內部監控。

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Based on the review, the Audit Committee is of the view that the Group's internal control system was generally effective and in compliance with the requirements of the CG Code C.2.1 for the year ended 31 December 2016 in all material respects, provided that the control on dissemination of Inside Information and use of financial resources could be further enhanced.

There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors for the year ended 31 December 2016.

The Audit Committee has reviewed the audited financial statements of the Group for the year ended 31 December 2016 and recommended approval to the Board.

REMUNERATION COMMITTEE

The Company has established a remuneration committee ("Remuneration Committee") with written terms of reference in accordance with the requirements of the CG Code. In accordance with provisions set out in the CG Code are available on the websites of the Stock Exchange and the Company.

The Remuneration Committee is currently composed of the 4 Independent Non-executive Directors, namely Mr. Ng Ka Chung, Ms. Chan Sze Man, Mr. Lee Wai Hung and Ms. Eugenia Yang, and chaired by Mr. Ng Ka Chung.

For the year ended 31 December 2016, 4 remuneration committee meetings were held and the members' attendance is shown on page 32 of this Report.

The role and functions of the Remuneration Committee include:

- (i) to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration, of which a significant portion of Executive Director's remuneration should link rewards to corporate and individual performance, and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (ii) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (iii) either (a) to determine with delegated responsibility the remuneration packages of individual executive Directors and senior management; or (b) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (iv) to make recommendations to the Board on the remuneration of Non-executive Directors;
- (v) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;

根據評核，審核委員會認為，截至二零一六年十二月三十一日止年度，本集團的內部監控制度在各重大方面基本符合企業管治守則C.2.1之規定並有效運作，惟在內部消息發佈及財務資源使用方面應予進一步提升。

截至二零一六年十二月三十一日止年度，董事會與審核委員會就甄選、委任、辭任或罷免外聘核數師事宜並無意見分歧。

審核委員會已審閱本集團截至二零一六年十二月三十一日止年度的經審核財務報表，並推薦董事會批准。

薪酬委員會

本公司已遵循企業管治守則的規定成立薪酬委員會（「薪酬委員會」），並以書面列明其職權範疇。根據企業管治守則所載的條文，該職權範圍可於聯交所及本公司網站查閱。

薪酬委員會現時由四名獨立非執行董事組成，即伍家聰先生、陳詩敏女士、李偉雄先生及楊元晶女士，並由伍家聰先生擔任主席。

截至二零一六年十二月三十一日止年度，薪酬委員會舉行了四次會議，成員出席情況載於本報告第32頁。

薪酬委員會的角色及職能包括：

- (i) 就本公司全體董事和高層管理人員的薪酬的政策及架構向董事會提出建議；其中，執行董事的薪酬應有頗大部份與公司及個人表現掛鉤；就設立正規而具透明度的程序制定薪酬政策，向董事會提出建議；
- (ii) 以董事會所訂企業方針及目標而檢討及批准管理人員的薪酬建議；
- (iii) 以下兩者之一：(a)獲轉授責任，釐定個別執行董事和高層管理人員個人的薪酬待遇；或(b)就個別執行董事和高層管理人員個人的薪酬待遇，向董事會提出建議。此應包括非金錢利益、退休金權利及賠償金額（包括喪失或終止職務或委任的賠償）；
- (iv) 就非執行董事的薪酬向董事會提出建議；
- (v) 考慮可比較公司支付的薪酬、須付出的時間及職責以及本公司及其附屬公司內其他職位的僱用條件；

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| <p>(vi) to review and approve compensation payable to Executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;</p> <p>(vii) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;</p> <p>(viii) to ensure that no Director or any of his associates is involved in deciding his own remuneration;</p> <p>(ix) to advise the Company to disclose details of any remuneration payable to members of senior management by band in its annual reports; and</p> <p>(x) to advise the shareholders of the Company with respect to any service contracts of Directors that require shareholders' approval under the GEM Listing Rules.</p> | <p>(vi) 檢討及批准向執行董事及高級管理人員就其喪失或終止職務或委任而須支付的賠償，以確保該等賠償與合約條款一致，若未能與合約條款一致，賠償亦須公平合理，不致過多；</p> <p>(vii) 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排與合約條款一致；若未能與合約條款一致，有關賠償亦須合理適當；</p> <p>(viii) 確保任何董事及其任何聯繫人不得參與釐定自身的薪酬；</p> <p>(ix) 建議公司在其年度報告中，根據管理人員的級別詳細披露所有應支付予高層管理人員的薪酬；及</p> <p>(x) 就根據創業板上市規則需要股東予以批准的董事的服務合約向本公司股東提出建議。</p> |
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Major accomplishments of the Remuneration Committee in 2016 comprised the following:

- (i) reviewed matters relating to the remuneration packages and emoluments of Directors and senior management.

薪酬委員會於二零一六年達成的主要事項包括下列各項：

- (i) 審閱有關董事及高級管理層之薪酬組合及酬金之事宜。

NOMINATION COMMITTEE

The Company has established a nomination committee (“**Nomination Committee**”) with written terms of reference. The terms of reference of the Nomination Committee are in conformity with the requirements of the CG Code and are available on the websites of the Stock Exchange and the Company.

The Nomination Committee is currently composed of the 4 Independent Non-executive Directors, namely Mr. Lee Wai Hung, Ms. Eugenia Yang, Mr. Ng Ka Chung and Ms. Chan Sze Man, and chaired by Mr. Lee Wai Hung.

For the year ended 31 December 2016, 4 nomination committee meetings were held and the members' attendance is shown on page 32 of this annual report.

The role and functions of the Nomination Committee include:

- (i) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (ii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;

提名委員會

本公司已成立提名委員會(「**提名委員會**」)，並制定書面職權範圍。提名委員會的職權範圍符合企業管治守則的規定，並可於聯交所及本公司網站查閱。

提名委員會目前時前由四名獨立非執行董事組成，即李偉雄先生、楊元晶女士、伍家聰先生及陳詩敏女士，並由李偉雄先生擔任主席。

截至二零一六年十二月三十一日止年度，提名委員會已舉行四次會議，成員出席情況載於本年報第32頁。

提名委員會的角色及職能包括：

- (i) 至少每年檢討董事會之架構、人數及組成(包括技能、知識及經驗方面)，並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議；
- (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出建議；

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- (iii) to receive nominations from shareholders or Directors when such are tendered and to make recommendations to the Board on the candidacy of the nominees, having regard to the Board's compositional requirements and suitability of the nominees;
- (iv) to assess the independence of Independent Non-executive Directors and where the Board proposes a resolution to elect an individual as an Independent Non-executive Director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe he should be elected and the reasons why they consider him to be independent; and
- (v) to make recommendations to the Board on the appointment and re-appointment of Directors, and succession planning for Directors in particular the chairman and the chief executive.

Major accomplishments of the Nomination Committee in 2016 comprised the following:

- (i) recommended to the Board the appointment of Mr. Liu Liang and Mr. Kor Sing Mung, Michael as Executive Directors of the Company.

COMPLIANCE COMMITTEE

The Company has established a compliance committee ("**Compliance Committee**") with written terms of reference. The terms of reference of the Compliance Committee are available on the websites of the Stock Exchange and the Company.

The Compliance Committee is currently composed of the 3 Independent Non-executive Directors, namely Ms. Eugenia Yang, Mr. Lee Wai Hung and Mr. Ng Ka Chung, the company secretary Mr. Chou Chiu Ho and the Chairman Mr. Tang Wai Ting Samson. The Compliance Committee is chaired by Ms. Eugenia Yang.

For the year ended 31 December 2016, 4 compliance committee meetings were held and the members' attendance is shown on page 32 of this annual report.

The role and functions of the Compliance Committee include:

- (i) to establish, maintain and approve the compliance system of the Group;
- (ii) to support and provide instruction to ensure that each department to establish, execute and maintain its compliance system;
- (iii) to approve the compliance manual and ensure it is updated;
- (iv) to organise education and training programmes on compliance, including compliance seminars;

- (iii) 收集股東或董事對候選人的提名，並且在考慮了董事會構成要求和候選人是否適合擔任董事後，就候選人的候選資格向董事會提出建議；

- (iv) 對獨立非執行董事的獨立性進行評估，若董事會擬於股東大會上提呈決議案選任某人士為公司獨立非執行董事，提名委員會須於相關股東大會通告所隨附之致股東通函及／或說明函件內列明董事會認為應選任該名人士的理由以及他們認為該名人士屬獨立人士的原因；及

- (v) 就董事之委任及再度委任以及董事繼任計劃(尤其是主席及首席執行官)的有關事宜向董事會作出推薦。

提名委員會於二零一六年達成的主要事項包括下列各項：

- (i) 推薦董事會委任劉亮先生及Kor Sing Mung, Michael先生為本公司執行董事。

合規委員會

本公司已成立合規委員會(「合規委員會」)，並制定書面職權範圍。合規委員會的職權範圍可於聯交所及本公司網站查閱。

合規委員會現時由三名獨立非執行董事組成，即楊元晶女士、李偉雄先生、伍家聰先生、公司秘書周昭何先生，以及主席鄧偉廷先生。合規委員會由楊元晶女士擔任主席。

截至二零一六年十二月三十一日止年度，合規委員會已舉行四次會議，成員出席情況載於本年報第32頁。

合規委員會的角色及職能包括：

- (i) 建立、維持及批准本集團的合規系統；
- (ii) 支持及提供指示以確保各部門建立、執行及維持其合規系統；
- (iii) 批准合規手冊及確保其獲更新；
- (iv) 組織合規教育及培訓計劃，包括合規研討會；

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| (v) to monitor the status of the compliance system and discuss from time to time with relevant management members on the compliance system to ascertain what action, if any, is required for ongoing compliance; | (v) 監管公司的合規系統狀況，及不時與有關管理成員討論關於合規系統以確定需要採取什麼行動(如需要)去保持合規； |
| (vi) to investigate compliance problems and take appropriate measures when one arises (it may instruct the relevant department(s) to deal with the problem depending on its nature); | (vi) 調查合規問題並在產生問題時採取適當措施(其可指示相關部門依據問題性質處理)； |
| (vii) to delegate the day-to-day implementation and monitoring of compliance system to the compliance officer and company secretary; | (vii) 委派合規主任及公司秘書日常實施及監控合規系統； |
| (viii) to review and monitor the ongoing compliance with the GEM Listing Rules and relevant laws and regulations; | (viii) 檢討及監管與《創業板上市規則》及相關法律及規例有關的持續合規事宜； |
| (ix) to note any material deficiencies and take remedial actions if necessary and at all times keep the Board abreast of any such actions and/or developments; and | (ix) 記錄任何重大不足之處及如有需要採取補救行動，及時令董事會了解前述補救行動及／或進展的最新情況；及 |
| (x) to review the disclosures in the Company's interim and annual reports regarding any regulatory deficiencies and remedial actions. | (x) 檢討公司在中期及週年報告中披露關於任何不合規事宜及補救行動。 |

Major accomplishments of the Compliance Committee in 2016 comprised the following:

合規委員會於二零一六年達成的主要事項包括下列各項：

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| (i) review the disclosures in the Company's 2015 annual report regarding any regulatory deficiencies and remedial actions, if any; and | (i) 檢討本公司在二零一五年年報中關於不合規事宜及補救行動(如有)的披露；及 |
| (ii) review the disclosures in the Company's 2016 interim report regarding any regulatory deficiencies and remedial actions, if any. | (ii) 檢討本公司在二零一六年中期報告中關於不合規事宜及補救行動(如有)的披露。 |

CORPORATE GOVERNANCE FUNCTIONS

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

企業管治職能

董事會負責執行企業管治守則第D.3.1條守則條文所載之企業管治職務。

The Board held 4 meetings for the purpose of reviewing the compliance of corporate governance policies for the year ended 31 December 2016.

截至二零一六年十二月三十一日止年度，董事會共舉行四次會議，以檢討本集團遵守企業管治政策的情況。

The duties of the Board include:

董事會之職責包括：

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| (i) to develop and review the Group's policies and practices on corporate governance and make recommendations to the Board; | (i) 制定及檢討本集團之企業管治政策及常規，並向董事會提供建議； |
| (ii) to review and monitor the training and continuous professional development of Directors and senior management; | (ii) 檢討及監察董事及高級管理人員的培訓及持續專業發展； |
| (iii) to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements; | (iii) 檢討及監察本集團在遵守法律及監管規定方面的政策及常規； |
| (iv) to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and | (iv) 制定、檢討及監察適用於僱員及董事的操守準則及合規手冊；及 |
| (v) to review the Group's compliance with the CG Code and disclosure in the CG Report. | (v) 檢討本集團遵守企業管治守則的情況及在企業管治報告內的披露。 |

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Major accomplishments in 2016 comprised the following:

- (i) evaluated the Group's policies and practices on corporate governance and made appropriate amendments;
- (ii) arranged the training and continuous professional development of Directors and senior management; and
- (iii) reviewed the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

AUDITOR'S REMUNERATION

The fees in respect of audit and non-audit services provided by the external auditor, World Link CPA Limited, to the Group for the year ended 31 December 2016 amounted to approximately HK\$550,000 and HK\$118,000 respectively. The non-audit service represented service fees for tax compliance and other review services.

The accounts for the year ended 31 December 2016 were audited by World Link CPA Limited whose term of office will expire upon the forthcoming annual general meeting. The Audit Committee has recommended to the Board that World Link CPA Limited be re-appointed as the auditors of the Company at the forthcoming annual general meeting.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors acknowledge their responsibility for preparation of the Group's financial statements to give a true and fair view. The responsibilities of auditors in respect of the financial statements are set out in the report of the auditors forming part of this Report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group emphasises the importance of a sound internal control system which is also indispensable for mitigating the Group's key risk exposures. The Group's system of internal control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage and eliminate risks of failure in operational systems and fulfillment of the business objectives. The internal control system is reviewed on an ongoing basis by the Board in order to make it practical and effective in providing reasonable assurance in relation to protection of material assets and shareholders' interests. During the year under review, ZHONGHUA RS has reviewed the risk management and internal control systems of the Group and has provided written reports to the Audit Committee.

於二零一六年達成的主要事項包括下列各項：

- (i) 評估本集團之企業管治政策及常規，並作出適當修訂；
- (ii) 安排董事及高級管理層的培訓及持續專業發展；及
- (iii) 檢討本公司遵守企業管治守則的情況及在企業管治報告內的披露。

核數師酬金

截至二零一六年十二月三十一日止年度，外聘核數師華普天健(香港)會計師事務所有限公司向本集團提供的審核及非審核服務費分別約為550,000百萬港元及118,000百萬港元。非審核服務費指稅務合規及其他審閱服務的服務費用。

截至二零一六年十二月三十一日止年度之賬目已由華普天健(香港)會計師事務所有限公司審核，其任期將於下屆股東週年大會屆滿。審核委員會已向董事會建議於下屆股東週年大會上續聘華普天健(香港)會計師事務所有限公司為本公司核數師。

董事就財務申報之責任

董事明白彼等就編製以真實及公平地反映本集團財務報表之責任。核數師就財務報表之責任載於核數師報告，該報告構成本年報的一部分。

風險管理及內部監控

本集團著重健全的內部監控系統，此舉亦為本集團減少主要風險不可或缺之一環，本集團設立內部監控系統旨在對重大錯誤或損失提供合理但並非絕對之保證，以及管理及消除營運系統故障及未能達致業務目標的風險。董事會持續檢討內部監控系統，以確保其在保護重要資產及保障股東權益方面能提供實際而有效之合理保證，於回顧年度，中匯安達風險管理已對本集團的風險管理及內部監控系統作出檢討，並已向審核委員會作出書面匯報。

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The Group has adopted a three-tier risk management approach to identify, assess and manage different types of risks. At the first line of defence, business units are responsible for identifying, assessing and monitoring risk associated with each business or transaction. The management, as the second line of defence, defines rule sets and models, provide technical support, develops new system and oversees portfolio management. It ensures risks are within acceptable range and that the first line of defence is effective. As the final line of defense, ZHONGHUA RS assists the Audit Committee to review the first and second lines of defence.

The Group is committed to the identification, evaluation and management of risks associated with its business activities through ongoing assessment of a risk register, by considering the likelihood and impact of each identified risk. The Group has implemented an effective control system which includes a defined management structure with limits of authority, a sound management system and periodic review of the Group's performance by the Audit Committee and the Board.

Through the Audit Committee, the Board has conducted annual review of the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2016, covering the material financial, operational and compliance controls, which are considered effective and adequate.

The Audit Committee has reviewed the adequacy of resources, qualifications and experience, training and budget of the accounting, internal audit and financial reporting functions on an annual basis.

INSIDE INFORMATION

The Company assesses the likely impact of any unexpected and significant event that may impact the price of the shares of the Company or their trading volume and decides whether the relevant information is considered inside information and needs to be disclosed as soon as reasonably practicable pursuant to Rules 17.10 and 17.11 of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the SFO. The Executive Directors have responsibility for approving certain announcements and/or circulars to be issued by the Company under powers delegated by the Board from time to time.

The Company has put in place procedures on handling and dissemination of inside information in a timely manner in such a way so as not to place any person in a privileged dealing position and to allow time for the market to price the listed securities of the Company with the latest available information. The Company has appropriate internal control and reporting systems to identify and assess potential inside information. Dissemination of inside information of the Company shall be conducted by publishing the relevant information on the websites of the Stock Exchange and the Company, according to the requirements of the GEM Listing Rules.

本集團採納三級風險管理方法以識別、評估及管理不同類型的風險。在第一道防線，業務單位負責識別、評估及監察與每項業務或交易有關的風險。作為第二道防線，管理層界定規則組合及模型、提供技術支持、制定新制度及監察組合管理，並確保風險在可接受範圍內及第一道防線行之有效性。作為最後一道防線，中匯安達風險管理協助審核委員會審核第一道及第二道防線。

本集團透過考慮各項已識別風險的可能性及影響，持續評估風險登記冊，致力識別、評估及管理與業務活動相關的風險。本集團已推行有效的監控系統，包括具體制訂職權範圍的管理架構、穩健的管理系統及由審核委員會及董事會定期檢討本集團的表現。

董事會通過審核委員會就截至二零一六年十二月三十一日止年度本集團風險管理及內部監控系統的成效(涵蓋重大財務、經營及合規控制)進行年度檢討，此舉被認為屬有效及充足。

審核委員已按年度基準檢討會計、內部審計及財務報告職能方面的資源、員工資歷及經驗、培訓及有關預算是否足夠。

內部資料

本公司評估任何不可預計重大事件可能對本公司股份價格或成交量的影響，並決定有關資料是否視為內幕資料，而須根據創業板上市規則第17.10條及17.11條和證券及期貨條例第XIVA部的內幕資料條文在合理可行情況下盡快披露。執行董事負責批准本公司根據董事會不時授權而刊發的若干公告及／或函函。

本公司已及時到位處理及發佈內部資料，並不會導致任何人士在本公司處於佔優地位，並令市場於得悉最新可得資料的情況下，有充足時間定出本公司上市證券之價格。本公司擁有適當的內部監控及匯報系統，以識別及評估潛在內部資料。根據創業板上市規則規定，本公司內幕資料乃通過於聯交所及本公司網站刊載相關資料而發佈。

Corporate Governance Report

企業管治報告

GOING CONCERN

The Group incurred a loss attributable to the owners of the Company of approximately HK\$44,094,000 (2015: approximately HK\$17,526,000) and net cash outflow from operating activities of approximately HK\$28,387,000 (2015: approximately HK\$18,359,000) for the year ended 31 December 2016, and had decrease in net current assets by approximately HK\$35,192,000 (2015: approximately HK\$16,535,000) with net amount due to a director of approximately HK\$6,494,000 (2015: approximately HK\$6,275,000) as at 31 December 2016. In preparing these consolidated financial statements, the directors of the Company have given careful consideration to the impact of the current and anticipated future liquidity of the Group.

The validity of the Group to operate as a going concern is dependent upon the outcomes of the Group to (i) attain profitable and positive cash flows from operations; and (ii) obtain external source of funding in the immediate and longer term, at a level sufficient to finance the working capital requirements of the Group. As further disclosed in note 40(b) to the financial statements, the Company and a placing agent (the “**Placing Agent**”) entered into a placing agreement (the “**Placing Agreement**”) on 16 March 2017, pursuant to which the Company agreed to appoint the Placing Agent to, on a best effort basis, procure placees to subscribe for the 4.0% coupon unlisted bonds with a term of 12 months, to be issued in tranches by the Company in an aggregate principal amount of up to HK\$30,000,000 (the “**Bonds**”). Up to the approval date on these financial statements, the placing of Bonds has yet been completed which creates an uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. Notwithstanding the above, the directors considered that it is appropriate to adopt the going concern basis in preparing these consolidated financial statements.

In order to strengthen the Group’s capital base and liquidity in the foreseeable future, the Group has taken the following measures:

- in the event the placing of Bonds was failed to complete, Mr. Kor Sing Mung, Michael, a director and a substantial shareholder of the Company has agreed to provide interest-free and unsecured financial support to the extent of HK\$15,000,000 to the Group for the next twelve months to meet its financial obligations as they fall due;
- negotiating with bankers for obtaining new banking facilities;
- the directors of the Company have been taking various cost control measures to tighten the costs of operations;
- the directors of the Company have reviewed the performance of individual projects and where appropriate, to abandon or dispose of those non-profitable projects; and
- the Group has been implementing various strategies to enhance the Group’s revenue.

持續經營

截至二零一六年十二月三十一日止年度，本集團錄得本公司擁有人應佔虧損約44,094,000港元(二零一五年：約17,526,000港元)及經營活動現金流出淨額約28,387,000港元(二零一五年：約18,359,000港元)，及於二零一六年十二月三十一日，流動資產淨值減少約35,192,000港元(二零一五年：約16,535,000港元)及應付一名董事款項淨額約6,494,000港元(二零一五年：約6,275,000港元)。於編製此等綜合財務報表時，本公司董事已審慎考慮本集團當前及預計未來流動資金之影響。

本集團能否持續經營乃端賴本集團能否(i)自營運中產生盈利及正現金流；及(ii)獲取即期及長期外部資金，其規模足以應付本集團的營運資金需求。本公司與一名配售代理(「**配售代理**」)於二零一七年三月十六日訂立配售協議(「**配售協議**」)，據此，本公司已同意委任配售代理按盡力基準促使承配人認購本公司將分批發行的本金總額最多為30,000,000港元，期限為12個月，及票息為4厘的非上市債券(「**債券**」)。直至該等財務報表之批准日期，債券配售尚未完成，這產生或對本集團持續經營能力構成重大疑問的不確定因素，因此，本集團可能無法在正常業務過程中變現其資產及清償其負債。儘管如此，董事認為，於編製此等綜合財務報表時採納持續經營基準屬適當。

為增強本集團於可見將來之財務狀況及流動資金，本集團已實施以下措施：

- 倘若未能完成債券配售，本公司董事兼主要股東Kor Sing Mung, Michael先生已同意於未來十二個月向本集團提供最多15,000,000港元之免息及無抵押財務援助，以履行其到期之財務責任；
- 就獲得新的銀行融資與往來銀行協商；
- 本公司董事已採取各項成本控制措施，以縮減營運成本；
- 本公司董事已檢討個別項目的表現及放棄或出售無利可圖的項目(如適當)；及
- 本集團已實施各種策略提升本集團的收益。

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企業管治報告

Based on the cash flow projections of the Group and having taken into account the available financial resources of the Group together with the above measures, the directors have concluded that the Group is able to continue on a going concern basis and to meet their financial liabilities as and when they fall due for the next twelve months. Should the Group be unable to continue as a going concern, adjustments would have to be made to the financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

COMPANY SECRETARY

For the year ended 31 December 2016, the Company Secretary was Mr. Chou Chiu Ho.

Details of backgrounds and qualification of the Company Secretary are set out in the "Biographies of Directors and Senior Management" of this annual report.

A written record had been received by the Company from Mr. Chou Chiu Ho confirming that he took not less than 15 hours of relevant professional training during the year ended 31 December 2016. The Company is of the view that Mr. Chou has complied with Rule 5.15 of the GEM Listing Rules.

On 17 March 2017, Mr. Chou has tendered his resignation as the company secretary with effect from 18 March 2017. As at the date of this report, the Company is still in the process of identifying suitable candidate to fill in the vacancy of company secretary of the Company.

SHAREHOLDERS' RIGHTS TO CONVENE EXTRAORDINARY GENERAL MEETING

In order 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.

The following procedures for shareholders of the Company to convene an extraordinary general meeting are subject to the Articles, and the applicable legislation and regulation, in particular the GEM Listing Rules:

- (i) any one or more shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company (the "**Eligible Shareholder(s)**") carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company (the "**Company Secretary**"), to require an extraordinary general meeting (the "**EGM**") to be called by the Board for the transaction of any business specified in such requisition pursuant to Article 64 of the Articles; and

根據本集團之現金流量預測及經考慮本集團可得的財務資源及上述措施，董事認為，本集團能夠持續經營及履行其於未來十二個月到期之財務責任。倘本集團無法持續經營，則須對財務報表作出調整，將本集團的資產價值調整至其可收回金額、為可能產生之任何其他負債計提撥備及將非流動資產及負債分別重新分類為流動資產及負債。此等潛在調整之影響並無於此等綜合財務報表內反映。

公司秘書

截至二零一六年十二月三十一日止年度，周昭何先生為公司秘書。

公司秘書的背景及資歷詳情載於本年報「董事及高級管理層履歷」。

本公司已接獲周昭何先生之書面記錄，確認彼於截至二零一六年十二月三十一日止年度已參與不少於15小時的相關專業培訓。本公司認為周先生已遵守創業板上市規則第5.15條。

於二零一七年三月十七日，周先生已辭任公司秘書，自二零一七年三月十八日起生效。於本報告日期，本公司仍在物色合適人選以填補本公司公司秘書之空缺。

股東召開股東特別大會之權利

為保障股東之權益及權利，於股東大會上，股東可就各項重大事宜獨立提呈決議案，包括甄選個別董事，以供股東考慮及投票。

下列本公司股東召開股東特別大會之程序乃受章程細則、適用法例及法規，特別是創業板上市規則所規限：

- (i) 於遞呈要求日期持有不少於本公司繳足股本（賦予權利於本公司股東大會上投票）十分之一的任何一名或多名本公司股東（「**合資格股東**」）隨時有權根據章程細則第64條，向董事會或本公司之公司秘書（「**公司秘書**」）發出書面要求，要求董事會召開股東特別大會（「**股東特別大會**」），以處理有關要求中指明的任何事項；及

Corporate Governance Report

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(ii) if within 21 days of the deposit of the requisition, the Board fails to proceed to convene such EGM, the requisitionist(s) himself/themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

(ii) 倘董事會未能在要求書遞交後21天內召開有關股東特別大會，則呈請人可以相同方式自行召開股東特別大會，而本公司須向呈請人償付因董事會未能召開該大會令呈請人產生的所有合理費用。

PROCEDURES FOR SENDING ENQUIRIES TO THE BOARD

Apart from sending email to info@mpgroup.com.hk, shareholders may send their enquiries and concerns to the Board by addressing them to the headquarter and principal place of business of the Company in Hong Kong at Unit 5, 4/F, Energy Plaza, No. 92 Granville Road, Tsim Sha Tsui East, Kowloon, Hong Kong, by post or by fax to (852) 3525 1583, for the attention of the Company Secretary.

向董事會發出查詢的程序

除寄發電郵予info@mpgroup.com.hk外，股東可將彼等向董事會作出之查詢及關注事宜郵寄予本公司之總部及香港主要營業地點，地址為香港九龍尖沙咀東加連威老道92號幸福中心4樓5室，或傳真至(852) 3525 1583，註明公司秘書收。

PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

Pursuant to the Articles, Shareholders who wish to move a resolution may by means of written requisition to convene an EGM following the procedures set out above.

股東於股東大會上提呈建議的程序

根據章程細則，有意動議決議案的股東可根據上述程序以要求書方式召開股東特別大會。

AMENDMENTS TO CONSTITUTIONAL DOCUMENTS

For the year ended 31 December 2016, there was no significant change in the Company's memorandum and the Articles.

修訂章程文件

截至二零一六年十二月三十一日止年度，本公司之章程大綱及細則概無重大變動。

Directors' Report

董事會報告

The directors (“**Directors**”) of Millennium Pacific Group Holdings Limited (the “**Company**”) present their report together with the audited financial statements of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES AND ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. Details of the principal activities of its subsidiaries are set out in note 33 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

The analysis of geographical locations of the Group for the year is set out in note 8 to the consolidated financial statements.

BUSINESS REVIEW

A review of the Group's business during the year and analysis of the Group's performance using financial key performance indicators and prospects of the Group's business are provided in the sections headed “Chairman's Statement” on page 5 to 6 and “Management Discussion and Analysis” on pages 7 to 15 of the annual report.

RESULTS AND APPROPRIATION

The results of the Group for the year ended 31 December 2016 and the state of the Company's and the Group's affairs as at that date are set out in the consolidated financial statements on pages 65 to 135.

The Directors do not recommend the payment of any dividend for the year ended 31 December 2016.

RESERVES

Details of the movements in reserves of the Group and the Company during the year are set out in the “Consolidated Statement of Changes in Equity” and note 31 to the consolidated financial statements respectively.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 29 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

The Company's reserve available for distribution as at 31 December 2016 was Nil.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 18 to the financial statements.

匯思太平洋集團控股有限公司(「本公司」)之董事會(「董事會」)呈報本公司及其附屬公司(統稱「本集團」)截至二零一六年十二月三十一日止年度之董事會報告連同經審核財務報表。

主要業務及營運分析

本公司的主要業務為投資控股。其附屬公司的主要業務詳情載於財務報表附註33。於年內，本集團的主要業務性質並無重大變動。

於年內，本集團的地理位置分析載於綜合財務報表附註8。

業務回顧

本集團業務的本年度回顧及使用財務關鍵績效指標而對本集團表現進行的分析，以及本集團業務的前景，載於年報第5至6頁的「主席報告」一節以及第7至15頁的「管理層討論及分析」一節。

業績及分派

本集團截至二零一六年十二月三十一日止年度之業績以及本公司及本集團截至該日的事務狀況載於綜合財務報表第65至135頁。

董事不建議就截至二零一六年十二月三十一日止年度派付任何股息。

儲備

於年內，本集團及本公司儲備之變動詳情分別載於「綜合權益變動表」及綜合財務報表附註31。

股本

於年內，本公司股本之變動詳情載於綜合財務報表附註29。

可分派儲備

於二零一六年十二月三十一日，本公司之可供分派儲備為零港元。

物業、廠房及設備

於年內，本集團物業、廠房及設備之變動詳情載於財務報表附註18。

Directors' Report

董事會報告

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance covering Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) when the Directors' Report prepared by the Directors is approved in accordance with section 391(1)(a) of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's articles and association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 136 of the annual report.

PURCHASES, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive Directors

Mr. Tang Wai Ting, Samson (*Chairman*)
Mr. Kor Sing Mung, Michael (*Vice-Chairman*)
Mr. Mak Hing Keung, Thomas
Ms. Leung Wai Hing, Ella (Resigned on 15 September 2016)
Mr. Liu Liang (Appointed on 21 December 2016)

Non-executive Directors

Mr. Tse Yee Hin, Tony
Dr. Li Ying (Resigned on 1 February 2017)
Mr. Au Hoi Fung (Appointed on 1 February 2017)

Independent non-executive Directors

Ms. Chan Sze Man
Mr. Lee Wai Hung
Mr. Ng Ka Chung
Ms. Eugenia Yang

獲准許之彌償條文

本公司已為董事及有關人員因公司業務而招致針對其董事及高級管理層的法律行動所承擔的責任安排投購適當的保險。基於董事利益的獲准許的彌償條文根據公司條例(香港法例第622章)第470條的規定於董事編製之董事會報告按照公司條例(香港法例622章)第391(1)(a)條獲批准時生效。

優先認購權

本公司章程細則或開曼群島法律下概無優先認購權條文規限本公司須按比例向現有股東發售新股份。

五年財務摘要

本集團於過去五個財政年度之業績與資產及負債概要載於年報第136頁。

購買、出售或贖回本公司上市證券

截至二零一六年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

董事

於年內及截至本報告日期，本公司之董事如下：

執行董事

鄧偉廷先生(主席)
Kor Sing Mung, Michael先生(副主席)
麥興強先生
梁蕙馨女士(於二零一六年九月十五日辭任)
劉亮先生(於二零一六年十二月二十一日獲委任)

非執行董事

謝宇軒先生
李鷹博士(於二零一七年二月一日辭任)
區凱峰先生(於二零一七年二月一日獲委任)

獨立非執行董事

陳詩敏女士
李偉雄先生
伍家聰先生
楊元晶女士

Directors' Report

董事會報告

ROTATION OF DIRECTORS IN THE FORTHCOMING ANNUAL GENERAL MEETING

In accordance with the Article 112 of the Company's Articles of Association, Mr. Liu Liang and Mr. Au Hoi Fung, shall hold office until the forthcoming annual general meeting of the Company and shall then be eligible for re-election. Mr. Liu Liang and Mr. Au Hoi Fung have agreed to offer himself for re-election at the forthcoming annual general meeting of the Company. Pursuant to the Article 108 of the Company's Articles of Association, Mr. Tang Wai Ting, Samson, Mr. Tse Yee Hin, Tony and Ms. Eugenia Yang shall retire from office as Directors by rotation at the forthcoming annual general meeting. Mr. Tang Wai Ting, Samson, Mr. Tse Yee Hin, Tony and Ms. Eugenia Yang, being eligible, have agreed to offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS

Executive Directors

Mr. Tang Wai Ting, Samson has entered into a service agreement with the Company for an initial fixed term of three years commencing from the Listing Date and shall continue thereafter unless and until it is terminated by the Company or Mr. Tang by giving not less than three months' notice in writing to the other and he is subject to retirement from office and re-election in accordance with the Articles, Mr. Kor Sing Mung, Michael has entered into a service agreement with the Company for a term of three years commencing on 15 September 2016, Mr. Mak Hing Keung, Thomas has entered into a service agreement with the Company for a term of three years commencing on 26 May 2015 and Mr. Liu Liang has entered into a service agreement with the Company for a term of three years commencing on 21 December 2016. The service agreements can be terminated by not less than three months' prior notice in writing.

Non-executive Directors

Each of Dr. Li Ying and Mr. Tse Yee Hin, Tony have entered into a service agreement with the Company for a term of one year commencing on 6 October 2016, and Mr. Au Hoi Fung has entered into a service agreement with the company for a term of three years commencing on 1 February 2017 subject to retirement by rotation and re-election at the next following annual general meeting of the Company in accordance with the articles of association of the Company. The service agreements can be terminated by either party by giving one month's notice in writing.

Independent Non-executive Directors

Each of the Independent Non-executive Directors has entered into a service agreement with the Company for a term of three years commencing on 20 June 2014 and shall continue thereafter from year to year until terminated by one month's notice in writing served by either party on the other party.

No Director proposed for re-election at the forthcoming annual general meeting has entered into a service contract which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

董事於應屆股東週年大會輪任

輪值膺選根據本公司章程細則第112條，劉亮先生及區凱峰先生將任職至本公司應屆股東週年大會為止，屆時將合資格膺選連任。劉亮先生及區凱峰先生已同意於本公司應屆股東週年大會膺選連任。根據本公司章程細則第108條，鄧偉廷先生、謝宇軒先生及楊元晶女士將於應屆股東週年大會輪值退任董事。鄧偉廷先生、謝宇軒先生及楊元晶女士資格並已同意於應屆股東週年大會膺選連任。

董事之服務合約

執行董事

鄧偉廷先生已與本公司訂立服務協議，初步固定任期為自上市日期起計三年，且持續有效，除非及直至本公司或鄧先生向另一方發出不少於三個月的書面通知終止協議，且彼須根據細則退任及可重選連任；Mr. Kor Sing Mung, Michael先生已與本公司訂立服務協議，任期自二零一六年九月十五日起計為期三年；麥興強先生已與本公司訂立服務協議，任期自二零一五年五月二十六日起計為期三年；以及劉亮先生已與本公司訂立服務協議，任期自二零一六年十二月二十一日起計為期三年。服務協議可由任一方發出三個月的書面通知終止。

非執行董事

李鷹博士及謝宇軒先生已與本公司訂立服務協議，任期自二零一六年十月六日起計為期一年，而區凱峰先生已與本公司訂立服務協議，任期自二零一七年二月一日起計為期三年，及根據本公司章程細則須於本公司下屆股東週年大會輪值退任及膺選連任。服務協議可由任一方發出一個月的書面通知終止。

獨立非執行董事

各獨立非執行董事已與本公司訂立服務協議，任期自二零一四年六月二十日起計為期三年，其後按年連任，直至任何一方向另一方發出一個月的書面通知終止為止。

建議於下屆股東週年大會上重選連任的董事概無與本集團訂立不可於一年內在毋須支付賠償(法定賠償除外)的情況下終止。

Directors' Report

董事會報告

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

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

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors of the Company and the senior management of the Group are set out on page 16 to 21 of the annual report.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

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

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five individuals with highest emoluments are set out in note 14 to the consolidated financial statements.

RETIREMENT BENEFIT SCHEME

Details of the retirement benefit scheme of the Group are set out in note 17 to the consolidated financial statements.

董事於就本公司業務而言屬重大的交易、安排及合約中擁有的重大權益

概無本公司附屬公司為訂約方以及本公司董事擁有重大權益（不論直接或間接）的與本集團業務有關的重大交易、安排及合約於本年度末或年內任何時間存續。

董事及高級管理層履歷

本公司董事及本集團高級管理層履歷詳情載於本年報第16至21頁。

薪酬政策

本集團僱員之薪酬政策由薪酬委員會根據彼等之優點、資歷及能力制定。

本公司董事之薪酬由薪酬委員會參考本公司之經營業績、個人表現及可比較市場統計數字釐定。

董事及五名最高薪人士之薪酬

董事及五名最高薪人士之薪酬之酬金詳情載於綜合財務報表附註14。

退休福利計劃

本集團之退休福利計劃詳情載於綜合財務報表附註17。

Directors' Report

董事會報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION

As at 31 December 2016, the interest and short position of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rules 5.46 of the GEM Listing Rules were as follows:

Long positions Ordinary shares of the Company

董事及主要行政人員於本公司或本公司指明的企業或任何其他相聯法團的股份、相關股份及債券中的權益及／或淡倉

於二零一六年十二月三十一日，本公司董事及主要行政人員於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債券中擁有須記入根據證券及期貨條例第352條存置的本公司登記冊，或根據創業板上市規則第5.46條所述上市發行人董事進行交易的規定標準須知會本公司及聯交所的權益及淡倉如下：

好倉 本公司普通股

Name	Capacity and nature of interest	Number of shares (note 1) 股份數目 (附註1)	Percentage of the Company's issued share capital 佔本公司已發行股本之百分比
Mr. Tang Wai Ting Samson ("Mr. Tang") (note 2) 鄧偉廷先生(「鄧先生」)(附註2)	Interest of controlled corporation 受控制法團權益	1,028,900,000 (L)	19.68%
Mr. Kor Sing Mung, Michael (note 3) Kor Sing Mung, Michael 先生(附註3)	Interest of controlled corporation 受控制法團權益	1,205,000,000 (L)	23.0%

Notes:

- The letter "L" denotes a long position in the shareholder's interest in the share capital of the Company.
- As CPIT Investments Limited is beneficially owned as to 99% by Mr. Tang and 1% by Ms. Chan Kai Hei ("Mrs. Tang"), the spouse of Mr. Tang, Mr. Tang is deemed to be interested in the Shares held by CPIT Investments Limited under the SFO.

The Company has been informed by CPIT Investments 993,000,000 shares of the Company held by CPIT Investments have been sold to an independent third party on 19 January 2017.

- Seize Minute Limited is beneficially owned as to 100% by MK Investments Limited. MK Investments Limited is wholly-owned by Mr. Kor Sing Mung, Michael. Accordingly, Mr. Kor Sing Mung, Michael, and MK Investments Limited are deemed to be interested in the Shares held by Seize Minute Limited under the SFO.

附註：

- 「L」指股東於本公司股本權益的好倉。
- 由於CPIT Investments Limited由鄧先生及陳佳曦女士(「鄧太太」)(鄧先生之配偶)分別實益擁有99%及1%權益，根據證券及期貨條例，鄧先生被視為於CPIT Investments Limited所持股份中擁有權益。

本公司獲CPIT Investments告知，其已於二零一七年一月十九日向獨立第三方出售其持有的993,000,000股本公司股份。

- Seize Minute Limited由MK Investments Limited全資實益擁有。MK Investments Limited由Kor Sing Mung, Michael先生全資擁有。故此，根據證券及期貨條例，Kor Sing Mung, Michael先生及MK Investments Limited被視為於Seize Minute Limited所持股份中擁有權益。

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Save as disclosed above, as at 31 December 2016, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2016, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Long positions Ordinary shares of the Company

除上文所披露者外，於二零一六年十二月三十一日，概無董事及本公司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第XV部）的任何股份、相關股份或債券中擁有須記入本公司根據證券及期貨條例第352條存置的登記冊，或根據創業板上市規則第5.46條所述上市發行人董事進行交易的規定準則須另行知會本公司及聯交所的任何權益或淡倉。

主要股東及其他人士於本公司股份及相關股份的權益及淡倉

於二零一六年十二月三十一日，根據證券及期貨條例第336條須存置的登記冊所記錄，下列人士（董事或本公司主要行政人員除外）於本公司股份及相關股份中擁有權益或淡倉：

好倉 本公司普通股

Name	Capacity and nature of interest	Number of shares (note 1) 股份數目 (附註1)	Percentage of the Company's issued share capital 佔本公司已發行股本之概約百分比
名稱	身份及權益性質		
Mrs. Chan Kai Hei ("Mrs. Tang") (note 2) 陳佳曦女士（「鄧太」）（附註2）	Interest of spouse 配偶權益	1,028,900,000 (L)	19.68%
CPIT Investments Limited (note 2) (note 4) CPIT Investments Limited (附註2) (附註4)	Beneficial owner 實益擁有人	1,028,900,000 (L)	19.68%
MK Investments Limited (note 3) MK Investments Limited (附註3)	Interest of controlled corporation 受控制法團權益	1,205,000,000 (L)	23.0%
Seize Minute Limited (note 3) Seize Minute Limited (附註3)	Beneficial owner 實益擁有人	1,205,000,000 (L)	23.0%
Huang Ke 黃科	Beneficial owner 實益擁有人	500,000,000 (L)	9.56%
Mak Jone 麥志明	Beneficial owner 實益擁有人	326,560,000 (L)	6.25%

Notes:

1. The letter "L" denotes a long position in the shareholder's interest in the share capital of the Company.

附註：

1. 「L」指股東於本公司股本權益的好倉。

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2. As CPIT Investments Limited is beneficially owned as to 99% by Mr. Tang and 1% by Mrs. Tang, the spouse of Mr. Tang, Mr. Tang is deemed to be interested in the Shares held by CPIT Investments Limited under the SFO. Mrs. Tang, being the spouse of Mr. Tang, is deemed to be interested in all the Shares that Mr. Tang is interested in. Accordingly, each of Mr. Tang and Mrs. Tang is deemed to be interested in the Shares held by CPIT Investments Limited under the SFO.
3. Seize Minute Limited is beneficially owned as to 100% by MK Investments Limited. MK Investments Limited is wholly-owned by Mr. Kor Sing Mung, Michael, Accordingly, Mr. Kor Sing Mung, Michael, and MK Investments Limited are deemed to be interested in the Shares held by Seize Minute Limited under the SFO.
4. The Company has been informed by CPIT Investments that an aggregate of 25,000,000 shares of the Company (the "**Pledged Shares**") held by CPIT Investments have been pledged on 24 November 2015 in favour of an independent third party (the "**Lender**") as a security for a loan amount of HK\$31,250,000 provided by the Lender to CPIT Investments. As of 24 November 2015 and 30 June 2016, the Pledged Shares represent approximately 0.48% of the issued share capital of the Company for both days.

The Company has been informed by CPIT Investments that 993,000,000 shares of the Company held by CPIT Investments have been sold to an independent third party on 19 January 2017.

The Company has been notified by CPIT Investments that there is a dispute between CPIT Investments and the Lender in respect of the Lender's dealing with the Pledged Shares. CPIT Investments has commenced legal proceedings in the High Court of the Republic of Singapore on 12 January 2016 in respect of such dispute.

Save as disclosed above, as at 31 December 2016, no other interests or short positions in the shares or underlying shares of the Company were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEMES

Purpose of the Share Option Scheme

The Share Option Scheme is a share incentive scheme and is established to recognize and acknowledge the contributions that Eligible Participants (as defined below) have made or may make to the Group.

Eligible Participants

The Board may at its discretion grant right(s) to subscribe for Share(s) pursuant to the terms of the Share Option Scheme (the "**Option**") to any of the following persons (the "**Eligible Participants**");

- (a) any Director, employee or officer of any company in the Group who is employed by any company in the Group (whether full time or part time) (the "**Employee**"), consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company (the "**Affiliate**"); or

2. 由於CPIT Investments Limited由鄧先生及鄧太(鄧先生之配偶)分別實益擁有99%及1%權益,根據證券及期貨條例,鄧先生被視為於CPIT Investments Limited所持股份擁有權益。鄧太(鄧先生之配偶)被視為於鄧先生擁有權益的所有股份中擁有權益。故此,根據證券及期貨條例,鄧先生及鄧太太被視為於CPIT Investments Limited所持股份擁有權益。
3. Seize Minute Limited由MK Investments Limited全資實益擁有。MK Investments Limited由Kor Sing Mung, Michael先生全資擁有。故此,根據證券及期貨條例,Kor Sing Mung, Michael先生及MK Investments Limited被視為於Seize Minute Limited所持股份中擁有權益。
4. CPIT Investments向本公司表示,其已於二零一五年十一月二十四日向一名獨立第三方(「**借方**」)抵押所持有合共25,000,000股本公司股份(「**已抵押股份**」),作為借方向CPIT Investments提供之貸款31,250,000港元的擔保。截至二零一五年十一月二十四日及二零一六年六月三十日,已抵押股份佔本公司於該等日期已發行股本約0.48%。

本公司獲CPIT Investments告知,其已於二零一七年一月十九日向獨立第三方出售其持有的993,000,000股本公司股份。

本公司獲CPIT Investments告知,CPIT Investments與借方就借方處理已抵押股份之方式發生爭議。CPIT Investments已於二零一六年一月十二日就有關爭議在新加坡高等法院展開法律程序。

除上文所披露者外,於二零一六年十二月三十一日,概無於本公司股份或相關股份的其他權益或淡倉記錄在本公司根據證券及期貨條例第336條須存置的登記冊內。

購股權計劃

購股權計劃之目的

購股權計劃為股份獎勵計劃,旨在認可及獎勵對本集團曾經或可能作出貢獻的合資格參與人士(定義見下文)。

合資格參與人士

董事會可酌情根據購股權計劃(「**購股權**」)條款向以下任何人士(「**合資格參與人士**」)授出可認購股份的權利:

- (a) 受僱於本集團旗下任何公司的本集團旗下任何公司任何董事、僱員或高級職員(不論全職或兼職)(「**僱員**」)、本集團或本集團於其中擁有權益的公司或該公司的附屬公司的諮詢顧問、專業人士、客戶、供應商、代理人、夥伴或顧問或承辦商(「**聯屬人士**」);或

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- (b) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any Director, Employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate; or
- (c) a company beneficially owned by any Director, Employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate.

Exercise Price

The exercise price for any Share under the Share Option Scheme shall be a price determined by the Board and notified to each Eligible Participants who accepts the offer (the “Offer”) by the Company to that Eligible Participant to accept an Option in accordance with the terms of this Scheme (the “Grantee”, and where the context permits, include any person who is entitled to any Option in consequence of the death of the original Grantee (being an individual)) (in the letter containing the Offer of the grant of the Option) and shall not be less than the highest of:

- (a) the closing price of a Share as stated on the Stock Exchange's daily quotations sheet on the date of grant of the relevant Option, which must be a day on which the Stock Exchange is open for the business of dealing in securities (the “Trading Day”);
- (b) an amount equivalent to the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the five Trading Days immediately preceding the date of grant of the relevant Option; and
- (c) the nominal value of a Share on the date of grant.

Grant of Option and acceptance of Offer

An Offer shall be in such written form as the Board may from time to time determine. Such Offer shall specify the exercise price, the exercise period and the other relevant terms and conditions of the Option, and shall require the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme and all other conditions attaching to the Offer and shall remain open for acceptance by the Eligible Participant concerned for a period of not less than 5 business days from the date of Offer, except for any Offer which is made within the last 5 business days of the life of the Share Option Scheme, the Offer shall remain open for acceptance on a business day by the Eligible Participant concerned for a period of not longer than the remaining life of the Share Option Scheme. An Offer cannot be accepted by an Eligible Participant who ceases to be qualified as an Eligible Participant after the Offer has been made. No Offer shall be capable of or open for acceptance after the expiry of 10 years from the adoption date (i.e. 20 June 2014) (the “Adoption Date”) of the Share Option Scheme.

- (b) 任何信託或任何全權信託的受託人、受益人或全權受益人包括董事、僱員、本集團或聯屬人士任何諮詢顧問、專業人士、客戶、供應商、代理人、夥伴或顧問或承辦商；或
- (c) 董事、僱員、本集團或聯屬人士任何諮詢顧問、專業人士、客戶、供應商、代理人、夥伴、顧問或承辦商實益擁有的公司。

行使價

購股權計劃項下任何股份的行使價須由董事會釐定及知會各合資格參與人士(該合資格參與人士接納本公司根據該計劃條款向其提出的接納購股權的要約(「要約」))(「承授人」, 倘文義許可, 包括任何因原承授人身故而有權獲得任何購股權的人士(個人))(以載有授出購股權的要約函件方式), 且不得低於下列三者中的最高者:

- (a) 於授出相關購股權當日(須為聯交所開門進行證券交易業務的日子(「交易日」))聯交所每日報價表所報股份收市價;
- (b) 相當於緊接授出相關購股權日期前五個交易日聯交所每日報價表所報股份平均收市價的款額; 及
- (c) 股份於授出購股權當日的面值。

授出購股權及接納要約

要約應以董事會不時釐定之有關書面形式提出。有關要約應列明行使價、行使期及購股權之其他相關條款及條件, 並要求合資格參與人士承諾, 按授出購股權之條款持有購股權, 以及受購股權計劃之條文及要約附帶之所有其他條件約束, 並由要約日期起計不少於5個營業日期間可供相關合資格參與人士接納, 惟於購股權計劃年期之最後5個營業日內作出之任何要約除外, 要約須於不超過購股權計劃餘下年期之期限內, 供相關合資格參與人士於任何營業日接納。於作出要約後, 不再符合資格成為合資格參與人士之人士, 不得接納該項要約。於購股權計劃採納日期(即二零一四年六月二十日)(「採納日期」)起計10年屆滿後, 概不能提出要約, 亦不得接納要約。

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An Offer shall be deemed to have been accepted when the Company receives the letter containing the offer duly signed by the Grantee together with a remittance of HK\$1.00 (or such other nominal sum in any currency as the Board may determine) in favour of the Company as consideration for the grant thereof. Such remittance shall in no circumstances be refundable. Once accepted, the Option is granted as from the date on which it was offered to the relevant Eligible Participant.

Maximum number of Shares

- (a) Subject to paragraphs (b) to (d) below, the maximum number of Shares which may be issued upon exercise of all options granted under the Share Option Scheme and any other schemes must not, in aggregate, exceed 500,000,000 Shares, being approximately 9.6% of the Shares in issue as at the date of the Annual Report (the “**Scheme Mandate Limit**”) unless approved by the shareholders of the Company (the “**Shareholders**”) pursuant to paragraph (c) below. Options lapsed in accordance with the terms of the Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (b) Subject to paragraphs (c) and (d) below, the Scheme Mandate Limit may be renewed by the Shareholders of the Company in general meeting from time to time provided always that the Scheme Mandate Limit so renewed must not exceed 10% of the Shares in issue as at the date of approval of such renewal by Shareholders of the Company in general meeting. Upon such renewal, all options granted under the Share Option Scheme and any other share option schemes of the Company (including those exercised, outstanding, cancelled, lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) prior to the approval of such renewal shall not be counted for the purpose of calculating the Scheme Mandate Limit as renewed. A circular must be sent to the Shareholders of the Company containing such relevant information from time to time as required by the GEM Listing Rules in connection with the general meeting at which their approval is sought.
- (c) Subject to paragraph (d) below, the Board may seek separate Shareholders' approval in general meeting to grant Options beyond the Scheme Mandate Limit provided that the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Participants specifically identified by the Company before such approval is sought and the Company must issue a circular to the Shareholders of the Company containing such relevant information from time to time as required by the GEM Listing Rules in relation to any such proposed grant to such Eligible Participants.

倘本公司收訖載有接納要約並由承授人正式簽署要約的函件，連同以本公司為抬頭人的股款1.00港元或我們的董事會決定以任何貨幣計算的其他名義款額作為授出購股權代價，則要約視為已接納。該等匯款一概不得退還。一經接納，購股權即視為已於向相關合資格參與人士提出要約當日授出。

最高股份數目

- (a) 在下文(b)至(d)段規限下，因行使根據購股權計劃及任何其他計劃授出的所有購股權而可能發行的最高股份數目，合共不得超過500,000,000股股份，即於年報日期已發行股份約9.6%（「**計劃授權限額**」），惟根據下文(c)段獲本公司股東（「**股東**」）批准者則作別論。就計算計劃授權限額而言，根據購股權計劃條款失效的購股權將不計算在內。
- (b) 在下文(c)及(d)段規限下，計劃授權限額可由本公司股東不時於股東大會重續，惟經重續計劃授權限額，不得超過本公司股東於股東大會批准補充當日已發行股份10%。於重續後，就計算經重續計劃授權限額而言，於重續獲批准前根據購股權計劃及本公司任何其他購股權計劃授出的所有購股權（包括根據購股權計劃或本公司任何其他購股權計劃的條款已行使、尚未行使、已註銷或已失效的購股權）將不會計算在內。本公司須向股東寄發載有創業板上市規則不時規定有關於股東大會徵求彼等批准相關資料的通函。
- (c) 在下文(d)段規限下，我們的董事會可於股東大會另行徵求股東批准授出超過計劃授權限額的購股權，惟只可向本公司在徵求有關批准前已具體指明的合資格參與人士授出超過計劃授權限額的購股權，而本公司須向本公司股東發出載有創業板上市規則不時規定有關建議向該等合資格參與人士授出購股權相關資料的通函。

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(d) The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes involving the issue or grant of options or similar rights over Shares or other securities by the Company must not, in aggregate, exceed 30% of the Shares in issue from time to time. Notwithstanding anything to the contrary in the terms of the Share Option Scheme, no options may be granted under the Share Option Scheme or any other share option schemes of our Company if this will result in the said 30% limit being exceeded.

Maximum entitlement of each Eligible Participant

The total number of Shares issued and to be issued upon exercise of the Options granted to each Eligible Participant (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue. Any grant of further Options above this limit shall be subject to the following requirements:

- (a) approval of the Shareholders of the Company at general meeting, with such Eligible Participant and its associates abstaining from voting;
- (b) a circular in relation to the proposal for such further grant having been sent by the Company to its Shareholders with such information from time to time as required by the GEM Listing Rules;
- (c) the number and terms of the Options to be granted to such proposed Eligible Participant shall be fixed before the Shareholders' approval mentioned in paragraph (a) above; and
- (d) for the purpose of calculating the minimum exercise price for the Shares in respect of the further Options proposed to be so granted, the date of the Board meeting for proposing such grant of further Options shall be taken as the date of offer of such Options.

Grant of Options to certain connected persons

Any grant of Options to any Director, chief executive, management Shareholder or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors (but excluding, for all purposes, any independent non-executive Director who is a proposed Eligible Participant).

Where any grant of Options to a substantial Shareholder or an independent non-executive Director or any of their respective associates would result in the total number of the Shares issued and to be issued upon exercise of the Options granted and to be granted (including Options exercised, cancelled and outstanding) to such person in any 12-month period up to and including the date of the grant:

- (a) representing in aggregate over 0.1% of the Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

(d) 當全面行使根據購股權計劃以及涉及本公司發行或授出購股權或股份或其他證券的類似權利的任何其他購股權計劃授出但尚未行使的購股權時，可予發行的最高股份數目合共不得超過本公司不時已發行股份30%。儘管購股權條款有任何抵觸之處，惟倘將導致超過上述30%限額，則不得根據購股權計劃或本公司任何其他購股權計劃授出購股權。

每名合資格參與人士的權益上限

於任何十二個月期間因行使向各合資格參與人士所授出購股權(包括已行使及尚未行使購股權)而已經及將發行股份總數，不得超過已發行股份1%。任何進一步授出超逾該限額的購股權須遵守以下規定：

- (a) 經本公司股東於股東大會批准，而該合資格參與人士及其聯繫人士須放棄表決；
- (b) 本公司就建議進一步授出購股權向其股東寄發載有創業板上市規則不時規定相關資料的通函；
- (c) 於上文(a)段提及的股東批准前，釐定將向有關建議合資格參與人士授出的購股權數目及條款；及
- (d) 就計算有關建議進一步授出購股權的最低股份行使價而言，建議進一步授出購股權的董事會會議日期，將視為授出該等購股權日期。

向若干關連人士授出購股權

向任何董事、本公司主要行政人員、管理層股東或主要股東或任何彼等各自的聯繫人士授出任何購股權，必須獲得獨立非執行董事批准，惟就此而言，不包括任何身為建議合資格參與人士的獨立非執行董事。

倘向主要股東或獨立非執行董事或任何彼等各自的聯繫人士授出任何購股權，將導致該名人士於截至及包括授出日期止任何十二個月期間因行使已經及將授出購股權(包括已行使、已註銷及尚未行使購股權)而已經及將獲發行股份總數：

- (a) 合共佔已發行股份0.1%以上；及
- (b) 按各授出日期的股份收市價計算總值超過5百萬港元，

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such further grant of Options must be approved by the Shareholders of the Company on a poll in a general meeting where all connected persons of the Company must abstain from voting (except where such connected person(s) intends to vote against the proposed grant of Option and his intention to do so has been stated in the circular to be sent to the Company's Shareholders). The Company will send a circular to the Shareholders containing the information required under the GEM Listing Rules.

Time of exercise of Option

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed 10 years from the date of grant subject to the provisions of early termination thereof.

Period of the Share Option Scheme

Subject to the terms of the Share Option Scheme, the Share Option Scheme shall be valid and effective for a period of 10 years commencing from the Adoption Date and as at 31 December 2016, the remaining life of the Share Option Scheme is approximately 7.5 years, after which no further Options will be issued but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

The Board may impose such terms and conditions of the offer of grant either on a case-by-case basis or generally as are not inconsistent with the Share Option Scheme, including but not limited to the minimum period for such an Option must be held, if applicable.

No Options were granted, exercised or cancelled by the Company under the Share Option Scheme during the Review Period and there were no outstanding Options under the Share Option Scheme as at 31 December 2016 and the date of the Annual Report.

PRE-IPO SHARE OPTION SCHEME

The Company conditionally adopted a Pre-IPO share option scheme (the "Pre-IPO Share Option Scheme"), on 20 June 2014. For the year ended 31 December 2016, 97,200,000 share options granted under Pre-IPO Share Option Scheme were lapsed. Except for the lapsed share options as mentioned above, during the year ended 31 December 2016, none of share options were granted, exercised and cancelled. There was no share option granted under the Pre-IPO Share Option Scheme remain outstanding as at 31 December 2016.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

則該等進一步授出購股權必須經本公司股東於股東大會以投票方式表決批准，而本公司所有關連人士須放棄表決，除非該等關連人士有意表決反對建議授出購股權，並已於寄交本公司股東的通函內表明該投票意向。本公司將向股東寄發載有創業板上市規則所規定資料的通函。

行使購股權時間

購股權可於我們的董事會可能釐定的時間內隨時根據購股權計劃條款行使，惟有關期間不得超過由授出日期起計十年，並受提前終止條文規限。

購股權計劃之期限

在購股權計劃條款規限下，購股權計劃自採納日期起計十年內有效及生效，及於二零一六年十二月三十一日，購股權計劃之餘下年期約為7.5年，其後不得進一步授出購股權，惟購股權計劃條文仍具十足效力及效用，以致先前或其他可能按規定根據購股權計劃條文授出的任何購股權有效行使。

董事會可按個別情況或在抵觸購股權計劃情況，施加授出要約條款及條件，包括但不限於有關必須持有購股權的最短期限（如適用）。

於回顧期間，本公司概無根據購股權計劃授出、行使或註銷購股權，於二零一六年十二月三十一日及於年報日期亦無購股權計劃項下之未行使購股權。

上市前購股權計劃

本公司於二零一四年六月二十日有條件採納上市前購股權計劃（「上市前購股權計劃」）。截至二零一六年十二月三十一日止年度，根據上市前購股權計劃授出的97,200,000份購股權已失效。除上述的已失效購股權外，於截至二零一六年十二月三十一日止年度期間，概無已授出、已行使及已註銷的購股權。於二零一六年十二月三十一日，概無根據上市前購股權計劃授出的購股權仍然未行使。

購買股份或債券之安排

於年內任何時間，本公司或其任何附屬公司或同系附屬公司概無訂立任何安排，致使董事可透過收購本公司或任何其他團體公司之股份或債券而獲取利益。

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MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the year are as follows:

		Sales 銷售	Purchases 採購
The largest customer	最大客戶	15.1%	N/A 不適用
Five largest customers in aggregate	五大客戶總計	71.0%	N/A 不適用
The largest supplier	最大供應商	N/A 不適用	14%
Five largest suppliers in aggregate	五大供應商總計	N/A 不適用	50%

None of the Directors, their close associates or any shareholders (which to the knowledge of the Directors owned more than 5% of the Company's share capital) had any interest in the Group's five largest customers or suppliers.

EVENTS AFTER THE REPORTING PERIOD

(a) Possible acquisition

On 3 February 2017, the Company entered into the memorandum of understanding ("MOU") with the target company incorporated in the PRC in respect of the possible acquisition of the said target company (the "Possible Acquisition"). The target company is principally engaged in research, development, design, manufacture and sales of weak alkaline waste-free water purification machine. The Company believes that the Possible Acquisition, if materializes, will enable the Company to complement on the business of research, development, manufacturing and trading of electronic devices. The Company will make further announcement(s) as and when appropriate and comply with all other applicable requirements under the GEM Listing Rules. Our Group will keep the shareholders abreast of the latest development of the Group. Details of the above are set out in the Company's announcement dated 3 February 2017.

(b) Proposed placement of Bonds

The Company had entered into the Placing Agreement with the Placing Agent on 16 March 2017, pursuant to which the Company agreed to appoint and the Placing Agent agreed to act as the placing agent for the purposes of arranging, on a best efforts basis, any independent professionals, institutional or private investor(s) procured by the Placing Agent to subscribe for the Bonds pursuant to the Placing Agreement during the period from the date of the Placing Agreement and end on the date falling the 30th day from the date of the Placing Agreement, at the issue price of 100% of the principal amount of the Bonds (the "Proposed Placing").

管理合約

年內，概無就本公司整體或任何業務重大部分的管理及行政工作訂立或訂有任何合約。

主要客戶及供應商

年內，主要客戶及供應商應佔本集團之銷售及採購之資料如下：

董事、彼等之聯繫人士或任何股東(據董事所知擁有本公司股本5%以上者)概無於本集團之五大客戶或供應商中擁有任何權益。

報告期後事項

(a) 可能收購事項

於二零一七年二月三日，本公司與在中國成立之目標公司就上述目標公司之可能收購事項(「可能收購事項」)訂立諒解備忘錄(「諒解備忘錄」)。目標公司主要從事研發、設計、製造及銷售弱鹼性無廢料淨水機。本公司相信，倘可能收購事項得以落實進行，將使本公司完善研發、製造及買賣電子產品業務。本公司將適時另行刊發公告及遵守創業板上市規則項下所有其他適用規定。本集團將會繼續向各位股東報告本集團之最新發展。上述詳情載於本公司日期為二零一七年二月三日之公告。

(b) 提議配售債券

本公司已於二零一七年三月十六日與配售代理訂立配售協議，本公司已同意委任且配售代理同意擔任配售代理，以安排配售代理於自配售協議日期起至配售協議日期後第30日止期間按盡力基準促使任何獨立專業人士、機構或私人投資者根據配售協議按為債券本金額100%之發售價認購債券(「提議配售」)。

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As of the approval date on these financial statements, the Proposed Placing is under progress and not yet completed.

Details are disclosed in the Company's announcement dated 20 March 2017.

(c) Litigation

On 27 July 2016, the Company received a writ of summons filed by Kim, Sungho as the plaintiff against (i) CPIT Investments Limited, which is beneficially owned as to 99% by Mr. Tang Wai Ting Samson ("**Mr. Tang**"), an executive director and the chairman of the Company, and 1% by Ms. Chan Kai Hei ("**Mrs. Tang**"), a director of Central Pacific International Group Limited which is an indirect wholly-owned subsidiary of the Company and the spouse of Mr. Tang; (ii) Mr. Tang; (iii) Mrs. Tang; (iv) Mr. Kor Sing Mung, Michael (an executive director and the vice-chairman of the Company); (v) Mr. Yang Wu; and (vi) the Company as the defendants under an action number HCA 1935/2016 ("**First Proceeding**") in the High Court of Hong Kong ("**Court**") regarding certain dealings in the shares of the Company; and on 12 August 2016, the Company received a writ of summons filed by Lim Hang Young as the plaintiff against (i) World Link CPA Limited (the auditor of the Company) ("**Auditor**"); (ii) Mr. Tang; (iii) Mr. Chan Kwon Chi Vicky (a director of CPIT Investments Limited); (iv) CPIT Investments Limited; and (v) the Company as the defendants under an action number HCA 2041/2016 ("**Second Proceeding**") in the Court regarding, inter alia, certain accounting issues. The Company has obtained orders from the Court on 18 January 2017 to dismiss the First Proceeding and the Second Proceeding against the Company with costs of the proceedings to be paid by Kim, Sungho and Lim Hang Young respectively. The Company is therefore no longer a party in these actions. Details of the above legal proceedings are set out in the Company's announcements dated 27 July 2016, 12 August 2016 and 3 February 2017.

On 13 February 2017, Charles Zhi, Kim, Sungho, Lim Hang Young, Kim Kyungsoo and Joung Jong Hyun (collectively referred to as the "**Plaintiffs**") had filed a claim against (i) the Company; (ii) Mr. Kor Sing Mung, Michael; (iii) Mr. Tang; (iv) Mrs. Tang; (v) Mr. Yang Wu; and (vi) CPIT Investments under action number HCMP 326/2017 ("**Third Proceeding**") in the High Court.

The Plaintiffs had requested the High Court to grant an order to the above defendants for submission of the following documentations to the examination of the Stock Exchange; Securities and Futures Commission; and the Financial Reporting Council: (a) all ledger accounts of CPIT Investments; (b) all related documents of the sale and purchase of 200,000,000 shares of the Company between Mr. Yang Wu and CPIT Investments; (c) identity documents of Mr. Yang Wu; (d) all related documents of the pledge of the Company's shares by CPIT Investments to obtain financing since November 2015; and (e) the nominee agreement between Mr. Kor Sing Mung, Michael and Mr. Tang, if any.

截至該等財務報表之批准日期，提議配售仍在進行中且尚未完成。

有關詳情披露於本公司日期為二零一七年三月十七日的公告。

(c) 訴訟

於二零一六年七月二十七日，本公司接獲一份傳訊令狀，由Kim, Sungho作為原告入稟香港高等法院（「法院」）向(i) CPIT Investments Limited（由本公司執行董事兼主席鄧偉廷先生（「鄧先生」）及本公司旗下一家間接全資附屬公司中匯環球集團有限公司的董事兼鄧先生配偶陳佳曦女士（「鄧太」）分別實益擁有99%及1%權益）；(ii) 鄧先生；(iii) 鄧太；(iv) 本公司執行董事兼副主席Kor Sing Mung, Michael先生；(v) 楊武先生；及(vi) 本公司作為被告發出，訴訟編號為HCA 1935/2016號（「首宗訴訟」），其涉及本公司之若干股份交易。於二零一六年八月十二日，本公司接獲一份傳訊令狀，由Lim Hang Young作為原告入稟法院向(i) 華普天健（香港）會計師事務所有限公司（本公司核數師（「核數師」））；(ii) 鄧先生；(iii) Chan Kwon Chi Vicky先生（CPIT Investments Limited的董事）；(iv) CPIT Investments Limited；及(v) 本公司作為被告發出，訴訟編號為HCA 2041/2016號（「第二宗訴訟」），其涉及（其中包括）若干會計問題。本公司已於二零一七年一月十八日取得法院命令，撤銷對本公司提出之首宗訴訟及第二宗訴訟，訟費分別由Kim, Sungho及Lim Hang Young支付。因此，本公司不再牽涉該等訴訟。上述法律訴訟之詳情載於本公司日期為二零一六年七月二十七日、二零一六年八月十二日及二零一七年二月三日之公告。

於二零一七年二月十三日，Charles Zhi、Kim, Sungho、Lim Hang Young、Kim Kyungsoo及Joung Jong Hyun（合稱為「原告」）入稟高等法院向(i) 本公司；(ii) Kor先生；(iii) 鄧先生；(iv) 鄧太；(v) 楊先生；及(vi) CPIT Investments提出申索，訴訟編號為HCMP 326/2017號（「第三宗訴訟」）。

原告已提請高等法院頒令要求上述被告向聯交所；證券及期貨事務監察委員會及財務匯報局呈交下列文件：(a) CPIT Investments的分類賬賬目；(b) 楊先生及CPIT Investments之間出售及購買本公司200,000,000股股份的所有相關文件；(c) 楊先生的身份證明文件；(d) 自二零一五年十一月起，CPIT Investments以本公司股份作抵押以獲得融資的所有相關文件；及(e) Kor先生及鄧先生之間訂立的代名人協議（如有）。

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The directors of the Company are currently in the process of assessing of the possible impact of the Third Proceeding on the Group and not yet concluded up to the approval date on these financial statements.

(d) Resignation and appointment of non-executive Directors

Dr. Li Ying has resigned as a non-executive Director of the Company with effect from 1 February 2017 due to his other business commitments and the Company has approved the appointment of Mr. Au Hoi Fung as a non-executive Director of the Company with effect from 1 February 2017. Details of the above are set out in the Company's announcement dated 16 January 2017.

(e) Resignation of company secretary and authorized representative

Mr. Chou Chiu Ho has tendered his resignation as the company secretary, authorized representative and member of the compliance committee of the Company with effect from 18 March 2017 due to his personal career development and Mr. Kor Sing Mung, Michael, currently an executive Director, has been appointed as the authorized representative of the Company with effect from 18 March 2017. The Company is in the process of identifying suitable candidate to fill in the vacancy of company secretary of the Company. Details of the above are set out in the Company's announcement dated 20 March 2017.

(f) Change in use of Listing proceeds

The Board has resolved to change the use of part of the proceeds from the issue of new shares of the Company under the placing as set out in the Prospectus. Details of the above are set out in the Company's announcement dated 20 March 2017.

COMPETING INTERESTS

During the year ended 31 December 2016, none of the Directors, the controlling shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) as at 31 December 2016 had any interest in any business which competes or is likely to compete, directly or indirectly, with the business of the Group or any other conflicts of interest with the Group.

本公司董事目前正在評估第三宗訴訟可能對本集團造成的影響，且截至該等財務報表的批准日期尚未得出結論。

(d) 辭任及委任非執行董事

李鷹博士因須處理其他事務而辭任本公司非執行董事，自二零一七年二月一日起生效，且本公司已批准委任區凱峰先生為本公司非執行董事，自二零一七年二月一日起生效。上述詳情載於本公司日期為二零一七年一月十六日之公告。

(e) 辭任公司秘書及授權代表

周昭何先生因個人事業發展，已辭任本公司公司秘書、授權代表及合規委員會成員的職務，自二零一七年三月十八日起生效。現任執行董事Kor Sing Mung, Michael先生已獲委任為本公司的授權代表，自二零一七年三月十八日起生效。本公司正在物色合適人選以填補本公司公司秘書之空缺。上述詳情載於本公司日期為二零一七年三月二十日之公告。

(f) 改變上市集資用途

董事會議決變更招股章程所載根據配售發行本公司新股份之部分所得款項用途。上述詳情載於本公司日期為二零一七年三月二十日之公告。

競爭權益

截至二零一六年十二月三十一日止年度，董事、本公司控股股東及彼等各自之聯繫人（定義見創業板上市規則）於二零一六年十二月三十一日概無在任何與本集團業務直接或間接競爭或可能競爭的業務中擁有權益或與本集團有任何其他利益衝突。

Directors' Report

董事會報告

DEED OF NON-COMPETITION

In relation to the deed of non-competition dated 20 June 2014 (the “**Deed of Non-competition**”) given by Mr. Tang Wai Ting Samson, Ms. Chan Kai Hei, CPIT Investments Limited, Mr. Kor Sing Mung, Michael, MK Investments Limited and Seize Minute Limited (collectively the “**Covenantors**”) in favour of the Company and set out in Prospectus, the obligation of Mr. Kor Sing Mung, Michael, MK Investments Limited and Seize Minute Limited under the Deed of Non-competition have ceased on 18 July 2014 when they and their associates ceased to own 30% or more of the then issued share capital of the Company directly or indirectly; and the obligation of Mr. Tang Wai Ting Samson, Ms. Chan Kai Hei and CPIT Investments Limited under the Deed of Non-competition have ceased on 17 August 2015 when they and their associates ceased to own 30% or more of the then issued share capital of the Company directly or indirectly.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

CORPORATE GOVERNANCE

The Company's corporate governance report is set out on pages 30 to 49 of this annual report.

INTERESTS OF THE COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, Ample Capital Limited, as at 31 December 2016, except for the compliance adviser agreement entered into between the Company and Ample Capital Limited dated 9 April 2014, neither Ample Capital Limited or its directors, employees or close associates (as defined in the GEM Listing Rules) had any interest in relation to the Group.

AUDITORS

World Link CPA Limited were appointed by the Directors to fill the casual vacancy after RSM Nelson Wheeler resigned as auditors of the Company on 7 January 2015. Save as disclosed above, there have been no other changes of auditors since 7 January 2015. A resolution for reappointment of World Link CPA Limited as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Tang Wai Ting, Samson

Chairman

Hong Kong
21 March 2017

不競爭契據

根據鄧偉廷先生、陳佳曦女士、CPIT Investments Limited、Kor Sing Mung, Michael先生、MK Investments Limited及Seize Minute Limited(統稱「**契諾人**」)向本公司發出日期為二零一四年六月二十日並載於招股章程之不競爭契據(「**不競爭契據**」)·Kor Sing Mung, Michael先生、MK Investments Limited及Seize Minute Limited於不競爭契據下之責任已於二零一四年七月十八日在彼等及彼等之聯繫人不再直接或間接擁有本公司當時已發行股本30%或以上時終止;及鄧偉廷先生、陳佳曦女士及CPIT Investments Limited於不競爭契據下之責任已於二零一五年八月十七日在彼等及彼等之聯繫人不再直接或間接擁有本公司當時已發行股本30%或以上時終止。

充足公眾持股量

根據本公司公開可得之資料及據董事所知,於本報告日期,本公司全部已發行股本中最少有25%由公眾人士持有。

企業管治

本公司之企業管治報告載於本年報第30至49頁。

合規顧問權益

誠如本公司合規顧問豐盛融資有限公司告知,於二零一六年十二月三十一日,除本公司與豐盛融資有限公司訂立日期為二零一四年四月九日之合規顧問協議外,豐盛融資有限公司或其董事、僱員或緊密聯繫人(定義見創業板上市規則)概無擁有本集團任何權益。

核數師

華普天健(香港)會計師事務所有限公司獲董事委任以填補中瑞岳華(香港)會計師事務所於二零一五年一月七日辭任核數師之空缺。除上文所披露者外,自二零一五年一月七日起過去三年內,核數師概無其他變動。本公司將於應屆股東週年大會上提呈決議案,續聘華普天健(香港)會計師事務所有限公司為本公司核數師。

代表董事會

主席
鄧偉廷

香港
二零一七年三月二十一日

Independent Auditor's Report 獨立核數師報告

World Link CPA Limited

TO THE SHAREHOLDERS OF MILLENNIUM PACIFIC GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Millennium Pacific Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 66 to 135, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2 to the financial statements which reveals that the Group incurred a loss attributable to owners of the Company of approximately HK\$44,094,000 and net cash outflow from operating activities of approximately HK\$28,387,000 for the year ended 31 December 2016, and had decrease in net current assets by approximately HK\$35,192,000 with net amount due to a director of approximately HK\$6,494,000 as at 31 December 2016. These conditions, along with other matters as set forth in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern. Notwithstanding the above, the consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent upon the outcomes of the Group to (i) attain profitable and positive cash flows from operations; and (ii) obtain external source of funding in the immediate and longer term, at a level sufficient to finance the working capital requirements of the Group. Our opinion is not modified in respect of this matter.

華普天健

(香港)會計師事務所有限公司

致匯思太平洋集團控股有限公司股東

(於開曼群島註冊成立之有限公司)

意見

吾等已審核載於第66頁至第135頁匯思太平洋集團控股有限公司(「**貴公司**」)及其附屬公司(統稱「**貴集團**」)的綜合財務報表，包括於二零一六年十二月三十一日的綜合財務狀況表、截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

吾等認為，綜合財務報表已根據香港會計師公會(「**香港會計師公會**」)頒佈的香港財務報告準則(「**香港財務報告準則**」)真實及公平地反映 貴集團於二零一六年十二月三十一日的綜合財務狀況，及其截至該日止年度之綜合財務表現及綜合現金流量，並已按照香港公司條例之披露規定妥為編製。

意見基礎

吾等已根據香港會計師公會頒佈之香港審計準則(「**香港審計準則**」)進行審核工作。吾等於該等準則下之責任於本報告「核數師就審核綜合財務報表須承擔之責任」一節中進一步詳述。根據香港會計師公會之專業會計師道德守則(「**守則**」)，吾等獨立於 貴集團，及吾等已遵循守則履行其他道德責任。吾等相信，吾等所獲得之審核憑證能充分恰當地為吾等的審核意見提供基礎。

有關持續經營之重大不確定因素

吾等謹請股東注意財務報表附註2，當中顯示，截至二零一六年十二月三十一日止年度， 貴集團錄得本公司擁有人應佔虧損約44,094,000港元及經營活動現金流出淨額約28,387,000港元，及於二零一六年十二月三十一日，流動資產淨值減少約35,192,000港元及應付一名董事款項淨額約6,494,000港元。該等情況連同財務報表附註2載列的其他事項，顯示有重大不確定因素可能對 貴集團的持續經營能力構成重大疑問。儘管有上述情況，綜合財務報表已按持續經營基準編製，其是否有效乃端賴 貴集團能否(i)自營運中產生盈利及正現金流；及(ii)獲取即期及長期外部資金，其規模足以應付 貴集團的營運資金需求。吾等並無就此事項修改意見。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern Section, we have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matters

關鍵審核事項

(I) Valuation and allowance of inventories

存貨之估值與撥備

Refer to significant accounting policies in note 5, critical judgement and estimates in note 6 and its relevant disclosures in note 20 to the financial statements.
請參閱財務報表附註5主要會計政策、附註6重要判斷及估計及附註20的相關披露事項。

The Group had inventories with net carrying amount of approximately HK\$3,044,000 as at 31 December 2016 after related allowance of approximately HK\$15,813,000 made against which during the year.

The Group operates in an industry whereby technology development may significantly affect the valuation of inventories as its raw-material/product would become slow-moving or obsolete when products with new technology emerge.

The Group's policy on allowance for slow-moving inventories is to perform individual review on inventory items aged over 1 year. The Group writes down the carrying amount of inventories to its net realisable value. Allowance for slow-moving inventories of approximately HK\$15,813,000 was made for the year ended 31 December 2016. The estimation of net realisable value as well as related allowance made together with future sales/consumption forecasts involves significant management judgements.

於二零一六年十二月三十一日，經扣除年內計提的相關撥備約15,813,000港元後，貴集團擁有賬面值約3,044,000港元之存貨。

鑑於貴集團經營所在行業的性質，科技發展會對存貨估值產生顯著影響，當新科技產品興起，其原材料／產品將滯銷或變得過時。

貴集團就滯銷存貨撥備的政策為對賬齡逾1年的存貨項目開展個別檢討。貴集團將存貨賬面值撇減至其可變現淨值。截至二零一六年十二月三十一日止年度，已作出約15,813,000港元之滯銷存貨的撥備。就可變現淨值及相關撥備作出的估計以及未來銷售／消耗預測涉及管理層重大判斷。

關鍵審核事項

根據吾等之專業判斷，關鍵審核事項為吾等審核本期綜合財務報表過程中最重要的事項。此等事項是在吾等審核整體綜合財務報表及達成吾等對其的意見時進行處理，而吾等不會對此等事項提供單獨意見。以下為吾等識別的關鍵審核事項。除有關持續經營之重大不確定因素一節所述事項外，吾等已確定下述事項為關鍵審核事項，並將於報告中披露：

How our audit addressed the Key Audit Matters

關鍵審核事項在審核中如何處理

Our procedure in relation to net realisable value determination as well as impairment assessment of inventories carried out by the management included:

- Review the historical ageing of inventory;
- Identifying and assessing aged and obsolete inventory when attending inventory count;
- Assessing the appropriateness of the methodologies of the management's calculation on the net realisable value for those slow-moving stock items; and
- Challenging the appropriateness of the management's assumption by performing a sensitivity analysis on possible future consumption/sales of slow-moving stock items.

吾等有關由管理層開展的可變現淨值釐定以及存貨減值評估的程序包括：

- 審核存貨的過往賬齡；
- 參與存貨盤點時，識別及評估老舊及陳舊存貨；
- 評估管理層計算該等滯銷庫存項目可變現淨值的方法的合適性；及
- 透過對滯銷庫存項目的潛在未來消耗／銷售進行敏感度分析，評估管理層的假設的合適性。

Independent Auditor's Report

獨立核數師報告

Key Audit Matters

關鍵審核事項

How our audit addressed the Key Audit Matters

關鍵審核事項在審核中如何處理

(II) Valuation of plant and equipment

廠房及設備之估值

Refer to significant accounting policies in note 5, critical judgement and estimates in note 6 and its relevant disclosures in note 18 to the financial statements.

請參閱財務報表附註5主要會計政策、附註6重要判斷及估計及附註18的相關披露事項。

The Group had plant and machinery with net carrying amount of approximately HK\$2,575,000 as at 31 December 2016. The Group performs periodic review on the expected recoverable amount, which is the higher of fair value less costs of disposal and value in use, of its plant and machinery and reduces the carrying amount to its respective recoverable amount. Following the continuous decline of turnover, the management concluded that the recoverable amount of the Group's plant and machinery was still higher than their carrying values such that no impairment provision was required. These conclusions are subject to significant management judgements, including;

- Estimated resale values, with reference to market price observed in orderly markets; and
- Estimated utilisation, profits forecast and discount rates applied to future cash flows.

於二零一六年十二月三十一日，貴集團擁有賬面值約2,575,000港元之廠房及機器。貴集團對其廠房及機器之預期可收回金額(公允值減出售成本與使用價值兩者之間的較高者)進行定期檢討並將賬面值減至其相應可收回金額。營業額持續下跌後，管理層認為貴集團的廠房及機器的可收回金額仍高於其賬面值，因此無需作出減值撥備。此等結論涉及管理層重大判斷，包括：

- 經參照有序市場市價後的估計轉售價值；及
- 估計使用率、盈利預測及應用於未來現金流量的貼現率。

Our procedure in relation to impairment assessment of plant and machinery carried out by the management included:

- Assessing the appropriateness and challenging the market prices adopted by the management for benchmarking, and considering whether the condition of the Group's plant and machinery are applicable to those plant and machinery being traded in the open market;
- Assessing the management's key assumptions used in the profit forecast in particular to future revenue stream by basing on our knowledge of the Group and discount rate used to extrapolate the cash flow forecasts underlying the value in use model; and
- Considering the potential impact of reasonably possible downside changes in these key assumptions.

吾等有關管理層進行的廠房及機器減值評估的程序包括：

- 評估管理層採納作基準的市價的合適性，並考慮貴集團廠房及機器的狀況是否適用於公開市場買賣的廠房及機器；
- 基於吾等對貴集團的認識，評估管理層進行盈利預測所用的關鍵假設，尤其是未來收入流，及於使用價值模型時用於推算未來現金流量所採用的貼現率；及
- 考慮此等關鍵假設的合理可能下行變動的潛在影響。

Independent Auditor's Report

獨立核數師報告

Key Audit Matters

關鍵審核事項

How our audit addressed the Key Audit Matters

關鍵審核事項在審核中如何處理

(III) **Recoverability of trade receivables**

應收賬款的可收回性

Refer to significant accounting policies in note 5, critical judgement and estimates in note 6 and its relevant disclosures in note 21 to the financial statements.

請參閱財務報表附註5主要會計政策、附註6重要判斷及估計及附註21的相關披露事項。

The impairment of trade receivables is estimated by the management through the application of judgment and use of subjective assumptions which give rise to certain degree of uncertainty. Due to the significance of trade receivables (representing 75% of net assets) and the corresponding uncertainty inherent in such an estimate, we considered this as a key audit matter.

應收賬款的減值乃由管理層透過應用判斷及採用主觀假設而估計得出，將導致一定程度的不確定性。由於應收賬款的重大性(佔資產淨值的75%)及該估計固有的相應不確定因素，吾等將此項認定為一項關鍵審核事項。

Our audit procedures in relation to the recoverability assessment of trade receivables included:

- Assessing the controls over the approval, recording and monitoring of trade receivables, and evaluating the assumptions used by the management in determining the recoverability of trade receivables;
 - Reviewed and challenged the information used by management to determine the impairment provision of each customers by considering debts collection performance against historical trends and relationship with the Group over time; and
 - Specifically, we reviewed the actual history of slow paying customers against relevant correspondences for debt collection and where applicable, respective published financial position for assessing the recoverability of trade receivables.
- 吾等有關應收賬款可收回性評估的審核程序包括：
- 評估對審批、記錄及監督應收賬款的監控水平，並評估管理層釐定應收賬款可收回性採用的假設；
 - 審閱及質詢管理層透過考慮過往收債表現及各客戶過去與貴集團的關係來釐定減值撥備時使用的資料；及
 - 特別是，吾等審閱較遲付款客戶的實際記錄以對比相關的催收債款函件及各已刊發財務狀況(如適用)，以評估應收賬款的可收回性。

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION

The directors are responsible for the Other Information. The Other Information comprises all of the information included in the Company's 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 DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The audit committee is responsible for overseeing the Group's financial reporting process.

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

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

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.

其他資料

董事須為其他資料承擔責任。其他資料包括 貴公司年報中除綜合財務報表及吾等就此發出的核數師報告以外的所有資料。

吾等對綜合財務報表作出的意見並未涵蓋其他資料及吾等不對其他資料發表任何形式的核證結論。

就吾等審核綜合財務報表而言，吾等的責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或吾等於審核過程中獲悉的資料存在重大抵觸，或似乎存在重大錯誤陳述。基於吾等已執行的工作，倘吾等認為此其他資料出現重大錯誤陳述，吾等須報告該事實。吾等就此並無任何事項須報告。

董事對綜合財務報表之責任

董事負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定，編製真實及意見公允之綜合財務報表，並負責董事認為就編製綜合財務報表而言屬必要的有關內部監控，致使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項（如適用），及除非董事有意將 貴集團清盤或，停止營運，或除此之外並無其他實際可靠的辦法，否則董事須採用以持續經營為基礎的會計法。

審核委員會負責監督 貴集團的財務報告流程。

核數師就審核綜合財務報表的責任

吾等的目標為合理確定整體綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出載有吾等意見的核數師報告。吾等僅向整體股東報告，除此之外本報告別無其他目的。吾等概不就本報告內容向任何其他人士負責或承擔任何責任。

合理保證屬於高層次的保證，惟不能擔保根據香港審計準則進行的審核總能發現所有存在的重大錯誤陳述。重大錯誤陳述可源於欺詐或錯誤，倘個別或整體在合理預期情況下可影響使用者根據此等綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

Independent Auditor's Report

獨立核數師報告

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

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

根據香港審計準則進行審核的過程中，吾等運用專業判斷並保持職業懷疑態度。吾等亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，因應此等風險設計及執行審核程序，獲得充分適當的審核憑證為吾等的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部監控，因此未能發現由此造成的重大錯誤陳述風險較未能發現由於錯誤而導致的重大錯誤陳述風險更高。
- 了解與審核有關的內部控制，以設計適用於有關情況之審核程序，惟不會就 貴集團之內部監控成效發表意見。
- 評估所用會計政策是否恰當，以及董事所作會計估計及相關披露是否合理。
- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審核憑證，總結是否有對 貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘吾等總結認為存在重大不確定因素，吾等需於核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則修訂吾等的意見。吾等的結論乃基於截至核數師報告日期所獲得的審核憑證。然而，未來事件或情況可能導致 貴集團不再具有持續經營的能力。
- 評估綜合財務報表(包括資料披露)的整體呈列、架構及內容，以及綜合財務報表是否已公平地反映及列報相關交易及事件。
- 就 貴集團內各實體及業務活動的財務資料獲得充分而適當的審核憑證，以就綜合財務報表發表意見。吾等須負責指導、監督及執行集團的審核工作。吾等只須為吾等的審核意見承擔責任。

吾等就(其中包括)審核工作的計劃範圍及時間安排及重大審核發現，包括吾等於審核期間識別出內部監控的任何重大缺陷與審核委員會進行溝通。

吾等亦向審核委員會提交聲明，確認吾等已遵守有關獨立性的道德要求，並就所有被合理認為可能影響吾等的獨立性的關係及其他事宜及相關防範措施(如適用)與審核委員會進行溝通。

Independent Auditor's Report

獨立核數師報告

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.

World Link CPA Limited

Certified Public Accountants

Lo Ka Ki

Audit Engagement Director

Practising Certificate Number P06633

Hong Kong, 21 March 2017

吾等從與審核委員會溝通的事項中，決定哪些事項對本期綜合財務報表的審核工作最為重要，從而構成關鍵審核事項。除非法例或規例不容許公開披露此等事項，或於極罕有的情況下，吾等認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則吾等會於核數師報告中描述此等事項。

華普天健(香港)會計師事務所有限公司

執業會計師

盧家麒

審核項目董事

執業證書編號 P06633

香港，二零一七年三月二十一日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

		Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收益	9	51,727	67,098
Cost of sales	銷售成本		(46,125)	(61,054)
Gross profit	毛利		5,602	6,044
Other income	其他收入	10	2,701	1,084
Gain on disposals of subsidiaries	出售附屬公司收益	34	937	–
Selling and distribution costs	銷售及分銷成本		(1,957)	(3,321)
Administrative expenses	行政開支		(51,366)	(20,890)
Loss from operation	營運虧損		(44,083)	(17,083)
Finance costs	財務費用	11	(10)	(424)
Loss before tax	除稅前虧損	12	(44,093)	(17,507)
Income tax expense	所得稅開支	13	(1)	(19)
Loss for the year attributable to the owners of the Company	本公司擁有人應佔年內虧損		(44,094)	(17,526)
Other comprehensive income for the year, net of tax:	年內其他全面收入，扣除稅項：			
<i>Item that may be reclassified to profit or loss:</i>	<i>可能重新分類至損益的項目：</i>			
Exchange differences on translating foreign operations	換算海外業務時的匯兌差額		2,012	548
Total comprehensive income for the year attributable to the owners of the Company	本公司擁有人應佔年內全面收入總額		(42,082)	(16,978)
Loss per share (cents)	每股虧損(港仙)			
— Basic	— 基本	16	(0.84)	(0.34)
— Diluted	— 攤薄	16	(0.84)	(0.34)

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2016
於二零一六年十二月三十一日

	Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets			
Property, plant and equipment	18	3,890	4,792
Intangible assets	19	-	219
		3,890	5,011
Current assets			
Inventories	20	3,044	22,734
Trade receivables	21	4,620	5,927
Prepayments and deposits	22	1,966	5,556
Current tax assets		11	52
Bank and cash balances	23(a)	7,212	32,985
		16,853	67,254
Current liabilities			
Trade payables	24	1,687	11,682
Other payables, deposits received and accrued expenses	25	6,131	5,895
Amount due to a director	26	683	6,275
Finance lease payables	27	41	158
Bank overdrafts	23(b)	50	-
Current tax liabilities		209	-
		8,801	24,010
Net current assets		8,052	43,244
Total assets less current liabilities		11,942	48,255
Non-current liabilities			
Amount due to a director	26	5,811	-
Finance lease payables	27	-	42
		5,811	42
NET ASSETS		6,131	48,213
Capital and reserves			
Share capital	29	1,046	1,046
Reserves	31	5,085	47,167
TOTAL EQUITY		6,131	48,213

Approved and authorised for issue by the Board of Directors on
21 March 2017.

由董事會於二零一七年三月二十一日批准及授權刊發。

Tang Wai Ting, Samson
鄧偉廷
Director
董事

Mak Hing Keung, Thomas
麥興強
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2016
截至二零一六年十二月三十一日止年度

		Attributable to the owners of the Company 本公司擁有人應佔								
		Share capital	Share premium	Statutory reserve	Merger reserve	Foreign currency translation reserve	Option reserve	Retained profits/ losses	Total reserve	Total equity
		(note 31(c)(i))	(note 31(c)(ii))	(note 31(c)(iii))	(note 31(c)(iv))	(note 31(c)(v))	(note 31(c)(vi))	(accumulated)		
		股本	股份溢價	法定儲備	合併儲備	外幣換算儲備	購股權儲備	保留溢利/	總儲備	總權益
		(附註31(c)(i))	(附註31(c)(ii))	(附註31(c)(iii))	(附註31(c)(iv))	(附註31(c)(v))	(附註31(c)(vi))	(累計虧損)	總儲備	總權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2015	於二零一五年一月一日	1,046	38,747	766	12,400	426	317	11,489	64,145	65,191
Total comprehensive income and changes in equity for the year	年內全面收入總額及權益變動	-	-	-	-	548	-	(17,526)	(16,978)	(16,978)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	1,046	38,747	766	12,400	974	317	(6,037)	47,167	48,213
Release upon lapse of share option	於購股權失效時解除	-	-	-	-	-	(317)	317	-	-
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	2,012	-	(44,094)	(42,082)	(42,082)
Changes in equity for the year	年內權益變動	-	-	-	-	2,012	(317)	(43,777)	(42,082)	(42,082)
At 31 December 2016	於二零一六年十二月三十一日	1,046	38,747	766	12,400	2,986	-	(49,814)	5,085	6,131

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2016
截至二零一六年十二月三十一日止年度

	Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES 經營活動現金流量			
Loss before tax	除稅前虧損	(44,093)	(17,507)
Adjustments for:	就以下各項作出調整：		
Interest income	利息收入	(13)	(13)
Depreciation	折舊	1,760	1,455
Amortisation of intangible assets	無形資產攤銷	135	20
Finance costs	財務費用	10	424
Allowance for inventories	存貨撥備	15,813	2,794
Unwinding of discount on non-current liabilities	非流動負債貼現撥回	(1,189)	-
Impairment on intangible assets	無形資產減值	579	-
Gain on disposals of subsidiaries	出售附屬公司收益	(937)	-
Operating loss before working capital changes	營運資金變動前經營虧損	(27,935)	(12,827)
Decrease/(increase) in inventories	存貨減少/(增加)	4,095	(10,615)
Decrease in trade receivables	應收賬款減少	1,671	14,629
Decrease/(increase) in prepayments and deposits	預付款項及按金減少/(增加)	2,139	(199)
Decrease in trade payables	應付賬款減少	(9,532)	(8,063)
Increase/(decrease) in other payables, deposits received and accrued expenses	其他應付款項、已收訂金及 應計費用增加/(減少)	936	(1,857)
Cash used in operations	經營所用現金	(28,626)	(18,932)
Finance lease charges paid	已支付融資租賃費用	(10)	(21)
Hong Kong Profits Tax refunded	已退回香港利得稅	261	1,592
PRC Enterprise Income Tax ("EIT") paid	已繳納中國企業所得稅 〔「企業所得稅」〕	(12)	(595)
Interest paid	已支付利息	-	(403)
Net cash used in operating activities	經營活動所用現金淨額	(28,387)	(18,359)
CASH FLOWS FROM INVESTING ACTIVITIES 投資活動現金流量			
Purchases of property, plant and equipment	購入物業、廠房及設備	(2,010)	(812)
Purchases of intangible assets	購入無形資產	(533)	(239)
Disposals of subsidiaries	出售附屬公司	3,098	-
Interest received	已收利息	13	13
Net cash from/(used in) investing activities	投資活動所得/(所用) 現金淨額	568	(1,038)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2016
截至二零一六年十二月三十一日止年度

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
	Note 附註		
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動現金流量		
Repayments of bank loans	償還銀行貸款	–	(3,749)
Repayments of finance lease payables	償還融資租賃應付款項	(159)	(147)
Advanced from a director	董事墊款	2,177	6,275
Import/export loans raised	已籌集的進／出口貸款	–	1,311
Repayments of import/export loans	償還進／出口貸款	–	(1,311)
Net cash from financing activities	融資活動所得現金淨額	2,018	2,379
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值物減少淨額	(25,801)	(17,018)
Effect of foreign exchange rate changes	外匯匯率變動之影響	(22)	(10)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	年初現金及現金等值物	32,985	50,013
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終現金及現金等值物	7,162	32,985
ANALYSIS OF CASH AND CASH EQUIVALENTS	現金及現金等值物分析		
Bank and cash balances	銀行及現金結餘	23(a) 7,212	32,985
Bank overdrafts	銀行透支	23(b) (50)	–
		7,162	32,985

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2016
截至二零一六年十二月三十一日止年度

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempt company with limited liability under the Company Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 10 September 2013. The address of its registered office is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is located at B3 YuCan Industrial Park, Lanzhu West Road, Export Processing Zone, Pingshan New District, Shenzhen, the People's Republic of China (the "PRC"). The Company's shares are listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 18 July 2014 (the "Listing").

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 33 to the financial statements.

2. GOING CONCERN

The Group incurred a loss attributable to the owners of the Company of approximately HK\$44,094,000 (2015: approximately HK\$17,526,000) and net cash outflow from operating activities of approximately HK\$28,387,000 (2015: approximately HK\$18,359,000) for the year ended 31 December 2016, and had decrease in net current assets by approximately HK\$35,192,000 (2015: approximately HK\$16,535,000) with net amount due to a director of approximately HK\$6,494,000 (2015: approximately HK\$6,275,000) as at 31 December 2016. In preparing these consolidated financial statements, the directors of the Company have given careful consideration to the impact of the current and anticipated future liquidity of the Group.

The validity of the Group to operate as a going concern is dependent upon the outcomes of the Group to (i) attain profitable and positive cash flows from operations; and (ii) obtain external source of funding in the immediate and longer term, at a level sufficient to finance the working capital requirements of the Group. As further disclosed in note 40(b) to the financial statements, on 20 March 2017, the Company announced that the Company and a placing agent (the "Placing Agent") entered into a placing agreement (the "Placing Agreement") on 16 March 2017, pursuant to which the Company agreed to appoint the Placing Agent to procure placees to subscribe for the 4.0% coupon unlisted bonds with a term of 12 months, to be issued in tranches by the Company in an aggregate principal amount up to HK\$30,000,000 (the "Bonds"). Up to the approval date on these financial statements, the placing of Bonds has yet been completed which creates an uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. Notwithstanding the above, the directors considered that it is appropriate to adopt the going concern in preparing these consolidated financial statements.

1. 一般資料

本公司於二零一三年九月十日根據開曼群島公司法第22章(一九六一年第三號法律,經綜合及修訂)在開曼群島註冊成立為一家獲豁免有限公司。其註冊辦事處為Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands。其主要營業地點的地址為中華人民共和國(「中國」)深圳市坪山新區出口加工區蘭竹路西裕燦工業園B3棟。本公司之股份自二零一四年七月十八日起於香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市(「上市」)。

本公司為投資控股公司。其附屬公司的主要業務活動載於財務報表附註33。

2. 持續經營

截至二零一六年十二月三十一日止年度,本集團錄得本公司擁有人應佔虧損約44,094,000港元(二零一五年:約17,526,000港元)及經營活動現金流出淨額約28,387,000港元(二零一五年:約18,359,000港元),及於二零一六年十二月三十一日,流動資產淨值減少約35,192,000港元(二零一五年:約16,535,000港元)及應付一名董事款項淨額約6,494,000港元(二零一五年:約6,275,000港元)。於編製此等綜合財務報表時,本公司董事已審慎考慮本集團當前及預計未來流動資金之影響。

本集團能否持續經營乃端賴本集團能否(i)自營運中產生盈利及正現金流;及(ii)獲取即期及長期外部資金,其規模足以應付本集團的營運資金需求。如財務報表附註40(b)進一步披露,於二零一七年三月二十日,本公司宣佈本公司於二零一七年三月十六日與一名配售代理(「配售代理」)訂立配售協議(「配售協議」),據此,本公司已同意委任配售代理促使承配人認購本公司將分批發行的,本金總額最多為30,000,000港元,期限為12個月,及票息為4厘的非上市債券(「債券」)。直至該等財務報表之批准日期,債券配售尚未完成,這產生或對本集團持續經營能力構成重大疑問的不確定因素,因此,本集團可能無法在正常業務過程中變現其資產及清償其負債。儘管如此,董事認為,於編製此等綜合財務報表時合適採納持續經營基準。

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財務報表附註

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2. GOING CONCERN (continued)

In order to strengthen the Group's capital base and liquidity in the foreseeable future, the Group has taken the following measures:

- in the event the placing of Bonds was failed to complete, Mr. Kor Sing Mung, Michael, a director and a substantial shareholder of the Company has agreed to provide interest-free and unsecured financial support to the extent of HK\$15,000,000 to the Group for the next twelve months to meet its financial obligations as they fall due;
- negotiating with bankers for obtaining new banking facilities;
- the directors of the Company have been taking various cost control measures to tighten the costs of operations;
- the directors of the Company have reviewed the performance of individual projects and where appropriate, to abandon or dispose of those non-profitable projects; and
- the Group has been implementing various strategies to enhance the Group's revenue.

Based on the cash flow projections of the Group and having taken into account the available financial resources of the Group together with the above measures, the directors have concluded that the Group is able to continue as a going concern and to meet their financial liabilities as and when they fall due for the next twelve months. Should the Group be unable to continue as a going concern, adjustments would have to be made to the financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

3. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which in collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") and with the disclosure requirements of the Hong Kong Companies Ordinance.

2. 持續經營(續)

為增強本集團於可見將來之資本基礎及流動資金，本集團已實施以下措施：

- 倘若未能完成債券配售，本公司董事兼主要股東Kor Sing Mung, Michael先生已同意於未來十二個月向本集團提供最多15,000,000港元免息及無抵押之財務援助，以履行其到期之財務責任；
- 就獲得新的銀行融資與往來銀行協商；
- 本公司董事已採取各項成本控制措施，以縮減營運成本；
- 本公司董事已檢討個別項目的表現及放棄或出售無利可圖的項目(如適當)；及
- 本集團已實施各種策略提升本集團的收益。

根據本集團之現金流量預測及經考慮本集團可得的財務資源及上述措施，董事認為，本集團能夠持續經營及履行其於未來十二個月到期之財務責任。倘本集團無法持續經營，則須對財務報表作出調整，以將本集團之資產價值調整至其可收回金額、為可能產生之任何其他負債計提撥備及將非流動資產及負債分別重新分類為流動資產及負債。此等潛在調整之影響並無於此等綜合財務報表內反映。

3. 編製基準

此等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」，此綜合詞彙包括所有適用之香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)及香港公認會計原則編製。此等綜合財務報表亦符合聯交所創業板證券上市規則(「創業板上市規則」)之適用披露條文及香港公司條例之披露規定。

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4. ADOPTION OF NEW AND REVISED HKFRSs

(a) Application of new and revised HKFRSs

In current year, the Group has adopted all the new and revised HKFRSs that are first effective for annual period beginning on 1 January 2016. None of these developments have had a material effect on how the Group's results and financial position of the Group for the current and prior years have been prepared and presented.

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

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

Amendments to HKAS 7	Statement of Cash Flows: Disclosure initiative ¹
Amendments to HKAS 12	Income Taxes: Recognition of deferred tax assets for unrealised losses ¹
HKFRS 9	Financial Instruments ²
HKFRS 15	Revenue from Contracts with Customers ²
Amendments to HKFRS 2	Share-based Payment: Classification and measurement of share-based payment transactions ²
HKFRS 16 Leases	Leases ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

³ Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

⁴ Effective for annual periods beginning on or after a date to be determined. Early adoption is permitted.

4. 採納新訂及經修訂香港財務報告準則

(a) 應用新訂及經修訂香港財務報告準則

於本年度，本集團已採納於二零一六年一月一日開始之年度期間首次生效的所有新訂及經修訂香港財務報告準則。該等發展對本集團當前或過往期間業績及財務狀況之編製或呈列方式並無重大影響。

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用任何已頒佈但尚未於二零一六年一月一日開始之財政年度生效之新訂及經修訂香港財務報告準則。此等或與本集團有關之新訂及經修訂香港財務報告準則包括以下各項。

香港會計準則 第7號的修訂	現金流量表：披露計劃 ¹
香港會計準則 第12號的修訂	所得稅：確認未變現損失產生的遞延稅項資產 ¹
香港財務報告準則 第9號	金融工具 ²
香港財務報告準則 第15號	來自客戶合同的收益 ²
香港財務報告準則 第2號的修訂	以股份為基礎付款：以股份為基礎付款交易的分類及計量 ²
香港財務報告準則 第16號	租賃 ³
香港財務報告準則 第10號及香港會計 準則第28號的修訂	投資者與其聯營公司或合營企業之間出售或注入資產 ⁴

¹ 於二零一七年一月一日或之後開始的年度期間生效，准予提早應用。

² 於二零一八年一月一日或之後開始的年度期間生效，准予提早應用。

³ 於二零一九年一月一日或之後開始的年度期間生效，准予提早應用。

⁴ 於待定期限或之後開始的年度期間生效。准予提早應用。

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4. ADOPTION OF NEW AND REVISED HKFRSs (continued)

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

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

HKFRS 9 Financial Instruments

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

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

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

4. 採納新訂及經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

本集團正評估預期此等修訂及新準則對首次應用期間之影響。截至目前，本集團已識別新準則的若干方面可能會對綜合財務報表構成重大影響。預期影響之進一步詳情於下文討論。由於本集團並未完成其評估，故進一步影響或會於適當時候識別。

香港財務報告準則第9號金融工具

該準則取代香港會計準則第39號金融工具：確認及計量。

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

有關金融負債之分類及計量要求大致繼承香港會計準則第39號，並無重大變動，惟倘選擇按公允值計量，因自身信貸風險變動所引致之公允值變動乃於其他全面收入中確認，除非此舉會產生會計錯配。

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4. ADOPTION OF NEW AND REVISED HKFRSs (continued)

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

HKFRS 9 Financial Instruments (continued)

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

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

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

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

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 replaces all existing revenue standards and interpretations.

The core principle of the standard is that an entity recognises revenue to depict the transfer of goods and services to customers in an amount that reflects the consideration to which the entity expects to become entitled in exchange for those goods and services.

4. 採納新訂及經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

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

香港會計準則第39號內終止確認之規定獲大致繼承，並無重大變動。

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

香港財務報告準則第9號之新預期信貸虧損減值模式可導致提前確認本集團應收賬款及其他金融資產之減值虧損。本集團於完成更為詳細之評估後方可量化有關影響。

香港財務報告準則第15號來自客戶合同的收益
香港財務報告準則第15號取代所有現有收益準則及詮釋。

該準則之核心標準為實體確認收益以描述向客戶之轉讓貨物及服務，該金額應為能反映該實體預期就交換該等貨物及服務而有權收取之代價。

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4. ADOPTION OF NEW AND REVISED HKFRSs (continued)

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

HKFRS 15 Revenue from Contracts with Customers (continued)

An entity recognises revenue in accordance with the core principle by applying a 5-step model:

1. Identify the contract with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies a performance obligation

The standard also includes comprehensive disclosure requirements relating to revenue.

The Group is currently assessing the impacts of adopting HKFRS 15 on the consolidated financial statements and unable to estimate the impact of the new standard on the consolidated financial statements until a more detailed analysis is completed.

HKFRS 16 Leases

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

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

4. 採納新訂及經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第15號來自客戶合同的收益(續)

實體根據核心原則透過應用五個步驟模式確認收益：

1. 識別與客戶訂立之合約
2. 識別合約中之履約責任
3. 釐定交易價
4. 將交易價分配至合約中的履約責任
5. 於實體完成履約責任時(或就此)確認收益

該準則亦包括有關收益之詳盡披露要求。

本集團目前正評估採納香港財務報告準則第15號對綜合財務報表之影響，本集團於完成更為詳細之分析後方可估計新準則對綜合財務報表的影響。

香港財務報告準則第16號租賃

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

本集團之辦公室、工廠廠房及員工宿舍租賃現分類為經營租賃，租賃款項(扣除來自出租人的任何獎勵金)在租賃期內按直線法確認為一項開支。根據香港財務報告準則第16號，本集團可能需就該等租賃按未來最低租賃款項之現值確認及計量負債，並確認其相應使用權資產。租賃負債之利息開支及使用權資產之折舊將於損益中確認。本集團的資產及負債將相應增加且開支確認之時間亦會受到影響。

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4. ADOPTION OF NEW AND REVISED HKFRSs (continued)

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

HKFRS 16 Leases (continued)

As disclosed in note 39 to the financial statements, the Group's future minimum lease payments under non-cancellable operating leases for its offices, factory premises and staff quarters amounted to a total of approximately HK\$4,423,000 as at 31 December 2016. The Group will need to perform a more detailed assessment in order to determine the new assets and liabilities arising from these operating leases commitments after taking into account the transition reliefs available in HKFRS 16 and the effects of discounting.

5. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 6.

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

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

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

4. 採納新訂及經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃(續)

如財務報表附註39所披露，於二零一六年十二月三十一日，本集團租賃其辦公室、工廠廠房及員工宿舍之不可註銷經營租賃項下之未來最低租賃款項總額約4,423,000港元。本集團將需進行更詳盡之評估，以於考慮香港財務報告準則第16號允許之過渡安排及折讓影響後釐定該等經營租賃承擔所產生之新資產及負債。

5. 主要會計政策

此等財務報表已按歷史成本慣例編製。

編製符合香港財務報告準則的財務報表要求使用若干重大會計估計。同時亦要求管理層在應用本集團會計政策的過程中行使其判斷權。涉及高度判斷或複雜性的方面及對綜合財務報表屬重大的假設及估計方面在附註6內披露。

編製此等財務報表中應用的主要會計政策概要載列如下。

(a) 綜合基準

綜合財務報表包括本公司及其附屬公司截至十二月三十一日作出的財務報表。附屬公司的財務報表與本公司財務報表採用同一報告年度而編製。附屬公司的會計政策於必要時作出改動，以確保與本集團所採納的政策一致。附屬公司乃本集團對其擁有控制權之實體。本集團對實體有控制權，是指本集團因參與該實體的營運而獲得或有權享有其可變回報，並能夠運用其對實體之權力影響上述回報。倘本集團擁有賦予其現有能指引相關業務活動(即對該實體的回報具重大影響力之業務活動)的現有權利，則本集團擁有該實體的控制權。

於評估控制權時，本集團考慮其潛在投票權以及其他各方持有的潛在投票權，以釐定其是否擁有控制權。僅當持有人擁有實際能力行使投票權利時方被認為是潛在投票權。

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5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

Subsidiaries are consolidated from the date on which the Group obtains and continue to be consolidated until the date when such control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary determined on the date when control is lost; and (ii) the carrying amount of the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated amounts in other comprehensive income.

All intragroup transactions, balances, income and expenses and profits and losses are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

In the Company's statement of financial position the investment in a subsidiary is stated at cost less impairment losses. The carrying amount of the investment is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of a subsidiary are accounted for by the Company on the basis of dividends received and receivable.

(b) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

5. 主要會計政策(續)

(a) 綜合基準(續)

附屬公司於本集團取得控制權當日起綜合入賬，並持續綜合入賬直至有關控制權終止當日止。

因附屬公司出售而引致喪失控制權時產生的損益指以下兩項的差額：(i) 銷售代價公允值加附屬公司所保留的任何投資的公允值(於失去控制權當日釐定)；及(ii) 本公司分佔該附屬公司資產淨值的賬面值加與該附屬公司有關的任何其餘商譽及任何於其他全面收入內累計之相關金額。

所有集團內公司間交易、結餘、收入及開支以及溢利及虧損均予以對銷。除非有證據顯示交易中所轉讓的資產出現減值，否則未變現虧損亦會予以對銷。

在本公司財務狀況報表中，於附屬公司的投資按成本減除減值虧損入賬。倘投資的賬面值高於其可收回金額，則按個別基準削減至其可收回金額。附屬公司之業績由本公司按已收及應收股息基準入賬。

(b) 外幣換算

(i) 功能及呈報貨幣

本集團各實體財務報表內列入的項目按實體經營所屬的主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表按港元(「港元」)呈列，港元為本公司的功能及呈報貨幣。

(ii) 於每個實體財務報表的交易及結餘

外幣交易使用交易日的匯率在初步確認後換算為功能貨幣。外幣貨幣資產及負債按各報告期末的匯率進行換算。因換算政策而產生的損益於損益表內確認。

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5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Foreign currency translation (continued)

(ii) Transactions and balances in each entity's financial statements (continued)

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

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

(iii) Translation on consolidation

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

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

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in the consolidated profit or loss as part of the gain or loss on disposal.

5. 主要會計政策(續)

(b) 外幣換算(續)

(ii) 於每個實體財務報表的交易及結餘(續)

按公允值以外幣計量的非貨幣項目，採用釐定公允值當日的匯率換算。

當非貨幣項目的損益於其他全面收入確認時，任何損益匯兌部分將於其他全面收入中確認。當非貨幣項目的損益於損益表確認時，任何損益匯兌部分將於損益表中確認。

(iii) 綜合賬目時的換算

本集團擁有與本公司呈報貨幣不同功能貨幣的所有實體的業績及財務狀況按以下方式換算為本公司的呈報貨幣：

- 所呈報的每個財務狀況報表的資產及負債按財務狀況報表日期的收市匯率進行換算；
- 各損益及其他全面收入報表的收入及開支按平均匯率進行換算（除非該平均數並非交易日現行匯率累計影響的合理概約數，在該情況下，收入及開支按交易日匯率進行換算）；及
- 所有因此而產生的匯兌差額於外幣換算儲備內確認。

於綜合賬目時，因換算海外實體投資淨額及因換算借貸而產生的匯兌差額於外幣換算儲備內確認。當海外業務出售後，該匯兌差額作為出售損益的一部份而於綜合損益內確認。

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5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The 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.

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

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their costs less accumulated impairment losses from the date on which they are available for use and after taking account their residual values over the estimated useful lives on a straight-line basis. The principal residual value and useful lives are as follows:

		Residual value 剩餘價值	Useful lives 可使用年期
Furniture and fixture	傢俬及裝置	0-10%	5 years 年
Leasehold improvement	租賃物業裝修	0%	4 years 年
Motor vehicle	汽車	0-10%	5 years 年
Mould	模具	0-10%	5 years 年
Office equipment	辦公設備	0-10%	5 years 年
Plant and machinery	廠房及機器	0-10%	10 years 年

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss in the year in which the item is derecognised.

5. 主要會計政策(續)

(c) 物業、廠房及設備

物業、廠房及設備乃按成本減累計折舊及減值虧損列賬。物業、廠房及設備項目之成本包括其購買價，及促使有關資產達致其營運狀況及地點作擬定用途所產生之任何直接應佔成本。

僅當與該項目相關的未來經濟利益有可能流向本集團及項目成本能可靠估計時，其後成本方會列入資產的賬面值或作為一項單獨的資產確認(如適用)。所有其他維修及保養於產生期間在損益表內確認。

物業、廠房及設備的折舊按足以撇銷其成本的折舊率減由其可供使用日期起計的累計減值虧損，並計及估計可使用年期內的剩餘價值，以直線法計算。主要剩餘價值及可使用年期如下：

	Residual value 剩餘價值	Useful lives 可使用年期
Furniture and fixture	0-10%	5 years 年
Leasehold improvement	0%	4 years 年
Motor vehicle	0-10%	5 years 年
Mould	0-10%	5 years 年
Office equipment	0-10%	5 years 年
Plant and machinery	0-10%	10 years 年

剩餘價值、可使用年期及折舊方法於各報告期末予以檢討及調整(如適用)。

物業、廠房及設備項目於出售或當預期不再從繼續使用該資產產生未來經濟利益時取消確認。出售物業、廠房及設備之損益乃銷售所得款項淨額與有關資產賬面值兩者之差額，並於該項目取消確認年度之損益表內確認。

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5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Intangible assets

Intangible assets acquired are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be whether finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Cost of acquired application software are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying software not exceeding five years, commencing from the date when the products are put into commercial production.

(e) Operating leases

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

(f) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

The corresponding liability to the lessor is included in the statement of financial position as finance lease payable. Finance charges which represent the difference between the total leasing commitments and the fair value of the assets acquired, are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets over the shorter of the lease term and their estimated useful lives.

(g) Research and development expenditure

Expenditure on research and development activities is recognised as an expense in the year in which it is incurred.

5. 主要會計政策(續)

(d) 無形資產

已收購的無形資產於初步確認時按成本計量。無形資產的可使用年期評定為有限或無限。具有限可使用年期的無形資產其後於可使用經濟年期內攤銷，並在有跡象顯示無形資產可能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年期及攤銷方法最少於每個財政年度結束時審閱一次。

已收購的應用軟件的成本按成本減任何減值虧損列賬，並使用直線基準於相關軟件的商業年期內攤銷，該商業年期由產品開始進行商業生產當日起計不超過五年。

(e) 經營租賃

凡資產所有權的一切風險及回報實質上不會轉移至本集團的租賃均為經營租賃。租賃款項(扣除從出租人收取的任何獎勵金)在租賃期內按直線法確認為一項開支。或然租金於產生期間確認為開支。

(f) 融資租賃

凡資產所有權的一切風險及回報實質上會轉移至本集團的租賃均為融資租賃。在租賃期開始時，融資租賃按租賃資產的公允值與最低租賃款項的現值兩者的較低者撥充資本，每種情況均在租賃開始時釐定。

出租人的相應負債作為融資租賃應付款項列入財務狀況報表。融資費用指租賃承擔總額與所購買資產公允值的差額，於租賃期分配予每一期間，從而就負債其餘結餘定期產生一個不變的利率。

融資租賃下的資產按與所擁有的資產相同的方式在租賃期及其估計可使用年期兩者之較短者中進行折舊。

(g) 研發費用

研發活動的費用按產生的年內開支予以確認。

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5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise all costs of purchase and, where applicable, cost of conversion and other costs that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised in the profit or loss in the period of write-down or loss occurs. The amount of any reversal of any write-down of inventories recognised as an increment in the amount of inventories and recognised in the profit or loss in the period in which the reversal occurs.

(i) Recognition and derecognition of financial instruments

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

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

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

5. 主要會計政策(續)

(h) 存貨

存貨按成本與可變現淨值兩者較低者列賬。成本包括一切購入成本及(如適用)加工成本及令存貨達致現時地點及狀況所支銷之其他成本。可變現淨值為正常業務過程中的估計售價減直至完工的估計成本及作出銷售所必要的估計成本。於出售存貨時，該等存貨的賬面值在相關收入確認的期間於損益確認為開支。存貨撇減至可變現淨值的金額及存貨的所有虧損在撇減或出現虧損的期間於損益確認。存貨的任何撇減撥回金額確認為存貨金額的增加，並於撥回發生期間於損益確認。

(i) 確認及終止確認金融工具

當本集團成為工具合同條文的訂約方時，在財務狀況報表內確認金融資產及金融負債。

當收取資產現金流量的合同權利屆滿時，本集團將資產所有權的大部份風險及回報轉移時，或本集團實質上既不轉移亦不保留資產所有權的大部份風險及回報但尚未保留對資產的控制權，則終止確認金融資產。於終止確認金融資產後，資產賬面值與已收代價和在其他全面收入內已確認的累計收益或虧損之和之間的差額在損益表內確認。

當有關合同內規定的責任被解除、註銷或屆滿時終止確認金融負債。終止確認的金融負債的賬面值與已付代價之間的差額在損益表內確認。

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5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Loans and other receivables

Loans and other receivables including trade and other receivables and bank and cash balances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, except where receivables are interest-free loans and without any fixed repayment term or the effect of discounting would be insignificant. In such case, the receivables are stated at cost less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition over the period to maturity. Gains or losses arising from derecognition, impairment or through amortisation process are recognised in profit or loss. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

(k) Cash and cash equivalents

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

(l) Financial liabilities and equity instruments

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

5. 主要會計政策(續)

(j) 貸款及其他應收款項

貸款及其他應收款項(包括貿易及其他應收款項及銀行及現金結餘)乃指固定或可確定付款金額但在活躍市場並無報價及並非持作交易用途之非衍生財務資產, 初步按公允值確認及其後使用實際利率方法按攤銷成本計量, 惟應收款項為免息貸款及並無任何固定還款期或貼現並無重大影響除外。於該情況下, 應收款項按成本減減值撥備列賬。攤銷成本乃計及收購之任何貼現或溢價按距離到期日之年限計算。因取消確認、減值或進行攤銷時產生之收益及虧損乃於損益中確認。當有客觀證據顯示本集團不能根據原有的應收款項期限收回所有款項時, 則建立應收賬款及其他應收款項減值撥備。撥備金額乃應收款項賬面值與估計未來現金流量現值兩者之差額, 並在初步確認時按實際利率貼現。撥備金額在損益表中確認。

減值虧損在其後期間予以撥回及在損益表中確認, 當應收款項的可收回金額增加可能客觀上與確認減值後發生的事件有關時, 惟須受應收款項於撥回減值日期的賬面值不得超過尚未確認減值原本會有的攤銷成本之限制。

(k) 現金及現金等值物

就現金流量報表而言, 現金及現金等值物指銀行及手頭現金、在銀行及其他金融機構的活期存款, 及隨時轉換為已知金額現金且沒有重大價值變動風險的短期高流通性投資。在按要求償還並構成本集團現金管理不可分割部份的銀行透支亦計入現金及現金等值物。

(l) 金融負債及權益工具

金融負債及權益工具乃根據所訂立合同安排的内容及金融負債及權益工具在香港財務報告準則項下的定義而進行分類。權益工具乃在扣除所有負債後顯示本集團資產的剩餘權益的任何合同。為特定金融負債及權益工具採納的會計政策載於下文。

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5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(n) Trade and other payables

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

(o) Equity instruments

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

(p) Revenue recognition

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

Revenues from the sales of manufactured products and trading of electronic accessories are recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.

Interest income is recognised on a time proportion basis by reference to the principal outstanding and at the effective interest method.

(q) Employee benefits

(i) Employee leave entitlements

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

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

5. 主要會計政策(續)

(m) 借貸

借貸乃初步按公允值扣除產生的交易成本後確認，及其後使用實際利息法按攤銷成本計量。

借貸分類為流動負債，除非本集團擁有無條件權利，將負債押後至在報告期後至少12個月結算。

(n) 應付賬款及其他應付款項

應付賬款及其他應付款項初步按公允值入賬及其後使用實際利息法按攤銷成本計量，除非貼現影響並不大，在該情況下按成本列賬。

(o) 權益工具

本公司發行的權益工具按已收所得款項扣除直接發行成本入賬。

(p) 收益確認

收益按已收或應收代價的公允值計量及在經濟利益極有可能流向本集團及收益金額能可靠計量時予以確認。

銷售製成產品及電子配件貿易的收益在所有權的重大風險及回報轉移時確認，該時間一般為交付商品及所有權轉移至客戶時。

利息收入按時間比例(參考未償還本金額)及使用實際利息法予以確認。

(q) 僱員福利

(i) 僱員休假權利

僱員所享有的年假及長期服務假權利在該等假期應計予僱員時予以確認。就因僱員提供直至報告期末的服務而產生的年假及長期服務假的估計負債作出撥備。

僱員的病假及產假在請假當時方予以確認。

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5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Employee benefits (continued)

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

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

(r) Share-based payments

The Group issues equity-settled share-based payments to employees and others who providing similar services.

Equity-settled share-based payments to employees are measured at fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions, with a corresponding increase in a reserve within equity.

(s) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

5. 主要會計政策(續)

(q) 僱員福利(續)

(ii) 退休金責任

本集團向適用於所有僱員的定額退休計劃作出供款。本集團及僱員向該等計劃作出的供款按員工基本薪資的某一百分比計算。於損益表內扣除的退休福利計劃成本指本集團向基金應付的供款。

(iii) 終止服務福利

終止服務福利於以下較早日期時確認：當本集團不再能夠撤銷該等福利要約時及當本集團確認重組成本及涉及終止服務福利付款時。

(r) 以股份為基礎的付款

本集團向僱員及其他提供類似服務的人士發行以權益結算以股份為基礎付款。

向僱員發行之以權益結算以股份為基礎付款乃按授出當日按權益工具的公允值計量(不包括非市場基礎歸屬情況)。以權益結算以股份為基礎付款於授出當日釐定的公允值，乃根據本集團所估計最終歸屬的股份並非市場基礎歸屬情況之影響作出調整，於歸屬期以直線法支銷並於權益之儲備內計入相應增加。

(s) 借貸成本

收購、建立或製造合資格資產(指必須花費大量時間為預計用途或銷售作妥當準備的資產)的直接應佔借貸成本撥充為資本，作為該等資產成本的一部份，直至資產可大致準備妥當以供預計使用或銷售時。在合資格資產的開支有待解決的特定借貸的暫時投資賺取的投資收入從符合撥充資本資格的借貸成本中扣除。

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5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Borrowing costs (continued)

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(t) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

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

(u) Taxation

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

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

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

5. 主要會計政策(續)

(s) 借貸成本(續)

倘為取得合資格資產而使用一般借入的借貸，符合資本化資格的借貸成本金額乃透過對該資產開支應用資本化率而釐定。資本化率乃本集團期內未償還借貸所適用的借貸成本的加權平均數，而不包括為取得合資格資產而特別作出的借貸。

所有其他借貸成本在產生期間內於損益表中確認。

(t) 政府補貼

政府補貼在合理確定本集團符合補貼所附帶條件時及將會收取補貼時確認。

作為已經產生的開支或虧損補償或為向本集團提供直接財務支持而不會於未來產生相關成本而應收的政府補貼於該等補貼應收期間在損益表內確認。

(u) 稅項

所得稅指即期稅項及遞延稅項之和。

即期應繳稅款乃根據年內應課稅溢利計算。應課稅溢利與於損益表內確認的溢利不同，原因是其中未計入其他年度應課稅或可抵扣的收支項目，且未計入不課稅或可抵扣的項目。本集團採用報告期末已制定或實質上已制定的稅率計算當前的稅務負債。

遞延稅項按財務報表所列資產及負債的賬面值與用以計算應課稅溢利的相應計稅基之間的差異確認。一般會就所有的應課稅暫時性差額確認遞延稅項負債，而確認遞延稅項資產，則須以將來很可能取得用來沖抵可抵扣暫時性差額、未動用稅項虧損或未動用稅項抵免的應課稅溢利為限。倘暫時性差額自商譽產生或源自在不影響應課稅溢利或會計溢利的交易中對其他資產及負債的首次確認(業務合併除外)，則不會確認上述資產及負債。

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5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Taxation (continued)

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

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

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

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

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

(v) Related parties

A related party is a person or entity that is related to the Group.

- (A) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company.

5. 主要會計政策(續)

(u) 稅項(續)

就投資附屬公司所產生的應課稅暫時性差額確認遞延稅項負債，但若本集團可控制該暫時性差額的撥回而該暫時性差額很可能不會在可見將來撥回的情況除外。

於各報告期末會審閱遞延稅項資產的賬面值，並在不再可能有足夠應課稅溢利以回撥全部或部分資產時，相應扣減該賬面值。

遞延稅項乃按預期適用於清還負債或變現資產期間的稅率，根據於報告期末已頒佈或實際上已頒佈的稅率計算。遞延稅項確認為損益，惟與其他全面收入或直接於權益中確認的項目有關者除外，在此情況下，遞延稅項亦於其他全面收入或直接於權益確認。

遞延稅項資產及負債的計量反映稅務影響將會於報告期末以本集團預期的方式流動，以收回或清償其資產及負債的賬面值。

當存在法律可強制執行權利以抵銷對沖現有稅務負債的現有稅項資產時及當彼等與同一稅務機關徵收的所得稅有關及本集團擬按淨額基準清償現有稅項資產及負債時，抵銷遞延稅項資產及負債。

(v) 關聯方

關聯方指與本集團有關聯的人士或實體。

- (A) 倘屬以下人士，則該人士或其近親與本集團有關聯：
- (i) 可控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 是本公司或其母公司的主要管理層成員。

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5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Related parties (continued)

- (B) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also 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 which it is a part, provides key management personnel services to the Company or to a parent of the Company.

(w) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets except inventories and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

5. 主要會計政策(續)

(v) 關聯方(續)

- (B) 倘符合下列任何條件，則該實體與本集團有關聯：
- (i) 該實體及本公司均是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聯)。
 - (ii) 某實體是另一實體的聯營公司或合營公司(或另一實體為旗下成員公司的集團的成員公司的聯營公司或合營公司)。
 - (iii) 兩家實體均是同一第三方的合營公司。
 - (iv) 某實體是第三方實體的合營公司，而另一實體則是該第三方實體的聯營公司。
 - (v) 實體為本集團或與本集團有關聯的實體就僱員利益設立的離職福利計劃。倘本集團本身屬有關計劃，提供資助的僱主亦與本集團有關聯。
 - (vi) 該實體受(A)項中所識別的人士控制或共同控制。
 - (vii) 在(A)(i)項中所識別的人士對該實體有重大影響力，或該人士是該實體(或是該實體的母公司)的主要管理層成員。
 - (viii) 該實體，或其屬當中的一部份的集團旗下成員公司，向本公司或本公司之母公司提供主要管理層服務。

(w) 非金融資產減值

本集團於各報告期末檢討其有形及無形資產(惟存貨及應收款項除外)的賬面值，以釐定該等資產有否任何減值虧損跡象。倘有任何有關跡象存在，則估計該項資產的可收回金額，以釐定任何減值虧損的程度。倘難以對單項資產的可收回金額進行估計，則本集團會估計該資產所屬的現金產生單位的可收回金額。

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5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Impairment of non-financial assets (continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(x) Provisions and contingent liabilities

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

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

5. 主要會計政策 (續)

(w) 非金融資產減值 (續)

可收回金額為公允值減出售成本與使用價值兩者之間的較高者。於評估使用價值時，是採用反映現時市場對貨幣時間價值及資產特殊風險的評估的稅前貼現率，將預計未來現金流量貼現至其現有價值。

倘資產或現金產生單位的可收回金額估計低於其賬面值，則資產或現金產生單位的賬面值將減至其可收回金額。減值虧損會被即時確認為損益，除非有關資產按重估金額列賬，在該情況下減值虧損視為重估減少。

倘減值虧損其後得以撥回，則該項資產或現金產生單位的賬面值會增加至其經修訂的可收回金額的估計數值，惟是項賬面值的增加不可超過假設並未於過往年度有關資產或現金產生單位被確認減值虧損原本釐定的賬面值（扣除攤銷或折舊）。減值虧損撥回會被即時確認為損益，除非有關資產按重估金額列賬，在該情況下減值虧損撥回視為重估增加。

(x) 撥備及或然負債

當本集團因過往事件而有現時法定或推定責任時，將有經濟利益流出以清償責任及能作出可靠估計時，對不確定時間或金額的負債確認撥備。當貨幣時間價值屬重大時，按預期清償責任的開支的現值列報撥備。

當可能不會流出經濟利益，或不能可靠估計金額時，按或然負債披露責任，除非流出的可能性極小。可能承擔的責任（其存在與否僅能藉一項或多項未來事件的發生與否而確定）亦按或然負債予以披露，除非流出的可能性極小。

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5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

6. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Going concern basis

These financial statements have been prepared on a going concern basis, the validity of which is dependent upon the outcomes of the Group to (i) attain profitable and positive cash flows from operations; and (ii) obtain external source of funding in the immediate and longer term, at a level sufficient to finance the working capital requirements of the Group. Details are explained in note 2 to financial statements.

Key sources of estimation uncertainty

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

(a) Useful lives and residual values of property, plant and equipment

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charges where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives of the Group's property, plant and equipment and therefore depreciation in the future periods.

The carrying amounts of property, plant and equipment as at 31 December 2016 were approximately HK\$3,890,000 (2015: HK\$4,792,000).

5. 主要會計政策(續)

(y) 報告期後事項

提供本集團於報告期末之額外資料或顯示持續經營假設並不適當之報告期後事項為調整事項，並反映於財務報表。並非調整事項之報告期後事項，如屬重大時乃於財務報表附註披露。

6. 重要判斷及主要估計

應用會計政策時之重要判斷

於應用會計政策過程中，董事已作出以下對於財務報表確認之金額(涉及估計之判斷除外，該等估算判斷將於下文討論)有極大影響之判斷。

持續經營基準

此等綜合財務報表已按持續經營基準編製，其是否有效乃端賴本集團能否(i)自營運中產生盈利及正現金流；及(ii)獲取即期及長期外部資金，其規模足以應付本集團的營運資金需求。詳情於財務報表附註2詳述。

估計不確定性的主要來源

有關報告期末估計不確定性的未來及其他主要來源的主要假設，為對下一財政年度之資產及負債的賬面值造成重大調整的重大風險，於下文展開討論。

(a) 物業、廠房及設備之可使用年期及剩餘價值

本集團對本集團物業、廠房及設備的估計可使用年期、剩餘價值及有關折舊費用作出釐定。該項估計乃基於具有相若性質及功能的物業、廠房及設備的實際可使用年期及剩餘價值的歷史經驗。如可使用年期及剩餘價值有別於先前的估計，本集團將會修訂折舊費用，或本集團將會撤銷或撤減已被棄用或出售的技術過時或非策略性資產。實際經濟年期或有別於估計可使用年期。定期審閱可能發現本集團的物業、廠房及設備的可折舊年期出現變動，因而未來期間折舊亦會出現變動。

物業、廠房及設備於二零一六年十二月三十一日之賬面值約為3,890,000港元(二零一五年：4,792,000港元)。

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財務報表附註

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6. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

Key sources of estimation uncertainty (continued)

(b) *Allowance for slow-moving inventories*

Allowance for slow-moving inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

Allowance for slow-moving inventories of approximately HK\$15,813,000 (2015: HK\$2,794,000) was made for the year ended 31 December 2016.

(c) *Income taxes*

The Group is subject to Hong Kong Profits Tax and PRC EIT. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(d) *Impairment loss for bad and doubtful debts*

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

6. 重要判斷及主要估計(續)

估計不確定性的主要來源(續)

(b) *滯銷存貨的撥備*

滯銷存貨的撥備乃根據存貨的賬齡及估計可變現淨值作出。撥備金額的評估涉及判斷及估計。未來實際結果不同於原先估計時，該差額將會影響存貨的賬面值及估計發生變動期間的撥備開支/撥回。

截至二零一六年十二月三十一日止年度，已作出約15,813,000港元之滯銷存貨的撥備(二零一五年：2,794,000港元)。

(c) *所得稅*

本集團須繳納香港利得稅及中國企業所得稅。在釐定所得稅撥備時需要做出重大估計。許多交易及計算於一般業務過程中釐定最終稅項時乃屬不確定。當該等事項的最終稅項結果不同於初步錄得的金額時，該差額將會影響作出釐定期間的所得稅及遞延稅項撥備。

(d) *呆壞賬之減值虧損*

本集團根據應收賬款及其他應收款項之可收回性之評估(包括各債務人之現時信譽及過往收款歷史)就呆壞賬作出減值虧損撥備。當有事件或情況變化顯示結餘可能無法收回時，減值便產生。識別呆壞賬需要採用判斷及估計。實際結果不同於原先估計時，則該差額將於上述估計出現變動之年度影響應收賬款及其他應收款項及呆賬撥備開支的賬面值。

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6. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

Key sources of estimation uncertainty (continued)

(e) 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. 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 of a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less cost of disposal and its value in use. The calculation of the fair value less cost of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market price less incremental costs for disposing of the asset. If there is no binding sale agreement or active market for that an asset, management will refer to the best information available to reflect the amount that an entity could obtain at the end of the reporting period. 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.

7. FINANCIAL RISK MANAGEMENT

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

6. 重要判斷及主要估計 (續)

估計不確定性的主要來源 (續)

(e) 非金融資產減值 (商譽除外)

本集團於各報告期末評估所有非金融資產是否出現任何減值跡象。非金融資產則於有跡象顯示賬面值可能無法收回時進行減值測試。當現金產生單位之資產之賬面值超過其可回收金額時，即高於其公允值減出售成本及使用價值，則存在減值。計量公允值減出售成本時，按以公平基準就類似資產進行具約束力銷售交易之可得數據，或以客觀市場價格減出售資產之已增加成本得出。倘並無具約束力的銷售協議或該資產的活躍市場，管理層將參考可供使用的最佳資料，以反映實體於報告期末可取得的金額。於計算使用價值時，管理層須估計來自資產或現金產生單位的預期未來現金流量，及選擇適當貼現率以計算該等現金流量的現值。

7. 財務風險管理

本集團的業務活動面臨多項財務風險：外幣風險、信貸風險、利率風險及流動資金風險。本集團整體風險管理計劃專注於金融市場的不可預測性及務求盡量減少對本集團財務表現的不利影響。

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7. FINANCIAL RISK MANAGEMENT (continued)

(a) Foreign currency risk

The functional currency of the Group's entities are principally denominated in either HK\$ and Renminbi ("RMB"). The Group has certain exposure to foreign currency risk as some of its business transactions, assets and liabilities are denominated in currencies other than its functional currency such as United States dollars ("US\$"). The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise. Set out below the sensitivity analysis the Group's foreign currency risk.

		Functional currency strengthened/ (weakened) by 功能貨幣 升值/(貶值)	(Decrease)/ increase in consolidated loss after tax 綜合稅後虧損 (減少)/增加 HK\$'000 千港元
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度	5%/(5%)	(182)/182 ^(Note)
Year ended 31 December 2015	截至二零一五年十二月三十一日止年度	5%/(5%)	(451)/451 ^(附註)

Note: This is mainly a result of foreign exchange gain/(loss) on bank deposits, trade and other receivables, trade and other payables denominated in US\$.

附註：此乃主要由於以美元計值的銀行存款、應收賬款及其他應收款項、應付賬款及其他應付款項的外匯收益/(虧損)的結果。

(b) Credit risk

The carrying amounts of trade receivables, deposits and bank balances included in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets.

The Group has significant concentrations of credit risk as 73% (2015: 69%) of the Group's trade receivables were due from one (2015: one) customer. The directors of the Company are of the opinion that the credit risk exposure in relation to this customer is not significant as this customer is a company listed on Taiwan Stock Exchange Corporation with positive financial position for whom there was no recent history of default. In addition, the Group has policies in place to ensure that sales are made to customers with an appropriate credit history.

(b) 信貸風險

在綜合財務狀況表內列入的應收賬款、按金及銀行結餘的賬面值代表本集團有關金融資產的最大信貸風險。

本集團面臨重大信貸集中風險，此乃由於本集團73%（二零一五年：69%）的應收賬款均來自一名（二零一五年：一名）客戶。本公司董事認為，由於此客戶為一間於台灣證券交易所上市的公司，財務狀況正面，且近期並無違約記錄，因而與此客戶有關的信貸風險敞口並不重大。此外，本集團已制訂政策，以確保向客戶作出的銷售符合適合的信貸往例。

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7. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

The credit quality of the counterparties in respect of deposits and other receivables is assessed by taking into account their financial position, credit history and other factors. Given the constant repayment history, the directors are of the opinion that the risk of default by these counterparties is low.

The credit risk on bank balances are limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies and large state-controlled banks in the PRC.

(c) Interest rate risk

The Group's finance lease payables bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

The Group's exposure to interest-rate risk arises from its bank deposits and bank overdrafts. These bank deposits and bank overdrafts bear interests at floating rates varied with the then prevailing market condition.

Except as stated above, the Group does not have other significant interest-bearing assets and liabilities at the end of reporting period, its income and operating cash flows are substantially independent of changes in market interest rates.

(d) 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 tables show the remaining contractual maturities at the end of each reporting period of the Group's financial liabilities, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay.

7. 財務風險管理(續)

(b) 信貸風險(續)

有關按金及其他應收款項的對手方信貸質素在計及財務狀況、信貸歷史及其他因素後進行評估。基於不變的償還歷史，董事認為該等對手方的違約風險偏低。

銀行結餘的信貸風險有限，乃由於對手方為由國際信貸評級機構給予較高信貸評級的銀行及中國的大型國家控股銀行。

(c) 利率風險

本集團融資租賃應付款項按固定利率計息及因此受限於公允值利率風險。

本集團利率風險乃源自銀行存款及銀行透支。該等銀行存款及銀行透支按因應當時市況而變化的浮動利率計息。

除以上所述者外，本集團於報告期末並無其他重大的計息資產及負債，其收入及經營現金流量大部份獨立於市場利率的變動。

(d) 流動資金風險

本集團的政策為定期監控即期及預期流動資金需求，以確保其維持充足現金儲備以滿足其短期及更長期的流動資金需求。

下表列示本集團的金融負債於各報告期末的餘下合同期限，而有關餘下合同期限乃根據未貼現現金流量(包括使用合同利率或(如屬浮動利率)根據報告日期通行的利率計算得出的利息付款)以及可要求本集團支付的最早日期得出。

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7. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

The maturity analysis of the Group's financial liabilities based on contractual undiscounted cash flow is as follows:

		On demand 按要求 HK\$'000 千港元	Less than 1 year 一年以下 HK\$'000 千港元	Between 1 and 2 years 一至兩年 HK\$'000 千港元	Between 2 and 5 years 兩至五年 HK\$'000 千港元
At 31 December 2016	於二零一六年十二月三十一日				
Trade payables	應付賬款	-	1,687	-	-
Other payables, deposits received and accrued expenses	其他應付款項、已收訂金及應計費用	-	6,131	-	-
Amount due to a director	應付一名董事款項	683	-	-	7,000
Finance lease payables	融資租賃應付款項	-	42	-	-
Bank overdrafts	銀行透支	50	-	-	-
At 31 December 2015	於二零一五年十二月三十一日				
Trade payables	應付賬款	-	11,682	-	-
Other payables, deposits received and accrued expenses	其他應付款項、已收訂金及應計費用	-	5,895	-	-
Amount due to a director	應付一名董事款項	6,275	-	-	-
Finance lease payables	融資租賃應付款項	-	167	43	-

7. 財務風險管理(續)

(d) 流動資金風險(續)

本集團根據合同未貼現現金流量計算的金融負債的到期情況分析如下：

(e) Categories of financial instruments at 31 December

(e) 於十二月三十一日之金融工具的類別

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Financial assets:	金融資產：		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等價物)	13,203	39,965
Financial liabilities:	金融負債：		
Financial liabilities at amortised costs	按攤銷成本列賬之金融負債	9,888	19,438

(f) Fair values

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

(f) 公允值

本集團的金融資產及金融負債的賬面值(如綜合財務狀況表內反映)與其各自公允值相若。

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For the year ended 31 December 2016
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8. SEGMENT INFORMATION

The accounting policies of the operating segments are the same as those described in note 5 to the financial statements.

Operating segment information

The Group is engaged in the single type business of research, development, manufacturing and trading of electronic devices. Accordingly, no operating segment information is presented.

Geographical information

Non-current assets of the Group is presented based on the geographical location as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Hong Kong	香港	1,250	927
PRC	中國	2,640	4,084
		3,890	5,011

Non-current assets include property, plant and equipment and intangible assets.

Information about the Group's revenue from external customers is presented based on the geographical location as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Hong Kong	香港	23,007	9,465
United Kingdom	英國	7,566	8,919
The Netherlands	荷蘭	7,162	11,270
Germany	德國	7,026	-
Others	其他	6,966	37,444
		51,727	67,098

8. 分部資料

經營分部的會計政策與財務報表附註5內說明的情況一致。

經營分部資料

本集團從事單一類型業務，即電子設備的研發、製造及貿易。因此，概無呈列經營分部資料。

地區資料

本集團的非流動資產根據以下地理位置呈列：

非流動資產包括物業、廠房及設備及無形資產。

有關本集團來自外部客戶收益的資料根據以下地理位置呈列：

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財務報表附註

For the year ended 31 December 2016
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8. SEGMENT INFORMATION (continued)

Information about major customers

The Group's customer base included five (2015: four) customers with whom transactions have exceeded 10% of its revenue during the years is set out as below:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Customer A (note i)	客戶 A (附註 i)	7,800	N/A 不適用
Customer B	客戶 B	7,566	8,919
Customer C (note ii)	客戶 C (附註 ii)	7,176	N/A 不適用
Customer D	客戶 D	7,162	11,270
Customer E	客戶 E	7,026	7,851
Customer F (note iii)	客戶 F (附註 iii)	N/A 不適用	16,847
		36,730	44,887

- (i) Customer A did not contribute over 10% of the total turnover of the Group for the year ended 31 December 2015.
- (ii) Customer C did not contribute over 10% of the total turnover of the Group for the year ended 31 December 2015.
- (iii) Customer F did not contribute over 10% of the total turnover of the Group for the year ended 31 December 2016.

9. REVENUE

Revenue represents the invoiced values of goods sold, after allowances for returns and discounts. An analysis of the Group's revenue for the year is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Sales of manufactured products	銷售製成產品	28,721	56,150
Sales on trading of electronic products, accessories and raw materials	電子產品、配件及原材料貿易銷售	23,006	10,948
		51,727	67,098

8. 分部資料 (續)

有關主要客戶的資料

於年內與其擁有超過本集團收益10%交易的本集團五名客戶(二零一五年:四名)載列如下:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		7,800	N/A 不適用
		7,566	8,919
		7,176	N/A 不適用
		7,162	11,270
		7,026	7,851
		N/A 不適用	16,847
		36,730	44,887

- (i) 截至二零一五年十二月三十一日年度，客戶A貢獻之收入佔本集團之總營業額不超過10%。
- (ii) 截至二零一五年十二月三十一日年度，客戶C貢獻之收入佔本集團之總營業額不超過10%。
- (iii) 截至二零一六年十二月三十一日年度，客戶F貢獻之收入佔本集團之總營業額不超過10%。

9. 收益

收益指減除退貨及折讓後所售貨品的發票價值。本集團年內的收益分析如下:

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For the year ended 31 December 2016
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10. OTHER INCOME

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Gain on sales of scrap	銷售廢品收入	42	68
Government subsidies	政府補貼	-	465
Interest income	利息收入	13	13
Unwinding of discount on non-current liabilities	非流動負債貼現撥回	1,189	-
Others	其他	1,457	538
		2,701	1,084

10. 其他收入

11. FINANCE COSTS

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interest on bank loans	銀行貸款利息	-	133
Interest on bank overdrafts	銀行透支利息	-	161
Interest on import/export loans	進/出口貸款利息	-	109
Finance lease charges	融資租賃費用	10	21
		10	424

11. 財務費用

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12. LOSS BEFORE TAX

The Group's loss before tax is stated after charging/(crediting) the following:

Amortisation of intangible assets (note 19)	無形資產攤銷(附註19)		
Depreciation of property, plant and equipment (note 18)	物業、廠房及設備折舊(附註18)	(a)	
Staff costs (including directors' emoluments)	員工成本(包括董事酬金)	(b)	
— Salaries, bonus and allowances	— 薪金、花紅及津貼		
— Retirement benefits scheme contributions	— 退休福利計劃供款		
Cost of inventories sold	已售存貨成本		
Foreign exchange loss	外匯虧損		
Gain on disposals of subsidiaries (note 34)	出售附屬公司收益(附註34)		
Operating lease charges on premises	物業經營租賃費用	(c)	
Auditors' remuneration	核數師薪酬		
Impairment on intangible assets (note 19)	無形資產減值(附註19)		
Allowance for inventories	存貨撥備		

Notes:

- (a) Depreciation of property, plant and equipment of approximately HK\$414,000 (2015: HK\$433,000) for the year ended 31 December 2016 is included in cost of sales.
- (b) Staff costs of approximately HK\$1,511,000 (2015: HK\$4,325,000) for the year ended 31 December 2016 is included in cost of sales.
- (c) Operating lease charges of approximately HK\$502,000 (2015: HK\$541,000) for the year ended 31 December 2016 is included in cost of sales.

12. 除稅前虧損

本集團除稅前虧損乃經扣除/(計入)以下各項後列賬：

Note	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
	135	20
(a)	1,760	1,455
(b)	17,280	13,482
	1,222	1,029
	18,502	14,511
	46,125	61,054
	2,896	1,444
	(937)	—
(c)	4,151	3,270
	674	527
	579	—
	15,813	2,794

附註：

- (a) 截至二零一六年十二月三十一日止年度，物業、廠房及設備折舊約為414,000港元(二零一五年：433,000港元)，計入銷售成本。
- (b) 截至二零一六年十二月三十一日止年度，員工成本約為1,511,000港元(二零一五年：4,325,000港元)，計入銷售成本。
- (c) 截至二零一六年十二月三十一日止年度，經營租賃費用約為502,000港元(二零一五年：541,000港元)，計入銷售成本。

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財務報表附註

For the year ended 31 December 2016
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13. INCOME TAX EXPENSE

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current tax — Hong Kong Profits Tax	即期稅項 — 香港利得稅		
Provision for the year	年內撥備	—	—
Over-provision in prior years	於過往年度超額撥備	—	(2)
		—	(2)
Current tax — PRC EIT	即期稅項 — 中國企業所得稅		
Provision for the year	年內撥備	1	—
Under-provision in prior years	於過往年度撥備不足	—	21
		1	21
Total tax charge for the year	年內稅項開支總額	1	19

The tax rate applicable to the Group's Hong Kong subsidiaries were 16.5% (2015: 16.5%) during the year. No provision for Hong Kong Profits Tax is required as the Group's Hong Kong subsidiaries have no assessable profit for the year (2015: Nil).

On 24 December 2014, Central Pacific Int Technology Limited (“CPIT”), a Company's PRC subsidiary, was granted status of High and New Technology Enterprise and entitled to preferential EIT rate of 15% from 1 January 2014 to 31 December 2016 provided CPIT continues engaged in activities which meet the criteria of being a High and New Technology Enterprise pursuant to No. 28 of the EIT Law of the PRC (“EIT Law”) and No. 93 of the Regulation on the Implementation of the EIT Law promulgated by the State Council of the PRC.

The tax rate applicable to the Group's other PRC subsidiaries were 25% (2015: 25%) during the year.

No PRC EIT is required for the year ended 31 December 2015 as the Group's PRC subsidiaries did not generate any assessable profit for that year.

13. 所得稅開支

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current tax — Hong Kong Profits Tax	即期稅項 — 香港利得稅		
Provision for the year	年內撥備	—	—
Over-provision in prior years	於過往年度超額撥備	—	(2)
		—	(2)
Current tax — PRC EIT	即期稅項 — 中國企業所得稅		
Provision for the year	年內撥備	1	—
Under-provision in prior years	於過往年度撥備不足	—	21
		1	21
Total tax charge for the year	年內稅項開支總額	1	19

於年內，本集團香港附屬公司適用的稅率為16.5%(二零一五年：16.5%)。由於本集團香港附屬公司於年內概無應課稅溢利，故毋須為香港利得稅計提撥備(二零一五年：無)。

於二零一四年十二月二十四日，中匯洲電子(深圳)有限公司(「中匯洲電子」，本公司的中國附屬公司)獲批高新科技企業資格，由二零一四年一月一日至二零一六年十二月三十一日有權按15%的優惠企業所得稅率繳納企業所得稅，前提為中匯洲電子繼續從事符合中國國務院頒佈的中國企業所得稅法(「企業所得稅法」)第28條及企業所得稅法實施條例第93條的高新技術企業標準的活動。

於年內，本集團其他中國附屬公司適用的稅率為25%(二零一五年：25%)。

由於本集團中國附屬公司於截至二零一五年十二月三十一日止年度概無產生任何應課稅溢利，故毋須於該年度繳納中國企業所得稅。

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13. INCOME TAX EXPENSE (continued)

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

13. 所得稅開支(續)

所得稅開支與除稅前虧損產品乘以本集團香港利得稅率的對賬如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss before tax	除稅前虧損	(44,093)	(17,507)
Tax at the domestic tax rate of 16.5% (2015: 16.5%)	按本地稅率16.5%(二零一五年： 16.5%)計算的稅項	(7,275)	(2,889)
Tax effect of preferential tax rate	稅收優惠之稅務影響	2,148	754
Tax effect of income that is not taxable	毋須課稅收入的稅務影響	(351)	(39)
Tax effect of expenses that are not deductible	不獲扣減開支的稅務影響	5,938	1,672
Tax effect of temporary differences not recognised	未確認暫時差額的稅務影響	(94)	(52)
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	1,497	1,216
Under-provision in prior years	於過往年度撥備不足	-	19
Effect of different tax rates of subsidiaries	附屬公司不同稅率的影響	(1,862)	(662)
Income tax expense for the year	年內所得稅開支	1	19

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截至二零一六年十二月三十一日止年度

14. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

The emoluments paid or payable in respect a person's services as a director, whether of the Company, or its subsidiaries undertaking were as follows:

For the year ended 31 December 2016

		Fees	Salaries and allowances	Retirement benefits scheme contributions	Total
		費用	薪資及津貼	退休福利計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Executive directors	執行董事				
Tang Wai Ting, Samson	鄧偉廷	-	240	12	252
Kor Sing Mung, Michael (i)	Kor Sing Mung, Michael (i)	-	212	-	212
Leung Wai Hing (ii)	梁蕙馨(ii)	-	356	13	369
Mak Hing Keung	麥興強	-	360	18	378
Liu Liang (iii)	劉亮(iii)	-	4	-	4
Non-executive directors	非執行董事				
Kor Sing Mung, Michael (i)	Kor Sing Mung, Michael (i)	162	-	-	162
Li Ying	李鷹	300	-	-	300
Tse Yee Hin, Tony	謝宇軒	300	-	-	300
Independent non-executive directors	獨立非執行董事				
Chan Sze Man	陳詩敏	120	-	-	120
Lee Wai Hung	李偉雄	120	-	-	120
Ng Ka Chung	伍家聰	120	-	-	120
Eugenia Yang	楊元晶	120	-	-	120
		1,242	1,172	43	2,457

14. 董事及僱員酬金

(a) 董事酬金

已付或應付就出任本公司或其附屬公司業務之董事提供服務之人士之酬金如下：

截至二零一六年十二月三十一日止年度

		Fees	Salaries and allowances	Retirement benefits scheme contributions	Total
		費用	薪資及津貼	退休福利計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Executive directors	執行董事				
Tang Wai Ting, Samson	鄧偉廷	-	240	12	252
Kor Sing Mung, Michael (i)	Kor Sing Mung, Michael (i)	-	212	-	212
Leung Wai Hing (ii)	梁蕙馨(ii)	-	356	13	369
Mak Hing Keung	麥興強	-	360	18	378
Liu Liang (iii)	劉亮(iii)	-	4	-	4
Non-executive directors	非執行董事				
Kor Sing Mung, Michael (i)	Kor Sing Mung, Michael (i)	162	-	-	162
Li Ying	李鷹	300	-	-	300
Tse Yee Hin, Tony	謝宇軒	300	-	-	300
Independent non-executive directors	獨立非執行董事				
Chan Sze Man	陳詩敏	120	-	-	120
Lee Wai Hung	李偉雄	120	-	-	120
Ng Ka Chung	伍家聰	120	-	-	120
Eugenia Yang	楊元晶	120	-	-	120
		1,242	1,172	43	2,457

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14. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

The emoluments paid or payable in respect a person's services as a director, whether of the Company, or its subsidiaries undertaking were as follows:

For the year ended 31 December 2015

	Fees	Salaries and allowances	Retirement benefits scheme contributions	Total
	費用	薪資及津貼	退休福利計劃供款	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Executive directors				
Tang Wai Ting, Samson	-	240	13	253
Leung Wai Hing (ii)	-	294	11	305
Mak Hing Keung (iv)	-	216	11	227
Chan Kai Hei (v)	-	140	8	148
Chiu Chen Hsun (vi)	48	-	-	48
Non-executive directors				
Li Ying	300	-	-	300
Tse Yee Hin, Tony	300	-	-	300
Independent non-executive directors				
Chan Sze Man	120	-	-	120
Lee Wai Hung	120	-	-	120
Ng Ka Chung	120	-	-	120
Eugenia Yang	120	-	-	120
	1,128	890	43	2,061

Notes:

- (i) Appointed on 1 March 2016 as a non-executive director and redesigned to an executive director of the Company on 15 September 2016.
- (ii) Appointed on 26 May 2015 and resigned on 15 September 2016. Salaries and allowances of approximately HK\$181,000 and HK\$117,000 paid to Ms. Leung Wai Hing before her appointment and after her resignation as a director had not been included in the 2015 and 2016 emolument analysis respectively.
- (iii) Appointed on 21 December 2016
- (iv) Appointed on 26 May 2015
- (v) Resigned on 31 July 2015
- (vi) Resigned on 26 May 2015

14. 董事及僱員酬金 (續)

(a) 董事酬金 (續)

已付或應付就出任本公司或其附屬公司業務之董事提供服務之人士之酬金如下：

截至二零一五年十二月三十一日止年度

	Fees	Salaries and allowances	Retirement benefits scheme contributions	Total
	費用	薪資及津貼	退休福利計劃供款	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Executive directors				
Tang Wai Ting, Samson	-	240	13	253
Leung Wai Hing (ii)	-	294	11	305
Mak Hing Keung (iv)	-	216	11	227
Chan Kai Hei (v)	-	140	8	148
Chiu Chen Hsun (vi)	48	-	-	48
Non-executive directors				
Li Ying	300	-	-	300
Tse Yee Hin, Tony	300	-	-	300
Independent non-executive directors				
Chan Sze Man	120	-	-	120
Lee Wai Hung	120	-	-	120
Ng Ka Chung	120	-	-	120
Eugenia Yang	120	-	-	120
	1,128	890	43	2,061

附註：

- (i) 於二零一六年三月一日獲委任為本公司非執行董事及於二零一六年九月十五日重新獲委任為執行董事。
- (ii) 於二零一五年五月二十六日獲委任及於二零一六年九月十五日辭任。二零一五年及二零一六年薪酬分析中分別並不包括梁蕙馨女士受聘董事前及辭任董事後獲支付的薪金及津貼約港元181,000及117,000港元。
- (iii) 於二零一六年十二月二十一日獲委任
- (iv) 於二零一五年五月二十六日獲委任
- (v) 於二零一五年七月三十一日辭任
- (vi) 於二零一五年五月二十六日辭任

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14. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

There was no arrangement under which a director waived or agreed to waive any emoluments during the year.

(b) Five highest paid individuals

The five highest paid individuals in the Group during the year included nil (2015: 2) director(s) whose emoluments are reflected in the analysis presented above. The emoluments of the remaining 5 (2015: 3) individuals are set out below respectively:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Basic salaries and allowances	基本薪金及津貼	2,696	1,272
Retirement benefits scheme contributions	退休福利計劃供款	83	54
		2,779	1,326

There was no discretionary bonus paid or payable to any of the directors and the five highest paid individuals during the years ended 31 December 2016 and 2015.

The emoluments fell within the following band:

		Number of individuals 人數	
		2016 二零一六年	2015 二零一五年
Nil to HK\$1,000,000	零至1,000,000港元	5	3

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

(c) Senior management's emoluments

Senior management represents the executive directors. The emoluments paid or payable to senior management during the year have been set out in the analysis presented above.

14. 董事及僱員酬金 (續)

(a) 董事酬金 (續)

於年內，概無董事放棄或同意放棄任何酬金的安排。

(b) 五位最高薪酬人士

於年內，本集團五位最高薪酬人士包括零名(二零一五年：2名)董事，其酬金在上述呈列的分析中反映。其餘5名(二零一五年：3名)個人的酬金分別載列以下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Basic salaries and allowances	基本薪金及津貼	2,696	1,272
Retirement benefits scheme contributions	退休福利計劃供款	83	54
		2,779	1,326

截至二零一六年及二零一五年十二月三十一日止年度，並無向任何董事及五大最高薪酬人士支付或應付任何酌情花紅。

屬於下列幅度的酬金：

		Number of individuals 人數	
		2016 二零一六年	2015 二零一五年
Nil to HK\$1,000,000	零至1,000,000港元	5	3

於年內，本集團概無向任何董事或最高薪酬人士支付任何酬金作為加盟或加盟本集團後的獎勵或作為離職補償。

(c) 高級管理人員的酬金

高層管理人員指執行董事。於年內，已付或應付予高級管理層之酬金已載於上述呈列的分析中。

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15. DIVIDEND

No dividend had been paid or declared by the Company during the year (2015: Nil).

16. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK\$44,094,000 (2015: HK\$17,526,000) and the weighted average number of ordinary shares of 5,227,800,000 (2015: 5,227,800,000) in issue during the year.

(b) Diluted loss per share

The effects of the Company's potential ordinary shares in respect of the outstanding share options are anti-dilutive for the years ended 31 December 2016 and 2015.

17. RETIREMENT BENEFIT SCHEMES

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of HK\$1,500 (2015: HK\$1,500) per employee and vest fully with employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries established in the PRC are members of a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of these subsidiaries. The only obligation of these subsidiaries with respect to the central pension scheme is to meet the required contributions under the scheme.

There was no forfeited contribution in respect of the defined contribution plan available at 31 December 2016 and 2015.

15. 股息

本公司於年內概無派付或宣派任何股息(二零一五年：無)。

16. 每股虧損

(a) 每股基本虧損

本公司擁有人應佔每股基本虧損乃根據年內本公司擁有人應佔虧損約44,094,000港元(二零一五年：17,526,000港元)及年內已發行普通股加權平均數5,227,800,000(二零一五年：5,227,800,000)計算。

(b) 每股攤薄虧損

本公司於截至二零一六年及二零一五年十二月三十一日止年度之未行使購股權造成之潛在普通股之影響為反攤薄影響。

17. 退休福利計劃

本集團根據香港強制性公積金計劃條例為香港所有合資格僱員運作強制性公積金計劃(「強積金計劃」)。本集團對強積金計劃之供款按薪資及工資的5%計算，惟每名僱員每月最高金額為1,500港元(二零一五年：1,500港元)及在向強積金計劃供款時全部歸屬於僱員。

本集團於中國成立的附屬公司的僱員參加地方市政府運作的中央退休金計劃。該等附屬公司須向中央退休金計劃按僱員基本薪資及工資的若干百分比供款，以為退休福利提供資金。地方市政府承諾承擔該等附屬公司所有現有及未來退休僱員的退休福利責任。該等附屬公司就中央退休金計劃的唯一責任為償付計劃項下規定的供款。

於二零一六年及二零一五年十二月三十一日並無定額供款計劃之已沒收供款可用。

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18. PROPERTY, PLANT AND EQUIPMENT

18. 物業、廠房及設備

		Furniture and fixture 傢俬及裝置 HK\$'000 千港元	Leasehold improvement 租賃物業裝修 HK\$'000 千港元	Motor vehicle 汽車 HK\$'000 千港元	Mould 模具 HK\$'000 千港元	Office equipment 辦公設備 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本							
At 1 January 2015	於二零一五年一月一日	34	-	1,161	1,280	422	23,549	26,446
Additions	添置	10	392	-	-	139	271	812
Exchange realignment	匯兌調整	-	-	(10)	-	(9)	(566)	(585)
At 31 December 2015 and 1 January 2016	於二零一五年十二月 三十一日及二零一六年 一月一日	44	392	1,151	1,280	552	23,254	26,673
Additions	添置	14	879	-	27	1,090	-	2,010
Disposals of subsidiaries	出售附屬公司	(6)	-	-	-	(1,017)	-	(1,023)
Exchange realignment	匯兌調整	-	-	(16)	-	(16)	(964)	(996)
At 31 December 2016	於二零一六年 十二月三十一日	52	1,271	1,135	1,307	609	22,290	26,664
Accumulated depreciation	累計折舊							
At 1 January 2015	於二零一五年一月一日	34	-	736	1,280	357	18,427	20,834
Charge for the year	年內開支	1	16	182	-	19	1,237	1,455
Exchange realignment	匯兌調整	-	-	(8)	-	(7)	(393)	(408)
At 31 December 2015 and 1 January 2016	於二零一五年十二月 三十一日及二零一六年 一月一日	35	16	910	1,280	369	19,271	21,881
Charge for the year	年內開支	4	247	177	2	157	1,173	1,760
Disposals of subsidiaries	出售附屬公司	-	-	-	-	(113)	-	(113)
Exchange realignment	匯兌調整	-	-	(13)	-	(12)	(729)	(754)
At 31 December 2016	於二零一六年 十二月三十一日	39	263	1,074	1,282	401	19,715	22,774
Carrying amount	賬面值							
At 31 December 2016	於二零一六年 十二月三十一日	13	1,008	61	25	208	2,575	3,890
At 31 December 2015	於二零一五年 十二月三十一日	9	376	241	-	183	3,983	4,792

As at 31 December 2016, the carrying amount of a motor vehicle held by the Group under finance lease amounted to approximately HK\$40,000 (2015: HK\$198,000).

於二零一六年十二月三十一日，本集團根據融資租賃持有的一輛汽車的賬面值約40,000港元(二零一五年：198,000港元)。

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For the year ended 31 December 2016
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19. INTANGIBLE ASSETS

19. 無形資產

		HK\$'000 千港元
Cost	成本	
Additions, at 31 December 2015 and 1 January 2016	添置，於二零一五年十二月三十一日 及二零一六年一月一日	239
Additions	添置	533
Disposals of subsidiaries	出售附屬公司	(49)
		<hr/>
At 31 December 2016	於二零一六年十二月三十一日	723
		<hr/>
Accumulated amortisation and impairment losses	累計攤銷及減值虧損	
Charge for the year, at 31 December 2015 and 1 January 2016	年內開支，於二零一五年十二月三十一日 及二零一六年一月一日	20
Charge for the year	年內開支	135
Impairment loss	減值虧損	579
Disposals of subsidiaries	出售附屬公司	(11)
		<hr/>
At 31 December 2016	於二零一六年十二月三十一日	723
		<hr/>
Carrying amount	賬面值	
At 31 December 2016	於二零一六年十二月三十一日	-
		<hr/>
At 31 December 2015	於二零一五年十二月三十一日	219
		<hr/>

Intangible assets represent software applications acquired from independent third parties. Such intangible assets have definite useful lives and are amortised on a straight-line basis over 5 years.

During the year, the Group carried out review of the recoverable amount of its intangible assets, having regard to the market conditions of the Group's products. The review led to the recognition of an impairment loss of approximately HK\$579,000 for software applications have been recognised in profit or loss. The recoverable amount of intangible assets has been determined on the basis of their value in use using discounted cash flow method. The discount rate used was 6.4%.

無形資產指向獨立第三方購買的軟件應用程式。有關無形資產使用年期有限及按直線基準於5年內攤銷。

於年內，考慮到本集團產品的市況，本集團對無形資產的可回收金額進行檢討。該檢討導致就軟件應用程式確認之約579,000港元之減值虧損已於損益內確認。無形資產之可回收金額乃按照其使用價值使用貼現現金流方法計算之基準釐定。所使用的貼現率為6.4%。

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20. INVENTORIES

Raw materials	原材料
Work-in progress	在製品
Finished goods and merchandise	製成品及商品

20. 存貨

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
1,419	13,150
336	5,285
1,289	4,299
3,044	22,734

At the end of reporting period, the Group's inventories were stated at cost.

於報告期末，本集團之存貨乃按成本列賬。

During the year ended 31 December 2016, no reversal of allowance for inventories arose from sales of obsolete inventories (2015: Nil).

截至二零一六年十二月三十一日止年度，銷售陳舊存貨概無產生存貨撥備撥回(二零一五年：無)。

21. TRADE RECEIVABLES

Trade receivables	應收賬款
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21. 應收賬款

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
4,620	5,927

The Group's trading terms with its major customers is either on credit or to provide the Group with irrecoverable letters of credit issued by reputable banks, with terms within 30 days (2015: 30 days). The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

本集團與其主要客戶的貿易條款為賒賬或向本集團提供信譽良好的銀行所發行期限為30日以內的不可收回信用證(二零一五年：30日)。本集團務求對未償還應收款項進行嚴格控制。逾期結餘由董事定期審閱。

An ageing analysis of the Group's trade receivables, based on the invoice date is as follows:

本集團按發票日期計算的應收賬款的賬齡分析如下：

0-30 days	0至30日
31-60 days	31至60日
61-90 days	61至90日
Over 90 days	90日以上

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
591	621
263	1,382
123	153
3,643	3,771
4,620	5,927

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21. TRADE RECEIVABLES (continued)

As of 31 December 2016, trade receivables of approximately HK\$4,121,000 (2015: HK\$5,306,000) were past due but not impaired. These trade receivables related to customers for whom there was no recent history of default. The ageing analysis of these trade receivables, based on due date, is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0-30 days	0至30日	92	1,382
31-60 days	31至60日	263	153
Over 60 days	60日以上	3,766	3,771
		4,121	5,306

The carrying amounts of the Group's trade receivables at the end of reporting period are denominated in the following currencies:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
HK\$	港元	835	15
US\$	美元	3,698	5,912
RMB	人民幣	87	-
		4,620	5,927

22. PREPAYMENTS AND DEPOSITS

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Deposits	按金	1,371	1,053
Prepayments	預付款項	595	4,503
		1,966	5,556

Neither of the above assets is past due nor impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

21. 應收賬款(續)

截至二零一六年十二月三十一日，應收賬款約4,121,000港元(二零一五年：5,306,000港元)已過期但未減值。該等應收賬款與並無近期違約記錄的客戶有關。該等應收賬款按到期日計的賬齡分析如下：

本集團於報告期末的應收賬款的賬面值以下列貨幣計值：

22. 預付款項及按金

上述資產既無過期亦無減值。在以上結餘中計入的金融資產乃有關近期並無違約記錄的應收款項。

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23. BANK AND CASH BALANCES/BANK OVERDRAFTS

(a) Bank and cash balances

At the end of reporting period, the bank and cash balances of the Group are denominated in the following currencies:

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
HK\$ 港元	4,736	18,786
RMB 人民幣	1,694	5,944
US\$ 美元	782	8,255
	7,212	32,985

Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

(b) Bank overdrafts

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank overdrafts 銀行透支	50	-

The bank overdrafts of the Group is arranged at floating rates, thus exposing the Company to cash flow interest rate risk. The average interest rate of the Group's bank overdrafts during the year is 13.85% (2015: 11.42%) per annum.

23. 銀行及現金結餘／銀行透支

(a) 銀行及現金結餘

於報告期末，本集團銀行及現金結餘按下列貨幣計值：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
HK\$ 港元	4,736	18,786
RMB 人民幣	1,694	5,944
US\$ 美元	782	8,255
	7,212	32,985

人民幣兌換為外幣須受中華人民共和國外匯管制條例及結匯、售匯及付匯外匯條例規限。

(b) 銀行透支

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank overdrafts 銀行透支	50	-

本集團銀行透支按浮息協定，因而令本公司面臨現金流量利率風險。本集團於年內銀行透支的平均年利率為13.85%（二零一五年：11.42%）。

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24. TRADE PAYABLES

An ageing analysis of the Group's trade payables, based on the invoice date is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0-30 days	0至30日	1,118	2,743
31-60 days	31至60日	7	4,332
61-90 days	61至90日	8	640
Over 90 days	90日以上	554	3,967
		1,687	11,682

The carrying amounts of the Group's trade payables at the end of reporting period are denominated in the following currencies:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
HK\$	港元	21	317
RMB	人民幣	451	7,198
US\$	美元	1,215	4,167
		1,687	11,682

25. OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED EXPENSES

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Deposits received from customers	已收客戶訂金	1,638	1,378
Accruals for operations	經營應計項目	3,007	1,646
Accruals for staff costs	應計員工成本	1,467	2,768
Others	其他	19	103
		6,131	5,895

24. 應付賬款

本集團按發票日期計算的應付賬款的賬齡分析如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0-30 days	0至30日	1,118	2,743
31-60 days	31至60日	7	4,332
61-90 days	61至90日	8	640
Over 90 days	90日以上	554	3,967
		1,687	11,682

本集團於報告期末的應付賬款的賬面值以下列貨幣計值：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
HK\$	港元	21	317
RMB	人民幣	451	7,198
US\$	美元	1,215	4,167
		1,687	11,682

25. 其他應付款項、已收訂金及應計費用

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Deposits received from customers	已收客戶訂金	1,638	1,378
Accruals for operations	經營應計項目	3,007	1,646
Accruals for staff costs	應計員工成本	1,467	2,768
Others	其他	19	103
		6,131	5,895

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26. AMOUNT DUE TO A DIRECTOR

As of 31 December 2016, amount due to a director of approximately HK\$683,000 (2015: HK\$6,275,000) is unsecured, interest-free and repayable on demand. The remaining balance of HK\$7,000,000 (2015: Nil) is unsecured, interest-free and repayable on 31 December 2019. Accordingly, it is classified as non-current liabilities as at 31 December 2016 and is carried at amortised cost calculated at an effective interest rate of 6.4% per annum.

The directors of the Company are of the opinion that the above amount due to a director constitute continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules but fully exempted pursuant to Rule 20.88 of the GEM Listing Rules as the Company has fulfilled the relevant requirements.

27. FINANCE LEASE PAYABLES

The Group had leased a motor vehicle under finance lease. The average lease term is 5 years. During the year, the average effective borrowing rate was 7.42% (2015: 7.42%). Interest rate is fixed at the contract date and thus exposes the Group to fair value interest rate risk. The lease is on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The finance lease payables are denominated in HK\$.

The finance lease payables of the Group are secured by the lessor's title to the leased assets.

26. 應付一名董事款項

截至二零一六年十二月三十一日，應付一名董事款項約683,000港元(二零一五年：6,275,000港元)為無抵押、免息及須按要求償還。7,000,000港元(二零一五年：無)的其餘結餘為無抵押、免息及於二零一九年十二月三十一日償還。因此，其歸類為於二零一六年十二月三十一日的非流動負債及按實際年利率6.4%計算的攤銷成本列賬。

本公司董事認為，上述應付董事款項構成創業板上市規則第20章所界定的持續關連交易，惟根據創業板上市規則第20.88條獲全面豁免，因為本公司已符合相關規定。

27. 融資租賃應付款項

	Minimum lease payments		Present value of minimum lease payments	
	最低租賃款項		最低租賃款項現值	
	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	42	167	41	158
In the second to fifth years, inclusive	-	43	-	42
Less: Future finance charges	(1)	(10)	N/A	N/A
Present value of lease obligations	41	200	41	200
Less: Amount due for settlement within 12 months (shown under current liabilities)			(41)	(158)
Amount due for settlement after 12 months			-	42

本集團根據融資租賃租用一輛汽車。平均租期為5年。於年內，平均有效借貸率為7.42%(二零一五年：7.42%)。利率按合同日期釐定及因而令本集團面臨公允值利率風險。租賃按固定償還基準及概無就或然租金付款訂立任何安排。融資租賃應付款項以港元計值。

本集團融資租賃應付款項由出租人對租賃資產的業權抵押。

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28. DEFERRED TAXATION

At the end of the reporting period, the Group has unused tax losses of approximately HK\$16,878,000 (2015: HK\$8,838,000) that are available for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses due to unpredictability of future profit streams. Included in unrecognised tax losses are losses HK\$9,047,000 (2015: HK\$4,522,000) that will expire in five years from 2017 to 2021. Other tax losses may be carried forward indefinitely.

Under the Law of the PRC on EIT, a withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. As at 31 December 2016 and 2015, no deferred taxation in respect of these taxable temporary differences had been recognised as the Group's PRC subsidiaries were loss making during the years.

Up to 31 December 2014, deferred taxation has not been provided in the financial statements in respect of temporary difference attributable to profits earned by the Group's PRC subsidiary since 1 January 2008 as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

28. 遞延稅項

於報告期末，本集團未動用的約16,878,000港元(二零一五年：8,838,000港元)的稅項虧損用作抵銷未來應課稅溢利。就該等虧損並無確認遞延稅項資產，乃由於未來溢利來源的不可預測性。計入未確認的稅項虧損為9,047,000港元(二零一五年：4,522,000港元)虧損，將於二零一七年至二零二一年五年間屆滿。其他稅項虧損可能無限期結轉。

根據中國企業所得稅法，就中國附屬公司於二零零八年一月一日以後賺取的溢利宣派的股息徵收預扣稅。於二零一六年及二零一五年十二月三十一日，並無就應課稅暫時性差額確認遞延稅項，因為本集團的中國附屬公司於年內錄得虧損。

於二零一四年十二月三十一日，就本集團中國附屬公司自二零零八年一月一日起賺取的溢利應佔暫時差額於財務報表內並無計提遞延稅項，乃由於本集團能控制暫時差額撥回的時間及暫時差額可能不會於可見未來撥回。

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29. SHARE CAPITAL

29. 股本

		Number of ordinary shares 普通股數目			
		at HK\$0.01 per share 每股面值 0.01 港元	at HK\$0.001 per share 每股面值 0.001 港元	at HK\$0.0002 per share 每股面值 0.0002 港元	HK\$'000 千港元
Authorised	法定				
At 1 January 2015	於二零一五年一月一日	1,000,000,000	-	-	10,000
Effects of shares subdivision (note (a))	股份拆細之影響 (附註(a))	(1,000,000,000)	10,000,000,000	-	-
Effects of shares subdivision (note (b))	股份拆細之影響 (附註(b))	-	(10,000,000,000)	50,000,000,000	-
At 31 December 2015, 1 January 2016 and 31 December 2016	於二零一五年十二月 三十一日、二零一六年 一月一日及二零一六年 十二月三十一日	-	-	50,000,000,000	10,000
Issued	已發行				
At 1 January 2015	於二零一五年一月一日	104,556,000	-	-	1,046
Effects of shares subdivision (note (a))	股份拆細之影響 (附註(a))	(104,556,000)	1,045,560,000	-	-
Effects of shares subdivision (note (b))	股份拆細之影響 (附註(b))	-	(1,045,560,000)	5,227,800,000	-
At 31 December 2015, 1 January 2016 and 31 December 2016	於二零一五年十二月 三十一日、二零一六年 一月一日及二零一六年 十二月三十一日	-	-	5,227,800,000	1,046

Notes:

- (a) Pursuant to the share subdivision on 8 January 2015, the authorised share capital of the Company of HK\$10,000,000 was divided into 10,000,000,000 subdivided shares, of which 1,045,560,000 subdivided shares was issued and fully paid. After the shares subdivision, each of the existing issued and unissued shares of par value of HK\$0.01 each in the share capital of the Company was subdivided into 10 subdivided shares of par value of HK\$0.001 each.
- (b) Pursuant to the share subdivision on 9 October 2015, the authorised share capital of the Company of HK\$10,000,000 was divided into 50,000,000,000 subdivided shares, of which 5,227,800,000 subdivided shares was issued and fully paid. After the shares subdivision, each of the existing issued and unissued shares of par value of HK\$0.001 each in the share capital of the Company was subdivided into 5 subdivided shares of par value of HK\$0.0002 each.

附註：

- (a) 根據於二零一五年一月八日之股份拆細，本公司之法定股本10,000,000港元拆細為10,000,000,000股拆細股份，當中有1,045,560,000股為已發行及繳足之拆細股份。股份拆細後，本公司股本中每股面值為0.01港元之現有已發行及未發行股份獲拆細為10股每股面值0.001港元之拆細股份。
- (b) 根據於二零一五年十月九日之股份拆細，本公司之法定股本10,000,000港元拆細為50,000,000,000股拆細股份，當中有5,227,800,000股為已發行及繳足之拆細股份。股份拆細後，本公司股本中每股面值為0.001港元之現有已發行及未發行股份獲拆細為5股每股面值0.0002港元之拆細股份。

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財務報表附註

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29. SHARE CAPITAL (continued)

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance. The capital structure of the Group comprises all components of shareholders' equity.

The Group reviews the capital structure frequently by considering the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts, redemption of existing debts or selling assets to reduce debts. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2016 and 2015.

The only externally imposed capital requirement is that for the Group to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares. The Group receives a report from the share registrars weekly on substantial share interests showing the non-public float and it demonstrates continuing compliance with the 25% limit from the date of the Listing. As of 31 December 2016, 57% (2015: 33%) of the shares were in public hands.

29. 股本(續)

本集團管理資本的目標為保障本集團持續經營的能力及透過優化債務及股本結餘而為股東謀求最大回報。本集團資本架構包括股東權益的所有組成元素。

本集團透過考慮資本成本及與每類資本相關的風險而經常審查資本架構。本集團將會透過支付股息、發行新股及股份購回以及發行新債務、贖回現有債務或出售資產以減少債務等方式平衡其整個資本架構。於截至二零一六年及二零一五年十二月三十一日止年度，資本管理的目標、政策或流程概無作出變動。

本集團維持其於聯交所上市地位之唯一外部施加之資本要求為，本集團須保持至少25%股份為公眾持股量。本集團每週接獲股份過戶登記處發出列示非公眾持股量之重大股份權益報告，該報告顯示本集團自上市日期以來持續遵守25%之限額。於二零一六年十二月三十一日，本集團有57%(二零一五年：33%)股份由公眾股東持有。

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財務報表附註

For the year ended 31 December 2016
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30. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

30. 本公司之財務狀況表

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	35	-
Investment in a subsidiary	於附屬公司之投資	2,508	21,772
		2,543	21,772
Current assets	流動資產		
Prepayments	預付款項	138	219
Amounts due from subsidiaries	應收附屬公司款項	-	12,457
Amount due from a corporate shareholder	應收一名公司股東款項	-	5
Bank and cash balances	銀行及現金結餘	6,216	23,396
		6,354	36,077
Current liabilities	流動負債		
Other payables and accrued expenses	其他應付款項及應計費用	123	169
Amounts due to subsidiaries	應付附屬公司款項	11,033	9,523
		11,156	9,692
Net current (liabilities)/assets	流動(負債)/資產淨值	(4,802)	26,385
NET (LIABILITIES)/ASSETS	(負債)/資產淨值	(2,259)	48,157
Capital and reserves	股本及儲備		
Share capital	股本	1,046	1,046
Reserves	儲備	(3,305)	47,111
(CAPITAL DEFICIENCY)/TOTAL EQUITY	(資本虧絀)/權益總額	(2,259)	48,157

Approved and authorised for issue by the Board of Directors on 21 March 2017.

由董事會於二零一七年三月二十一日批准及授權刊發。

Tang Wai Ting, Samson
鄧偉廷
Director
董事

Mak Hing Keung, Thomas
麥興強
Director
董事

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2016
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31. RESERVES

(a) Group

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

(b) Company

31. 儲備

(a) 本集團

本集團的儲備及其中的變動在綜合損益及其他全面收益表及綜合權益變動表內呈列。

(b) 本公司

		Share premium (note 31(c)(i)) 股份溢價 (附註31(c)(i)) HK\$'000 千港元	Option reserve (note 31(c)(v)) 購股權儲備 (附註31(c)(v)) HK\$'000 千港元	Contributed surplus (note 31(c)(vi)) 繳入盈餘 (附註31(c)(vi)) HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	38,747	317	29,764	(8,573)	60,255
Loss and total comprehensive income for the year	年內虧損及全面收入總額	-	-	-	(13,144)	(13,144)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	38,747	317	29,764	(21,717)	47,111
Release upon lapse of share option	於購股權失效時解除	-	(317)	-	317	-
Loss and total comprehensive income for the year	年內虧損及全面收入總額	-	-	-	(50,416)	(50,416)
At 31 December 2016	於二零一六年十二月三十一日	38,747	-	29,764	(71,816)	(3,305)

(c) Nature and purpose of reserves

(i) Share premium

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

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share and after deduction of capitalisation issue and issuance costs of shares.

(c) 儲備的性質及宗旨

(i) 股份溢價

根據開曼群島公司法，本公司股份溢價賬之資金可供分派予本公司股東，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中已到期之債務。

股份溢價指按超出每股股份面值之價格發行股份，並扣除資本化發行及股份發行成本後產生之溢價。

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31. RESERVES (continued)

(c) Nature and purpose of reserves (continued)

(ii) Statutory reserve

In accordance with the PRC Company Law and the Group's PRC subsidiaries' articles of association, the Group's PRC subsidiaries are required to allocate 10% of its profit after tax as determined in accordance with the relevant accounting principles and financial regulations applicable to PRC companies to the statutory reserve until such reserve reaches 50% of the registered capital. The appropriation to the reserve must be made before any distribution of dividends to equity holders. The statutory surplus reserve can be used to offset previous years' losses, if any, and part of the statutory surplus reserve can be capitalised as paid-in capital provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of the paid-in capital of the Group's subsidiaries.

(iii) Merger reserve

The merger reserve represents the difference between the nominal value of the share capital and share premium of Central Pacific International Group Limited ("**Central Pacific International**") amounted to HK\$10,300,000 and HK\$2,100,000 respectively at the date on which it was acquired by Millennium Pacific International Group Limited ("**Millennium Pacific**"), over the nominal value of 1,000 shares issued by the Company pursuant to the Group Reorganisation for the purpose of the Listing (the "**Group Reorganisation**").

(iv) Foreign currency translation reserve

The foreign currency translation 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 policies set out in note 5(b)(iii) to the financial statements.

(v) Option reserve

Option reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Company recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 5(r) to the financial statements.

(vi) Contributed surplus

The contributed surplus of the Company represented the excess of the consideration of Central Pacific International at the date on which it was acquired by Millennium Pacific, over the nominal value of 1,000 shares issued by the Company pursuant to the Group Reorganisation.

31. 儲備(續)

(c) 儲備的性質及宗旨(續)

(ii) 法定儲備

根據中國公司法及本集團中國附屬公司的公司組織章程細則，本集團中國附屬公司須按照有關會計政策及中國公司通用的財務條例所釐定的撥付10%稅後溢利至法定儲備，直至該儲備達到註冊資本的50%。向儲備的撥款必須在向權益股東分派股息之前作出。法定盈餘儲備可用作抵銷過往年度的虧損(如有)，部份法定盈餘儲備可被撥充資本為實繳資本，惟撥充資本後剩餘的該項儲備金額不得低於本集團旗下各附屬公司實繳股本的25%。

(iii) 合併儲備

合併儲備指中匯環球集團有限公司(「**中匯環球集團**」)獲Millennium Pacific International Group Limited(「**Millennium Pacific**」)收購當日其股本面值10,300,000港元及股份溢價2,100,000港元分別與本公司根據本集團就上市而進行之重組(「**集團重組**」)發行1,000股股份的面值之間的差額。

(iv) 外幣換算儲備

外幣換算儲備包括因換算海外業務財務報表而產生的所有外匯差額。儲備按照財務報表附註5(b)(iii)內載列的會計政策處理。

(v) 購股權儲備

購股權儲備指授予本公司僱員之未行使購股權之實際或估計數目之公允值，其按照財務報表附註5(r)就以權益結算以股份為基礎付款而採納之會政策確認。

(vi) 繳入盈餘

本公司的繳入盈餘指中匯環球集團獲Millennium Pacific收購當日的代價超過本公司根據集團重組發行1,000股股份的面值的部份。

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32. SHARE-BASED PAYMENTS

Equity-settled share option scheme

On 20 June 2014, written resolution of the shareholders of the Company was passed to conditionally approve and adopt two share option schemes namely, Pre-IPO Share Option Scheme (“**Pre-IPO Share Option Scheme**”) and Share Option Scheme (“**Share Option Scheme**”) to recognise and motivate the contributions that eligible participants have made or may make to the Group. The Pre-IPO Share Option Scheme was valid and effective for a period commencing from 20 June 2014 to the date immediately prior to the Listing of the Company (i.e. 17 July 2014), after which no further option to be granted, but the provisions of the Pre-IPO Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Pre-IPO Share Option Scheme.

The Share Option Scheme adopted by the Company on 20 June 2014 will remain in force for a period of ten years from its effective date to 19 June 2024.

Particulars of the Pre-IPO Share Option Scheme and Share Option Scheme of the Company are set out in Appendix IV to the Company's prospectus dated 27 June 2014.

Pursuant to the resolution of the shareholders of the Company passed on 20 June 2014, it was resolved to grant 2,000,000 share options to an employee under the Pre-IPO Share Option Scheme, to subscribe for shares of the Company at an exercise price of HK\$1.35 per option. The share options granted under the Pre-IPO Share Option Scheme are exercisable for a period from the date immediately prior to the Listing of the Company to 19 June 2016.

Apart from 2,000,000 share options were granted under the Pre-IPO Share Option Scheme on 20 June 2014, there is no share option was granted under the Share Option Scheme during the years ended 31 December 2016 and 2015.

As of 31 December 2015, the Group had 97,200,000 share options outstanding under the Pre-IPO Share Option Scheme. During the year ended 31 December 2016, 97,200,000 share options granted under the Pre-IPO Share Option Scheme were lapsed following its expiry on 19 June 2016.

32. 以股份為基礎付款 以權益結算購股權計劃

於二零一四年六月二十日，本公司股東通過書面決議案，有條件批准及採納兩項購股權計劃，即上市前購股權計劃（「上市前購股權計劃」）及購股權計劃（「購股權計劃」），以表揚及鼓勵合資格參與者曾對或可能會對本集團作出之貢獻。上市前購股權計劃自二零一四年六月二十日起至緊接本公司上市前一日（即二零一四年七月十七日）止期間有效及生效，其後概無進一步授出購股權，惟上市前購股權計劃條文仍具十足效力及效用，以致使先前或其他可能按規定根據上市前購股權計劃條文授出的任何購股權有效行使而言屬必要者為限。

本公司已於二零一四年六月二十日採納購股權計劃，自計劃生效日期起計10年內有效，並將於二零二四年六月十九日屆滿。

本公司之上市前購股權計劃及購股權計劃之詳情載於本公司日期為二零一四年六月二十七日之招股章程附錄四。

根據本公司股東於二零一四年六月二十日通過的決議案，議決根據上市前購股權計劃向一名僱員授出2,000,000份購股權，以按行使價每份購股權1.35港元認購本公司股份。根據上市前購股權計劃授出的購股權由緊接本公司上市前一日起直至二零一六年六月十九日止期間可予行使。

除於二零一四年六月二十日根據上市前購股權計劃授出的2,000,000份購股權外，於截至二零一六年及二零一五年十二月三十一日止年度，概無根據購股權計劃授出購股權。

於二零一五年十二月三十一日，本集團於上市前購股權計劃下有97,200,000份未行使購股權。截至二零一六年十二月三十一日止年度，根據上市前購股權計劃授出的97,200,000份購股權於二零一六年六月十九日屆滿後失效。

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32. SHARE-BASED PAYMENTS (continued) Equity-settled share option scheme (continued)

As resulted by the completion of two share subdivisions of the Company on 8 January 2015 and 9 October 2015 as set out in notes 29(a) and 29(b) to the financial statements respectively, and pursuant to the supplementary guidance issued by the Stock Exchange on 5 September 2005 with respect to the adjustment of share options under Rule 23.03(13) of the GEM Listing Rules, the exercise price of the outstanding share options granted by the Company and the total number of shares of the Company comprised in the outstanding share options which may be allotted and issued upon exercise of all outstanding share options thereunder were adjusted.

Movements in the number of share options outstanding and their related weighted average exercise price as follows:

		2016 二零一六年		2015 二零一五年	
		Number of options 購股權數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of options 購股權數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元
Outstanding at the beginning of the year	於年初未行使	97,200,000	0.027	1,944,000	1.35
Lapsed during the year	年內失效	(97,200,000)	0.027	-	-
Adjustment for share subdivision (note 29(a))	股份拆細之調整 (附註 29(a))	-	-	17,496,000	0.135
Adjustment for share subdivision (note 29(b))	股份拆細之調整 (附註 29(b))	-	-	77,760,000	0.027
Outstanding at the end of the year	於年末未行使	-	-	97,200,000	0.027
Exercisable at the end of the year	於年末可行使	-	-	97,200,000	0.027

The fair value of the share options granted on 20 June 2014 determined using the Black-Scholes valuation model was HK\$327,000. The significant inputs into the model were share price of HK\$1.22 as at the grant date, exercise price of HK\$1.35 per option, expected volatility of 23.2%, expected life of options of two years, expected zero dividend paid-out rate and annual risk-free interest rate of 0.4% for exercise date beginning on 18 July 2014. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis.

32. 以股份為基礎付款(續) 以權益結算購股權計劃(續)

由於本公司分別於二零一五年一月八日及二零一五年十月九日完成兩次股份分拆(如財務報表附註29(a)及29(b)所載),且根據聯交所於二零零五年九月五日就創業板上市規則第23.03(13)條項下的購股權調整發出的補充指引,本公司已調整其所授出的尚未行使購股權的行使價及有關尚未行使購股權所涉及股份總數(即所有尚未行使購股權獲行使後可予配發及發行者)。

未行使購股權數目及其相關加權平均行使價之變動如下:

於二零一四年六月二十日授出之購股權之公允值採用布萊克-舒爾斯估值模型釐定,為327,000港元。該模型之重要輸入數據為於授出日期的股價1.22港元、行使價每份購股權1.35港元、預期波幅23.2%、購股權之預計兩年年期、預期零派息率及就於二零一四年七月十八日開始之行使日期之年度無風險利率0.4%。按照預計股價回報之標準偏差所計算之波幅,乃根據統計數字分析計算。

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33. SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 December 2016 are set out below:

33. 附屬公司

本公司之附屬公司於二零一六年十二月三十一日之詳情載列如下：

Name 名稱	Place of incorporation/ establishment 註冊成立/成立地點	Registered and paid up capital 註冊及繳足股本	Percentage of ownership interest 擁有權益百分比		Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接	
Millennium Pacific	British Virgin Islands 11 September 2013	1,000 ordinary shares of US\$1 each	100%	–	Investment holding, Hong Kong
Millennium Pacific	英屬維京群島 二零一三年九月十一日	1000 股每股面值 1 美元的 普通股			投資控股 香港
Central Pacific International	Hong Kong 14 January 2000	HK\$12,400,000	–	100%	Trading of electronic devices, Hong Kong
中匯環球集團	香港 於二零零零年 一月十四日	12,400,000 港元			電子設備貿易 香港
Millennium Pacific Trading Limited	Hong Kong 10 October 2014	HK\$10,000	–	100%	Trading of electronic devices, Hong Kong
Millennium Pacific Trading Limited	香港 二零一四年十月十日	10,000 港元			電子設備貿易 香港
Millennium Pacific Solutions Limited	Hong Kong 10 October 2014	HK\$10,000	–	100%	Inactive, Hong Kong
Millennium Pacific Trading Limited	香港 二零一四年十月十日	10,000 港元			暫無活動，香港
Millennium Pacific Concept Limited	Hong Kong 21 April 2015	HK\$10,000	–	100%	Research, development and trading of electronic devices, Hong Kong
Millennium Pacific Concept Limited	香港 二零一五年 四月二十一日	10,000 港元			電子設備的研發及貿易， 香港
Millennium Pacific Data Management Limited	Hong Kong 21 April 2015	HK\$10,000	–	100%	Provision of data management services, Hong Kong
匯思太平洋集團控股有限公司	香港 二零一五年四月二十一日	10,000 港元			提供數據管理服務， 香港
匯思太平洋貿易(深圳)有限公司 Millennium Pacific Trading (Shenzhen) Limited* ("MPTSZ")	PRC 21 May 2015	Registered: RMB1,000,000 Paid-up: RMB200,000	–	100%	Trading of electronic devices, PRC
匯思太平洋貿易(深圳)有限公司 (「匯思太平洋貿易(深圳)」)	中國 二零一五年五月二十一日	註冊：人民幣 1,000,000 元 繳足：人民幣 200,000 元			電子設備貿易，中國

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33. SUBSIDIARIES (continued)

Name 名稱	Place of incorporation/ establishment 註冊成立/成立地點	Registered and paid up capital 註冊及繳足股本	Percentage of ownership interest 擁有權權益百分比		Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接	
中匯環球電子(深圳)有限公司 Central Pacific Electronics (Shen Zhen) Limited* ("CPE")	PRC 12 May 2004	Registered and paid up capital of HK\$5,000,000	-	100%	Inactive, PRC
中匯環球電子(深圳)有限公司 (「中匯環球電子」)	中國 二零零四年五月十二日	5,000,000港元之註冊 及繳足資本			暫無活動，中國
中匯洲電子(深圳)有限公司 CPIT	PRC 3 July 2007	Registered and paid up capital of HK\$10,000,000	-	100%	Research, development and manufacturing of electronic devices, PRC
	中國 二零零七年七月三日	10,000,000港元之 註冊及繳足資本			電子設備的研發及製造， 中國

* English names are for identification purpose only

Note: MPTSZ, CPE and CPIT are wholly-foreign owned enterprises established in the PRC.

33. 附屬公司(續)

* 英文名稱僅供識別

附註：匯思太平洋貿易(深圳)、中匯環球電子及中匯洲電子為在中國成立的外商獨資企業。

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Disposals of subsidiaries

During the year, the Group disposed of its entire interests in three wholly-owned subsidiaries, namely, Millennium Pacific Information Technology Limited ("MPIT"), Truvisio Limited ("Truvisio") and Millennium Pacific Information Technology (Shenzhen) Limited ("MPITSZ") (collectively known as "Sale Companies"), which are engaged in operation of internet trading platform, to an independent third party (the "Purchaser") at an aggregated consideration of HK\$3,200,000 (the "Disposals").

Pursuant to the sales and purchase agreement entered into between the Group and the Purchaser dated 30 December 2016, the Group has conditionally agreed to sell the entire interests in the Sale Companies whereby all the amounts due by the Sale Companies to the Group at the date of completion of the Disposals, at an aggregated amount of approximately HK\$12,959,000 would be waived by the Group. The Disposals were completed on 30 December 2016.

34. 綜合現金流量表附註

出售附屬公司

於年內，本集團將其於三家全資附屬公司(即從事互聯網交易平台營運的Millennium Pacific Information Technology Limited(「MPIT」)、匯視創新有限公司(「Truvisio」)及匯思太平洋信息科技(深圳)有限公司(「MPITSZ」(合稱「出售公司」))的全部股本權益出售予獨立第三方(「買方」)，代價合計為3,200,000港元(「出售事項」)。

根據本集團與買方所訂立日期為二零一六年十二月三十日之買賣協議，本集團已有條件同意出售於出售公司的全部權益，據此，出售公司於出售事項完成日期應付予本集團的全部款項，總代價為約12,959,000港元，將獲本集團豁免。出售事項於二零一六年十二月三十日完成。

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34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

Disposals of subsidiaries (continued)

Net liabilities of the Sale Companies at the date of the Disposals were as follows:

		MPIT MPIT HK\$'000 千港元	MPITSZ MPITSZ HK\$'000 千港元	Truvisio Truvisio HK\$'000 千港元	Total 總計 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	899	–	11	910
Intangible assets	無形資產	38	–	–	38
Other receivables	其他應收款項	1,278	–	–	1,278
Bank and cash balances	銀行及現金結餘	99	3	–	102
Amounts due to the Group	應付本集團款項	(11,847)	(1)	(1,111)	(12,959)
Other payables	其他應付款項	(49)	(3)	(13)	(65)
Net liabilities disposed of	出售負債淨值	(9,582)	(1)	(1,113)	(10,696)

		HK\$'000 千港元
Net liabilities of the Sale Companies disposed of (per above)	出售出售公司的負債淨額(如上)	(10,696)
Waiver of amounts due to the Group	豁免應付本集團款項	12,959
Gain on disposals of subsidiaries	出售附屬公司收益	937
Total consideration, satisfied by cash	總代價，以現金方式支付	3,200
Net cash inflow arising on the Disposals:	因出售事項產生的現金流入淨額：	
Cash consideration received	已收現金代價	3,200
Cash and cash equivalents disposed of	出售現金及現金等值物	(102)
		3,098

35. CAPITAL COMMITMENTS

As of 31 December 2016 and 2015, the Group did not have any capital commitments.

34. 綜合現金流量表附註(續)

出售附屬公司(續)

出售公司於出售日期的負債淨額如下：

35. 資本承擔

於二零一六年及二零一五年十二月三十一日，本集團並無任何資本承擔。

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財務報表附註

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36. LITIGATIONS

The following litigations and petition were brought against the Group during the year:

(i) High Court Action No. 977/2016

On 21 April 2016, Charles Zhi (“**Plaintiff 1**”) had filed a claim against (i) the Company; (ii) Kor Sing Mung, Michael, an executive director of the Company (“**Mr. Kor**”); (iii) Tang Wai Ting Samson, an executive director of the Company (“**Mr. Tang**”) and (iv) World Link CPA Limited, the auditor of the Company (“**Auditor**”) under action number HCA 977/2016 (“**Legal Proceeding 1**”) in the High Court of Hong Kong (“**High Court**”) alleging that (i) Mr. Kor and Mr. Tang is subject to the mandatory general offer obligation regarding their shareholdings in the Company; (ii) Mr. Kor and Mr. Tang were involved in various accounting irregularity practices carried out by the Company and its subsidiaries; and (iii) the Auditor conducted negligent accounting review for the Company.

On 7 September 2016, a hearing took out in High Court by the Company to strike out the Legal Proceeding 1. The Plaintiff 1 had subsequently applied to the High Court to discontinue the Legal Proceeding 1 against the Company whereby an order was granted by the High Court to such effect. The High Court also ordered the Plaintiff 1 to pay legal costs of proceedings to the Company. The Company is therefore no longer a party in the Legal Proceeding 1.

(ii) Winding up petition

On 14 July 2016, the Company announced that Plaintiff 1 had filed a petition dated 11 July 2016 (“**Petition**”) in the Court of First Instance of the High Court against the (i) Company; (ii) Mr. Kor; (iii) Mr. Tang; (iv) Chan Kai Hei, spouse of Mr. Tang and a shareholder with 1% shareholding interest of CPIT Investments Limited (“**CPIT Investments**”), a then substantial shareholder of the Company according to the Disclosure of Interest information shown on the website of the Stock Exchange (“**Mrs. Tang**”); (v) Yang Wu, a then substantial shareholder of the Company according to the Disclosure of Interest information shown on the website of the Stock Exchange (“**Mr. Yang**”); (vi) Mak Jone, a shareholder of the Company; (vii) Seize Minute Limited (“**Seize Minute**”), a substantial shareholder of the Company and is beneficially owned as to 100% by Mr. Kor; (viii) CPIT Investments; (ix) Leung Wai Hing Ella, the then executive director of the Company; and (x) Mak Hing Keung Thomas, an executive director of the Company, alleging that (i) Central Pacific International was injected into the Company prior to the Listing of the Company based on overstated valuations; (ii) the operations of Central Pacific International were mostly dubious; and (iii) certain shareholders of the Company were engaged in illegal share pledge borrowing and acted in breach of the Code on Takeovers and Mergers, which in the circumstances renders it just, equitable and desirable to wind up the Company.

36. 訴訟

於年內對本集團提出的訴訟及呈請如下：

(i) 977/2016號高等法院訴訟

於二零一六年四月二十一日，Charles Zhi（「原告1」）入稟香港高等法院（「高等法院」）向(i)本公司；(ii) Kor Sing Mung, Michael先生，本公司執行董事（「Kor先生」）；(iii) 鄧偉廷先生，本公司執行董事（「鄧先生」）及(iv) 華普天健（香港）會計師事務所有限公司，本公司核數師（「核數師」）提出申索，訴訟編號為HCA 977/2016號（「法律訴訟1」）。原告1指稱(i) Kor先生及鄧先生須受就彼等於本公司之股權提出強制全面收購之責任所規限；(ii) Kor先生及鄧先生曾捲入本公司及其附屬公司進行之若干會計違規行為；及(iii)核數師對本公司進行會計審閱有所疏忽。

於二零一六年九月七日，本公司就撤銷法律訴訟1於高等法院進行聆訊。原告1其後向高等法院申請終止針對本公司之法律訴訟1，據此，高等法院已頒令終止訴訟。高等法院亦命令原告1向本公司支付訴訟之法律費用。本公司因此不再為法律訴訟1之參與方。

(ii) 清盤呈請

於二零一六年七月十四日，本公司公佈原告1於日期為二零一六年七月十一日在高等法院原訟法庭對(i)本公司；(ii) Kor先生；(iii) 鄧先生；(iv) 陳佳曦，鄧先生配偶及擁有CPIT Investments Limited（「CPIT Investments」）1%股權之股東，其後為根據聯交所網站披露權益資料所示本公司主要股東（「鄧太」）；(v) 楊武，根據聯交所網站披露權益資料所示本公司當時之主要股東（「楊先生」）；(vi) 麥志明，本公司股東；(vii) Seize Minute Limited（「Seize Minute」），本公司主要股東及由Kor先生全資實益擁有之公司；(viii) CPIT Investments；(ix) 梁蕙馨，當時為本公司執行董事；及(x) 麥興強，本公司執行董事提出呈請（「呈請」），指稱(i) 中匯環球集團乃根據誇大估值於本公司上市前注入本公司；(ii) 中匯環球大部分業務營運屬可疑；及(iii) 本公司若干股東參與非法股份質押借貸及違反公司收購及合併守則，故將本公司清盤屬公平、衡平及合宜做法。

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36. LITIGATIONS (continued)

(ii) Winding up petition (continued)

Pursuant to the Petition, the Plaintiff 1 had sought for (i) an order that the Company be wound up by the High Court under the provisions of the Companies (Winding-Up and Miscellaneous Provisions) Ordinance (the “**Winding Up Order Sought**”); and (ii) such other orders and costs may be made in the premises as shall be just.

On 29 September 2016, the High Court ordered that the Petition being sought by Plaintiff 1 to wind up the Company be struck out and the whole proceedings be transferred from the Companies Winding Up List to the Miscellaneous Proceedings List.

Up to the approval date on these financial statements, no further claims in relation to the Petition had been filed by Plaintiff 1 to the High Court. Having considered the legal advice from the Company’s legal counsel, the directors believe that the Company has a meritorious defence against the Petition. Accordingly, the directors do not believe that the Petition will have any material adverse impact on the Company and accordingly no provisions have been made in respect thereof.

(iii) High Court Action No. 1935/2016

On 27 July 2016, Kim, Sungho (“**Plaintiff 2**”) had filed a claim against (i) CPIT Investments; (ii) Mr. Tang; (iii) Mrs. Tang; (iv) Mr. Kor; (v) Mr. Yang; and (vi) the Company under action number HCA 1935/2016 (“**Legal Proceeding 2**”) in the High Court alleging that the dealings in the shares of the Company by CPIT Investments, acting upon instructions by Mr. Tang and Mrs. Tang, were ultra virus and illegal and hence void ab initio, such dealings include (a) the initial acquisition of the shares of the Company by CPIT Investments in 2013, prior to the Listing, was made through the use of falsified accounts; (b) the dealings of CPIT Investments, Mr. Tang and Mrs. Tang with Mr. Yang, prior to the Listing, in which CPIT Investments, Mr. Tang and Mrs. Tang assisted Mr. Yang to wrongfully obtain the shares of the Company without consideration; and (c) the sale of shares of the Company from CPIT Investments to Mr. Kor was done without consideration and with ulterior motive to evade certain rules under Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

The Plaintiff 2 had requested the High Court to grant an order to rescind the aforesaid dealings, forfeit the relevant shares and rescind any share pledge arrangement. Further, the Plaintiff 2 claimed that CPIT Investments, Mr. Tang, Mrs. Tang, Mr. Kor and Mr. Yang have committed offences under section 25(1) of the Organised and Serious Crime Ordinance (Chapter 455, the Laws of Hong Kong).

36. 訴訟(續)

(ii) 清盤呈請(續)

根據該呈請，原告1尋求(i)由高等法院根據公司(清盤及雜項條文)條例之條文對本公司進行清盤的頒令(「**清盤令訴求**」);及(ii)有關其他頒令及訴訟費於公正基礎上作出。

於二零一六年九月二十九日，高等法院頒令撤銷由原告1尋求清盤本公司的呈請，並將整個法律訴訟從公司清盤名單轉至雜項法律訴訟名單。

截至此等財務報表之批准日期，原告1並無就有關呈請向高等法院提出進一步申索。在考慮本公司法律顧問的法律建議後，董事相信本公司對該呈請具有有效抗辯。因此，董事相信該呈請將不會對本公司造成任何重大不利影響，因此並無就此作出任何撥備。

(iii) 1935/2016號高等法院訴訟

於二零一六年七月二十七日，Kim, Sungho (「**原告2**」)入稟香港高等法院向(i) CPIT Investments; (ii) 鄧先生; (iii) 鄧太太; (iv) Kor先生; (v) 楊先生; 及(vi)本公司提出申索，訴訟編號為HCA 1935/2016號(「**法律訴訟2**」)。原告2指稱CPIT Investments根據鄧先生及鄧太太指示行事，於買賣本公司股份時越權及違法，故有關買賣打從開始起無效。有關買賣包括(i)於二零一三年本公司股份首次公開發售前CPIT Investments透過使用虛假賬戶初始購入本公司股份; (ii) CPIT Investments、鄧先生及鄧太太與楊先生於首次公開發售前的買賣，當中CPIT Investments、鄧先生及鄧太太協助楊先生以不當途徑無償取得本公司股份; 及(iii) CPIT Investments無償向Kor先生銷售本公司股份，意圖逃避香港法例第571章證券及期貨條例項下若干規則。

因此，原告2求高等法院頒令撤銷上述買賣、沒收有關股份及撤銷任何股份質押安排。此外，原告2指控CPIT Investments、鄧先生、鄧太太、Kor先生及楊先生已違反香港法例第455章有組織及嚴重罪行條例第25(1)條。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2016
截至二零一六年十二月三十一日止年度

36. LITIGATIONS (continued)

(iii) High Court Action No. 1935/2016 (continued)

In preparing these financial statements, the directors have considered the legal advice from the Company's legal counsel and are of the opinion that the Company has merits in the defence against the Legal Proceeding 2. Accordingly, the directors consider that no provision is necessary for the Legal Proceeding 2.

On 18 January 2017, the Company has obtained an order from the High Court to dismiss the Legal Proceeding 2 with costs of the proceedings to be paid by the Plaintiff 2. The Company is therefore no longer a party in the Legal Proceeding 2.

(iv) High Court Action No. 2041/2016

On 12 August 2016, Lim Hang Young (the "Plaintiff 3") had filed a claim against (i) the Auditor; (ii) Mr. Tang; (iii) Mr. Chan Kwon Chi Vicky, a director of CPIT Investments ("Mr. Chan"); (iv) CPIT Investments; and (v) the Company under action number HCA 2041/2016 ("Legal Proceeding 3") in the High Court alleging that (i) the Auditor wilfully engaged in auditing and reporting irregularities in relation to audit reports for the Company and possible non-compliance with accounting requirements; (ii) Mr. Tang masterminded and directed the recording of various accounting irregularity and non-compliance practices to the Auditor; and (iii) Mr. Tang and Mr. Chan engaged in money laundering practices while dealing in the shares of the Company for the benefit of CPIT Investments.

The Plaintiff 3 had requested the High Court to grant an order for the Auditor to (i) restate the 2014 and 2015 audit reports of the Company and to disclose its knowledge and its role on the alleged offences committed by Mr. Tang and CPIT Investments under section 25(1) of the Organised and Serious Crime Ordinance; and (ii) to pay compensation to the Company for damages.

In preparing these financial statements, the directors have considered the legal advice from the Company's legal counsel and are of the opinion that the Company has merits in the defence against the Legal Proceeding 3. Accordingly, the directors consider that no provision is necessary for the Legal Proceeding 3.

On 18 January 2017, the Company has obtained an order from the High Court to dismiss the Legal Proceeding 3 with costs of the proceedings to be paid by the Plaintiff 3. The Company is therefore no longer a party in the Legal Proceeding 3.

36. 訴訟(續)

(iii) 1935/2016號高等法院訴訟(續)

於編製此等財務報表時，董事已考慮本公司法律顧問的法律建議並認為本公司對該法律訴訟2進行抗辯時具有優勢。因此，董事認為無需就法律訴訟2作出任何撥備。

於二零一七年一月十八日，本公司亦接獲高等法院頒令撤銷法律訴訟2，且由原告2支付訴訟之法律費用。本公司因此不再為法律訴訟2之參與方。

(iv) 2041/2016號高等法院訴訟

於二零一六年八月十二日，Lim Hang Young (「原告3」)入稟香港高等法院向(i)核數師；(ii)鄧先生；(iii)Chan Kwon Chi Vicky先生(CPIT Investments的董事) (「Chan先生」)；(iv)CPIT Investments；及(v)本公司提出申索，訴訟編號為HCA 2041/2016號(「法律訴訟3」)，指控(i)核數師故意就本公司審核報告之審核及報告進行違規行為且可能違反會計規定；(ii)鄧先生策劃及指示核數師的各種違規會計記錄及違規行為；及(iii)鄧先生及Chan先生為CPIT Investments利益而於買賣本公司股份時進行洗錢活動。

原告3已請求高等法院頒發判令要求核數師(i)重列本公司二零一四年及二零一五年之審核報告，並根據有組織及嚴重罪行條例第25(1)條披露其對鄧先生及CPIT Investments所犯涉嫌罪行的了解及擔任的角色；及(ii)向本公司賠償損失。

於編製此等財務報表時，董事已考慮本公司法律顧問的法律建議並認為本公司對該法律訴訟3進行抗辯時具有優勢。因此，董事認為無需就法律訴訟3作出任何撥備。

於二零一七年一月十八日，本公司亦接獲高等法院頒令撤銷法律訴訟3，且由原告3支付訴訟之法律費用。本公司因此不再為法律訴訟3之參與方。

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財務報表附註

For the year ended 31 December 2016
截至二零一六年十二月三十一日止年度

37. CONTINGENT LIABILITIES

Other than disclosed elsewhere in these financial statements, the Group did not have any contingent liabilities at the end of reporting period (2015: Nil).

38. RELATED PARTY TRANSACTIONS

Other than those balances of related party disclosed elsewhere in the financial statements, the Group had the following material transactions with its related parties during the year.

Guarantee

Mr. Tang and Mrs. Tang had guaranteed the banking facilities and bank loans obtained by certain subsidiaries within the Group to the extent of HK\$58,791,000 and HK\$3,791,000 respectively, such banking facilities were terminated during the year ended 31 December 2015.

The directors of the Company are of the opinion that the aforementioned guarantee given by Mr. Tang and Mrs. Tang constitute continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules but fully exempted pursuant to Rules 20.88 of the GEM Listing Rules as the Company has fulfilled the relevant requirements.

Key Management Compensation

Other than those disclosed in note 14 to the financial statements, there is no remuneration paid to key management personnel of the Company during the year (2015: Nil).

39. LEASE COMMITMENTS

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

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	一年內	4,057	2,948
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	366	2,397
		4,423	5,345

During the year, operating lease payments represent rentals payable by the Group for certain of its offices, factory premises and staff quarters. For the year ended 31 December 2016, leases are negotiated for an average term of 3 years (2015: 5 years) and rentals are fixed over the lease terms and do not include contingent rentals.

37. 或然負債

除該等財務報表其他章節披露外，本集團於報告期末並無任何或然負債(二零一五年：無)。

38. 關聯方交易

除財務報表其他章節披露的關聯方結餘外，本集團於年內與關聯方有下列重大交易。

擔保

截至二零一五年十二月三十一日止年度，鄧先生及鄧太太就本集團內若干附屬公司獲授的分別為58,791,000港元及3,791,000港元的銀行融資及銀行貸款提供擔保，而有關銀行融資已終止。

本公司董事認為，前述由鄧先生及鄧太太提供的擔保構成創業板上市規則第20章所界定的持續關連交易，惟根據創業板上市規則第20.88條獲全面豁免，因為本公司已符合相關規定。

主要管理層酬金

除財務報表附註14所披露者外，年內概無向本公司主要管理層人員支付酬金(二零一五年：無)。

39. 租賃承擔

於二零一六年十二月三十一日，根據不可註銷經營租賃應付的未來最低租賃款項總額如下：

於年內，經營租賃款項指本集團就若干辦事處、工廠廠房及員工宿舍應付的租金。截至二零一六年十二月三十一日止年度，租賃被分別磋商為平均租期3年(二零一五年：5年)及按租期確定租金及並不包括或然租金。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2016
截至二零一六年十二月三十一日止年度

40. EVENTS AFTER THE REPORTING PERIOD

(a) Possible acquisition

On 3 February 2017, the Company entered into a memorandum of understanding (“**MOU**”) with a target company which was established in the PRC with limited liability and is principally engaged in research, development, design, manufacture and sales of weak alkaline waste-free water purification machine (“**Target Company**”) pursuant to which the Company intends to acquire an interest in the Target Company (“**Possible Acquisition**”). The signing of a formal agreement in respect of the Possible Acquisition is subject to the fulfilment of the due diligence works to be conducted on the Target Company by the Company during the period commencing from 3 February 2017 to 2 August 2017. Details of the above are set out in the Company’s announcement dated 3 February 2017.

(b) Proposed placement of Bonds

On 20 March 2017, the Company announced that the Company had entered into the Placing Agreement with the Placing Agent on 16 March 2017, pursuant to which the Company agreed to appoint and the Placing Agent agreed to act as the placing agent for the purposes of arranging, on a best efforts basis, any independent professionals, institutional or private investor(s) procured by the Placing Agent to subscribe for the Bonds pursuant to the Placing Agreement during the period from the date of the Placing Agreement and end on the date falling 30 days from the date the Placing Agreement, at the issue price of 100% of the principal amount of the Bonds (the “**Proposed Placing**”).

The completion of the Proposed Placing is subject to the fulfilment of the conditions set out in the Placing Agreement. As of the approval date on these financial statements, the Proposed Placing is under progress and not yet completed.

Details are disclosed in the Company’s announcement dated 20 March 2017.

(c) Litigation

On 13 February 2017, the Plaintiff 1, Plaintiff 2, Plaintiff 3, Kim Kyungsoo and Joung Jong Hyun (collectively referred to as the “**Plaintiffs**”) had file a claim against (i) the Company; (ii) Mr. Kor; (iii) Mr. Tang; (iv) Mrs. Tang; (v) Mr. Yang; and (vi) CPIT Investments under action number HCMP 326/2017 (“**Legal Proceeding 4**”) in the High Court.

40. 報告期後事項

(a) 可能收購事項

於二零一七年二月三日，本公司與目標公司就可能收購事項訂立諒解備忘錄（「**諒解備忘錄**」），該目標公司乃於中國成立為有限責任公司，主要從事研究、研發、設計、製造及銷售弱鹼性無廢料淨水機（「**目標公司**」），據此本公司有意收購目標公司之權益（「**可能收購事項**」）。就可能收購事項簽署正式協議須受本公司於自二零一七年二月三日至二零一七年八月二日期間完成針對目標公司的盡職調查的規限。上述詳情載於本公司日期為二零一七年二月三日之公告。

(b) 提議配售債券

於二零一七年三月二十日，本公司宣佈本公司已於二零一七年三月十六日與配售代理訂立配售協議，據此，本公司已同意委任且配售代理同意擔任配售代理，以安排配售代理於自配售協議日期起至配售協議日期後30日止期間按盡力基準促使任何獨立專業人士、機構或私人投資者根據配售協議按為債券本金額100%之發售價認購債券（「**提議配售**」）。

提議配售須待配售協議所述之先決條件獲達成後，方告完成。截至該等財務報表之批准日期，提議配售仍在進行中且尚未完成。

有關詳情披露於本公司日期為二零一七年三月二十日的公佈。

(c) 訴訟

於二零一七年二月十三日，原告1、原告2、原告3、Kim Kyungsoo及Joung Jong Hyun（合稱為「**原告**」）入稟高等法院向(i)本公司；(ii) Kor先生；(iii)鄧先生；(iv)鄧太；(v)楊先生；及(vi) CPIT Investments提出申索，訴訟編號為HCMP 326/2017號（「**法律訴訟4**」）。

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財務報表附註

For the year ended 31 December 2016
截至二零一六年十二月三十一日止年度

40. EVENTS AFTER THE REPORTING PERIOD (continued)

(c) Litigation (continued)

The Plaintiffs had requested the High Court to grant an order to the above defendants for submission of the following documentations to the examination of the Stock Exchange; Securities and Futures Commission; and the Financial Reporting Council: (a) all ledger accounts of CPIT Investments; (b) all related documents of the sale and purchase of 200,000,000 shares of the Company between Mr. Yang and CPIT Investments; (c) identity documents of Mr. Yang; (d) all related documents of the pledge of the Company's shares by CPIT Investments to obtain financing since November 2015; and (e) the nominee agreement between Mr. Kor and Mr. Tang, if any.

The directors of the Company are currently in the process of assessing of what impact of the Legal Proceeding 4 on the Group and not yet concluded up to the approval date on these financial statements.

41. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 21 March 2017.

40. 報告期後事項(續)

(c) 訴訟(續)

原告已提請高等法院頒令要求上述被告向聯交所；證券及期貨事務監察委員會及財務匯報局呈交下列文件以供檢查：(a) CPIT Investments 所有的分類賬賬目；(b) 楊先生及CPIT Investments之間出售及購買本公司200,000,000股股份的所有相關文件；(c) 楊先生的身份證明文件；(d) 自二零一五年十一月起，CPIT Investments以本公司股份作抵押以獲得融資的所有相關文件；及(e) Kor先生及鄧先生之間訂立的代名人協議(如有)。

本公司董事目前正在評估法律訴訟4對本集團的影響，且截至該等財務報表的批准日期尚未得出結論。

41. 批准刊發財務報表

財務報表已於二零一七年三月二十一日獲董事會批准及授權刊發。

Five Year Financial Summary

五年財務摘要

		Year ended/As at 31 December 截至十二月三十一日止年度/於十二月三十一日				
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
OPERATING RESULT	經營業績					
Turnover	銷售額	51,727	67,098	237,226	348,321	259,081
Cost of sales	銷售成本	(46,125)	(61,054)	(210,511)	(308,843)	(225,679)
Gross profit	毛利	5,602	6,044	26,715	39,478	33,402
Other income	其他收入	2,701	1,048	342	272	272
Gain on disposals of subsidiaries	出售附屬公司收益	937	-	-	-	-
Selling and distribution costs	銷售及分銷成本	(1,957)	(3,321)	(2,967)	(4,615)	(5,297)
Administrative expenses	行政開支	(51,366)	(20,890)	(23,422)	(19,765)	(13,304)
(Loss)/profit from operation	營運(虧損)/溢利	(44,083)	(17,083)	668	15,370	15,073
Finance costs	財務費用	(10)	(424)	(1,065)	(1,754)	(1,058)
(Loss)/profit before tax	除稅前(虧損)/溢利	(44,093)	(17,507)	(397)	13,616	14,015
Income tax expense	所得稅開支	(1)	(19)	(1,216)	(3,336)	(2,946)
(Loss)/profit for the year	年內(虧損)/溢利	(44,094)	(17,526)	(1,613)	10,280	11,069
Other comprehensive income for the year after tax:	年內其他全面收入，扣除稅項：					
Items that may be reclassified to profit or loss:	可能重新分類至損益的項目：					
Exchange differences on translating foreign operations	換算海外業務時的匯兌差額	2,012	548	8	(311)	31
Fair value changes of available-for-sale financial asset	可供出售金融資產公平值變動	-	-	-	-	362
Release of investment revaluation reserve to profit or loss upon disposal of available-for-sale financial asset	於出售可供出售金融資產後將投資重估儲備計入損益	-	-	-	-	(27)
Other comprehensive income for the year, net of tax	年內其他全面收入，扣除稅項	2,012	548	8	(311)	366
Total comprehensive income for the year attributable to the owners of the Company	本公司擁有人應佔年內全面收入總額	(42,082)	(16,978)	(1,605)	9,969	11,435
ASSETS AND LIABILITIES	資產及負債					
Total assets	資產總值	20,743	72,265	102,364	85,495	93,868
Total liabilities	負債總值	(14,612)	(24,052)	(37,173)	(58,809)	(79,351)
Net assets	資產淨值	6,131	48,213	65,191	26,686	14,317
Equity attributable to owners of the Company	本公司擁有人應佔權益	6,131	48,213	65,191	26,686	14,317



Millennium Pacific

GROUP HOLDINGS LIMITED

匯思太平洋集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 8147