



大同機械企業有限公司  
**COSMOS MACHINERY ENTERPRISES LIMITED**

Stock Code 股份代號: 118

Annual Report **2016** 年報



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# CORPORATE INFORMATION

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Tang To (*Chairman*)  
Wong Yiu Ming (*Executive Vice Chairman*)  
Tang Yu, Freeman (*Chief Executive Officer*)

#### Non-Executive Directors

Kan Wai Wah  
Qu Jinping

#### Independent Non-Executive Directors

Yeung Shuk Fan  
Cheng Tak Yin  
Ho Wei Sem  
Huang Zhi Wei

#### Audit Committee

Yeung Shuk Fan  
Cheng Tak Yin  
Ho Wei Sem

#### Remuneration Committee

Yeung Shuk Fan  
Cheng Tak Yin  
Ho Wei Sem  
Tang To

#### Committee of Executive Directors

Tang To  
Wong Yiu Ming  
Tang Yu, Freeman

#### Nomination Committee

Yeung Shuk Fan  
Cheng Tak Yin  
Ho Wei Sem  
Tang To  
Tang Yu, Freeman

### 董事會

#### 執行董事

鄧 燾 (*主席*)  
黃耀明 (*執行副主席*)  
鄧 愚 (*行政總裁*)

#### 非執行董事

簡衛華  
瞿金平

#### 獨立非執行董事

楊淑芬  
鄭達賢  
何偉森  
黃志煒

#### 審核委員會

楊淑芬  
鄭達賢  
何偉森

#### 薪酬委員會

楊淑芬  
鄭達賢  
何偉森  
鄧 燾

#### 執行董事委員會

鄧 燾  
黃耀明  
鄧 愚

#### 提名委員會

楊淑芬  
鄭達賢  
何偉森  
鄧 燾  
鄧 愚



### JOINT COMPANY SECRETARIES

Mak Po Man  
Yeung Yuk Lun (*appointed on 29 April 2016*)  
Ho Kwong Sang (*resigned on 29 April 2016*)

### AUDITOR

Ting Ho Kwan & Chan

### PRINCIPAL BANKERS

The Hongkong & Shanghai  
Banking Corporation Limited  
BNP Paribas Hong Kong Branch  
Nanyang Commercial Bank, Limited  
Bank of China (Hong Kong) Limited

### REGISTERED OFFICE

10/F, Billion Plaza 2  
No. 10 Cheung Yue Street  
Cheung Sha Wan  
Kowloon, Hong Kong

### SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

### CORPORATE WEBSITE

<http://www.cosmel.com>

### INVESTORS RELATIONS CONTACT

E-mail: [ir@cosmel.com](mailto:ir@cosmel.com)

### LISTING INFORMATION

The Stock Exchange of Hong Kong Limited  
Stock Code: 118

### 聯席公司秘書

麥寶文  
楊毓麟 (於二零一六年四月二十九日獲委任)  
何廣生 (於二零一六年四月二十九日辭任)

### 核數師

丁何關陳會計師行

### 主要往來銀行

香港上海滙豐銀行有限公司  
法國巴黎銀行香港分行  
南洋商業銀行有限公司  
中國銀行(香港)有限公司

### 註冊辦事處

香港九龍  
長沙灣長裕街10號  
億京廣場2期10樓

### 股份登記及過戶處

卓佳秘書商務有限公司  
香港灣仔皇后大道東183號  
合和中心22樓

### 公司網址

<http://www.cosmel.com>

### 投資者關係聯絡

電郵: [ir@cosmel.com](mailto:ir@cosmel.com)

### 上市資料

香港聯合交易所有限公司  
股份代號: 118

# CHAIRMAN'S STATEMENT

## 主席報告

The financial year ended 31 December 2016 (the "Year") was still challenging for many industrial manufacturing enterprises. As the PRC economy is going through the process of supply side structural reform, the Group is extremely cautious to react to any unexpected changes in the market. Although the People's Republic of China (the "PRC") government has continuously launched various policies to reduce the financial burden for SMEs in the real economy, the results of such policies are yet to be observed. Most of the SMEs are difficult to get adequate operating funding from financial institutions in the PRC. Moreover, the increasing overheads incurred for meeting the requirements of various newly-imposed environmental and business rules and regulations have enhanced the operating difficulties for most of the businesses in the PRC. The continuing impact of increasing manufacturing costs and overcapacity in the PRC during the Year imposed much pressure to the profitability for most of the Group's manufacturing businesses in the PRC. The overall performance of the Group's trading business was also affected by currency fluctuation of Renminbi, Euro and Japanese Yen during the Year.

The Group continued to streamline the organization structure and strengthen cost control over the supply chain during the Year. The Group has been restructuring certain operations of the plastic products and processing and machinery manufacturing business segments, including the scale down of Dongguan MS Plastic Products Company Limited and Dongguan Cosmos CNC Machinery Limited. Accordingly, the sales revenue of the Group dropped slightly in 2016. The operating loss of these two particular business segments increased significantly in 2016, as compared with those of last year. However, the Group is targeting to improve the returns on the assets employed in these business segments through assets relocation and optimization, organizational restructuring and production efficiency enhancement.

二零一六年是廣大製造業企業充滿挑戰的一年。因應國家經濟推行供給側結構性改革，集團審視市場多端的變化作縝密應對。儘管政府推出各項政策以減輕實體經濟中小企的費用負擔，惟效果尚有待觀察。不少中小企業融資困難以致資金緊缺，為符合各種環保與商業新規例的要求，費用更見繁重。在生產成本持續上升及產能過剩的影響下，本集團在內地的製造業務盈利均受莫大壓力，貿易業務於年度內因人民幣、歐羅和日圓匯率波動而受累。

本集團於回顧年度繼續精簡組織架構，並加強對供應鏈的成本控制。對注塑製品及加工以及機械製造業務的營運進行了重組，包括縮減東莞明新塑膠製品有限公司及東莞大同數控機械有限公司之規模，因此導致集團二零一六年的銷售收入輕微下跌。此兩個特定業務於二零一六年的經營虧損較去年顯著增加。然而，本集團目前通過資產重新配置及優化、架構重組及提升生產效率，以改善該等業務的資產收益。



Multilayer Nylon Composite  
Pipe High-speed Extrusion Line  
多層尼龍複合管生產線



The low gearing ratio of 2.3% as at 31 December 2016 with our conservative cashflow and financial management enables the Group to have adequate financial resources for potential expansion in other synergic businesses and enhance overall profitability.

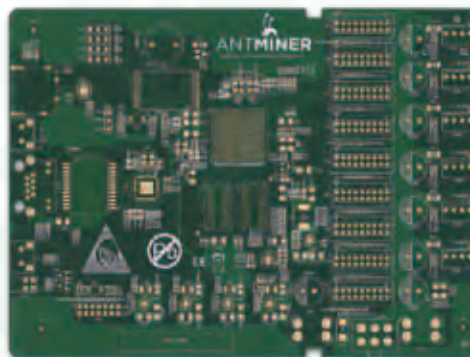
Given the strong internal research and development (the "R&D") capabilities of the Group and our collaboration with some of the leading research institutions in the PRC, we will strive to develop more innovative, good quality, value-added products and applications in particular the printed circuit board processing and machinery manufacturing business segments. It is the Group's strategy to deliver high quality products with associated professional solutions to the specialized niche markets and customers. To align with the national policies, we will continue to leverage our strong R&D platform and focus on product applications attributable to new materials, energy saving, emission reduction, and industrial transformation and enhancement. Moreover, we will strengthen the linkage of our new product development between the internet world and the real economy.

The global economy will continue to experience stagnant growth in the years ahead. The recovery is still weak, given the uncertainty of impact of Brexit and the possible increasing trade restrictions between the US and other countries. The PRC market will continue to be sluggish on its road to industrial transformation and economic reform. The Group is conservatively positive to the overall performance in the coming year after the critical business restructuring, the continuing production capacities optimization and continuing control over the overhead and production costs during the Year. The overall competitiveness of different business segments will definitely be enhanced with cost efficiency and specialization in niche markets.

集團秉持穩健的現金流及財務管控，於回顧年度內仍然保持2.3%偏低之借貸比率，促使集團具備健康的財政資源，有利於其他協同業務的擴展，提高整體盈利能力。

本集團擁有精幹的內部研發團隊，與國內多家領先的研究機構長期合作，集團的機械製造業務及印刷線路板加工業務將繼續致力開發更多創新的、優質的高增值產品。為配合國家政策，我們將繼續發揮我們強大的研發平台，並聚焦於新材料、節能、減排、工業轉型升級等產品應用。我們亦將加強我們新產品開發於互聯網世界與實體經濟之間的連繫。

未來數年，全球經濟增長仍然疲弱兼充滿變數，英國脫離歐盟所引致的不確定性效應，加上美國與其他國家的貿易限制可能日益增加，因此經濟復甦依然疲弱。中國市場在產業轉型及經濟改革的道路上，將繼續遲緩。在本年度內進行關鍵業務之重組、產能持續優化及持續控制經常開支及生產成本後，本集團對來年的整體表現保守樂觀。憑藉成本效益及專攻特種市場，不同業務的整體競爭力因而明顯提高。



Six-layer Immersion Gold Board  
6層沉金板

## CHAIRMAN'S STATEMENT (CONTINUED)

### 主席報告（續）

With the implementation of “Made in China 2025” and a series of related policies by the PRC government as the strategic action, it allows those products with better quality and outstanding capability to have much room for development in the domestic market. Accordingly, the Group has better market development opportunities for different business segments. Moreover, the strong balance sheet and conservative financial management of the Group provides a platform for multi-dimensional sales growth and also the overall profitability in the next couple of years.

Last but not least, I would like to take this opportunity to thank all of our shareholders, business partners, bankers, suppliers and customers for their continuous support to the Group. I would also like to thank my fellow directors, the management team and our staff for their dedication and commitment in contributing to the success of the Group.

**Tang To**

*Chairman*

Hong Kong, 16 March 2017

隨著國家實施「中國製造二零二五」製造強國戰略的行動綱領，並推行一系列相關的政策措施，為具有更優良品質、更卓越性能的產品在內地市場提供更廣闊的發展空間，為集團各項業務的市場拓展帶來更良好的機遇。此外，本集團健康的資產負債表及穩當的財務管理提供了一個平台，有利於未來數年能錄得多方面之銷售增長，以及整體盈利能力。

最後，本人謹藉此機會感謝全體股東、業務合作夥伴、銀行家、供應商與客戶對本集團的鼎力支持。本人亦向董事同僚、管理層及同事為促進本集團成功而所作的貢獻及努力致以感謝。

主席

鄧燾

香港，二零一七年三月十六日

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### RESULT SUMMARY

- Revenue dropped by 8.5% to HK\$2,192,287,000 (2015: HK\$2,395,166,000)
- Gross profit margin decreased slightly to 14.3% (2015: 15.8%)
- Loss for the Year was HK\$333,885,000, including payment and provision for restructuring costs of HK\$135,157,000 (2015: Loss of HK\$38,818,000)
- Net debt to equity ratio was at 2.3%, compared to net cash of HK\$35,767,000 as at 31 December 2015
- Net assets per share was HK\$1.61, compared to HK\$2.18 per share as at 31 December 2015

### FINANCIAL RESULTS

The sales revenue of the Group dropped to HK\$2,192,287,000 (2015: HK\$2,395,166,000), representing a decrease of 8.5% as compared with that of last year. It was mainly attributable to the slowdown of economy in Mainland China with a slump in the manufacturing sector and the restructuring of certain business operations in the plastic products and processing segment and machinery manufacturing segment during the Year.

The gross profit for the Year amounted to HK\$313,591,000, with gross profit margin of 14.3% as compared to 15.8% in 2015. The gross profit margin only recorded a comparatively mild drop of 1.5 percentage points after continuous adjustment of sales strategy by focusing on higher-margin products and associated customers, and strengthening control over production costs during the Year.

### 業績摘要

- 收入下跌8.5%至2,192,287,000港元(二零一五年: 2,395,166,000港元)
- 毛利率輕微下跌至14.3%(二零一五年: 15.8%)
- 本年度虧損為333,885,000港元, 包括重組費用及撥備135,157,000港元(二零一五年: 虧損38,818,000港元)
- 借貸淨額對權益百分比為2.3%, 而二零一五年十二月三十一日則為淨現金35,767,000港元
- 每股資產淨值為1.61港元, 而二零一五年十二月三十一日則為每股2.18港元

### 財務業績

本集團之銷售營業額下跌至2,192,287,000港元(二零一五年: 2,395,166,000港元), 較去年減少8.5%。此乃主要由於本年度中國內地經濟放緩, 加上製造業之不景氣, 以及為注塑製品及加工業務和機械製造業務之若干營運進行重組所致。

本年度之毛利為313,591,000港元, 毛利率為14.3%, 而二零一五年則為15.8%。通過持續調整銷售策略, 聚焦於較高利潤產品及相關客戶, 並加強對生產成本之控制, 毛利率僅錄得1.5個百分點相對之輕微下跌。



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析（續）

As stated in the announcements of the Company dated 8 July 2016 and 23 December 2016 respectively, the Group planned to restructure its plastic products and processing segment and machinery manufacturing segment during the Year, including the cessation of operation of Dongguan MS Plastic Products Co. Limited and Dongguan Cosmos CNC Machinery Limited. Moreover, as part of the strategic plan of restructuring, the Group planned to optimize production capacities in its Dongguan manufacturing plant by focusing on the development and manufacturing of industry-specific plastic injection moulding machines and increase utilization of idle production capacities in its Wuxi manufacturing plant by enhancing the production of medium-to-large size plastic injection moulding machines. Accordingly, an amount of approximately HK\$135,157,000 including provision and payment for employee compensation, impairment of certain fixed assets, potential obsolete stocks and relocation expenses was incurred in the financial year ended 31 December 2016 with respect to the restructuring exercise.

Loss for the Year amounted to HK\$333,885,000 (2015: Loss of HK\$38,818,000). The Board had resolved not to recommend a final dividend for the Year (2015: nil).

The net debt to equity ratio was 2.3%. The overall cash flow of the Group maintained at a healthy level.

## BUSINESS REVIEW

The business environment of the manufacturing industries in Mainland China continued to be challenging in 2016. The economic growth in PRC experienced a notable slowdown and small-to-medium enterprises still experienced difficulties in financing their working capital. On the other end of the spectrum, the large-scale industrial manufacturers were also facing key challenges including currency fluctuation and increasing production costs, especially the labor costs during the Year. In addition to the high fixed overhead resulted from overcapacities of the existing production plants, the overall performance of the Group was not satisfactory in 2016.

誠如本公司分別於二零一六年七月八日及二零一六年十二月二十三日之公告所述，本集團於年內計劃重組注塑製品及加工業務分部以及機械製造業務分部，包括終止東莞明新塑膠製品有限公司及東莞大同數控機械有限公司之營運。此外，作為重組策略計劃之一環，本集團計劃透過重點發展及生產行業專用注塑機，優化東莞廠房之產能，以及通過增加中大型注塑機的生產而增加運用無錫廠房之間置產能。因此，於截至二零一六年十二月三十一日止財政年度就重組計劃錄得約135,157,000港元之金額，包括僱員補償、若干固定資產減值、潛在過期存貨及搬遷開支方面的撥備及付款。

本年度虧損為333,885,000港元（二零一五年：虧損38,818,000港元）。董事會議決不建議派付本年度之末期股息（二零一五年：無）。

借貸淨額對權益百分比為2.3%。本集團整體之現金流仍維持於較為健康之水平。

## 業務回顧

二零一六年，中國內地製造業之營商環境繼續充滿挑戰。中國經濟增長明顯放緩，而中小型企業對營運資金之融資，仍然面對困難。另一方面，大型工業製造商於本年度亦面對包括貨幣波動及生產成本上升（特別是勞工成本上升）之重要挑戰。除了由於現有生產廠房產能過剩引致的高固定開支之外，本集團於二零一六年之整體表現未如理想。

### Machinery Manufacturing Business

During the Year, the machinery manufacturing segment continues to streamline its organization structure and strengthen cost control over the supply chain. The segment has been focusing on monitoring fixed overhead, improving production efficiency and optimizing production capacities of its Dongguan and Wuxi manufacturing plants in the past year. As previously stated, this segment incurred expenses for the execution of the strategic plan of restructuring, which were mainly consists of compensations paid to employees, provision for obsolete inventories, production capacities optimization and certain assets impairment during the Year. Accordingly, the operating loss of this segment increased significantly as compared to that of last year.

However, we observe improvement in sales momentum in the PRC market, especially in the Eastern regions where most of the customers from the industries of automotive components, infrastructure construction and daily necessities are located. Much positive responses have been received from the customers for ordering the medium-to-large size plastic injection moulding machines. The business segment will continue to focus on the development and manufacturing of industry-specific solution-based products and optimize the utilization of idle production capacities in different locations.

### 機械製造業務

於本年度，機械製造業務繼續簡化其組織架構，並加強對供應鏈之成本控制。過去一年，該業務一直專注於監控固定開支，改善生產效率，並優化其東莞及無錫製造廠之產能。如前段所述，此業務於本年度為執行重組策略性計劃而產生開支，主要包括支付予僱員之補償、計提為過期存貨、產能優化及若干資產減值之撥備。因此，該業務之經營虧損較去年大幅增加。

然而，我們觀察到中國市場之銷售勢頭有所改善，特別是華東地區，正是來自汽車零件、基礎建設及日用品行業之大多數客戶之所在地。以往曾訂購中大型注塑機之客戶均作出更為正面之回應。該業務將繼續專注於開發及製造行業專用、以方案為本之產品，並對各地閒置產能之利用進行優化。



Rubber Injection Moulding Machine RV300  
橡膠注塑機RV300

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析（續）

Moreover, this segment has successfully obtained orders from the specialized niche market after a relatively long period of optimization of industry tailor-made machines with professional solutions. Sales orders increased in the last quarter of 2016 as certain customers resumed their procurement of machinery equipment postponed in the past years. This business unit will continue to enhance its R&D capabilities, and intends to invest additional resources in developing innovative value-added products with higher profit margin. New solutions for “Smart” Industry 4.0 were successfully incorporated onto newer machine series. Our development on digitalized solutions will continue in coming years. In particular, the extrusion machines and rubber injection moulding machines business has developed and applied the new technology – Multilayer Composite Nylon Tube High Speed Extrusion Technology in producing the composite tube for automotive industry. The new extrusion system is more compact, highly automated, has lower energy consumption with good stability and can save more production space. This will enhance the overall profitability of this particular business segment in the near future.

### Plastic Products and Processing Business

During the Year, this business segment has been taking proactive actions to reduce productions costs, e.g. the enhancement of the production automation, consolidation of production processes, streamlining of work force etc. In particular, the Hefei production plant have already implemented digitalized warehouse management system in order to increase its logistics efficiency and shorten the production cycle. This enables the segment to have a more efficient operation and maintains production costs at a competitive level.

Moreover, the overall performance of in-mould labelling products of the specialized food packaging business was satisfactory in 2016. To further address the rising hygiene standard of food packaging sector, the Zhuhai production plant has established a microbiology laboratory to collect all the hygienic information in a more timely manner with aim to meet strict international hygienic standards. The segment also focus on the R&D of new products including new products design and total-solution alignment with major customers.

另外，經過相對長時間對配有專業方案之行業定制機器進行優化後，本業務已成功從專業特種市場獲得訂單。銷售訂單於二零一六年最後一季增加，此乃某些客戶恢復了過去數年推遲之機械設備採購計劃。此業務將繼續提高其研發能力，並擬在開發利潤率更高之創新增值產品方面投入額外資源。嶄新之工業4.0智能方案已成功地配置於新的機器系列，我們亦會來年繼續發展數碼化方案。具體而言，擠出機和橡膠機業務已開發及應用有關新技術—多層複合尼龍管高速擠出技術，為汽車行業生產複合管。而嶄新之擠出系統更堅固、自動化程度高、能耗更低、穩定性良好，並且節省更多生產空間。此特定業務在不久將來之整體盈利能力，將得以提高。

### 注塑製品及加工業務

於本年度，該業務已經採取積極行動，以降低生產成本，例如加強生產自動化、整合生產流程、簡化勞動力。特別一提，合肥生產基地已實施數碼倉庫管理系統，以提高物流效率，縮短生產週期。此促使該業務能夠更有效營運，並且將生產成本維持於可競爭水平。

此外，專業食品包裝業務之模內貼產品於二零一六年之整體表現令人滿意。為了進一步符合食品包裝行業不斷提高之衛生標準，珠海生產基地已建立微生物實驗室，以便更及時收集所有衛生資料，從而符合嚴格之國際衛生標準。該業務亦聚焦於新產品之研發，包括新產品設計及與主要客戶對接之完整方案。



Universal VR Case  
虛擬實境眼鏡



As stated previously, critical business restructuring was executed for this business segment, including the cessation of Dongguan MS during the Year. The overall results of this segment in 2016 was adversely affected due to the additional expenses incurred for this purpose. However, the performance of this business segment was turnaround in the second half of 2016 and preliminarily achieved the original target of profitability enhancement in the coming years.



IML Flip Top Cap with Scoop  
模內貼翻蓋與勺

如前段所述，本業務已執行關鍵業務重組，包括於本年度停止經營東莞明新。此業務於二零一六年之整體業績因就上述重組所產生之額外開支，而受到重大影響。然而，此業務板塊於二零一六年下半年之表現已經扭虧為盈，並初步實現了未來數年提升盈利能力之初始目標。

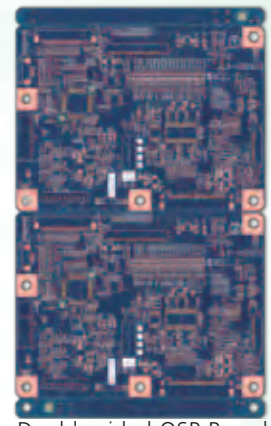
### Printed Circuit Board (“PCB”) Processing and Trading Business

The PCB processing business recorded a drop in sales revenue and profits due to intense market competition and overall stagnant global economy during the Year. The segment will focus on product diversification and developing the automotive markets, especially the electric automobile sector. Through taking initiatives in providing professional technical knowledge to end customers at the initial stage of product development, it enables the segment to develop long-term collaboration relationship with respective customers. On the other hand, the segment will continue to adjust, automate and optimize production lines and improve the overall production efficiency in order to enhance the competitiveness with excellent product quality.

For the PCB trading business, the segment has been focusing on the development of high-end products in the past year, with keen adjustment of sales teams across all regions and strengthening of the professional technical support and customer services. This helps to enhance the overall better returns from the existing wide-ranged product portfolio in the near future.

### 印刷線路板加工及貿易業務

印刷線路板加工業務，由於本年度市場競爭激烈，加上全球經濟停滯不前，營業額及盈利雙雙報跌。此業務將聚焦於產品多元化，並開拓汽車產品市場，尤其電動汽車行業。藉著在客戶開發產品前期時，主動提供專業技術指引，可與有關客戶建立長遠合作關係。另一方面，該部門將繼續調整、自動化及優化生產線及改善整體生產效率，並藉著優秀產品質素增強競爭力。



Double-sided OSP Board  
雙面OSP板

印刷線路板貿易業務方面，該部門去年專注發展高端產品，並積極調整各區域之銷售團隊，加強技術支援及客戶服務。此舉有助於可見將來提高現有廣泛產品組合之整體回報。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析（續）

#### Industrial Consumables Trading Business

The results of this business segment was greatly affected by the overall unsatisfactory global economy recoveries and fluctuation of currencies, in particular the Japanese Yen during the Year. As most of the customers are small and medium-sized manufacturers in the PRC, the management team has been closely monitoring the recoveries of the accounts receivables in the past years, even terminating some non-performed customers and low margin products.

In view of no clear evidence of economy recovery is observed in the coming years, this business segment has been expanding the product portfolio with increasing penetration into the existing extensive sales network. Encouraging and positive response was received from the 'package sales' promoting program with synergic leverage of the strong customer base. Following the implementation of "Made in China 2025", the segment will focus on developing high-potential industrial customers engaging in manufacturing of LED bonding machines, telecommunication facilities, robotic arms, medical equipment and auto-parts.

#### 工業消耗品貿易業務

此業務之業績備受本年度全球經濟復甦整體欠佳及貨幣（尤其是日圓）波動所影響。由於大部分客戶均為內地中小型製造商，管理團隊過去多年來一直密切監察應收賬之收回情況，甚至終止多個表現欠佳之客戶，以及低利潤之產品。



Integrated Industrial PC – Cloud-based  
Control and Data Analysis  
緊湊型工業控制品－基於雲通訊  
及數據分析整合

鑒於不能觀察到未來數年會有經濟復甦之清晰跡象，此業務已擴大其產品組合，同時對現有廣闊之銷售網絡加強滲透。「套裝銷售」推廣計劃憑藉協作式運用龐大客戶群，收到令人鼓舞之正面回應。「中國製造二零二五」實施之後，此業務將集中發展從事製造LED固晶機、電訊設施、機械臂、醫療儀器及汽車零件等高潛力工業客戶。

#### LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2016, the Group's total outstanding bank borrowings amounted to HK\$355,324,000 (31 December 2015: HK\$571,800,000) which comprised mainly bank loans and trade finance facilities. The bank borrowings repayable within one year and in the second to the fifth year amounted to HK\$320,149,000 and HK\$35,175,000 respectively (31 December 2015: HK\$526,575,000 and HK\$45,225,000 respectively).

#### 流動資金及財務資源

於二零一六年十二月三十一日，本集團之未償還銀行借貸總額為355,324,000港元（二零一五年十二月三十一日：571,800,000港元），主要包括銀行借款及貿易融資信貸。將於一年內到期以及於第二至第五年到期償還之銀行借款金額分別為320,149,000港元及35,175,000港元（二零一五年十二月三十一日：分別為526,575,000港元及45,225,000港元）。



After deducting cash and bank balances of HK\$332,723,000 (31 December 2015: HK\$607,567,000), the Group's net borrowings amounted to HK\$22,601,000 (31 December 2015: net cash of HK\$35,767,000). Shareholders' equity as at 31 December 2016 was HK\$966,594,000 (31 December 2015: HK\$1,335,313,000). Accordingly, the Group's net gearing ratio was 2.3%.

During the Year, the Group's net cash inflow from operating activities amounted to HK\$8,984,000. This represented loss before tax of HK\$279,260,000 after adjustments for non-cash items, including adding back provision for restructuring of HK\$91,727,000, allowance for impairment of bad and doubtful debts of HK\$51,789,000, write-down of inventories of HK\$69,465,000, depreciation and amortisation of HK\$73,175,000, deducting the share of results of associates of HK\$568,000, adding the net changes in working capital of HK\$3,779,000 and adding other adjustments of HK\$1,123,000. The Group's net cash inflow from investing activities for the Year amounted to HK\$182,154,000, which included purchases for property, plant and equipment of HK\$41,029,000, disposal of other financial assets of HK\$6,248,000, decrease in pledged bank deposits of HK\$205,450,000 and other cash inflow of HK\$11,485,000.

The Group's financial statements are presented in Hong Kong dollars. The Group carried out its business transactions mainly in Hong Kong dollars, Renminbi, United States dollars and Japanese Yen. As the Hong Kong dollar remained pegged to the United States dollar, there was no material exchange risk in this respect. The Group continued to monitor its foreign exchange exposure in Japanese Yen and Renminbi and entered into forward contracts when necessary. The Group's long-term bank loan facilities were denominated mainly in Hong Kong dollars and carried interest at floating rates. Credit risk was hedged mainly through credit insurance.

扣除現金及銀行結餘332,723,000港元(二零一五年十二月三十一日: 607,567,000港元)後,本集團之借貸淨額為22,601,000港元(二零一五年十二月三十一日: 淨現金35,767,000港元)。於二零一六年十二月三十一日之股東權益為966,594,000港元(二零一五年十二月三十一日: 1,335,313,000港元)。故此,本集團之淨借貸比率為2.3%。

於本年度,本集團之經營業務現金流入淨額為8,984,000港元。此數字代表除稅前虧損279,260,000港元,已就非現金項目作出調整,包括加回重組撥備91,727,000港元、呆壞賬減值撥備51,789,000港元、存貨減值撥備69,465,000港元、折舊及攤銷73,175,000港元、扣除應佔聯營公司之業績568,000港元、加回營運資金變動淨額3,779,000港元及其他調整1,123,000港元。本集團於本年度之投資活動現金流入淨額為182,154,000港元,包括購買物業、廠房及設備41,029,000港元、出售其他金融資產6,248,000港元、減少已抵押之銀行存款205,450,000港元及其他現金流入11,485,000港元。

本集團之財務報表以港元呈列。本集團主要以港元、人民幣、美元及日圓進行業務交易。由於港元與美元掛鈎,故此方面並無重大外匯風險。本集團將繼續監察來自日圓及人民幣之外匯風險,並於需要時透過訂立遠期合約加以調控。本集團之長期銀行貸款融資均主要以港元計值及以浮動利率計息。信貸風險主要透過信用保險對沖。



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析（續）

#### EMPLOYMENT AND REMUNERATION POLICY

As at 31 December 2016, the Group has approximately 3,460 employees (31 December 2015: approximately 4,420), inclusive of all its staff in Hong Kong, the PRC and overseas offices. The remuneration policy of the Group is formulated in accordance with the market trends and the performance of the employees. Employees' benefits include insurance and retirement benefit.

The remunerations of the Directors are determined by the Remuneration Committee, with reference to the Company's operating results and comparable market information. The remuneration policy of the Company for the non-executive directors is to ensure that they are sufficiently compensated for their efforts and time dedicated to the Company. For the employees (including the executive directors and senior management), it ensures that the remuneration packages offered are optimal with respect to their duties assigned and in line with the market practice. The remuneration policy is set out to ensure that the salary levels are competitive and effective in attracting, retaining and motivating employees. Directors, or any associates of the directors as well as any executives, do not involve in determining their respective remuneration.

#### OUTLOOK AND PROSPECTS

The global economic environment continues to be conservative in the coming years. The impact of Brexit to the global economy is still uncertain. The economic relationship between the United States and the PRC has been getting more dynamic with uncertainty, since the new US president took office in January 2017. Moreover, many manufacturing plants moved

#### 僱員及薪酬政策

截至二零一六年十二月三十一日，本集團之僱員約共3,460名（二零一五年十二月三十一日：約共4,420名）。本集團的薪酬政策乃按市場趨勢及僱員表現而釐定，福利包括保險及退休福利。

董事之酬金乃由薪酬委員會經考慮本公司之經營業績及比較市場統計資料後釐定。本公司有關非執行董事的酬金政策為確保彼等為本公司付出的精神及時間可獲得充分補償，而僱員（包括執行董事及高級管理人員）之薪酬政策則旨在確保所提供薪酬與職責相符並符合市場慣例。訂立薪酬政策旨在確保薪金水平具競爭力並能有效地吸引、留聘及激勵僱員。董事或其任何聯繫人士以及行政人員均不得參與釐定本身的薪酬。

#### 展望及前景

全球經濟環境於未來數年仍然保守。英國脫歐對全球經濟之影響仍未明朗。美國新總統於二零一七年一月就職後，中美經濟關係更形波動，變數亦多。另外，中國營商環境惡化，導致眾多生產廠房由中國遷往其他東南亞國家。本集團預期需面對多項主要挑戰：



160SeH Servo-driven High Speed Injection Moulding Machine  
160SeH伺服驅動高速注塑機

from the PRC to other South East Asian countries as a result of the deteriorating business environment in the PRC. The Group expects several key challenges ahead including the continuous increasing of manufacturing costs (especially the raw material costs), volatile capital market and currency fluctuations, particularly the Renminbi and Japanese Yen. The visibility of sales orders to be received is comparatively low which resulted in difficulties in resources planning in different business segments. Nevertheless, the Group will continue to streamline the organization structure, strengthen cost control over the supply chain, optimize the overall cost structure and improve the efficiency of production management. Moreover, all business segments commit to enhance its competitiveness and cost efficiency through automation of production lines and consolidation of production processes.

The PRC government continues its commitment to developing new energy, energy saving, environmental protection and new materials-related industries in the next couple of years, with solid support of various ongoing strategic policies. e.g. the government is taking initiative of 'Substituting Coal with Electricity' in remote areas to reduce air pollution, which in turn will pull the demand for large-scale injection moulding machines. Amid uncertainties in overall macro-economic conditions, the Group observes opportunities for further growth for our subsidiary companies. On various industry specific levels, enterprises that continue to maintain competitiveness will grow at a relative healthy pace. The Group continues to focus on opportunities arising from the following industries: automotive (including new-energy vehicles), innovative consumer electronics, communications, food and medical packaging, medical equipment, new industrial materials and components, etc.

Given the existing well-established, unique and diversified product platform and extensive sales network, the Group is well-positioned to capture any new market opportunities and turnaround to enhance the overall profitability in the years to come.

包括生產成本不斷上漲(尤其是原材料成本)、資本市場動蕩及貨幣波動(尤其是人民幣及日圓)。可收到訂單能見度相對低,導致不同業務在資源規劃方面出現困難。儘管如此,本集團仍將繼續簡化企業架構、加強監控供應鏈之成本、優化整體成本結構,以及改善生產管理效率。此外,各業務致力通過生產線自動化及整合生產工序,致力提升其競爭力及成本效益。

中國政府於未來數年在多項持續策略性政策之配合下,繼續其承諾發展新能源、節能、環保和新材料產業。例如,政府在偏遠地區推行「以電代煤」來減少空氣污染,因此拉動對大型注塑機之需求。在整體宏觀經濟情況不明確下,本集團觀察到其附屬公司有業務增長的機遇。在不同行業特定層面,能夠持續保持競爭力的企業會較為健康地成長。本集團會繼續專注於以下行業所帶來的機遇:汽車(包括新能源汽車)、創新消費型電子產品、通訊、食品及醫療藥物包裝、醫療設備、新工業物料及零件等。

憑藉現有已發展完善、獨特而多元化之產品平台及廣泛之銷售網絡,本集團已準備就緒,把握新市場機遇並轉虧為盈,以於來年提升整體盈利能力。

# DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

## 董事及高級管理人員履歷

### EXECUTIVE DIRECTORS

**Mr. Tang To**, aged 68, Chairman and Executive Director of the Company, has served on the Board since the listing of the Company in 1988 and was appointed as Chairman and Executive Director of the Company on 18 September 1997. Mr. Tang is responsible for the overall policy making and significant investments of the Group. Mr. Tang has over 43 years of experience in manufacturing and trading businesses in Hong Kong and the PRC. Mr. Tang is the father of Mr. Tang Yu, Freeman, the Chief Executive Officer and Executive Director of the Company and is a director of certain companies which are members of the Group and related to certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Tang is a director of Suzhou Sanguang Science and Technology Co., Ltd., which is an associate of the Company with its shares listed on the National Equities Exchange and Quotations on 24 January 2014.

**Mr. Wong Yiu Ming**, aged 63, Executive Vice Chairman and Executive Director of the Company, has 39 years of experience in sales, marketing and corporate management, is currently responsible for the overall strategic planning and management of machinery manufacturing business of the Group and is a director of some subsidiaries of the Group. Mr. Wong joined the Group in 1978 and was appointed as the General Manager of the Company on 1 February 1999 and had been re-designated as the Chief Executive Officer of the Company on 12 September 2005 until 30 June 2013. On 15 January 2015, Mr. Wong was appointed as the Executive Vice Chairman of the Company. He holds a Bachelor of Science degree in Engineering and a Master degree in Business Administration. Mr. Wong is a director of Suzhou Sanguang Science and Technology Co., Ltd., which is an associate of the Company with its shares listed on the National Equities Exchange and Quotations on 24 January 2014.

### 執行董事

**鄧燾先生**—現年68歲，本公司主席兼執行董事，自本公司於一九八八年上市以來一直為董事會服務。彼於一九九七年九月十八日獲委任為本公司主席及執行董事，鄧先生負責制定本集團整體策略及審核重大投資。鄧先生具43年以上於香港及中國從事製造及貿易業務之經驗。鄧先生是本公司行政總裁兼執行董事鄧愚先生的父親，亦為若干本集團的成員公司及根據證券及期貨條例第XV部涵義與本公司主要股東有關的公司的董事。鄧先生現為蘇州三光科技股份有限公司的董事，該公司是本公司的聯營公司，其股票於二零一四年一月二十四日開始在全國中小企業股份轉讓系統掛牌。

**黃耀明先生**—現年63歲，本公司的執行副主席及執行董事，具39年以上銷售、市場推廣及企業行政管理經驗，現時負責本集團機械製造業務的整體策劃及管理工作，並且是本集團旗下多間附屬公司的董事。黃先生於一九七八年加入本集團。於一九九九年二月一日獲委任為本公司總經理並自二零零五年九月十二日調任為本公司行政總裁直至二零一三年六月三十日。於二零一五年一月十五日，黃先生獲委任為本公司執行副主席。彼持有工程學理學士學位及工商管理碩士學位。黃先生現為蘇州三光科技股份有限公司的董事，該公司是本公司的聯營公司，其股票於二零一四年一月二十四日在全國中小企業股份轉讓系統掛牌。



## DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES (CONTINUED)

### 董事及高級管理人員履歷 (續)

**Mr. Tang Yu, Freeman**, aged 39, the Chief Executive Officer and Executive Director of the Company. He joined the Group in 2006 and was appointed as the Chief Executive Officer on 1 July 2013. He is responsible for the strategic planning and general management of the Group. He is the son of Mr. Tang To, the Chairman and Executive Director of the Board and is also a director of a company which is related to certain substantial shareholders of the Company within the meaning of Part XV of the SFO. Prior to joining the Group, he worked in commercial banking division and as an associate investment advisor in banks of Hong Kong from 2001 to 2006. Mr. Tang graduated from the University of Western Ontario (Canada) and holds a Bachelor of Arts degree in Economics and holds a Diploma in Financial Planning.

### NON-EXECUTIVE DIRECTORS

**Mr. Kan Wai Wah**, aged 59, Non-Executive Director of the Company, is the Managing Director of Super Harvest Consultancy Limited. He has over 35 years of experience in the management of catering operations. Mr. Kan holds a Higher Diploma in Accountancy. He was appointed as Non-Executive Director of the Company on 22 May 1998. Mr. Kan is the son of Ms. Law Kit Fong, a substantial shareholder of the Company. Mr. Kan is a Director of certain companies which are related to certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

**鄧愚先生**—現年39歲，本公司的行政總裁兼執行董事，他於二零零六年加入本集團，於二零一三年七月一日獲委任為本公司的行政總裁，負責本集團策劃及行政管理。他是董事會主席兼執行董事鄧熹先生的兒子，亦為一間根據證券及期貨條例第XV部涵義與本公司主要股東有關的公司的董事。在加入本集團前，他於二零零一年至二零零六年期間，曾任職於本港銀行的工商金融部及任職投資顧問。鄧先生畢業於加拿大西安大略大學，持有經濟學士學位及財務策劃文憑。

### 非執行董事

**簡衛華先生**—現年59歲，本公司非執行董事，現為綽餘顧問有限公司董事總經理，具35年管理飲食業務經驗。簡先生持有高級會計文憑。彼於一九九八年五月二十二日獲委任為本公司非執行董事。簡先生為羅潔芳女士(本公司主要股東之一)之兒子。簡先生為若干根據證券及期貨條例第XV部涵義與本公司主要股東有關的公司的董事。

## DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES (CONTINUED)

### 董事及高級管理人員履歷 (續)

**Mr. Qu Jinping**, aged 59, Non-Executive Director of the Company, was granted a Bachelor's degree in Engineering in 1982 by South China Institute of Technology (currently South China University of Technology), a Master's degree in Engineering in 1987 by South China University of Technology and a Doctoral degree in Engineering in 1999 by Sichuan University and was promoted to professor in 1992. He was recognized as a tutor of doctoral candidates in macromolecular material processing and light industry machinery in 1996. Since 1998, he has been serving as the chief officer of the National Engineering Research Center of Novel Equipment for Polymer Processing in South China University of Technology. He was the Vice President of South China University of Technology from December 1998 to November 2007. In March 1999, he was appointed as the special-term professor in Material Processing of the South China University of Technology by the Ministry of Education of the People's Republic of China under the Changjiang Scholars Award Program. He also served as the chief officer of the Key Laboratory of Polymer Processing Engineering of the Ministry of Education of the People's Republic of China in South China University of Technology since 2000. He was awarded a Member of the Chinese Academy of Engineering in 2011. He is concurrently a standing council member of Chinese Material Research Society, council member of Plastic Processing Association of China, council member of China Plastic Machine Association, Deputy Chairman of China Altered-Properties Plastics Association, academic committee member of State Key Laboratory of Macromolecular Materials, Chairman of Guangdong Mechanical Engineering Institute, Deputy Chairman of Guangdong Material Research Society, council member of Guangdong Inventor Association, Deputy Chief Editor of certain publications namely the World Plastics and Plastics Machinery, member of editorial committee of the Journal of South China University of Technology, the China Plastics, the Plastic Industry, the Plastics, the Engineering Plastics Application. Mr. Qu was appointed as Non-Executive Director of the Company on 8 September 2006.

**瞿金平先生**—現年59歲，本公司非執行董事，一九八二年獲華南工業學院（現華南理工大學）工學學士學位；一九八七年獲華南理工大學工學碩士學位；一九九九年獲四川大學工學博士學位；一九九二年晉升為教授。一九九六年被批准為高分子材料成型加工和輕工機械兩個博士點的博士生導師。一九九八年起任華南理工大學聚合物新型成型裝備國家工程研究中心主任；一九九八年十二月起至二零零七年十一月任華南理工大學副校長；一九九九年三月被國家教育部評聘為「長江學者獎勵計劃」華南理工大學材料加工工程學科特聘教授；二零零零年起兼任華南理工大學聚合物成型加工工程教育部重點實驗室主任；二零一一年當選為中國工程院院士。同時還兼任中國材料研究學會常務理事、中國塑料加工協會理事、中國塑料機械協會理事、中國改性塑料專業委員會副理事長、高分子材料工程國家重點實驗室學術委員會委員、廣東省機械工程學會理事長、廣東省材料研究學會副理事長、廣東省發明家協會理事，《國外塑料》、《塑料機械》副主編，《華南理工大學學報》、《中國塑料》、《塑料工業》、《塑料》、《工程塑料應用》等雜誌編委。瞿先生於二零零六年九月八日獲委任為本公司非執行董事。

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Ms. Yeung Shuk Fan**, aged 51, Independent Non-Executive Director of the Company, has over 27 years of experience in the finance sector and holds a Master degree in Business Administration. She is a member of the American Institute of Certified Public Accountants and an associate of The Institute of Chartered Secretaries and Administrators. During the past 22 years, Ms. Yeung has served as financial controller and financial manager of various private groups of companies. She was appointed as Independent Non-Executive Director of the Company with effect from 18 June 2004.

**Mr. Cheng Tak Yin**, aged 78, Independent Non-Executive Director of the Company, has over 45 years of experience in business management. Currently, he is the Life Honorary Chairman, Deputy Secretary General and Standing Committee Member of Hong Kong and Kowloon Machinery and Instrument Merchants Association Limited. He was appointed as Independent Non-Executive Director of the Company with effect from 30 January 2007.

**Mr. Ho Wei Sem**, aged 69, Independent Non-Executive Director of the Company. Mr. Ho has been working in various government institutions in Dongguan during the past 40 years and has extensive experience in management. He was the director-general of Dongguan City Municipal and Public Utilities Management Bureau (東莞市市政公用事業管理局) and Dongguan City Urban Integrated Management Bureau (東莞市城市綜合管理局) from 2000 to August 2007 before his retirement. During the period from 1996 to 2000, he was the officer of Dongguan City Management Committee (東莞市城市管理委員會). From 1990 to 1996, he was the deputy chief of Dongguan City Urban and Rural Construction Planning Bureau (東莞市城鄉建設規劃局), and was the deputy supervisor of the Preparation Committee of Dongguan City Government (東莞市城區政府籌備組) during the period from 1988 to 1990. He was appointed as Independent Non-Executive Director of the Company with effect from 21 December 2010.

## 獨立非執行董事

**楊淑芬女士**—現年51歲，本公司獨立非執行董事，於財務範疇擁有27年以上經驗，並持有工商管理碩士學位。彼為美國註冊會計師協會會員及英國特許秘書及行政人員公會會士。在過去22年，楊女士曾任多家私人集團公司之財務總監及財務經理。彼於二零零四年六月十八日獲委任為本公司獨立非執行董事。

**鄭達賢先生**—現年78歲，本公司獨立非執行董事，彼在業務管理方面擁有逾45年豐富經驗。彼現為港九機械電器儀器業商會有限公司永遠榮譽會長、副秘書長兼常務會董。彼於二零零七年一月三十日獲委任為本公司獨立非執行董事。

**何偉森先生**—現年69歲，本公司獨立非執行董事，彼在過去40多年，曾在東莞市多個政府機關任職，擁有豐富的管理經驗。由二零零零年至二零零七年八月退休前期間，何先生出任東莞市市政公用事業管理局局長及東莞市城市綜合管理局局長；於一九九六年至二零零零年期間任東莞市城市管理委員會辦公室主任；於一九九零年至一九九六年期間任職東莞市城鄉建設規劃局副局長及於一九八八年至一九九零年期間出任東莞市城區政府籌備組副組長。彼於二零一零年十二月二十一日獲委任為本公司獨立非執行董事。



## DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES (CONTINUED)

### 董事及高級管理人員履歷 (續)

**Mr. Huang Zhi Wei**, aged 78, Independent Non-Executive Director of the Company, is currently the Executive Vice President of Guangdong General Chamber of Commerce. Mr. Huang has spent over ten years in economic-related government sectors in China. He served as the Deputy Director General of Guangdong Department of Foreign Trade & Economic Cooperation and the Director of General of Guangdong Board of Investment from 1993 to 2000 respectively. He also served as the Executive Officer of Foshan Economic Committee from 1984 to 1992. Prior to this, he worked as an engineer in Foshan Power Plant for almost 10 years and served as the Chief Engineer and Deputy General Manager of Foshan Household Electrical Appliances Corporation from 1981 to 1984. Mr. Huang graduated from the Central China University of Science and Engineering, majored in electric engineering. In the past three years, Mr. Huang had been an Independent Director of Keda Clean Energy Co. Ltd. (Formerly known as Keda Industrial Co. Ltd.), a company listed on The Shanghai Stock Exchange and resigned his position on 19 August 2015. He also had been an Independent Non-executive Director of Lerado Group (Holding) Company Limited, a company listed on the Stock Exchange of Hong Kong Limited and resigned his position on 6 February 2015. He was appointed as Independent Non-Executive Director of the Company with effect from 2 November 2012.

## SENIOR MANAGEMENT

**Mr. Yeung Yuk Lun**, aged 45, joined the Group in April 2016, is the Chief Financial Officer and the Joint Company Secretary of the Group. Mr. Yeung is responsible for the Group's financial planning, internal control and management, regulatory compliance and investor relations functions. Prior to joining the Group, Mr. Yeung held senior management positions in different listed companies in Hong Kong. He has extensive experience in auditing, financial and treasury management, information technology, executive management as well as business development. He holds a Bachelor's degree in Business Administration (Professional Accountancy) and a Master's degree in Business Administration from the Chinese University of Hong Kong. He is an associate member of the Hong Kong Institute of Certified Public Accountants and the Taxation Institute of Hong Kong.

**黃志煒先生**一現年78歲，本公司獨立非執行董事。彼現時為廣東省商業聯合會常務副會長，黃先生曾在與經濟發展相關的中國政府機構工作超過十年，其中在一九九三年至二零零零年出任廣東省外經貿委副主任兼廣東省外商投資局局長，於一九八四年至一九九二年間擔任佛山市經濟委員會主任。在此之前，黃先生曾於廣東省佛山市發電廠任職工程師近十年，並曾於一九八一年至一九八四年出任佛山市家電公司總工程師兼副總經理。黃先生畢業於華中理工大學，主修電機工程系。於過去三年，黃先生曾在科達潔能股份有限公司(前稱科達機電股份有限公司)(於上海證券交易所上市)出任獨立非執行董事，並於二零一五年八月十九日辭職。同時彼於隆成集團(控股)有限公司(於香港聯合交易所上市)出任獨立非執行董事，並於二零一五年二月六日辭職。彼於二零一二年十一月二日獲委任為本公司獨立非執行董事。

## 高級管理人員

**楊毓麟先生**一現年45歲，於二零一六年四月加入本集團，現為本集團首席財務總監及聯席公司秘書。楊先生負責本集團之財務規劃、內部監控及管理、合規及投資者關係事宜。在加盟本集團之前，楊先生曾於多間香港上市公司擔任高級管理職務。彼擁有豐富之審計、財務與財資管理、資訊科技、行政管理及業務拓展經驗。彼持有香港中文大學工商管理(專業會計)學士學位及工商管理碩士學位。彼為香港會計師公會及香港稅務學會會員。

**DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES (CONTINUED)**  
董事及高級管理人員履歷（續）

**Mr. Yip Kar Shun**, aged 69, has over 37 years of experience in electronic production and management. He joined the Group in 1994. Mr. Yip is the Managing Director of the subsidiaries which are engaged in the manufacture of printed circuit boards.

**Mr. Man Wai Hong Bernard**, aged 54, joined the Group in 2000. He has 30 years of experience in manufacturing, marketing and general administrative management. He graduated from the Hong Kong Polytechnic University in Electrical Engineering. He also holds a Diploma in Computer Programming, a Diploma in Management Studies and a Master degree in Business Administration. He is currently the General Manager of a subsidiary of the Group which is engaged in the trading of industrial consumables and machinery components.

**葉嘉信先生**—現年69歲，具37年以上電子生產及管理經驗。彼於一九九四年加入本集團，現為從事生產線路板附屬公司之董事總經理。

**萬偉康先生**—現年54歲，於二零零零年加入本集團。彼具30年生產、市場營運及行政管理經驗，彼畢業於香港理工大學電機工程系，並持有電腦編程文憑、管理學文憑及工商管理碩士學位。萬先生現為本集團一間從事工業耗材及機器元部件貿易的附屬公司之總經理。

# REPORT OF THE DIRECTORS

## 董事報告

The directors of the Company (the “Directors”) have pleasure in presenting their annual report (the “Annual Report”) and the audited financial statements of the Company for the year ended 31 December 2016.

### PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in Note 45 to the Consolidated Financial Statements.

### RESULTS

The results of the Group for the year ended 31 December 2016 are set out in the Consolidated Income Statement on page 73 of the Annual Report.

### FINAL DIVIDEND

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

### BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2016 is set out in the sections headed “Chairman’s Statement”, “Management Discussion and Analysis” and “Sustainability Review” of the Annual Report. Description of the risks and uncertainties facing the Company can be found throughout this Annual Report.

### FINANCIAL SUMMARY

A summary of the results, the assets and liabilities of the Group for the past five financial years is set out on page 220 of this Annual Report.

### FIXED ASSETS

Details of the movements in the fixed assets of the Group during the year are set out in Note 16 to the Consolidated Financial Statements.

本公司董事(「董事」)欣然提呈本公司截至二零一六年十二月三十一日止年度之年報(「本年報」)及經審核財務報表。

### 主要業務

本公司為一間投資控股公司。其主要附屬公司所經營之主要業務載列於綜合財務報表附註45內。

### 業績

本集團截至二零一六年十二月三十一日止年度之業績載列於本年報第73頁之綜合收益表內。

### 末期股息

董事會不建議派發截至二零一六年十二月三十一日止年度末期股息(二零一五年:無)。

### 業務回顧

本集團截至二零一六年十二月三十一日止年度之業務回顧分別載於此年報內之「主席報告」、「管理層討論及分析」及「可持續發展回顧」。有關本公司面對之風險及不明朗因素之描述已於本年報之不同部分披露。

### 財務摘要

本集團以往五個財政年度之業績、資產及負債摘要載列於本年報第220頁。

### 固定資產

本集團於本年度之固定資產變動詳情載於綜合財務報表附註16內。



## SHARE CAPITAL

Details of the share capital of the Company are set out in Note 33 to the Consolidated Financial Statements

## RESERVES

Details of the movements in the reserves of the Group and of the Company during the year are set out in Note 34 and Note 35(b) respectively to the Consolidated Financial Statements.

## DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 December 2016, calculated in accordance with the Companies Ordinance, amounted to approximately HK\$537,725,000.

## PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association of the Company or the Company Ordinance which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

## MAJOR CUSTOMERS AND SUPPLIERS

The aggregate turnover attributable to the Group's five largest customers and the aggregate purchases attributable to the Group's five largest suppliers were less than 30% of the Group's turnover and purchases for the year respectively.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors of the Company and the senior management of the Group are set out in the Directors' and Senior Management's Biographies section of this Annual Report.

## DIRECTORS

The Directors during the year and as at the date of this Annual Report are set out on page 2 of this Annual Report.

During the year, there had no changes to the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the Listing Rules").

## 股本

本公司之股本詳情列載於綜合財務報表附註33。

## 儲備

本集團及本公司於本年度儲備之變動詳情列載於綜合財務報表分別為附註34及35(b)。

## 可供分派儲備

於二零一六年十二月三十一日，本公司根據公司法而計算之可分派儲備，約為537,725,000港元。

## 優先認股權

本公司之公司組織章程細則或公司法，並無關於優先認股權致使本公司須向現有股東按持股比例發售新股之條文。

## 主要客戶及供應商

本集團五大客戶之總營業額及本集團之五大供應商之購貨總額，分別佔本集團回顧年度營業額及購貨額少於百分之三十。

## 董事及高級管理人員之履歷詳情

本公司董事及本集團高級管理人員之履歷詳情載於本年報之董事及高級管理人員履歷內。

## 董事

於本年度及截至本年報日期之董事載於本年報第2頁內。

本年度，概無有關董事資料之變動須根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)第13.51B(1)條予以披露。

## REPORT OF THE DIRECTORS (CONTINUED)

### 董事報告 (續)

Under the existing Articles of Association of the Company, one third of the Directors shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years and re-election at each annual general meeting. In accordance with the Article 102 of the Company, Mr. Ho Wei Sem, Mr. Tang Yu, Freeman and Mr. Wong Yiu Ming will retire from office by rotation and, being eligible, shall offer themselves for re-election at the forthcoming annual general meeting of the Company. None of the Directors offering themselves for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

The Company has received annual confirmation of independence from each of the Independent Non-Executive Directors pursuant to Rule 3.13 of the Listing Rules and considers all Independent Non-Executive Directors to be independent.

### DIRECTORS' REMUNERATION

The remuneration packages of all executive directors and senior management are determined by the Remuneration Committee. Also, the remuneration of independent non-executive directors is recommended by the Remuneration Committee to the Board. The remuneration packages are subject to comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration.

### DIRECTORS OF SUBSIDIARIES

Other than the Directors of the Company, the persons who have served on the boards of the subsidiaries of the Company during the year ended 31 December 2016 and up to the date of this report included Mr. Cao Xiao Wei, Mr. Chen Lei Ming, Ms. Ching Shuk Kwan, Mr. Diao Jun De, Mr. Du Jiang, Ms. He Ya Lin, Mr. Ho Kwong Sang (resigned on 1 September 2016), Mr. Ho Ping Lim, Mr. Hu Ping, Mr. Hui Wai Kee, Mr. Jiang Shu Feng, Mr. Law Moon Wah, Mr. Li Xiang Dong, Mr. Lu Hank, Mr. Man Wai Hong Bernard, Mr. Miao Hong Liang, Mr. Tse Ip Wing, Ms. Wan Ming, Ms. Xiao Yan Fang (resigned on 1 September 2016), Ms. Yan Dong, Mr. Ye Yue Ran, Mr. Yeung Yuk Lun (appointed on 1 September 2016), Mr. Yip Kin Keung, Mr. Yip Kar Shun and Mr. Zhai Chi (resigned on 13 February 2017), Mr. Zhao Wei Rong (appointed on 1 September 2016) and Mr. Zhu Wen Guang (appointed on 13 February 2017).

根據本公司現行之組織章程細則，三分之一董事須輪值退任，惟各董事須至少每三年輪值退任一次並在股東週年大會上膺選連任。根據本公司之章程細則第102條，何偉森先生、鄧愚先生及黃耀明先生將輪值退任，並合資格於本公司應屆股東週年大會上予以膺選連任。於應屆股東週年大會上擬膺選連任之董事概無與本公司訂立任何不可於一年內由本公司終止而毋須作出賠償(除法定賠償外)之服務合約。

本公司已按上市規則第3.13條收到各獨立非執行董事之年度獨立性確認書，並認為該等獨立非執行董事均屬獨立人士。

### 董事薪酬

全體執行董事及高級管理人員之薪酬待遇由薪酬委員會釐定。另外，獨立非執行董事之薪酬由薪酬委員會向董事會建議。薪酬待遇之考慮因素包括可比較公司、董事投放之時間及職責、本集團其他職級之僱用條件以及薪酬與表現掛鈎之可行性。

### 附屬公司董事

除本公司董事外，於截至二零一六年十二月三十一日止年度至本報告日止期間擔任本公司附屬公司董事的人士包括為曹小偉先生、陳雷銘先生、程淑群女士、刁俊德先生、杜江先生、何雅林女士、何廣生先生(於二零一六年九月一日辭任)、何秉廉先生、胡平先生、許韋奇先生、姜樹峰先生、羅滿華先生、李向東先生、盧熾先生、萬偉康先生、繆虹亮先生、謝業榮先生、溫明女士、蕭艷芳女士(於二零一六年九月一日辭任)、嚴冬女士、葉月然先生、楊毓麟先生(於二零一六年九月一日獲委任)、葉建強先生、葉嘉信先生、翟熾先生(於二零一七年二月十三日辭任)、趙偉榮先生(於二零一六年九月一日獲委任)及朱文光先生(於二零一七年二月十三日獲委任)。

### PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Articles of Association, subject to the statutes, every Director shall be indemnified out of the assets of the Company against all losses and liabilities which he/she may sustain or incur in or about the execution of his/her office or otherwise in relation thereto. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against Directors of the Group.

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31 December 2016, the interests and short positions of the Directors and the chief executive of the Company (the "Chief Executive") in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the Part XV of the Securities and Futures Ordinance, Chapter 571 under the Laws of Hong Kong (the "SFO")) as recorded in the register of directors' and chief executive's interests and short positions required to be maintained under section 352 of the SFO or which were required, pursuant to the Model Code for Securities Transactions by directors of listed issuers as set out in Appendix 10 of the Listing Rules, to be notified to the Company and the Stock Exchange are as follows:

#### Interests in the Shares

Name of Directors	Personal Interests	Number of shares held			Other Interests	Total	Approximate % of total issued shares of the Company
		Family Interests	Corporate Interests				
董事姓名	個人權益	持有股份數目			其他權益	總數	百分比
		家族權益	企業權益				
Tang To 鄧 燾	4,970,000	2,000 (Note 2) (附註2)	300,617,458 (Note 1) (附註1)		224,000 (Note 3) (附註3)	305,813,458	42.66
Wong Yiu Ming 黃耀明	9,468,000	-	-		-	9,468,000	1.32
Kan Wai Wah 簡衛華	136,400	-	-		-	136,400	0.02
Cheng Tak Yin 鄭達賢	1,406,000	-	-		-	1,406,000	0.20

### 獲准許之彌償條文

根據本公司之組織章程細則，在法例的條文規限下，每名董事應有權獲得保障，從本公司於其資產中補償因執行職務或與此有關的其他方面可能蒙受或招致之所有損失及法律責任。本公司已就本集團之董事可能面對任何訴訟時產生的責任和相關的費用購買保險。

### 董事及主要行政人員之證券權益

於二零一六年十二月三十一日，根據證券及期貨條例第352條規定須設置之董事及本公司主要行政人員(「主要行政人員」)權益及淡倉登記冊所載記錄顯示，各董事及主要行政人員在本公司及其任何關聯法團(定義見香港法例第571章證券及期貨條例第XV部(「證券及期貨條例」))之股份、相關股份及債權證或根據上市規則附錄十所載上市發行人董事進行證券交易之標準守則須通知本公司及聯交所之權益及淡倉如下：

#### 股份權益



## REPORT OF THE DIRECTORS (CONTINUED)

### 董事報告 (續)

#### Notes:

1. As at 31 December 2016, 3,460,406 Shares of those 300,617,458 Shares were held by Ginta Company Limited (“Ginta”) which is wholly owned by a company which in turn is owned as to 50% by Mr. Tang and 50% by his spouse. Mr. Tang was deemed to be interested in the remaining 297,157,052 Shares of those 300,617,458 Shares under the SFO through his deemed interests in Codo Development Limited (“Codo”).

As at 31 December 2016, Codo through its wholly owned subsidiaries, Cosmos Machinery (Holdings) Limited (“Cosmos Holdings”) and Tai Shing Agencies Limited (“Tai Shing”), was deemed to be interested in 297,157,052 Shares. Codo is incorporated in Hong Kong and is owned as to (i) 25.06% by Keepsound Investments Limited (“Keepsound”), a Hong Kong company controlled by Saniwell Holding Inc., a trustee of The Saniwell Trust, (ii) 8.37% by Elegant Power Enterprises Limited (“Elegant Power”); (iii) 30.25% by Friendchain Investments Limited (“Friendchain”), a Hong Kong company controlled as to 40% by Elegant Power, as to 57.42% by Saniwell Holding Inc. and as to 2.58% by Fullwin Limited (“Fullwin”); (iv) 16.09% by Yik Wan Company Limited (“Yik Wan”); and (v) 20.23% by five individuals and two limited companies.

2. As at 31 December 2016, 2,000 Shares were held by the spouse of Mr. Tang.
3. As at 31 December 2016, 224,000 Shares were jointly held by Mr. Tang and his spouse.

The percentage shown was calculated based on the number of issued shares of the Company as at 31 December 2016.

As at 31 December 2016, other than as disclosed above and certain nominee shares held in trust for the Group, none of the Directors or Chief Executive or their associates had any interests and short positions in the shares, underlying shares of the Company and its associated corporations (within the meaning of the SFO) to be notified to the Company and the Stock Exchange pursuant to Section 352 of the SFO, to be entered in the register referred to therein.

#### 附註：

1. 於二零一六年十二月三十一日，在該300,617,458股股份中，3,460,406股乃由堅達有限公司(「堅達」)持有，而堅達則由一間鄧先生及其配偶各擁有50%權益之公司全資擁有。根據證券及期貨條例，鄧先生(基於其在高度發展有限公司(「高度」)被視作持有之權益)亦被視為擁有該300,617,458股股份中其餘的297,157,052股之權益。

於二零一六年十二月三十一日，高度透過其全資附屬公司大同機械(控股)有限公司(「大同控股」)及Tai Shing Agencies Limited(「Tai Shing」)被視為擁有合共297,157,052股股份之權益。高度乃在香港註冊成立，由(i)協生投資有限公司(「協生」)(一間由The Saniwell Trust之受託人Saniwell Holding Inc.控制之香港公司)擁有25.06%權益；(ii)豪力企業有限公司(「豪力」)擁有8.37%權益；(iii)友昌投資有限公司(「友昌」)(為一間香港公司，並由豪力擁有40%、Saniwell Holding Inc.擁有57.42%及Fullwin Limited(「Fullwin」)擁有2.58%之股權)擁有30.25%權益；(iv)翼雲有限公司(「翼雲」)擁有16.09%權益；及(v)五名個別人士及兩間有限公司擁有20.23%權益。

2. 於二零一六年十二月三十一日，該2,000股股份由鄧先生之配偶擁有。
3. 於二零一六年十二月三十一日，該224,000股股份由鄧先生及其配偶擁有。

上表所顯示之百分比以本公司於二零一六年十二月三十一日已發行股份數目計算。

於二零一六年十二月三十一日止，除上文披露者及為本集團信託而持有之若干代理人股份外，各董事、主要行政人員或彼等之聯繫人士概無擁有根據證券及期貨條例第352條規定須通知本公司及聯交所及須記入該條所述登記冊之本公司或其相聯法團(定義見證券及期貨條例)股份、相關股份權益及淡倉。

### SUBSTANTIAL SHAREHOLDERS

As at 31 December 2016, the following interests in 5% or more in the shares and underlying shares of the Company have been notified to the Company and recorded in the register of substantial shareholders' interests and short positions required to be kept under Section 336 of Part XV of the SFO:

### 主要股東

於二零一六年十二月三十一日，根據本公司按證券及期貨條例第XV部第336條規定而設置之主要股東權益及淡倉登記冊所載記錄顯示，以下人士持有本公司已發行股本及相關股份5%或以上之權益：

#### Interests in the Shares

#### 股份權益

Name of Substantial Shareholders	Number of shares held		Total	Approximate % of total issued shares of the Company 本公司 已發行股份 總數之概約 百分比
	Direct Interests	Deemed Interests		
主要股東名稱	直接權益	被當作 持有之權益	總數	
Law Kit Fong 羅潔芳	–	297,157,052 (Note 1) (附註1)	297,157,052	41.45
Codo 高度	–	297,157,052 (Note 2) (附註2)	297,157,052	41.45
Cosmos Holdings 大同控股	127,052,600	170,104,452 (Note 3) (附註3)	297,157,052	41.45
Tai Shing Tai Shing	170,104,452	–	170,104,452	23.73
Saniwell Holding Inc. Saniwell Holding Inc.	–	297,157,052 (Note 4) (附註4)	297,157,052	41.45
China Resources (Holdings) Company Limited 華潤(集團)有限公司	169,649,046 (Note 5) (附註5)	–	169,649,046	23.66

## REPORT OF THE DIRECTORS (CONTINUED)

### 董事報告 (續)

#### Notes:

1. Ms. Law Kit Fong is deemed to be interested in the block of 297,157,052 Shares through her direct and indirect interests in Elegant Power and Codo. As at 31 December 2016, Codo through its wholly owned subsidiaries, Cosmos Holdings and Tai Shing, was deemed to be interested in 297,157,052 Shares. As at 31 December 2016, Codo is owned as to 30.25% by Friendchain (which is owned as to 40% by Elegant Power) and 8.37% by Elegant Power (which is wholly owned by Ms. Law Kit Fong).
2. As at 31 December 2016, Codo is interested in 297,157,052 Shares through its wholly owned subsidiaries, Cosmos Holdings and Tai Shing. As at 31 December 2016, Codo is owned as to (i) 25.06% by Keepsound, a Hong Kong company controlled by Saniwell Holding Inc., a trustee of The Saniwell Trust; (ii) 8.37% by Elegant Power, which is wholly-owned by Ms. Law Kit Fong; (iii) 30.25% by Friendchain, which is owned as to 40% by Elegant Power, as to 57.42% by Saniwell Holding Inc. and as to 2.58% by Fullwin; (iv) 16.09% by Yik Wan; and (v) 20.23% by five individuals and two limited companies.
3. Cosmos Holdings was deemed to be interested in 170,104,452 Shares through its subsidiary, Tai Shing.
4. As at 31 December 2016, Saniwell Holding Inc. was deemed to be interested in the block of 297,157,052 Shares under the SFO through its deemed interests in Codo. Codo is owned as to (i) 25.06% by Keepsound, a Hong Kong company controlled by Saniwell Holding Inc., a trustee of The Saniwell Trust; (ii) 8.37% by Elegant Power; (iii) 30.25% by Friendchain which is owned as to 40% by Elegant Power, as to 57.42% by Saniwell Holding Inc. and as to 2.58% by Fullwin; (iv) 16.09% by Yik Wan; and (v) 20.23% by five individuals and two limited companies.
5. As shown by the latest interest disclosure information maintained pursuant to Part XV of the SFO provided to the Company by China Resources National Corporation, China Resources Co., Limited and CRC Bluesky Limited, the above three companies were deemed to be interested in the Shares owned by China Resources (Holdings) Company Limited.

#### 附註：

1. 羅潔芳女士因分別持有豪力及高度之直接及間接權益而被當作擁有該批297,157,052股股份之權益。於二零一六年十二月三十一日，高度透過其全資附屬公司大同控股及Tai Shing被當作擁有合共297,157,052股股份之權益。於二零一六年十二月三十一日，高度之股權分別由友昌(其40%權益由豪力控制)擁有30.25%權益及由豪力(由羅潔芳女士全資擁有)擁有8.37%權益。
2. 於二零一六年十二月三十一日，高度透過其全資附屬公司大同控股及Tai Shing被當作擁有合共297,157,052股股份之權益。於二零一六年十二月三十一日，高度之股權分別由(i)協生(一間由The Saniwell Trust之受託人Saniwell Holding Inc.控制之香港公司)擁有25.06%權益；(ii)豪力(由羅潔芳女士全資擁有)擁有8.37%權益；(iii)友昌(分別由豪力擁有40%、Saniwell Holding Inc.擁有57.42%及Fullwin擁有2.58%之股權)擁有30.25%權益；(iv)翼雲擁有16.09%權益；及(v)五名個別人士及兩間有限公司擁有20.23%權益。
3. 大同控股透過其附屬公司Tai Shing被當作擁有170,104,452股股份之權益。
4. 於二零一六年十二月三十一日，根據證券及期貨條例，Saniwell Holding Inc.因擁有高度之權益而被當作擁有該批297,157,052股股份之權益。高度分別由(i)協生(一間由The Saniwell Trust之受託人Saniwell Holding Inc.控制之香港公司)擁有25.06%權益；(ii)豪力擁有8.37%權益；(iii)友昌(分別由豪力擁有40%、Saniwell Holding Inc.擁有57.42%及Fullwin擁有2.58%之股權)擁有30.25%權益；(iv)翼雲擁有16.09%權益；及(v)五名個別人士及兩間有限公司擁有20.23%權益。
5. 按照本公司接獲中國華潤總公司、華潤股份有限公司及CRC Bluesky Limited根據證券及期貨條例第XV部存案之最新權益披露表格顯示，該三間公司各被當作於華潤(集團)有限公司所擁有之股份中佔有權益。



The percentage shown was calculated based on the number of issued shares of the Company as at 31 December 2016.

Save as disclosed above, as at 31 December 2016, the Directors are not aware of any other persons who have interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would be required to be disclosed to the Company and the Stock Exchange pursuant to Part XV of the SFO.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed "Directors' and Chief Executive's Interests in Securities" above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

### DIRECTORS' INTERESTS IN CONTRACTS

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

### MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole of any substantial part of the Company's business were entered into or existed during the year.

### AUDIT COMMITTEE

The Annual Report for the year ended had been reviewed by the Audit Committee of the Company. Particulars of the Audit Committee and its composition are set out in the Board Committee section of the Corporate Governance Report on page 36 to page 38 of this Annual Report.

上表所顯示之百分比以本公司於二零一六年十二月三十一日已發行股份數目計算。

除上述披露者外，截至二零一六年十二月三十一日止，就各董事知悉，概無任何其他人士於本公司或其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債權證中擁有根據證券及期貨條例第XV部，須向本公司及聯交所披露之權益或淡倉。

### 董事購買股份或債券之權利

除上文「董事及主要行政人員之證券權益」所披露者外，於本年度內任何時間，概無任何董事或彼等各自之配偶或未成年子女獲授可藉購入本公司股份或債券而獲益之權利；彼等亦無行使該等權利；本公司或其任何附屬公司概無參與任何安排，致使董事可獲得任何其他法人團體之有關權利。

### 董事在合約中的權益

於本年度或年末，本公司或其任何附屬公司概無簽訂本公司董事直接或間接擁有重大權益與本集團業務有關之重要合約。

### 管理合約

除僱傭合約外，本公司於本年度內並無就全部或任何重大部份的本公司業務管理及行政訂立或存在任何合約。

### 審核委員會

本年度之年報已經由本公司審核委員會審閱。有關審核委員會及其組成之詳情載於本年報第36至38頁之企業管治報告董事會委員會一節內。

## REPORT OF THE DIRECTORS (CONTINUED)

### 董事報告 (續)

#### CORPORATE GOVERNANCE

Information on the Company's corporate governance practices is set out in the "Corporate Governance Report" from pages 31 to 49 of this Annual Report.

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

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

#### SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this Report of the Directors, the Company has maintained the prescribed public float under the Listing Rules.

On behalf of the Board

**TANG To**  
*Chairman*

Hong Kong, 16 March 2017

#### 企業管治

本公司企業管治之資料，列載於本年報第31頁至49頁「企業管治報告」內。

#### 購買、售出或贖回本公司上市證券

本公司或其任何附屬公司概無於截至二零一六年十二月三十一日止年度內購買、售出或贖回本公司任何上市股份。

#### 充足公眾持股量

根據本公司可取得之公開參考資料及就本公司董事所悉，截至本董事報告日期，本公司已維持上市規則項下規定之公眾持股量。

代表董事會

主席  
**鄧燾**

香港，二零一七年三月十六日

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CORPORATE GOVERNANCE

The Company has always recognized the importance of the shareholders' transparency and accountability. It is the belief of the Board of Directors that shareholders can maximize their benefits from good corporate governance.

The Company has adopted the code provisions set out in the Corporate Governance Code ("the CG Code") contained in Appendix 14 of the Listing Rules as its own code of corporate governance practices. The Directors consider that the Company has complied with the CG Code during the financial year ended 31 December 2016, except for the deviation from code provision A.6.7 as mentioned below:

Code provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should attend the issuer's general meetings and develop a balanced understanding of the views of shareholders. Some Independent Non-Executive Directors and Non-Executive Directors were unable to attend the 2016 annual general meeting of the Company. However, the Board believes that the presence of independent non-executive director at such general meetings allowed the Board to develop a balanced understanding of the views of shareholders.

### CORPORATE GOVERNANCE FUNCTIONS

No corporate governance committee has been established and the Board is responsible for performing the corporate governance function. The Board is responsible for performing the corporate governance duties including (a) to develop and review the Company's policy and practices on corporate governance; (b) to review and monitor the training and continuous professional development of Directors and senior management; (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (d) to develop, review and monitor the code of conduct and compliance manual to employees and Directors; and (e) to review the Company's compliance with Appendix 14 to the Listing Rules (Corporate Governance Code and Corporate Governance Report).

### 企業管治

本公司一向深明向股東維持透明度及問責之重要性。董事會相信，良好企業管治有助提升股東利益。

本公司已採納上市規則附錄14所載的企業管治守則(「企業管治守則」)之守則條文，作為本身之企業管治守則。董事認為，於截至二零一六年十二月三十一日止財政年度，本公司一直遵守企業管治守則，惟以下守則條文第A.6.7條有所偏離除外：

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均須出席發行人的股東大會，以對股東之意見有公正之了解。部份獨立非執行董事及非執行董事因其他公務而未能出席本公司二零一六年股東週年大會。然而，董事會認為，有獨立非執行董事出席了上述股東大會，已能讓董事會公正地了解股東之意見。

### 企業管治職能

由於並無成立企業管治委員會，因此由董事會負責執行企業管治職能。董事會負責履行的企業管治職務包括：(a)發展及審閱本公司企業管治政策及常規；(b)審閱及監督董事及高級管理人員的培訓及持續專業發展；(c)審閱及監督本公司政策及常規，以遵守法律及監管規定；(d)制訂、審閱及監督適用於僱員及董事的操守準則及合規手冊；及(e)檢討本公司有否遵守上市規則附錄十四(企業管治守則及企業管治報告)。



### COMPLIANCE WITH MODEL CODE

Throughout the year ended 31 December 2016, the Company has adopted the Model Code for Securities Transactions by directors of listed issuers as set out in Appendix 10 to the Listing Rules and all Directors have confirmed that they have fully complied with the required standard as set out in the Model Code based on the enquiry of all the Directors of the Company.

### SUPPLY OF AND ACCESS TO INFORMATION

All the Directors are supplied with board papers and relevant materials within a reasonable period of time in advance of the intended meeting date. All Directors have unrestricted access to the management for enquiries and are entitled to have unlimited access to the board papers and relevant materials when required. Such information is prepared to enable the Board to make an informed decision on matters placed before it.

### THE BOARD

The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic decisions and performances. The management was delegated the authority and responsibility by the Board for the management of the Group. In addition, the Board has also delegated various responsibilities to the Committee of Executive Directors, Audit Committee, Remuneration Committee and Nomination Committee. Further details of these committees are set out in this report.

The Board has at least four scheduled meetings a year at quarterly interval and meets as and when required. During the financial year ended 31 December 2016, the Board held four meetings and one general meeting.

### 遵守標準守則

於截至二零一六年十二月三十一日止年度，本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則，而根據本公司向全體董事所作查詢，彼等確認已完全遵照標準守則所載規定標準。

### 提供及索取資料

全體董事均會於擬定舉行會議日期前合理時間獲提供董事會文件及相關資料。全體董事可隨時向管理層作出查詢，且有權於有需要時隨時查閱董事會文件及相關資料。本公司負責編製該等資料，以便董事會就須予討論事宜作出知情決定。

### 董事會

董事會負責領導及監控本公司，同時監督本集團業務、策略決定及業績事宜。董事會已賦予管理層管理本集團之權力及職責。此外，董事會亦已指派執行董事委員會、審核委員會、薪酬委員會及提名委員會各自之職責。有關上述委員會之詳情載於本報告。

董事會每年於四個季度至少各舉行一次會議，並於有需要時會面。截至二零一六年十二月三十一日止財政年度，董事會曾舉行四次會議及一次股東大會。

Board minutes are kept by the Company Secretary of the Company and are sent to the Directors for records and are open for inspection by the Directors.

The Directors are enabled, upon the reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expenses. The Board has resolved to provide separate appropriate independent professional advice to the Directors to assist the relevant Directors to discharge their duties to the Company.

Appropriate insurance cover has been arranged in respect of legal action against the Directors.

### BOARD COMPOSITION

As at the date of this report, the Board comprises three Executive Directors, being Mr. Tang To, Mr. Wong Yiu Ming and Mr. Tang Yu, Freeman, two Non-Executive Directors, being Mr. Kan Wai Wah and Mr. Qu Jinping and four Independent Non-Executive Directors, being Ms. Yeung Shuk Fan, Mr. Cheng Tak Yin, Mr. Ho Wei Sem and Mr. Huang Zhi Wei.

Except Mr. Tang To, the Chairman and an Executive Director and Mr. Tang Yu, Freeman, the Chief Executive Officer ("CEO") and an Executive Director are father and son, the other Board members have no financial, business, family or other material/relevant relationships with each other. Such balanced board composition is formed to ensure strong independence exists across the Board. The biographies of the Directors are set out in pages 16 to 21 to this Annual Report, which demonstrates a diversity of skills, expertise, experience and qualifications.

The Company has received annual confirmation of independence from the four Independent Non-Executive Directors in accordance with Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all the Independent Non-Executive Directors are independent within the definition of the Listing Rules.

本公司之公司秘書負責編製會議紀錄，並向董事派發會議紀錄以作紀錄，董事亦可查閱會議紀錄。

在適當情況下，董事可合理要求徵詢獨立專業意見，費用由本公司承擔。董事會已議決向董事提供個別適當之獨立專業意見，以協助有關董事履行本公司職務。

本公司已就可能對其董事提出之法律行動安排適當保險。

### 董事會成員

於本報告日期，董事會由三名執行董事鄧燾先生、黃耀明先生及鄧愚先生；兩名非執行董事簡衛華先生及瞿金平先生以及四名獨立非執行董事楊淑芬女士、鄭達賢先生、何偉森先生及黃志煒先生組成。

除主席兼執行董事鄧燾先生及行政總裁兼執行董事鄧愚先生為父子關係外，其他董事會成員相互之間概無任何財務、業務、家族或其他重大關係。本公司致力成立平衡之董事會，確保成員之間具有高度獨立性。董事履歷載於年報第16至21頁，顯示彼等具備多元化技能、專業知識、經驗及資格。

本公司已取得四名獨立非執行董事按照上市規則第3.13條發出之年度獨立身份確認書。董事會已評估各獨立非執行董事之獨立性，認為彼等全屬上市規則界定之獨立人士。

### **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

In order to preserve independence and to have balanced judgment of views, there is a clear separation of the roles and responsibilities of the Chairman and CEO and the two positions are held by two different members of the Board. The Board has appointed a Chairman, Mr. Tang To, who is an Executive Director and is responsible for the Company's overall strategic planning and provides leadership to the Board so that the Board works effectively and all important issues are discussed in a timely manner. The CEO, Mr. Tang Yu, Freeman, is an Executive Director and is responsible for the daily operation and business directions of the Group.

### **INDEPENDENT NON-EXECUTIVE DIRECTORS**

Pursuant to Rule 3.10A of the Listing Rules, the Company has appointed sufficient Independent Non-Executive Directors. The Company has received from each of the Independent Non-Executive Directors, an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and the Company considers all of the Independent Non-Executive Directors are independent.

### **RESPONSIBILITIES OF DIRECTORS**

The Directors are continually updated with statute, common law, the Listing Rules, legal and regulatory developments, business and market changes and the strategic development of the Group to facilitate the discharge of their responsibilities.

The Independent Non-Executive Directors take an active role in board meetings, contribute to the development of strategies and policies and make sound judgment on issues of strategy, policy, performance, key appointments and standard of conduct. They will take lead where potential conflicts of interests arise. They are also members of various committees and examine the overall performance of the Group in achieving agreed corporate goals and objectives, and monitoring the reporting of performance.

### **主席及行政總裁**

為維持獨立性及達致平衡意見，主席與行政總裁角色及職責清楚劃分，兩個職位由董事會不同成員擔任。董事會委任執行董事鄧熹先生任主席，負責本集團整體策略規劃及領導董事會，確保董事會有效運作和及時討論所有重大事宜。行政總裁為執行董事鄧愚先生，負責本集團日常營運及業務方針。

### **獨立非執行董事**

根據上市規則第3.10A條，本公司已委任足夠的獨立非執行董事。本公司已接獲各獨立非執行董事根據上市規則第3.13條確認其獨立性之年度確認書，而本公司認為全體獨立非執行董事屬獨立人士。

### **董事職責**

董事不時獲提供有關成文法、普通法、上市規則、法律及規監管發展、業務及市場轉變以及本集團策略發展之最新資料，以便彼等履行職責。

獨立非執行董事於董事會會議扮演積極角色，為策略及政策發展作出貢獻，亦就策略、政策、業績、委任重要職位及操守準則等事宜提供良好判斷。獨立非執行董事主導解決可能產生之利益衝突問題。彼等亦為各委員會之成員，負責評核本集團在達致協定公司目標方面之整體表現，並監控業績申報事宜。



### APPOINTMENTS, RE-ELECTION, REMOVAL AND NOMINATION OF DIRECTORS

Every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years and that any Director appointed to fill a casual vacancy on the Board shall be subject to re-election by shareholders at the first general meeting after the appointment and any Director appointed as an addition to the Board shall hold office until the next following annual general meeting of the Company.

Each of the Non-Executive Directors has entered into an appointment letter with the Company pursuant to which each of them is appointed for service with the Company for a term of three years, subject to the rotational retirement provision of the Articles of Association of the Company.

### DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

All Directors of the Company are encouraged to attend to Continuous Professional Development training. All the Directors have been supplied with relevant reading materials regarding corporate governance or attend relevant forum or training courses organized by qualified professionals on relevant topics to develop and enhance their knowledge and skill in relation to their contribution to the Board.

The Directors also disclose to the Company their interests as Directors or other offices in other public companies in timely manner and provide updates to the Company on any subsequent changes.

### DELEGATION BY THE BOARD

The day-to-day management of the Company is delegated to the senior management, with division heads responsible for different aspects of the business.

### 委任、重選、撤換及董事提名

每名董事(包括有特定任期者)須最少每三年輪值退任一次、任何獲委任填補臨時空缺之董事須於委任後首個股東大會獲股東重選以及獲委任為董事會新增成員之董事,任期直至下一屆本公司股東週年大會為止。

每位非執行董事已與本公司訂立委任書,任期為三年,但須根據本公司之組織章程細則的規定輪席退任。

### 董事持續專業發展

本公司鼓勵全體董事參與持續專業發展,所有董事已獲本公司提供有關企業管治的閱讀資料或出席由合資格專業團體舉辦的相關課程或座談會等,就彼等對董事會的貢獻發展及更新彼等的知識及技能。

董事已適時向本公司披露彼等於其他上市公司擔任董事或其他職務之權益,並向本公司提供其後變動之最新資料。

### 董事會委派代表

本公司日常管理委派高級管理人員負責,部門主管負責業務不同範疇。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### 企業管治報告 (續)

Major corporate matters that are specifically delegated by the Board to the senior management include execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations.

### BOARD COMMITTEES

The Board currently has four committees, namely Committee of Executive Directors, the Audit Committee, the Remuneration Committee and the Nomination Committee. The Audit Committee, the Remuneration Committee and the Nomination Committee are empowered by the Board under their own terms of reference which have been posted on the websites of the Stock Exchange and the Company and are available for inspection by the shareholders of the Company upon request made to the Company Secretary.

#### Committee of Executive Directors

The Company has established the Committee of Executive Directors which includes all the three Executive Directors of the Board and meets frequently as when necessary and is responsible for the management and day to day operations of the Group.

#### Audit Committee

The Audit Committee has adopted terms of reference which are in line with the code provisions of the Corporate Governance Code in Appendix 14 of the Listing Rules. During the year under review and up to the date of this report, the Audit Committee comprises all three Independent Non-Executive Directors namely, Ms. Yeung Shuk Fan (being the Chairman of the Audit Committee), Mr. Cheng Tak Yin and Mr. Ho Wei Sem, who among themselves possess a great deal of management experience in the accounting profession and commercial sectors.

董事會特定委派予高級管理人員之主要公司事宜包括執行董事會採納之業務策略及計劃、推行充分內部監控制度及風險管理程序以及遵守相關法定規定與法規及規則。

#### 董事委員會

董事會現時設有四個委員會，分別為執行董事委員會、審核委員會、薪酬委員會及提名委員會。審核委員會、薪酬委員會及提名委員會獲董事會授予職權，其職權範圍刊載於聯交所及本公司網站，本公司股東亦可向公司秘書要求查閱該職權範圍。

#### 執行董事委員會

本公司成立由董事會全部三名執行董事組成之執行董事委員會，於需要時經常會面，負責本集團管理及日常運作。

#### 審核委員會

審核委員會已採納符合上市規則附錄14企業管治守則之守則條文的職權範圍。於本年度及直至本報告日期，審核委員會由全部三名獨立非執行董事組成，審核委員會主席為楊淑芬女士，其餘成員為鄭達賢先生及何偉森先生，彼等均具備豐富會計專業及商界管理經驗。

The Audit Committee meets the external auditors at least twice a year to discuss any areas of concerns during the audits. As considered necessary and requested by any one or more of the Independent Non-Executive Directors, the Audit Committee shall meet with the external auditors without the presence of the executive Board members. The Audit Committee reviews the interim and annual reports before submission to the Board. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements in the review of the Company's interim and annual reports.

The terms of reference of the Audit Committee is currently made available on the HKEXnews website and the Company's website.

For the financial year ended 31 December 2016, the Audit Committee has performed the following duties:

1. reviewed with the management the accounting principles and practices adopted by the Group;
2. reviewed the audited financial statement for the year ended 31 December 2015 and the unaudited interim financial statement for the six months ended 30 June 2016 with recommendation to the Board for approval; and
3. reviewed principles and procedures on internal control system covering financial, operational and risk management functions.

審核委員會與外聘核數師每年最少會面兩次，以討論核數期間任何須予關注事宜。在任何一名或多名獨立非執行董事認為有需要及要求下，委員會可在無執行董事在場情況下與外聘核數師會面。審核委員會於季度業績以及中期及年度報告提交董事會前檢討有關業績及報告。審核委員會於審閱本公司之季度業績、中期及年度報告時，不僅專注於會計政策及常規變動之影響，亦著重遵守會計準則、上市規則及法例規定。

審核委員會之職權範圍已載於披露易及本公司網站。

截至二零一六年十二月三十一日止財政年度，審核委員會作了下列的工作：

1. 與管理層檢討本集團採納的會計制度及政策；
2. 審閱截至二零一五年十二月三十一日止年度之已審核財務報告及截至二零一六年六月三十日止六個月之未經審核中期財務報告，並向董事會提出建議；及
3. 檢討包括財務、營運及風險管理等方面的內部監控的原則及程序。



## CORPORATE GOVERNANCE REPORT (CONTINUED)

### 企業管治報告 (續)

The Audit Committee held three meetings during the financial year ended 31 December 2016.

Full minutes of Audit Committee meetings are kept by a duly appointed secretary of the meeting. Draft and final versions of minutes of the Audit Committee meetings are sent to all members of the Audit Committee for their comment and records respectively. First version should be sent out to all members for comment within approximately 30 days and final version will be used for minutes recording purpose.

#### Auditors' Remuneration

During the year under review, the remuneration paid to the Company's auditors, Messrs. Ting Ho Kwan & Chan, is set out as follows:

截至二零一六年十二月三十一日止的財政年度，審核委員會共舉行了三次會議。

審核委員會之詳盡會議紀錄由正式委任之會議秘書負責。審核委員會會議紀錄之草擬本及最終本將送交審核委員會全體成員，分別供彼等提供意見及保存。首個版本將於會議後約30日內送交全體成員，以供彼等提供意見，而最終本將用作紀錄之用。

#### 核數師酬金

於回顧年內，已付本公司核數師丁何關陳會計師行之酬金載列如下：

		<b>Fee paid/payable</b>
		已付／應付費用
		HK\$
		港元
Services rendered	所提供服務	
Audit services	核數服務	2,280,000
Non-audit services	非核數服務	-
		<hr/>
		2,280,000
		<hr/>

### Remuneration Committee

The Company established a Remuneration Committee in June 2005. It has adopted terms of reference which are in line with the code provisions of the Corporate Governance Code in Appendix 14 of the Listing Rules. When determining the remuneration packages the Remuneration Committee will consider factors such as the salaries paid by comparable companies, time commitment of Directors and senior management, job responsibilities, performance of the individual and performance of the Company. The Remuneration Committee has adopted the approach under B.1.2(c)(i) of the code provisions to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management. It will also review and approve performance-based remuneration by reference to the corporate goals and objectives resolved by the Board from time to time. Its work for the year ended 31 December 2016 is summarized as follows:

- (i) To determine the policy for remuneration of Directors and to make recommendations with respect to the remuneration of the Executive Directors and the senior management of the Company for approval by the Board;
- (ii) To oversee performance of the Executive Directors; and
- (iii) To review the remuneration package and recommend salaries, bonuses, including the incentive awards for both Executive and Non-Executive Directors and the senior management.

As at the date of this report, the chairman of the Remuneration Committee is an Independent Non-Executive Director, Mr. Cheng Tak Yin and the remaining members are Ms. Yeung Shuk Fan and Mr. Ho Wei Sem, being Independent Non-Executive Directors and the Chairman of the Board of the Company, Mr. Tang To.

### 薪酬委員會

本公司於二零零五年六月成立薪酬委員會。薪酬委員會已採納符合上市規則附錄14企業管治守則之守則條文的職權範圍。當釐定薪酬待遇，薪酬委員會委員考慮的因素包括同類公司所支付的薪金、董事及高級管理人員付出的時間、職責、個人表現及公司表現等因素。薪酬委員會已採納守則條文B.1.2(c)(i) 條項下之方式獲董事會轉授責任，釐定個別執行董事及高級管理人員的薪酬待遇。此外並經參考董事會不時決定的公司方針及目標，檢討及批准按表現而釐定的薪酬。截至二零一六年十二月三十一日止財政年度，薪酬委員會之工作概列如下：

- (i) 釐定董事薪酬政策及就執行董事及本公司高級管理人員之薪酬提供建議，以供董事會批准；
- (ii) 監管執行董事之表現；及
- (iii) 檢討執行董事、非執行董事及高級管理人員之薪酬組合，並就薪金、花紅及獎金提供建議。

於本報告日期，薪酬委員會主席為獨立非執行董事鄭達賢先生，其餘成員為獨立非執行董事楊淑芬女士、何偉森先生以及本公司董事會主席鄧燾先生。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### 企業管治報告 (續)

The Remuneration Committee annually sets out its recommendation on the remuneration package of the Executive Directors. For the financial year ended 31 December 2016, the Remuneration Committee has reviewed and recommended to the Board the salaries and bonuses of the Executive Directors and the senior management of the Company.

The Remuneration Committee held one meeting during the financial year ended 31 December 2016.

The terms of reference of the Remuneration Committee is currently made available on the HKExnews website and the Company's website.

In order to attract, retain, and motivate executives and key employees serving for the Group, the Company has adopted a share option scheme in 2005. Such incentive scheme enables the eligible persons to obtain an ownership interest in the Company and thus to reward the participants who contribute to the success of the Group's business and operations.

薪酬委員會每年就執行董事之薪酬組合提供建議。截至二零一六年十二月三十一日止財政年度，薪酬委員會已檢討執行董事及高級管理人員之薪金及花紅，並就此向董事會提供建議。

薪酬委員會於截至二零一六年十二月三十一日止年度舉行了一次會議。

薪酬委員會之職權範圍經已載於披露易及本公司網站。

為吸引、留聘及鼓勵行政人員及重要僱員為本集團服務，本公司於二零零五年採納購股權計劃。有關獎勵計劃容許合資格人士獲取本公司擁有權權益，從而回報為本集團業務及經營成功作出貢獻之人士。



### Remuneration of Directors and Senior Management

Details of the amount of Directors emoluments are set out in Note 11 to the Consolidated Financial Statements. Remuneration of senior management disclosed by band is set out as follows:

### 董事及高級管理人員薪酬

董事酬金詳情載於綜合財務報表附註11。按組別披露的高級管理人員的薪酬如下：

#### The remuneration of senior management were within the following bands

高級管理人員薪酬分為下列組別

#### Number of employees

員工人數

2016

二零一六年

HK\$1,000,001 to HK\$2,000,000	1,000,001港元至2,000,000港元	1
HK\$2,000,001 to HK\$3,000,000	2,000,001港元至3,000,000港元	1
		2

### Nomination Committee

The Company established the Nomination Committee on 29 March 2012. It has adopted terms of reference which are in compliance with the code provisions of the Corporate Governance Code in Appendix 14 of the Listing Rules. It comprises three Independent Non-Executive Directors namely Ms. Yeung Shuk Fan, Mr. Cheng Tak Yin and Mr. Ho Wei Sem and two Executive Directors namely Mr. Tang To (being the Chairman) and Mr. Tang Yu, Freeman. The Nomination Committee will review the structure, size and composition (including the skills, knowledge and experiences) of the Board on a regular basis and make recommendations regarding any proposed changes, identify suitable individual qualified to become board members and makes recommendation on relevant matters relating to the appointment or re-appointment of Directors if necessary, in particular, to those candidates who can add value to the management through their contributions in the relevant strategic business areas and which appointments will result in the constitution of strong and diverse Board.

### 提名委員會

本公司已於二零一二年三月二十九日成立提名委員會，並採納符合上市規則附錄14企業管治守則之守則條文的職權範圍。提名委員會由三名獨立非執行董事及兩名執行董事組成，分別為楊淑芬女士、鄭達賢先生、何偉森先生、鄧燾先生（委員會主席）及鄧愚先生。委員會定期檢討董事會架構、規模及成員（包括成員之技能、知識及經驗），就並任何建議變動作出推薦意見。在有需要之情況下，物色合資格加入董事會之適當人選，並就董事委任及連任事宜提供建議，尤其是可以透過其在相關策略業務範疇所作貢獻加強管理，及獲委任後將令董事會實力更雄厚及更多元化之人選。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### 企業管治報告 (續)

Furthermore, the Nomination Committee will review the structure, size and diversity (including but not limited to gender, age, cultural and educational background) of the Board at least annually to complement the Company's corporate strategy.

Meeting of the nomination committee shall be held at least once a year. One meeting was held during the year 2016. The Nomination Committee is of the opinion that the current size and composition of the Board is adequate to facilitate effective decision-making, and is also satisfied that the existing composition of the Board, which as a group provides the core competencies necessary to guide the Group. Terms of Reference of the Nomination Committee is currently available on the HKExnews website and the Company's website.

### Attendance at Board meetings, Board Committee Meetings and Annual General Meeting

Attendance record of individual Directors during the year is as follows:

提名委員會並就本公司的發展策略，至少每年檢討董事會的組成、規模及多元化（當中包括但不限於性別、年齡、文化及教育背景）。

提名委員會須每年最少一次或於有需要時召開會議，於二零一六年期間曾舉行一次會議。提名委員會已檢討董事會現行規模及成員，認為足以有效決策，亦滿意其成員，認為整體符合領導本集團所需資格。提名委員會之職權範圍已載於披露易及本公司網站。

### 董事會會議、董事委員會會議及股東週年大會出席記錄

個別董事於本年度內之個別出席記錄如下：

		Number of meetings attended/held				
		Board meetings	Audit Committee meetings	Remuneration Committee meeting	Nomination Committee meeting	Annual general meeting
	董事	董事會會議	審核委員會會議	薪酬委員會會議	提名委員會會議	股東週年大會
<b>Directors</b>	<b>董事</b>					
<b>Executive Directors</b>	<b>執行董事</b>					
Tang To (Chairman)	鄧 燾(主席)	4/4	-	1/1	1/1	1/1
Wong Yiu Ming (Executive Vice Chairman)	黃耀明(執行副主席)	4/4	-	-	-	1/1
Tang Yu, Freeman (Chief Executive Officer)	鄧 愚(行政總裁)	4/4	-	-	1/1	1/1
<b>Non-Executive Directors</b>	<b>非執行董事</b>					
Kan Wai Wah	簡衛華	2/4	-	-	-	1/1
Qu Jinping	瞿金平	3/4	-	-	-	0/1
<b>Independent Non-Executive Directors</b>	<b>獨立非執行董事</b>					
Yeung Shuk Fan	楊淑芬	4/4	3/3	1/1	1/1	1/1
Cheng Tak Yin	鄭達賢	4/4	3/3	1/1	1/1	1/1
Ho Wei Sem	何偉森	3/4	2/3	1/1	1/1	0/1
Huang Zhi Wei	黃志偉	3/4	-	-	-	0/1

## INTERNAL CONTROLS

### Internal Control

The Board acknowledges its responsibility in maintaining a sound and effective system of internal control for the Group to safeguard interests of the shareholders and assets of the Company at all times.

The Group's system of internal control which includes a defined management structure with limit of authority is designed to help the achievement of business objectives, safeguard assets against unauthorised use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for external publication, and ensure compliance with relevant legislation and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in the operational systems and achievement of the Group's objectives.

Management has conducted regular reviews during the year on the effectiveness of the internal control system covering all material factors related to financial, operational and compliance controls, various functions for risk management and physical and information systems security. The audit committee had been reported during the audit committee meetings of key findings identified by the Company's external auditor and discussed findings and actions or measures taken in addressing those findings relating to the Group's internal controls. No material issues on the system of internal control have been identified during the year ended 31 December 2016 which required significant rectification works.

The Board has, working in conjunction with senior management, conducted a review on the audit work carried out by the internal audit team during the year with a view to enhancing the Group's internal control system.

## 內部監控

### 內部監控

董事會知悉其有責任維持本集團良好及有效之內部監控制度系統，使股東的權益及本公司資產在任何時間均得到保障。

本集團的內部監控系統包括界定管理架構及相關的權限，以協助集團達至業務目標、保管資產以防未經授權使用或處理、確保適當的會計記錄得以保存並可提供可靠的財務資料供內部使用或對外發放，並確保符合相關法例及規例。上述監控系統旨在合理（但並非絕對）保證並無重大失實陳述或損失，並管理（但並非完全消除）營運系統失誤及導致本集團之目標。

管理層於年內定期檢討內部監控制度之成效，該制度涵蓋一切有關財務、營運及合規監控、風險管理工作以及實際及資訊系統保安等重要因素。本公司外聘核數師於審核委員會會議向審核委員會匯報有關內部監控之主要發現，審核委員會就有關之發現所採取行動或措施作過討論。截至二零一六年十二月三十一日止年度內，並無重大的內部監控問題須予重大糾正。

董事會亦與高級管理層已檢閱內部審核隊伍於年內進行之審核工作以加強本集團內部監控系統。



### **Internal Audit Function**

The Group's internal audit team is responsible for conducting regular review of the Group's internal control procedures, including accounting system and operational procedures, and will make recommendations to the relevant department management for necessary actions. The management considers the present work arrangement of the internal audit functions is effective having taking into account the current organizational structure, lines of responsibility, authority of the management team and the risks associated with the operations of the Group. The management and audit committee review and monitor closely the works of the internal audit team and are committed to strengthening the functions of the Group's internal audit team. In addition to its agreed scheduled work, the internal audit team may conduct other review and investigative work of the Group's businesses on an ad hoc basis as and when necessary.

### **RISK MANAGEMENT**

The Board recognises risk management is one of the key elements to the success of the Company. The Group takes a pragmatic approach to manage different risks to align with its business development strategically. The management identifies potential risks, assesses their impact and likelihood and develops appropriate action plans to mitigate risks to a level that the Company is willing to take in achieving the Company's objectives on a regular basis. The Group will continue to enhance the risk management practice and internal control system and adopts a stringent governance framework with reference to the best practice in the market.

The Group's business, financial position and results may be affected by certain risks and uncertainties. Foreign currency risk, interest rate risk, liquidity risk and credit risk are the main inherent risks which may cause the Group's financial condition or results differing materially from expected or historical results.

### **內部審核職能**

本集團之內部審核隊伍負責定期審閱本集團內部監控程序，包括會計系統及營運程序，並會向有關部門管理層提出建議以作出相應行動。在經考慮現行組織架構、職責、管理團隊之權力以及本集團業務所涉及風險後，管理層認為現時內部審核職能之工作安排屬有效。管理層與審核委員會現正緊密地檢討及監督內部審核隊伍之工作，並致力加強本集團內部審核隊伍之職能。除了其已定之工作日程外，內部審核隊伍亦可能在需要時進行本集團非固定的其他審查和調查工作。

### **風險管理**

董事會認為風險管理為本公司成功關鍵因素之一。本集團採取務實方法管理不同風險，以確保與業務發展策略一致。管理層定期識別潛在風險、評估其影響及可能性，並制定合適行動計劃，以減輕風險程度至本公司願意承擔之程度。本集團將繼續提升風險管理措施及內部監控制度，並參考市場上最佳常規採納嚴格管治框架。

本集團之業務、財務狀況及業績可能受若干風險及不確定因素所影響。外匯風險、利率風險、流動資金風險及信貸風險為可能導致本集團之財務狀況及業績與預期或過往業績有明顯差別之主要內在風險。

### Foreign currency risk

The Group's reporting currency is Hong Kong dollar and most of the business transactions are denominated in other currencies including United States dollar, Renminbi and Japanese Yen. The Group enters forward currency contracts to hedge against the currency risks arising from Group's operations and its funding sources, with reference to cash flow forecasts, capital expenditure commitment and business budget. The Group does not speculate on foreign currencies.

### Interest rate risk

The Group's exposure to the risk of changes in interest rates mainly attributable to the bank loan obligations with floating interest rates. The Group has adequate internal control procedures to monitor the financial position exposures arising from fluctuation in the market interest rate for funding sources denominated in HK dollars, United States dollars and other foreign currencies.

### Liquidity risk

The objective of liquidity risk management is to ensure the adequacy of Group's funds to meet the daily business operations, capital commitment and bank loans repayment. The Group monitors its liquidity position on a daily basis as the Group's treasurer also reviews the bank loans and cashflow positions in different geographical areas and adjusts the mix of short-term and long-term re-financing requirement.

### Credit risk

Credit risk arises from the possibility that the customers are unwilling or unable to fulfill their obligations which then incurs financial losses to the Group. The Group's credit control function manages the credit risks by assessing the credit limits and credit terms to be granted to customers and setting up the internal control system of credit approvals and other monitoring procedures to recover overdue debts, if any. The Group also enters into credit insurance contracts to mitigate the credit risks arising from the collection of accounts receivables balances.

### 外匯風險

本集團以港元為呈報貨幣，而大部分業務交易以其他貨幣計值，包括美元、人民幣及日圓。本集團根據現金流量預測、資本開支承擔及業務預算，訂立遠期貨幣合約以對沖本集團業務及其財務資源所產生之外匯風險。本集團並無炒賣外幣。

### 利率風險

本集團所面對之利率變動風險主要關於按浮息計算之銀行貸款責任。本集團有充足內部監控程序監控以港元、美元及其他貨幣計值之融資渠道，因市場利率波動所引致之財務狀況風險。

### 流動資金風險

管理流動資金風險之目的為確保本集團有充足資金應付日常業務營運、資本承擔及償還銀行貸款。本集團每日均監控其流動資金狀況，集團司庫亦會審閱於不同地區範圍之銀行貸款及現金流量狀況，並調整短期及長期再融資組合之要求。

### 信貸風險

信貸風險乃客戶不願或不能履行其責任而導致本集團承受財務損失時而產生。本集團之信貸監控職能為透過評估將向客戶授出之信貸限額及信貸期，以及設立審批信貸之內部監控系統及其他監察程序以收回逾期借貸(如有)，管理信貸風險。本集團亦訂立信貸保險合約，以減低收取應收賬款結餘所引致之信貸風險。

## INVESTOR RELATIONS AND COMMUNICATIONS

Recognising the importance of maintaining on-going communication with shareholders, the Board establishes a shareholders' communication policy and reviews it on a regular basis to ensure its effectiveness. To facilitate the timely, transparent and effective communication with shareholders, the Board provides different communication channels for shareholders and investors including annual general meetings and other general meetings.

The annual general meeting provides a forum for the Company's shareholders to raise comments, offer suggestions, and exchange views with the Board. The notice of annual general meeting is distributed to all shareholders at least 20 clear business days before the meeting. The Chairman of the Board, the Chairman of the Nomination Committee, the Chairman of the Audit Committee, the Chairman of the Remuneration Committee and external auditors shall attend each annual general meeting or any general meeting to answer questions from the shareholders on the performance of the Company so as to allow them to fully understand the Company's operations, management and development.

During the year, the Board convened an annual general meeting on 25 May 2016. The voting results of annual general meeting were published on the websites of the Stock Exchange and the Company and the results are available for inspection by the shareholders of the Company upon request made to the Company Secretary. The attendance record of the Directors at the meeting is set out on page 42 of this Annual Report.

Besides general meeting, the Executive Directors and senior management of the Company met with various investors during the year to enhance interactive communications with shareholders and investors. Our official website contains timely updated company news, corporate information, announcements, interim and annual reports of the Group, all of which are available for download with a view of making easy access to corporate information for the shareholders and investors of the Company. Circulars, interim and annual reports are sent to shareholders and investors in a timely manner and they are also available on the websites of the Company and the Stock Exchange.

## 投資者關係及溝通

董事會認同持續與股東保持溝通之重要性，並制訂股東溝通政策，且定期進行檢討以確保其效益。為促進與股東進行適時、具透明度及有效之溝通，董事會提供不同渠道與股東及投資者溝通，包括股東週年大會及其他股東大會。

股東週年大會為本公司股東提供平台，向董事會提出意見、建議並與董事會交換意見。股東週年大會通知於大會舉行前至少20個完整營業日向全體股東發佈。董事會主席、提名委員會主席、審核委員會主席及薪酬委員會主席及外聘核數師須出席各個股東週年大會或任何股東大會，以解答股東對本公司表現之提問，使彼等可全面瞭解本公司之營運、管理及發展。

於本年度內，董事會於二零一六年五月二十五日召開股東週年大會。股東週年大會之投票結果已載於聯交所及本公司網站，而本公司股東亦可向公司秘書要求查詢有關結果。董事出席大會之記錄載於本年報第42頁。

除股東大會外，執行董事及本公司高級管理人員於本年度內與不同投資者會面，以加強與股東及投資者之互動溝通。本集團之官方網站載有適時更新之公司消息、公司資料、本集團之公佈、中期及年度報告，可輕易下載，方便本公司股東及投資者取得企業資料。通函、中期及年度報告亦會適時寄發予股東及投資者，並可於本公司及聯交所網站查閱。



## SHAREHOLDERS' RIGHT

The Company follows a policy of disclosing information to shareholders in a timely manner. Members of the Board meet and communicate with shareholders at the Annual General Meeting of the Company ("AGM"). The notice of AGM is distributed to all shareholders at least 20 clear business days prior to the AGM and accompanying circular also set out details of each proposed resolution and other relevant information as required under the Listing Rules. The Chairman proposes separate resolution for each issue to be considered and put each proposed resolution to the vote by way of a poll. An explanation of the detailed procedures of conducting a poll will be provided to shareholders at the commencement of the AGM, to ensure that shareholders are familiar with such procedures. Voting results are available in the Company's website on the day after the AGM. The Chairman of the Board has attended at the annual general meeting to be available to answer questions from shareholders.

In accordance with the Company's Article and the Companies Ordinance, any members holding at the date of the deposit of the requisition not less than one-twentieth of such paid up capital of the Company (which carries the right of voting at the general meetings), is entitled to deposit a requisition to the registered office of the Company to convene an extraordinary general meeting ("EGM") of the Company in accordance with the following procedures.

The requisition must state the objects of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company at 10/F, Billion Plaza 2, No. 10 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong for the attention of the Board or the Company Secretary. The documents may consist of several documents in like form, each signed by one or more requisitionists.

## 股東之權利

本公司乃沿用及時披露有關資料予股東之政策。董事會成員與股東在本公司之股東週年大會上會面及溝通。股東週年大會通告會於股東週年大會舉行前至少二十個完整營業日派送予所有股東，而隨附之通函亦列明各項提呈之決議案詳情及按上市規則規定之其他有關資料。主席就每項獨立之事宜個別提出決議案以供審議，並對各項提呈之決議案以點票方式進行表決。本公司亦會於股東週年大會開始時向股東講解有關點票表決之程序，以確保各股東明白有關程序。投票表決之結果於股東週年大會結束後當天於本公司網站登載。董事會主席會出席股東週年大會，準備於會上回應股東的提問。

根據本公司章程細則及香港公司法，任何於遞呈要求日期時持有不少於本公司繳足股本（附有本公司股東大會上投票的權利）二十分之一的股東，有權根據下文所載之方式向本公司的註冊辦事處發出書面請求，要求董事會召開股東特別大會。

書面要求須述明會議的目的且經遞呈要求人士簽署，並將之遞呈至本公司的註冊辦事處（地址為香港九龍長沙灣長裕街10號億京廣場2期10樓），致本公司董事會或公司秘書。當中可包含數份同樣格式的文件，而每份文件均由一名或多於一名遞呈要求人士簽署。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### 企業管治報告 (續)

The request will be verified by the Company's Share Registrars and upon their confirmation that the request is proper and in order, the Board will convene the EGM by serving sufficient notice in accordance with the statutory requirements to all the registered members. On the contrary, if the request has been verified as not in order, the requisitioner will be advised of this outcome and the EGM will not be convened as requested.

If within twenty-one days from the date of deposit of the requisition, the Board fails to proceed to convene such meeting, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene an EGM in the same manner, all reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly convene the EGM shall be reimbursed by the Company to the requisitioner(s).

## FINANCIAL REPORTING

The management provides such explanation and information to the Board so as to enable the Board to make an informed assessment of the financial and other information put before the approval by the Board.

The Directors acknowledge their responsibility to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and in presenting the interim and annual financial statement, and announcements to shareholders. The responsibilities of the Directors in relation to the financial statement, should be read in conjunction with, but distinguished from, the Independent Auditor's Report on page 64 to page 72 which acknowledges the reporting responsibilities of the Group's auditors. The Directors aim to present a balanced and understandable assessment of the Group's, position and prospects. The Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern, the Board therefore continues to adopt the going concern approach in preparing the accounts.

要求將由本公司股份過戶登記處核對。當確認要求妥當及合理時，本公司董事會將召開股東特別大會，並根據法定要求向所有股東提供足夠的通知。相反，倘要求被核實為不合理，有關結果將知會該遞呈要求人士，且不會按要求召開股東特別大會。

倘遞呈有關要求後二十一日內，董事會未有召開該大會，則該等遞呈要求人士或佔全體遞呈要求人士一半以上總表決權的人士，可自行召開會議，但如此召開的會議不得在上述日期起計三個月屆滿後舉行。由遞呈要求人士根據本條召開的會議，須盡可能以接近董事召開會議的方式召開。遞呈要求人士因董事沒有妥為召開會議而招致的任何合理費用，須由本公司償還予遞呈要求人士。

## 財務匯報

管理層向董事會提供有關解釋及資料，以便董事會可對提呈董事會批准之財務及其他資料作出知情評估。

董事確認須負責為每一財政年度編製能真實及公平地反映本集團財務狀況之財務報告以及向股東提呈中期及年度財務報表及公佈，董事對財務報表之責任，應與第64頁至第72頁闡明本集團核數師呈報職責的獨立核數師報告一併閱讀，但兩者應分別獨立理解。董事旨在就本集團現況及前景提呈均衡及容易理解之評估。董事會並未注意到任何與或對本集團持續經營能力構成重大疑慮之事件或情況有關之重大不確定因素，因此，董事會繼續採用持續經營基準編製賬目。

The Board acknowledges its responsibility to present a balanced, clear and understandable assessment in the Company's annual and interim reports, other price-sensitive announcement and other financial disclosures required under the Listing Rules, and reports to the regulators.

### COMPANY SECRETARY

The Joint Company Secretaries of the Company are Ms. Mak Po Man and Mr. Yeung Yuk Lun, the Chief Financial Officer of the Group. They are employees of the Company and responsible for providing advices to the Board for ensuring the Board procedures are followed and that the applicable laws and regulations are complied with.

The Joint Company Secretaries of the Company have complied with all the proposed qualifications, experience and training requirements under the Listing Rules.

### CONSTITUTIONAL DOCUMENTS

During the year, there is no significant change in the Company's constitutional documents.

董事會明瞭，其有責任在本公司年報及中期報告、其他價格敏感公佈及上市規則規定之其他財務披露中，提供平衡、清晰及易於理解之評估，並向監管機構申報。

### 公司秘書

本公司之聯席公司秘書為麥寶文女士及本集團首席財務總監楊毓麟先生。彼等為本公司的僱員，負責就確保董事會程序、適用法例及法規得以遵守、董事履行證券權益披露及遵守上市規則等，向董事會提供意見。

彼等已符合上市規則所列的所有建議資歷、經驗及培訓規定。

### 公司章程文件

於本年度內，本公司之公司章程文件並無重大變動。



# SUSTAINABILITY REVIEW

## 可持續發展回顧

### About this Review

The main activities included in Sustainability Review (“this Review”) relate to the Group’s machinery manufacturing, and printed circuit board (“PCB”) processing and trading businesses<sup>1</sup>. We will continue to review the scope of disclosure and enhance our data collection mechanism as needed.

This Review has been prepared in compliance with the requirements set forth in the Amendments to the Environmental, Social and Governance Reporting Guide (“ESG Guide”) and related Listed Rules issued by The Stock Exchange of Hong Kong Limited (“Stock Exchange”) in January 2016, with its contents categorised into two subject areas, namely Environmental and Social.

### Stakeholder Engagement and Materiality Issues

Since 2014, the Group has engaged an independent consultant, the Hong Kong Productivity Council (“HKPC”), to continuously conduct annual Stakeholder Engagement Programmes and prioritise issues of highest significance (“materiality”) to respective stakeholders. The engagement programmes collect feedback from stakeholder groups, including but not limited to staff members and supply chain partners, which helps to better understand the stakeholders’ interests and concerns regarding the Group’s sustainable development. After consolidating and analysing the feedback received in the past years, the Group prioritised the following material issues with corresponding Key Performance Indicators (“KPIs”) to be highlighted in this Review.

### 關於本回顧

《可持續發展回顧》(「本回顧」)載述的主要活動乃關於集團的機械製造和線路板加工及貿易業務<sup>1</sup>。集團將繼續檢討本回顧的披露範圍，並根據需要會優化現有的資料收集機制。

本回顧是依照香港聯合交易所有限公司(「聯交所」)於2016年1月發佈的有關《環境、社會及管治報告指引》(《ESG指引》)及相關《上市規則》條文的修訂要求擬備，內容涵蓋環境及社會兩個主要範疇。

### 持份者參與及重要議題

本集團於2014年開始委託香港生產力促進局(「生產力局」)作為獨立顧問，連續為本集團實施年度「持份者參與計劃」及擬定對持份者最重要事項的優先次序(「重要性」)。透過參與計劃，本集團徵集持份者的意見，包括但不限於員工及供應鏈夥伴，從而加深了解持份者對本集團可持續發展的關注之處。本集團整合及分析過去幾年蒐集的意見後，依照優先次序在本回顧中重點披露以下重要議題，並列明相應的一般披露及關鍵績效指標(KPIs)。

<sup>1</sup> Information and data reported in this Review originate from the Hong Kong Headquarters of Cosmos Machinery Enterprises Limited, Dong Hua Machinery Ltd. in Dongguan, Dongguan Cosmos CNC Machinery Limited, Dekuma Rubber and Plastic Technology (Dongguan) Ltd., Cosmos Machinery (Dongguan) Trading Co. Ltd., and Shenzhen Gainbase Printed Circuit Board Co. Ltd..

<sup>1</sup> 本回顧匯報的資料及數據主要來自大同機械企業有限公司香港總部、位於東莞的東華機械有限公司、東莞大同數控機械有限公司、德科摩橡膠科技(東莞)有限公司、大同機械(東莞)銷售有限公司及深圳邦基線路板有限公司。

Table 1: Environmental and Social Issues Disclosed in this Review

表1：本回顧披露的環境及社會議題

Subject Area 主要範疇	Material Issues 重要議題	Corresponding General Disclosure* 相應一般披露*	Corresponding KPIs* 相應披露資料*
Environmental 環境	<ul style="list-style-type: none"> <li>Waste recovery and recycling 廢物回收及循環再造</li> <li>Air quality 空氣質素</li> </ul>	A1	A1.1, A1.2, A1.4, A1.5, A1.6
	<ul style="list-style-type: none"> <li>Policies and initiatives to mitigate impacts on the environment and natural resources 紓緩對環境及天然資源影響的政策和措施</li> </ul>	A2, A3	A2.1, A2.2, A2.3, A2.5, A3.1
Social 社會	<ul style="list-style-type: none"> <li>Staff remuneration and benefits 員工薪酬及福利</li> </ul>	B1	B1.1, B1.2
	<ul style="list-style-type: none"> <li>Occupational health and safety 職業健康與安全</li> </ul>	B2	B2.1, B2.2, B2.3
	<ul style="list-style-type: none"> <li>Staff development and training 員工發展及培訓</li> </ul>	B3	B3.2
	<ul style="list-style-type: none"> <li>Compliance with labour standards and regulations 遵守勞工標準及規例</li> </ul>	B4	—
	<ul style="list-style-type: none"> <li>Supply chain management 供應鏈管理</li> </ul>	B5	B5.2
	<ul style="list-style-type: none"> <li>Product responsibility 產品責任</li> </ul>	B6	B6.4
	<ul style="list-style-type: none"> <li>Anti-corruption 反貪污</li> </ul>	B7	B7.1
	<ul style="list-style-type: none"> <li>Community care 關懷社區</li> </ul>	B8	B8.1, B8.2

(\*The indices of General Disclosures and KPIs are compiled with reference to the amended ESG Guide issued by Stock Exchange in January 2016.)

(\*一般披露及關鍵績效指標(KPIs)均參照聯交所於2016年1月發佈修訂的《ESG指引》編彙。)

## SUSTAINABILITY REVIEW (CONTINUED)

### 可持續發展回顧 (續)

#### ENVIRONMENTAL SUBJECT AREA

The Group strives to minimise the potential impact of its business operations on natural resources and take environmental protection into account when making major business decisions, in fulfilment of the corporate citizen responsibility to the environment.

#### General Disclosure

The Group steadfastly adheres to environmental regulatory requirements. There were no cases of non-compliance with local environmental regulations during the year. In particular, the manufacturing plant in Dongguan monitors environmental performance by referring to relevant national and/or industry standards, such as those relating to air pollutants and noise emissions. Environmental impacts to the surroundings are assessed prior to launching major construction or expansion projects. Specific measures have been implemented to prevent and mitigate environmental impacts, for instance by installing rinsing and filtering facilities to reduce particulates and dust emissions, and using new technology to increase energy efficiency. Detailed emergency protocols have been developed to address environmental issues in the event of incidents such as chemical spills.

The production line of PCB manufacturing business in Shenzhen has implemented environmental management systems compliant with international standard ISO 14001 and established comprehensive energy management rules and guidelines, covering energy procurement, measurement equipment, staff responsibility, awareness education, and technology innovations. Internal policies and targets were set up to save energy and enhance efficiency. To help identify and address environmental risks more effectively, the manufacturing plant completed a risk analysis report on potential environmental emergencies in production in 2016. Corresponding action plans have also been developed to mitigate any negative environmental impacts should such emergencies arise. The overall environmental compliance status was monitored and communicated internally during the year.

#### 環境主要範疇

本集團致力將業務營運可能對天然資源造成的影響減至最低，作出重大商業決策時亦會考慮環保因素，藉以履行企業公民責任保護環境。

#### 一般披露

本集團嚴格遵守環保監管法規，年內並無任何不符合本地環保規例的事件。其中，東莞工廠按照相關的國家及／或業界標準營運業務，例如關於空氣污染物及噪音排放的標準，並據此監察環境績效。本集團開展任何大型建築或擴建工程之前，必先評估對周圍環境的影響，並已實施具體措施預防和紓減環境影響，例如安裝沖洗過濾設施減少粒子及塵埃排放，並且應用新科技提高能源效益。本集團已擬備詳細的緊急事故規程，以備在發生例如化學品溢漏等事件時應對環境問題。

本集團位於深圳的線路板生產線已設立符合ISO 14001國際標準的環境管理體系，並訂立完善的能源管理規則及指引，內容涵蓋能源採購、測量設備、員工職責、意識教育和技術創新，此外並落實節約能源及提高效率的內部政策和目標。為有效界定及應對各種環境風險，工廠已於2016年完成了關於潛在環境緊急事故的風險分析報告，同時擬定相應的行動計劃，確保一旦發生此類緊急事故時，可減輕對環境之負面影響。年內，本集團緊密監察整體環境合規情況，並向內部員工傳達有關資訊。



### Energy-saving Product Development

With various countries ramping up their efforts to combat climate change, the Group has become increasingly concerned with the environmental performance of different products. Having taken this into consideration, the Group will continue to explore opportunities to reduce the environmental footprint of manufactured products through new technologies and enhanced product design. In collaboration with Japan's UBE Machinery Industrials, Ltd., the Group introduced high-end manufacturing technology through the joint development of the UGe850 all-electric plastic injection moulding machine, the largest of its kind in China. The machine retains the efficient, precise, and environmentally-friendly features of the original UBE models with a significant boost in energy efficiency. A separate electric motor controls the movement driven by the plastic injection moulding machine in an effort to reduce energy conversion losses during operations.

In early 2016, the Group featured its latest and most advanced machine models, the SD330BD all-electric servo CNC punching machine and the FS1032 servo bending machine, at the 17th China (Shenzhen) International Machinery Manufacturing Industry Exhibition. Compared to their predecessors, both models have cut their average electricity consumption by more than half, yielding significant energy and cost savings for customers.

### 開發節能產品

世界各國現正加大力度對抗氣候變化，本集團對產品的環境表現也愈來愈關注。有鑒於此，本集團將繼續開拓機遇，透過新科技及改善產品設計縮減產品的環境足印。本集團與日本宇部興產合作，聯合開發中國最大型的UGe850全電動精密注塑機，藉此引入高端製造技術。這款注塑機既有UBE原型號的高效率、精確和環保功能，而且能源效益更勝一籌，注塑機的驅動由獨立電動馬達控制，從而減低操作過程中的能源轉換損失。

2016年初，本集團在第17屆中國（深圳）國際機械製造工業展覽會展出兩款最新和最先進的機械型號，分別是SD330BD全電動數控轉塔衝床及FS1032折彎機。兩款機型的平均用電量比以往減少超過一半，讓客戶大幅節省能源和成本。



Donghua SeII Servo Plastic Injection Machine Certified as a Guangdong High-tech Product  
東華SeII伺服節能注塑機獲廣東省高新技術產品證書



Dekuma DKM-RC Series Certified as Guangdong High-tech Products  
德科摩DKM-RC系列獲廣東省高新技術產品證書

## SUSTAINABILITY REVIEW (CONTINUED)

### 可持續發展回顧 (續)

#### Efficient Use of Energy in Production

The Group takes environmental impacts into account for the manufacturing activities, aiming to enhance energy efficiency at the production plants over the years. The Group implements energy saving initiatives and upgrades the equipment from time to time to enhance the overall energy efficiency of the manufacturing processes. In 2016, the following measures were implemented at the Group's printed circuit board factory in Shenzhen as part of the on-going energy performance improvement initiative:

- Replacing a traditional Central Ventilation System (CVS) with one equipped with a Variable Voltage Variable Frequency (VVVF) controller (to be completed in 2017);
- Replacing around 1,000 traditional florescent tubes with high-efficiency LED light tubes;
- Scheduling regular maintenance works on gas pipes to prevent gas leakage or wastage; and
- Completing an energy audit to identify determinants of energy efficiency and opportunities for future improvement in the process.

#### Waste Recycling

Many types of waste materials generated from production plants, if handled properly, can be recovered for reuse. Accordingly, the Group has looked for better ways to handle industrial waste and reduce solid waste generation, conserving the planet's precious raw materials. In 2016, the Group continued to engage qualified contractors in handling hazardous waste and recovering useful materials from production plants, thus diverting materials such as scrap metals, waste oil, and packaging from the waste stream. Besides the industrial waste, the Group puts up reminders and posters in staff dormitories and canteens to promote environmental conservation. To minimise food waste, all employees are encouraged to order food in portion in canteens. A food waste collection area is designated in canteens. The Group also continued to collect a range of waste materials, such as metals, plastics, paper, for recycling in 2016.

#### 生產過程善用能源

本集團進行所有製造活動均會充分考慮環境影響，多年來努力提高各生產車間的能源效益。除實施各種節能措施，並會不時優化製造流程的整體能源效益。於2016年，位於深圳的線路板廠房推行了下列措施，配合本集團持續提高能源績效的長期計劃：

- 更換傳統的中央通風系統(CVS)，改用附設變壓變頻(VVVF)控制器的新系統(將於2017年完成安裝)；
- 更換約1,000條傳統光管，改用高效益LED燈管；
- 編製時間表定期維修煤氣管道，防止洩漏或浪費氣體；及
- 完成能源審計，找出能源效益的決定性因素和未來改善流程的機遇。

#### 廢物回收

生產車間會產生多類廢物，只要妥善處理便可回收再用。為此，本集團致力尋求更完善的方法處理工業廢料和減少產生固體廢物，從而保護地球珍貴的原始資源。於2016年，本集團繼續聘請合格承辦商處理各工廠的有害廢物及回收有用物料，以將廢物流中的廢金屬、廢油及包裝物品等物料分流。除了工業廢物，集團在員工寢室和食堂張貼溫馨提示及海報推廣環保訊息。為減少廚餘，本集團鼓勵員工在食堂以小份量點選食品，另設立廚餘收集站回收廚餘。於2016年，本集團繼續回收多種廢舊物料，包括金屬、塑膠、紙張等。



### Emissions Management

In view of air emissions, waste water and solid waste generated during the manufacturing processes, the Group applies green measures to minimise associated environmental impacts and conserve natural resources. The manufacturing plants in Dongguan were retrofitted with active carbon filters, central exhaust systems, and water spray devices, thereby significantly reducing airborne pollutants from manufacturing processes. To reduce freshwater consumption at the production plants, waste water generated during production is partly reclaimed for reuse. The printed circuit board factory in Shenzhen runs a production line which consumes about 2,400 tonnes of water a day. To cut down freshwater use, the Group has made an investment of over HK\$10 million to introduce a waste water treatment and reuse system, enabling around 45% of the waste water to be reused in the production line. Building on the success of this project, the Group partnered with the Hong Kong Productivity Council to introduce a European treatment technology which facilitates the biological decomposition of organic matters in the discharge. Upon deployment, the chemical oxygen demand of industrial waste water discharge at the facility fell to around 50-60 mg/L, significantly lower than the regulatory maximum of 90 mg/L required by the government, and setting new standards in green manufacturing for the industry.

### Green Practices

At the office, a host of green measures has been implemented to improve comfort levels at the workplace, while raising environmental awareness and reminding the employees to conserve resources in daily operations. Day-to-day administrative work generally generates paper waste. In view of this, the Group also encourages the employees to develop a habit of reading documents on the screen, print on both sides, reuse paper printed on one side only, and set up waste paper collection points at the office to promote recycling. Employees' participation is indispensable as the Group implements green measures in different aspects of our operations. The Group infuses green concepts and practices across factories, offices and staff living quarters to nurture a sense of responsibility towards the environment amongst the staff members. In 2016, the Group arranged several staff activities embedded with environmental messages, including the "Power Triathlon", "No Plastic Bottle" Day, 38th National Tree Planting Day, and Red Packet Reuse Campaign.

### 排污管理

鑒於生產過程會產生空氣污染排放物、廢水及固體廢物，本集團實施多項環保措施，務求盡量紓減相關的環境影響和保護天然資源。位於東莞的工廠車間已加裝活性碳過濾器、中央排氣系統及灑水裝置，結果大幅減少製造流程產生的空氣污染。為節省車間的食水用量，生產過程產生的廢水部分會回收再用。深圳線路板工廠的生產線每日用水量約為2,400公噸，為減少用水，本集團投資逾1,000萬港元引入廢水處理及再用系統，現時約45%廢水可投入生產線再用。有見該項目成效理想，本集團遂與香港生產力促進局合作，引入可促進污水中有機物生物分解的歐洲處理技術。應用新技術後，該廠所排放工業廢水的化學需氧量減至約50-60毫克／公升，遠低於政府監管規定的90毫克／公升上限，創立了環保製造作業的全新標準。

### 環保實踐

本集團的辦公室也推行一系列環保措施，一方面令工作場所更舒適，另一方面提高員工的環保意識，提醒他們日常工作注意節約資源。有見日常行政工作一般會產生廢紙，本集團也鼓勵員工養成良好習慣，包括在電腦屏幕閱讀文件、雙面打印、單面打印文件回收再用，以及在辦公室設立廢紙回收點促進循環再用。本集團營運業務全方位推行環保措施，員工的參與當然不可或缺。集團在屬下工廠、辦公室及員工宿舍廣泛宣傳環保概念，培養員工愛護環境的責任感。於2016年，本集團安排了多次宣揚環保訊息的員工活動，包括「三項鐵人發電賽」、「無膠樽日」、第38屆「植樹節」和利是封回收再用活動。



## SUSTAINABILITY REVIEW (CONTINUED)

可持續發展回顧（續）



Participation in Power Triathlon organised by  
Konica Minolta  
參加由「柯尼卡美能達」舉辦的「三項鐵人發電賽」



“No Plastic Bottle” Day  
無膠樽日

### Environmental Data Summary

Table 2: 2016 Resources Consumption Data Summary

Description 類別	Unit 單位	Amount 數量
Diesel for stationary combustion 固定燃燒用柴油	Litre公升	198,000
Natural gas 天然氣	m <sup>3</sup> 立方米	25,200
Diesel for vehicles 車用柴油	Litre公升	31,275
Petrol for vehicles 車用汽油	Litre公升	79,953
Electricity 電	kWh千瓦時	48,062,000
Water 水	m <sup>3</sup> 立方米	465,313
Packaging (Plastics) 包裝物(塑膠)	tonne公噸	9

### 環境數據一覽

表2：2016年資源耗用量數據摘要

Table 3: 2016 Emissions Data Summary

表3：2016年排污數據摘要

Description 類別	Unit 單位	Amount 數量
Waste water 廢水	m <sup>3</sup> 立方米	327,170
SO <sub>2</sub> <sup>1</sup> 二氧化硫 <sup>1</sup>	m <sup>3</sup> 立方米	4,348
NOx <sup>1</sup> 氮氧化物 <sup>1</sup>	m <sup>3</sup> 立方米	1,824
Indirect greenhouse gas <sup>2</sup> 間接溫室氣體 <sup>2</sup>	tonne of CO <sub>2</sub> e公噸二氧化碳當量	25,953

Notes:

註：

- SO<sub>2</sub> and NOx data are only applicable to the production facilities in Dongguan.
- Indirect greenhouse gas emissions are estimated from electricity consumption data using the latest emission factor published by CLP Holdings Limited.

- 二氧化硫及氮氧化物數據只適用於東莞生產設施。
- 間接溫室氣體排放採用中電控股有限公司公佈的最新排放因子根據用電量估算。

Table 4: 2016 Waste Collection Data Summary

表4：2016年廢舊物料收集量數據摘要

Description 類別	Unit 單位	Amount 數量
Metals (e.g. steel, aluminium, welding slag) 金屬(如鋼、鋁、焊渣等)	tonne公噸	708
Plastics 塑膠	tonne公噸	5
Paper (e.g. cardboard) 紙張(如紙板等)	tonne公噸	26
Others (e.g. scrap, wiring) 其他(如邊角料、電線等)	tonne公噸	143
Oil paint (including hazardous substances) 油漆(含有害物質)	tonne公噸	2

## SUSTAINABILITY REVIEW (CONTINUED)

### 可持續發展回顧 (續)

#### SOCIAL SUBJECT AREA

In upholding the corporate philosophy to be “people-orientated, pragmatic, and continuously learning”, the Group recognises the value created by every employee and continues to provide resources which ensure occupational health and safety and support sustainable development amongst our employees. The Group also strives to extend the concept of sustainability along the supply chain to improve customer satisfaction, grow with suppliers, and support community development. The Group’s ceaseless efforts in corporate social responsibility were once again recognised in 2016, with Cosmos Machinery Ltd attaining the “5 Years Plus Caring Company Logo” from the Caring Company Scheme organised by the Hong Kong Council of Social Service.

#### General Disclosure

Safeguarding all employees’ wellbeing and integrity, the Group has established a code of conduct for employees and enhanced internal policies and guidelines, in order to ensure health and safety, encourage equal opportunity, eliminate sexual harassment, prohibit child or forced labour, promote anti-corruption, secure personal data confidentiality, and facilitate communication channels and grievance mechanisms. The Group conducts business in full compliance with local labour legislations and observes applicable industry codes of employment practices. During the year, no legal cases were registered regarding our labour practices, market operations, or product responsibility.

#### Employment and Welfare

The Group strives to attract and retain talents through competitive remuneration and benefits. A performance appraisal process has also been developed to motivate staff. All employees are offered promotions and remuneration based on their appraisal results. In compliance with government regulations, the comprehensive benefit packages include but are not limited to annual leave, maternity or paternity leave, marriage leave, bereavement leave, examination leave, injury leave, medical and unemployment insurance, pension, and provident fund.

#### 社會主要範疇

本集團恪守「以人為本•務實進取•持續學習」的企業價值觀，重視每位員工創造的價值，不斷提供資源保障員工的職業健康與安全，支持他們持續發展。本集團亦致力在供應鏈推廣可持續發展信念，藉此提高顧客滿意度，與供應商一同進步，支持社區發展。集團竭盡所能履行社會責任，本集團的努力於2016年再次得到認同，大同機械有限公司榮獲香港社會服務聯會商界展關懷計劃的「5年Plus同心展關懷標誌」。

#### 一般披露

本集團用心維護員工的福祉及誠信，訂立員工守則，並不斷優化內部政策和指引，保障員工的健康與安全，同時促進平等機會、杜絕性騷擾、禁止童工或強迫勞工、提倡反貪腐、保障個人資料私隱、廣開溝通渠道和設立申訴機制。集團經營業務全面遵守本地勞工法例及適用的業界僱傭守則，年內並無關於集團勞務、市場運作或產品責任的訴訟案件。

#### 僱傭及福利

本集團致力提供具競爭力的薪酬及福利來吸引和留住人才，並已設立工作表現評核制度激勵員工，所有員工可根據評核結果獲得晉升及加薪。本集團遵照政府規例提供的綜合福利包括但不限於年假、產假或待產假、婚假、喪假、考試休假、工傷休假、醫療及失業保險、退休金和公積金。



Over the years, the Group has provided resources to encourage a work-life balance, while developing recreational facilities and activities that cater for the employees' wellbeing. The Group has established the Home of Staff in the manufacturing plants and organised on-going staff activities such as group birthdays, barbecues, New Year parties, and matches for basketball, badminton, and football, amongst other sports. Some staff activities in 2016 were 2016 Cosmos Health Walk, 2015/16 New Territories Walk for Millions, and Office Fruit Day.

本集團多年來一直投放資源促進員工作息平衡，此外並安排各種康樂設施及活動照顧員工的身心健康。集團的工廠設有「員工之家」，並會持續舉辦員工活動，例如生日慶祝會、燒烤樂、元旦派對、籃球、羽毛球和足球比賽及其他體育活動。2016年舉行了多次員工活動，當中包括大同健行2016、2015/16年度新界區百萬行及辦公室水果日等。



New Territories Walk for Millions  
新界區百萬行

### Workplace Health and Safety

The Group takes staff health and safety as high priority in daily operations. The Group's manufacturing facilities have established a set of policies and rules for safety measures, awareness training, and occupational health management. The production plants in Shenzhen have developed specific guidelines regarding production safety, warehouse operation, personal protective equipment, site inspection, fire drills, and emergency responses. On top of organising safety training for the staff, visual notices are posted across the production facilities, raising the staff's awareness in safety measures and equipment to prevent accidents. On-site assessments are conducted regularly to identify and reduce occupational health and safety risks in factory workshops. In addition, all factories safeguard the health and wellbeing of the staff by offering free medical examination and advice. In August 2016, the Group continued to organise complimentary annual medical check-ups for the staff from multiple production facilities in Dongguan.

### 工作間健康與安全

日常營運中，本集團將員工的健康及安全放在首位。集團的生產設施訂有一套政策和規則，範圍涵蓋安全措施、職安健意識培訓及職業健康管理。本集團位於深圳的生產設施已訂立生產安全、倉庫運作、個人防護設備、現場巡查、火警演習和緊急事故應變措施的具體指引。除了為員工提供安全培訓，本集團旗下各生產設施均有張貼告示，加強員工的防範意識，提醒他們採取安全措施和使用防護設備，以免發生意外。所有工廠車間均定期進行現場評估，找出和紓減職安健風險。各工廠並提供免費身體檢查及指導服務，保障員工的身體健康。於2016年8月，本集團繼續為東莞多間工廠的員工安排免費的年度體檢。

## SUSTAINABILITY REVIEW (CONTINUED)

### 可持續發展回顧（續）

#### Staff Development

In support of the business growth, the Group is committed to developing the staff and building their competence to help them achieve professional and career growth. All operations develop annual plans and allocate associated budgets based on staff training needs. In addition to new staff orientation, various internal and external training opportunities are available to employees depending on their roles and positions. The Group also provides training subsidies to eligible staff for their continuing education. During 2016, the topics of our training programmes included operational safety, licensing requirements, technical knowledge, communication, English language, management and leadership skills.

#### 員工發展

為支持業務發展，本集團矢志培育員工和提升他們的職能，讓員工在專業及事業上不斷進步。所有營運單位都會制定年度計劃，並根據員工的培訓需要分配相關預算。除安排新員工接受入職培訓外，並會視乎員工的職責和崗位安排適當的內部及外部培訓。與此同時，本集團亦向合資格員工發放培訓津貼，鼓勵持續進修。2016年的培訓計劃課題包括營運安全、發牌要求、技術知識、傳訊、英語、管理及領導才能。



Excellence Team Development  
卓越團隊培訓

#### Managing Supply Chain

The Group treats suppliers as important business partners and strive to share the concept of sustainability with them. In this regard, the Group has developed supply chain management policies and procedures to guide the selection for new suppliers, green procurement practices, and supplier performance assessment. All suppliers are required to comply with regulations and fulfil environmental and social responsibilities. When providing services in different markets, the Group adheres to local laws and regulations on market practices, including those on product safety, product declaration and labels, customer privacy protection, anti-corruption, and intellectual property rights. The purchasing team in Shenzhen communicates with

#### 供應鏈管理

供應商是集團重要的業務夥伴，本集團致力與他們分享集團的可持續發展理念。就此，本集團開發了多套供應鏈管理政策和程序，作為揀選新供應商、環保採購實務及評估供應商績效的指引。所有供應商均須遵守法規和履行環保及社會責任。本集團在不同市場提供服務時，定會嚴守當地監管市場運作的法律及規例，包括產品安全、產品申報及標籤、保障顧客私隱、反貪污及知識產權等。集團在深圳的採購團隊經常與供應商溝通聯絡，藉此評估他們的績效。本集團不時會提醒供應商嚴管所有商業活動，以杜絕貪污舞弊。



suppliers regularly and evaluates their performance. Suppliers are periodically reminded to stamp out corruption in all business activities. Any breach of such requirements lead to immediate termination of employment or legal proceedings in accordance with the corporate policies. The evaluation results on suppliers' occupational health and safety performance are also reviewed by the human resources team.

### Product Quality

All business segments work closely with the suppliers to source compliant raw materials. For instance, the components and materials used for printed circuit boards are compliant with regulatory requirements in health and safety, including the European Union legislation restricting the use of hazardous substances in electrical and electronic equipment (RoHS Directive) and halogen-free requirements. In addition, the production facilities in Shenzhen have also established certified management systems in compliance with international standards in product safety (e.g. UL), quality management (e.g. ISO 9001 and ISO/TS 16949), and environmental management (e.g. ISO 14001). Following applicable ISO procedures, the quality department coordinates quality inspection, conducts sample testing, and handles product complaints and recalls where necessary.

### Caring for the Community

The Group contributes its resources to local community development as part of its commitment to social responsibility by encouraging staff volunteerism, participating in social events, and donating supplies to those in need. The Group's volunteer team leads staff volunteering and social activities, benefitting youths, seniors, and disadvantaged groups in the process. The Group's volunteers contributed 56 hours of voluntary service in Hong Kong in 2016. In addition, a sum of over HK\$33,000 was donated to community services.

弊。供應商如違反任何規定，本集團會依照企業政策即時終止聘用或展開法律行動。集團的人力資源部門亦會審議供應商的職安健績效評估結果。

### 產品質量

所有營運單位與供應商緊密合作，採購合規的原料製造產品。例如，線路板加工的元件及物料必須符合關於健康與安全的監管要求，包括歐盟有關電器及電子產品禁用有害物質的法例 (RoHS指令) 和不含鹵素的規定。除此之外，深圳生產設施亦已設立符合產品安全 (例如UL)、品質管理 (例如ISO 9001及ISO/TS 16949) 及環境管理 (例如ISO 14001) 國際標準的認可管理體系。集團的質量管理團隊按照相關的ISO程序協調品質檢驗和進行樣本測試，如有需要並會處理產品投訴及召回事宜。

### 關懷社區

本集團堅決履行社會責任，積極投放資源促進地方社區的發展。集團鼓勵員工參與義工服務和社福活動，以及捐贈物資幫助有需要的人。集團的義工隊負責統籌員工的義工服務和社福活動，惠澤青少年、長者及弱勢社群。於2016年，集團的義工隊在香港合共提供56小時義工服務，支援各類社區服務的捐款則超過33,000港元。



## SUSTAINABILITY REVIEW (CONTINUED)

可持續發展回顧 (續)

### Social Data Summary

Table 5: Total Staff Head Count (as of 31 December 2016) and Annual Turnover in 2016\*\*

### 社會數據一覽

表5：2016年員工總人數(截至2016年12月31日)及年度流失人數\*\*

Category 類別	Description 說明	Staff Headcount 員工人數	Annual Turnover 年度流失人數
By gender 按性別劃分	Female 女性	574	324
	Male 男性	1,418	305
By rank 按職級劃分	Senior level 高級人員	28	2
	Middle level 中級人員	127	16
	General staff 一般職級員工	1,837	611
By age 按年齡劃分	Under 30 30歲以下	781	379
	30-50 30-50歲	1,128	243
	Over 50 50歲以上	83	7
By geographical region 按地區劃分	Hong Kong 香港	30	4
	Mainland China 中國內地	1,962	625

(\*\*The headcount and turnover data shown in this table refer to the staff of Hong Kong Headquarters, Dong Hua Machinery Ltd, Dongguan Cosmos CNC Machinery Limited, Dekuma Rubber and Plastic Technology (Dongguan) Ltd, Cosmos Machinery (Dongguan) Trading Co. Ltd., and Shenzhen Gainbase Printed Circuit Board Co. Ltd. only.)

(\*\*此表中所示員工總人數及年度流失人數只涵蓋香港總部、東華機械有限公司、東莞大同數控機械有限公司、德科摩橡塑科技(東莞)有限公司、大同機械(東莞)銷售有限公司及深圳邦基線路板有限公司。)

Table 6: Workplace Health and Safety Performance Summary

表6：工作間健康與安全績效摘要

Workplace Health and Safety Performance 工作間健康與安全績效	2016 2016年
Number of work-related fatalities 與作業相關的致命意外宗數	0
Number of work-related injuries 與作業相關的工傷宗數	17
Days lost due to injuries 因工傷損失工作日數	219

Table 7: Total and Average Training Hours Per Employee in 2016

表7：2016年總培訓時數及人均培訓時數

Category 類別	Description 說明	Total Training Hours 總培訓時數	Average Training Hours Per Employee 人均培訓時數
By Rank 按職級劃分	Senior level 高級人員	140	5
	Middle level 中級人員	648	5
	General staff 一般職級員工	7,513	4

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### TING HO KWAN & CHAN CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

9th Floor, Tung Ning Building  
249-253 Des Voeux Road Central  
Hong Kong

香港德輔道中  
249-253  
字樓號  
丁何關陳  
會計師行

**TO THE MEMBERS OF COSMOS MACHINERY ENTERPRISES LIMITED**  
*(incorporated in Hong Kong with limited liability)*

致大同機械企業有限公司股東  
(於香港註冊成立之有限公司)

### OPINION

We have audited the consolidated financial statements of Cosmos Machinery Enterprises Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 73 to 219, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the 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 ("HKICPA") and have been properly prepared in compliance with 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.

### 意見

本核數師(以下簡稱「我們」)已審計列載於第73至219頁大同機械企業有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此財務報表包括於二零一六年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合收入報表、綜合全面收入報表、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)。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而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截至該日止年度貴集團的綜合財務表現及其綜合現金流量，並已遵照香港《公司條例》妥為編製。

### 意見基礎

我們已根據香港會計師公會頒佈的《香港審計準則》(「香港審計準則」)進行審核。根據該等準則，我們的責任於本報告「核數師就審核綜合財務報表的責任」部分中作進一步闡述。根據香港會計師公會的《國際職業會計師道德守則》(「守則」)，我們獨立於貴集團，並已遵循守則履行其他道德責任。我們相信，我們所獲得的審核憑證足夠及能適當地為我們的意見提供基礎。



## 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 year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

## 關鍵審計事項

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

### Key Audit Matter

#### 關鍵審計事項

### How our audit addressed the key audit matters

#### 我們的審核如何處理關鍵審核事項

#### Impairment of goodwill

Refer to note 19 to the Group consolidated financial statements.

請參閱貴集團綜合財務報表附註19。

The Group has goodwill of HK\$53,483,000 relating to the acquisition of KFE Hong Kong Co., Limited in 2013 which is engaged in trading of printed circuit board.

貴集團就於二零一三年收購協榮二葉科技香港有限公司(其從事線路板貿易)，有商譽53,483,000港元。

Management has concluded that there is no impairment in respect of the goodwill. This conclusion was based on an estimation of the value in use of the cash-generating units ("CGU") to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and to determine a suitable discount rate in order to calculate its present value. Key assumptions for the value in use calculation are future cash flow forecast, growth rate and discount rate, where small changes of them can result in a significant change in the value in use.

管理層認為並無有關商譽的減值。該結論乃根據對獲分配商譽的現金產生單位(「現金產生單位」)使用價值的估計而作出。計算使用價值時，貴集團須估計預期自現金產生單位產生的未來現金流及釐定合適的貼現率以計算現值。計算使用價值的主要假設為未來現金流預測、增長率及貼現率，若該等項目出現小變動，可對使用價值構成重大變動。

#### 商譽減值

Our procedures in relation to management's impairment assessment included:

我們就管理層之減值評估之程序包括：

- Obtaining the cash flow forecast prepared by management, reviewed and discussed with management on the major assumptions adopted in the cash flow forecast for each CGU and checked arithmetic accuracy of the forecast calculation.  
取得管理層編製的現金流預測，與管理層審閱及討論有關現金流預測就各個現金產生單位採用的主要假設，並檢查計算預測的運算是否準確。
- Comparing the growth rate, budgeted sales and gross margin to historical results to determine the reasonableness of the assumptions.  
將增長率、預算銷售及毛利率與過往業績作比較，以確定假設是否合理。
- Assessing the discount rate used by management in the cash flow forecast by benchmarking against the required rate of return adjusted for industrial specific factors. 以行業特定因素調整的所需回報率為基準，對管理層於現金流預測中所用的貼現率作出評估。

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### 獨立核數師報告（續）

The impairment assessment involves significant judgments made by management and therefore is identified as a key audit matter.

減值評估涉及管理層作出的重大判斷，因此被識別為關鍵審計事項。

- Reviewing the sensitivity analysis prepared by management on the significant assumptions including the growth rate and the discount rate to evaluate the extent of impact of these assumptions on the cash flow forecast. 審閱管理層就重大假設（包括增長率及貼現率）編製的敏感度分析，以評估該等假設對現金流預測的影響程度。





**Key Audit Matter**

**關鍵審計事項**

**Valuation of inventories**

Refer to note 25 to the Group consolidated financial statements.

請參閱貴集團綜合財務報表附註25。

The Group has inventories with carrying amount of HK\$401,738,000 which is subject to a risk that changes in customer demand could result in some products becoming slow-moving or obsolete, such that they could not be sold or could only be sold with selling prices that are less than the current carrying value. This means there is inherent subjectivity and estimation is needed in determining the level of inventory provision required.

貴集團賬面值港幣401,738,000元之存貨存在因客戶需求變化導致部分產品滯銷或過時，使其無法出售或僅可以低於現時賬面值的售價出售的風險。換言之，在確定所需存貨撥備水平時存在主觀性和估計的需要。

The Group has made an inventory provision of HK\$69,465,000 in 2016. Significant judgments on the percentage of general provision and the amount of specific provision made are required by management in determining the adequacy of the inventory provision.

貴集團於二零一六年作出港幣69,465,000元之存貨撥備。確定存貨撥備是否充分時，需要管理層就一般撥備的百分比及特定撥備的金額作出重大判斷。

We identified the valuation of inventories as a key audit matter due to the significance of the balance to the Group consolidated financial statements as a whole, together with the judgment associated with determining the adequacy of the inventory provision.

基於存貨結餘對綜合財務報表整體上的重要性，加上確定存貨撥備是否充分時涉及判斷，因此存貨估值被識別為關鍵審計事項。

**How our audit addressed the key audit matters**

**我們的審核如何處理關鍵審核事項**

**存貨估值**

Our procedures in relation to management's assessment on inventory provision included:

我們就管理層之存貨撥備評估之程序包括：

- Inquiring and understanding from management the inventory provision policy of the Group.  
向管理層查詢及了解貴集團的存貨撥備政策。
- Assessing the reasonableness of the inventory provision made by the Group by obtaining the aging analysis and slow-moving inventory lists from management and discussing with management on the basis of inventory provision made.  
向管理層取得庫存賬齡分析及慢流存貨清單，並與管理層討論存貨撥備的基準，從而評估貴集團所作出的存貨撥備是否合理。
- Performing testing on the inventory ageing to assess the accuracy of the base data used to determine the provision and re-performing the provision calculation to check arithmetic accuracy.  
就存貨的庫存期進行測試，以評估用作判斷撥備的基本數據是否準確，並重新計算撥備以核實運算的準確性。
- Understanding from management the rationale for the specific adjustments and assessing the assumptions made where there are specific adjustments on the inventory provision.  
向管理層了解特定調整的理據，評估就存貨撥備作出特定調整時所作出的假設。
- Reviewing subsequent sales on the inventory samples selected to assess whether the inventories were able to be sold at prices above their carrying values.  
審閱經選取的存貨樣本之後續銷售狀況，評估存貨是否可按高於其賬面值的價格售出。

### OTHER INFORMATION IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and 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.

Audit Committee is responsible for overseeing the Group's financial reporting process.

### 載於年報的其他資料

貴公司董事負責其他資料。其他資料包括年報所載資料，但不包括綜合財務報表及相關核數師報告。

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

審核綜合財務報表時，我們的責任為閱讀其他資料，於此過程中，考慮其他資料是否與綜合財務報表或我們於審計過程中所瞭解的情況有重大抵觸，或者似乎有重大錯誤陳述。基於我們已執行的工作，倘我們認為其他資料有重大錯誤陳述，我們須報告該事實。於此方面，我們沒有任何報告。

### 董事及審核委員會就綜合財務報表須承擔的責任

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

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，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會負責監督貴集團財務報告過程。

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### 獨立核數師報告（續）

#### 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. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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 HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with 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;

#### 核數師就審計綜合財務報表的責任

我們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任何重大錯誤陳述，並發出載有我們意見的核數師報告。我們僅向閣下（作為整體）按照香港公司條例第405節編製報告，除此之外本報告別無其他目的。我們不會就本報告內容向任何其他人士負上或承擔任何責任。合理確定屬高層次核證，但不能擔保根據香港審計準則進行的審核工作總能發現所有存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘個別或整體於合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

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

- 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，獲得充足及適當審核憑證為我們的意見提供基礎。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控制，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；
- 瞭解與審核有關的內部控制，以設計恰當的審核程序，但並非旨在對貴集團內部控制的有效程度發表意見；
- 評估所用會計政策是否恰當，以及董事所作會計估算及相關披露是否合理；



- 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; and
- 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.
- 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。倘我們總結認為存在重大不確定因素，我們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，則修訂我們的意見。我們的結論以截至核數師報告日期所獲得的審核憑證為基礎，惟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)的整體列報、架構及內容，以及綜合財務報表是否已公允反映及列報相關交易及事項；及
- 就貴集團屬下實體或經營活動的財務資料取得足夠而恰當的審計憑證，以於綜合財務報表內發表意見。我們對集團審計的指引、監察及落實負責。我們僅對審計意見負責。

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

We also provide 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.

我們與審核委員會就(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，包括我們於審核期間識別出內部監控的任何重大缺陷進行溝通。

我們亦向審核委員會提交聲明，說明我們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我們的獨立性的關係及其他事宜及相關防範措施(如適用)與審核委員會溝通。

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### 獨立核數師報告（續）

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

The engagement partner on the audit resulting in the independent auditor's report is Mr. Chow Chi Tong.

我們從與審核委員會溝通的事項中，決定那些事項對本期綜合財務報表的審核工作最為重要，因而構成關鍵審計事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，我們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，否則我們會於核數師報告中描述此等事項。

出具本獨立核數師報告的審計項目合夥人是周志堂先生。

### TING HO KWAN & CHAN

*Certified Public Accountants (practising)*

Hong Kong, 16 March 2017

### 丁何關陳會計師行

香港執業會計師

香港，二零一七年三月十六日

# CONSOLIDATED INCOME STATEMENT

## 綜合收益表

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

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<b>Revenue</b>	收入	5&6	<b>2,192,287</b>	2,395,166
Cost of sales	銷售成本		<b>(1,878,696)</b>	(2,016,147)
<b>Gross profit</b>	毛利		<b>313,591</b>	379,019
Other income and gains, net	其他收入及收益淨額	6	<b>21,352</b>	37,477
Selling and distribution costs	分銷費用		<b>(147,904)</b>	(145,462)
Administrative expenses	行政費用		<b>(322,145)</b>	(295,715)
Restructuring costs	重組費用	7	<b>(135,157)</b>	–
<b>Operating loss</b>	經營虧損		<b>(270,263)</b>	(24,681)
Finance costs	財務費用	8	<b>(16,559)</b>	(20,808)
Investment income	投資收入	9	<b>4,360</b>	15,570
Share of results of associates	應佔聯營公司業績		<b>568</b>	680
Gain on disposal of associates	出售聯營公司之盈利		<b>–</b>	2,577
Gain on disposal of a subsidiary	出售一間附屬公司之盈利		<b>122</b>	–
Gain on deregistration of a subsidiary	註銷一間附屬公司之盈利		<b>2,512</b>	–
<b>Loss before tax</b>	除稅前虧損	10	<b>(279,260)</b>	(26,662)
Taxation	稅項	12	<b>(54,625)</b>	(12,156)
<b>Loss for the year</b>	本年虧損		<b>(333,885)</b>	(38,818)
<b>(Loss)/profit attributable to:</b>	應佔(虧損)/溢利:			
– Equity shareholders of the Company	– 本公司股權持有人		<b>(303,160)</b>	(49,601)
– Non-controlling interests	– 非控股權益		<b>(30,725)</b>	10,783
			<b>(333,885)</b>	(38,818)
Loss per share for loss attributable to the equity shareholders of the Company during the year	年內本公司股權持有人應佔每股虧損	13		
– Basic	– 基本		<b>(42.29 HK cents 港仙)</b>	(6.92 HK cents 港仙)

The notes on pages 82 to 219 are an integral part of these consolidated financial statements.

第82頁至219頁之附註屬本綜合財務報表之一部份。



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 綜合全面收益表

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

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<b>Loss for the year</b>	<b>本年虧損</b>		<b>(333,885)</b>	(38,818)
Other comprehensive income/(expense) for the year, net of tax:	本年扣除稅項後之其他全面收入／(支出)：	14		
Items that have been reclassified or may be reclassified subsequently to profit or loss:	已重新分類或其後可重新分類至損益表之項目：			
Exchange differences arising from translation of financial statements of foreign operations	換算海外業務報表時產生之滙兌差額		<b>(75,096)</b>	(78,732)
Changes in fair value of available-for-sale financial assets	可供出售金融資產之公平價值變動		<b>655</b>	127
Share of reserves of associates	應佔聯營公司儲備		<b>(2,191)</b>	(1,757)
Release of translation reserve upon disposal of an associate	出售一間聯營公司時從滙兌儲備撥出		-	1,143
Release of translation reserve upon disposal of a subsidiary	出售一間附屬公司時從滙兌儲備撥出		<b>(55)</b>	-
Release of translation reserve upon deregistration of a subsidiary	註銷一間附屬公司時從滙兌儲備撥出		<b>(1,966)</b>	-
			<b>(78,653)</b>	(79,219)
Items that will not be reclassified to profit or loss:	不會重新分類至損益表之項目：			
Surplus on revaluation of properties held for own use	自用物業重估盈餘		<b>4,281</b>	14,392
			<b>(74,372)</b>	(64,827)
<b>Total comprehensive expense for the year</b>	<b>本年全面支出總額</b>		<b>(408,257)</b>	(103,645)
<b>(Loss)/profit attributable to:</b>	<b>應佔(虧損)／溢利：</b>			
- Equity shareholders of the Company	- 本公司股權持有人		<b>(370,207)</b>	(107,487)
- Non-controlling interests	- 非控股權益		<b>(38,050)</b>	3,842
<b>Total comprehensive expense for the year</b>	<b>本年全面支出總額</b>		<b>(408,257)</b>	(103,645)

The notes on pages 82 to 219 are an integral part of these consolidated financial statements.

第82頁至219頁之附註屬本綜合財務報表之一部份。

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 December 2016 二零一六年十二月三十一日

		Notes	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		附註		
<b>Non-current Assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	16	618,372	691,750
Leasehold land and land use rights	租賃土地及土地使用權	18	43,796	47,667
Goodwill	商譽	19	53,483	53,483
Intangible assets	無形資產	20	9,221	10,604
Interests in associates	聯營公司權益	21	29,179	36,693
Available-for-sale financial assets	可供出售金融資產	22	1,389	734
Finance lease receivables	應收融資租賃款項	23	54,220	46,923
Deferred tax assets	遞延稅項資產	24	25,670	41,413
			<b>835,330</b>	929,267
<b>Current Assets</b>	<b>流動資產</b>			
Inventories	存貨	25	401,738	562,523
Finance lease receivables	應收融資租賃款項	23	57,935	61,934
Trade and other receivables	貿易及其他應收款項	26	788,101	774,467
Other financial assets	其他金融資產	27	2,875	9,012
Current tax recoverable	本期可收回稅項		1,101	1,451
Cash and bank balances	現金及銀行結餘	28	332,723	607,567
			<b>1,584,473</b>	2,016,954
<b>Current Liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	29	740,372	749,829
Provision for restructuring	重組撥備	30	91,727	–
Amount due to an associate	結欠一間聯營公司款項		565	–
Bank borrowings	銀行借款	31	320,149	526,575
Obligations under finance leases	融資租賃借款	32	5,441	8,286
Deferred consideration payable	遞延應付代價		8,148	8,123
Current tax payable	本期應付稅項		15,255	6,307
			<b>1,181,657</b>	1,299,120
<b>Net Current Assets</b>	<b>淨流動資產</b>		<b>402,816</b>	717,834
<b>Total Assets less Current Liabilities</b>	<b>總資產減流動負債</b>		<b>1,238,146</b>	1,647,101

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
 綜合財務狀況表（續）

At 31 December 2016 二零一六年十二月三十一日

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<b>Non-current Liabilities</b>	<b>非流動負債</b>			
Bank borrowings	銀行借款	31	35,175	45,225
Obligations under finance leases	融資租賃借款	32	2,694	8,134
Deferred tax liabilities	遞延稅項負債	24	43,365	25,922
			<b>81,234</b>	79,281
<b>Net Assets</b>	<b>淨資產</b>		<b>1,156,912</b>	1,567,820
<b>Equity</b>	<b>權益</b>			
Capital and reserves attributable to equity shareholders of the Company:	本公司股權持有人應佔資本及儲備：			
Share capital	股本	33	532,903	532,903
Reserves	儲備		433,691	802,410
			<b>966,594</b>	1,335,313
<b>Non-controlling Interests</b>	<b>非控股權益</b>		<b>190,318</b>	232,507
<b>Total Equity</b>	<b>權益總值</b>		<b>1,156,912</b>	1,567,820

The consolidated financial statements on pages 73 to 219 were approved and authorised for issue by the Board of Directors on 16 March 2017 and were signed on its behalf by:

第73頁至219頁之綜合財務報表於二零一七年三月十六日獲董事會批准並授權刊發，並由下列董事代表簽署：

**TANG TO**  
 鄧燾  
 DIRECTOR  
 董事

**TANG YU, FREEMAN**  
 鄧愚  
 DIRECTOR  
 董事

The notes on pages 82 to 219 are an integral part of these consolidated financial statements.

第82頁至219頁之附註屬本綜合財務報表之一部份。



# 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 equity shareholders of the Company 本公司股權持有人應佔				Non- controlling interests	Total equity 權益總值
		Share capital 股本 HK\$'000 千港元	Reserves 儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元	非控股權益 HK\$'000 千港元	權益總值 HK\$'000 千港元
Balance at 1 January 2015	於二零一五年一月一日結餘	532,903	214,459	695,438	1,442,800	234,822	1,677,622
(Loss)/profit for the year	本年(虧損)/溢利	-	-	(49,601)	(49,601)	10,783	(38,818)
Other comprehensive income for the year:	本年其他全面收入：						
Fair value gain:	公平價值溢利：						
- Available-for-sale financial assets	- 可供出售金融資產	-	127	-	127	-	127
Share of reserves of associates	應佔聯營公司儲備	-	(1,757)	-	(1,757)	-	(1,757)
Surplus on revaluation of properties held for own use	自用物業重估盈餘	-	11,045	-	11,045	1,020	12,065
Deferred taxation adjustment	遞延稅項調整	-	2,412	-	2,412	(85)	2,327
Realised on disposal of properties held for own use	出售自用物業變現	-	(24,262)	24,262	-	-	-
Exchange differences arising from translation of financial statements of foreign operations	換算海外業務報表時產生之匯兌差額	-	(70,856)	-	(70,856)	(7,876)	(78,732)
Release of translation reserve upon disposal of an associate	出售一間聯營公司時從匯兌儲備撥出	-	1,143	-	1,143	-	1,143
Total other comprehensive income for the year	本年其他全面收入總額	-	(82,148)	24,262	(57,886)	(6,941)	(64,827)
Total comprehensive income for the year	本年全面收入總額	-	(82,148)	(25,339)	(107,487)	3,842	(103,645)
Transactions with owners:	與所有者之交易：						
Capital injection from the non-controlling shareholders	非控股股東注資	-	-	-	-	83	83
Dividend paid to the non-controlling shareholders	支付給非控股股東之股息	-	-	-	-	(6,240)	(6,240)
Balance at 31 December 2015	於二零一五年十二月三十一日結餘	532,903	132,311	670,099	1,335,313	232,507	1,567,820

Details of reserves of the Group during the year are set out in Note 34 to the consolidated financial statements.

本集團於本年度之儲備變動詳情載於綜合財務報表附註34內。

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)**  
**綜合權益變動表 (續)**

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 equity shareholders of the Company 本公司股權持有人應佔				Non-	Total
		Share capital 股本 HK\$'000 千港元	Reserves 儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元	controlling interests 非控股權益 HK\$'000 千港元	equity 權益總值 HK\$'000 千港元
Balance at 1 January 2016	於二零一六年一月一日結餘	532,903	132,311	670,099	1,335,313	232,507	1,567,820
Loss for the year	本年虧損	-	-	(303,160)	(303,160)	(30,725)	(333,885)
Other comprehensive income for the year:	本年其他全面收入：						
Fair value gain:	公平價值溢利：						
- Available-for-sale financial assets	- 可供出售金融資產	-	655	-	655	-	655
Share of reserves of associates	應佔聯營公司儲備	-	(2,191)	-	(2,191)	-	(2,191)
Surplus on revaluation of properties held for own use	自用物業重估盈餘	-	3,761	-	3,761	1,426	5,187
Deferred taxation adjustment	遞延稅項調整	-	(688)	-	(688)	(218)	(906)
Release of translation reserve upon deregistration of a subsidiary	註銷一間附屬公司時 從匯兌儲備撥出	-	(1,966)	-	(1,966)	-	(1,966)
Exchange differences arising from translation of financial statements of foreign operations	換算海外業務報表時 產生之匯兌差額	-	(66,563)	-	(66,563)	(8,533)	(75,096)
Release of translation reserve upon disposal of a subsidiary	出售一間附屬公司時 從匯兌儲備撥出	-	(55)	-	(55)	-	(55)
Total other comprehensive income for the year	本年其他全面收入 總額	-	(67,047)	-	(67,047)	(7,325)	(74,372)
Total comprehensive income for the year	本年全面收入總額	-	(67,047)	(303,160)	(370,207)	(38,050)	(408,257)
Dividend paid to the non-controlling shareholders	支付給非控股股東之 股息	-	-	-	-	(3,360)	(3,360)
Partial disposal of a subsidiary without loss of control	出售一間附屬公司部份 權益但不影響控制權	-	1,488	-	1,488	(712)	776
Disposal of a subsidiary	出售一間附屬公司	-	-	-	-	(67)	(67)
Balance at 31 December 2016	於二零一六年 十二月三十一日結餘	532,903	66,752	366,939	966,594	190,318	1,156,912

Details of reserves of the Group during the year are set out in Note 34 to the consolidated financial statements.

本集團於本年度之儲備變動詳情載於綜合財務報表附註34內。

The notes on pages 82 to 219 are an integral part of these consolidated financial statements.

第82頁至219頁之附註屬本綜合財務報表之一部份。

# 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

	Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<b>OPERATING ACTIVITIES</b>	<b>經營活動</b>		
Loss before tax	除稅前虧損	(279,260)	(26,662)
Adjustments for:	經下列各項調整：		
Interest income	利息收入	9 (3,579)	(13,887)
Finance costs	財務費用	8 16,559	20,808
Realised and unrealised gain on held-for-trading investments	持作買賣之投資已變現及未變現盈利	9 (682)	(1,670)
Dividend income	股息收入	9 (99)	(13)
Gain on disposal of associates	出售聯營公司之盈利	-	(2,577)
Gain on disposal of a subsidiary	出售一間附屬公司之盈利	(122)	-
Gain on deregistration of a subsidiary	註銷一間附屬公司之盈利	(2,512)	-
Impairment loss of available-for-sale financial assets	可供出售金融資產減值虧損	10 -	246
Share of results of associates	應佔聯營公司業績	(568)	(680)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	10 70,402	82,376
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	10 1,390	1,597
Impairment loss of property, plant and equipment	物業、廠房及設備減值虧損	10 3,073	-
Amortisation of intangible assets	無形資產攤銷	10 1,383	1,383
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之盈利	6 (1,701)	(23,088)
Deficit on revaluation of properties held for own use	自用物業重估虧絀	10 955	-
Restructuring provision	重組撥備	30 91,727	-
Allowance for impairment of bad and doubtful debts, net	呆壞賬減值撥備淨額	10 51,789	2,040
Write-down of inventories, net	存貨減值撥備淨額	25(b) 69,465	11,701
<b>Operating cash flows before changes in working capital</b>	<b>營運資金變動前之經營現金流</b>	<b>18,220</b>	<b>51,574</b>
Decrease in inventories	存貨減少	69,349	50,710
Increase in finance lease receivables	應收融資租賃款項增加	(17,691)	(74,490)
Increase in trade and other receivables	貿易及其他應收款項增加	(94,858)	(62,255)
Increase/(decrease) in trade and other payables	貿易及其他應付款項增加/(減少)	46,979	(54,030)
Cash generated from/(used in) operations	經營活動產生/(使用)之現金	21,999	(88,491)
Hong Kong profits tax paid	已付香港利得稅	(2,988)	(541)
Overseas tax paid	已付海外稅款	(10,027)	(12,284)
<b>NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES</b>	<b>經營活動產生/(使用)之現金淨額</b>	<b>8,984</b>	<b>(101,316)</b>



**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**綜合現金流量表 (續)**

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

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>			
Decrease/(increase) in pledged bank deposits	已抵押銀行存款減少/(增加)		<b>205,450</b>	(99,425)
Purchase of property, plant and equipment	購買物業、廠房及設備		<b>(41,029)</b>	(35,676)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之款項		<b>12,212</b>	64,147
Interest received	已收利息		<b>3,579</b>	13,887
Decrease in other financial assets	其他金融資產減少		<b>6,248</b>	164,235
Dividend received from associates	收取聯營公司股息		-	789
Dividend received from listed available-for-sale financial asset	收取上市可供出售金融資產之股息		<b>99</b>	13
Advance to associates	墊付聯營公司款項		<b>(2,687)</b>	(552)
Proceeds from disposal of associates	出售聯營公司之款項		-	1,165
Proceeds from partial disposal of a subsidiary	出售一間附屬公司部分權益之款項	37	<b>776</b>	-
Net cash outflow from disposal of a subsidiary	出售附屬公司之現金流出淨額	37	<b>(2,494)</b>	-
<b>NET CASH GENERATED FROM INVESTING ACTIVITIES</b>	<b>投資活動產生之現金淨額</b>		<b>182,154</b>	108,583
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>			
Repayment of bank loans	償還銀行貸款		<b>(515,762)</b>	(472,056)
Interest paid	已付利息		<b>(16,513)</b>	(20,562)
Repayment of obligations under finance leases	償還融資租賃借款		<b>(8,238)</b>	(8,917)
Dividend paid to the non-controlling shareholders of subsidiaries	已付附屬公司非控股股東的股息		<b>(3,360)</b>	(6,240)
Bank loans raised	新增銀行貸款		<b>301,496</b>	514,010
Advance from an associate	收取聯營公司之款項		<b>565</b>	-
Capital contribution from non-controlling interests of a subsidiary	附屬公司非控股權益注資		-	83

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
綜合現金流量表（續）

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

	Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<b>NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES</b>	融資活動（使用）／產生之現金淨額	<b>(241,812)</b>	6,318
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	現金及現金等值（減少）／增加淨額	<b>(50,674)</b>	13,585
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	年初現金及現金等值	<b>327,393</b>	329,101
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	匯率改變影響	<b>(11,890)</b>	(15,293)
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	年終現金及現金等值 28	<b>264,829</b>	327,393

The notes on pages 82 to 219 are an integral part of these consolidated financial statements.

第82頁至219頁之附註屬本綜合財務報表之一部份。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 1. GENERAL

Cosmos Machinery Enterprises Limited (the “Company”) is a public limited company domiciled and incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. The address of its registered office is 10/F., Billion Plaza 2, No. 10 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong. The principal activities of its principal subsidiaries are set out in note 45.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### (a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”), which also include Hong Kong Accounting Standards (“HKAS”) and Interpretations (“Int”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). A summary of the significant accounting policies adopted by the Group is set out below. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of properties held for own use and certain financial assets, which are carried at fair value.

### 1. 簡介

大同機械企業有限公司(「本公司」)乃於香港註冊成立之公眾有限公司，而其股份於香港聯合交易所有限公司(「聯交所」)上市。

本公司為一間投資控股公司。註冊地址為香港九龍長沙灣長裕街10號億京廣場2期10樓。其主要附屬公司之主要業務列載於附註45。

### 2. 主要會計政策摘要

編製本綜合財務報表採用之主要會計政策載於下文。除另有說明外，此等政策在所呈報的所有年度內貫徹應用。

#### (a) 編製基準

本集團的綜合財務報表是按香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「財務準則」)(包括《香港會計準則》及《詮釋》)、香港公認會計原則及《公司條例》的規定編製。本綜合財務報表同時符合聯交所證券上市規則的適用披露條文。本集團採用之主要會計政策載於下文。綜合財務報表已按照歷史成本法編製，並就自用物業及部份金融資產的重估按公平價值列賬而作出修訂。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註（續）

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

The preparation of consolidated financial statements in conformity with HKFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of HKFRS that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 4.

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

2. 主要會計政策摘要（續）

(a) 編製基準（續）

根據香港財務報告準則編製綜合財務報表要求管理層作出判斷、估計和假設，這些判斷、估計和假設會影響會計政策的應用以及資產、負債、收入及支出的呈報金額。這些估計和有關假設乃依據歷史經驗及其他在有關情況下屬合理的因素所作出，並作為確定無法從其他途徑直接獲取資產和負債的賬面價值的判斷基礎。實際情況可能與這些估計不同。

這些估計及相關假設會持續予以檢討。如會計估計的修訂僅對修訂期間產生影響，則其影響只會在當期確認；如會計估計的修訂對修訂期間及未來期間均產生影響，相關影響則在當期和未來期間進行確認。

管理層判斷在應用香港財務報告準則是否對本綜合財務報表有重要影響及估算不確定性之主要因素將在附註4中討論。

香港會計師公會已頒佈若干新訂及已修訂之香港財務報告準則，乃於本集團本會計期間首次生效。附註3就首次採納該等準則而導致之會計政策任何變動提供有關資料，而有關變化乃與此等綜合財務報表所反映本集團之本期間及過往會計期間有關。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

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

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

### (b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated income statement from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

## 2. 主要會計政策摘要 (續)

### (b) 綜合原則

綜合財務報表包括本公司及其附屬公司所控制實體的財務報表。當本公司符合以下各項時，即取得控制權：

- 對被投資方擁有控制權；
- 於來自參與被投資方業務的可變回報上承受風險或擁有權利；及
- 擁有使用其權力影響回報的能力。

倘事實及情況表明上述控制之三個要素的其中一項或多項出現變動，則本集團重新評估其是否控制被投資方。

對一間附屬公司之綜合入賬於本集團獲得對該附屬公司之控制權之時開始，並於本集團失去對該附屬公司之控制權之時終止。具體而言，自本集團取得控制權當日起直至本集團不再控制附屬公司當日止，於年內收購或出售的附屬公司收入及開支均計入綜合收入報表。

損益及其他全面收入之各項目乃歸屬於本公司擁有人及非控股權益。附屬公司之全面收入總額乃歸屬至本公司擁有人及非控股權益，即使此舉會引致非控股權益出現虧絀結餘。

倘有需要，將對附屬公司的財務報表作出調整，以使其會計政策與本集團的會計政策一致。

本集團各成員公司間與交易有關之所有集團內公司間資產、負債、權益、收入、開支及現金流量乃於綜合賬目時悉數撤銷。

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

### (b) Basis of consolidation (Continued)

#### *Changes in the Group's ownership interests in existing subsidiaries*

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

## 2. 主要會計政策摘要（續）

### (b) 綜合原則（續）

#### *本集團於現有附屬公司之擁有權權益的變動*

本集團於附屬公司之擁有權權益的變動如並無導致本集團對其失去控制權，將作為股權交易入賬。本集團的權益與非控股權益的賬面值經調整以反映附屬公司之相關權益變動。所調整非控股權益金額與已付或已收代價的公平價值之間的任何差額直接於股本權益確認並歸屬於本公司擁有人。

當本集團失去對附屬公司的控制權時，盈虧於損益表確認並以(i)已收代價公平價值及任何保留權益公平價值的總額與(ii)附屬公司資產（包括商譽）及負債以及任何非控股權益的原賬面值之間的差額計算。過往於其他全面收入確認與該附屬公司有關的所有金額，採用如同本集團已直接出售該附屬公司之相關資產或負債的方法入賬（即按適用香港財務報告準則之規定／許可條文重新分類至損益表或轉撥至另一類權益）。在前附屬公司保留的任何投資公平價值在失去控制權之時於其後的會計處理中被視為按照香港會計準則第39號進行初步確認的公平價值，或（如適用）於聯營公司或合營企業之投資初步確認的成本。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註（續）

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

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

### (b) Basis of consolidation (Continued)

#### Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income taxes" and HKAS 19 "Employee benefits" respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based payment" at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current assets held for sale and discontinued operations" are measured in accordance with that standard.

## 2. 主要會計政策摘要（續）

### (b) 綜合原則（續）

#### 業務合併

業務收購乃採用收購法入賬。業務合併中轉讓的代價以公平價值計量，而計算為本集團轉讓之資產，本集團產生之負債及本集團於交換被收購公司之控制權所發行之股權於收購日期之公平價值總和。與收購有關的成本一般會於發生時在損益表確認。

於收購日期，被收購的可識別資產及負債應按其在收購日期的公平價值予以確認，惟下列項目除外：

- 遞延稅項資產或負債及僱員福利安排的相關資產或負債應分別根據香港會計準則第12號所得稅及香港會計準則第19號僱員福利予以確認和計量；
- 與被收購方的以股份支付之支出安排或本集團所訂立以取代被收購方的以股份支付之支出安排有關之負債或股本工具乃於收購日期（參照以下會計政策）根據香港財務報告準則第2號以股份支付之支出予以計量；以及
- 根據香港財務報告準則第5號持作出售之非流動資產及已終止經營業務劃分為持作出售之資產（或出售組合）乃根據該準則予以計量。

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

### (b) Basis of consolidation (Continued)

#### *Business combinations (Continued)*

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another HKFRS.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

## 2. 主要會計政策摘要（續）

### (b) 綜合原則（續）

#### *業務合併（續）*

商譽按所轉讓之代價、與被收購方的任何非控股權益及收購公司之前持有被收購方（如有）之股權的公平價值總和超出所收購之可識別資產及承擔負債於收購日的淨額計量。倘（評估過後）所收購可識別資產及所承擔負債之收購日淨額超出所轉讓的代價、於被購買方的任何非控股權益金額以及購買方先前在被收購方持有的權益（如有）的公平價值之總額，超出的部份即時於損益表中確認為折價購買收益。

屬現時擁有之權益且於清盤時讓持有人有權按比例分佔實體淨資產之非控股權益，可初步按公平價值或非控股權益應佔被收購方可識別資產淨值之已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他種類之非控股權益乃按其公平價值或（倘若適用）按其他香港財務報告準則所規定之基準計量。

倘本集團於業務合併中轉讓之代價包括或然代價安排產生之資產或負債，或然代價按其收購日期公平價值計量，並視為於業務合併中所轉讓之代價一部份。或然代價之公平價值變動（證實為計量期間調整）可回顧調整，而就商譽作出相應調整。計量期間調整乃於「計量期間」（其不可超過自收購日期起計一年）內所獲得有關於收購日期存在之事實及情況的額外資料所產生之調整。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註（續）

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

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

#### (b) Basis of consolidation (Continued)

##### *Business combinations (Continued)*

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

#### (c) Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

### 2. 主要會計政策摘要（續）

#### (b) 綜合原則（續）

##### *業務合併（續）*

或然代價之公平價值變動之隨後入賬並無確認為計量期間調整，而取決於或然代價如何劃分。劃分為權益之或然代價並無於隨後申報日期重新計量，而其隨後結算於權益內入賬。劃分為資產或負債之或然代價根據香港會計準則第39號或香港會計準則第37號撥備、或然負債及或然資產（如適用）於隨後申報日期重新計量，而相應之盈虧於損益表中確認。

倘業務合併之最初入賬於合併發生之報告結算日尚未完成，則本集團將報告未完成列賬項目之臨時金額。該等臨時金額乃於計量期間內作出調整（見上文），而新增資產或負債則獲確認以反映關於在收購日期已存在之事實及情況（倘已知）將對於該日期確認的金額所產生之影響的新資訊。

#### (c) 聯營公司投資

聯營公司為本集團對其擁有重大影響力之實體。重大影響力為參與被投資方財務及經營政策決定但不控制或共同控制該等政策之權力。



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

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

### (c) Investments in associates (Continued)

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with HKFRS 5. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

## 2. 主要會計政策摘要（續）

### (c) 聯營公司投資（續）

聯營公司之業績及資產與負債乃採用權益會計法計入此等綜合財務報表，除被分類為持作出售的部份及全部投資，惟若該筆投資或其中一部分歸類為待出售，則根據香港財務報告第5號待出售之非流動資產及已終止經營入賬。根據權益法，於聯營公司之投資初步按成本於綜合財務狀況表確認，並於其後就確認本集團應佔該聯營公司之損益及其他全面收入報表而作出調整。當本集團應佔聯營公司之虧損相當於或超出其於該聯營公司之權益（包括整體上構成本集團於聯營公司投資淨額之部分之任何長期權益）時，則本集團終止確認其應佔之進一步虧損。額外應佔之虧損僅於本集團產生法定或推定責任或代該聯營公司付款時方予以確認。

於聯營公司之投資乃自該被投資方成為聯營公司之日起採用權益法入賬。於收購聯營公司投資時，該投資成本超出本集團分佔該被投資方的可識別資產及負債之公平淨值之任何部份乃確認為商譽，該商譽計入該投資之賬面值。本集團分佔可識別資產及負債之公平淨值超過該投資成本之任何部份經重新評估後即時於收購該投資期間之損益表中確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

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

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

### (c) Investments in associates (Continued)

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment (or a portion thereof) is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKAS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

## 2. 主要會計政策摘要 (續)

### (c) 聯營公司投資 (續)

香港會計準則第39號之規定獲應用，以釐定是否有必要就本集團於聯營公司之投資確認任何減值虧損。於必要時，根據香港會計準則第36號資產減值作為單一資產對該投資(包括商譽)之全部賬面值進行減值測試，方法為比較其可收回金額(使用價值與公平價值減出售成本兩者之較高者)與其賬面值，所確認之任何減值虧損構成該投資賬面值之一部份。倘該投資之可收回金額其後增加，則根據香港會計準則第36號確認該投資虧損之任何撥回。

本集團自該投資不再為聯營公司或投資(或其中一部份)分類為持作出售之日起不再繼續採用權益法。當本集團保留於前聯營公司之權益及該保留權益為一項金融資產時，本集團按該日之公平價值計量保留權益，而根據香港會計準則第39號該公平價值被視為其於初步確認時之公平價值。於釐定出售該聯營公司之盈虧時，該聯營公司於不再繼續採用權益法之日的賬面值與任何保留權益之公平價值及出售該聯營公司之部份權益之任何所得款項間之差額予以計入。此外，本集團按與該聯營公司直接出售相關資產或負債則須採取相同基準，將先前於其他全面收入報表內確認而與該聯營公司有關之所有款項入賬。因此，該聯營公司先前於其他全面收入報表內確認之盈虧將重新分類至出售相關資產或負債之損益，則本集團於不再繼續採用權益法時將該盈虧從權益重新分類至損益表(作為重新分類調整)。

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

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

### (c) Investments in associates (Continued)

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

## 2. 主要會計政策摘要（續）

### (c) 聯營公司投資（續）

當聯營公司投資變成合營企業投資或者在合營企業投資會變成聯營公司投資，則本集團會繼續使用權益法。在此等權益擁有權更改中，毋須對公平價值進行重新計量。

當本集團減少擁有聯營公司的權益，但本集團繼續使用權益法時，本集團會將之前就該項擁有權削減在其他全面收入報表中確認的盈虧部分重新歸類至損益表，前提為該筆盈虧在有關資產或負債出售時亦會重新歸類至損益表。

當一集團實體與本集團聯營公司交易（例如銷售或貢獻資產）時，與該聯營公司之交易所產生之盈虧在本集團綜合財務報表內確認，惟僅以與本集團無關之聯營公司權益為限。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註（續）

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

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

### (d) Property, plant and equipment

Properties held for own use are stated at their revalued amounts, being their fair value at the date of revaluation less any subsequent accumulated depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses (see note 2(h)).

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 expensed in profit or loss during the financial period in which they are incurred.

Revaluations on properties held for own use are performed with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from which would be determined using fair values at the end of the reporting period.

## 2. 主要會計政策摘要（續）

### (d) 物業、廠房及設備

自用物業乃按其重估值列賬，即重估當日之公平價值減去其後的累計折舊。在估值日的任何累計折舊與資產的賬面值總額對銷，而淨額則重列至資產的重估金額。其他物業、廠房及設備乃按其成本減去累計折舊及累計減值虧損列賬（見附註2(h)）。

其後成本只有在與該項目有關的未來經濟利益有可能流入本集團，而該項目的成本能可靠計量時，才包括在資產的賬面值或確認為獨立資產（如適用）。所有其他維修及保養在產生的財政期間內於損益表中支銷。

自用物業之重估為定期進行，以確保其賬面值與報告結算日所釐定之公平價值沒有重大差距。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

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

**(d) Property, plant and equipment (Continued)**

Changes arising on the revaluation of properties held for own use are generally dealt with in other comprehensive income and are accumulated separately in equity in the property revaluation reserve. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation; and
- when a surplus arises on revaluation, it will be credited to profit or loss to the extent that a deficit on revaluation in respect of that same asset had previously been charged to profit or loss.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost or revalued amounts to their residual values (if any) over their estimated useful lives, as follows:

Leasehold land held for own use under finance leases	Unexpired term of the leases
Buildings held for own use	40 years or unexpired term of the leases, if shorter
Furniture, fixtures and equipment	3 – 10 years
Plant and machinery	5 – 10 years
Motor vehicles	3 – 10 years

**2. 主要會計政策摘要（續）**

**(d) 物業、廠房及設備（續）**

因重估自用物業產生之變動一般在其他全面收入內處理並在物業重估儲備之權益中單獨累計。僅有例外情況如下：

- 倘產生重估虧絀，超出緊接重估前就有關資產於儲備內持有之金額的虧絀將在損益表內扣除；及
- 倘產生重估盈餘，盈餘將計入損益表，但以就同一項資產先前已於損益表內支銷之重估虧絀為限。

物業、廠房及設備的折舊採用估計可使用年期將成本或重估值按直線法分攤至剩餘價值（如有）如下：

根據融資租賃持有之自用租賃土地	剩餘租賃年期
自用樓宇	40年或短於此之剩餘租賃年期
傢俬、裝置及設備	3至10年
廠房及機器	5至10年
汽車	3至10年

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

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

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

### (d) Property, plant and equipment (Continued)

The assets' residual values (if any) and useful lives 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.

Assets under construction represent buildings, structures, plant and machinery and other fixed assets under construction or installation and are stated at cost less any accumulated impairment losses, and are not depreciated. Cost comprises direct costs of construction, installation and testing as well as capitalised borrowing costs on related borrowed funds during the period of construction or installation. Assets under construction are reclassified to the appropriate category of property, plant and equipment or investment properties when completed and ready for use.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the revaluation reserve to retained profits and is not reclassified to profit or loss.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2(h)).

## 2. 主要會計政策摘要 (續)

### (d) 物業、廠房及設備 (續)

資產的剩餘價值(如有)及可使用年期在每個結算日進行檢討,及在適當時調整。物業、廠房及設備項目乃於出售後或當預期持續使用該資產將不會產生未來經濟利益時不再確認。

在建工程乃指興建及裝設之樓宇、結構、廠房及機器以及其他固定資產,以成本值扣除減值虧損而不予折舊入賬。成本值包括興建、裝設及測試之直接成本,及於興建及裝設期間有關借入資金之資本化借貸成本。在建工程於完成及可供啟用時重新分類為物業、廠房及機器適當類別。

報廢或出售物業、廠房及設備所產生的盈虧以出售所得淨額(如有)與項目的賬面金額之間的差額釐定,並於報廢或出售當日在損益表確認。任何相關的重估盈餘會由重估儲備轉入保留溢利及不會重新分類至損益表。

若資產的賬面值高於其估計可收回價值,其賬面值即時撇減至可收回金額(附註2(h))。



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

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

### (e) Leasehold land and land use rights

Leasehold land and land use rights are lump sum upfront payments to acquire long-term interest in certain lessee-occupied properties.

Leasehold land and land use rights relating to certain buildings of the Group are stated at cost and are amortised over the period of the lease on the straight-line basis to profit or loss.

### (f) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

## 2. 主要會計政策摘要（續）

### (e) 租賃土地及土地使用權

租賃土地及土地使用權指於購入由承租人佔用之部份物業的長期權益時須先付的數額。

集團部份物業中的租賃土地及土地使用權均以成本列賬及於租契期內按直線法攤銷並列入損益表中。

### (f) 商譽

就收購業務產生的商譽（如有）以收購業務當日所確立的成本減去累計減值虧損入賬。

就減值檢測而言，商譽會分配至預期可自合併的協同效益獲益的本集團旗下各個現金產生單位（或組）。

獲分配商譽的現金產生單位會每年進行減值測試，或於單位出現減值跡象時增加測試次數。倘現金產生單位的可收回金額低於其賬面值，則減值虧損會先用作減低任何分配至該單位的商譽的賬面值，其後則按該單位內各項資產賬面值的比例分配至該單位的其他資產。商譽的減值虧損直接於損益表確認，就商譽確認的減值虧損不可於往後期間撥回。

出售有關現金產生單位時，在釐定出售溢利或虧損時會計入商譽應佔金額。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

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

**(g) Intangible assets (Other than goodwill)**

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation (where the estimated useful life is finite) and accumulated impairment losses (see note 2(h)), on the same basis as intangible assets that are acquired separately.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

**2. 主要會計政策摘要（續）**

**(g) 無形資產（商譽除外）**

業務合併所收購及與商譽分開確認之無形資產初步按收購日期之公平價值（視為彼等的成本）確認。

於初步確認後，業務合併中所收購之無形資產乃按成本值減累計攤銷（當估計可用年期為有限）及累計減值虧損（見附註2(h)），按個別收購之無形資產之相同基準予以呈報。

具有有限使用年期之無形資產之攤銷乃於彼等之估計使用年期按直線法攤銷。估計使用年期及攤銷方法乃於各報告結算日結束時檢討，估計變動之影響按前瞻基準入賬。

無形資產乃於出售時或當預期不會從使用或出售中獲得未來經濟利益時終止確認。終止確認無形資產所產生之盈虧（按出售所得款項淨額與資產賬面值間之差額計量）乃於資產終止確認時在損益表中確認。

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

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

### (h) Impairment of assets

#### (i) Impairment of investments in equity securities and other receivables

Investments in equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale financial assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

## 2. 主要會計政策摘要（續）

### (h) 資產減值

#### (i) 權益證券投資及其他應收款項減值

權益證券投資及按成本或攤銷成本列值之其他流動及非流動應收款或分類為可供出售金融資產，須於各報告結算日進行檢討，以釐定是否有客觀減值跡象。客觀減值跡象包括本集團注意到之下列一項或以上事實之可觀察數據：

- 債務人重大財政困難；
- 違約如未履行或拖欠利息支付或本金還款；
- 債務人有可能陷入破產或其他債務重組；
- 對債務人有負面影響之科技、市場、經濟或法律環境之重大改變；及
- 股本工具之投資價格因重大或長期下跌致使其公平價值低於其成本值。



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

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

**(h) Impairment of assets (Continued)**

**(i) Impairment of investments in equity securities and other receivables (Continued)**

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For investments in associates recognised using the equity method (see note 2(c)), the impairment loss is measured by comparing the recoverable amount of the investment as a whole with its carrying amount in accordance with note 2(h)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(h)(ii).
- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities are not reversed.

**2. 主要會計政策摘要（續）**

**(h) 資產減值（續）**

**(i) 權益證券投資及其他應收款項減值（續）**

倘任何此等跡象存在，任何減值虧損應按以下程序釐定和確認：

- 就使用權益法確認於聯營公司的投資（見附註2(c)）而言，減值虧損按照附註2(h)(ii)所述將投資整體的可收回價值比較其賬面值計量。倘若按照附註2(h)(ii)釐定可收回價值所用的估計發生有利之轉變時，則減值虧損應作撥回。
- 就按成本列賬之無報價權益證券而言，如果折算現值後的影響重大，減值虧損按金融資產的賬面值及估計未來現金流按相同金融資產的現時市場回報率折算為現值，以兩者之差額計算。權益證券之減值虧損則不會在賬項中沖回。

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

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

### (h) Impairment of assets (Continued)

#### (i) Impairment of investments in equity securities and other receivables (Continued)

- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

## 2. 主要會計政策摘要 (續)

### (h) 資產減值 (續)

#### (i) 權益證券投資及其他應收款項減值 (續)

- 按攤銷成本列賬之其他流動貿易應收款項及其他金融資產，其減值虧損按資產賬面值與按金融資產之原定實際利率（即初步確認該等資產之實際利率）將預計日後現金流量貼現兩者之差額計量（倘貼現之影響重大）。倘按攤銷成本列值之金融資產屬類似之風險特性，如過期情況類似，並不會個別地被評估為已減值，則此等金融資產應進行集體評估。進行集體評估之金融資產之未來現金流量應按類似該集體組別的信貸風險特性根據歷史虧損經驗計算。

倘於隨後期間，減值虧損額有所減少，而有關減少客觀地與確認減值虧損後發生之事件相關，該項減值虧損應通過損益表撥回。撥回之減值虧損，不應導致資產賬面值超出假設過往期間並無確認減值虧損而釐定之數額。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

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

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

### (h) Impairment of assets (Continued)

#### (i) Impairment of investments in equity securities and other receivables (Continued)

- For available-for-sale financial assets, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity financial assets are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors and bills receivables included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the allowance for impairment of bad and doubtful debts is recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

## 2. 主要會計政策摘要 (續)

### (h) 資產減值 (續)

#### (i) 權益證券投資及其他應收款項減值 (續)

- 關於可供出售金融資產，已直接在股東權益內的累計虧損將被轉入損益表。在損益表確認之累計虧損數額乃收購成本（扣除任何本金還款和攤銷）與現行公平價值兩者之差額扣除任何先前於損益表確認之減值虧損。

已在損益表確認之可供出售金融資產減值虧損，不得通過損益表撥回。任何其後該資產之公平價值增加應在其他全面收入中直接確認。

減值虧損應與相對應之資產直接抵銷，惟於貿易及其他應收款項內之貿易應收款及應收票據減值虧損，被確認為有難度但並非不可能收回則除外。在此情況下，呆壞賬之減值虧損應以備抵賬項入賬。當本集團認為該等賬項不可能收回，不可收回金額直接與貿易應收款及應收票據抵銷，任何在備抵賬內有關該欠款之金額應該撥回。隨後收回先前在該備抵賬項扣除之金額應從該備抵賬項撥回。備抵賬項之其他變動及隨後收回先前所撇銷之金額應直接在損益表確認。



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

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

### (h) Impairment of assets (Continued)

#### (ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment (other than leasehold land held for own use under finance leases and properties carried at revalued amounts);
- land and land use rights classified as being held under an operating lease;
- investments in subsidiaries and associates (except for those classified as held for sale or included in a disposal group that is classified as held for sale) in the Company's statement of financial position;
- goodwill; and
- intangible assets

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

## 2. 主要會計政策摘要 (續)

### (h) 資產減值 (續)

#### (ii) 其他資產減值

於各結算日須檢討來自內部及外部資料，以識別下列資產 (除商譽以外) 是否已出現減值，或之前已確認之減值是否已不存在或減值已經減少：

- 物業、廠房及設備 (已重估之物業及根據融資租賃持有之自用租賃土地除外)；
- 被分類為以經營租賃持有之土地及土地使用權；
- 於本公司的財務狀況表投資之附屬公司及聯營公司，除非有關投資是分類為持有作出售之投資或包括在分類為持有作出售之出售組別；
- 商譽；及
- 無形資產

倘任何此等跡象存在，須估計該資產的可收回金額。此外，就商譽、仍未能作出售之無形資產及被認為有無限使用期的無形資產而言，須每年估計可收回金額以確定是否有減值跡象。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

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

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

### (h) Impairment of assets (Continued)

#### (ii) Impairment of other assets (Continued)

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less cost 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 time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable), or value in use (if determinable).

## 2. 主要會計政策摘要 (續)

### (h) 資產減值 (續)

#### (ii) 其他資產減值 (續)

- 計算可收回金額

資產之可收回金額為其公平價值減去出售成本及使用值之較高者。於評估使用值時，估計未來現金流量乃利用能反映現值及資產之特定風險之稅前貼現率貼現。倘資產未能在大致獨立於其他資產下賺取現金流量，則其可收回金額會以可獨立賺取現金流量之最小組別資產釐訂（即現金產生單位）。

- 確認減值虧損

任何時候當資產（或其所屬現金產生單位）之賬面值高於其可收回金額時，須在損益表確認減值虧損。已確認現金產生單位之減值虧損先減商譽，其後按比例被分配予該現金產生單位（或組別單位）之其他資產以減低其賬面值。惟此項資產之賬面值將不可低於個別資產之公平價值減出售成本（如可量化）或使用值（如可釐定）。

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

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

### (h) Impairment of assets (Continued)

#### (ii) Impairment of other assets (Continued)

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

#### (i) Financial assets

The Group classifies its financial assets other than investments in subsidiaries and associates in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates their classification at every reporting date.

## 2. 主要會計政策摘要（續）

### (h) 資產減值（續）

#### (ii) 其他資產減值（續）

- 撥回減值虧損

就商譽以外的資產而言，倘據以釐定可收回數額的估計基準出現有利變動，則減值虧損將會撥回。惟商譽的減值虧損不予撥回。

減值虧損的撥回額僅限於倘往年並無確認減值虧損而釐定的資產賬面值。減值虧損的撥回將於確認撥回的年度內於損益表列賬。

#### (i) 金融資產

本集團將其金融資產分為以下類別：按公平價值計入損益表、貸款及應收款項及可供出售金融資產。分類視乎收購金融資產之目的而定。管理層會於初次確認時釐定其金融資產的分類並於每個報告結算日重新評估該項分類。



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

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

**(i) Financial assets (Continued)**

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

**(ii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are subsequently carried at amortised cost using the effective interest method. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. Finance lease receivables, unlisted debt securities, trade and other receivables, short-term bank deposits with maturity over three months, pledged bank deposits and cash and cash equivalents in the consolidated statement of financial position are classified as loans and receivables.

**2. 主要會計政策摘要（續）**

**(i) 金融資產（續）**

**(i) 按公平價值計入損益表的金融資產**

按公平價值計入損益表的金融資產是持作買賣的金融資產。如所收購的金融資產主要是為了在短期內出售，則劃分為此類別。衍生工具亦被劃分為持作買賣用途，除非已被指定為對沖工具。此類別的資產被劃分為流動資產。

**(ii) 貸款及應收款項**

貸款及應收款項為並無於活躍市場報價而且具備固定或可釐定付款的非衍生工具金融資產。貸款及應收款項均按實際利息法按攤銷成本計算。此等款項列入流動資產，惟不包括到期日為報告結算日起計十二個月後的資產，該等資產會列作非流動資產。於綜合財務狀況表中的應收融資租賃款項、非上市債券、應收貿易賬款及其他應收款項、到期日超過三個月的銀行存款、抵押存款和現金及現金等價物計入貸款及應收款項。

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

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

### (i) Financial assets (Continued)

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

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

Regular purchases and sales of financial assets are recognised on the trade-date when the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are recognised initially at fair value, plus transaction costs incurred and subsequently carried at amortised cost using the effective interest method.

## 2. 主要會計政策摘要（續）

### (i) 金融資產（續）

#### (iii) 可供出售金融資產

可供出售金融資產乃被指定列為此類別或並無分類為任何其他類別的非衍生金融資產。除非管理層有意於報告結算日起計十二個月內將投資出售，否則可供出售金融資產會計入非流動資產。

一般投資的購入及出售在交易日確認—交易日指本集團承諾購入或出售該資產之日。對於並非按公平價值透過損益表的所有金融資產，投資初步按公平價值加交易成本確認。按公平價值透過損益表的金融資產初始按公平價值記賬，其交易成本在收入報表中列作開支。當從投資收取現金流量的權利經已到期或經已轉讓，而本集團已將擁有權的所有風險和回報實際轉讓時，投資即終止確認。可供出售金融資產及按公平價值透過損益表的金融資產其後按公平價值列賬。貸款及應收款項初步按公平價值加交易成本確認，隨後利用實際利息法按攤銷成本列賬。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

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

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

### (i) Financial assets (Continued)

#### (iii) Available-for-sale financial assets (Continued)

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the securities and other changes in the carrying amount of the securities. The translation differences on monetary securities are recognised in profit or loss; translation differences on non-monetary securities are recognised in other comprehensive income and accumulated separately in equity in the translation reserve. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income and accumulated separately in equity in the fair value reserve.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are reclassified through other comprehensive income to the income statement.

Interest on available-for-sale financial assets calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the Group's right to receive payments is established.

Investments in unquoted equity instruments whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, are measured at cost less any impairment losses.

## 2. 主要會計政策摘要 (續)

### (i) 金融資產 (續)

#### (iii) 可供出售金融資產 (續)

以外幣為單位並被分類為可供出售的貨幣性證券之公平價值變動分析為在該證券的已攤銷成本變動產生的換算差額及該證券賬面值的其他變動的兩者之間。貨幣性證券之換算差額在損益表確認，而非貨幣性證券之換算差額則於其他全面收入確認並獨立累計於權益中的匯兌儲備內。分類為可供出售的貨幣性及非貨幣性證券的公平價值變動在其他全面收入確認並獨立累計於權益中的匯兌儲備內。

當分類為可供出售證券被售出或減值時，被確認人在權益中的累計公平價值調整透過其他全面收入報表重分類至收入報表。

可供出售金融資產的利息按實際利率法計算，並在收入報表確認為其他收入的一部分。當本集團收取股息的權利確立時，可供出售證券的股息在綜合收入報表確認為其他收入的一部分。

至於公平價值無法可靠地計量之非上市權益的投資，以及與交付該等非上市權益有關並須以此方式結算之衍生工具，乃按成本減任何減值虧損計量。



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

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

### (i) Financial assets (Continued)

#### (iii) Available-for-sale financial assets (Continued)

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group established fair value by using valuation techniques. These include the use of recent arm's length transactions, by reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

### (j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e. 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. Other borrowing costs are expensed in the period in which they are incurred. Capitalisation of such borrowing costs ceases when 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 capitalised.

## 2. 主要會計政策摘要（續）

### (i) 金融資產（續）

#### (iii) 可供出售金融資產（續）

有報價之投資的公平價值根據當時的買盤價計算。若某項金融資產的市場並不活躍（及就非上市證券而言），本集團利用估值技術釐定公平價值。這些技術包括利用近期公平交易、參考大致相同的其它工具之公平價值、貼現現金流量分析與期權定價模式，最大程度的利用市場信息並且盡可能減少單位特定信息。

### (j) 借貸成本

直接因收購、建設或產生一項必須經歷一段頗長時間才可用作擬定用途或出售的資產而產生的借貸成本，均撥充資產成本的一部分，其他借貸成本將在產生當期支銷。資本化的借貸成本將在資產大致上可準備投入作擬定用途或出售時隨之中止。個別借貸於等待使用於有關合資格的資產時用作短暫投資所得的投資收入於撥充資本的借貸成本中扣除。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註（續）

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

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

### (k) Government grants

Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

### (l) Financial guarantees issued, provisions and contingent liabilities

#### (i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

## 2. 主要會計政策摘要（續）

### (k) 政府補貼

倘可合理確定能夠收取政府補貼，而本集團將符合政府補貼所附帶的條件，則政府補貼在綜合財務狀況表中初始確認。補償集團所產生開支的補貼於產生開支的同一期間有系統地於損益表中確認為收入。補償集團資產成本的補貼在相關資產賬面值中扣除，其後於該項資產的可用年期以減少折舊開支方式於損益表中實際確認。

### (l) 發出財務擔保、撥備及或然負債

#### (i) 所發出財務擔保

財務擔保乃要求發行人（即擔保人）就擔保受益人（「持有人」）因特定債務人未能根據債項工具的條款於到期時付款而蒙受的損失而向持有人支付特定款項的合約。

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

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

### (I) Financial guarantees issued, provisions and contingent liabilities (Continued)

#### (i) Financial guarantees issued (Continued)

Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transactions for similar services, when such information is obtainable, is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

## 2. 主要會計政策摘要（續）

### (I) 發出財務擔保、撥備及或然負債（續）

#### (i) 所發出財務擔保（續）

倘本集團發出財務擔保，該擔保的公平價值（即交易價格，除非該公平價值能確實地估計）最初確認為貿易應付賬款及其他應付賬款內的遞延收入。已發出財務擔保於發出時之公平價值於可獲得有關資料時，乃參考就涉及類似服務之公平交易所收取費用釐定，或（倘無有關資料）參考透過將貸方於提供擔保時所收取實際利率與在不獲提供擔保時原應收取之估計利率作出比較下得出的利率差距加以估計（指可就有關資產指示出可靠估計之情況下）。倘在發行該擔保時收取或可收取代價，該代價則根據適用於該類資產之本集團政策而予確認。倘有關代價尚未收取或應予收取，於最初確認任何遞延收入時，即時開支於損益表內確認。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

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

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

### (I) Financial guarantees issued, provisions and contingent liabilities (Continued)

#### (i) Financial guarantees issued (Continued)

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(I)(iii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

#### (ii) Contingent liabilities acquired in business combinations

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be determined in accordance with note 2(I)(iii). Contingent liabilities assumed in a business combination that cannot be reliably fair valued or where not present obligations at the date of acquisition are disclosed in accordance with note 2(I)(iii).

## 2. 主要會計政策摘要 (續)

### (I) 發出財務擔保、撥備及或然負債 (續)

#### (i) 所發出財務擔保 (續)

最初確認為遞延收入的擔保款額，按擔保年期於損益表內攤銷為所發出的財務擔保收入。此外，倘(i)擔保持有人有可能根據本集團已作出的財務擔保向集團提出索償通知時；及(ii)本集團的申索款額預期超過現時列於該擔保的應付賬款及其他應付款項(即最初確認的金額)減累計攤銷，便根據附註2(I)(iii)確認並作出撥備。

#### (ii) 業務合併取得的或然負債

因業務合併而承擔或然負債於收購日屬即期責任，則最初按公平價值確認，惟公平價值能可靠計量。按公平價值確認後，該等或然負債按最初確認數額扣除累計攤銷(如適用)後的數額，與根據本附註2(I)(iii)所釐定的數額兩者的較高者確認。倘不能於收購日可靠地計量公平價值或並非為即期責任，因業務合併而承擔的或然負債則按本附註2(I)(iii)所述披露。

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

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

### (l) Financial guarantees issued, provisions and contingent liabilities (Continued)

#### (iii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group has a 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 expenditure 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 of economic benefits 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 of economic benefits is remote.

#### (m) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

## 2. 主要會計政策摘要（續）

### (l) 發出財務擔保、撥備及或然負債（續）

#### (iii) 其他撥備及或然負債

如果本集團或本公司須就已發生之事件承擔法律或推定義務，而會導致經濟利益外流及在可以作出可靠之估計時，則就該時間或數額不定之其他負債計提撥備。如果貨幣時間值重大，則按履行義務預計所需支出之現值計提撥備。

如果流出經濟利益之可能性較低，或無法對有關數額作出可靠之估計，則會將該義務披露為或然負債，但經濟利益外流之可能性極低則除外。如果有關義務須視乎某宗或多宗未來事件是否發生才能確定是否存在，則會披露為或然負債，除非經濟利益外流可能性極低。

#### (m) 存貨

存貨按成本或可變現淨值兩者中的較低者列賬。成本按加權平均法計算。製成品及在製品的成本包括原材料、直接工資、其他直接成本及相關生產開支（根據正常經營能力），惟不包括貸款成本。可變現淨值乃按正常業務過程中的估計售價，減去適用的變動銷售開支計算。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註（續）

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

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

### (n) Trade and other receivables

Trade and other receivables are initially recognised at fair value and, after initial recognition, at amortised cost less any allowance for impairment of bad and doubtful debts, except for the following receivables:

- interest-free loans made to related parties without any fixed repayment terms or the effect of discounting being immaterial, that are measured at cost less any allowance for impairment of bad and doubtful debts, and
- short term receivables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoiced amount less any allowance for impairment of bad and doubtful debts.

### (o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

Pledged bank deposits are not included in cash and cash equivalents.

## 2. 主要會計政策摘要（續）

### (n) 貿易及其他應收款項

貿易及其他應收款項初步按公平價值確認並於初步確認後按攤銷成本扣除呆壞賬減值虧損計算，惟不包括以下應收款項：

- 借予關連方無指定還款期或折現影響並不重大的免息貸款，有關貸款以成本值扣除呆壞賬減值虧損入賬，及
- 無指定利率及折現影響並不重大的短期應收款項，有關應收款項以原發票值扣除呆壞賬減值虧損入賬。

### (o) 現金及現金等值

現金及現金等值包括銀行存款及現金、在銀行及其他金融機構的活期存款以及流動性極高的短期投資。這些投資可以在未經通知下即時轉換為已知數額的現金，而在價值變動方面的風險並不巨大，且獲取時的到期日在三個月之內。就編製綜合現金流量表而言，須應要求償還並構成本集團現金管理之一部份的銀行透支亦列入現金及現金等值的組成部份。

抵押存款不包括於現金及現金等值內。



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

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

### (p) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction (net of tax) from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity shareholders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity shareholders.

### (q) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities (if any) measured in accordance with note 2(l)(i), trade and other payables are subsequently stated at amortised cost, except for the following payables:

- short-term payables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoiced amount; and
- interest-free loans from related parties without any fixed repayment terms or the effect of discounting being immaterial, that are measured at cost.

## 2. 主要會計政策摘要（續）

### (p) 股本

普通股歸類為權益。

發行新股份或購股權直接應佔之新增成本乃於股本權益中列為所得款項（扣除稅項）之扣減。

倘任何集團公司購買本公司之權益股本（庫存股份），所支付之代價（包括任何增加之直接應佔成本（扣除所得稅））從本公司股權持有人應佔之權益中扣除，直至股份被註銷、重新發行或出售為止。倘有關股份其後被售出或重新發行，則任何所收取之代價（扣除任何增加之直接應佔交易成本及有關所得稅影響）計入本公司股權持有人應佔之權益。

### (q) 貿易及其他應付款項

貿易及其他應付款項初步按公平價值確認。除了按照附註2(l)(i)計算之財務擔保負債外，貿易及其他應付款項其後按攤銷成本入賬，惟不包括以下應付款項：

- 無指定利率及折現影響並不重大的短期應付款項，有關款項以原發票值入賬；及
- 向關連方借入無指定還款期或折現影響並不重大的免息貸款，有關貸款以原值入賬。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註（續）

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

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

### (r) Bank and other borrowings

Bank and other borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Bank and other borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

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

### (s) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

## 2. 主要會計政策摘要（續）

### (r) 銀行及其他借款

銀行及其他借款最初按公平價值扣除交易成本後的淨額確認。交易成本為直接關於收購、發行或出售金融資產或財務負債的新增成本，包括支付代理、顧問、經紀及交易商的費用及佣金、監管機構及證券交易所的徵費，以及轉讓的稅項及印花稅。銀行及其他借款其後按攤銷成本列賬；所得款項（扣除交易成本）與贖回價值之間的差額在借款期限內以實際利息法計入當期收入報表中確認。

除非本集團有權無條件將債項結算期限延長至報告結算日後最少十二個月，否則借款乃分類為流動負債。

### (s) 所得稅

本年度所得稅包括本期稅項及遞延稅項資產及負債的變動。本期稅項及遞延稅項資產及負債的變動在損益表確認，除非與屬於其他全面收入確認或直接計入權益的項目有關者，則有關稅項金額分別於其他全面收入確認或直接計入權益。

本期稅項乃根據已執行或於報告結算日已實質執行之稅率，按本年度應課稅收入以及過往年度應付稅項之任何調整而計算預期應付稅項。

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

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

### (s) Income tax (Continued)

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

## 2. 主要會計政策摘要（續）

### (s) 所得稅（續）

遞延稅項資產及負債乃因作財務報告用途之資產及負債賬面值與作稅基用途之資產及負債賬面值兩者之可予扣減及應課稅之暫時差異所產生。遞延稅項資產亦可由未經使用之稅務虧損及未經使用之稅項優惠所產生。

除了若干有限之例外情況外，所有遞延稅項負債，以及所有遞延稅項資產（僅限於將來很可能取得應課稅盈利而令該項資產得以運用之部份）均予確認。容許確認由可予扣減暫時差異所產生之遞延稅項資產之未來應課稅盈利包括其將由目前之應課稅暫時性差異撥回之部份，惟此等應課稅暫時差異應由同一稅務當局向同一應課稅單位徵收，並預期在可予扣減暫時差異預期撥回之同一期間內撥回或在由遞延稅項資產產生之稅務虧損能轉回或轉入之期間內撥回。在評定目前之應課稅暫時差異是否容許確認由未經使用之稅務虧損及優惠所產生之遞延稅項資產時，亦會採用上述相同之標準，即該等暫時差異由同一稅務當局向同一應課稅單位徵收，並預期在稅務虧損或優惠能應用之期間內撥回方計算在內。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註（續）

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

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

### (s) Income tax (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

## 2. 主要會計政策摘要（續）

### (s) 所得稅（續）

確認遞延稅項資產及負債之有限例外情況包括由商譽引起並不可在稅務方面獲得扣減之暫時差異、首次確認但並不影響會計盈利及應課稅盈利之資產或負債（惟其不可為業務合併之部份），以及有關於附屬公司投資所引致之暫時差異。如為應課稅差異，只限於本集團可以控制撥回時間，且在可預見將來不太可能撥回之暫時差異；或如為可予扣減差異，則只限於可能在未來撥回之差異。遞延稅項資產及負債均不作貼現計算。

本集團會在每個報告期末評估遞延稅項資產之賬面值。如果不再可能取得足夠之應課稅盈利以運用有關之稅務利益，便會調低賬面金額。在日後可能取得足夠之應課稅盈利時，則會撥回已扣減金額。

來自分派股息的額外所得稅，確認支付有關股息的責任時確認。

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

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

### (s) Income tax (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

## 2. 主要會計政策摘要（續）

### (s) 所得稅（續）

本期稅項結餘及遞延稅項結餘及其變動，乃各自分開列示及不會相互抵銷。若本公司或本集團在法律上擁有抵銷本期稅項資產及本期稅項負債之行使權利，並能符合下列額外條件，則本期稅項資產可抵銷本期稅項負債，以及遞延稅項資產可抵銷遞延稅項負債：

- 若為本期稅項資產及負債：本集團計劃以淨額清償，或計劃同時變現資產及清償負債；或
- 若為遞延稅項資產及負債：如其與同一稅務當局向下述者徵收之所得稅有關：
  - 同一應課稅單位；或
  - 如為不同之應課稅單位，預期在未來每一個週期將清償或追償顯著數目之遞延稅項負債或資產及計劃變現本期稅項資產及以淨額基準清償本期稅項負債或計劃同時變現本期稅項資產及清償本期稅項負債。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註（續）

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

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

### (t) Employee benefits

#### (i) Retirement benefit costs

Payments to defined contribution plans under the mandatory provident fund scheme, the ORSO scheme and state-managed retirement benefits scheme are charged as expenses as they fall due.

#### (ii) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

#### (iii) Share-based compensation

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in share option reserve within equity. The fair value is measured at grant date using the Hull White Trinomial Model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

## 2. 主要會計政策摘要（續）

### (t) 僱員福利

#### (i) 退休福利計劃

對強制性公積金計劃、職業退休計劃及其他國有退休福利計劃作出之供款乃於其到期時列作開支予以扣除。

#### (ii) 分享溢利及花紅計劃

本集團根據一條公式，按本公司股東應佔溢利作若干調整，計算並確認花紅及分享溢利為負債及開支。本集團按合約規定或過往慣例責任產生時確認撥備。

#### (iii) 股份為本之補償

賦予員工的購股權之公平價值被確認為員工成本，並在股東權益內的購股權儲備作相應的增加。公平價值乃採用霍爾－懷特三元模型，按購股權授予日計算，並顧及授予購股權的條款。當僱員須符合歸屬期條件才可無條件享有該等購股權，預計公平價值總額在歸屬期內攤分入賬，並已考慮購股權歸屬的或然率。



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

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

### (t) Employee benefits (Continued)

#### (iii) Share-based compensation (Continued)

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged or credited to the income statement for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is transferred to the share capital) or the option expires (when it is released directly to retained profits).

#### (iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

## 2. 主要會計政策摘要（續）

### (t) 僱員福利（續）

#### (iii) 股份為本之補償（續）

估計可歸屬購股權的數目須在歸屬期內作出檢討。除非原本支出符合資產確認之要求，任何已在往年確認的累積公平價值之調整須在檢討期內的收入報表支銷或回撥，並在購股權儲備作相應調整。在歸屬日，除非因未能符合歸屬條件引致權利喪失純粹與本公司股份的市價有關，確認為支出之金額按歸屬購股權的實際數目作調整（並在購股權儲備作相應調整）。屬股東權益的金額在購股權儲備確認，直到當購股權被行使時（轉入股本），或當購股權之有效期屆滿時（轉入保留溢利）。

#### (iv) 辭退福利

如果本集團在正常退休日期前終止僱用，或員工接受自願離職以換取這些福利，則應支付辭退福利。本集團於下列日期較早時確認辭退福利：(a) 本集團不能撤回該等福利的提議；及(b) 當該實體確認重組的成本在香港會計準則第37號範圍內，並涉及支付辭退福利。在提出鼓勵自願離職的提議的情況下，辭退福利是根據預期接受報價的僱員人數計算的。在報告結算日結束後超過12個月到期的福利，按貼現現值折現。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註（續）

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

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

### (u) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amount for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the Group. Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below:

- (i) Sales of goods are recognised when a Group entity has delivered products to the customer and the customer has accepted the products and collectibility of the related receivables is reasonably assured.
- (ii) Rental income, including rentals invoiced in advance from properties under operating leases, is recognised on a straight-line basis over the period of the leases.
- (iii) Handling and services income are recognised when services are provided.
- (iv) Interest income is recognised as it accrues using the effective interest method. Interest income from the finance lease is recognised on a basis that reflects a constant periodic rate of return on the net investment in the finance lease.
- (v) Dividend income is recognised when the shareholder's right to receive payment is established prior to the end of the reporting period.

## 2. 主要會計政策摘要（續）

### (u) 收益確認

收益是從公平價值代價或應收計量及表示本集團在基本活動過程中銷售貨品及服務之金額。收入在扣除增值稅、退貨、回扣及折扣，並抵銷本集團內部間之銷售後列示。收益金額能可靠地計量、未來經濟利益將有可能流入實體及各項本集團業務之指定條件得以達成時確認收入，如下所述：

- (i) 貨品銷售於集團實體付運產品予客戶，客戶已接收該等產品並合理確保可收取相關應收款項時確認。
- (ii) 根據營運租約出租物業之所得租金收入包括預先發出發票之租金，按租期以直線基準為收入確認。
- (iii) 加工及服務費收入乃按已提供服務後確認。
- (iv) 利息收入乃採用實際利息法確認。融資租賃利息收入的基礎是反映融資租賃的淨投資回報之恆常週期性回報率。
- (v) 由投資所取得之股息收入之確認為當股東早於報告結算日已確立收取股息之權利。

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

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

### (v) Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Leases of assets are classified as finance leases when the leases transfer substantially all risks and rewards incidental to ownership of the assets to the Group. All other leases are classified as operating leases.

#### (i) Leases of land and buildings

Whenever necessary, in order to classify and account for a lease of land and buildings, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

The land element is classified as an operating lease unless title is expected to pass to the lessee by the end of the lease term. The building element is classified as a finance or operating lease in the same way as leases of other assets. The payments made on acquiring land held under an operating lease are recognised in the statement of financial position as leasehold land and land use rights which are stated at cost and are amortised on a straight-line basis over the period of the lease term.

## 2. 主要會計政策摘要（續）

### (v) 租約

倘本集團確定安排具有在商定期限內通過支付一筆或一系列款項而使用某一特定資產或多項資產之權利，則該安排（由一宗交易或一系列交易組成）為租賃或包括租賃，該釐定乃根據安排之內容評估而作出，而無論安排是否具備租賃之法律形式。

當資產租約隨資產擁有權轉撥絕大部份風險及利益至本集團時，分類為融資租約。所有其他租約均分類為經營租約。

#### (i) 土地及樓宇租約

每當於有需要將土地及樓宇租約分類及列賬時，最低租賃付款（包括任何一次過預付款項）乃按租約土地部份及樓宇部份於租約開始時之租賃權益相對公平價值比例於土地及樓宇部份之間分配。

土地部份乃分類為經營租約，除非預期所有權益會於租約期結束時轉移予承租人，則作別論，樓宇部份以與其他資產租約之相同方式分類為融資或經營租約。收購根據經營租約持有之土地而支付之款項乃於財務狀況表內確認為土地之租賃費用，有關租賃土地及土地使用權按成本列賬，並於租賃期內按直線法攤銷。



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

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

**(v) Leases (Continued)**

**(i) Leases of land and buildings (Continued)**

If the lease payments on a lease of land and buildings cannot be allocated reliably between the land and building elements at the inception of the lease or the relevant lease transfers the significant risks and rewards of ownership of the land in accordance with the criteria set out in HKAS 17, the entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

**(ii) Finance leases**

Lessee

Assets held under finance leases are recognised in the statement of financial position at amounts equal to the fair value of the leased assets, or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liabilities, net of finance charges, on the finance leases are recorded as obligations under finance leases. All assets held under finance leases are classified as property, plant and equipment, except for those properties held to earn rental income which are classified as investment property, in the statement of financial position.

Depreciation and impairment losses are calculated and recognised in the same manner as the depreciation and impairment losses on property, plant and equipment as set out in note 2(d), except for the estimated useful lives cannot exceed the relevant lease terms, if shorter.

**2. 主要會計政策摘要（續）**

**(v) 租約（續）**

**(i) 土地及樓宇租約（續）**

倘土地及樓宇租約之租約付款無法於租約開始時在土地及樓宇部份之間可靠地分配或該租約已根據香港會計準則第17號列明租約轉移了土地所有權的重大風險及回報，則整份租約會分類為融資租約，除非明顯地兩個部份均為經營租約，則作別論，在此情況下，整份租約會分類為經營租約。

**(ii) 融資租約**

承租人

根據融資租約持有之資產按相當於在租約訂立時釐定之租賃資產公平價值之數額，或（倘為較低者）最低租約付款之現值於財務狀況表確認入賬，融資租約之相應債項經扣除融資費用後，乃列作融資租約承擔。按融資租約持有之所有資產乃於財務狀況表內列作物業、廠房及設備，惟持有以賺取租金收入之物業則於財務狀況表內列作投資物業。

折舊及減值虧損按與物業、廠房及設備之折舊及減值虧損相同之方式（載於附註2(d)）計算及確認，惟估計可使用年期不得超過相關租約期（倘較短）。

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

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

### (v) Leases (Continued)

#### (ii) Finance leases (Continued)

##### Lessee (Continued)

Minimum lease payments are apportioned between finance charge and the reduction of the outstanding liabilities. The finance charge is recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

##### Lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

#### (iii) Operating leases

Where the Group is the lessee, lease payments under an operating lease are recognised as an expense on a straight-line basis over the period of the lease term. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets and rentals receivable under the operating leases are credited to the income statement on a straight-line basis over the lease period. Contingent rentals are charged as an expense in the periods in which they are incurred.

## 2. 主要會計政策摘要 (續)

### (v) 租約 (續)

#### (ii) 融資租約 (續)

##### 承租人 (續)

最低租約付款於融資費用及未償還債項減少之間分配。融資費用按租約期期間確認於損益表，並藉此制定負債餘額之固定利率。

##### 出租人

應收融資租賃承租人金額在集團的租賃投資金額中確認為應收項目。融資租賃收入被分配到會計期間，以反映本集團就租賃投資回報的固定定期利率。

#### (iii) 經營租約

倘本集團為承租人，則經營租約項下之租約付款以直線法於租約期內確認為開支。倘本公司為出租人，則本集團經營租賃項下之租賃資產包括於非流動資產中，而應收經營租賃項下之租金收入則於租賃期內按直線法計入收入報表內。或然租金於彼等所產生之期間內列作開支。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註（續）

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

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

### (w) Dividend distribution

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

### (x) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's top management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria. A discontinued segment is separately presented from continuing segments.

## 2. 主要會計政策摘要（續）

### (w) 股息分派

由董事局建議派發的末期股息在財務狀況表股東權益內作為對保留溢利的分配單獨列示，直至股東於股東大會上批准派發。這些股息被股東批准和宣派後，確認為負債。

由於本公司之公司組織章程大綱及細則授予董事權力以宣派中期股息，故中期股息會同時建議及宣派。因此，當建議及宣派中期股息時，中期股息直接被確認為負債。

### (x) 分部報告

營運分部及本財務報表所呈報之各分部項目之款項，於定期向本集團高級管理層提供之綜合財務報告中識別，管理層依據該等報告分配資源予本集團不同業務及地域以及評估該等業務及地域之表現。

就財務報告而言，個別重大營運分部不會累積計算，惟分部間有類似經濟特點及在產品及服務性質、生產過程性質、客戶種類或類別、用作分銷產品或提供服務之方法以及監管環境性質方面相類似則除外，倘並非個別重大之經營分部符合大部份此等準則，則該等營運分部可能會被累積計算。終止營運分部與持續營運分部會分別呈列。



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

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

### (y) 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 HK dollars, which is the Company's functional and the Group's presentation currency. All values are rounded to the nearest thousand except when otherwise indicated. The comparative figures also have been rounded to the nearest thousand to conform with the changes in the presentation for the current year.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except those arising from qualifying cash flow hedges or qualifying net investment hedges which are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities, such as equity instruments held at fair value through profit or loss, are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale financial assets, are recognised in other comprehensive income and accumulated separately in equity in the fair value reserve.

## 2. 主要會計政策摘要（續）

### (y) 外幣換算

#### (i) 功能及呈報貨幣

本集團各實體之財務報表所列之項目，乃按該實體經營所在地之主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表乃以本公司之功能及呈報貨幣港元呈列。除非另有說明，所有數值都會四捨五入到最接近的千位數。而比較數字也被四捨五入到最接近的千位數，以符合本年度報表呈列方式的改變。

#### (ii) 交易及結餘

外幣交易均按交易當日之匯率換算為功能貨幣。因結算該等交易及因按年結日匯率換算以外幣為貨幣單位之貨幣資產及負債而產生之外匯損益，乃於損益表中確認，惟由現金流量對沖或投資淨額對沖所產生的，則於其他全面收入中確認。

非貨幣金融資產及負債如按公平價值持有並於損益表中處理之股本工具之換算差額，均於損益表內確認為公平價值盈虧之一部分。非貨幣金融資產如分類為可供出售金融資產之換算差額，均於其他全面收入確認並獨立累計於權益中的公平價值儲備內。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

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

**(y) Foreign currency translation (Continued)**

**(iii) Group companies**

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) income and expenses for each income statement 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 dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the translation reserve.

**2. 主要會計政策摘要（續）**

**(y) 外幣換算（續）**

**(iii) 集團公司**

集團旗下所有公司（全部均非採用高通脹經濟體系之貨幣）之功能貨幣倘有別於呈報貨幣，其業績及財務狀況須按如下方式換算為呈報貨幣：

- (i) 各財務狀況表所列資產及負債按其結算日之收市匯率換算；
- (ii) 各收入報表所列收入及開支按平均匯率換算（除非此平均匯率不足以合理地概括反映於交易日期適用匯率之累計影響，則在此情況下，收入及開支則按交易日期之匯率換算）；及
- (iii) 一切因此而產生之匯兌差額均於其他全面收入確認並獨立累計於權益中的匯兌儲備內。

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

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

### (y) Foreign currency translation (Continued)

#### (iii) Group companies (Continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated separately in equity in the translation reserve. When a foreign operation is sold, such exchange differences are reclassified from equity to profit or loss when gain or loss on disposal is recognised.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the year-end closing rate.

### (z) Related parties

- (i) A person, or a close member of that person's family, is related to the Group if that person:
- (1) has control or joint control over the Group;
  - (2) has significant influence over the Group; or
  - (3) is a member of the key management personnel of the Group or the Group's parent.

## 2. 主要會計政策摘要（續）

### (y) 外幣換算（續）

#### (iii) 集團公司（續）

在編製綜合賬時，換算海外公司投資淨額和換算被指定為此等投資之對沖工具的借貸及其他貨幣工具而產生的匯兌差異，均於其他全面收入確認並獨立累計於權益中的匯兌儲備內。當出售海外業務時，此等匯兌差異將於確認於出售時由權益重新分類至損益表。

因收購海外公司而產生之商譽及公平價值調整，均視作為該海外公司之資產及負債處理，並按結算日的收市匯率換算。

### (z) 關連方

- (i) 倘屬以下人士，即該人士或該人士之近親與本集團有關連：
- (1) 控制或共同控制本集團；
  - (2) 對本集團有重大影響；或
  - (3) 為本集團或本集團母公司的主要管理層成員。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

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

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

### (z) Related parties (Continued)

(ii) An entity is related to the Group if any of the following conditions applies:

- (1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (2) 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).
- (3) Both entities are joint ventures of the same third party.
- (4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (6) The entity is controlled or jointly controlled by a person identified in (i).
- (7) A person identified in (i)(1) 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).
- (8) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

## 2. 主要會計政策摘要 (續)

### (z) 關連方 (續)

(ii) 倘符合下列任何條件，即實體與本集團有關連：

- (1) 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
- (2) 一間實體為另一實體的聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)。
- (3) 兩間實體均為同一第三方的合營企業。
- (4) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
- (5) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。
- (6) 實體受(i)所識別人士控制或受共同控制。
- (7) 於(i)(1)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。
- (8) 該實體或屬該實體其中一部份的集團旗下任何成員公司為向本集團或本集團母公司提供主要管理人員服務。

任何人士之近親為與該實體交易時預期可影響該人士或受該人士影響的家庭成員。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

**3. ACCOUNTING POLICIES**

The following new and amended Hong Kong Financial Reporting Standards are mandatory for the first time for the financial year beginning 1 January 2016 but had no material effect on the Group's reported results and financial position for the current and prior accounting periods.

Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11 and HKFRS 14	Accounting for Acquisitions of Interests in Joint Operations Regulatory Deferral Accounts
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle

The Group has not early adopted any amendments and new or amended Hong Kong Financial Reporting Standards that are not yet effective for the current accounting period, details of which are set out in note 46.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The assumptions, estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**3. 會計政策**

下列新訂及經修訂《香港財務報告準則》於2016年1月1日開始的財務年度首次強制採用，但對集團本期或過往會計期間的業績及財務狀況並無重大影響。

香港會計準則第1號之修訂	披露計劃
香港會計準則第16號及第38號之修訂	澄清折舊及攤銷的可接納方法
香港會計準則第16號及第41號之修訂	農業：結果實的植物
香港會計準則第27號之修訂	獨立財務報表的權益法
香港財務報告準則第10號、第12號及第28號之修訂	投資實體：應用綜合入賬的例外情況
香港財務報告準則第11號之修訂	收購合營業務權益的會計
香港財務報告準則第14號	法定遞延賬戶
香港財務報告準則修訂	2012–2014年香港財務報告準則週期之年度改進。

集團並無提早採納任何於本會計期間尚未生效的任何修訂本及新訂或經修訂的準則，詳情載列於附註46。

**4. 重要會計估計及判斷**

假設、估計及判斷會不斷按照歷史經驗及其他因素進行評估，包括在各情況下相信是合理之未來事件預測。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

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

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

##### (i) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2(h). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates and assumptions. Where the expectation is different from the original estimate, such difference will impact the carrying amount of goodwill and the impairment (if any) in the period in which such estimate has been changed.

##### (ii) Allowance for impairment of trade and other receivables

The Group assesses impairment of trade and other receivables based upon evaluation of the recoverability of the trade and other receivables at the end of each reporting period. The estimates are based on the aging of the trade and other receivables and the historical write-off experience. If the financial condition of the debtors were to deteriorate, additional impairment may be required. A considerable level of judgment is exercised by the directors when assessing the financial condition and credit worthiness of each customer. An increase or decrease in the impairment loss would affect the net profit in future years.

##### (iii) Income taxes

The Group is subject to income taxes mainly in Hong Kong and the Mainland China. Significant judgment is 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. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. 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.

#### 4. 重要會計估計及判斷 (續)

##### (i) 商譽減值估計

本集團每年按照附註2(h)所述之會計政策測試商譽是否有任何減值。現金產生單位之可收回金額按使用價值計算而釐定，該等計算須採用若干計量及假設。倘預期金額與原定估計有差異時，則該差額將會影響該估計出現變動期間內之商譽及減值撥備(如有)之賬面值。

##### (ii) 貿易及其他應收款項減值撥備

本集團於各報告結算日根據貿易及其他應收款項之可收回金額評估貿易及其他應收減值撥備。該等估計乃根據貿易及其他應收款項之賬齡及過往撇銷之經驗，經扣除可收回金額後所得。倘債務人之財務狀況惡化，則可能需要額外計提減值。董事於評估各獨立客戶的財務狀況及信譽時需作出一定程度的判斷。減值虧損的任何增減均可能影響未來數年之溢利淨額。

##### (iii) 所得稅

本集團須繳納香港及中國內地之所得稅。釐定所得稅之撥備須作出審慎判斷。於日常業務過程中，本集團用作釐定最終稅項之多項交易及計算方法並不確定。本集團根據預期稅務審查所引致的附加稅務確認為負債。倘該最終稅項結果與初步錄得之款額不同，則有關差額將影響釐定期間之所得稅及遞延稅項撥備。



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

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

##### (iii) Income taxes (Continued)

Recognition of deferred tax assets, which principally relate to allowance for doubtful debts and tax losses, depends on the management's expectation of future taxable profit that will be available against which the tax losses can be utilised. The outcome of their actual utilisation may be different.

##### (iv) Provision for inventories

The Group reviews the carrying amounts of inventories at the end of each reporting period to determine whether the inventories are carried at lower of cost and net realisable value in accordance with the accounting policy set out in note 2(m). The directors estimate the net realisable value based on the current market situation and historical experience on similar inventories. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-down and affect the Group's net asset value.

##### (v) Impairment of available-for-sale financial assets

The Group follows the guidance of HKAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of such financial asset is less than its cost; and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

#### 4. 重要會計估計及判斷（續）

##### (iii) 所得稅（續）

遞延稅項資產的確認主要涉及呆壞賬撥備及稅項虧損，並取決定於管理層對可用於抵銷可動用稅項虧損之日後須課稅溢利之預期。該等實際利用之結果或有不同。

##### (iv) 存貨撥備

本集團在每一結算日均評估存貨之賬面值，以確定有關存貨是否按照附註2(m)所述會計政策以成本及可變現值兩者中較低數額入賬。董事們根據類似存貨之現行市況及過往經驗估計可變現價值淨額。任何假設之改增變將增加或減少存貨撇減值或撇減之相應回撥，並因此影響本集團之資產價值淨額。

##### (v) 可供出售金融資產的減值

本集團在確定可供出售金融資產有否減值時會遵循香港會計準則第39號之指引。該項確定須作出重大判斷。於作出判斷時，本集團會評估各項因素如某項金融資產之公平價值低於其成本之持續時間及程度，及被投資者之財務穩健程度及短期業務前景，包括行業及範疇表現、技術革新以及經營及融資現金流量等因素。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)**

**(vi) Estimated impairment of finance lease receivables**

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows expected to arise from the settlement of the finance lease receivables and fair value of the pledged assets less costs of disposal. The amount of the impairment loss is measured as the difference between the asset's carrying amount and higher of the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition) and the fair value of the pledged assets less costs of disposal. Where the actual future cash flows or the net selling price of the pledged assets are less than expected, a material impairment loss may arise.

During the year ended 31 December 2016, impairment loss has been recognised for finance lease receivables is approximately HK\$7,829,000 (2015: Nil). As at 31 December 2016, the carrying amount of finance lease receivables is approximately HK\$112,155,000 (2015: HK\$108,857,000).

**(vii) Provision for restructuring costs**

The Group makes the provision for restructuring costs based on assessment of restructuring plan of the Group. The restructuring plan aims at reducing cost and enhancing operational efficiency. The estimated total restructuring cost of approximately HK\$91,727,000 was recognised for the year ended 31 December 2016 in accordance with HKAS 37.

**4. 重要會計估計及判斷（續）**

**(vi) 應收融資租賃款的減值估計**

當存在減值損失的客觀證據，集團考慮預計應收融資租賃款項抵押資產之公平價值減去出售處理費用的結算所產生未來現金流的估計。減值損失的金額以資產的賬面金額與預計未來現金流（不包括尚未發生的未來信用損失）在該金融資產原實際利率折現的現值（即計算初始確認時的實際利率）和抵押資產減去出售處置費用的公平價值中較高的金額之差額。其中，抵押資產的實際未來現金流或淨售價均低於預期，則可能會出現重大減值損失。

截至二零一六年十二月三十一日，已減值確認於應收融資租賃款項約7,829,000港元（二零一五：無）。於二零一六年十二月三十一日，應收融資租賃款項的賬面金額約為112,155,000港元（二零一五：108,857,000港元）。

**(vii) 重組費用撥備**

本集團根據本集團重組計劃評估重組費用撥備。重組計劃旨在降低成本和提高運營效率。根據香港會計準則第37號，截至二零一六年十二月三十一日止年度，估計總重組成本約為91,727,000港元。

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

## 5. SEGMENT REPORTING

The Group manages its business by a mixture of both business lines and geographical location. In a manner consistent with the way in which information is reported internally to the Group's top management for the purposes of assessing segment performance and allocating resources between segments, the Group has identified, on a product basis, the following four reportable segments.

- (1) trading of industrial consumables;
- (2) manufacturing of plastic processing products;
- (3) manufacturing of machinery; and
- (4) manufacturing and trading of printed circuit boards.

### Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's top executive management monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and property, plant and equipment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets and corporate expenses.

## 5. 分部報告

本集團按其提供的業務及地區性質來管理其業務。為使分部資料之呈報方式與提供予集團高級管理層供其評估分部之表現及分配資源內部報告更一致，本集團根據產品基準，已識別以下四項呈報分類。

- (1) 工業消耗品貿易；
- (2) 注塑製品及加工；
- (3) 機械製造；及
- (4) 印刷線路板加工及貿易。

### 分部業績、資產及負債

在評估分部表現及分配部門資源時，集團的高級行政管理層根據以下基準監控可歸屬每一可匯報分部之業績、資產及負債：

分部收入、支出、業績、資產及負債包括一個分部直接應佔之項目，以及可按合理基準向有關分部分配之項目。例如，分部資產可包括存貨、應收貿易賬款及物業、廠房及設備。分部收益、支出、資產及負債在集團內公司間結餘及集團內公司間交易互相對銷（此乃綜合賬目過程之一部份）前釐定，惟倘此等集團內公司間結餘及交易乃在本集團間某單一分部內產生者，則作別論。分部間之定價乃以類似其他外界人士提供之條款為基礎。

分部資本開支乃購入且預期可使用一個期間以上之分部資產所產生之總成本。

未分配項目主要包括金融及企業資產及企業費用。



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註（續）**

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

**5. SEGMENT REPORTING (Continued)**

**Segment results, assets and liabilities (Continued)**

The segment results for the year ended 31 December 2016 are as follows:

**5. 分部報告（續）**

**分部業績、資產及負債（續）**

截至二零一六年十二月三十一日止年度之分部業績如下：

		Industrial consumables 工業 消耗品 HK\$'000 千港元	Plastic processing products 注塑製品 及加工 HK\$'000 千港元	Machinery 機械 HK\$'000 千港元	Printed circuit boards 印刷 線路板 HK\$'000 千港元	Other operations 其他營運 HK\$'000 千港元	Eliminations	Consolidated HK\$'000 千港元
<b>REVENUE</b>	<b>收入</b>							
External sales	對外銷售	340,539	393,403	713,477	721,005	23,863	-	2,192,287
Inter-segment sales	分部間銷售	14,989	668	4,977	-	-	(20,634)	-
Total revenue	總收入	355,528	394,071	718,454	721,005	23,863	(20,634)	2,192,287

Inter-segment sales are charged at prevailing market rates.  
 分部間銷售按現行市場價格計算。

<b>RESULTS</b>	<b>業績</b>							
Segment results	分部業績	8,210	(44,296)	(236,354)	22,960	(296)	491	(249,285)
Unallocated corporate expenses	未分配企業費用							(20,978)
Operating loss	經營虧損							(270,263)
Finance costs	財務費用							(16,559)
Investment income	投資收入							4,360
Share of results of associates	應佔聯營公司業績							568
Gain on disposal of a subsidiary	出售一間附屬公司之盈利							122
Gain on deregistration of a subsidiary	註銷一間附屬公司之盈利							2,512
Loss before tax	除稅前虧損							(279,260)
Taxation	稅項							(54,625)
Loss before non-controlling interests	扣除非控股權益前虧損							(333,885)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

**5. SEGMENT REPORTING (Continued)**

**Segment results, assets and liabilities (Continued)**

The segment assets and liabilities as at 31 December 2016 are as follows:

**5. 分部報告（續）**

**分部業績、資產及負債（續）**

於二零一六年十二月三十一日之分部資產及負債如下：

		Industrial consumables 工業 消耗品 HK\$'000 千港元	Plastic processing products 及加工 HK\$'000 千港元	Machinery 機械 HK\$'000 千港元	Printed circuit boards 印刷 線路板 HK\$'000 千港元	Other operations 其他營運 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>ASSETS</b>	<b>資產</b>						
Segment assets	分部資產	235,786	308,734	825,221	512,244	374,410	2,256,395
Interests in associates	聯營公司權益						29,179
Available-for-sale financial assets	可供出售金融資產						1,389
Unallocated corporate assets	未分配企業資產						132,840
Consolidated total assets	綜合資產總值						<u>2,419,803</u>
<b>LIABILITIES</b>	<b>負債</b>						
Segment liabilities	分部負債	51,364	81,130	481,266	198,173	23,057	834,990
Current tax payable	本期應付稅項						15,255
Borrowings	借款						363,459
Unallocated corporate liabilities	未分配企業負債						49,187
Consolidated total liabilities	綜合負債總值						<u>1,262,891</u>
<b>OTHER INFORMATION</b>	<b>其他資料</b>						
Capital additions	資本增加	1,428	15,399	2,980	20,492	730	41,029
Depreciation and amortisation	折舊及攤銷	1,747	10,857	28,130	27,950	4,491	73,175
Other non-cash expenses	其他非現金費用	588	8,055	110,314	(1,504)	7,829	125,282
Restructuring provision	重組撥備	-	-	91,727	-	-	91,727
Share of results of associates	應佔聯營公司業績	-	259	309	-	-	568

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註（續）**

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

**5. SEGMENT REPORTING (Continued)**

**Segment results, assets and liabilities (Continued)**

The segment results for the year ended 31 December 2015 are as follows:

		Industrial consumables 工業消耗品 HK\$'000 千港元	Plastic processing products 注塑製品及加工 HK\$'000 千港元	Machinery 機械 HK\$'000 千港元	Printed circuit boards 印刷線路板 HK\$'000 千港元	Other operations 其他營運 HK\$'000 千港元	Eliminations 撇銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>REVENUE</b>	<b>收入</b>							
External sales	對外銷售	356,085	449,469	720,835	845,766	23,011	-	2,395,166
Inter-segment sales	分部間銷售	16,801	195	8,486	-	4,878	(30,360)	-
<b>Total revenue</b>	<b>總收入</b>	<b>372,886</b>	<b>449,664</b>	<b>729,321</b>	<b>845,766</b>	<b>27,889</b>	<b>(30,360)</b>	<b>2,395,166</b>

Inter-segment sales are charged at prevailing market rates.  
 分部間銷售按現行市場價格計算。

<b>RESULTS</b>	<b>業績</b>							
Segment results	分部業績	12,201	(15,269)	(30,503)	35,815	21,199	140	23,583
Unallocated corporate expenses	未分配企業費用							(48,264)
Operating loss	經營虧損							(24,681)
Finance costs	財務費用							(20,808)
Investment income	投資收入							15,570
Share of results of associates	應佔聯營公司業績							680
Gain on disposal of associates	出售聯營公司之盈利							2,577
Loss before tax	除稅前虧損							(26,662)
Taxation	稅項							(12,156)
Loss before non-controlling interests	扣除非控股權益前虧損							(38,818)

**5. 分部報告（續）**

**分部業績、資產及負債（續）**

於二零一五年十二月三十一日之分部業績如下：



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

**5. SEGMENT REPORTING (Continued)**

**Segment results, assets and liabilities (Continued)**

The segment assets and liabilities as at 31 December 2015 are as follows:

**5. 分部報告（續）**

**分部業績、資產及負債（續）**

於二零一五年十二月三十一日之分部資產及負債如下：

		Industrial consumables 工業消耗品 HK\$'000 千港元	Plastic processing products 及加工 HK\$'000 千港元	Machinery 機械 HK\$'000 千港元	Printed circuit boards 印刷 線路板 HK\$'000 千港元	Other operations 其他營運 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>ASSETS</b>	<b>資產</b>						
Segment assets	分部資產	243,266	350,004	1,034,450	563,373	378,966	2,570,059
Interests in associates	聯營公司權益						36,693
Available-for-sale financial assets	可供出售金融資產						734
Unallocated corporate assets	未分配企業資產						338,735
Consolidated total assets	綜合資產總值						2,946,221
<b>LIABILITIES</b>	<b>負債</b>						
Segment liabilities	分部負債	44,453	69,843	393,157	223,197	23,986	754,636
Current tax payable	本期應付稅項						6,307
Borrowings	借款						588,220
Unallocated corporate liabilities	未分配企業負債						29,238
Consolidated total liabilities	綜合負債總值						1,378,401
<b>OTHER INFORMATION</b>	<b>其他資料</b>						
Capital additions	資本增加	54	19,144	4,466	19,549	963	44,176
Depreciation and amortisation	折舊及攤銷	1,844	13,796	35,455	29,290	4,971	85,356
Other non-cash expenses	其他非現金費用	506	(391)	13,341	289	442	14,187
Share of results of associates	應佔聯營公司業績	-	-	788	(114)	6	680

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註（續）

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

**5. SEGMENT REPORTING (Continued)**  
**Geographical information**

The Group's operations are located in Hong Kong, other regions in Mainland China, other Asia-Pacific countries, North America and Europe. The Group's trading of industrial consumables division is located in Hong Kong and Mainland China. The manufacturing of plastic processing products, machinery and printed circuit boards divisions are located in Mainland China.

The following table provides an analysis of the Group's sales by geographical market:

**5. 分部報告（續）**  
**地區資料**

本集團的業務位於香港、中國內地、其他亞太國家、北美洲及歐洲。本集團之工業消耗品貿易類別位於香港及中國內地。注塑製品及加工、機械及印刷線路板等製造業類別均位於中國內地。

下列載列本集團銷售額按地區市場之分析：

		<b>Sales revenue by geographical market</b>	
		按地區市場劃分之銷售收入	
		<b>2016</b>	2015
		二零一六年	二零一五年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Hong Kong	香港	<b>572,916</b>	653,492
Mainland China	中國內地	<b>1,376,572</b>	1,467,064
Other Asia-Pacific countries	其他亞太國家	<b>181,383</b>	201,419
North America	北美洲	<b>27,962</b>	9,259
Europe	歐洲	<b>33,454</b>	63,932
		<b>2,192,287</b>	2,395,166

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

**5. SEGMENT REPORTING (Continued)**  
**Geographical information (Continued)**

The following is an analysis of the Group's fixed assets, goodwill and intangible assets ("specified non-current assets"), and additions to property, plant and equipment, analysed by the geographical area in which the assets are located:

		<b>Specified Non-current assets</b>		<b>Additions to property, plant and equipment</b>	
		<b>指定非流動資產</b>		<b>物業、廠房及設備之增添</b>	
		<b>2016</b>	2015	<b>2016</b>	2015
		二零一六年	二零一五年	二零一六年	二零一五年
		<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong	香港	<b>182,799</b>	191,788	<b>2,048</b>	117
Mainland China	中國內地	<b>542,073</b>	611,716	<b>38,981</b>	44,059
		<b>724,872</b>	803,504	<b>41,029</b>	44,176

**Information about major customers**

No customer of the Group has individually accounted for over 10% of the Group's total revenue during the year (2015: Nil) and no information about major customers is presented accordingly.

**5. 分部報告 (續)**  
**地區資料 (續)**

本集團的固定資產、商譽及無形資產(指定非流動資產)及物業、廠房及設備之增添按地區之分析如下:

**主要客戶的資料**

本集團概無個別客戶佔本集團年內收益總額10%(二零一五年:無),故並無呈列主要客戶資料。



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註（續）

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

**6. REVENUE, OTHER INCOME AND GAINS, NET**

Revenue, which is also the Group's turnover, represents the amounts received and receivable for goods sold to customers, less returns and discounts and interest income from finance lease receivables during the year. An analysis of revenue, other income and gains, net is as follows:

**6. 收入、其他收入及收益淨額**

收入，亦即本集團之銷售額，指年內本集團向集團以外客戶銷售貨品減退貨及折扣後之已收及應收款項及應收融資租賃款項產生之利息收入。本集團之收入、其他收入及收益淨額分析如下：

		<b>2016</b> 二零一六年 <b>HK\$'000</b> 千港元	2015 二零一五年 <b>HK\$'000</b> 千港元
<b>Revenue</b>	<b>收入</b>		
Sales of goods	貨物銷售	<b>2,168,424</b>	2,384,687
Finance lease income	融資租賃收入	<b>23,863</b>	10,479
		<b>2,192,287</b>	2,395,166
<b>Other income</b>	<b>其他收入</b>		
Gross rental income from properties	物業之租金收益	<b>1,055</b>	231
Handling, tooling and sales of scrapped materials	處理、工裝及廢料銷售	<b>8,571</b>	4,927
Government grants	政府補貼	<b>3,499</b>	1,255
Sundry income	其他收入	<b>4,146</b>	7,976
		<b>17,271</b>	14,389
<b>Gains, net</b>	<b>收益淨額</b>		
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之盈利	<b>1,701</b>	23,088
Exchange gain, net	滙兌盈利淨額	<b>2,380</b>	-
		<b>4,081</b>	23,088
		<b>21,352</b>	37,477

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

**7. RESTRUCTURING COSTS**

During the year, the Group announced a series of restructuring actions to reduce costs and enhance operational efficiency. Details of restructuring costs is as follows:

**7. 重組費用**

本集團於年內宣佈一系列重組方案以降低成本及提高營運效率。重組費用詳細如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Employees compensation	員工遣散費用	104,716	–
Write-down of inventories	存貨撇賬	20,357	–
Impairment loss of plant and machinery	廠房及機器減值虧損	3,073	–
Relocation expenses	搬遷開支	7,011	–
		<b>135,157</b>	<b>–</b>

**8. FINANCE COSTS**

**8. 財務費用**

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interest on:	由下列借貸產生的利息：		
Bank borrowings wholly repayable within 5 years	須於五年內償還之 銀行借款	16,020	19,676
Finance leases	融資租賃	493	886
Imputed interest expense on deferred consideration payable	遞延應付代價估算利息支出	46	246
		<b>16,559</b>	<b>20,808</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註（續）

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

**9. INVESTMENT INCOME**

**9. 投資收入**

		<b>2016</b>	2015
		二零一六年	二零一五年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Bank interest income	銀行利息收入	<b>3,579</b>	12,971
Interest income from short term investment	短期投資之利息收入	-	916
Realised and unrealised gain on held-for-trading investments	持作買賣之投資之已變現及未變現盈利	<b>682</b>	1,670
Dividend income from listed available-for-sale financial asset	上市可供出售金融資產之股息收入	<b>99</b>	13
		<b>4,360</b>	15,570



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

**10. LOSS BEFORE TAX**

Loss before tax has been arrived at after charging/(crediting) the following:

**10. 除稅前虧損**

除稅前虧損已扣除／（計入）下列各項：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Staff costs (including directors' emoluments)	員工成本（包括董事酬金）		
– Salaries and other benefits	– 薪金及其他福利	<b>387,223</b>	422,016
– Retirement benefits scheme contributions	– 退休福利計劃供款	<b>23,547</b>	24,884
<b>Total staff costs</b>	<b>總員工成本</b>	<b>410,770</b>	446,900
Allowances for impairment of bad and doubtful debts	呆壞賬減值撥備	<b>51,789</b>	2,040
Auditors' remuneration	核數師酬金		
– Group auditor	– 集團核數師	<b>2,280</b>	2,458
Deficit on revaluation of properties held for own use	自用物業重估虧絀	<b>955</b>	–
Depreciation and amortisation on:	折舊及攤銷：		
– Owned assets	– 自置資產	<b>65,688</b>	77,921
– Assets held under finance leases	– 融資租賃資產	<b>2,379</b>	1,828
– Leasehold land held for own use under finance leases	– 根據融資租賃持有之租賃土地	<b>2,335</b>	2,627
– Leasehold land and land use rights	– 租賃土地及土地使用權	<b>1,390</b>	1,597
– Intangible assets	– 無形資產	<b>1,383</b>	1,383
Exchange (gain)/loss, net	滙兌（盈利）／虧損淨額	<b>(2,380)</b>	22,437
Impairment loss of available-for-sale financial assets	可供出售金融資產減值虧損	–	246
Impairment loss of property, plant and equipment	物業、廠房及設備減值虧損	<b>3,073</b>	–
Operating lease payments – Land and buildings	經營租賃付款 – 土地及樓宇	<b>20,755</b>	21,239

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註（續）

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

**11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS**

**(a) Directors' emoluments**

Directors' emoluments disclosed pursuant to the Listing Rules and section 383(1) of the Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

**11. 董事及僱員酬金**

**(a) 董事酬金**

根據聯交所證券上市規則及香港《公司條例》第383(1)條，和第二部分規定（關於董事利益的資料披露），董事酬金披露如下：

Name of Directors 董事姓名	Directors' fees 董事袍金 HK\$'000 千港元	2016 二零一六年		Total 總計 HK\$'000 千港元
		Salaries and allowances 薪金及津貼 HK\$'000 千港元	Retirement benefits scheme contributions 退休計劃供款 HK\$'000 千港元	
<b>Executive Directors 執行董事</b>				
Mr. Tang To 鄧燾先生	530	1,030	108	1,668
Mr. Wong Yiu Ming 黃耀明先生	720	2,712	238	3,670
Mr. Tang Yu, Freeman 鄧愚先生	-	1,625	18	1,643
<b>Non-Executive Directors 非執行董事</b>				
Mr. Kan Wai Wah 簡衛華先生	60	-	-	60
Mr. Ho Wei Sem 何偉森先生	-	-	-	-
Ms. Yeung Shuk Fan 楊淑芬女士	168	-	-	168
Mr. Cheng Tak Yin 鄭達賢先生	60	-	-	60
Mr. Qu Jinping 瞿金平先生	-	-	-	-
Mr. Huang Zhi Wei 黃志煒先生	-	-	-	-
Total 總計	1,538	5,367	364	7,269

There was no arrangement under which a director waived or agreed to waive any emoluments during the year.

本年內並無董事放棄或同意放棄任何酬金之安排。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註（續）

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

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS 11. 董事及僱員酬金（續）

(Continued)

(a) Directors' emoluments (Continued)

(a) 董事酬金（續）

Name of Directors 董事姓名	Directors' 董事袍金 HK\$'000 千港元	2015 二零一五年		Total 總計 HK\$'000 千港元
		Salaries and allowances 薪金及津貼 HK\$'000 千港元	Retirement benefits scheme contributions 退休計劃供款 HK\$'000 千港元	
<i>Executive Directors</i>	<i>執行董事</i>			
Mr. Tang To	鄧燾先生	739	871	1,722
Mr. Wong Yiu Ming	黃耀明先生	1,040	2,320	3,592
Mr. Tang Yu, Freeman	鄧愚先生	-	1,575	1,593
<i>Non-Executive Directors</i>	<i>非執行董事</i>			
Mr. Kan Wai Wah	簡衛華先生	60	-	60
Mr. Ho Wei Sem	何偉森先生	-	-	-
Ms. Yeung Shuk Fan	楊淑芬女士	168	-	168
Mr. Cheng Tak Yin	鄭達賢先生	60	-	60
Mr. Qu Jinping	瞿金平先生	-	-	-
Mr. Huang Zhi Wei	黃志煒先生	-	-	-
<b>Total</b>	<b>總計</b>	<b>2,067</b>	<b>4,766</b>	<b>7,195</b>

There was no arrangement under which a director waived or agreed to waive any emoluments during the year.

本年內並無董事放棄或同意放棄任何酬金之安排。



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註（續）

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

**11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS**

(Continued)

**(b) Employees' emoluments**

The five highest paid individuals included three (2015: two) directors, details of whose emoluments are set out above. The emoluments of the remaining two (2015: three) individuals are as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	4,780	8,542
Retirement benefits scheme contributions	退休福利計劃供款	137	309
		<b>4,917</b>	<b>8,851</b>

The emoluments of the employees were within the following bands:

		Number of employees 員工人數	
		2016 二零一六年	2015 二零一五年
HK\$1,000,001 to HK\$2,000,000	1,000,001港元至2,000,000港元	1	1
HK\$2,000,001 to HK\$3,000,000	2,000,001港元至3,000,000港元	1	-
HK\$3,000,001 to HK\$4,000,000	3,000,001港元至4,000,000港元	-	2
		<b>2</b>	<b>3</b>

**11. 董事及僱員酬金（續）**

**(b) 僱員酬金**

五位最高薪酬僱員中，包括三名（二零一五年：二名）董事，其薪酬詳情已如上所列。其餘兩名（二零一五年：三名）僱員之薪酬如下：

僱員薪酬分為下列組別：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註（續）

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

12. TAXATION

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits arising in Hong Kong during the Year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

12. 稅項

香港利得稅乃按本年度於香港賺取之估計應課稅溢利稅率16.5%（二零一五年：16.5%）撥備。其他地區應課稅溢利之稅項乃根據本集團經營所在司法權區之現行法例、詮釋及慣例計算稅率。

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<b>Current tax</b>	<b>本期稅項</b>		
Hong Kong profits tax	香港利得稅		
Current year	本年度	1,582	1,051
Under-provision/(over-provision) in prior years	往年度少提/(多提)	1,730	(40)
		<b>3,312</b>	1,011
<b>Overseas tax</b>	<b>海外稅項</b>		
Current year	本年度	10,772	13,070
Under-provision/(over-provision) in prior years	往年度少提/(多提)	8,544	(568)
		<b>19,316</b>	12,502
<b>Deferred tax</b>	<b>遞延稅項</b>		
Deferred taxation relating to the origination and reversal of temporary differences (note 24)	因暫時差異產生及逆轉之 遞延稅項(附註24)	31,997	(1,357)
		<b>54,625</b>	12,156

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註（續）

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

**12. TAXATION (Continued)**

The taxation on the Group's loss before taxation differs from the theoretical amount that would arise using the domestic taxation rates applicable to losses of the consolidated companies as follows:

**12. 稅項（續）**

本集團除稅前虧損與以適用於綜合公司虧損之本地稅率所產生之理論性金額差異如下：

		<b>2016</b> 二零一六年 <b>HK\$'000</b> 千港元	2015 二零一五年 <b>HK\$'000</b> 千港元
Loss before tax	除稅前虧損	<b>(279,260)</b>	(26,662)
Tax calculated at the domestic income tax rate of 16.5% (2015: 16.5%)	以本地所得稅率16.5% (二零一五年：16.5%)計算	<b>(46,078)</b>	(4,399)
Tax effect of share of results of associates	應佔聯營公司業績對稅項之影響	<b>(94)</b>	(112)
Tax effect of expenses that are not deductible in determining taxable profit	評定應課稅溢利時不可扣減的開支對稅項之影響	<b>9,307</b>	5,818
Tax effect of income that is not taxable in determining taxable profit	評定應課稅溢利時無須繳稅的收入對稅項之影響	<b>(3,929)</b>	(2,392)
Overprovision of current tax in current year, net	本年度本期稅項撥備多提淨額	<b>(209)</b>	(77)
Under-provision/(over-provision) of current tax in prior years, net	往年度本期稅項撥備少提/ (多提)淨額	<b>10,274</b>	(608)
Tax effect of utilisation of deductible temporary differences not previously recognised	使用過往未確認之可扣減暫時性差異稅項之影響	<b>(1,863)</b>	(1,061)
Tax effect of temporary differences/tax losses not recognised	未確認之暫時性差異/稅項虧損對稅務之影響	<b>83,531</b>	18,411
Tax effect of utilisation of tax losses not previously recognised	使用過往未確認之稅項虧損之影響	<b>(329)</b>	(6,726)
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法權區經營之附屬公司稅率差異之影響	<b>4,015</b>	3,302
		<b>54,625</b>	12,156



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

**13. LOSS PER SHARE**

The calculation of basic loss per ordinary share is based on the Group's loss attributable to equity shareholders of the Company divided by the weighted average number of ordinary shares in issue during the year.

**13. 每股虧損**

本年度每股普通股基本虧損乃按本年度本公司股權持有人應佔集團虧損及年度內已發行普通股股份加權平均數計算。

	<b>2016</b> 二零一六年	2015 二零一五年
Weighted average number of ordinary shares in issue during the year 以加權平均數計算之本年度已發行股份	<b>716,930,692</b>	716,930,692
Loss attributable to the equity shareholders of the Company 本公司股權持有人之應佔虧損	<b>HK\$'000</b> 千港元 <b>303,160</b>	HK\$'000 千港元 49,601
Basic loss per share 每股基本虧損	<b>HK cents</b> 港仙 <b>42.29</b>	HK cents 港仙 6.92

No diluted earnings per share is presented as the Company did not have any potential ordinary shares outstanding.

由於本公司年內並無任何潛在已發行普通股，因此並無呈列每股攤薄盈利。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註（續）**

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**14. OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR, NET OF TAX**

Tax effects relating to each component of other comprehensive income:

**14. 本年扣除稅項後之其他全面收入／（支出）**

有關其他全面收入各組成部份之稅務影響：

	2016 二零一六年			2015 二零一五年		
	Before tax amount 除稅前 金額 HK\$'000 千港元	Tax expenses 稅項費用 HK\$'000 千港元	Net-of-tax amount 扣除稅項 金額 HK\$'000 千港元	Before tax amount 除稅前 金額 HK\$'000 千港元	Tax expenses 稅項費用 HK\$'000 千港元	Net-of-tax amount 扣除稅項 金額 HK\$'000 千港元
Change in fair value of available-for-sale financial assets 可供出售金融資產之公平價值變動	655	-	655	127	-	127
Share of other comprehensive expense of associates 應佔聯營公司其他全面支出	(2,191)	-	(2,191)	(1,757)	-	(1,757)
Surplus on revaluation of properties held for own use 自用物業重估盈餘	5,187	(906)	4,281	12,065	2,327	14,392
Exchange differences arising from translation of financial statements of foreign operations 換算海外業務報表時產生之匯兌差額	(75,096)	-	(75,096)	(78,732)	-	(78,732)
Release of translation reserve upon disposal of a subsidiary 出售附屬公司時從匯兌儲備撥出	(55)	-	(55)	-	-	-
Release of translation reserve upon deregistration of a subsidiary 註銷一間附屬公司時從匯兌儲備撥出	(1,966)	-	(1,966)	-	-	-
Release of translation reserve upon disposal of an associate 出售聯營公司時從匯兌儲備撥出	-	-	-	1,143	-	1,143
	<b>(73,466)</b>	<b>(906)</b>	<b>(74,372)</b>	<b>(67,154)</b>	<b>2,327</b>	<b>(64,827)</b>

**15. DIVIDEND**

No dividend was paid or proposed by the directors of the Company for both years nor has any dividend been proposed since the end of the reporting period.

**15. 股息**

公司董事這兩年度沒有支付或提議派發股息，也沒有自報告結算日結束後提議派發任何股息。

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綜合財務報表附註（續）

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

16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Leasehold land held for own use under finance leases 按融資 租賃持有之 自用租賃土地 HK\$'000 千港元	Buildings held for own use 自用樓宇 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、 裝置及設備 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Assets under construction 在建工程 HK\$'000 千港元	Total 總值 HK\$'000 千港元
<b>COST OR VALUATION</b>	<b>成本或估值</b>							
At 1 January 2015	於二零一五年一月一日	90,138	394,351	226,258	679,227	40,676	6,695	1,437,345
Exchange realignment	滙兌調整	-	(19,638)	(9,803)	(31,066)	(1,707)	(394)	(62,608)
Additions	添置	-	3,057	10,577	28,652	1,666	224	44,176
Reclassifications	重新分類	-	-	-	5,436	-	(5,436)	-
Disposals	出售	(18,258)	(15,631)	(13,252)	(19,021)	(1,515)	-	(67,677)
Adjustment on revaluation	重估調整	3,500	(4,189)	-	-	-	-	(689)
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	<b>75,380</b>	<b>357,950</b>	<b>213,780</b>	<b>663,228</b>	<b>39,120</b>	<b>1,089</b>	<b>1,350,547</b>
Exchange realignment	滙兌調整	-	(19,543)	(11,375)	(37,900)	(1,773)	(73)	(70,664)
On disposal of a subsidiary	出售一間附屬公司	-	-	(941)	-	(335)	-	(1,276)
Additions	添置	-	2,998	12,207	24,139	1,685	-	41,029
Reclassifications	重新分類	-	(8,219)	8,219	1,016	-	(1,016)	-
Disposals	出售	-	-	(35,488)	(33,251)	(6,162)	-	(74,901)
Adjustment on revaluation	重估調整	270	(2,019)	-	-	-	-	(1,749)
<b>At 31 December 2016</b>	於二零一六年 十二月三十一日	<b>75,650</b>	<b>331,167</b>	<b>186,402</b>	<b>617,232</b>	<b>32,535</b>	<b>-</b>	<b>1,242,986</b>
Analysis of cost or valuation: At 31 December 2016	成本或估值之分析： 於二零一六年 十二月三十一日							
At cost	按成本價	-	-	186,402	617,232	32,535	-	836,169
At valuation	按估值價	75,650	331,167	-	-	-	-	406,817
		<b>75,650</b>	<b>331,167</b>	<b>186,402</b>	<b>617,232</b>	<b>32,535</b>	<b>-</b>	<b>1,242,986</b>
At 31 December 2015	於二零一五年 十二月三十一日							
At cost	按成本價	-	-	213,780	663,228	39,120	1,089	917,217
At valuation	按估值價	75,380	357,950	-	-	-	-	433,330
		<b>75,380</b>	<b>357,950</b>	<b>213,780</b>	<b>663,228</b>	<b>39,120</b>	<b>1,089</b>	<b>1,350,547</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註 (續)**

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**16. PROPERTY, PLANT AND EQUIPMENT**  
**(Continued)**

**16. 物業、廠房及設備 (續)**

		Leasehold land held for own use under finance leases 按融資 租賃持有之 自用租賃土地 HK\$'000 千港元	Buildings held for own use 自用樓宇 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、 裝置及設備 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Assets under construction 在建工程 HK\$'000 千港元	Total 總值 HK\$'000 千港元
<b>ACCUMULATED DEPRECIATION, AMORTISATION AND IMPAIRMENT</b>	<b>折舊、攤銷及減值</b>							
At 1 January 2015	於二零一五年一月一日	-	-	175,801	441,089	31,612	-	648,502
Exchange realignment	滙兌調整	-	(1,201)	(8,000)	(19,416)	(1,346)	-	(29,963)
Depreciation provided for the year	本年折舊撥備	2,627	11,985	19,844	44,758	3,162	-	82,376
Written back on disposals	出售撥回	(461)	(196)	(10,001)	(17,293)	(1,413)	-	(29,364)
Eliminated on revaluation	重估撇銷	(2,166)	(10,588)	-	-	-	-	(12,754)
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	-	-	177,644	449,138	32,015	-	658,797
Exchange realignment	滙兌調整	-	(1,059)	(9,695)	(24,272)	(1,445)	-	(36,471)
On disposal of a subsidiary	出售一間附屬公司	-	-	(732)	-	(84)	-	(816)
Depreciation provided for the year	本年折舊撥備	2,335	10,943	14,510	40,371	2,243	-	70,402
Impairment for the year	本年減值	-	-	73	3,000	-	-	3,073
Reclassifications	重新分類	-	(6,238)	6,238	-	-	-	-
Written back on disposals	出售撥回	-	-	(29,800)	(29,161)	(5,429)	-	(64,390)
Eliminated on revaluation	重估撇銷	(2,335)	(3,646)	-	-	-	-	(5,981)
<b>At 31 December 2016</b>	<b>於二零一六年 十二月三十一日</b>	<b>-</b>	<b>-</b>	<b>158,238</b>	<b>439,076</b>	<b>27,300</b>	<b>-</b>	<b>624,614</b>
<b>NET BOOK VALUES</b>	<b>賬面淨值</b>							
At 31 December 2016	於二零一六年 十二月三十一日	75,650	331,167	28,164	178,156	5,235	-	618,372
At 31 December 2015	於二零一五年 十二月三十一日	75,380	357,950	36,136	214,090	7,105	1,089	691,750

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綜合財務報表附註（續）

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

16. PROPERTY, PLANT AND EQUIPMENT

(Continued)

The net book value of leasehold land held for own use under finance leases held by the Group:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
In Hong Kong:	於香港：		
– under medium-term leases	– 中期租約	<b>75,650</b>	75,380

The leasehold land and buildings of the Group were revalued as at 31 December 2016 on the open market existing use basis by DTZ Cushman & Wakefield Limited, an independent firm of professional valuers. The surplus arising on revaluation attributable to the Group has been credited to the other comprehensive income for the year and is accumulated separately in equity in property revaluation reserve.

Depreciation expense of approximately HK\$48,389,000 (2015: HK\$55,527,000) has been expensed in cost of sales, HK\$1,209,000 (2015: HK\$1,730,000) in selling and distribution costs and HK\$20,804,000 (2015: HK\$25,119,000) in administrative expenses.

Had leasehold land and buildings been carried at cost less accumulated depreciation and amortisation, the carrying value of leasehold land and buildings would have been approximately HK\$337,046,000 (2015: HK\$363,518,000).

The net book value of the Group's plant and machinery includes an amount of approximately HK\$15,160,000 (2015: HK\$37,647,000) in respect of assets held under finance leases.

16. 物業、廠房及設備（續）

本集團按融資租賃持有之自用租賃土地賬面淨值如下：

戴德梁行（一間獨立之專業估值師）於二零一六年十二月三十一日，以現行公開市場之基準，為本集團租賃土地及樓宇進行重估。因重估而產生之盈餘已轉入本年度其他全面收入及獨立累計於物業重估儲備內。

折舊費用約為48,389,000港元（二零一五年：55,527,000港元）已被計入於銷售成本，1,209,000港元（二零一五年：1,730,000港元）於分銷費用及20,804,000港元（二零一五年：25,119,000港元）於行政費用。

假設租賃土地及樓宇以成本減除累計折舊及攤銷，租賃土地及樓宇之現行賬面值約為337,046,000港元（二零一五年：363,518,000港元）。

本集團廠房及機器之賬面淨值包括按融資租賃安排之固定資產約為15,160,000港元（二零一五年：37,647,000港元）。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

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

#### 16. PROPERTY, PLANT AND EQUIPMENT

(Continued)

At 31 December 2016, certain of the Group's leasehold land held for own use under finance leases and buildings with an aggregate carrying value of HK\$68,000,000 (2015: HK\$68,000,000) and HK\$81,800,000 (2015: HK\$106,000,000) respectively were pledged to secure certain bank borrowings granted to the Group.

#### 17. FAIR VALUE MEASUREMENT OF PROPERTIES

##### (i) Fair value hierarchy

The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

Level 3 valuations: Fair value measured using significant unobservable inputs

#### 16. 物業、廠房及設備 (續)

於二零一六年十二月三十一日，本集團已抵押部份按融資租賃持有之自用租賃土地及樓宇，其賬面值分別為68,000,000港元（二零一五年：68,000,000港元）及81,800,000港元（二零一五年：106,000,000港元），作為授予本集團有關銀行借款之擔保。

#### 17. 物業公平價值計量

##### (i) 公平價值架構

下表呈列於報告結算日所計算本集團的物業之公平價值，並按香港財務報告準則第13號，公平價值計量所界定之公平價值三層架構中持續性基礎計算。將公平價值計量分類之等級乃經參考如下估值方法所用數據之可觀察性及重要性後釐定：

第一層次估值：僅使用第一層次輸入數據（即於計量日同類資產或負債於活躍市場之未經調整報價）計量之公平價值

第二層次估值：使用第二層次輸入數據（即未能達到第一層次之可觀察輸入數據，且並未使用重大不可觀察輸入數據）計量之公平價值。不可觀察輸入數據為無市場數據之輸入數據

第三層次估值：採用重大不可觀察數據計量之公平價值



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綜合財務報表附註（續）

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

17. FAIR VALUE MEASUREMENT OF PROPERTIES

(Continued)

(i) Fair value hierarchy (Continued)

		31 December 2016	Fair value measurement at 31 December 2016 categorised into			
		於二零一六年 十二月三十一日 HK\$'000 千港元	Fair value at 於二零一六年十二月三十一日 公平價值計量作以下分類	Level 1	Level 2	Level 3
			第一層次 HK\$'000 千港元	第二層次 HK\$'000 千港元	第三層次 HK\$'000 千港元	
<b>Recurring fair value measurement of assets:</b>	<b>持續的公平價值計量資產：</b>					
Leasehold land held for own use under finance lease	按融資租賃之自用租賃土地	75,650	-	-	-	75,650
Buildings held for own use	自用樓宇	331,167	-	-	-	331,167
			Fair value measurement at 31 December 2015 categorised into			
		31 December 2015	Fair value at 於二零一五年十二月三十一日 公平價值計量作以下分類			
		於二零一五年 十二月三十一日 HK\$'000 千港元	Level 1	Level 2	Level 3	
			第一層次 HK\$'000 千港元	第二層次 HK\$'000 千港元	第三層次 HK\$'000 千港元	
<b>Recurring fair value measurement of assets:</b>	<b>持續的公平價值計量資產：</b>					
Leasehold land held for own use under finance lease	按融資租賃之自用租賃土地	75,380	-	-	-	75,380
Buildings held for own use	自用樓宇	357,950	-	-	-	357,950

17. 物業公平價值計量（續）

(i) 公平價值架構（續）

		31 December 2016	Fair value measurement at 31 December 2016 categorised into			
		於二零一六年 十二月三十一日 HK\$'000 千港元	Fair value at 於二零一六年十二月三十一日 公平價值計量作以下分類	Level 1	Level 2	Level 3
			第一層次 HK\$'000 千港元	第二層次 HK\$'000 千港元	第三層次 HK\$'000 千港元	
<b>Recurring fair value measurement of assets:</b>	<b>持續的公平價值計量資產：</b>					
Leasehold land held for own use under finance lease	按融資租賃之自用租賃土地	75,650	-	-	-	75,650
Buildings held for own use	自用樓宇	331,167	-	-	-	331,167
			Fair value measurement at 31 December 2015 categorised into			
		31 December 2015	Fair value at 於二零一五年十二月三十一日 公平價值計量作以下分類			
		於二零一五年 十二月三十一日 HK\$'000 千港元	Level 1	Level 2	Level 3	
			第一層次 HK\$'000 千港元	第二層次 HK\$'000 千港元	第三層次 HK\$'000 千港元	
<b>Recurring fair value measurement of assets:</b>	<b>持續的公平價值計量資產：</b>					
Leasehold land held for own use under finance lease	按融資租賃之自用租賃土地	75,380	-	-	-	75,380
Buildings held for own use	自用樓宇	357,950	-	-	-	357,950

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註（續）

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

**17. FAIR VALUE MEASUREMENT OF PROPERTIES**

(Continued)

**(i) Fair value hierarchy (Continued)**

During the years ended 31 December 2015 and 2016, there were no transfers into or out of level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's leasehold land held for own use under finance lease and buildings held for own use were revalued as at 31 December 2016. The valuations were carried out by an independent firm of professional valuers, DTZ Cushman & Wakefield Limited, which is a world-wide commercial real estate services firm with recent experience in the location and category of property being valued. The Group's property manager and the chief financial officer have discussion with the valuer on the valuation assumptions and valuation results when the valuation is performed at the annual reporting date.

**(ii) Information about Level 3 fair value measurement**

	<b>Valuation techniques</b> 估值技術	<b>Unobservable input</b> 不可觀察數據	<b>Range</b> 範圍
Leasehold land held for own use under finance leases and buildings held for own use	(a) Direct comparison approach (a) 直接比較計算法	(Discount)/premium on quality of building 樓宇質量的 (折扣)/溢價	-10% to 10% -10% - 10%
融資租賃下之自用租賃土地及自用樓宇	(b) Income approach (b) 收入計算法	Capitalisation rate 資本化率	4% to 9.5% 4% - 9.5%

**17. 物業公平價值計量（續）**

**(i) 公平價值架構（續）**

於二零一五年及二零一六年十二月三十一日年度內並沒有轉撥到第三層次或從第三層次轉出。當有公平價值架構層間之轉撥發生，會按照本集團之政策，於報告結算日確認。

所有本集團按融資租賃之自用租賃土地及自用樓宇於二零一六年十二月三十一日進行重估。該重估工作由一間獨立之專業估值師 — 戴德梁行（一間全球性的商業房地產服務公司並擁有對當地及物業種類的近期重估經驗）完成。於年度報告日，本集團之物業經理及首席財務總監曾就年度重估之假設及評估結果與估值師討論。

**(ii) 第三層次公平價值計量資料**

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

## 17. FAIR VALUE MEASUREMENT OF PROPERTIES

(Continued)

### (ii) Information about Level 3 fair value measurement

(Continued)

- (a) The fair value of properties located in Hong Kong and certain properties located in the PRC is determined using direct comparison approach by reference to recent sales price of comparable properties on a price per square foot basis, adjusted for a premium or a discount specific to the quality of the Group's properties compared to the recent sales. The valuations take into account the characteristic of the properties which included the location, size, view, floor level, year of completion and other factors collectively. Higher premium for higher quality properties will result in a higher fair value measurement.
- (b) The fair value of other properties in the PRC is determined using income approach by the capitalisation of the net rental income derived from the existing leases and/or achievable in existing market with reversionary income potential by adopting appropriate capitalisation rates. Capitalisation is estimated by the valuer based on the risk profile of the properties being valued. The higher the rates, the lower the fair value. Prevailing market rents are estimated based on recent lettings within the subject properties and other comparable properties. The lower the rents, the lower the fair value.

## 17. 物業公平價值計量 (續)

### (ii) 第三層次公平價值計量資料 (續)

- (a) 位於香港及若干位於中國的物業之公平價值是按直接比較計算法釐定，當中已參考可比較物業近期銷售之每平方英尺售價，並按本集團物業質量作出調整。估值方法會顧及物業之特性，包括物業之地點、面積、景觀、樓層、落成年份及其他因素等，一併加以考慮。由於高質量物業可享有較高溢價，所以會得出較高之公平價值計量數值。
- (b) 在中國的其他若干物業之公平價值採用收入計算法按適當資本化率將現有租約及／或當前市況假設的未來租約的淨租金收入資本化。資本化由估值師按投資物業的風險因素評估。利率越高，公平價值越低。現行市場租金按該物業及類似物業的當前市場租值估計。租金越低，公平價值越低。



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註（續）

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

**17. FAIR VALUE MEASUREMENT OF PROPERTIES**

(Continued)

**(ii) Information about Level 3 fair value measurement**

(Continued)

(b) (Continued)

The movements during the year in the balance of these Level 3 fair value measurements are as follows:

		HK\$'000 千港元
Leasehold land held for own use under finance leases:	按融資租賃之自用租賃土地：	
At 1 January 2016	於二零一六年一月一日	75,380
Depreciation provided for the year	本年度折舊撥備	(2,335)
Surplus on revaluation	重估盈餘	2,605
At 31 December 2016	於二零一六年十二月三十一日	75,650
Buildings held for own use:	自用樓宇：	
At 1 January 2016	於二零一六年一月一日	357,950
Additions	添置	2,998
Exchange realignment	匯兌調整	(18,484)
Reclassification	重新分類	(1,981)
Depreciation provided for the year	本年度折舊撥備	(10,943)
Surplus on revaluation	重估盈餘	1,627
At 31 December 2016	於二零一六年十二月三十一日	331,167

Surplus on revaluation and currency adjustment of leasehold land held for own use under finance leases and buildings held for own use is recognised in other comprehensive income in "property revaluation reserve" and "translation reserve" respectively.

**17. 物業公平價值計量（續）**

**(ii) 第三層次公平價值計量資料（續）**

(b) (續)

第三層次公平價值計量的結算於本年度內之變動如下：

按融資租賃之自用租賃土地及自用樓宇的重估盈餘及貨幣調整已分別確認於其他全面收入中的「物業重估儲備」和「匯兌儲備」。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註（續）

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

18. LEASEHOLD LAND AND LAND USE RIGHTS

18. 租賃土地及土地使用權

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<b>COST</b>	<b>成本</b>		
At 1 January	於一月一日	<b>60,333</b>	68,815
Exchange realignment	滙兌調整	<b>(3,126)</b>	(3,056)
Disposals	出售	-	(5,426)
At 31 December	於十二月三十一日	<b>57,207</b>	60,333
<b>ACCUMULATED AMORTISATION</b>	<b>累計攤銷</b>		
At 1 January	於一月一日	<b>12,666</b>	14,314
Exchange realignment	滙兌調整	<b>(645)</b>	(565)
Amortisation for the year	本年度攤銷	<b>1,390</b>	1,597
Written-back on disposals	出售撥回	-	(2,680)
At 31 December	於十二月三十一日	<b>13,411</b>	12,666
<b>NET BOOK VALUE</b>	<b>賬面淨值</b>		
At 31 December	於十二月三十一日	<b>43,796</b>	47,667
At 1 January	於一月一日	<b>47,667</b>	54,501

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註（續）

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

**18. LEASEHOLD LAND AND LAND USE RIGHTS**  
 (Continued)

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

Outside Hong Kong held on: 在香港以外地區持有：  
 Medium-term leases 中期租約

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<b>43,796</b>	47,667

At 31 December 2016, certain of the Group's land use rights with an aggregate carrying value of approximately HK\$3,983,000 (2015: HK\$8,016,000) were pledged to secure certain bank borrowings granted to the Group (note 42).

**18. 租賃土地及土地使用權（續）**

本集團於租賃土地及土地使用權的權益乃指預付經營租賃付款及其賬面淨值，其分析如下：

於二零一六年十二月三十一日，本集團賬面值總額約3,983,000港元（二零一五年：8,016,000港元）的部份土地使用權已作抵押，作為授予本集團有關銀行借款之擔保（附註42）。

**19. GOODWILL**

**COST**

At 1 January 2015, 31 December 2015  
 and 31 December 2016

**成本**

於二零一五年一月一日，  
 二零一五年十二月三十一日及  
 二零一六年十二月三十一日

HK\$'000  
 千港元

53,483

**ACCUMULATED IMPAIRMENT**

At 1 January 2015, 31 December 2015  
 and 31 December 2016

**累計減值**

於二零一五年一月一日，  
 二零一五年十二月三十一日及  
 二零一六年十二月三十一日

—

**CARRYING AMOUNT**

At 31 December 2016

**賬面值**

於二零一六年十二月三十一日

**53,483**

At 31 December 2015

於二零一五年十二月三十一日

53,483



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

### 19. GOODWILL (Continued)

The amount represents goodwill arising from the acquisition of 100% equity interest in KFE Hong Kong Co., Limited ("KFE") in 2013. For the purpose of impairment testing, goodwill has been allocated to an individual cash generating unit ("CGU"), representing KFE, a subsidiary in the manufacturing and trading of printed circuit boards segment.

The recoverable amount of this CGU is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by management covering a five-year period and a pre-tax discount rate of 19.6% (2015: 17.79%) per annum. The cash flows beyond that five-year period have been extrapolated using a steady 3% (2015: 3%) per annum growth rate. This growth rate is based on the printed circuit boards industry growth forecasts and does not exceed the average long-term growth rate for the printed circuit boards industry. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin. Such estimations are based on KFE's past performance and management's expectations for the market development. The directors believe that any reasonably possible change in any of these assumptions would not cause the carrying amount of KFE to exceed the aggregate recoverable amount of KFE.

The directors reviewed the carrying value of the goodwill, taking into account an independent valuation report prepared by a professional valuer, DTZ Cushman & Wakefield Limited. Based on the assessment and the valuation report, the directors are of the opinion that no impairment loss is necessary as at 31 December 2016.

### 19. 商譽（續）

此商譽為於二零一三年因收購協榮二葉科技香港有限公司（「KFE」）其100%股本權益而產生。減值測試是以商譽已分配至個別現金產生單位（「現金產生單位」），即線路板加工及貿易分部的附屬公司KFE。

該可收回金額乃按現金產生單位的使用價值，其採用基於管理層批准的五年期財務預算，年利率為19.6%（二零一五年：17.79%）的稅前貼現率。之後的每年現金流每年增長速度採用3%（二零一五年：3%）的平穩五年期推算。該增長率是基於印刷線路版加工行業增長預測，並不超過印刷線路版加工行業的平均長期增長率。其他計算使用的價值主要與現金流入／流出的假設有關係其中包括預算銷售及毛利率的估算。此估計是基於KFE之過往表現及管理層對市場發展的預期。董事相信，在任何合理的可變動情況下，任何該等假設不會造成KFE的賬面價值超過KFE之可收回金額。

董事已審閱商譽的賬面價值，同時考慮到由專業估值師——戴德梁行之獨立估值報告。根據評估及估值報告，於二零一六年十二月三十一日，董事認為其無減值虧損需要。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註（續）

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

**20. INTANGIBLE ASSETS**

**20. 無形資產**

		<b>Customer Relationship</b> 客戶關係 HK\$'000 千港元
<b>COST</b>	<b>成本</b>	
At 1 January 2015, 31 December 2015 and 31 December 2016	於二零一五年一月一日， 二零一五年十二月三十一日及 二零一六年十二月三十一日	13,831
<b>ACCUMULATED AMORTISATION</b>	<b>累計攤銷</b>	
At 1 January 2015	於二零一五年一月一日	1,844
Amortisation for the year	本年度攤銷	1,383
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	<b>3,227</b>
Amortisation for the year	本年度攤銷	<b>1,383</b>
At 31 December 2016	於二零一六年十二月三十一日	<b>4,610</b>
<b>CARRYING AMOUNT</b>	<b>賬面值</b>	
At 31 December 2016	於二零一六年十二月三十一日	<b>9,221</b>
At 31 December 2015	於二零一五年十二月三十一日	10,604

Customer relationship is amortised on a straight-line basis over its useful life of 10 years.

客戶關係採用直線法按10年使用年期攤銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註（續）

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

21. INTERESTS IN ASSOCIATES

21. 聯營公司權益

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，成本值	7,747	7,680
Share of post-acquisition profits and reserves, net of dividends received	分佔收購後之溢利及儲備（扣除已收股息）	18,266	19,889
		<b>26,013</b>	27,569
Amounts due from associates	應收聯營公司款項	11,811	9,124
Less: allowance for impairment of doubtful debts	減：呆壞賬減值撥備	<b>(8,645)</b>	-
		<b>3,166</b>	9,124
		<b>29,179</b>	36,693

(a) Amounts due from associates are unsecured, interest free and have no fixed terms of repayment. In the opinion of the directors, the amounts will not be repayable within 12 months of the end of the reporting period and are accordingly classified as non-current. The individually impaired receivable of approximately HK\$8,645,000 is mainly a debt due from an associate which is of age over three years. The other amounts due from associates do not contain impaired assets.

(b) Interests in associates at the end of the reporting period include goodwill of approximately HK\$313,000 (2015: HK\$313,000).

(a) 應收聯營公司之款項並沒有抵押，不計算利息及沒有固定償還條款。董事認為，此款項並不會於報告結算日十二個月內償還，故列作非流動資產。該個別應收聯營公司款項減值約8,645,000港元，主要由於該聯營公司欠款賬齡已超過三年期以上。其他應收聯營公司款項並不包含已減值資產。

(b) 於報告結算日，聯營公司權益已包括商譽約313,000港元（二零一五年：313,000港元）。



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註（續）

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

**21. INTERESTS IN ASSOCIATES (Continued)**

Details of the principal associates of the Group at 31 December 2016 are as follows:

Name of associate 聯營公司名稱	Place of incorporation/ registration and operation 成立/ 註冊及營業 所在地方	Proportion of nominal value of registered capital attributable to the Group 本集團應佔 註冊資本 面值之比例 %	Principal activities 主要業務
Suzhou Sanguang Science & Technology Co., Ltd. 蘇州三光科技股份有限公司	The PRC 中國	21.1	Manufacturing of industrial machinery, equipment and supplies 工業機械、設備及工業用品製造
廣州市普同實驗分析儀器有限公司	The PRC 中國	22.5	Manufacturing and trading of the experimental analysis instrument 實驗分析儀製造及貿易
Cosmos i-Tech Solutions Limited 大同信息科技有限公司	Hong Kong 香港	30.0	Providing information technology consultancy service 提供資訊科技諮詢服務

The above table lists out the associates of the Group which, in the opinion of the directors, principally affect the results of the Group for the year or form a substantial portion of the net assets of the Group at the end of the year.

**21. 聯營公司權益（續）**

於二零一六年十二月三十一日主要聯營公司詳情如下：

以上聯營公司乃基於董事認為其對本年度業績或本集團年末淨資產有重要影響性而表列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註（續）

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

21. INTERESTS IN ASSOCIATES (Continued)

In the opinion of the directors, the associates of the Group are all individually not material. Aggregate financial information in respect of the Group's associates is set out below:

21. 聯營公司權益（續）

董事認為本集團之聯營公司全部為個別非重大。本集團之聯營公司綜合財務資料表列如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	於綜合財務報表中個別非重大聯營公司綜合賬面值	26,013	27,569
Aggregate amounts of the Group's share of those associates	本集團應佔聯營公司綜合價值		
Profit from continuing operations	持續經營之盈利	568	680
Other comprehensive expense	其他全面支出	(2,191)	(1,757)
Total comprehensive expense	總全面支出	(1,623)	(1,077)

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS

22. 可供出售金融資產

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Unlisted equity securities, at cost	非上市權益證券，按成本價	6,622	6,622
Impairment losses	減值虧損	(6,622)	(6,622)
		-	-
Listed equity securities outside Hong Kong, at market value	香港以外上市權益證券，按市場價	1,389	734
		1,389	734

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

**22. AVAILABLE-FOR-SALE FINANCIAL ASSETS**

*(Continued)*

Unlisted equity securities of the Group are not stated at fair value but at cost less any accumulated impairment losses, because they do not have a quoted market price on active market, the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed. Changes in listed equity securities are recognised in other comprehensive income.

As at 31 December 2016, all of the Group's unlisted available-for-sale equity securities were individually determined to be fully impaired on the basis of a material decline in their recoverable amounts below cost and adverse changes in the market in which these investees operated which indicated that the cost of the Group's investments in them may not be recovered. No impairment loss (2015: HK\$246,000) on these investments was recognised in profit or loss for the year in accordance with the policy set out in note 2(h)(i).

**22. 可供出售金融資產（續）**

本集團之非上市權益證券以成本減累計減值虧損而非以公平價值列賬，乃因其缺少活躍市場報價所致。合理公平價值之範圍較廣，且多項估計之可能性無法合理評估。上市權益證券的變動於其他全面收入中被確認。

於二零一六年十二月三十一日，本集團所持有非上市可供出售之權益證券已個別地根據其可收回金額大幅減值並低於成本價值及被投資者顯示該經營市場存在不利變化，因此本集團有關此投資成本可能無法收回。根據附註2(h)(i)之政策制定，並沒有關於這些投資的減值虧損確認於損益表內（二零一五年：246,000港元）。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註（續）

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

23. FINANCE LEASE RECEIVABLES

23. 應收融資租賃款項

		Minimum lease receipts 最低租賃收入		Present value of minimum lease receipts 最低租賃收入之現值	
		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
Amounts receivable under finance leases:	應收融資租賃款項金額：				
Not later than one year	一年內	62,151	63,381	53,622	50,359
Later than one year and not later than five years	第二至五年	59,949	50,304	54,220	46,923
		122,100	113,685	107,842	97,282
Less: Unearned finance income	減：未實現財務收入	(14,258)	(16,403)	N/A	N/A
		107,842	97,282	107,842	97,282
Overdue finance lease receivables	逾期應收融資租賃款項	11,803	11,575	11,803	11,575
Present value of minimum lease receipts	最低租賃收入之現有價值	119,645	108,857	119,645	108,857
Less: Allowance for impairment of doubtful debts	減：呆壞賬減值撥備	(7,490)	–	(7,490)	–
		112,155	108,857	112,155	108,857
Less: Current finance lease receivables under current assets	減：列入流動資產之 應收融資租賃款項			(57,935)	(61,934)
Non-current finance lease receivables	非流動應收融資租賃款項			54,220	46,923

The Group has entered into finance lease arrangements with their customers. The terms of finance leases entered into for periods ranging from one to three years.

集團有安排融資租賃給客戶。融資租賃租約簽訂期限為一年到三年。

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**23. FINANCE LEASE RECEIVABLES (Continued)**

The following is a credit quality analysis of finance lease receivables. In the event that an installment repayment of a finance lease receivable is past due, the entire outstanding balance of the finance lease receivable is classified as past due.

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Neither past due nor impaired	未逾期及並未減值	107,842	97,282
Past due but not impaired	已逾期但未減值	-	11,575
Past due but impaired	已逾期但已減值	11,803	-
		<b>119,645</b>	108,857
Less: Allowance for impairment of doubtful debts	減：呆壞賬減值撥備	<b>(7,490)</b>	-
		<b>112,155</b>	108,857

The movements on the allowance for impairment of doubtful debts are as follows:

**23. 應收融資租賃款項（續）**

以下是應收融資租賃款項的信用質素分析。如果應收融資租賃款項的分期還款已逾期，應收融資租賃款項的整個未付餘額將被分類為逾期。

呆壞賬減值撥備變動情況如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 January	於一月一日	-	-
Exchange realignment	滙兌調整	(339)	-
Impairment loss recognised	確認之減值虧損	7,829	-
At 31 December	於十二月三十一日	<b>7,490</b>	-

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### 23. FINANCE LEASE RECEIVABLES (Continued)

The above allowance for impairment of doubtful debts is a provision for impaired finance lease receivables. At 31 December 2016, finance lease receivables of approximately HK\$11,803,000 (2015: Nil) were impaired. The amount of allowance was approximately of HK\$7,490,000 (2015: Nil). It is assessed that a portion of the finance lease receivables is expected to be recovered from the secured leased assets. The secured leased assets for those past due receivables mainly include machineries.

For the finance lease receivables which are neither past due nor impaired, the directors assessed that the balances are with good credit quality according to their past repayment history.

All leases are on a fixed repayment basis and there were no unguaranteed residual values in connection with finance lease arrangements or contingent lease arrangements of the Group that need to be recorded as at 31 December 2016 (2015: Nil).

Finance lease receivable balances are secured over the plant and equipment leased. The Group is not permitted to sell or re-pledge the collateral in the absence of default by the lessee.

The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The effective interest rates are ranging from 10.3% to 15.1% per annum (2015: from 10.10% to 14.90% per annum).

### 23. 應收融資租賃款項（續）

上述呆壞賬減值撥備是計提應收融資租賃款項的減值撥備。於二零一六年十二月三十一日，應收融資租賃款項已減值約11,803,000港元（二零一五年：無）。呆壞賬減值撥備金額約7,490,000港元（二零一五年：無）。預計部份應收融資租賃款項可以由租賃抵押資產作抵償。該等應收已逾期租賃抵押資產主要包括機器。

就未逾期及未減值之應收融資租賃款項而言，董事已根據過往還款紀錄認為有關結餘具有良好信貸評級。

所有租約都依據一個固定的還款基準，於二零一六年十二月三十一日本集團並無需要被記錄與安排融資租賃或然租賃安排的任何未擔保餘值（二零一五年：無）。

應收融資租賃款項餘額獲得租賃之機械及設備作抵押。若承租人沒有違約，本集團不得出售或重新抵押該等抵押品。

內含租賃利率於合同日釐定，並適用於整個租賃期合同期內。實際年利率從10.3%至15.1%（二零一五年：年利率10.10%至14.90%）。



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**綜合財務報表附註（續）**

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**24. DEFERRED TAX ASSETS/LIABILITIES**

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 16.5% (2015: 16.5%).

The following are the major components of deferred tax assets/(liabilities) recognised by the Group and movements thereon during the current and prior years:

**24. 遞延稅項資產／負債**

遞延稅項乃根據暫時差額按負債法及主要稅率16.5%（二零一五年：16.5%）全數計算。

以下為本集團已確認的主要遞延稅項資產／（負債）於本年及上年之變動：

		Intangible assets arising from business combination 業務合併 產生之 無形資產 HK\$'000 千港元	Accelerated tax depreciation 加速 折舊免稅額 HK\$'000 千港元	Revaluation of land and building 土地及 樓宇重估 HK\$'000 千港元	Tax losses 稅務虧損 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	(1,978)	(6,109)	(8,439)	2,733	26,771	12,978
Exchange realignment	滙兌調整	-	42	32	(168)	(1,077)	(1,171)
Credited to equity	於權益列入	-	-	2,327	-	-	2,327
Credited/(charged) to income statement (note 12)	於收益表列入/ (扣除)(附註12)	228	408	-	3,455	(2,734)	1,357
At 31 December 2015	於二零一五年 十二月三十一日	<b>(1,750)</b>	<b>(5,659)</b>	<b>(6,080)</b>	<b>6,020</b>	<b>22,960</b>	<b>15,491</b>
Exchange realignment	滙兌調整	-	51	37	(62)	(375)	(349)
Through disposal of of subsidiary	出售附屬公司	-	-	-	-	66	66
Charged to equity	於權益扣除	-	-	(906)	-	-	(906)
Credited/(charged) to income statement (note 12)	於收益表列入/ (扣除)(附註12)	228	5,021	-	(4,672)	(32,574)	(31,997)
At 31 December 2016	於二零一六年 十二月三十一日	<b>(1,522)</b>	<b>(587)</b>	<b>(6,949)</b>	<b>1,286</b>	<b>(9,923)</b>	<b>(17,695)</b>

Included in the amount charged to the income statement for the year ended 31 December 2016 was a provision of deferred tax liabilities of HK\$17,990,000 made by the Group's PRC subsidiary arising from the net liquidation gains that will be crystallised upon completion of its liquidation process.

截至二零一六年十二月三十一日止年度收益表所列金額包括本集團的中國附屬公司由於清算淨收益而產生的遞延稅項負債為17,990,000港元，該淨收益將於清盤程序完成後結算。

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綜合財務報表附註（續）

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24. DEFERRED TAX ASSETS/LIABILITIES (Continued)

For the purposes of consolidated statement of financial position presentation, certain deferred tax assets/(liabilities) have been offset in accordance with the conditions set out in HKAS 12. The following is the analysis of the deferred tax balances shown in the consolidated statement of financial position:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	25,670	41,413
Deferred tax liabilities	遞延稅項負債	(43,365)	(25,922)
		<b>(17,695)</b>	15,491

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable. At 31 December 2016, the Group has unrecognised tax losses of approximately HK\$591,335,000 (2015: HK\$549,971,000) available for offset against future profits. Included in unrecognised tax losses are losses of approximately HK\$247,832,000 (2015: HK\$226,680,000) that will expire in five years and the remaining balance does not expire under the current tax legislation. According to independent professional tax advice, possible transfer pricing adjustments may be instituted by the PRC tax authority against the Group's subsidiary in the PRC which is currently in the process of liquidation. The transfer pricing adjustments, if instituted, may use up the subsidiary's unrecognised tax losses of approximately HK\$69,856,000 and generate additional PRC income tax liabilities. Provision of PRC income tax of HK\$7,790,000 has made during the year to take into account of the possible transfer pricing adjustments and included underprovision of overseas tax in prior year (note 12). Temporary differences arising in connection with interests in associates are insignificant.

24. 遞延稅項資產／負債（續）

於綜合財務狀況表之陳述，乃根據香港會計準則第12號之條件有相當程度的遞延稅項資產／（負債）經已抵銷，下列是已呈列於綜合財務狀況表內的遞延稅項餘額分析：

有關承前稅項虧損的遞延稅項資產，只會在相關稅項收益有可能透過未來應課稅溢利變現時才會確認。於二零一六年十二月三十一日，本集團有未動用稅項虧損約591,335,000港元（二零一五年：549,971,000港元）用作抵銷未來溢利。於未動用稅項虧損中，包括虧損約247,832,000港元（二零一五年：226,680,000港元）將於五年後到期，而根據現行稅例餘下結餘將不會有期限。根據獨立專業稅務建議，中國稅務機關可能針對目前正在清算的中國附屬公司就有關轉讓定價作出調整。轉讓定價調整如果成立，可能會動用該子公司未確認的稅務虧損69,856,000港元，並產生額外的中國所得稅負債。本年度可能因轉讓定價調整所產生的中國所得稅為7,790,000港元及包括往年度少計提海外稅項（附註12）。於聯營公司權益相關的暫時性差異並不重大。

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 綜合財務報表附註（續）

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

**25. INVENTORIES**

- (a) Inventories in the consolidated statement of financial position comprise:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trading inventories and finished goods	貿易存貨及製成品	162,973	258,042
Work in progress	在製品	101,719	97,692
Raw materials	原材料	137,046	206,789
		<b>401,738</b>	562,523

At 31 December 2016, the carrying amount of inventories that were stated at fair value less costs to sell is approximately HK\$197,458,000 (2015: HK\$182,832,000).

- (b) The analysis of the amount of inventories recognised as an expense and included in profit or loss 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
Carrying amount of inventories sold	已出售商品的賬面值	1,809,231	1,999,228
Write-down of inventories	存貨撇賬	70,250	12,718
Reversal of write-down of inventories	存貨撇減回撥	(785)	(1,017)
		<b>1,878,696</b>	2,010,929

**25. 存貨**

- (a) 綜合財務狀況表中的存貨包括：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trading inventories and finished goods	162,973	258,042
Work in progress	101,719	97,692
Raw materials	137,046	206,789
	<b>401,738</b>	562,523

於二零一六年十二月三十一日，存貨之賬面值乃按公平價值減銷售成本淨值約為197,458,000港元（二零一五年：182,832,000港元）列賬。

- (b) 確認為開支並計入損益表的存貨金額分析如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Carrying amount of inventories sold	1,809,231	1,999,228
Write-down of inventories	70,250	12,718
Reversal of write-down of inventories	(785)	(1,017)
	<b>1,878,696</b>	2,010,929



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26. TRADE AND OTHER RECEIVABLES

26. 貿易及其他應收款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade and bills receivables	貿易及票據應收款項	<b>795,427</b>	753,064
Less: allowance for impairment of bad and doubtful debts	減：呆壞賬減值撥備	<b>(108,588)</b>	(87,597)
		<b>686,839</b>	665,467
Other receivables	其他應收款項	<b>90,370</b>	84,465
Less: allowance for impairment of bad and doubtful debts	減：呆壞賬減值撥備	<b>(19,963)</b>	(13,343)
		<b>70,407</b>	71,122
Prepayments	預付款	<b>30,818</b>	37,832
Amounts due from related parties	應收關連方之款項	<b>37</b>	46
		<b>788,101</b>	774,467

The directors consider that the carrying amounts of trade and other receivables approximate to their fair values. All trade and other receivables are expected to be recovered or recognised as expense within one year.

董事們認為貿易與其他應收款之賬面值與其公平價值相近，所有貿易及其他應收款項預期將於一年內收回或確認為開支。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註（續）

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**26. TRADE AND OTHER RECEIVABLES (Continued)**

The Group grants an average credit period of 90 days to 120 days for customers. An aging analysis of the trade and bills receivables at the end of the reporting period based on the invoice date and net of allowance for impairment of bad and doubtful debts, 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 to 3 months	零至三個月	525,350	458,964
4 to 6 months	四至六個月	96,091	95,771
7 to 9 months	七至九個月	24,266	26,946
Over 9 months	超過九個月	41,132	83,786
		<b>686,839</b>	665,467

The movements on the allowance for impairment of bad and doubtful debts of the Group are as follows:

**26. 貿易及其他應收款項（續）**

本集團給予其客戶之平均信貸期為90天至120天。於報告結算日，按發票日期本集團已扣除呆壞賬減值撥備的貿易及票據應收款項賬齡分析如下：

呆壞賬減值撥備之變動載列如下：

		Trade receivables 貿易應收款項	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 January	於一月一日	87,597	88,770
Exchange realignment	滙兌調整	(6,054)	(4,895)
Impairment loss recognised	確認之減值虧損	29,616	4,379
Unused amounts reversed	回撥未動用數額	(2,017)	(570)
Uncollectible amounts written off	撇銷不可收回的款項	(162)	(87)
Disposal of a subsidiary	出售一間附屬公司	(392)	-
At 31 December	於十二月三十一日	<b>108,588</b>	87,597

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註（續）

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26. TRADE AND OTHER RECEIVABLES (Continued)

26. 貿易及其他應收款項（續）

		Other receivables 其他應收款項	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 January	於一月一日	13,343	18,884
Exchange realignment	滙兌調整	(1,096)	(859)
Impairment loss recognised	確認之減值虧損	7,716	302
Unused amounts reversed	回撥未動用數額	–	(2,071)
Uncollectible amounts written off	撇銷不可收回的款項	–	(2,913)
At 31 December	於十二月三十一日	19,963	13,343

The above allowance for impairment of bad and doubtful debts is a provision for individually impaired trade receivables and impaired other receivables. The individually impaired trade receivables mainly represent sales made to the PRC customers which have remained long overdue. The impaired other receivables relate to debtors that have been long outstanding without settlement or having any business relationship with the Group. The Group does not hold any collateral or other credit enhancements over these balances.

At 31 December 2016, trade and bills receivables of approximately HK\$116,983,000 (2015: HK\$114,069,000) were impaired. The amount of allowance was approximately HK\$108,588,000 as at 31 December 2016 (2015: HK\$87,597,000). It is assessed that a portion of the receivables is expected to be recovered.

上述呆壞賬減值撥備為個別已減值應收款項及已減值其他應收款項撥備。個別已減值應收款項撥備主要為銷售予中國客戶之逾期欠款額。已減值的其他應收款項欠款已長期逾期及與本集團沒有任何業務關係。本集團對上述應收款項沒有獲得任何抵押或增強之信用安排。

於二零一六年十二月三十一日，116,983,000港元貿易及票據應收款項已作減值（二零一五年：114,069,000港元）。於二零一六年十二月三十一日，撥備金額約為108,588,000港元（二零一五年：87,597,000港元）。經評估後預期部份應收款項將可收回。



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**26. TRADE AND OTHER RECEIVABLES (Continued)**

The aging analysis of the trade and bills receivables that are not considered to be impaired 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
Neither past due nor impaired	未逾期及並未減值	<b>369,492</b>	505,004
Less than 6 months past due	逾期六個月內	<b>282,744</b>	105,020
6 months to 1 year past due	逾期六個月至一年	<b>15,686</b>	16,697
1 year to 3 years past due	逾期一年至三年	<b>5,961</b>	11,663
Over 3 years past due	逾期超過三年	<b>4,561</b>	611
		<b>678,444</b>	638,995

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there were no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

**26. 貿易及其他應收款項（續）**

並未考慮作減值之貿易及票據應收款項賬齡分析如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Neither past due nor impaired	未逾期及並未減值	<b>369,492</b>	505,004
Less than 6 months past due	逾期六個月內	<b>282,744</b>	105,020
6 months to 1 year past due	逾期六個月至一年	<b>15,686</b>	16,697
1 year to 3 years past due	逾期一年至三年	<b>5,961</b>	11,663
Over 3 years past due	逾期超過三年	<b>4,561</b>	611
		<b>678,444</b>	638,995

未逾期及並未減值之應收款項涉及多名不同的客戶，該等客戶最近並無拖欠紀錄。

已逾期但尚未減值之應收款項涉及若干於本集團擁有良好付款紀錄之客戶。根據過往經驗，董事們相信，由於信貸質素並無重大變化，有關結餘仍被視為可悉數收回，故無需就該等結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品。

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**26. TRADE AND OTHER RECEIVABLES (Continued)**

Included in trade and other receivables are the following amounts denominated in the following currencies:

		2016 二零一六年	2015 二零一五年
United States Dollars	美元	<b>20,553,000</b>	25,173,000
Renminbi	人民幣	<b>498,466,000</b>	447,252,000
Japanese Yen	日元	<b>263,842,000</b>	69,941,000

**26. 貿易及其他應收款項（續）**

貿易及其他應收款項原屬貨幣如下：

**27. OTHER FINANCIAL ASSETS**

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<b>Held-for-trading investments</b>	<b>持作買賣之投資</b>		
Unlisted unit trust funds, at fair value	非上市單位信託基金之公平價值	<b>2,875</b>	9,012
		<b>2,875</b>	9,012

**27. 其他金融資產**

The fair values of the unlisted unit trust funds were based on net assets value of the investment funds at the end of the reporting period provided by the financial institution.

非上市單位信託基金的公平價值是基於金融機構提供在報告結算日當天投資基金的淨資產價值。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**28. CASH AND BANK BALANCES**

**28. 現金及銀行結餘**

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Pledged bank deposits (Note (a))	已抵押之銀行存款(附註(a))	36,605	253,696
Cash and cash equivalents (Note (b))	現金及現金等值(附註(b))	296,118	353,871
		<b>332,723</b>	<b>607,567</b>

**(a) Pledged bank deposits**

Included in pledged bank deposits in the consolidated statement of financial position are the following amounts denominated in the following currency:

**(a) 已抵押之銀行存款**

於綜合財務狀況表中已抵押之銀行存款之原屬貨幣如下：

		2016 二零一六年	2015 二零一五年
Renminbi	人民幣	<b>32,565,000</b>	215,623,000

**(b) Cash and cash equivalents**

**(b) 現金及現金等值**

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank balances and cash	銀行結餘及現金	<b>296,118</b>	353,871



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

28. CASH AND BANK BALANCES (Continued)

(b) Cash and cash equivalents (Continued)

Cash and cash equivalents include the following for the purpose of the consolidated statement of cash flows:

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank balances and cash per above 銀行結餘及現金，如上	296,118	353,871
Less: Bank overdrafts (note 31) 減：銀行透支(附註31)	(31,289)	(26,478)
	<b>264,829</b>	327,393

Included in bank balances and cash in the consolidated statement of financial position are the following amounts denominated in the following currencies:

	2016 二零一六年	2015 二零一五年
United States Dollars 美元	9,026,000	10,272,000
Renminbi 人民幣	97,367,000	169,796,000
Japanese Yen 日元	33,856,000	53,715,000
Euro Dollars 歐元	23,000	64,000

28. 現金及銀行結餘(續)

(b) 現金及現金等值(續)

現金及現金等值包括下列各項作綜合現金流量表的用途：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank balances and cash per above 銀行結餘及現金，如上	296,118	353,871
Less: Bank overdrafts (note 31) 減：銀行透支(附註31)	(31,289)	(26,478)
	<b>264,829</b>	327,393

於綜合財務狀況表中銀行結餘及現金之原屬貨幣如下：

	2016 二零一六年	2015 二零一五年
United States Dollars 美元	9,026,000	10,272,000
Renminbi 人民幣	97,367,000	169,796,000
Japanese Yen 日元	33,856,000	53,715,000
Euro Dollars 歐元	23,000	64,000

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

**29. TRADE AND OTHER PAYABLES**

**29. 貿易及其他應付款項**

		<b>2016</b> 二零一六年 <b>HK\$'000</b> 千港元	2015 二零一五年 <b>HK\$'000</b> 千港元
Trade and bills payables	貿易及票據應付款項	<b>472,330</b>	489,310
Accruals and other payables	應付未付及其他應付款項	<b>263,242</b>	250,919
Amounts due to related parties	結欠關連方之款項	<b>4,800</b>	9,600
		<b>740,372</b>	749,829

The directors consider that the carrying amount of trade and other payables approximates to their fair values. All trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

董事們認為貿易及其他應付款項之賬面值與其公平價值相近。所有貿易及其他應付款項預期將於一年內支付或確認為收益或按要求支付。

The aging analysis of the Group's trade and bills payables at the end of the reporting period is as follows:

於報告結算日，本集團貿易及票據應付款項之賬齡分析如下：

		<b>2016</b> 二零一六年 <b>HK\$'000</b> 千港元	2015 二零一五年 <b>HK\$'000</b> 千港元
0 to 3 months	零至三個月	<b>365,339</b>	347,317
4 to 6 months	四至六個月	<b>56,846</b>	80,181
7 to 9 months	七至九個月	<b>26,607</b>	41,500
Over 9 months	超過九個月	<b>23,538</b>	20,312
		<b>472,330</b>	489,310

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

**29. TRADE AND OTHER PAYABLES (Continued)**

Included in trade and other payables are the following amounts denominated in the following currencies:

		2016 二零一六年	2015 二零一五年
United States Dollars	美元	8,475,000	8,202,000
Renminbi	人民幣	553,636,000	512,527,000
Japanese Yen	日元	157,761,000	109,874,000
Euro Dollars	歐元	72,000	93,000

**29. 貿易及其他應付款項（續）**

貿易及其他應付款項原屬貨幣如下：

**30. PROVISION FOR RESTRUCTURING**

The Group records its restructuring costs provision when it has a present legal or constructive obligation as a result of restructuring actions.

Restructuring costs provision mainly comprises provision for employees compensation and relocation expenses, arising from a series of restructuring actions to reduce costs and enhance operational efficiency.

The following is restructuring provision of the Group and movements thereon during the current year:

**30. 重組撥備**

本集團因重組方案而產生現行法律或推定之責任時，將重組費用撥備入賬。

重組費用撥備主要包括由一系列重組方案以降低成本及提高營運效率而產生的僱員補償及搬遷開支方面的撥備。

以下為本集團的重組撥備於本年度內之變動：

		HK\$'000 千港元
At 1 January 2016 and	於二零一六年一月一日	-
Provision made for the year	本年度作出撥備	91,727
<b>At 31 December 2016</b>	<b>於二零一六年十二月三十一日</b>	<b>91,727</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註（續）

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

**31. BANK BORROWINGS**

**31. 銀行借款**

		<b>2016</b> 二零一六年 <b>HK\$'000</b> 千港元	2015 二零一五年 <b>HK\$'000</b> 千港元
<b>Non-current</b>	<b>非流動</b>		
Bank borrowings	銀行借款		
– secured	– 有抵押	<b>35,175</b>	45,225
<b>Current</b>	<b>流動</b>		
Bank borrowings	銀行借款		
– secured	– 有抵押	<b>66,953</b>	280,318
– unsecured	– 無抵押	<b>221,907</b>	219,779
Bank overdrafts (note 28)	銀行透支(附註28)		
– unsecured	– 無抵押	<b>31,289</b>	26,478
		<b>320,149</b>	526,575
Total borrowings	總借款	<b>355,324</b>	571,800

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註（續）

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

31. BANK BORROWINGS (Continued)

At 31 December 2016, the bank borrowings were repayable 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 1 year	一年內	320,149	526,575
Between 1 and 2 years	一至二年	10,050	10,050
Between 2 and 5 years	二至五年	25,125	35,175
		<b>355,324</b>	571,800

The aggregate carrying amount of the Group's bank loans as at 31 December 2016 (that are repayable more than one year after the end of the reporting period but contain a repayment on demand clause) that have been reclassified as current liabilities is approximately HK\$37,283,000 (2015: HK\$11,111,000).

These loans are callable by the lenders, but the management does not expect the lenders to exercise their rights to demand repayment in normal circumstances.

The non-current bank borrowings are stated at amortised cost.

The effective interest rate as at 31 December 2016 for bank borrowings and overdrafts is 3.22% per annum (2015: 2.89% per annum).

31. 銀行借款（續）

於二零一六年十二月三十一日，銀行借款之到期情況載列如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 1 year	320,149	526,575
Between 1 and 2 years	10,050	10,050
Between 2 and 5 years	25,125	35,175
	<b>355,324</b>	571,800

於二零一六年十二月三十一日，本集團總賬面值約37,283,000港元（二零一五年：11,111,000港元）之銀行貸款（須於報告結算日後的一年後償還，但載有按要求還款條款）已從非流動負債分類為流動負債。

放款人可按要求償還貸款，但管理層預期放款人在一般情況下不會行使有關權利要求償還貸款。

非流動銀行借款以攤分成本入賬。

銀行借款及透支於二零一六年十二月三十一日之有效年息率為3.22厘（二零一五年：年息率為2.89厘）。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註（續）

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

**31. BANK BORROWINGS (Continued)**

The carrying amounts of borrowings 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
Hong Kong Dollars	港元	275,056	461,112
Renminbi	人民幣	80,268	110,688
		<b>355,324</b>	571,800

The Group has the following undrawn borrowing facilities:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Floating rate	浮息		
– expiring within one year	– 於一年內到期	<b>406,039</b>	474,328

The facilities expiring within one year are annual facilities subject to review at various dates during 2016.

Bank borrowings are secured by certain buildings and leasehold land and land use rights of the Group (notes 16 and 18).

**31. 銀行借款（續）**

借款的賬面值以原貨幣列值如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Hong Kong Dollars	港元	275,056	461,112
Renminbi	人民幣	80,268	110,688
		<b>355,324</b>	571,800

集團未動用之借貸額度如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Floating rate	浮息		
– expiring within one year	– 於一年內到期	<b>406,039</b>	474,328

一年內到期融資額度乃年度額度，須於二零一六年間不同日期進行檢討。

銀行借款以本集團部份樓宇、租賃土地及土地使用權作抵押（附註16及18）。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註（續）

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

32. OBLIGATIONS UNDER FINANCE LEASES

32. 融資租賃借款

		Minimum lease payments		Present value of minimum lease payments	
		最低租賃支出	最低租賃支出	最低租賃支出之現值	最低租賃支出之現值
		2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Amounts payable under finance leases:	應付融資租賃金額：				
Not later than one year	一年內	5,619	8,685	5,441	8,286
Later than one year and not later than five years	第二至五年	2,743	8,388	2,694	8,134
		8,362	17,073	8,135	16,420
Less: Future finance charges	減：未來之財務費用	(227)	(653)	N/A	N/A
Present value of minimum lease payments	最低租賃支出之現有價值	8,135	16,420	8,135	16,420
Less: Amount due for settlement within 1 year under current liabilities	減：列入流動負債而須一年內償還之款項			(5,441)	(8,286)
Amount due for settlement after 1 year	一年後到期償還之款項			2,694	8,134

It is the Group's policy to lease certain of its plant and machinery under finance leases. The lease terms are expiring from three to four years. For the year ended 31 December 2016, the average effective borrowing rate was 2.2% per annum (2015: 2.66% per annum). Interest is charged at one month HIBOR +2.75% to 3.25% per annum (2015: one month HIBOR +2.75% to 4.4% per annum) on the outstanding loan balances. All leases are on a fixed repayment basis and no arrangement has been entered into for contingent rental payments.

The Group's obligations under finance leases are secured by the lessors' charges over the leased assets.

本集團的政策乃使用部份廠房及機器作融資租賃，租賃年期為3至4年。截至二零一六年十二月三十一日止年度，平均實際借款年利率為2.2厘（二零一五年：年利率為2.66厘）。年利率以一個月香港銀行同業拆息+2.75至3.25厘（二零一五年：年利率以一個月香港銀行同業拆息+2.75至4.4厘）收取。所有租賃均有固定還款期及沒有作出任何或然租賃支出協議。

本集團之財務租賃借款是以融資租賃資產抵押予出租人。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註（續）

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

**33. SHARE CAPITAL**

**33. 股本**

		2016 二零一六年		2015 二零一五年	
		Number of shares 股份數目	Amount 總額 HK\$'000 千港元	Number of shares 股份數目	Amount 總額 HK\$'000 千港元
Ordinary shares, issued and fully paid:	已發行及已繳足普通股 股本：				
At 1 January	於一月一日	<b>716,930,692</b>	<b>532,903</b>	716,930,692	532,903
At 31 December	於十二月三十一日	<b>716,930,692</b>	<b>532,903</b>	716,930,692	532,903

The holders of ordinary shares are entitled to receive dividends as declared from time to time and every member shall have one vote per share on a poll at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

普通股的持有人有權獲取不定時宣佈之股息和每位成員在公司股東大會內應有每股一票投票表決權。所有普通股享有同等關於本公司的剩餘資產。

本年度本公司之附屬公司概無購買、出售或贖回本公司任何上市股份。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

**34. RESERVES**

**34. 儲備**

		Property revaluation reserve 物業重估儲備 HK\$'000 千港元	Translation reserve 匯兌儲備 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Balance at 1 January 2015	於二零一五年一月一日結餘	50,015	165,155	(711)	214,459
Fair value gain:	公平價值溢利：				
– Available-for-sale financial assets	– 可供出售金融資產	–	–	127	127
Share of reserves of associates	應佔聯營公司儲備	–	(1,757)	–	(1,757)
Release of translation reserve upon disposal of an associate	出售一間聯營公司時從匯兌儲備撥出	–	1,143	–	1,143
Surplus on revaluation of properties held for own use	自用物業重估盈餘	11,045	–	–	11,045
Deferred taxation adjustment	遞延稅項調整	2,412	–	–	2,412
Exchange differences arising from translation of financial statements of foreign operations	換算海外業務報表時產生之匯兌差額	–	(70,856)	–	(70,856)
Realised on disposal of properties held for own use	出售自用物業變現	(24,262)	–	–	(24,262)
Balance at 31 December 2015	於二零一五年十二月三十一日結餘	39,210	93,685	(584)	132,311
<b>Balance at 1 January 2016</b>	<b>於二零一六年一月一日結餘</b>	<b>39,210</b>	<b>93,685</b>	<b>(584)</b>	<b>132,311</b>
Fair value gain:	公平價值溢利：				
– Available-for-sale financial assets	– 可供出售金融資產	–	–	655	655
Share of reserves of associates	應佔聯營公司儲備	–	(2,191)	–	(2,191)
Release of translation reserve upon disposal of a subsidiary	出售一間附屬公司時從匯兌儲備撥出	–	(55)	–	(55)
Partial disposal of a subsidiary without loss of control	出售一間附屬公司部份權益但不影響控制權	–	(179)	1,667	1,488
Surplus on revaluation of properties held for own use	自用物業重估盈餘	3,761	–	–	3,761
Deferred tax adjustment	遞延稅項調整	(688)	–	–	(688)
Release of translation reserve upon deregistration of a subsidiary	註銷一間附屬公司時從匯兌儲備撥出	–	(1,966)	–	(1,966)
Exchange differences arising from translation of financial statements of foreign operations	換算海外業務報表時產生之匯兌差額	–	(66,563)	–	(66,563)
<b>Balance at 31 December 2016</b>	<b>於二零一六年十二月三十一日結餘</b>	<b>42,283</b>	<b>22,731</b>	<b>1,738</b>	<b>66,752</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註（續）

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

**35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY**

(a) Company-level statement of financial position

**35. 本公司財務狀況表**

(a) 本公司財務狀況表

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<b>Non-current Assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	2,091	2,839
Interests in subsidiaries	附屬公司權益	1,157,891	1,177,280
		<b>1,159,982</b>	<b>1,180,119</b>
<b>Current Assets</b>	<b>流動資產</b>		
Other receivables	其他應收款項	3,000	2,242
Amount due from an associate	應收聯營公司款項	1,994	-
Pledged bank deposits	已抵押銀行存款	-	212,464
Cash and bank balances	現金及銀行結餘	67,248	41,311
		<b>72,242</b>	256,017
<b>Current Liabilities</b>	<b>流動負債</b>		
Other payables	其他應付款項	1,057	1,510
Amounts due to subsidiaries	結欠附屬公司款項	140,175	109,989
Bank borrowings	銀行借款	20,364	238,937
		<b>161,596</b>	350,436
<b>Net Current Liabilities</b>	<b>淨流動負債</b>	<b>(89,354)</b>	(94,419)
<b>Net Assets</b>	<b>淨資產</b>	<b>1,070,628</b>	1,085,700
<b>Capital and Reserves</b>	<b>資本及儲備</b>		
Share capital	股本	532,903	532,903
Reserves	儲備	537,725	552,797
<b>Total Equity</b>	<b>權益總值</b>	<b>1,070,628</b>	1,085,700

The statement of financial position of the Company was approved and authorised for issue by the Board of Directors on 16 March 2017 and is signed on its behalf by:

本公司財務狀況表於二零一七年三月十六日獲董事會批准並授權刊發，並由下列董事代表簽署：

**TANG TO**  
 鄧燾  
 DIRECTOR  
 董事

**TANG YU, FREEMAN**  
 鄧愚  
 DIRECTOR  
 董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註（續）

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

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

(b) Movement in components of equity of the Company

		Retained profits 保留溢利 HK\$'000 千港元
Balance at 1 January 2015	於二零一五年一月一日結餘	589,851
Loss for the year	本年度虧損	(37,054)
Balance 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結餘	552,797
Loss for the year	本年度虧損	(15,072)
<b>Balance at 31 December 2016</b>	<b>於二零一六年十二月三十一日結餘</b>	<b>537,725</b>

(c) Distributability of reserves

At 31 December 2016, the aggregate amount of reserves available for distribution to equity shareholders of the Company, as calculated under the provisions of Part 6 of the Hong Kong Companies Ordinance, was approximately HK\$537,725,000 (2015: HK\$552,797,000).

36. MAJOR NON-CASH TRANSACTIONS

During the year, the Group acquired property, plant and equipment with an aggregate cost of approximately HK\$41,029,000 (2015: HK\$44,176,000) of which no assets was acquired by means of finance leases (2015: HK\$8,500,000).

35. 本公司財務狀況表（續）

(b) 本公司權益變動

(c) 儲備分派

於二零一六年十二月三十一日，根據香港公司條例第六部分的條文計算，本公司可供分派予股權持有人的儲備約為537,725,000港元（二零一五年：552,797,000港元）。

36. 主要非現金交易

本年度本集團購買物業、廠房及設備總額約41,029,000港元（二零一五年：44,176,000港元），當中並沒有訂立融資租賃模式支付（二零一五年：8,500,000港元）。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註（續）

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. DISPOSAL OF SUBSIDIARIES**

- (a) On 6 January 2016, the Group completed the disposal of 40% equity interest in Cosmos i-Tech Solutions Limited and since then Cosmos i-Tech Solutions Limited is no longer a subsidiary of the Group.

Net assets of Cosmos i-Tech Solutions Limited at the date of disposal were as follows:

**37. 出售附屬公司權益**

- (a) 於二零一六年一月六日，本集團出售其於大同信息科技有限公司的40%股權。出售後，大同信息科技有限公司不再是本集團之附屬公司。

出售大同信息科技有限公司權益日之資產淨值如下：

		2016 二零一六年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	2,650
Trade and other receivables	貿易及其他應收款項	5,876
Property, plant and equipment	物業、廠房及設備	460
Trade and other payables	貿易及其他應付款項	(3,800)
Amount due to shareholders	應付股東款項	(4,916)
Tax recoverable	可收回稅項	19
Deferred tax assets	遞延稅項資產	235
Deferred tax liabilities	遞延稅項負債	(301)
Non-controlling interests	非控股權益	(67)
		156
Gain on disposals of a subsidiary	出售附屬公司權益所得收益	122
Translation reserve realised upon disposal	出售時變現之滙兌儲備	(55)
Reclassified to interest in associates	重新分類至聯營公司權益	(67)
<b>Total consideration</b>		<b>156</b>
Satisfied by:		
Cash	實現方式： 現金代價	156
Net cash outflow arising on disposal:		
Cash consideration received	有關出售之現金流出淨額： 現金代價	156
Cash and bank balances disposed of	出售之現金及銀行結餘	(2,650)
		<b>(2,494)</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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. DISPOSAL OF SUBSIDIARIES (Continued)**

- (b) On 29 December 2016, the Group completed the partial disposal of 10% equity interest in Mega Victor Limited and since then Mega Victor Limited is still a subsidiary of the Group.

Net assets of Mega Victor Limited at the date of partial disposal were as follows:

**37. 出售附屬公司權益（續）**

- (b) 於二零一六年十二月二十九日，本集團出售其部份於輝建有限公司的10%股權，出售後，輝建有限公司仍是本集團之附屬公司。

出售輝建有限公司部份權益當日之資產淨值如下：

		2016 二零一六年 HK\$'000 千港元
Gain on partial disposals of a subsidiary	出售附屬公司部份權益所得收益	-
Other reserves	其他儲備	1,667
Release of translation reserve upon disposal	出售時變現之匯兌儲備	(179)
Non-controlling interests	非控股權益	(712)
<hr/>		
Total consideration	總代價	776
<hr/>		
Satisfied by:	實現方式：	
Cash	現金代價	776
<hr/>		
Net cash inflow arising on disposal:	有關出售之現金流入淨額：	
Cash consideration received	現金代價	776
Cash and bank balances disposed of	出售之現金及銀行結餘	-
<hr/>		
		776
<hr/>		

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註（續）

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

**38. OPERATING LEASE COMMITMENTS**

**The Group as lessee**

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		<b>2016</b> 二零一六年 <b>HK\$'000</b> 千港元	2015 二零一五年 <b>HK\$'000</b> 千港元
Not later than one year	一年內	<b>17,255</b>	17,626
Later than one year and not later than five years	第二至五年	<b>45,458</b>	41,530
Later than five years	超過五年	<b>40,490</b>	54,074
		<b>103,203</b>	113,230

Operating lease payments represent rentals payable by the Group for certain of its office properties, factories and plant and machinery. Leases are negotiated mostly for terms ranging from 1 to 10 years and rentals are almost fixed for the said term.

**The Group as lessor**

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease receipts under non-cancellable operating leases:

		<b>2016</b> 二零一六年 <b>HK\$'000</b> 千港元	2015 二零一五年 <b>HK\$'000</b> 千港元
Not later than one year	一年內	<b>230</b>	45
Later than one year and not later than five years	第二至五年	<b>49</b>	34
		<b>279</b>	79

**38. 經營租賃承擔**

**本集團為承租人**

於報告結算日，本集團尚有不可撤銷之經營租賃中未來最少應付租金如下：

	<b>2016</b> 二零一六年 <b>HK\$'000</b> 千港元	2015 二零一五年 <b>HK\$'000</b> 千港元
Not later than one year	<b>17,255</b>	17,626
Later than one year and not later than five years	<b>45,458</b>	41,530
Later than five years	<b>40,490</b>	54,074
	<b>103,203</b>	113,230

經營租賃之付款乃指本集團為若干寫字樓物業、廠房及機器之應付租金。租約年期乃以1-10年進行商討，而租金通常於租約年期中固定。

**本集團為出租人**

於報告結算日，本集團尚有不可撤銷之租賃合同下的未來最少租賃收入如下：

	<b>2016</b> 二零一六年 <b>HK\$'000</b> 千港元	2015 二零一五年 <b>HK\$'000</b> 千港元
Not later than one year	<b>230</b>	45
Later than one year and not later than five years	<b>49</b>	34
	<b>279</b>	79

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

**39. CAPITAL COMMITMENTS**

**39. 資本承擔**

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Capital expenditure:	資本支出：		
Contracted but not provided for	已簽約但未作出撥備	5,414	8,857
		<b>5,414</b>	<b>8,857</b>

**40. CONTINGENT LIABILITIES**

As at 31 December 2016, a dispute claim for outstanding payment of USD1,050,000 (approximately HK\$8,123,000) was brought by the vendor of KFE Hong Kong Co., Limited ("KFE") to a subsidiary of the Group in relating to an alleged breach of payment obligations for the consideration as agreed pursuant to the sale and purchase agreement for the acquisition of the entire issued share capital of KFE in 2013. The directors, based on the advice from the legal counsel, believe that the subsidiary has a valid defence against the claim and, accordingly, has not provided for a claim arising from the litigation, other than the related legal and other costs. The Group has assessed the claim and considered that the ultimate outcome of such litigation will not have a material adverse effect on the financial position of the Group.

Except for the above, the Group does not have any litigations or claims of material importance and, so far as the directors are aware, no litigation or claims of material importance are pending or threatened by or against any companies of the Group.

**40. 或然負債**

於二零一六年十二月三十一日，協榮二葉科技香港有限公司（「KFE」）的賣方向本集團一附屬公司就涉嫌違反二零一三年收購KFE所簽訂收購KFE全部股權合同中支付代價條款而提出1,050,000美元（約8,123,000港元）的欠款申索。董事經諮詢法律顧問意見後，相信本集團具充分理據對有關指稱申索提出抗辯，因此除相關的律師費用外，並無於結算日就是項申索之責任作任何撥備。經評估後，本集團認為該訴訟的最終判決對本集團的財務狀況並無構成任何不良影響。

除上述外，本集團並無涉及其他訴訟或重要申索。而據董事所知，並無待審或對集團內公司構成威脅的訴訟或重要申索。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註（續）

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

#### 41. RETIREMENT BENEFITS SCHEMES

The Group participates in both a defined contribution scheme which is registered under the Occupational Retirement Schemes Ordinance (the “ORSO Scheme”) and a Mandatory Provident Fund Scheme (the “MPF Scheme”) established under the Mandatory Provident Fund Schemes Ordinance in December 2000. The assets of the schemes are held separately from those of the Group in funds under the control of trustees. Employees who were members of the ORSO Scheme prior to the establishment of the MPF Scheme were offered a choice of staying within the ORSO Scheme or switching to the MPF Scheme, whereas all new employees joining the Group on or after 1 December 2000 are required to join the MPF Scheme.

For members of the MPF Scheme, the Group contributes 5.0% of relevant payroll costs to the Scheme, which contribution is matched by the employee.

The ORSO Scheme is funded by monthly contributions from both employees and the Group at rates ranging from 5.0% to 7.5% of the employee’s basic salary, depending on the length of service with the Group.

Employees who are employed by subsidiaries in the PRC are members of the state-managed pension scheme operated by the PRC government. These subsidiaries are required to contribute 16% – 20% of payroll costs to the pension scheme to fund the benefits. The only obligation of the Group with respect to the pension scheme is to make the required contributions under the scheme.

The total cost charged to the consolidated income statement of approximately HK\$23,547,000 (2015: HK\$24,884,000) represents contributions payable to these schemes by the Group in respect of the current accounting period. As at 31 December 2016, contributions of approximately HK\$2,318,000 (2015: HK\$2,577,000) due in respect of the reporting period had not been paid over to the schemes.

#### 41. 退休福利計劃

本集團同時參與根據職業退休計劃條例下註冊的定額供款計劃（職業退休計劃）及於二零零零年十二月根據強制性公積金計劃條例成立的強制性供款計劃（強積金計劃）。此兩項計劃的資產與本集團之資產分開，及由信託人管理。於強積金計劃成立之前的職業退休計劃成員之僱員，可給予選擇保留於職業退休計劃或轉移到強積金計劃。但於二零零零年十二月一日或之後加入本集團的僱員，必須加入強積金計劃。

強積金計劃之成員，本集團以相關工資成本的百分之五向計劃供款，僱員亦按同一比率供款。

職業退休計劃則每月由僱員及集團，按僱員的基本工資供款比例由百分之五至七點五，按服務年資而定。

本集團在中國之附屬公司的僱員為中國政府管理之國家資助公積金計劃之會員。此等附屬公司須以其工資成本的百分之十六至二十向公積金計劃供款。本集團之唯一承擔乃按此公積金計劃提供所需供款。

已列支於綜合收益表內之總供款約為23,547,000港元（二零一五年：24,884,000港元），代表集團於本會計期間應向這些計劃的供款。於二零一六年十二月三十一日，約2,318,000港元（二零一五年：2,577,000港元）的供款於呈報期間已到期仍未向這些計劃付款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註（續）

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

42. PLEDGE OF ASSETS

At the end of the reporting period, assets with the following carrying amounts were pledged by the Group to secure general banking facilities:

42. 資產抵押

於報告結算日，本集團已將下列以賬面值計算的資產作抵押，以取得給予本集團之一般銀行信貸額：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Buildings	樓宇	81,800	106,000
Leasehold land held for own use under finance leases	按融資租賃持有的 租賃土地	68,000	68,000
Leasehold land and land use rights	租賃土地及土地使用權	3,983	8,016
Plant and machinery	廠房及機器	15,160	37,647
Bank deposits	銀行存款	36,605	253,696
		<b>205,548</b>	473,359

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註（續）

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

**43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS**

**(a) Financial instruments by categories**

The accounting policies for financial instruments have been applied to the line items below:

**43. 財務風險管理及金融工具之公平價值**

**(a) 按類別劃分之金融工具**

金融工具會計政策已應用於下列項目：

Assets as per consolidated statement of financial position	於綜合財務狀況表中之資產	Loans and receivables	Available-for-sale financial assets	Financial assets designated as at fair value through profit or loss	Total
		貸款及應收款項 HK\$'000 千港元	可供出售金融資產 HK\$'000 千港元	以公平價值計入損益表的金融資產 HK\$'000 千港元	總額 HK\$'000 千港元
<b>31 December 2016</b>	<b>二零一六年十二月三十一日</b>				
Available-for-sale financial assets	可供出售金融資產	-	1,389	-	1,389
Unlisted unit trust funds	非上市單位信託基金	-	-	2,875	2,875
Amounts due from associates	應收聯營公司款項	3,166	-	-	3,166
Finance lease receivables	應收融資租賃款項	112,155	-	-	112,155
Trade and other receivables	貿易及其他應收款項	757,283	-	-	757,283
Pledged bank deposits	已抵押銀行存款	36,605	-	-	36,605
Cash and cash equivalents	現金及現金等值	296,118	-	-	296,118
		<b>1,205,327</b>	<b>1,389</b>	<b>2,875</b>	<b>1,209,591</b>
<b>31 December 2015</b>	<b>二零一五年十二月三十一日</b>				
Available-for-sale financial assets	可供出售金融資產	-	734	-	734
Unlisted unit trust funds	非上市單位信託基金	-	-	9,012	9,012
Amounts due from associates	應收聯營公司款項	9,124	-	-	9,124
Finance lease receivables	應收融資租賃款項	108,857	-	-	108,857
Trade and other receivables	貿易及其他應收款項	736,635	-	-	736,635
Pledged bank deposits	已抵押銀行存款	253,696	-	-	253,696
Cash and cash equivalents	現金及現金等值	353,871	-	-	353,871
		<b>1,462,183</b>	<b>734</b>	<b>9,012</b>	<b>1,471,929</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註（續）

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

43. FINANCIAL RISK MANAGEMENT AND  
FAIR VALUE OF FINANCIAL INSTRUMENTS

(Continued)

(a) Financial instruments by categories (Continued)

43. 財務風險管理及金融工具之公  
平價值（續）

(a) 按類別劃分之金融工具（續）

		Financial liabilities at amortised cost 按攤銷成本 計量之金融負債 HK\$'000 千港元
<b>Liabilities as per consolidated statement of financial position</b>	於綜合財務狀況表中 之負債	
<b>31 December 2016</b>		
Trade and other payables	貿易及其他應付款項	<b>643,815</b>
Amount due to an associate	結欠一間聯營公司款項	<b>565</b>
Bank borrowings	銀行借款	<b>355,324</b>
Obligations under finance leases	融資租賃借款	<b>8,135</b>
Deferred consideration payable	遞延應付代價	<b>8,148</b>
		<b>1,015,987</b>
<b>31 December 2015</b>		
Trade and other payables	貿易及其他應付款項	652,545
Bank borrowings	銀行借款	571,800
Obligations under finance leases	融資租賃借款	16,420
Deferred consideration payable	遞延應付代價	8,123
		<b>1,248,888</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註（續）

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

#### 43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

(Continued)

##### (b) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk arising in the normal course of its business and financial instruments. The Group's risk management objectives and policies mainly focus on minimising the potential adverse effects of these risks on the Group by closely monitoring the individual exposure as summarised below.

##### (i) Foreign currency risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi ("RMB"), Hong Kong dollars ("HK\$"), United States Dollars ("US\$") and Japanese Yen ("YEN"). Such exposures arise from sales or purchases by subsidiaries other than the subsidiaries' functional currencies. This currency exposure is managed primarily through sourcing raw materials denominated in the same currency. In addition, certain recognised assets and liabilities are denominated in currencies other than the functional currencies of the entities to which they relate. The Group currently does not have a foreign currency hedging policy.

Certain assets and liabilities of the Group are principally denominated in US\$. HK\$ is pegged to US\$, and thus foreign exchange exposure is considered as minimal.

At 31 December 2016, if HK\$ had strengthened/weakened by 10% against the RMB, with all other variables held constant, post-tax loss for the year would have been approximately HK\$860,000 higher or lower (2015: HK\$25,630,000 higher or lower). There will be no impact on other components of equity.

#### 43. 財務風險管理及金融工具之公平價值（續）

##### (b) 財務風險因素

本集團的業務承受各種財務風險：市場風險（包括貨幣風險、利率風險及價格風險）、信貸風險及一般業務過程及金融工具導致之流動資金風險。本集團的風險管理目標及政策主要透過密切監察如下個別風險，專注於盡量減少本集團之財務表現所受的潛在負面影響。

##### (i) 外匯風險

本集團承受外匯交易風險，主要為人民幣（人民幣）、港元（港元）、美元（美元）及日元（日元）。該等風險乃因為附屬公司以附屬公司之功能貨幣以外之貨幣進行買賣而產生。此貨幣風險乃主要透過採購以相同貨幣列值之原材料管理。另外，部份已確認之資產及負債包括並非以相關實體功能貨幣為計量單位。本集團目前並無外匯對沖政策。

本集團之若干資產及負債主要以美元為計量單位。港元與美元掛鈎，因此外匯風險可視作甚微。

於二零一六年十二月三十一日，倘港元兌人民幣匯率增強／減弱10%，而所有其他變數不變，該年度之除稅後虧損將分別較現時高／低約860,000港元（二零一五年：高／低25,630,000港元）。其他權益部份沒有任何影響。

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#### 43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

(Continued)

##### (b) Financial risk factors (Continued)

###### (i) Foreign currency risk (Continued)

At 31 December 2016, if HK\$ had strengthened/weakened by 10% against the YEN, with all other variables held constant, post-tax loss for the year would have been approximately HK\$66,000 higher or lower (2015: HK\$122,000 lower or higher). There will be no impact on other components of equity.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to each of the Group entities' exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual reporting date. In this respect, it is assumed that the pegged rate between the HK\$ and the US\$ would be materially unaffected by any changes in movement in value of the US\$ against other currencies. Results of the analysis as presented in above represent an aggregation of the effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, translated into HK\$ at the exchange rate ruling at the end of the reporting period for presentation purposes. The analysis is performed on the same basis for 2015.

#### 43. 財務風險管理及金融工具之公平價值 (續)

##### (b) 財務風險因素 (續)

###### (i) 外匯風險 (續)

於二零一六年十二月三十一日，倘港元兌日元匯率增強／減弱10%，而所有其他變數不變，該年度之除稅後虧損將分別較現時高／低約66,000港元（二零一五年：低／高122,000港元），但不會對權益的其他部分有影響。

敏感性分析乃基於假設外匯匯率變化已於報告結算日發生，並已於該日運用於其時存在之各集團實體所受金融工具的匯率風險，同時假定其他變量（尤其是利率）維持不變。

上述變動代表管理層評估外匯匯率在截至下一個報告週年結算日期間之合理變動，並假設港元兌美元之聯繫匯率並未因美元兌其他貨幣之任何變動而有重大影響。上述之分析結果乃各集團實體之除稅後溢利及權益所受影響（按其相關之功能貨幣計算，並以報告結算日之匯率匯兌為港幣作呈列之用）之總額。二零一五年亦以同一基準作分析。



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

**43. FINANCIAL RISK MANAGEMENT AND  
FAIR VALUE OF FINANCIAL INSTRUMENTS**

(Continued)

**(b) Financial risk factors (Continued)**

**(ii) Interest rate risk**

Except for pledged bank deposits, short-term bank deposits and cash and cash equivalents (note 28), the Group has no other significant interest-bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates. Management does not anticipate significant impact on interest-bearing assets resulted from the changes in interest rates because the interest rates of bank deposits are not expected to change significantly.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Prime or HIBOR arising from the Group's borrowings denominated in HK\$ and RMB.

Borrowings at variable rates expose the Group to cash flow interest-rate risk. Borrowings at fixed rates and finance lease receivables expose the Group to fair value interest-rate risk. Details of the Group's borrowings and finance lease receivables have been disclosed in note 31 and 23 respectively.

The Group has not used any interest rate swaps to hedge its exposure to interest rate risk. In order to manage the cash flow interest rate risk, the Group will repay the corresponding borrowings when it has surplus funds.

**43. 財務風險管理及金融工具之公平價值（續）**

**(b) 財務風險因素（續）**

**(ii) 利率風險**

除抵押存款、短期銀行抵押存款及現金及現金等值（附註28）外，本集團並無任何重大的計息資產。本集團的收入及經營現金流量基本上不受市場利率變動所影響。管理層並不預期利率轉變會對計息資產產生重大影響，因預期銀行存款利率變動不大。

本集團面對的現金流量利率風險主要是來自本集團港元及人民幣借款的最優惠利率及香港銀行同業拆息之波動。

浮息借款使本集團面對現金流量利率風險。定息借款及應收融資租賃款項使本集團面對公平價值利率風險。有關本集團借款及應收融資租賃款項之詳情，已分別於附註31及23披露。

本集團並無訂立任何利率掉期以對沖所承擔之利率風險。為控制現金流量利率風險，本集團將在有盈餘資金的情況下償還相應借款。

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#### 43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

(Continued)

##### (b) Financial risk factors (Continued)

##### (ii) Interest rate risk (Continued)

The sensitivity analyses below have been determined based on the exposure to interest rates for the variable-rate bank borrowings at the end of the reporting period. For variable-rate bank borrowings, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

At 31 December 2016, if interest rates on HK\$-denominated borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax loss for the year would have been approximately HK\$1,316,000 higher/lower (2015: HK\$2,202,000 higher/lower), mainly as a result of higher/lower interest expense on floating rate borrowings.

At 31 December 2016, if interest rates on RMB-denominated borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax loss for the year would have been approximately HK\$377,000 higher/lower (2015: HK\$412,000 higher/lower), mainly as a result of higher/lower interest expense on floating rate borrowings.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The above changes in interest rates represent management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The analysis is performed on the same basis for 2015.

#### 43. 財務風險管理及金融工具之公平價值 (續)

##### (b) 財務風險因素 (續)

##### (ii) 利率風險 (續)

以下敏感度分析乃根據報告結算日浮息銀行借款之利率風險釐定。對於浮息銀行借款而言，此分析乃假設於報告結算日之未償還負債於整個年度均未償還而釐定。

於二零一六年十二月三十一日，如果港元借款利率提高／降低50點子而其他因素保持不變，則年度除稅後虧損將高／低約1,316,000港元（二零一五年：高／低2,202,000港元），主要是由於浮息借款的利息支出的增加／減少。

於二零一六年十二月三十一日，如果人民幣借款利率提高／降低50點子而其他因素保持不變，則年度除稅後虧損將高／低約377,000港元（二零一五年：高／低412,000港元），主要是由於浮息借款的利息支出的增加／減少。

以上敏感度分析之釐定乃假設利率變動於報告結算日發生，並已將該變動套用於當日就金融工具所產生之利率風險而釐定。以上之利率變動代表管理層對直至下一個週年報告結算日期間的潛在利率變動所進行的評估。二零一五年敏感度分析按照相同基準進行。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

**43. FINANCIAL RISK MANAGEMENT AND  
FAIR VALUE OF FINANCIAL INSTRUMENTS**

*(Continued)*

**(b) Financial risk factors** *(Continued)*

**(iii) Price risk**

The Group is exposed to equity securities price risk in its available-for-sale financial assets. As the Group's policy is only to invest on such investments by its surplus funds, the exposure may not have significant impact on the Group's financial position. The Group is not exposed to commodity price risk.

**(iv) Credit risk**

The Group's credit risk is principally attributable to trade and other receivables, finance lease receivables and amounts due from associates.

The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales of products are made and services are provided to customers with an appropriate credit history. It also sets credit limit on each individual customer and prior approval is required for any transaction exceeding that limit. The customer with sound payment history would accumulate a higher credit limit. Further quantitative disclosure in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 26.

**43. 財務風險管理及金融工具之公平價值（續）**

**(b) 財務風險因素（續）**

**(iii) 價格風險**

本集團的可供出售金融資產面臨權益證券價格風險。由於本集團之政策為僅以其盈餘資金投資於有關投資，有關風險可能不會對本集團之財務狀況產生重大影響。本集團不會面對商品價格風險。

**(iv) 信貸風險**

本集團之信貸風險主要來自貿易及其他應收款項、應收融資租賃款項及應收聯營公司款項。

本集團並無高度集中之信貸風險。本集團已製訂政策，以確保向擁有合適的信貸紀錄之客戶銷售產品及提供服務。本集團亦就個別客戶訂立信貸額度，而超出額度之交易需要事先批核。擁有良好付款紀錄之客戶可累積更多之信貸額度。本集團面對貿易及其他應收款項的信貸風險量化披露列載於附註26。



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#### 43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

(Continued)

##### (b) Financial risk factors (Continued)

##### (iv) Credit risk (Continued)

Before accepting any new finance lease borrowers, the Group assesses the credit quality of each potential finance lease borrower and defined limits for each finance lease borrower. The Group also demands certain finance lease borrowers to place security deposits with the Group at the time the finance lease arrangement is entered into. In addition, the Group has reviewed the repayment history of finance lease payments from each finance lease borrower with reference to the repayment schedule from the date of finance lease was initially granted up to the end of the reporting period to determine the recoverability of a finance lease receivable.

The credit risk on bank balances is limited because the counterparties are reputable banks with high quality external credit ratings in Hong Kong and the PRC.

##### (v) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

#### 43. 財務風險管理及金融工具之公平價值（續）

##### (b) 財務風險因素（續）

##### (iv) 信貸風險（續）

在接受任何新的融資租賃借款，本集團會評估每一個潛在的融資借款人的信用質素，並為每個融資租賃借款人設定限制。本集團還要求指定融資租賃借款人當與本集團訂立的融資租賃安排時提交保證金。此外，截至報告結算日，本集團從每個融資租賃借款人的最初融資租賃日期覆核有關還款計劃來判斷應收融資租賃款項的可收回性。

銀行結餘之信貸風險有限，因交易對手是香港及中國信譽良好的銀行。

##### (v) 流動資金風險

本集團旗下個別營運中的實體，須各自負責現金管理，包括現金盈餘的短期投資和籌借貸款以應付預期中的現金需求，惟倘借款超逾當局預定的若干水平，則須經母公司董事會批准方可作實。本集團的政策是定期監控即期及預期中的流動資金需求，及其有否遵守借貸契諾，以確保旗下實體本身備有足夠的現金及向主要財務機構取得的足夠的承諾融資金額，藉以應付本身的長短期流動資金需求。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註（續）

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**43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS**

(Continued)

(b) Financial risk factors (Continued)

(v) Liquidity risk (Continued)

The tables below categorised the Group's financial liabilities into relevant maturity groupings based on the remaining period from the end of the reporting period to the contractual maturity date. The tabulated amounts are the contractual undiscounted cash flow payments of the Group.

**43. 財務風險管理及金融工具之公平價值（續）**

(b) 財務風險因素（續）

(v) 流動資金風險（續）

下表根據報告結算日至合約到期日之餘下期間，將本集團之金融負債按相關到期組別進行分類。列表中的金額乃本集團之合約非貼現現金流量。

		Less than 1 year 少於1年 HK\$'000 千港元	Between 1 and 2 years 1至2年 HK\$'000 千港元	Between 2 and 5 years 2至5年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>At 31 December 2016</b>	<b>於二零一六年 十二月三十一日</b>				
Trade and other payables	貿易及其他應付款項	643,815	-	-	643,815
Amount due to an associate	結欠一間聯營公司款項	565	-	-	565
Deferred consideration payable	遞延應付代價	8,148	-	-	8,148
Obligations under finance leases	融資租賃借款	5,619	2,743	-	8,362
Bank borrowings	銀行借款	325,394	10,625	25,373	361,392
		<b>983,541</b>	<b>13,368</b>	<b>25,373</b>	<b>1,022,282</b>
<b>At 31 December 2015</b>	<b>於二零一五年 十二月三十一日</b>				
Trade and other payables	貿易及其他應付款項	652,545	-	-	652,545
Deferred consideration payable	遞延應付代價	8,169	-	-	8,169
Obligations under finance leases	融資租賃借款	8,723	5,612	2,738	17,073
Bank borrowings	銀行借款	534,834	10,812	35,995	581,641
		<b>1,204,271</b>	<b>16,424</b>	<b>38,733</b>	<b>1,259,428</b>

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#### 43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

(Continued)

##### (c) Fair value measurement

##### (i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the carrying value of the Group's financial instruments measured at fair value at the end of the reporting period on a recurring basis, categorised into the three levels of the fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level in which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair values measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets and liabilities at the measurement date.
- Level 2 valuations: Fair values measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair values measured using significant unobservable inputs.

#### 43. 財務風險管理及金融工具之公平價值（續）

##### (c) 公平價值計量

##### (i) 以公平價值計量金融資產及負債

公平價值架構

下表呈列於報告結算日所計算按持續性基礎的公平價值計量之本集團的金融工具之賬面價值在香港財務報告準則第13號，公平價值計量所界定之公平價值三層架構中。將公平價值計量分類之等級乃經參考如下估值方法所用數據之可觀察性及重要性後釐定：

- 第一層次估值：僅使用第一層次輸入數據（即於計量日同類資產或負債於活躍市場之未經調整報價）計量之公平價值。
- 第二層次估值：使用第二層次輸入數據（即未能達到第一層次之可觀察輸入數據，且並未使用重大不可觀察輸入數據）計量之公平價值。不可觀察輸入數據為無市場數據之輸入數據。
- 第三層次估值：採用重大不可觀察數據計量之公平價值。



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註（續）

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

**43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS**

(Continued)

(c) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

**43. 財務風險管理及金融工具之公平價值（續）**

(c) 公平價值計量（續）

(i) 以公平價值計量金融資產及負債（續）

公平價值架構（續）

Fair value measurements as at  
 31 December 2016 categorised into  
 於二零一六年十二月三十一日  
 公平價值計量作以下分類

		Fair value	Level 1	Level 2	Level 3
		公平價值	第一層次	第二層次	第三層次
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Recurring fair value measurements	持續的公平價值計量				
<b>Assets:</b>	<b>資產：</b>				
Available-for-sale financial assets	可供出售金融資產				
– Listed shares	– 上市股票	1,389	1,389	–	–
Other financial assets	其他金融資產				
– Unlisted unit trust funds	– 非上市單位信託基金	2,875	–	2,875	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註 (續)

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43. FINANCIAL RISK MANAGEMENT AND  
FAIR VALUE OF FINANCIAL INSTRUMENTS

(Continued)

(c) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

43. 財務風險管理及金融工具之公平價值 (續)

(c) 公平價值計量 (續)

(i) 以公平價值計量金融資產及負債 (續)

公平價值架構 (續)

Fair value measurements as at  
31 December 2015 categorised into

於二零一五年十二月三十一日

公平價值計量作以下分類

	Fair value 公平價值 HK\$'000 千港元	Level 1 第一層次 HK\$'000 千港元	Level 2 第二層次 HK\$'000 千港元	Level 3 第三層次 HK\$'000 千港元
<b>Recurring fair value measurements</b>				
<b>Assets:</b>				
Available-for-sale financial assets				
– Listed shares	734	734	–	–
Other financial assets				
– Unlisted unit trust funds	9,012	–	9,012	–

持續的公平價值計量

資產：

可供出售金融資產

– 上市股票

其他金融資產

– 非上市單位信託基金

結構性存款之公平價值在第二層次是取自金融機構的報價。

The fair values of unlisted unit trust funds in level 2 are based on net assets value of the investment funds at the end of the reporting period provided by the financial institution.

非上市單位信託基金之公平價值在第二層次是基於金融機構提供在報告結算日當天投資基金的淨資產價值。

During the year ended 31 December 2015 and 2016, there were no transfers between Level 1 and Level 2, or transfer into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

截至二零一五年十二月三十一日及二零一六年十二月三十一日，第一層次與第二層次之間並無轉撥或轉撥到第三層次或從第三層次轉出。當公平價值架構層之間有轉撥發生時，本集團會按照政策於報告結算日確認。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

**43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS**

*(Continued)*

**(c) Fair value measurement** *(Continued)*

**(ii) Fair value of financial assets and liabilities carried at other than fair value**

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2015 and 2016.

**(d) Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the total debts ratio. This ratio is calculated as total borrowings divided by total capital. Total borrowings include current liabilities and non-current liabilities. Total capital includes total borrowings and total equity as shown in the consolidated statement of financial position.

**43. 財務風險管理及金融工具之公平價值（續）**

**(c) 公平價值計量（續）**

**(ii) 金融資產及負債的公平價值與其賬面值**

於二零一五年十二月三十一日及二零一六年十二月三十一日，本集團的金融工具之成本或攤銷成本賬面值與其公平價值並無重大分別。

**(d) 資金風險管理**

集團的資金管理政策，是保障集團按持續經營基準繼續營運之能力，以為股東帶來回報，同時兼顧其他權益持有人的利益，並維持最佳的資本結構以減低資金成本。

為了維持或調整資本結構，集團可能會調整支付予股東的股息金額、向股東發還資金、發行新股或出售資產以減低債務。

集團利用總負債比率監察其資本。此比率按照總借款除以資本總值計算。總借款包括非流動負債及流動負債。資本總值包括綜合財務狀況表內之總借款及權益總值。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註（續）

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

43. FINANCIAL RISK MANAGEMENT AND  
FAIR VALUE OF FINANCIAL INSTRUMENTS

(Continued)

(d) Capital risk management (Continued)

The total debts ratios at 31 December 2016 and 2015 are as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current liabilities	流動負債	1,181,657	1,299,120
Non-current liabilities	非流動負債	81,234	79,281
Total borrowings	借款總值	1,262,891	1,378,401
Total equity	權益總值	1,156,912	1,567,820
Total capital	資本總值	2,419,803	2,946,221
Total debts ratio	總負債比率	52%	47%

Neither the Company nor any of its subsidiaries are subject to externally or internally imposed capital requirements.

43. 財務風險管理及金融工具之公平價值（續）

(d) 資金風險管理（續）

於二零一六年十二月三十一日及二零一五年十二月三十一日之總負債比率為：

本公司或其任何附屬公司概無受外界及內部施加的資本規定所規限。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註（續）**

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

**44. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

During the year, the Group had significant transactions with the following related parties, together with balances with them as at the end of the reporting period, details of which are as follows:

**44. 與關連方進行之交易及結餘**

本年度內，本集團與下列關連方進行之重大交易，連同於報告結算日之結餘詳情如下：

	Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Substantial shareholder and its subsidiaries: EDP charges received (note i)	主要股東及其 附屬公司： 電腦系統維護服務 收入(附註i)	—	184
Company controlled by certain directors' relatives: EDP charges received (note i)	由若干董事及其親屬 控制之公司： 電腦系統維護服務 收入(附註i)	—	52
Management fee paid (note i)	管理費支出(附註i)	913	996
Associated companies: EDP charges paid Rental income	聯營公司： 電腦系統維護服務支出 租金收入	5,916 210	— —
Non-controlling interests: Balances due from the Group (note ii)	非控股權益： 本集團結欠之結餘 (附註ii)	29 4,800	9,600
Associates: Balances due from the Group (note ii)	聯營公司： 本集團結欠之結餘 (附註ii)	565	—
Balances due to the Group (note ii)	結欠本集團之結餘 (附註ii)	21 3,166	9,124
Compensation of key management personnel of the Group (note iii): Salaries and other short-term employee benefits	集團主要管理人員酬金 (附註iii)： 薪金及其他短期僱員福利	13,745	16,166

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註（續）

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

**44. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

Further details of directors' and the chief executive's emoluments are included in note 11 to the consolidated financial statements.

Notes:

- (i) The prices of the transactions were determined by the directors with reference to prices for similar transactions with unrelated third parties.
- (ii) The balances are unsecured, interest free and have no fixed terms of repayment.
- (iii) Key management personnel whose profiles are included in Directors and Senior Management's Biographies section of this report.
- (iv) No transaction, arrangement or contract of significance to which the Company was a party, and in which a director of the company had a material interest, subsisted at the end of the year or at any time during the year.

Save as disclosed above, there were no other significant transactions with related parties during the year or significant balances with them at the end of the reporting period.

**44. 與關連方進行之交易及結餘（續）**

董事及行政總裁酬金的進一步詳情列在綜合財務報表附註11。

附註：

- (i) 該等交易的價格經董事參考與非關連第三方進行類似交易的價格後釐定。
- (ii) 該等結餘為無抵押、免息及無固定還款期。
- (iii) 集團主要管理人員已列在本報告之董事及高級管理人員履歷部份。
- (iv) 於年末或年度內任何時間，本公司概無與本公司董事擁有重大權益之交易、安排或訂立之重大合約。

除上述披露外，本年度與關連方並無其他重大交易，或在報告結算日與彼等並無任何重大結餘。



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註（續）**

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

**45. PARTICULARS OF PRINCIPAL SUBSIDIARIES**

Details of the Company's principal subsidiaries at 31 December 2016 are as follows:

**45. 主要附屬公司詳情**

於二零一六年十二月三十一日主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 成立/ 註冊地方	Place of operation 經營地方	Issued and fully paid ordinary share capital/ registered capital 已發行及已繳足 普通股股本/ 註冊股本	Proportion of nominal value of issued share capital/registered capital 已繳足普通股 股本面值/註冊股本比率		Principal activities 主要業務
				held by the Company*/ subsidiaries 由本公司*/ 附屬公司 持有 %	attributable to the Group 本集團 應佔 %	
Cosmos Machinery Limited 大同機械有限公司	Hong Kong 香港	Hong Kong 香港	HK\$10,000,000 10,000,000港元	100.00	100.00	Investment holding 投資控股
Cosmos Machinery International Limited 大同機械國際有限公司	Hong Kong 香港	Hong Kong 香港	HK\$32,000,000 32,000,000港元	100.00*	100.00	Investment holding 投資控股
Cosmos Machinery (Dongguan) Trading Co., Ltd. (note a) 大同機械(東莞)銷售有限公司(附註a)	The PRC 中國	The PRC 中國	HK\$5,000,000 5,000,000港元	100.00	100.00	Trading of machinery 機械貿易
Cosmos Machinery (Wuxi) Trading Co., Ltd. (note a) 大同機械(無錫)銷售有限公司(附註a)	The PRC 中國	The PRC 中國	HK\$5,000,000 5,000,000港元	100.00	100.00	Trading of machinery 機械貿易
Dekuma Rubber and Plastic Technology (Dongguan) Limited (note a) 德科摩橡膠科技(東莞)有限公司(附註a)	The PRC 中國	The PRC 中國	HK\$24,000,000 24,000,000港元	100.00	100.00	Manufacturing and trading of machinery 機械製造及貿易

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

**45. PARTICULARS OF PRINCIPAL SUBSIDIARIES**  
(Continued)

**45. 主要附屬公司詳情（續）**

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 成立/ 註冊地方	Place of operation 經營地方	Issued and fully paid ordinary share capital/ registered capital 已發行及已繳足 普通股股本/ 註冊股本	Proportion of nominal value of issued share capital/registered capital 已繳足普通股 股本面值/註冊股本比率		Principal activities 主要業務
				held by the Company*/ subsidiaries 由本公司*/ 附屬公司 持有 %	attributable to the Group 本集團 應佔 %	
Dong Hua Machinery Ltd. (note b) 東華機械有限公司(附註b)	The PRC 中國	The PRC 中國	RMB146,199,955 146,199,955人民幣	75.56	75.56	Manufacturing and trading of machinery 機械製造及貿易
Gainbase Industrial Limited 邦基實業有限公司	Hong Kong 香港	Hong Kong 香港	HK\$10,000 10,000港元	100.00	52.00	Trading of printed circuit boards 印刷線路板貿易
Grand Technology Products Limited 格蘭科技產品有限公司	Hong Kong 香港	Hong Kong 香港	HK\$9,500,000 9,500,000港元	100.00	100.00	Investment holding 投資控股
Jackson Equities Incorporated Jackson Equities Incorporated	British Virgin Islands 英屬維爾京群島	Hong Kong 香港	US\$2 2美元	100.00*	100.00	Investment holding 投資控股
Karmay Industrial Limited 嘉美實業有限公司	Hong Kong 香港	Hong Kong 香港	HK\$55,000,000 55,000,000港元	100.00	100.00	Investment holding and trading 投資控股及貿易

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註（續）**

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

**45. PARTICULARS OF PRINCIPAL SUBSIDIARIES**  
**(Continued)**

**45. 主要附屬公司詳情（續）**

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 成立/ 註冊地方	Place of operation 經營地方	Issued and fully paid ordinary share capital/ registered capital 已發行及已繳足 普通股股本/ 註冊股本	Proportion of nominal value of issued share capital/registered capital 已繳足普通股 股本面值/註冊股本比率		Principal activities 主要業務
				held by the Company*/ subsidiaries 由本公司*/ 附屬公司 持有 %	attributable to the Group 本集團 應佔 %	
Karmay Plastic Products (Zhuhai) Co., Ltd. (note a) 嘉美塑料製品(珠海)有限公司(附註a)	The PRC 中國	The PRC 中國	HK\$16,800,000 16,800,000港元	100.00	100.00	Manufacturing of plastic products 生產塑料製品
Melco Industrial Supplies Company Limited 美高工業器材有限公司	Hong Kong 香港	Hong Kong 香港	HK\$1,500,000 1,500,000港元	100.00	100.00	Trading of industrial equipment and screws 工業消耗品貿易
美高工業器材(上海)有限公司(note a) 美高工業器材(上海)有限公司(附註a)	The PRC 中國	The PRC 中國	US\$600,000 600,000美元	100.00	100.00	Trading of industrial consumables 工業消耗品貿易
Guangzhou Melco Industrial Supplies Co., Ltd. (note a) 廣州市美高工業器材有限公司(附註a)	The PRC 中國	The PRC 中國	US\$400,000 400,000美元	100.00	100.00	Trading of industrial consumables 工業消耗品貿易



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

**45. PARTICULARS OF PRINCIPAL SUBSIDIARIES**

(Continued)

Details of the Company's principal subsidiaries at 31 December 2016 are as follows:

**45. 主要附屬公司詳情（續）**

於二零一六年十二月三十一日主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 成立/ 註冊地方	Place of operation 經營地方	Issued and fully paid ordinary share capital/ registered capital 已發行及已繳足 普通股股本/ 註冊股本	Proportion of nominal value of issued share capital/registered capital 已繳足普通股 股本面值/註冊股本比率 held by the Company*/ subsidiaries 由本公司*/ 附屬公司 持有 %		Principal activities 主要業務
				attributable to the Group 本集團 應佔 %		
Shenzhen Gainbase Printed Circuit Board Co., Ltd. (note a) 深圳邦基線路板有限公司(附註a)	The PRC 中國	The PRC 中國	HK\$140,000,000 140,000,000港元	100.00	52.00	Manufacturing of printed circuit boards 印刷線路板製造
Welltec Machinery Limited 華大機械有限公司	Hong Kong 香港	Hong Kong 香港	HK\$10,000,000 10,000,000港元	100.00	100.00	Trading of machinery 機械貿易
KFE Hong Kong Co., Limited 協榮二葉科技香港有限公司	Hong Kong 香港	Hong Kong 香港	US\$7,776,000 7,776,000美元	100.00	52.00	Trading of printed circuit board 線路板貿易
Wu Xi Grand Tech Machinery Group Ltd. (note a) 無錫格蘭機械集團有限公司(附註a)	The PRC 中國	The PRC 中國	US\$9,586,000 9,586,000美元	100.00	100.00	Manufacturing and trading of machinery 機械製造及貿易
Wu Xi Grand Plastic Machine Manufacture Co., Ltd. (note a) 無錫格蘭塑機製造有限公司(附註a)	The PRC 中國	The PRC 中國	US\$2,850,000 2,850,000美元	100.00	100.00	Manufacturing and trading of machinery 機械製造及貿易
合肥大同格蘭塑業有限公司(note a) 合肥大同格蘭塑業有限公司(附註a)	The PRC 中國	The PRC 中國	HK\$56,000,000 56,000,000港元	100.00	100.00	Manufacturing of plastic products 生產塑料製品
Dongguan Hua Qi Plastic Works Co., Ltd.(note a) 東莞華奇塑膠製品有限公司(附註a)	The PRC 中國	The PRC 中國	USD1,000,000 1,000,000美元	100.00	51.00	Manufacturing of plastic products 生產塑料製品

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註（續）

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

**45. PARTICULARS OF PRINCIPAL SUBSIDIARIES**

*(Continued)*

Notes:

- (a) The companies are registered in the form of wholly-owned foreign investment enterprises.
- (b) The companies are registered in the form of sino-foreign cooperative enterprises.

The above table lists out the subsidiaries of the Group which, in the opinion of the directors, principally affect the results of the Group for the year or form a substantial portion of the net assets of the Group at the end of the year. To give details of other subsidiaries would, result in particulars of excessive length.

None of the subsidiaries had any debt capital in issue at the end of the year or at any time during the year.

**45. 主要附屬公司詳情（續）**

附註：

- (a) 公司登記註冊成立為外商獨資企業。
- (b) 公司登記註冊成立為中外合資企業。

以上附屬公司乃基於董事認為其對本年度業績有重要性影響或於年末佔本集團資產淨值之重大部份而列表。並列其他附屬公司詳情會引致篇幅冗長。

於年末或本年度任何時間內，各附屬公司並無發行任何債務股本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註（續）

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

45. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(Continued)

The following table lists out the information relating to all subsidiaries of Major Success Company Limited, which has material non-controlling interest (NCI). The summarised financial information presented below represents the amounts before any inter-company elimination.

45. 主要附屬公司詳情（續）

下表列出了有關致騰有限公司所有子公司中具有重大的非控股權益的資料。以下表述的概括財務資料均為未抵消任何公司間交易之金額。

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
NCI percentage	非控股權益百分比	48%	48%
Current assets	流動資產	364,274	385,924
Non-current assets	非流動資產	163,418	178,226
Current liabilities	流動負債	(222,738)	(260,227)
Non-current liabilities	非流動負債	(2,117)	–
Equity	權益	302,837	303,923
Carrying amount of NCI	非控股權益賬面值	145,362	145,883
Revenue	收入	721,005	845,766
Profit for the year	經營溢利	12,946	33,518
Total comprehensive income	全面收入總額	5,914	29,213
Profit allocated to NCI	分配至非控股權益之溢利	6,214	16,089
Cash generated from operating activities	經營活動產生之現金	13,067	55,749
Cash used in investing activities	投資活動使用之現金	(19,865)	(18,161)
Cash used in financing activities	融資活動使用之現金	(20,449)	(19,608)



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註（續）**

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

**46. POSSIBLE IMPACT OF AMENDMENTS AND NEW OR AMENDED STANDARDS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016**

Up to the date of issue of these consolidated financial statements, the HKICPA has issued the following amendments and new or amended standards which are not yet effective for the year ended 31 December 2016 and which have not been early adopted in these consolidated financial statements:

**46. 已頒佈但於截至二零一六年十二月三十一日止年度會計期間尚未生效的修訂本及新訂或經修訂的準則的潛在影響**

截至此等綜合財務報表的審批日期，香港會計師公會已頒佈以下修訂本及新訂或經修訂的準則，但於截至二零一六年十二月三十一日止會計期間尚未生效，亦並未於此等綜合財務報表中提早採納：

		Effective for accounting periods beginning on or after 於以下日期或之後 開始的會計期間生效
Amendments to HKAS 7 香港會計準則第7號之修訂	Statement of cash flows: Disclosure Initiative 現金流量表：披露計劃	1 January 2017 二零一七年一月一日
Amendments to HKAS 12	Income taxes: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
香港會計準則第12號之修訂	所得稅：認列未實現損失的遞延所得稅資產	二零一七年一月一日
HKFRS 9	Financial Instruments	1 January 2018
香港財務報告準則第9號	金融工具	二零一八年一月一日
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
香港財務報告準則第15號	基於客戶合同的收入確認	二零一八年一月一日
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers	1 January 2018
香港財務報告準則第15號之修訂	澄清香港財務報告準則第15號來自客戶合約的收益	二零一八年一月一日
Amendments to HKFRS 2	Share-based payment: Classification and Measurement of Share-based Payment Transactions	1 January 2018
香港財務報告準則第2號之修訂	股份基礎給付交易：股份基礎給付交易之分類與衡量	二零一八年一月一日
HKFRS 16	Leases	1 January 2019
香港財務報告準則第16號	租賃	二零一九年一月一日
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Mandatory effective date not yet determined
香港財務報告準則第10號之修訂及香港會計準則第28號	投資者與其聯營企業或合營企業之間的資產出售或投入	強制性生效日期尚未釐定

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

**46. POSSIBLE IMPACT OF AMENDMENTS AND NEW OR AMENDED STANDARDS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016** (Continued)

None of the above is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

**HKFRS 15, “Revenue from Contracts with Customers”**

The application of HKFRS 15 may result in the identification of separate performance obligations which could affect the timing of the recognition of revenue. Certain costs incurred in fulfilling a contract which are currently expensed may need to be recognised as an asset under HKFRS 15. At this stage, the Group is in the process of assessing the impact of HKFRS 15 on the Group’s financial statements.

**HKFRS 16, “Leases”**

HKFRS 16 will affect primarily the accounting for Group’s operating leases. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised in the consolidated statement of financial position. The Group is in the process of assessing to what extent the operating lease commitments as disclosed in note 38 will result in the recognition of an asset and a liability for future payments and how this will affect the Group’s loss and classification of cash flows.

**46. 已頒佈但於截至二零一六年十二月三十一日止年度會計期間尚未生效的修訂本及新訂或經修訂的準則的潛在影響（續）**

除以下載列者外，預期上述概不會對集團的綜合財務報表有重大影響：

**《香港財務報告準則》第15號，「基於客戶合同的收入確認」**

應用《香港財務報告準則15》或會導致須識別獨立履約責任，其可能影響確認收入的時間。就履行合同所產生而現時已支銷的若干成本可能須根據《香港財務報告準則》15確認為資產。集團目前正進行評估《香港財務報告準則15》對集團財務報表的影響。

**《香港財務報告準則》第16號，「租賃」**

《香港財務報告準則16》將主要影響集團的經營租賃。根據該項新準則，資產（租賃項目的使用權）及用於支付租金的金融負債於綜合財務狀況表確認。集團正進行評估，附註38所披露的經營租賃承擔將對往後付款的資產及金融負債確認造成多大程度影響，以及其將對集團虧損及現金流量分類有何影響。

# FIVE YEAR FINANCIAL SUMMARY

## 五年財務摘要

### INCOME STATEMENT

#### 收益表

For the year ended 31 December,  
截至十二月三十一日止年度

		2012	2013	2014	2015	2016
		二零一二年	二零一三年	二零一四年	二零一五年	二零一六年
		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
Revenue	收入	2,121,595	2,465,110	2,492,729	2,395,166	<b>2,192,287</b>
Profit/(loss) before tax	除稅前溢利／(虧損)	(2,861)	119,121	(351)	(26,662)	<b>(279,260)</b>
Taxation	稅項	(10,277)	3,904	(7,583)	(12,156)	<b>(54,625)</b>
Profit/(loss) for the year	本年溢利／(虧損)	(13,138)	123,025	(7,934)	(38,818)	<b>(333,885)</b>
Non-controlling interests	非控股權益	11,037	14,635	25,367	10,783	<b>(30,725)</b>
Profit/(loss) attributable to equity shareholders of the Company	本公司股權持有人應佔溢利／(虧損)	(24,175)	108,390	(33,301)	(49,601)	<b>(303,160)</b>

### STATEMENT OF FINANCIAL POSITION

#### 財務狀況表

At 31 December,  
於十二月三十一日

		2012	2013	2014	2015	2016
		二零一二年	二零一三年	二零一四年	二零一五年	二零一六年
		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
Total assets	總資產	2,826,138	3,090,854	3,113,549	2,946,221	<b>2,419,803</b>
Total liabilities	總負債	(1,248,236)	(1,392,328)	(1,435,927)	(1,378,401)	<b>(1,262,891)</b>
Total equity	權益總計	1,577,902	1,698,526	1,677,622	1,567,820	<b>1,156,912</b>
Non-controlling interests	非控股權益	198,965	213,418	234,822	232,507	<b>190,318</b>



大同機械企業有限公司  
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