



冠力國際有限公司
Softpower International Limited

(於百慕達註冊成立之有限公司)
(Incorporated in Bermuda with limited liability)
股份代號：00380 Stock code: 00380

SPI ANNUAL REPORT
2016 年報



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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Lai Guanglin (*Chairman*)
Mr. Yu Ben Ansheng (*Chief Executive Officer*)
Mr. Lai Fulin

Non-executive Director

Mr. U Kean Seng

Independent Non-executive Directors

Mr. Wong Yee Shuen, Wilson
Mr. Chen Wei Wen
Mr. Guan Zhiqiang

AUDIT COMMITTEE

Mr. Wong Yee Shuen, Wilson (*Chairman*)
Mr. U Kean Seng
Mr. Chen Wei Wen

REMUNERATION COMMITTEE

Mr. Guan Zhiqiang (*Chairman*)
Mr. Lai Guanglin
Mr. Chen Wei Wen

NOMINATION COMMITTEE

Mr. Lai Guanglin (*Chairman*)
Mr. Chen Wei Wen
Mr. Guan Zhiqiang

COMPANY SECRETARY

Mr. Cheng Siu Kwan

INDEPENDENT AUDITOR

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

董事會

執行董事

Lai Guanglin先生(主席)
俞安生先生(首席執行官)
賴福麟先生

非執行董事

余建成先生

獨立非執行董事

黃以信先生
陳偉文先生
管志強先生

審核委員會

黃以信先生(主席)
余建成先生
陳偉文先生

薪酬委員會

管志強先生(主席)
Lai Guanglin先生
陳偉文先生

提名委員會

Lai Guanglin先生(主席)
陳偉文先生
管志強先生

公司秘書

鄭少群先生

獨立核數師

羅兵咸永道會計師事務所
香港中環
太子大廈二十二樓

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Management (Bermuda) Limited
(formerly known as Appleby Management
(Bermuda) Ltd)
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services
Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Industrial and Commercial Bank of China (Asia) Limited
Shanghai Commercial Bank Limited
DBS Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation
Limited
Bank SinoPac, Hong Kong Branch
East West Bank, Hong Kong Branch
China Citic International Limited
The Bank of East Asia, Limited
Dah Sing Bank, Limited
Standard Chartered Bank (Hong Kong) Limited

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

主要股份過戶登記處

Estera Management (Bermuda) Limited
(前稱 Appleby Management (Bermuda) Ltd)
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

香港股份過戶登記分處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心17樓
1712-1716號舖

主要往來銀行

中國銀行(香港)有限公司
中國工商銀行(亞洲)有限公司
上海商業銀行有限公司
星展銀行(香港)有限公司
香港上海滙豐銀行有限公司
永豐商業銀行股份有限公司(香港分行)
華美銀行(香港分行)
中信銀行國際有限公司
東亞銀行有限公司
大新銀行有限公司
渣打銀行(香港)有限公司

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Corporate Information

公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

12th Floor, Phase I, Austin Tower
22-26A Austin Avenue
Tsim Sha Tsui, Kowloon
Hong Kong
Tel: (852) 2728 7237
Fax: (852) 2387 2999

OTHER PLACES OF BUSINESS

HONG KONG AND MACAU

Retail shops

G/F, 687 Shanghai Street
Mongkok, Kowloon
Hong Kong
Tel: (852) 2395 0181
Fax: (852) 2787 3421

G/F, Tak Fam Building
18 Tak Wah Street
Tsuen Wan, New Territories
Hong Kong
Tel: (852) 2473 3660
Fax: (852) 2442 2766

G/F, 102 Thomson Road
Wanchai, Hong Kong
Tel: (852) 2866 6001
Fax: (852) 2866 6339

Rua Da Ribeira Do Patane No. 13, Macau
Tel: (853) 2855 3693
Fax: (853) 2895 1020

Warehouse

Sections M and N of Lot 3719 in DD104
Yuen Long, New Territories
Hong Kong
Tel: (852) 2471 9048
Fax: (852) 2482 1298

WEBSITE

<http://www.softpower.hk>

總辦事處及主要營業地點

香港九龍
尖沙咀
柯士甸路22-26號A
好兆年行第一期12樓
電話：(852) 2728 7237
傳真：(852) 2387 2999

其他營業地點

香港及澳門

門市

香港
九龍旺角
上海街687號地下
電話：(852) 2395 0181
傳真：(852) 2787 3421

香港
新界荃灣
德華街18號
德範大廈地下
電話：(852) 2473 3660
傳真：(852) 2442 2766

香港
灣仔譚臣道102號地下
電話：(852) 2866 6001
傳真：(852) 2866 6339

澳門沙梨頭海邊街13號泉寧樓地下
電話：(853) 2855 3693
傳真：(853) 2895 1020

貨倉

香港
新界元朗錦綉花園貨倉
泰園路地段104 Lot 3719 M及N段
電話：(852) 2471 9048
傳真：(852) 2482 1298

網址

<http://www.softpower.hk>

Dear Shareholders,

I am pleased to present to our shareholders the annual report of Softpower International Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2016.

FINANCIAL RESULTS

The revenue of the Group for the year ended 31 December 2016 increased slightly to HK\$619.2 million from HK\$611.5 million for the year ended 31 December 2015, representing an increase of approximately 1.3%. The gross profit margin was approximately 29.8% for the year ended 31 December 2016 (2015: 27.1%). The profit attributable to equity shareholders was approximately HK\$50.6 million for the year under review, representing an increase of approximately 48.8% over the previous year of approximately HK\$34.0 million. Basic earnings per share was HK 3.79 cents (2015: HK2.55 cents).

FINAL DIVIDEND

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

各位股東：

本人欣然向股東提呈冠力國際有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零一六年十二月三十一日止年度之年報。

財務業績

本集團截至二零一六年十二月三十一日止年度之收入由截至二零一五年十二月三十一日止年度的611,500,000港元，輕微增加至619,200,000港元，升幅約為1.3%。截至二零一六年十二月三十一日止年度毛利率約為29.8%(二零一五年：27.1%)。回顧期內股東應佔溢利約為50,600,000港元，較去年同期約為34,000,000港元，增加約為48.8%。每股基本盈利約為3.79港仙(二零一五年：2.55港仙)。

末期股息

本公司董事會不建議派付截至二零一六年十二月三十一日止年度之末期股息(二零一五年：無)。

Chairman's Statement

主席報告

BUSINESS REVIEW

The results we achieved in 2016 were encouraging. We continued to have a sound operational performance.

For the year ended 31 December 2016, additional orders from the replacement of the drinking water pipes and strong performance of construction market in Hong Kong brought higher revenue contribution to the Group. However, this increase was partially offset by the decreased revenue from Macau. As mentioned in our annual report last year, most of our Macau projects had been completed and the revenue from Macau dropped as expected. The Group recorded a revenue of HK\$619.2 million for the year under review (2015: HK\$611.5 million), up 1.3% as compared to last year. The Group's net profit attributable to shareholders for the year increased by 48.8% to HK\$50.6 million (2015: HK\$34.0 million). The increase in revenue and the net profit of the Group was mainly driven by the favorable construction market condition in Hong Kong in 2016. The demand for construction materials remained robust in Hong Kong. Leveraging on our experience and market-leading position in pipes and fittings business, we seized the right opportunities and the right time for procurement and thereby strengthening our performance during the year. It is never an easy task due to fluctuations in material prices in this ever-changing market.

The Group strives to uphold its market position and competitiveness in Hong Kong and Macau. We also put in sustained efforts to provide high-quality products. In 2016, most of our key products obtained inspection reports and certificates from accredited certification bodies. In addition to meeting the new regulatory requirements for the industry, we believed that the certifications helped to further enhance the confidence and satisfaction from our customers.

業務回顧

我們在二零一六年取得令人鼓舞的成績。我們繼續有不錯的營運表現。

截至二零一六年十二月三十一日止年度，從更換食水管道所獲得的額外訂單，以及香港建築市場的強勁表現，均為本集團帶來較高的收入貢獻。然而，該增加有部分卻被澳門收入下降有所抵銷。誠如我們去年的年報所述，大部份澳門項目已完成，澳門收入下跌亦一如預期。集團於回顧年度錄得收入為619,200,000港元(二零一五年：611,500,000港元)，較去年增加1.3%。本年度本集團股東應佔溢利增加約48.8%至50,600,000港元(二零一五年：34,000,000港元)。本集團的收入及溢利增加，主要是由於二零一六年香港利好的建築市場情況所致。香港建築材料供應需求仍然強勁。憑藉我們在管道和管件業務方面的經驗和市場的領先地位，我們把握了正確的機會和適當的時機進行採購，從而鞏固了我們年內的業績。這從來不是一件容易的任務，因為我們受到材料價格在不斷變化的市場中波動的挑戰。

本集團致力維持其在香港與澳門的市場地位及競爭力。我們還不斷努力提供高品質的產品。在二零一六年度內，我們的大部分主要產品已經獲得認可認證機構的檢驗報告和證書。除了滿足了行業的新監管要求，我們相信這些證書有助於進一步提高我們客戶的信心和滿意度。

FUTURE PROSPECTS

Our flagship subsidiary, Bun Kee (International) Limited, has a well-established market presence in Hong Kong and Macau. We will continue to strengthen our market position in the region.

Although the Group is facing challenges such as pricing pressure from customers and rising costs of materials, the Group will stay vigilant against market volatility and exercise prudence in response to the challenges we will face in the coming years. To keep our competitive advantage, as usual, we will continue to provide high quality and value-added services to our customers.

Looking ahead, the Group will continue to focus on strengthening its market position and enhance its operational efficiency. The Group remains confident of its outlook for its core business of pipes and fittings. Given our solid financial position, the Group is well-positioned and ready to explore any investment and business opportunities.

APPRECIATION

I would like to take this opportunity to express my sincere appreciation to our shareholders, customers, suppliers and banks for their continuous support. I would also like to thank our Directors, management team and employees for their commendable efforts and valuable contribution to the Group over the years. Your dedicated support is the driving force behind our achievements.

Lai Guanglin
Chairman
Hong Kong, 24 March 2017

未來前景

我們的旗艦子公司彬記(國際)有限公司在香港及澳門有穩健的市場份額。我們會繼續鞏固在此地區的市場地位。

雖然本集團面對如客戶的價格壓力和物料成本上漲等挑戰，但本集團將保持對市場波動的警惕，並謹慎應對未來數年所面對的挑戰。為了保持我們的競爭優勢，一如既往，我們將繼續提供高品質和增值服務予我們的客戶。

展望未來，本集團將繼續專注於鞏固其市場地位及提高其營運效率。本集團對其管道及管件的核心理業務前景仍充滿信心。憑藉我們穩健的財務狀況，我們有利好的優勢去探索任何投資及商機。

致謝

本人謹藉此機會向各位股東、客戶、供應商及銀行一直以來的支持，表達真摯的謝意。本人亦要感謝董事、管理團隊和員工對本集團多年來作出值得讚揚的努力及寶貴的貢獻。你們忠誠的支持是我們成果背後的推動力。

主席
Lai Guanglin
香港，二零一七年三月二十四日

Mission and Strategy

使命及策略

The Group commenced its business in 1949 as a pipe's retail shop. Since then the Group has developed into a sizeable company and become a listed company in the main board of The Stock Exchange of Hong Kong Limited on 21 December 2000. With strong roots in Hong Kong over 65 years, we are the mainstay of the industry.

The principal business of the Group is the importing and selling of a comprehensive range of pipes, fittings and other related accessories of different materials, applications and brandnames in Hong Kong by Bun Kee (International) Limited ("Bun Kee"). Sales of the Group's products are conducted either by wholesale or retail sale. We offer quality goods storage and logistic services for local main contractors and landlords. Throughout the years, the Group has supplied quality piping materials to many landmark projects in Hong Kong, Macau and Mainland China.

The mission of the Group is to provide high quality products to the customers and serve with value-added and excellent customer services.

In attaining the above, we provide "one-stop-shop" platform that provides high quality and a variety of pipes and fittings that readily available to our customers in ways that meet their needs and exceed their expectations.

Whenever you think pipes and fittings, think Bun Kee.

本集團於一九四九年以管材零售店開始其業務。本集團現已發展成為一間具規模企業，並於二零零零年十二月二十一日成為香港聯合交易所有限公司的主板上市公司。我們紮根香港超過六十五年，為業界的中流砥柱。

本集團的主要業務，由彬記(國際)有限公司(「彬記」)於香港進口及銷售不同材料、用途及品牌的各種喉管、管件及其他相關配件。本集團的產品以批發或零售方式從事銷售，並為本地主要承建商及業主提供優質的儲貨備運服務。多年來，本集團已向香港、澳門及中國內地的多個地標項目供應優質管材。

本集團的使命是為客戶提供高品質的產品，提供具增值和優質的客戶服務。

我們提供「一站式」的平台，以供應優質及各式各樣喉管和管件，一應俱全供應給我們的客戶，以滿足他們的需求，並超出他們所想的，以實現我們的使命。

無論何時您想起管道及管件，就想到彬記。

Management Discussion And Analysis

管理層討論及分析

BUSINESS OVERVIEW AND FINANCIAL PERFORMANCE

The Group is a leading provider to the construction sector offering a wide range of pipe (including copper tube, stainless steel and steel pipes, etc.), related products, fittings, comprehensive services and solutions to the contractors, designers, consultants and government agencies in Hong Kong and Macau.

Over the past six decades, our flagship subsidiary, Bun Kee (International) Limited, has become a one-stop supplier of a comprehensive range of pipes and fittings. The Group has built a good reputation in the pipes and fittings business in Hong Kong and Macau. We have established a stable major customer base and suppliers over the years. We have maintained our relationships with our major customers and suppliers for over 10 years.

2016 saw the Group maintaining a sound performance. Our growth was underpinned by our well-established sales network and experienced procurement team that has taken years to build. For the year under review, we generated revenue of HK\$619.2 million, compared to HK\$611.5 million last year, representing a 1.3% increase or HK\$7.7 million. The Group recorded a growth of 48.8% year-on-year on profit attributable to shareholders to HK\$50.6 million for the year ended 31 December 2016.

The sales in Macau dropped in 2016 as the majority of the casinos' expansion and resort hotels projects in Macau had been completed and the demand for our pipes and fittings materials were reduced significantly. However, our overall revenue grew slightly as we continued to enjoy the promising construction market in Hong Kong. We have comprehensive pipes and fittings that cater to different market segments covering civil, fire, air conditioning, plumbing, and maintenance services. Nevertheless, we faced some challenges such as rising staff costs, rental and material costs.

業務回顧及財務表現

本集團主要為香港及澳門之承建商、設計師、顧問及政府機構提供各類型管道(包括銅管、不銹鋼管和鋼管等)相關產品、配件，全面的服務和解決方案，於建築行業處於領導地位。

在過去的六十多年裡，我們的旗艦子公司彬記(國際)有限公司已成為一個全面的管道和管件的一站式供應商。本集團在香港及澳門於管道及管件已建立了良好的信譽。多年來我們建立了穩定的主要客戶群和供應商。我們與主要的客戶和供應商保持了十年以上的關係。

本集團於二零一六年保持良好的表現。我們的增長有賴於我們根深蒂固的銷售網絡和經驗豐富的採購團隊所支持。於回顧年度，我們的收入為619,200,000港元，而去年則為611,500,000港元，增加1.3%或7,700,000港元。截至二零一六年十二月三十一日止年度，本集團錄得股東應佔溢利按年增加48.8%至50,600,000港元。

由於澳門大部份賭場的擴建和度假酒店項目已經完成，而對我們的管道和配件材料的需求也有所顯著減少，所以澳門的銷售在二零一六年有所下跌。然而，隨著我們繼續受惠於香港建築市場的蓬勃前景，我們整體的收入略有增長。我們有全面的管道和管件涵概土木工程、消防、空調、水喉及保養服務，以滿足不同的市場分部。但是，我們仍要面臨一些挑戰如員工成本、租金和材料成本的上升。

Management Discussion And Analysis

管理層討論及分析

The Group's selling and distribution costs were approximately HK\$20.8 million in 2016 (2015: HK\$23.2 million), a reduction of about 10.3% year-on-year. The decrease was mainly attributable to the decrease in transportation costs for sales to Macau, consultancy fees, sales commission and promotion. The decrease in expenses was partially offset by the increase in direct logistic staff costs. The Group's general and administrative expenses amounted to approximately HK\$105.2 million in 2016 (2015: HK\$101.0 million), representing an increase of about 4.2% year-on-year. Such increase was primarily attributable to the general increase in staff costs and bonus, rental and depreciation, which was partly offset by the decrease in testing expenses and motor vehicle expenses.

In 2016, other net losses were about HK\$4.1 million (2015: HK\$1.9 million). It was mainly attributable to the increase of provision for impairment of loan to a third party during the year. Finance income increased significantly due to the interest income from a loan transaction during the year. Finance costs also increased mainly attributed to the increase in average monthly balance of trade financing amounts on imports and the increase in effective interest rate per annum. However, as finance income outpaced costs, we recorded net finance income of HK\$3.4 million, as compared to net finance costs of approximately HK\$44,000 in 2015.

OUTLOOK

Although the Group has performed well in 2016, challenges and keen competition remain in the new year as we envisage the market conditions in 2017 to be even more challenging. With our well-established track record and experienced management, our Group is well-positioned to capture greater market share in the construction market in Hong Kong and Macau. We continue to hold a positive outlook for the business of the Group in 2017.

本集團的銷售及分銷成本於二零一六年約為20,800,000港元(二零一五年:23,200,000港元),較去年減少10.3%,其減少主要是由於銷售到澳門的運輸費用、顧問費、銷售佣金及推廣費的減少所致。此等減少的費用有部份被增加的物流人員成本所抵銷。本集團的一般及行政費用於二零一六年約為105,200,000港元(二零一五年:101,000,000港元),按年增加4.2%。這主要是因員工成本及花紅、租金及折舊的費用的增加。此等增加的費用有部份被減少的檢測費用及車輛費用所抵銷。

於二零一六年,其他淨虧損約為4,100,000港元(二零一五年:1,900,000港元)。主要是由於年內貸款予一名第三方的減值撥備增加。財務收入大幅增加是由於年內一項貸款交易的利息收入所致。財務費用也增加,主要是由於進口貿易融資金額平均每月餘額的增加,以及實際年利率的增加。然而,由於財務收入高於費用,我們錄得淨財務收入為3,400,000港元,相對二零一五年則為淨財務費用約44,000港元。

前景

雖然本集團於二零一六年表現很好,但我們在新的一年仍然面臨挑戰和激烈的競爭,因為我們預計二零一七年的市場環境將更具挑戰性。憑藉我們良好的業績記錄和經驗豐富的管理,我們集團仍具優勢於香港及澳門的建築市場佔據更大的市場份額。我們對本集團於二零一七年的業務仍持正面的態度。

Management Discussion And Analysis

管理層討論及分析

LIQUIDITY AND CAPITAL RESOURCES ANALYSIS

As at 31 December 2016, the cash and bank balances of the Group were approximately HK\$186.4 million (2015: HK\$215.4 million) including pledged bank deposits of HK\$37.0 million (2015: HK\$61.0 million). Basically the Group's working capital requirement was financed by its internal resources. The funds generated from operations and the available banking facilities will enable the Group to meet its future working capital requirements.

As at 31 December 2016, the Group had aggregate banking facilities for trade finance of approximately HK\$254.2 million (2015: HK\$238.4 million), approximately HK\$88.9 million (2015: HK\$84.9 million) was utilised. The Group's total borrowings stood at approximately HK\$74.0 million (2015: HK\$73.0 million), the entire amount of borrowings for both year-ends will mature within one year.

The entire amount of borrowings outstanding as at 31 December 2016 was approximately HK\$74.0 million (2015: HK\$73.0 million). 33% (2015: 29%) and 67% (2015: 71%) of borrowings were subject to floating and fixed rates respectively.

The gearing ratio as measured by total bank borrowings to total equity was approximately 17.0% as at 31 December 2016 (2015: 19.0%).

As at 31 December 2015 and 2016, the entire amount of the Group's borrowings was denominated in HK dollars.

The Group conducts its business transactions mainly in Hong Kong dollar, Macau Pataca, Renminbi and United States dollar. In order to manage foreign exchange risk, the Group has been closely monitoring its foreign currency exposure and will arrange for any hedging facilities if necessary.

流動資金及財務資源分析

於二零一六年十二月三十一日，本集團之現金及銀行結餘約為186,400,000港元(二零一五年：215,400,000港元)包括抵押銀行之存款約為37,000,000港元(二零一五年：61,000,000港元)。基本上，本集團所需之營運資金來自內部資源。本集團相信由營運產生之資金及可用之銀行融資額度，足以應付本集團日後之流動資金需求。

於二零一六年十二月三十一日，本集團之貿易融資的銀行額度合共約254,200,000港元(二零一五年：238,400,000港元)，已動用之銀行融資額度約為88,900,000港元(二零一五年：84,900,000港元)。本集團的借貸總額約為74,000,000港元(二零一五年：73,000,000港元)，兩個年末之借貸全數將於一年內到期。

於二零一六年十二月三十一日，未償還借貸全數約為74,000,000港元(二零一五年：73,000,000港元)。33%(二零一五年：29%)及67%(二零一五年：71%)的借貸分別以浮動及固定利率計息。

於二零一六年十二月三十一日，按銀行借貸總額相對於總權益計算的資產負債比率約為17.0%(二零一五年：19.0%)。

於二零一五年及二零一六年十二月三十一日，本集團借貸總額全數以港元結算。

本集團之業務交易主要以港元、澳門幣、人民幣及美元結算。為管理外匯風險，本集團一直密切監控外幣風險，並在需要時作出對沖安排。

Management Discussion And Analysis

管理層討論及分析

CHARGE ON ASSETS

As at 31 December 2016, certain bank deposits and certificate of deposit held by subsidiaries of the Group with aggregate carrying amounts of approximately HK\$37.0 million (2015: HK\$61.0 million) and HK\$10.0 million (2015: Nil) respectively were pledged to banks for banking facilities.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2015 and 2016.

COMMITMENTS

As at 31 December 2016, the Group had outstanding commitments in respect of future minimum lease payments under non-cancellable lease of approximately HK\$199.3 million (2015: HK\$34.1 million).

As at 31 December 2016, the Group had outstanding commitments in respect of acquisition of motor vehicles of approximately HK\$1.3 million (2015: HK\$1.3 million).

STAFF AND REMUNERATION POLICY

As at 31 December 2016, the Group employed a total of 173 employees (2015: 172). Total staff costs for the year ended 31 December 2016 was approximately HK\$74.3 million (2015: HK\$69.0 million).

資產押記

於二零一六年十二月三十一日，由本集團之附屬公司持有之若干銀行存款及存款證分別賬面總值約為37,000,000港元(二零一五年：61,000,000港元)及約為10,000,000港元(二零一五年：無)已抵押予銀行以取得銀行融資額度。

或然負債

於二零一五年及二零一六年十二月三十一日，本集團並無任何重大或然負債。

承擔

於二零一六年十二月三十一日，本集團於不可撤銷經營租賃項下未來最低租賃付款的未償還承擔約為199,300,000港元(二零一五年：34,100,000港元)。

於二零一六年十二月三十一日，本集團就購置汽車的未償還承擔約1,300,000港元(二零一五年：1,300,000港元)。

員工及薪酬政策

於二零一六年十二月三十一日，本集團共僱用173名員工(二零一五年：172名)，截至二零一六年十二月三十一日止年度，員工成本共約74,300,000港元(二零一五年：69,000,000港元)。

Management Discussion And Analysis 管理層討論及分析

Remuneration policy is reviewed annually and certain staff members are entitled to sales commission. In addition to the basic salaries and contributions to the mandatory provident fund, the Group also pays discretionary bonus and provides other benefits including medical scheme to the employees in Hong Kong. The Group contributes to an employee pension scheme established by the PRC Government which undertakes to assume the retirement benefit obligations of all existing and future retired employees of the Group in Mainland China. The Group adopted a share option scheme for the purpose of providing incentives and rewards to motivate the eligible directors and employees of the Group in recognition of their contributions to the Group.

薪酬政策每年檢討一次，部份員工享有銷售佣金收入。香港員工除了享有基本薪金及強積金供款外，本集團亦發放酌情花紅並提供醫療計劃等其他福利。本集團向一項由中國政府所設立的僱員退休金計劃供款，該退休金計劃承諾承擔為本集團現時及未來在中國內地的退休員工提供退休福利的責任。本集團設有一項購股權計劃，以向本集團合資格董事及僱員提供獎勵及報酬，以表揚其對本集團作出之貢獻。

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

EXECUTIVE DIRECTORS

Mr. Lai Guanglin, aged 53, was appointed as a director and the Chairman of the board of the directors of the Company in February 2009. He is also the Chairman of the Nomination Committee and a member of the Remuneration Committee of the Company. The Company is a leading provider to the construction sector offering a wide range of pipe related products, fittings, comprehensive services and solutions to the contractors, designers, consultants and government agencies in Hong Kong and Macau. Mr. Lai's wholly owned investment vehicle, Singapore Zhongxin Investment Company Limited, is the controlling shareholder of the Company.

Mr. Lai is the founder and the Chairman of the board of directors of Agria Corporation which is primarily engaged in research and development, production and sale of crop seeds to the agricultural sector in Australia, New Zealand, China and South America and the provision of rural services to the farmers in New Zealand and South America. Agria Corporation operates the Southern Hemisphere's largest forage seed business in New Zealand. The activities in forage seeds and rural services are carried out by PGG Wrightson Limited ("PGW") which is a subsidiary of Agria Corporation. PGW is a company listed on the New Zealand Stock Exchange. Mr. Lai was appointed as a director of PGW in December 2009 and as the Chairman of the Board of the Directors of PGW in October 2013. Mr. Lai's wholly owned investment vehicle, Brothers Capital Limited, is Agria Corporation's largest shareholder.

Mr. Lai has extensive experience in investments, acquisitions and operation management. Mr. Lai has established many other enterprises in China, Hong Kong and internationally, in particular, animation, logistics and transportation, pharmaceutical sectors, etc. He takes a leading role in respect of strategic planning and business development in his investment portfolio.

執行董事

Lai Guanglin先生，53歲，於二零零九年二月獲委任為本公司董事兼董事會主席。彼亦為本公司的提名委員會主席及薪酬委員會成員。本公司主要為香港及澳門之承建商、設計師、顧問及政府機構提供各類型管道相關產品、配件、全面的服務和解決方案，於建築行業處於領導地位。Lai先生全資擁有的投資公司Singapore Zhongxin Investment Company Limited是本公司之控股股東。

Lai先生是Agria Corporation的創辦人兼董事會主席，該公司的主要業務是為澳洲、新西蘭、中國、南美洲等國家之農業企業提供農作物種子的研發、生產與銷售，並為新西蘭及南美洲當地農業及畜牧農戶提供全面的農業服務。該公司位於新西蘭經營的牧草種子培植業務，乃南半球最大；牧草種子培植業務及農業服務乃由其附屬子公司PGG Wrightson Limited（「PGW」）營運。PGW為一間於新西蘭證券交易所上市之公司。Lai先生於二零零九年十二月獲委任為PGW之董事，並於二零一三年十月獲委任為該公司的董事會主席。Lai先生全資擁有的投資公司Brothers Capital Limited是Agria Corporation最大的股東。

Lai先生在投資收購和營運管理方面富有豐富經驗，其於中國、香港及國際擁有其他相當多創立企業，涉及動漫、物流和運輸、製藥等行業。在他持有的投資組合裡，他於戰略規劃及業務拓展方面扮演主要領導者和推動者的角色。

Biographical Details of Directors and Senior Management 董事及高級管理人員之履歷

Mr. Lai is the Vice Chairman of Shenzhen General Chamber of Commerce in China and the Vice Chairman of Chinese Chamber of Commerce in New Zealand.

Mr. Lai holds Bachelor's degree in accounting from Monash University, Melbourne, Australia and a Master of business administration in finance from The Chinese University of Hong Kong. He is a fellow certified public accountant in Australia. Mr. Lai is a Fellow of Monash University and also the member of Global Advisory Council of Faculty of Business and Economics, Monash University.

Mr. Lai is the elder brother of Mr. Lai Fulin, an Executive Director of the Company. Mr. Lai is the sole director of Singapore Zhongxin Investment Company Limited, a substantial shareholder of the Company which has an interest in the shares of the Company that is required to be disclosed under Part XV of the Securities and Futures Ordinance.

Mr. Yu Ben Ansheng, aged 52 was appointed as Executive Director and Chief Executive Officer of the Company in May 2009. Mr. Yu is responsible for managing overall daily operations of the Group and the implementation of the Group's development strategies.

Mr. Yu has over 20 years of experience in investment management, investment banking and general management of listed companies. Mr. Yu began his career at Mackenzie Financial Corporation in Toronto, Canada as an investment analyst in 1989 and since then, he has served several major financial corporations including J.P. Morgan, Deutsche Bank and CITIC Capital. In addition to his vast investment banking and management experience, Mr. Yu has also managed listed companies such as New World Cyberbase Limited and Asia Logistics Holdings Limited in Hong Kong. During his past career, Mr. Yu has focused on direct investment and mergers and acquisitions activities in sectors including construction materials, infrastructure, energy, technologies, media and financial services.

Lai先生現任中國深圳市商業聯合會副會長及新西蘭中國商會副會長。

Lai先生持有澳洲墨爾本Monash University之會計學系學士學位及香港中文大學之工商管理金融學系碩士學位。彼為一名澳洲資深執業會計師。Lai先生是Monash University之院士，也是Monash University商業和經濟學院之全球顧問委員會成員。

Lai先生乃本公司執行董事賴福麟先生之胞兄。Lai先生現為本公司的主要股東Singapore Zhongxin Investment Company Limited之唯一董事。根據《證券及期貨條例》第XV部，該公司須向本公司披露其擁有本公司股份的權益。

俞安生先生，52歲，於二零零九年五月獲委任為本公司執行董事兼首席執行官。俞先生負責管理本集團整體日常運作及執行本集團的發展策略。

俞先生在投資管理、投資銀行及上市公司管理方面累積逾20年經驗。俞先生於一九八九年加入加拿大多倫多Mackenzie Financial Corporation，開始投資分析師之職業生涯。此後，他曾服務於摩根大通、德意志銀行及中信資本等多間主要金融機構。除在投資銀行及資產管理方面累積豐富之經驗外，俞先生亦曾管理新世界數碼基地有限公司及亞洲物流控股有限公司等若干香港上市公司。於過往職業生涯中，俞先生專注於建材、基礎設施、能源、科技、傳媒及金融服務等行業之直接投資及併購活動。

Biographical Details of Directors and Senior Management 董事及高級管理人員之履歷

Mr. Yu holds a Bachelor of Arts degree in English Literature from the Beijing Foreign Studies University, a Master of arts degree in Education from the University of Toronto and a master's degree in business administration from the University of Western Ontario, Canada.

Mr. Yu is a director of King Jade Holdings Limited, a substantial shareholder of the Company which has an interest in the shares of the Company that is required to be disclosed under Part XV of the Securities and Futures Ordinance.

Mr. Lai Fulin, aged 51, was appointed as Executive Director of the Company in October 2009. Mr. Lai is Head of Production & Purchasing of the Group and mainly responsible for the overall operation and management of the production and purchasing department. Mr. Lai has over 20 years of experience in the banking sector, investments management and general management of companies in China. Mr. Lai worked in the Bank of China in Shenzhen during 1986 to 2001. During 1995 to 2001, he was the deputy general manager of a subsidiary of Bank of China dealing with businesses in the securities industry. During 2002 to 2008, Mr. Lai was the general manager of Shenzhen Huao Guanli Technologies Company Limited (深圳市華奧冠力科技實業有限公司). Mr. Lai holds a certificate of graduation in Chinese Language from Shenzhen Institute of Education (深圳教育學院).

Mr. Lai is the younger brother of Mr. Lai Guanglin, the controlling shareholder, the Chairman and Executive Director of the Company.

俞先生持有北京外國語大學英國文學學士學位、多倫多大學教育學碩士學位及加拿大西安大略大學工商管理碩士學位。

俞先生現為本公司的主要股東King Jade Holdings Limited之董事。該公司根據《證券及期貨條例》第XV部須向本公司披露其擁有本公司股份的權益。

賴福麟先生，51歲，於二零零九年十月獲委任為本公司之執行董事。賴先生為本集團生產及採購部總監，主要負責生產及採購部整體營運及管理。賴先生在國內的銀行業、投資管理及企業管理方面累積逾20年經驗。賴先生於一九八六年至二零零一年期間任職於中國銀行深圳市分行。於一九九五年至二零零一年期間，他曾出任中國銀行屬下之證券公司副總經理一職。於二零零二年至二零零八年期間，賴先生出任深圳市華奧冠力科技實業有限公司總經理一職。賴先生持有深圳教育學院中文科大專畢業證書。

賴先生乃Lai Guanglin先生(本公司之控股股東、主席兼執行董事)之胞弟。

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

NON-EXECUTIVE DIRECTOR

Mr. U Kean Seng, aged 50, was appointed as Non-executive Director of the Company in February 2009. He is also a member of the Audit Committee of the Company. Mr. U has more than 18 years of experience in legal practice. Mr. U specialises in the area of corporate law and corporate finance. Mr. U was admitted to the Supreme Court of Victoria, Australia in 1991, the Singapore Bar in 1993 and the Roll of Solicitors for England and Wales in 2009. Mr. U holds a bachelor's degree in economics and a bachelor's degree in laws (Honours) from Monash University, Australia. Mr. U currently acts as the Head of Corporate and Legal Affairs of Agria Corporation. Brothers Capital Limited, an investment vehicle wholly-owned by Mr. Lai Guanglin, is the largest shareholder of Agria Corporation. Mr. U was appointed as a director of PGG Wrightson Limited, a company listed on the New Zealand Stock Exchange, on 4 December 2012.

非執行董事

余建成先生，50歲，於二零零九年二月獲委任為本公司之非執行董事。彼亦為本公司審核委員會成員。余先生擁有逾18年之法律執業經驗。余先生擅於處理公司法及企業融資事務。余先生於一九九一年取得澳洲維多利亞州最高法院認可資格，於一九九三年取得新加坡大律師公會認可資格，並於二零零九年取得英格蘭與威爾斯律師登記冊認可資格。余先生持有澳洲Monash University之經濟學學士學位及法學學士學位（榮譽）。余先生目前於Agria Corporation擔任企業及法律事務總監一職。Lai Guanglin先生全資擁有的投資公司Brothers Capital Limited是Agria Corporation之最大股東。於二零一二年十二月四日，余先生獲委任為PGG Wrightson Limited（一家在新西蘭證券交易所上市的公司）之董事。

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Yee Shuen, Wilson, aged 49, was appointed as Independent Non-executive Director of the Company in February 2009. He is also the Chairman of the Audit Committee of the Company. Mr. Wong is a fellow member of the Hong Kong Institute of Certified Public Accountants and member of Australia CPA and Australian Institute of Banking and Finance. He holds a master of commerce degree, specializing in banking and finance from the University of New South Wales. With more than 20 years of experience in PricewaterhouseCoopers and Ernst and Young, Mr. Wong specializes in the area of auditing banks and listed companies. Mr. Wong is currently the chief financial officer of China Animation Characters Company Limited (Stock code: 1566, a company listed on The Stock Exchange of Hong Kong Limited "HKSE") and an independent non-executive director of Ping An Securities Group (Holdings) Limited (Stock code: 231, a company listed on HKSE). Mr. Wong had served as an independent non-executive director of PanAsialum Holdings Company Limited (Stock code: 2078, a company listed on HKSE) from 18 January 2013 to 4 July 2014.

Mr. Chen Wei Wen, aged 48, was appointed as Independent Non-executive Director of the Company in April 2010. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. Mr. Chen holds a Bachelor of Business (Accounting) from Monash University, Australia. Mr. Chen worked as a general manager of Guangzhou Futian Trading Company Ltd (廣州市富添貿易有限公司) from 1997 to 2005. Since November 2004, Mr. Chen was appointed as chief operating officer of Guangzhou Kanxin Polymer Technology Co., Ltd (廣州市康心高分子科技有限公司) which is an affiliated company of Guangzhou Futian Trading Company Ltd (廣州市富添貿易有限公司). Mr. Chen was also appointed as director and general manager of Fuda Enterprises Limited (富而達企業有限公司) since February 1998.

獨立非執行董事

黃以信先生，49歲，於二零零九年二月獲委任為本公司之獨立非執行董事。彼亦為本公司審核委員會主席。黃先生為香港會計師公會資深成員，以及澳洲會計師公會及澳洲銀行及金融學會成員。彼持有新南威爾士大學之商學碩士學位，專業為銀行及金融學。彼曾於羅兵咸永道會計師事務所及安永會計師事務所任職逾20年，擅於處理銀行及上市公司審核事務。黃先生現時為有華夏動漫形象有限公司(股份代號：1566，一間於香港聯合交易所有限公司(「港交所」)上市之公司)之財務總監及平安證券集團(控股)有限公司(股份代號：231，一間於港交所上市之公司)之獨立非執行董事。由二零一三年一月十八日至二零一四年七月四日期間，黃先生曾擔任榮陽實業集團有限公司(股份代號：2078，一間於港交所上市之公司)之獨立非執行董事。

陳偉文先生，48歲，於二零一零年四月獲委任為本公司之獨立非執行董事。彼亦為本公司審核委員會、提名委員會及薪酬委員會成員。陳先生持澳洲Monash University的工商(會計)學士學位。由一九九七年至二零零五年，陳先生曾於廣州市富添貿易有限公司擔任總經理。自二零零四年十一月起，陳先生被委任為廣州市康心高分子科技有限公司(為廣州市富添貿易有限公司之聯屬公司)的首席營運官。自一九九八年二月起，陳先生亦被委任為富而達企業有限公司的董事及總經理。

Biographical Details of Directors and Senior Management 董事及高級管理人員之履歷

Mr. Guan Zhiqiang, aged 54, was appointed as Independent Non-executive Director of the Company in September 2016. He is also the Chairman of Remuneration Committee and a member of Nomination Committee of the Company. Mr. Guan holds a bachelor of Agronomy from Huazhong Agricultural University and a master degree in business administration from Southwestern University of Finance. During the period from 1984 to 1996, Mr. Guan had successively worked in the Ministry of Agriculture of the People's Republic of China and the State Planning Commission. He subsequently joined the Agricultural Development Bank of China and held various senior management positions and was granted a qualification of senior economist from the bank. From February 2002 to March 2003, Mr. Guan served as the general manager in New China Life Insurance Company Ltd, Jinan branch. From March 2003 to November 2005, he worked in Yeland Group Co. Ltd. (now known as Hna Investment Group Co., Ltd), a company listed on Shenzhen Stock Exchange, and was appointed as the chairman of its group's real estate company. Since 2005, Mr. Guan has established an investment advisory firm and invested in a number of enterprises which engaged in various fields including mining, energy and biotechnology, etc., and acted as a director in those enterprises. Mr. Guan is currently the vice chairman of 浙江宜葆生物科技有限公司(Zhejiang Ecopro Biotech Company, Ltd.) and a director of 霍爾果斯聚視互娛文化產業有限公司(Huoerguosi Poly Entertainment Culture Industry Co., Ltd). He has extensive experience in finance, investment and corporate management.

管志強先生，54歲，於二零一六年九月獲委任為本公司之獨立非執行董事。彼亦為本公司薪酬委員會主席及提名委員會成員。管先生持有華中農業大學農學學士學位及西南財經大學工商管理碩士學位。於一九八四年至一九九六年期間，管先生先後任職於中華人民共和國農業部及國家計劃委員會，隨後加入中國農業發展銀行並擔任多個高級管理人員職務和獲該銀行授予高級經濟師資格。於二零零二年二月至二零零三年三月，管先生擔任新華人壽保險股份有限公司濟南分公司總經理。於二零零三年三月至二零零五年十一月，彼在億城集團股份有限公司(現稱海航投資集團股份有限公司)(一家於深圳證券交易所上市的公司)工作並獲該集團委任為旗下房地產公司的董事長。自二零零五年起，管先生設立一家投資諮詢公司並參股投資多家企業，行業種類包括礦業、能源及生物科技等等，並出任該些企業的董事職務。管先生現時為浙江宜葆生物科技有限公司的副董事長及霍爾果斯聚視互娛文化產業有限公司的董事。彼在金融、投資、企業管理等方面擁有豐富的經驗。

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

SENIOR MANAGEMENT

Mr. Chow Wai Koon, Timothy, aged 47, was appointed as Chief Operating Officer of the Company in January 2015. Mr. Chow is responsible for directing, administering and co-ordinating the operational activities of the Group. He is also responsible for recommending and developing strategies, goals and policies of the Group.

Prior to joining the Company, Mr. Chow devoted almost 20 years to Hewlett-Packard group (“HP”), a leading global IT provider of products, technologies, software, solutions and services. While at HP, Mr. Chow held several senior positions in sales, marketing, business planning and finance in the Asia Pacific region including China, Australia and Singapore.

Mr. Chow has extensive experience in sales and marketing in the Asia Pacific region, particularly China, across consumer, commercial and enterprise customers. In addition, Mr. Chow has robust knowledge of end-to-end systems from research and development, manufacturing and distribution to channel, communication and customer support.

Mr. Chow holds a Master’s Degree in Business Administration from the Macquarie Graduate School of Management, Australia, and a Bachelor’s Degree of Accountancy from the Nanyang Technological University, Singapore.

Mr. Cheng Siu Kwan, aged 47, joined the Company as the Financial Controller in December 2012 and has been appointed as the Company Secretary of the Company in February 2013. Mr. Cheng is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Company, Mr. Cheng held various finance positions at a number of companies listed on The Stock Exchange of Hong Kong Limited and has over 20 years of experience in auditing, finance and accounting.

高級管理人員

招偉權先生，47歲，於二零一五年一月獲委任為本公司的首席運營官。招先生負責指導、管理和協調本集團的營運工作。彼亦負責建議及發展本集團戰略、目標和政策。

在加盟本公司前，招先生致力於惠普（一家提供產品、技術、軟件、解決方案和服務的全球領先資訊科技供應商）近20年。在惠普期間，招先生曾於亞太地區（包括中國、澳洲和新加坡）的銷售、市場營銷、業務規劃和財務方面擔任高級職務工作。

招先生在亞太地區（尤其中國）的消費客戶、商業及大型企業客戶方面均擁有非常豐富的銷售和市場推廣經驗。此外，他在端到端系統的研究與開發、製造及分銷渠道、溝通及客戶支援方面具有豐富的知識。

招先生持有澳洲麥格理大學工商管理學院之工商管理碩士學位及新加坡南洋理工大學會計學士學位。

鄭少群先生，47歲，於二零一二年十二月加入本公司擔任財務總監，並於二零一三年二月獲委任為本公司之公司秘書。鄭先生為英國特許公認會計師公會資深會員及香港會計師公會會員。加入本公司之前，鄭先生曾於多家香港聯合交易所有限公司上市公司出任不同的財務職務，彼於審計、融資及會計方面擁有逾20年經驗。

Biographical Details of Directors and Senior Management 董事及高級管理人員之履歷

Ms. Chan Yuk Fan, aged 53, joined the Group in 1982 and has held a number of leadership roles in the Group's retail, project sales and procurement division. Ms. Chan currently is the Deputy Managing Director of Bun Kee (International) Limited, the pipe trading subsidiary of the Group and is mainly responsible for the leadership, control and long-term business development of the Company. She has extensive experience and knowledge in managing a successful piping distribution operation. She is a member of Lions Club.

Mr. Lai Kui Chung, aged 59, joined the Group in 1979 and is the Warehouse Director of the pipe trading subsidiary, Bun Kee (International) Limited. Mr. Lai is responsible for the warehouse and transportation activities of the Group. He has over 37 years of experience in supervising warehouse and transportation operations. Mr. Lai holds a Certificate in Store Supervision from a technical institute.

Mr. Ku Chun Ming, aged 51, joined the Group in 1993 and is the Sales Director of the pipe trading subsidiary, Bun Kee (International) Limited. Mr. Ku is responsible for the Group's sales operations, new product development and promotion activities including the exhibitions and seminars. He has over 30 years of experience in sales and marketing activities.

陳玉芬女士，53歲，於一九八二年加入本集團，並曾於本集團的零售、項目銷售及採購部門先後擔任領導角色。陳女士現時為本集團管道貿易附屬公司彬記(國際)有限公司之副董事總經理，主要負責領導、監控及公司業務的長遠發展。彼於管理成功的管道分銷營運上具有相當豐富的經驗及知識。彼為獅子會會員。

黎居忠先生，59歲，於一九七九年加入本集團，現時為管道貿易附屬公司彬記(國際)有限公司之倉務董事，負責本集團之倉儲及運輸業務。彼在管理倉庫及運輸營運方面積逾37年經驗，持有工業學院之倉庫管理證書。

古俊明先生，51歲，於一九九三年加入本集團，現時為管道貿易附屬公司彬記(國際)有限公司之銷售董事。古先生負責本集團銷售業務及新產品業務發展，以及市場推廣活動，包括展覽及研討會。彼在銷售及市場推廣業務積逾30年經驗。

Corporate Governance Report

企業管治報告

Softpower International Limited (the “Company”) is committed to maintain a high standard of corporate governance. The board of directors of the Company (the “Board”) and management maintain and enhance the policies and practices of the Company on a timely, transparent, effective and reasonable manner, so as to maintain good, solid and reasonable corporate governance. The Company believes that good corporate governance is not only in the interest of shareholders and investors but also in the interest of the Company. The Company will continue to raise the standard to formalize the best practice of corporate governance as far as we could.

CORPORATE GOVERNANCE CODE

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rule (the “Model Code”). Having made specific enquiry with the directors of the Company (“Directors”), all Directors confirmed that they have fully complied with the required standard as set out in the Model Code during the year ended 31 December 2016.

冠力國際有限公司(「本公司」)致力達致高水平之企業管治。本公司董事會(「董事會」)及管理層維持及提升本公司適時、具透明度、有效及合理的政策及實務，並確保良好、穩固及合理的企業管治。本公司相信良好的企業管治不單只有利於股東及投資者，亦符合本公司的利益。本公司將繼續提高標準，務求制定最佳之企業管治常規。

企業管治守則

截至二零一六年十二月三十一日止年度，本公司已遵守聯交所證券上市規則(「上市規則」)附錄十四《企業管治守則》(「守則」)所載之守則條文規定。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載有關上市發行人董事進行證券交易的標準守則(「標準守則」)。經向本公司董事(「董事」)作出特別查詢後，所有董事已確認，彼等於截至二零一六年十二月三十一日止年內均全面遵守標準守則所載列之所須準則。

BOARD OF DIRECTORS

Composition

The Board comprises seven Directors, including three executive Directors, Mr. Lai Guanglin (the Chairman of the Company), Mr. Yu Ben Ansheng (the Chief Executive Officer of the Company) and Mr. Lai Fulin; a non-executive Director, Mr. U Kean Seng; and three independent non-executive Directors, Mr. Wong Yee Shuen, Wilson, Mr. Chen Wei Wen and Mr. Guan Zhiqiang, one of whom namely, Mr. Wong Yee Shuen, Wilson has appropriate professional accounting experience and expertise. Biographical details of the Directors are set out in the section headed “BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT” of this Annual Report.

On 1 September 2016, Ms. Yang Li resigned as independent non-executive Director of the Company. On the same day, Mr. Guan Zhiqiang was appointed as independent non-executive Director of the Company.

Throughout the year, the Board has at least one-third in number of its members comprising independent non-executive Directors under Rule 3.10A of the Listing Rules.

Each of the non-executive Directors (including the independent non-executive Directors) has entered into a service contract with the Company and appointed for a term of one year. All Directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company.

Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all the independent non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and considers that they are independent.

董事會

組成人員

董事會現時由七名董事組成，包括三名執行董事：Lai Guanglin先生(本公司主席)、俞安生先生(本公司首席執行官)及賴福麟先生；一名非執行董事余建成先生；以及三名獨立非執行董事：黃以信先生、陳偉文先生及管志強先生，其中黃以信先生擁有適當的專業會計經驗及專門知識。每位董事的個人履歷已詳載於本年報之「董事及高級管理人員之履歷」內。

於二零一六年九月一日，楊莉女士辭任本公司獨立非執行董事職務。於同日，管志強先生獲委任為本公司獨立非執行董事。

於整年內，根據上市規則3.10A之規定董事會成員最少三分之一由獨立非執行董事組成。

每名非執行董事(包括獨立非執行董事)均與本公司訂立為期一年任期的服務合同。所有董事須根據本公司之公司細則規定於本公司股東週年大會上輪值退任及重選連任。

每名獨立非執行董事已根據上市規則第3.13條的規定作出有關其獨立性的年度獨立確認。本公司認為所有獨立非執行董事均遵守上市規則第3.13條所列的獨立指引，因此本公司認為彼等為獨立。

Corporate Governance Report

企業管治報告

To the best knowledge of the Company, except that Mr. Lai Guanglin is the elder brother of Mr. Lai Fulin, there is no relationship (including financial, business, family or other material/relevant relationship) among members of the Board.

The Board has balance of skills, knowledge and experience appropriate for the requirements of the business and to complement the Company's corporate strategy. The Board membership is covered by professionally qualified and widely experienced personnel to bring in valuable contributions and different professional advices and consultancy for development of the Company. All Directors have separate and independent access to the advice and services of the senior management and the company secretary with a view to ensuring the board procedures, and all applicable rules and regulations are followed. The principal functions of the Board are to supervise the management of the business and affairs; to approve the strategic plans, investment and funding decision; to review the Group's financial performance and operating initiatives.

The Board, led by the Chairman, is responsible for formulating overall strategy and policies, monitoring and controlling the performance of the Group. In addition to its overall supervisory role, the Board also retains specific responsibilities such as approving financial accounts, approving annual budget, recommending dividend payments, approving policies relating to the Board's compliance, etc. whilst managing the Group's day-to-day operations is the responsibility of the management of the Group (the "Management") such as implementing internal control, business strategies and plans set by the Board, etc.. When the Board delegates certain aspects of its management and administration functions to the Management, it has given clear directions as to the powers of the Management.

就本公司所知，除Lai Guanglin先生乃賴福麟先生之胞兄外，董事會各成員間並無關係(包括財務、業務、家屬或其他重要／相關的關係)。

董事會具備於業務上適當的所需技巧、知識及經驗以配合本公司的公司策略。董事會成員涵蓋具備專業資格及廣泛經驗之人士，為本公司之發展提供不同專業意見及諮詢，並作出寶貴貢獻。所有董事均可自行透過獨立途徑接觸高級管理人員及公司秘書以取得建議及服務，藉以確保遵守董事會程序，以及所有適用規則及規例。董事會之主要功能為監督業務及事務管理；批核策略性計劃、投資及撥付資金決定；以及檢討集團財務表現及經營活動。

董事會在主席領導下，負責制訂整體策略及政策，監察及控制集團的表現，董事會除擔當起全面監督的角色外，同時會執行一些指定職務，如審批財務賬目、審批年度財務預算、建議派發股息及審批有關董事會合規的政策等。而管理集團日常營運乃由本集團管理層(「管理層」)負責，如履行內部監控和由董事會制定的業務策略及計劃等。當董事會將其若干的管理及行政功能方面的權力授予管理層時，已同時就管理層的權力，給予清晰的指引。

Continuous Professional Development

Each newly appointed Director has received comprehensive, formal and tailored induction on appointment so as to ensure that he/she has appropriate understanding of the business and operations of the Group and that he/she is fully aware of his/her responsibilities under the Listing Rules, legal and other regulatory requirements.

The Directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations.

In addition, all Directors are provided with monthly updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

The Directors confirmed that they have complied with the code provision A.6.5 of the Code on Directors' training. During the Year, all Directors have participated in continuous professional development by attending seminars and/or reading materials on the following topics to develop and refresh their knowledge and skills and provided a record of training to the Company.

持續專業發展

各新任董事已於委任時接受全面、正式及為彼而設之就職指引以確保董事對本集團業務及營運有恰當了解，並完全明白彼於上市規則及相關監管規定項下之責任。

董事定期獲知會相關法例、規則及規例之修訂或最新版本。

此外，董事亦獲提供本公司表現、狀況及前景的每月更新資料，以便董事會整體及各董事履行其職務。

董事確認，彼等已遵守守則有關董事培訓之守則條文第A.6.5條。於本年度，全體董事已參與持續專業發展，方式為出席有關以下主題之座談會及／或閱讀材料，以發展及更新彼等之知識及技能，並已向本公司提供培訓記錄。

Name of Directors	董事姓名	Topics on training covered ^(Note) 所涵蓋之培訓主題 ^(附註)
Mr. Lai Guanglin	Lai Guanglin先生	C、F、L、R
Mr. Yu Ben Ansheng	俞安生先生	C、L、R
Mr. Lai Fulin	賴福麟先生	C、L、R
Mr. U Kean Seng	余建成先生	C、L、R
Mr. Wong Yee Shuen, Wilson	黃以信先生	C、F、L、R
Mr. Chen Wei Wen	陳偉文先生	C、L、R
Ms. Yang Li <i>(resigned on 1 September 2016)</i>	楊莉女士 <i>(於二零一六年九月一日辭任)</i>	C、L、R
Mr. Guan Zhiqiang <i>(appointed on 1 September 2016)</i>	管志強先生 <i>(於二零一六年九月一日獲委任)</i>	C、L、R

Note:

C: Corporate Governance
F: Finance and Accounting
L: Listing Rules Updates
R: Other Relevant Regulatory Updates

附註：

C：企業管治
F：財務及會計
L：上市規則的更新
R：其他相關法規的更新

Corporate Governance Report

企業管治報告

ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The position of the Chairman and the Chief Executive Officer of the Company are held by separate individuals. The role of the Chairman is separated from that of the Chief Executive Officer. Such division of responsibilities helps to reinforce their independence and accountability.

The Chairman of the Company, Mr. Lai Guanglin, takes up the role of providing leadership for the Board and ensures that the Board works effectively and discharges its responsibility properly. With the support of executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at board meetings and receive adequate and reliable information in a timely manner. Mr. Lai also ensures that good corporate governance practice is in force from time to time, and all key issues are discussed by the Board in a timely manner.

The Chief Executive Officer of the Company, Mr. Yu Ben Ansheng, is responsible for managing overall daily operations of the Group, the implementation of the Group's development strategies and plans and to perform other responsibilities as assigned by the Board.

BOARD MEETING

The Board meets regularly, and at least four times a year, additional meetings are convened when deemed necessary by the Board. Board members are provided with complete, adequate and timely information to allow the Directors to fulfill their duties properly. In addition, Directors have full access to information on the Group and independent professional advice whenever deemed necessary by the Directors.

In addition, the Chairman and non-executive Directors (including the independent non-executive Directors) meet at least once every year without the presence of executive Directors.

主席和首席執行官的角色

本公司主席及首席執行官的職位由不同人士出任。主席的職責有別於首席執行官。有關分工有助加強他們的獨立和問責性。

本公司主席Lai Guanglin先生擔任董事會之領導角色，確保董事會有效運作及適當履行其職責。在執行董事及公司秘書協助下，主席將確保所有董事均就董事會會議上提出的事項獲得適當說明，並適時獲得充份可靠的資料。Lai先生亦確保不時切實執行優良之企業管治常規，以及董事會及時商討所有重要事宜。

本公司首席執行官俞安生先生負責管理本集團整體日常運作及執行本集團的發展策略及計劃，以及執行由董事會委派的任務。

董事會會議

董事會定期舉行會議，而每年最少舉行四次會議，及於其認為有需要時召開額外會議。董事會成員獲提供完整、充份及適時資料，以便董事可妥善履行彼等之職責。此外，董事可於其認為需要時取得集團資料及獨立的專業意見。

此外，主席每年與非執行董事(包括獨立非執行董事)舉行至少一次沒有執行董事出席的會議。

Corporate Governance Report

企業管治報告

During the year, the Board met regularly and held seven meetings. Notices and board papers were given to all Directors prior to the board meetings in accordance with the Code. The Chairman and non-executive Directors (including the independent non-executive Directors) met once without the presence of executive Directors.

於年內，董事會定期會晤及舉行了七次會議。於舉行董事會會議前，已根據守則之規定向所有董事發出通知及會議文件。主席與非執行董事（包括獨立非執行董事）舉行了一次沒有執行董事出席的會議。

Meetings held in 2016

Details of the Directors' attendance at Board meetings, Board committee meetings and general meetings (including the annual general meeting) respectively held in 2016 are set out as below:

於二零一六年舉行的會議

各位董事於二零一六年分別於董事會會議、董事會轄下委員會會議及股東大會（包括股東週年大會）的出席記錄詳情如下：

	會議舉行次數	Attended/Eligible to attend 出席次數/合資格出席次數				
		Board Meeting 董事會會議	Audit Committee Meeting 審核委員會會議	Nomination Committee Meeting 提名委員會會議	Remuneration Committee Meeting 薪酬委員會會議	General Meeting 股東大會
Number of Meetings Held	會議舉行次數	7	4	2	3	2
Executive Directors	執行董事					
Mr. Lai Guanglin	Lai Guanglin先生	7/7	-	2/2	3/3	2/2
Mr. Yu Ben Ansheng	俞安生先生	7/7	-	-	-	2/2
Mr. Lai Fulin	賴福麟先生	7/7	-	-	-	2/2
Non-executive Director	非執行董事					
Mr. U Kean Seng	余建成先生	7/7	3/4	-	-	2/2
Independent Non-executive Directors	獨立非執行董事					
Mr. Wong Yee Shuen, Wilson	黃以信先生	7/7	4/4	-	-	2/2
Mr. Chen Wei Wen	陳偉文先生	7/7	4/4	2/2	3/3	2/2
Ms. Yang Li <i>(resigned on 1 September 2016)</i>	楊莉女士 <i>(於二零一六年九月一日辭任)</i>	5/5	-	2/2	2/2	2/2
Mr. Guan Zhiqiang <i>(appointed on 1 September 2016)</i>	管志強先生 <i>(於二零一六年九月一日獲委任)</i>	2/2	-	-	1/1	-

Corporate Governance Report

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BOARD COMMITTEES

A number of Board committees, including audit committee, remuneration committee and nomination committee, have been established by the Board to strengthen its functions and to enhance its expertise. All committees have been formed with specific written terms of reference which deals clearly with the respective committees' authorities and duties.

Remuneration Committee

As at the date of this report, the Remuneration Committee comprises three members including one executive Director, namely Mr. Lai Guanglin and two independent non-executive Directors, namely Mr. Chen Wei Wen and Mr. Guan Zhiqiang. It is chaired by Mr. Guan Zhiqiang.

The major roles and functions of the Remuneration Committee are as follows:

- (a) To make recommendations to the Board on the Company's policy and structure for all directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) To make recommendations to the Board on the remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment); and
- (d) To make recommendations to the Board on the remuneration of non-executive directors.

董事會轄下委員會

董事會已成立多個董事會轄下委員會，包括審核委員會、薪酬委員會及提名委員會，以加強其職能及提高其專門技能。所有委員會之組成均訂有具體之書面職權範圍書，清楚說明各委員會的職權及職責。

薪酬委員會

於本報告日期，薪酬委員會由三位成員組成，包括一位執行董事，即Lai Guanglin先生及兩位獨立非執行董事，即陳偉文先生及管志強先生。主席由管志強先生擔任。

薪酬委員會的主要角色及職能如下：

- (a) 就本公司董事及高級管理人員的全體薪酬政策及架構，及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議；
- (b) 因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議；
- (c) 向董事會建議個別執行董事及高級管理人員的薪酬待遇，包括非金錢利益、退休金權利及賠償金額(包括喪失或終止職務或委任的賠償)；及
- (d) 就非執行董事的薪酬向董事會提出建議。

The remuneration package of executive Directors is determined by reference to their duties and responsibilities, experience and the prevailing market conditions. The remuneration package of individual executive Directors includes salary, discretionary bonus and share based payment. Details of the Directors' fee and other emoluments of the Directors of the Company are set out in Note 30 to the financial statements.

The Remuneration Committee has adopted the model that it will review the proposals made by the management on the remuneration of executive Directors and senior management, and make recommendations to the Board. The Board will have final authority to approve the recommendations made by the Remuneration Committee.

The Remuneration Committee held three meetings during 2016, the following major matters were reviewed and discussed in the meetings and recommended to the Board for approval:

- To review the remuneration policy and remuneration packages of Directors and senior management of the Company;
- To consider the bonus arrangement of the Directors and senior management of the Company;
- To review the remuneration package of a newly appointed Director; and
- To review the new service contracts entered into between the Company and non-executive Directors.

Pursuant to the code provision B.1.5 of the Code, the details remuneration of the senior management of the Company by band for the year ended 31 December 2016 was set out in Note 8 to the consolidated financial statements of this Annual Report.

執行董事的薪酬待遇乃根據其職務及職責、經驗以及當前市況而釐定。執行董事的薪酬待遇包括薪金、酌情花紅及以股份為基礎的付款。本公司各董事的袍金及其他酬金的詳情載於財務報表附註30。

薪酬委員會已採納由其檢討管理層所提出有關執行董事及高級管理人員的薪酬建議後，向董事會提出建議的模式。董事會擁有最終權力以批准經薪酬委員會提出的薪酬建議。

薪酬委員會於二零一六年內召開了三次會議，審議及討論以下主要事項，並向董事會提出建議：

- 檢討本公司薪酬政策及董事及高級管理人員之薪酬待遇；
- 考慮本公司董事及高級管理人員分紅安排；
- 審議一名新委任的董事薪酬待遇；及
- 審議本公司與非執行董事訂立新的服務合同。

根據守則條文第B.1.5條，本公司高級管理人員於截至二零一六年十二月三十一日止年度的酬金按範圍分析的詳情載於本年報之綜合財務報表附註8。

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Nomination Committee

As at the date of this report, the Nomination Committee comprises three members including one executive Director, namely Mr. Lai Guanglin and two independent non-executive Directors, namely Mr. Chen Wei Wen and Mr. Guan Zhiqiang. It is chaired by Mr. Lai Guanglin, the Chairman of the Board.

In August 2013, the Company adopted the Board Diversity Policy in accordance with the requirement set out in the code provision A.5.6 of the Code. Such policy sets out the approach to achieve diversity on Board. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The major roles and functions of the Nomination Committee are as follows:

- (a) To review the structure, size and composition (board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

提名委員會

於本報告日期，提名委員會由三位成員組成，包括一位執行董事，即Lai Guanglin先生及兩位獨立非執行董事，即陳偉文先生及管志強先生。提名委員會主席由董事會主席Lai Guanglin先生擔任。

於二零一三年八月，本公司根據守則之守則條文第A.5.6條規定採納《董事會成員多元化政策》。該政策列載董事會為達致成員多元化而採取的策略。為達致可持續的均衡發展，本公司視董事會層面日益多元化為支持其達到戰略目標及維持可持續發展的關鍵元素。甄選人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務任期。最終將按人選的長處及可為董事會提供的貢獻而作決定。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。

提名委員會的主要角色及職能如下：

- (a) 至少每年檢討董事會的架構、人數及組成（會從多個方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務任期），並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議；

- | | |
|--|--|
| <p>(b) To identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board;</p> | <p>(b) 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益；</p> |
| <p>(c) To review the Board Diversity Policy, as appropriate, and disclose the Board Diversity Policy or its summary in the corporate governance report of the Company including the measurable objectives set for implementing the Board Diversity Policy and progress made towards achieving these measurable objectives;</p> | <p>(c) 在適當時候檢討董事會成員多元化政策，於本公司的企業管治報告內披露董事會成員多元化政策或政策摘要、包括為執行董事會成員多元化政策而定的可計量目標及達標的進度；</p> |
| <p>(d) To assess the independence of independent non- executive directors; and</p> | <p>(d) 評核獨立非執行董事的獨立性；及</p> |
| <p>(e) To make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors in particular the chairman and the chief executive.</p> | <p>(e) 就董事委任或重新委任以及董事(尤其是主席及行政總裁)繼任計劃向董事會提出建議。</p> |

The Nomination Committee held two meetings during 2016, the following major issues were reviewed and discussed in the meeting:

提名委員會於二零一六年內召開了兩次會議，審議及討論以下主要事項：

- | | |
|--|--|
| <ul style="list-style-type: none"> • To review the structure, size and composition (including the skills, knowledge and experience) of the Board; | <ul style="list-style-type: none"> • 檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)； |
| <ul style="list-style-type: none"> • To review the Board Diversity Policy; | <ul style="list-style-type: none"> • 檢討董事會多元化政策； |
| <ul style="list-style-type: none"> • To make recommendation to the Board for the appointment a Director of the Company; and | <ul style="list-style-type: none"> • 向董事會建議批准董事之委任事宜；及 |
| <ul style="list-style-type: none"> • To evaluate and make recommendation as to the qualification and experience of the directors who were subject to retirement by rotation and re-election at the 2016 annual general meeting. | <ul style="list-style-type: none"> • 對於二零一六年股東週年大會上輪值告退並重選連任的董事的資格和經驗作出評估及建議。 |

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Audit Committee

As at the date of this report, Audit Committee consists of two independent non-executive Directors, namely Mr. Wong Yee Shuen, Wilson and Mr. Chen Wei Wen, and a non-executive Director, namely Mr. U Kean Seng. It is chaired by Mr. Wong Yee Shuen, Wilson who has the appropriate professional qualifications, accounting and financial management expertise.

The major roles and functions of the Audit Committee are as follows:

- (a) To make recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- (b) To monitor integrity of the Company's financial statements and to review significant financial reporting judgements contained in them;
- (c) To review the Company's financial controls, risk management and internal control systems; and
- (d) To discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems.

The Audit Committee held four meetings during 2016 and the following major matters were reviewed and discussed in the meetings:

- To review the annual results of 2015 and the interim results of 2016 and making recommendation to the Board for approval;
- To make recommendation on the re-appointment of the auditor;

審核委員會

於本報告日期，審核委員會由兩位獨立非執行董事黃以信先生及陳偉文先生，以及一位非執行董事余建成先生所組成。黃以信先生擔任審核委員會主席，彼具備合適的專業資格、會計或財務管理相關的專業知識。

審核委員會的主要角色及職能如下：

- (a) 主要負責就外聘核數師的委任、重新委任及罷免向董事會提供建議、批准外聘核數師的薪酬及聘用條款，及處理任何有關該核數師辭職或辭退該核數師的問題；
- (b) 監察本公司的財務報表並審閱報表及報告所載有關財務申報的重大意見；
- (c) 檢討本公司的財務監控、風險管理及內部監控制度；及
- (d) 與管理層討論風險管理及內部監控系統，確保管理層已履行職責建立有效的系統。

審核委員會於二零一六年內召開了四次會議，審議及討論以下主要事項：

- 審閱二零一五年年度全年業績及二零一六年度中期業績，並建議董事會通過；
- 建議續聘核數師；

- To review the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function and their training programme and related budget;
 - To review the risk management and internal control systems;
 - To approve the auditor's fees for audit of 2016 financial statements; and
 - To discuss the audit service plan of 2016.
- 對本集團在會計及財務匯報職能方面的資源、員工資歷及經驗及員工所接受的培訓課程及有關預算是否充足進行檢討；
 - 檢討風險管理及內部監控系統；
 - 審批核數師二零一六年年度財務報告的審計酬金；及
 - 討論二零一六年年度審計服務計劃。

Corporate Governance Functions

The Board has adopted the written terms of reference on corporate governance functions in March 2012 so as to assist the Board performing corporate governance functions. The terms of reference of the Board in respect of corporate governance functions are summarized as follows:

- (a) To develop and review the Company's policies 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 to ensure compliance with legal and regulatory requirements;
 - (d) To develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
 - (e) To review the Company's compliance with the code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules and its disclosure requirements in Corporate Governance Report.
- (a) 制定及檢討本公司企業管治政策及常規；
 - (b) 檢討及監察董事及高級管理人員的培訓及持續專業發展；
 - (c) 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
 - (d) 制定、檢討及監察僱員及董事的操守準則及合規手冊(如有)；及
 - (e) 檢討本公司遵守上市規則附錄十四《企業管治守則》所載之守則條文及於《企業管治報告》所須披露的要求。

企業管治職能

董事會於二零一二年三月已採納企業管治職能並以書面訂立其職權範圍以協助董事會履行本集團之企業管治職能。董事會於企業管治職能的職責如下：

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During the year, the Board has reviewed the Company's corporate governance policies and practices, training and continuing professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the Code and disclosure in the Corporate Governance Report.

This corporate governance report has been reviewed by the Board in discharge of its corporate governance functions.

AUDITOR'S REMUNERATION

The fees charged by the auditor generally depends on the scope and volume of the auditor's work. For the year ended 31 December 2016, the remuneration to the auditor of the Company in respect of audit services was HK\$1,190,000 and fees related to taxation services and other non-audit services amount to HK\$88,000 and HK\$90,000 respectively.

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR FINANCIAL REPORTING

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements. The senior management provides such explanation and information to the Board so as to enable the Board to make an informed assessment of the financial information and position of the Company.

The Directors acknowledge the responsibilities for preparing the accounts of the Company. The responsibilities of the auditor of the Company with respect to the financial statements of the Group is set out in the Independent Auditor's Report on pages 80 to 90.

於本年度，董事會已檢討本公司之企業管治政策及常規，以及董事和高級管理人員之培訓和持續專業發展、本公司在遵守法律及監管規定之政策及常規、遵守《標準守則》，以及本公司遵守《企業管治守則》及《企業管治報告》之披露情況。

為履行企業管治職責，董事會已審閱本企業管治報告。

核數師薪酬

核數師收取的費用一般視乎範圍及其工作量而定。截至二零一六年十二月三十一日止年度，就本公司核數師所提供的審核服務費用為1,190,000港元，以及稅務和其他非審核服務費用分別為88,000港元及90,000港元。

董事及核數師之財務申報責任

董事會負責提呈一份平衡、清晰易明之年報及中期報告、內幕消息公告以及按上市規則及其他監管規定要求之其他披露。高級管理人員負責向董事會提供解釋及資料，讓董事會能夠對本公司之財務資料及狀況進行有根據之評審。

董事知悉其有編製本公司賬目的責任。本公司核數師就有關本集團財務報表之責任列載於第80至90頁的獨立核數師報告。

GOING CONCERN

The Directors, having made appropriate enquiries, consider that the Company has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the financial statements.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining an adequate system of risk management and internal controls within the Group and for reviewing their effectiveness. The systems of risk management and internal control are designed to facilitate effective and efficient operations, to safeguard assets and to ensure the quality of internal and external reporting and compliance control and risk management functions. It is also designed to provide reasonable, but not absolute, assurance that material misstatement or loss can be avoided, and to manage and minimize risks of failure in operation systems.

The Group has set up a risk management system to provide directions in identifying, evaluating and managing significant risks and is reviewed at least on an annual basis. The senior management of the Group identifies risks that would adversely affect the achievement of the Group's objectives, and assesses and prioritizes the identified risks according to a set of standard criteria.

The Board has engaged an independent professional advisor to perform ongoing monitoring of the risk management and internal control review to assess the effectiveness of the financial, operational and compliance controls and risk management functions of the Company and the Group's major subsidiaries on a rotation basis.

持續經營

董事在作出適當查詢後，認為本公司擁有充分資源以在可預見將來繼續經營，故編制財務報表時採用持續經營之基準為適當。

風險管理及內部監控

董事會負責為本集團維持一個充份有效之風險管理及內部控制系統，以及審查其效率。風險管理及內部控制系統乃為推動營運之效能及效率、保護資產、確保內部及外部報告之質素，以及監控法規和風險管理功能而設。內部監控系統旨在合理（而非絕對）保證能夠避免出現嚴重誤報或損失的情況，並管理及減低運作系統上的風險。

本集團已制定風險管理系統，提供識別、評估和管理重大風險的指引，並至少每年檢討一次。本集團的高級管理層會識別對本集團目標的造成不利影響的風險，並根據一套標準準則評估及排列所識別風險的優先次序。

董事會已委聘獨立專業顧問對本公司及本集團之主要附屬公司風險管理進行持續監督及輪流進行內部監控評核，就財務、運作、合規及風險管理等方面之內部監控有效性進行評估。

Corporate Governance Report

企業管治報告

Risk management report and internal control report are submitted to the Audit Committee at least once a year. The Board, through the Audit Committee, had performed annual review on the effectiveness of the Group's risk management system and internal control system, including the scope on risk management and internal control systems, result of internal audit work and status of compliance control.

At the meeting of the Audit Committee held on 20 March 2017, the independent professional advisor reported their review work for the year ended 31 December 2016 performed in accordance with the detailed risk-based internal control review plan which was approved by the Audit Committee and the risk management report was also circulated to the Audit Committee for review. The Board, through the Audit Committee, has conducted a review of the effectiveness of the Group's risk management system and internal control system for the year ended 31 December 2016. The Audit Committee members, together with the senior management, have also reviewed, considered and discussed the risk management system, all findings relating to the internal control system and recommendations for improvement. The Board considers the risk management system and internal control system of the Group were effective and adequate during the year.

The Audit Committee also reviewed and was satisfied with the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting function.

COMPANY SECRETARY

The Company Secretary of the Company is Mr. Cheng Siu Kwan, who is also the Financial Controller of the Company. Mr. Cheng is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He fulfills the requirement under Rules 3.28 and 3.29 of the Listing Rules.

風險管理報告和內部監控報告均至少每年一次提交予審核委員會。董事會已透過審核委員會就本集團的風險管理系統及內部監控系統是否有效進行年度檢討，包括風險管理及內部監控工作範疇、內部審計工作結果，以及合規情況。

就審核委員會於二零一七年三月二十日舉行之審核委員會會議，該獨立專業顧問根據一份以風險為基礎所編制的詳盡內部控制評核計劃（經審核委員會批准），進行截至二零一六年十二月三十一日止年度的評核工作，並向審核委員會匯報，風險管理報告亦已提供予審核委員會審閱。董事會已透過審核委員會檢討截至二零一六年十二月三十一日止年度的集團風險管理系統及內部監控系統的有效性。審核委員會成員以及高級管理層並已檢閱、考慮及討論對有關於風險管理系統和內部監控系統之調查結果及改善之建議。董事會認為本集團的風險管理系統及內部監控系統於本年度是有效且適當。

審核委員會亦檢討了集團處理會計及財務匯報功能的資源、員工資歷和經驗，以及有關員工的培訓及預算開支，並滿意上述各項安排。

公司秘書

本公司之公司秘書為鄭少群先生，彼亦為本公司之財務總監。鄭先生乃英國特許公認會計師公會資深會員及香港會計師公會會員。彼符合上市規則第3.28及3.29條所列之要求。

The Company Secretary is responsible for providing secretarial services to the Board and ensuring the operation of the Company is properly complied with Hong Kong listed companies' regulatory requirements as well as enhancing its corporate governance standards.

All Directors have access to the advice and services of the Company Secretary with a view to ensuring that board procedures and all applicable rules and regulations are followed. Company Secretary is also the secretary of each of Board committees. Minutes of Board meetings and meetings of all Board committees are kept by the Company Secretary and are available for inspection by the Directors at all times.

SHAREHOLDERS' RIGHTS

Right to convene special general meeting

Pursuant to Section 74(1) of the Bermuda Companies Act and the bye-law 62 of the Bye-Laws of the Company, the shareholder(s) of the Company holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company may request the Board to convene a special general meeting. The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company and its head office and principal place of business in Hong Kong for the attention of Company Secretary and may consist of several documents in like form each signed by one or more requisitionists. If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

公司秘書負責為公司董事會提供秘書服務，保障公司運作符合香港上市公司的相關規範，提升公司管治水平。

所有董事均可獲得公司秘書的意見和服務，確保董事會程序及所有適用規則及規例均獲得遵守。公司秘書同時兼任董事會轄下各委員會的秘書。董事會及董事會轄下各委員會的會議記錄由公司秘書備存，並隨時供董事查閱。

股東權利

召開股東特別大會之權利

根據百慕達公司法第74(1)及本公司之公司細則第62條，倘本公司股東於遞交請求當日持有於遞交請求當日有權於本公司股東大會投票之本公司繳足股本不少於十分一，則可召開股東特別大會。呈請人遞交之書面請求須列明大會目的，並由呈請人正式簽署，郵寄及送交本公司的註冊辦事處及其位於香港的總辦事處及主要營業地點，註明收件人為公司秘書，並可一式多份，且每份由一名或多名呈請人簽署之文件組成。倘於遞交要求日期起計二十一日內，董事未有正式召開有關大會，則遞交要求人士(或當中持有彼等全體總投票權一半以上之任何人士)可自發召開有關大會，惟任何據此召開之大會均不得於上述日期起計三個月期間屆滿後舉行。

Corporate Governance Report

企業管治報告

Right to put enquiries to the Board

Shareholders should direct their enquiries about their shareholdings to the Company's share registrar. Other shareholders' enquiries can be directed to the head office and principal place of business of the Company in Hong Kong as set out in the "CORPORATE INFORMATION" section of this Annual Report for the attention of Company Secretary.

Right to put forward proposals at general meetings

Pursuant to Sections 79(1) and 79(2) of the Bermuda Companies Act, on the requisition in writing of either (i) any number of members of the Company representing not less than one-twentieth of the total voting rights of all the members having at the date of the requisition a right to vote at the meeting to which the requisition relates; or (ii) not less than one hundred members, the Company shall, at the expense of the requisitionists unless the Company otherwise resolves:

- (a) to give to members of the Company entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting;
- (b) to circulate to shareholders entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

向董事會作出查詢之權利

股東如對名下持股有任何問題，應向本公司的之股份過戶登記處提出。股東其他查詢可發送至本年報「公司資料」一節所載本公司香港之總辦事處及主要營業地點，並註明收件人為公司秘書。

於股東大會提出議案之權利

根據百慕達公司法第79(1)及79(2)條，在(i)於遞交要求當日持有不少於全體股東(其賦有於要求所涉股東大會上投票之權利)總投票權二十分之一之任何數目本公司股東；或(ii)不少於一百名股東以書面方式提出要求下，本公司將會(除非本公司另行議決，有關費用將由遞交要求人士承擔)：

- (a) 向有權接收下一屆股東週年大會通告之本公司股東發出通知，以告知任何可能於該大會上正式動議並擬於會上動議之決議案；
- (b) 向有權接收任何股東大會通告之股東傳閱不超過一千字之陳述書，以告知該大會上提呈之決議案所述事宜或將處理之事項。

A copy or copies of requisition signed by all requisitionists shall be deposited, with a sum reasonably sufficient to meet the Company's expenses in giving notice of the proposed resolution or circulating any necessary statement, at the registered office of the Company and its head office and principal place of business in Hong Kong in the case of:

- (i) a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
- (ii) any other requisition, not less than one week before the meeting.

The Company will verify the requisition and upon confirming that the requisition is proper and in order, the Board will proceed with the necessary procedures.

COMMUNICATIONS WITH SHAREHOLDERS

The Board is obliged to provide regular, effective and fair communication with the shareholders and the investors of the Company. Latest information is conveyed to the Shareholders and the investors of the Company on a timely basis.

A Shareholder Communication Policy (the "Policy") was adopted by the Company in March 2012. The Policy aims to set out the provisions with the objective of ensuring that the latest information of the Company is conveyed to the Shareholders and investors on a timely basis. The Company uses a range of communication tools to ensure the Shareholders and the investors are kept well informed of key business imperatives.

於下列情況，向本公司的註冊辦事處及其位於香港的總辦事處及主要營業地點呈遞由所有請求人簽署之請求書副本或多份副本，並應繳交足以滿足本公司發布有關建議決議案之通告或傳送任何必要聲明所需費用之合理款項：

- (i) 倘屬要求發出議案通告的請求書，則須於有關會議舉行前不少於六個星期；及
- (ii) 倘屬任何其他請求書，則須於有關會議舉行前不少於一個星期。

本公司將核證有關請求書，一旦確認請求適合及妥當，董事會將着手進行必要程序。

與股東之溝通

董事會有義務經常與本公司股東及投資者進行公平而有效之溝通，並及時向本公司股東及投資者傳達最新資料。

本公司於二零一二年三月已採納一份股東溝通政策（「該政策」）。該政策所載條文旨在確保本公司可及時向股東及投資者傳達本公司的最新資料。本公司會使用各種溝通工具，以確保其股東及投資者充分瞭解關鍵業務需要。

Corporate Governance Report

企業管治報告

Disclosure of Information

Information shall be communicated to Shareholders and the investors mainly through the Company's financial reports (interim report and annual report), annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") and its corporate communications and other corporate publications on the Hong Kong Stock Exchange's website and the Company's website.

General Meeting

Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. Shareholders' views on matters that affect the Company are welcome by the Board at shareholders' meetings. Shareholders of the Company are notified of shareholders' meetings through notices and reports or circulars sent to them. Each item of special business in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution. A separate resolution is proposed by the chairman of the meetings in respect of each separate issue, including the re-election of Directors.

The Chairman of the Board and Chairmen of the Audit Committee, Remuneration Committee and Nomination Committee or failing him/her, his/her duly appointed delegate, are available at the annual general meeting to answer questions with regard to the work of these committees.

信息披露

本公司向股東及投資者傳達資訊的主要渠道為：本公司的財務報告(中期報告及年度報告)；股東週年大會及其他可能召開的股東大會；並將所有呈交予香港聯合交易所有限公司(「香港聯交所」)的披露資料，以及公司通訊及其他公司刊物登載在香港聯交所網站及本公司網站。

股東大會

本公司鼓勵股東參與股東大會，如未克出席，可委派代表代其出席並於會上投票。董事會歡迎股東在股東大會上就影響本公司之事項，提出其觀點及意見。本公司股東通過寄發予彼等之通告及報告或通函獲知會召開股東大會之消息。必要時，大會通告中載列之每一項特別事項，均為提呈通過之決議案附有解釋說明。會議主席應就每項獨立的事宜個別提出決議案(包括重選董事)。

董事會主席及審核委員會、薪酬委員會及提名委員會之主席或其適當委任的代表出席股東週年大會，以便回答股東對委員會工作之提問。

Voting by Poll

Save as provided under the Listing Rules, resolutions put to vote at the general meetings of the Company (other than procedural matters) are taken by poll. Procedures regarding the conduct of the poll are explained to the shareholders at the commencement of each general meeting, and questions from shareholders regarding the voting procedures are answered. The poll results are posted on the respective websites of the Company and the Hong Kong Stock Exchange on the same day of the poll.

INVESTOR RELATIONS

The Company maintains a website (www.softpower.hk) where information and updates on the list of Directors and their roles and functions, constitutional documents, terms of reference of the Board committees, procedures for shareholders to propose a person for election as a director, announcements, circulars and reports, etc. released to the HKExnews' website (www.hkexnews.hk) and other information are posted. Information on the Company's website will be updated from time to time. A dedicated email address (ir@softpower.hk) for investor enquiry is set out in the "Contact Us" section on the Company's website.

Constitutional Documents

During the year, there was no significant change to the Company's constitutional documents.

以投票方式進行表決

除上市規則另有規定外，任何在本公司股東大會上提呈的決議案（就程序方面的決議案除外）均以投票方式進行表決。每次股東大會開始時均向股東解釋表決過程，並解答股東就投票程序的提問。投票結果於投票當日分別刊載於本公司及香港聯交所之網站上。

投資者關係

本公司設有網站 (www.softpower.hk)，登載本公司之最新資訊和於香港聯交所披露易網站 (www.hkexnews.hk) 刊發之董事名單與其角色及職能、憲章文件、董事會轄下委員會職權範圍書、股東提名候選董事的程序、公告、通函及報告等，以及其他信息。本公司網站上之資訊將不時更新。本公司網站之「聯絡我們」欄目，專設投資者關係電子郵箱 (ir@softpower.hk)。

憲章文件

於年內，本公司之憲章文件並無重大變動。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THE GROUP

Softpower International Limited (“Softpower International” or the “Group”) commenced its business as a pipe’s retail shop. After nearly 70 years of efforts, it has developed into a sizeable company offering a wide range of pipe (including copper tube, stainless steel and steel pipes, etc.), related products, fittings, comprehensive services and solutions.

The products of Softpower International are sold either by wholesale or retail. Softpower International offers goods storage and logistic services for local main contractors and landlords. The Group has also expanded its pipe business gradually from Hong Kong into Macau. Over the years, the Group has supplied pipes for numerous landmark projects in Hong Kong and Macau and has maintained a leading position in the construction sector. Bun Kee (International) Limited (“Bun Kee”), a flagship subsidiary of the Group, mainly engages in the importing and selling of a comprehensive range of pipes, fittings and other related accessories of different materials, applications and brand names in Hong Kong.

As a service-oriented supplier, Softpower International has been widely recognised by customers. By keeping abreast of the needs of customers, it will further streamline its operating model for better efficiency.

關於集團

冠力國際有限公司(簡稱「冠力國際」或「集團」)從一家管材零售店開始，經過將近七十年的努力，現已發展成為一間具規模的企業，提供各類型管道(包括銅管、不銹鋼管和鋼管等)相關產品、配件，全面的服務和解決方案。

冠力國際的產品以批發或零售方式進行銷售，並為本地主要承建商及業主提供儲貨備運服務。集團的管材業務亦由香港逐步發展至澳門地區。多年來，集團已向香港及澳門的多個地標項目供應管材，於建築行業處於領導地位。彬記(國際)有限公司(簡稱「彬記」)是集團的旗艦子公司，主要於香港進口及銷售不同材料、用途及品牌的各種管道、管件及其他相關配件。

作為以服務為先的供應商，冠力國際獲得了廣大客戶的肯定，並將緊貼客戶的需求，進一步簡化其營運模式，以達至高效能及效率。

Environmental, Social and Governance Report

環境、社會及管治報告

Group Structure

Trading of pipes and fittings in Hong Kong and Macau:

集團架構

於香港及澳門之管道及管件貿易業務：



ABOUT THIS REPORT

This report is the first Environmental, Social and Governance Report published by Softpower International. It aims to disclose the measures and performance of the Group in respect of sustainable development in a transparent and open manner, in order to let the stakeholders to enhance understanding of the Group.

Reporting year

All information in this report reflects the performance of Softpower International on environmental protection and social care for the period from January 2016 to December 2016. In the future, the Group will publish Environmental, Social and Governance Report annually. The report will be available for public inspection at any time to consistently promote transparency of information disclosure.

關於本報告

本報告為冠力國際發布的首份《環境、社會及管治報告》，以透明及公開的方式披露集團在可持續發展議題上的措施和績效，增加持份者對集團的了解。

報告年度

報告中的所有資料均反映冠力國際於二零一六年一月至二零一六年十二月期間在環境保護和社會關懷方面的績效。往後，集團將每年定期發布《環境、社會及管治報告》，以供各界隨時查閱，持續提升信息披露的透明度。

Environmental, Social and Governance Report

環境、社會及管治報告

Reporting scope

This report focuses on the trading of pipes and fittings of Softpower International in its principal places of business (i.e. Hong Kong and Macau). It covers three subsidiaries, namely Bun Kee (International) Limited, Hamerwind Logistic Company Limited and Bun Kee Building Material and Equipment (Macao) Company Limited, and includes the operation of an office in Hong Kong, four retail shops in Hong Kong and Macau, and a warehouse in Yuen Long. When the environmental, social and governance work of the Group improves and the data collection system becomes more developed, the Group will extend the scope of disclosure or eventually cover all of its operations. This report does not include disclosure of environmental key performance indicators. The Group will carry out carbon assessment next year, in order to further refine and standardize the reporting indicators.

Reporting standards

This report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) issued by The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”). This report gives a concise overview of the environmental, social and governance performance of Softpower International. The information in this report is derived from official documents and statistics of the Group and based on monitoring, management and operating data provided by subsidiaries in accordance with relevant rules of the Group. This report has been prepared in both Chinese and English, in case of any conflict or inconsistency between the Chinese and English versions, the Chinese version shall prevail.

報告範圍

報告聚焦於冠力國際在其主要營運點(即香港及澳門)的管道及管件貿易業務，內容涵蓋三間子公司：彬記(國際)有限公司、時風物流有限公司及彬記建材及設備(澳門)有限公司，包括香港辦公室、港澳四個門市及元朗貨倉的營運。待集團在環境、社會及管治的工作深化，以及資料收集系統更趨成熟之後，集團將擴大披露的範圍，甚至全面覆蓋集團的所有營運。此報告並不包括環境關鍵績效指標的披露，集團將於明年進行碳評估，進一步將匯報的指標細化和標準化。

報告準則

本報告是依循香港聯合交易所有限公司(簡稱「香港聯交所」)頒布的《環境、社會及管治報告指引》(簡稱「指引」)而編制。報告以精簡的形式概述冠力國際的環境、社會及管治表現。報告中的資料來自集團的官方文件和統計數據，以及根據集團相關制度由旗下公司提供的監測、管理和營運資料整合匯總。本報告以中文及英文兩種文字編製，如中文及英文兩個版本有任何抵觸或不相符之處，應以中文版本為準。

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Feedback

Your valuable advice on the performance and reporting methods of the Group is crucial to the continuous improvement of the Group. You are welcome to send your enquiries or advice about this report by email to ir@softpower.hk for the continuous improvement in the environmental, social and governance work of the Group.

COMMUNICATION WITH STAKEHOLDERS

The Hong Kong Stock Exchange has put forward four reporting principles, namely materiality, quantitative, balance and consistency, in the ESG Reporting Guide as the basis of preparation of the Environmental, Social and Governance Report. As mentioned by the Hong Kong Stock Exchange, the participation of stakeholders serves as the evaluation methods of materiality. The company is able to understand stakeholders' opinions and identify major environmental and social issues through communication with its stakeholders.

In respect of Softpower International, stakeholders refer to groups and individuals that may significantly affect on, or be affected by the business of the Group. Stakeholders of the Group not only include internal employees, the management and the Director but also external parties such as customers, business partners, investors, regulatory authorities and various social communities. The Group has communicated with key stakeholders in different channels over the past year. In the preparation of this report, the Group has engaged professional consultancy to conduct a substantial analysis and considered advices from the consultants on major issues through the management interview so as to formulate the future development in sustainability for the Group.

意見反饋

集團的持續進步有賴閣下對集團的表現及匯報方法發表寶貴意見。如閣下對報告有任何疑問或建議，歡迎將意見經電郵發送至ir@softpower.hk，令集團得以不斷改善環境、社會及管治工作。

持份者溝通

香港聯交所指引中提出了匯報的四項原則，包括：重要性、量化、平衡及一致性，作為編制《環境、社會及管治報告》的基礎。誠如香港聯交所所言，持份者的參與正是用以評估重要性的方法。透過與持份者的溝通，企業能夠了解持份者的意見，識別重要的環境和社會事宜。

對於冠力國際而言，持份者指的是對集團的業務有重大影響，或會受集團業務影響的群體和個人。集團的持份者不僅包括內部的員工、管理層、董事，還包括外部的客戶、業務夥伴、投資者、監管機構及各類型的社區團體等。在過去的一年，集團透過不同渠道與關鍵持份者溝通。是次報告的籌備過程中，集團特意委託專業顧問公司以管理層訪談的形式進行實質性分析，並結合專家顧問的意見釐清匯報的重要議題，以此作為集團可持續發展路向的制定。

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Communications channels with stakeholders during the reporting period

Internal Stakeholders:

- the Directors of the Company
- Management
- Executives
- Employees

External Stakeholders:

- Investors/potential investors
- Banks
- Government/regulatory authorities
- Industrial association
- Suppliers
- Contractors
- Business partners
- Customers
- Intermediaries
- Media

Communication Channels:

Regular/Ad-hoc meetings, letters, e-mail, telephone, seminars, site visits, company website, internal communication and company activities.

There have been different expectations of stakeholders towards the Group while the business of Softpower International has impacts on them. Looking ahead, the Group will continue to refine the substantial analysis by improving the communication with stakeholders and expand the collection of opinions of stakeholders in various channels. In addition, the Group aims to deliver the contents and information of the report with a quantitative, balanced and consistent reporting principles to cater to stakeholders' expectation.

報告期內的持份者溝通方式

內部持份者：

- 本公司董事
- 管理層
- 行政人員
- 一般員工

外部持份者：

- 投資者／潛在投資者
- 銀行
- 政府／監管機構
- 同業商會
- 供應商
- 承建商
- 業務夥伴
- 客戶
- 中介機構
- 媒體

溝通方式：

定期／不定期會議、書信、電郵、電話、講座、工廠參觀、公司網站、內部通訊及公司活動。

冠力國際的業務影響著不同持份者，而持份者對集團也有著不同的期望。未來，集團將持續並擴大持份者的溝通，透過不同形式更廣泛地收集持份者的意見，令實質性分析更完備。同時，集團也會更多地考慮量化、平衡及一致性的匯報原則，以更符合持份者期望的方式，界定報告的內容及資訊的呈現。

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MESSAGE FROM EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

“Every change, even a single minor change, represents a significant step forward in the long term prospect of the Group.”

Since its commencement of operation in 1949, Softpower International has operated root in Hong Kong for over 65 years and become a leader in the pipe market. This report not only marks a new milestone of the Group in environment, social and governance, but also provides a new driver of sustainable development through comprehensive business overview and achieve higher expectations and value for stakeholders and shareholders respectively.

The Group is aware of the long-term severe impact of global warming on human society and natural environment and recognises the trend of promoting carbon reduction and preventing environmental pollution. As a responsible corporation, the Group has striven to improve the impact of its business operation on the environment and community in addition of strengthening the competitiveness of its brand. Every change, even a single minor change, represents a significant step forward in the long term prospect of the Group.

The Group is determined to implement different environmental measures and policies such as reviewing carbon footprint of the Company and its products, raising the environmental standard of supply chains, encouraging employees active discussion on sustainability issues and participation in community care events and increasing disclosures in environmental key performance indicators in the next report.

執行董事兼首席執行官寄語

「集團邁出的每一步，哪怕是一小步，都可以作出長遠改變。」

冠力國際自一九四九年開始營運，至今已紮根香港超過六十五年歷史，成為管道市場的領導者。此報告不僅象徵了集團在環境、社會及管治方面的嶄新里程碑，而且從通過不同方面的業務回顧，為公司增添可持續發展的新動力，超越各持份者的期望並為股東創造更多價值。

集團了解到全球暖化對人類社會和自然環境的嚴重長期影響，並意識到推動減少碳排放和抑止環境污染乃是大勢所趨。作為負責任的企業，集團在加強品牌的競爭力的同時，必須改善業務營運對環境以及社區的影響。集團邁出的每一步，哪怕是一小步，都可以作出長遠改變。

集團決心繼續實踐不同的環保措施和政策，檢討公司及產品的碳足跡，提高供應鏈的環保標準，鼓勵員工積極討論可持續發展議題及參與社區關懷活動，並於來年的報告中增加環境方面的關鍵績效指標披露。

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The sustainable development of Softpower International requires teamwork of all employees to establish a distinctive role model for the industry and create long-term benefits for the living and working environment for the citizens. With higher expectation on transparency and accountability towards business sector, strengthening information disclosure and cooperating with stakeholders will be the key success factor of the steady growth of the Group.

冠力國際的可持續發展旅程需要所有員工上下一心，不僅為業界樹立超卓的模範榜樣，而且為大家生活和工作的社區及環境創造長遠得益。隨著香港社會對商界在這方面的透明度和問責度的期望不斷提高，增強資訊披露和廣納持份者將會是集團未來「穩步上揚」的成功關鍵。

Yu Ben Ansheng
Executive Director and Chief Executive Officer

執行董事兼首席執行官
俞安生

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ENVIRONMENTAL PROTECTION

Climate change has posed unprecedented challenges to the global economic development. Extreme weathers caused by climate changes directly or indirectly affect different organizations with regard to their ability of obtaining resources and maintaining business operation. In the climate change conference held in Paris in 2015, 195 countries agreed to implement a greenhouse gas emission reducing scheme in order to limit the global temperature rises to well below 2 degrees Celsius. China is also one of the countries that entered into the agreement.

In line with the emission reduction trend in China, the Company has formulated the Environmental Policy to specify the goals and strategies of its environmental management. Apart from complying with environmental protection regulations and the best practices within the industry, the Group strives to conduct its business activities in a way that respects, advocates and promotes the environmental protection principles that are recognised around the world. Its efficient use of natural resources and energy has ensured proper waste disposal and minimised emissions. Meanwhile, the Group adopts a systematic approach in its assessment, monitoring and management of the impacts of its businesses on the environment. The implementation of its environmental protection measures is also reviewed on a regular basis. Furthermore, in order to improve its environmental protection efforts continuously, the Group interacts with its key stakeholders including employees, customers, suppliers and communities with regard to the Environmental Policy. The Group is also considering the possibility of introducing green concept into its advanced technologies and incorporating environmental management into its operation decisions. These initiatives represent its endeavour to ensure that its organic growth is in tandem with the sustainable development of the society.

保護美好環境

氣候變化為全球經濟發展帶來了前所未見的挑戰。氣候變化所帶來的極端天氣直接或間接地影響著不同機構在獲取資源和維持營運的能力。在巴黎的二零一五年氣候變化談判中，一百九十五個國家同意實施溫室氣體減排計劃，令全球溫度升幅控制在攝氏兩度以內。中國也是簽署協議的國家之一。

面對全國減排的大趨勢，冠力國際已制定《環保政策》，訂立環境管理的目標和策略。除遵循環境法規及業界最佳實務守則之外，集團力求旗下業務活動尊重、推廣及促進國際認可的環境原則，善用天然資源及能源，並妥善處理及盡力減少排放物。同時，集團以系統化的模式評估、監控和管理業務的環境影響，定期檢討措施的實施進度，並與員工、客戶、供應商及社區等關鍵持份者，就政策進行雙向溝通，持續改善環保表現。集團積極考慮以綠色的概念引入先進技術，將環境管理納入營運決策中，務求實現自身發展與社會的可持續發展方向一致。

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Paris Agreement became effective from November 2016 with the objective to limit the global temperature rise to well below 2 degrees Celsius compared to pre-industrial level by the end of this century and to further limit the rise to no more than 1.5 degrees Celsius.

EMISSIONS

Softpower International's four shops located in Hong Kong and Macau operate in retail business while there is no prominent emission of pollutants in its Hong Kong's office. As such, the main source of pollutants is from the operation of the warehouses in Yuen Long, Hong Kong. The Group has implemented corresponding management measures with regard to its two main sources of pollutants, being cesspool and septic tank, and exhaust emission of trucks and forklifts.

Cesspool and septic tank waste caused by the operation of the Company are handled properly by companies recognized by Hong Kong Environmental Protection Department. During the reporting period, the Group has not identified any non-compliance related to pollution discharge and waste handling. However, as to the Group, complying with the laws and regulations only meets the basic requirement of its daily operation. Furthermore, the Group aims to pursue a satisfactory reduction in emission by lowering direct or indirect emission of air pollutants, greenhouse gases and other chemicals which will cause damages to the ozone. The Group has implemented a scheme to replace old automobiles two years before. Until this year, almost 40% of trucks have been replaced with Euro V vehicles and 20% of old forklifts have been replaced. Not only does such measure increase the operating efficiency of vehicles and reduce emission of air pollutants, but also effectively reduce fuel oil consumption and emission of other greenhouse gases. In the future, the Group will continue to implement such scheme until all automobiles of the Company are replaced with models which are more efficient in saving energy and reducing emission.

二零一六年十一月，《巴黎協議》正式生效，目的是在本世紀末把全球氣溫上升限制在與工業化前相比上升攝氏2度之內，並致力於進一步控制在攝氏1.5度以內。

排放物

冠力國際位於港澳四個門市的業務為零售性質，而香港的辦公室亦沒有顯著的污染物排放，因此，集團最主要的排放物來自香港元朗貨倉的營運。集團就排放物的兩個來源，即污水池和排糞池，以及貨車和叉車的廢氣排放，實施了針對性的管理措施。

冠力國際業務產生的污水池和排糞池廢物，均交由香港環保署認可的公司妥善處理；在本報告期內，集團並未發現有關排污及廢棄物處理的違規個案。但對於集團而言，守法合規只是企業營運的基本要求。在此之上，集團追求更卓越的減排表現，致力減少直接或間接排放的空氣污染物、溫室氣體及其他破壞臭氧層的物質。集團由兩年前開始推行更換舊車計劃，直至今年，已有將近百分之四十的貨車更換成歐盟五期型號，以及更換了百分之二十的舊叉車。此措施除了提升車輛的運作效率，減少黑煙廢氣的排放，更能有效減少燃油消耗和溫室氣體的排放。未來，集團會繼續推行計劃，直至所有公司車輛均換成更節能減排的型號。

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USE OF RESOURCES

Improving efficiency of use of resources is also one of the key goals of the Environmental Policy of Softpower International. In addition to fuel oil consumption of automobiles, the major consumption of resources of the Group is the electricity consumption in operating premises. In this regard, the Group has actively promoted energy saving concepts and reminds its employees to turn off lights, air-conditioners and other electricity-consumed equipment when offices are not in use. Another key consumption of resources of the Group is the use of papers. The Group promotes the use of electronic communication, while employees are encouraged to print on both sides of papers and reuse them when printing is necessary in order to reduce waste.

The Environment and Natural Resources

Due to the business nature, except the waste disposal, emission of greenhouse gases and use of resources mentioned above, the business operation of Softpower International has not caused material and direct impact on the environment and natural resources.

Nevertheless, the Group has continued to strictly comply with the laws and regulations regarding environment protection in its daily operation, closely monitor and evaluate the impacts of its business on the environment to ensure the timely identification, monitoring and management of key environmental matters. The effectiveness of the environmental protection measures relies on the support from stakeholders. Therefore, the Group strives to ensure its employees understand the objectives of the Environmental Policy, encourage suppliers to carry out their businesses in a sustainable way, disclose relevant information of its environmental performance to the public, and actively participate in activities which are held by green organizations to achieve continuous improvement.

資源使用

提高資源的使用效益，亦是冠力國際《環保政策》的重點之一。除了車輛的燃油消耗之外，與集團最密切相關的資源消耗就是營運場所的電力使用。因此，集團積極推廣節約用電的意識，提醒員工在無需使用辦公空間時，關掉電燈、空調和其它耗電設備。另外一項集團消耗最多的資源就是辦公用紙，因此集團提倡使用電子通訊，若有需要打印時，亦鼓勵員工採用雙面印刷及重用紙張，以減少浪費。

環境及天然資源

因業務性質使然，除了上述的廢棄物、溫室氣體排放和資源使用外，冠力國際在營運領域中並沒有對環境及天然資源造成重大的直接影響。

儘管如此，集團在日常營運中依然嚴格遵循環境保護相關的法律法規，密切留意及評估業務對環境的影響，以確保能及時識別、監控及管理重要的環境事項。環保措施的成效亦取決於持份者的支持；因此，集團致力確保員工清楚《環保政策》的目標，鼓勵供應商以可持續發展的方式經營業務，並向社區公開環境表現相關資料，積極參與環保團體舉辦的活動，達至持續改善。

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In order to become a green enterprise and to ensure climate change as the core strategy of Softpower International, the Group will study the possibility of the establishment of Environmental Protection Committee, incorporate environmental management into its operation decisions and refine internal guidelines related to environment protection. In the long term, the Group will formulate a sustainable developmental strategy and roadmap to actively promote different environmental protection initiatives.

SOCIAL RESPONSIBILITIES

Employment and Labour Practices

Employment

Employees are the most important assets of Softpower International which lay the foundation of its growth. The Group believes that each employee should be respected. In this regard, the Group has established a clear and fair employment mechanism, and through the terms of the Employment Contract and the Staff Handbook, allows employees to understand their interests and responsibilities. Meanwhile, the Group encourages open communication between the senior management and employees. Its internal communications, employee consultation and complaint mechanism allow employees to understand the company policy and express their opinions.

As an equal opportunity employer, the Group conforms strictly to local laws related to recruitment, such as the Personal Data (Privacy) Ordinance, the Race Discrimination Ordinance, the Sex Discrimination Ordinance, the Family Status Discrimination Ordinance and the Disability Discrimination Ordinance. All recruiting decisions are only made upon job requirements, and no job applicants will be treated unequally due to age, gender, race, religion, marital status, sexual orientation or disability. In addition, the Group strives to avoid discrimination and sexual harassments of any form in workplaces. Definitions, complaint channels, processing

為了成為一家真正的綠色企業，並確保以準備應對氣候變化作為冠力國際業務戰略的核心，集團將研究成立環保委員會，把環保議題納入營運計劃，完善企業內部的環保指引，長遠將制定可持續發展政策和路線圖，積極推動各項環保行動方案。

社會責任

僱傭及勞工常規

僱傭

員工是冠力國際最重視的資產，是企業成長的基石。集團相信每位員工均應受到尊重。因此，集團建立了一套清晰而公平的僱傭機制，並透過《僱傭合約》條款及《員工手冊》，讓員工了解自己的權益與責任。集團同時鼓勵高級管理人員與員工保持開放的溝通，透過內部通訊、員工諮詢及投訴機制，令員工瞭解公司政策，表達意見。

冠力國際作為平等機會僱主，一直嚴謹遵從與招聘有關之當地法例，包括《個人資料(私隱)條例》、《種族歧視條例》、《性別歧視條例》、《家庭崗位歧視條例》及《殘疾歧視條例》等。所有招聘決定只按職位的要求考慮，不會因年齡、性別、種族、宗教、婚姻狀況、性取向或殘疾，而令求職者遭受不公平對待。同時，集團致力避免工作場所中任何形式的歧視及性騷擾，並於《員工手冊》中對有關行為的定義、申訴渠道、處理程序

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procedures and responsible departments related to such acts are clearly defined in the Staff Handbook. The Group has established a complaint mechanism which allows its employees to lodge their complaints in written form to department managers and/or the human resources department. All complaints will be treated confidentially and independently. During the reporting period, the Group has not identified any non-compliance or received any complaints related to employment and labour practices.

With respect to remuneration, promotion, leaves and benefits, there is a comprehensive internal management system within the Group which aims to recognise and encourage positive contribution made by its employees. Each department head should complete a recommendation form for pay rise or promotion on a regular basis. Positions and remuneration will be adjusted annually in accordance with the results performance of the Group, staff attendance record and performance appraisal, as well as external factors such as market salary trend and inflation, after the human resources department has considered the recommendation forms. In addition to maternity leaves and paternity leaves as required under the Employment Ordinance, the Group also provides paid marriage leaves to employees based on their length of service. Moreover, the Group provides full-time employees with various medical benefits such as out-patient subsidies, hospitalisation and operation benefits and 24-hour worldwide emergency assistance services.

Softpower International hopes each employee can strike a balance between work and life. As such, the Group provides its employees with counselling and support services to assist them in handling pressure arising from different aspects, such as career, interpersonal relationship and family. Furthermore, the Group flexibly allows its employees to leave earlier on the certain important festivals or eve of the festivals, organises annual dinners and festival gatherings from time to time to let them relax and enhance their communication. Besides, the Group will present long service awards to the employees who have worked for the Group for a certain period of time during the annual dinner in recognition of their contribution.

及負責部門均有清晰界定。集團設申訴機制，讓員工可以書面形式向部門管理人員及／或人力資源部提出申訴，所有個案均會保密及獨立處理。在本報告期內，集團並無發現與僱傭及勞工常規相關的違規或投訴個案。

在薪酬、晉升、假期及福利方面，集團有一套完善的內部管理制度，認可及鼓勵員工的積極貢獻。各部門主管會定期填寫推薦加薪或晉升申請表，人力資源部考慮申請表中的建議後，會因應集團業績表現、員工考勤記錄和工作表現評估，以及市場薪資趨勢及通貨膨脹等外在因素，每年進行職級及薪酬調整。除根據《僱傭條例》要求提供產假及待產假外，集團還按員工年資提供有薪婚假。此外，集團亦為全職員工提供各項醫療福利，包括門診津貼、醫院及手術保障、二十四小時全球緊急支援服務等。

冠力國際希望每一位員工均能達致工作與生活平衡。因此，集團為員工提供輔導及支援服務，協助他們處理工作、人際、家庭等各方面的壓力。此外，集團更會於若干重要節日或節日前夕，彈性安排員工提早下班，舉辦週年晚會及不定期的節日聚餐，讓員工放鬆身心，增進彼此之間的溝通。服務滿一定年期的員工，集團更會於週年晚會向其獲頒長期服務獎，以表揚其貢獻。

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Health and Safety

Softpower International is of the view that the operating efficiency of a company is closely associated with the work environment. The Group considers its employees' health and safety an important issue and strives to avoid workplace injuries and occupational diseases. To ensure a safe work environment for its employees, the Group should first identify high risk position, and then evaluate the sufficiency and effectiveness of the existing measures, including but not limited to, the regulations and the enforcement, supervision and regular review of such regulations.

The Group pays extra attention to the posts which are mainly involved in machinery operations and physical operations in Yuen Long warehouse during daily operation. The Group has formulated Warehouse Safety Code with regard to crane and forklift operations, road safety, cargo handling, manual handling, placing of tools, personal protective equipment, fire prevention measures and work arrangements under bad weathers, in order to provide its warehouse employees with specific and clear safety instructions. In addition, the human resources department, from time to time, provides the warehouse department with the latest internal instructions, makes suggestions and supplements to the supervisor of warehouse department in connection with the enforcement of the safety codes. The warehouse department head shall also be reminded of recent safety matters that require special attention and shall be provided with improvement suggestions and relevant government information. In case of any workplace injuries, the Group has a processing system which clearly states the procedures for employees on how to report to the Group. The Group has also provided insurance coverage for workplace injuries to all employees pursuant to the Employees' Compensation Ordinance.

Meanwhile, Softpower International is highly concerned about the health of its employees. To ensure a healthy work environment in the office, the Group arranges a cleaning service company

健康與安全

冠力國際認為企業的營運效率與所有員工健康安全的工作環境密切相關。集團將員工的健康及安全視為重要任務，致力防止工傷意外及職業病發生。要保障員工的工作環境安全，集團首先必須識別高風險的工作崗位，然後評估目前的措施是否足夠和有效，這不僅包括規例本身，而且包括對這些規例的執行、監控和定期審查。

在冠力國際的日常營運中，需要特別關注的工作崗位主要在元朗貨倉的機械操作及體力處理操作。集團訂立了《貨倉安全守則》，就吊機及叉車操作、行車安全、貨物裝卸、人力搬運、工具擺放、個人防護裝備，以至防火及雷暴天氣的工作安排等，向貨倉員工提供具體而清晰的安全指引。另外，人力資源部亦會不時為倉務部提供最新的內部指引，向倉務部主管就安全指引的執行作出建議和補充，以及提醒近期需要特別注意的安全事項，並提供改善建議及相關政府資訊。若不幸發生工傷，集團亦設有一套處理體系，清晰列明員工向集團報告的程序。集團亦已根據《僱傭補償條例》為所有員工投保工傷補償保險。

同時，冠力國際亦非常關注員工的健康。為確保辦公室的工作環境健康，集團定期安排清潔公司清洗空調隔塵網，清潔地毯和滅蟲，減低塵蟎、灰塵、黴菌孢子等於室內環境的污染物或致敏

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to regularly clean the filters of air-conditioners, carpets and pest control, and reduce indoor pollutants or allergens such as dust mites, dust and mold spores. This helps improve the indoor air quality and prevent skin and respiratory diseases. Due to the close co-operations among different departments, the Group has not identified any non-compliance with regard to health and safety during the reporting period.

Development and Training

When each new staff of warehouse starts his/her employment, he/she is required to acknowledge receipt of the Warehouse Safety Code to ensure that he/she understands the safety operation requirements. The warehouse department also assigns experienced staff to demonstrate the proper handling of machines and cargos and introduce the Occupational Safety and Health Ordinance and other applicable safety regulations to the new staff. Moreover, the Group arranges its employees to regularly participate in the occupational safety and health training programmes organised by the government or non-government organisations. Nearly half of the warehouse staff of the Group have now obtained the Construction Industry Safety Training Certificate (commonly known as “Green Card”). In 2016, the Group arranged its employees to attend a public seminar related to working in a hot environment organised by the Labour Department with the objective to raise employees’ awareness of outdoor work safety and prevention of heatstroke.

Labour Standards

Softpower International is fully aware that child labour and forced labour violates basic human rights and the International Labour Conventions and threaten social sustainability and economic development. The Group has strictly complied with the Employment Ordinance of Hong Kong and the Labour Relations Law of Macau and other applicable laws. Relevant guidelines are issued on the Staff Handbook to ensure that its staff are aware of all the requirements.

原，有效提升室內空氣質素，亦有助預防皮膚或呼吸道疾病。有賴各部門的緊密合作，在本報告期內，集團並未無發現與健康與安全相關的違規個案。

發展與培訓

於倉務部的新員工入職時，冠力國際會要求員工簽收《貨倉安全守則》，確保員工明白安全操作的要求。同時，倉務部會委派有經驗的員工向新員工示範在處理機器及搬運貨物時的注意事項，並講解《職業安全及健康條例》，及其他相關的安全守則。集團亦會安排員工定期參加由政府或外界機構舉辦的職安健培訓。至今，集團將近一半貨倉員工已擁有建造業安全訓練證明書（俗稱平安卡）。於二零一六年，集團亦為員工安排了由勞工處舉辦的有關酷熱環境工作的公開講座，提升員工的戶外工作安全及防暑意識。

勞工準則

冠力國際充份認識到童工和強制勞工違反基本人權、國際勞工公約，並對可持續的社會和經濟發展構成威脅。集團嚴格遵守香港的《僱傭條例》及澳門的《勞動關係法》等相關法律，並將將有關要求刊載於《員工手冊》，確保所有員工知悉。

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In order to allow recruitment department and officers to have better understanding of its labour policies, Softpower International has provided training to the relevant staff. The age of each job applicant is strictly verified during the recruitment process. Pursuant to its policy, the freedom of choice of occupation is safeguarded so as to ensure that all employment relationships are voluntary. Where the Group changes the form of employment due to its business development, for example, from full time employment to contract employment, the change shall only be valid upon the written consent of both parties. In order to safeguard the rights and interests of employees, where employees are required to work on rest days under emergency circumstances, prior consent from its employees shall be received and compensatory leave shall be provided. During the reporting period, the Group has not identified any non-compliance related to child labour or forced labour.

Softpower International is of the view that compliance with laws is the basic requirement of its daily operations. In the future, the Group will step up promotion of the Policy on Prohibition of Child Labour among its suppliers and other business partners, so as to avoid child labour or forced labour in the supply chain.

The International Labour Organization (ILO) is a specialised agency of the United Nations which promulgates labour standards in the form of International Labour Conventions (ILCs) and Recommendations with the objective of raising working and living standards throughout the world. China is one of the founding member states and permanent members of the ILO. Currently, a total of 41 ILCs are applied to Hong Kong covering issues such as conditions of work and employment policy.

為提升負責招聘的部門及專員對政策的理解，冠力國際提供相應的員工培訓，並嚴格執行招聘程序核實應聘者的年齡。集團的政策亦保障任何人士自由選擇職業的權利，確保集團內所有僱傭關係均為自願。若集團因業務發展而作出僱傭類別之更改，例如由全職轉為合約制，須經勞資雙方以書面形式同意，方為有效。如集團在緊急情況下要安排員工於休息日工作，必須事先得到員工同意，之後亦會安排補假以保障員工權益。在本報告期內，集團並無發現童工或強制勞工的個案。

冠力國際認為，守法合規只是日常營運的基本要求。集團未來將向供應商及其他業務夥伴更多地宣傳和溝通集團的《禁止使用童工政策》，防止在供應鏈中出現童工或強制勞工的情況。

國際勞工組織是聯合國的專門機構，透過國際勞工公約和建議書的形式頒布勞工標準，從而提高世界各地的工作和生活標準。中國是國際勞工組織的創始成員國，也是該組織的常任理事國。而在香港，目前共有四十一項國際勞工公約適用於工作條件、就業政策等事宜。

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OPERATING PRACTICE

Supply Chain Management

Softpower International attaches great importance to the relationship with its suppliers. Through cooperation, the Group hopes to improve the environmental protection and social contribution of the entire supply chain with high corporate ethical standard and persistence in sustainable development. To achieve this goal, the Group has formulated a supply chain management policy for effective management of its supply chain.

In accordance with laws and regulations, the Group requires its suppliers to respect the international principles of fair business practice, human rights, environmental protection, labour safety and prohibiting child labour. Its initiatives begin with procurement where the Group takes into account environmental impacts of products in making procurement decisions. The Group promises to try its best to procure products which are green-labelled, energy-saving or water-saving, harmless and non-toxic, or designed for recycling and reuse.

The Group assesses the environmental protection and social contribution of suppliers when determining cooperation partners. The Group also evaluates its existing suppliers regularly and reviews and improves its assessment scope and criteria from time to time, in response to the public expectation on its environmental protection contribution. In addition, the Group supports fair market competition by encouraging suppliers and contractors to provide environment-friendly products and services at a competitive price. To ensure effective execution of its policies, the Group continues to provide employees with information relating to environment-friendly procurement for deeper understanding of the relationship between environmental issues and procurement. In the future, the Group will regularly review its supply chain management policy and use more environment-friendly products which satisfy its technical needs.

營運慣例

供應鏈管理

冠力國際非常重視與供應商的關係，希望透過彼此合作，以高標準的企業道德要求提升整個供應鏈的環境與社會績效，為可持續發展共同努力。在此目標下，集團建立了一套供應鏈管理政策，對供應鏈進行有效的管理。

在守法合規的基礎上，集團要求供應商尊重公平業務實踐、人權、環境保護、勞工安全及禁止童工的國際原則。從採購開始，集團的採購決策積極將產品的環境影響納入考慮。集團承諾盡最大努力，優先選購獲環保標籤、節能或節水、無害無毒、或設計上鼓勵回收重用的產品。

冠力國際評核供應商的環境及社會表現，以決定合作與否。對於已採用之供應商，集團亦定期進行評審，並不時檢討及提升評核範圍及準則，廣納社會對集團在環保方面的期望。此外，集團鼓勵供應商及承包商以具競爭力的價格提供環保產品及服務，支持市場的公平競爭。為了確保集團政策的有效執行，集團亦持續為員工提供環保採購相關的資訊，使員工更深刻地理解環境問題與採購活動的關係。未來，集團將定期檢討供應鏈管理政策，在滿足技術需求的前提下，採用更多對環境有正面影響的產品。

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Product Responsibility

Softpower International mainly engages in the sale of a wide range of pipes. As a seller of construction materials, the Group has strict requirements for its product specifications and quality.

With an emphasis on the manufacturing process of suppliers, the Group requires product materials to be harmless to health with minimal impact on the environment. To this end, the Group maintains close and two-way communication with suppliers. It also tests the reliability, compatibility and safety standard of products, in order to ensure that products provided by suppliers can obtain relevant certificates and comply with the Waterworks Regulations of the Water Supplies Department in Hong Kong and the Regulations on Water Drainage in Macau, as well as the specifications and quality requirements of customers. The Group also encourages its suppliers to obtain and present internationally-recognised quality and safety marks, so as to further improve the confidence of customers in its products. In case of complaints from customers about product quality, relevant departments of the Group will visit the construction sites of the customers as necessary for investigation and immediate follow-up.

The Group also attaches great importance to customer privacy and intellectual property right. All data and information about customers or business partners received by employees during their employment are confidential, and shall not be used, either directly or indirectly, or disclosed to anyone. The Group wishes to maintain fair market competition and protect the interest of its customers and business partners through employee education. During the reporting period, the Group did not identify any non-compliance case related to product liability.

產品責任

冠力國際主要銷售的產品是各類型的管道。作為建築材料銷售商，集團對產品的規格及質素有著嚴謹的要求。

集團重視供應商的產品製造過程，致力要求產品用料不損害人體健康，對環境造成最少影響。為此，集團與供應商保持緊密、雙向的溝通，並對產品進行可靠度、相容性及安全規格測試，確保供應商所提供的產品獲發相關認證證書，符合香港水務署的《水務設施規例》以及《澳門供排水規章》的規定，同時滿足客戶訂明的規格及質量要求。集團亦積極推動供應商取得及提供國際認可的品質與安全標誌，進一步提高客戶對產品質素的信心。若接到客戶對產品的投訴，集團有關部門亦會按實際需要前往客戶的建築工地進行調查並迅速跟進。

集團對客戶私隱及知識產權亦非常重視。員工於受僱期間獲得任何關於客戶或業務夥伴的數據或資料均為機密資訊，不能直接或間接使用，或向任何人士透露。集團期望透過員工教育，維護市場的公平競爭，保障集團客戶及業務夥伴的利益。在本報告期內，集團並無發現與產品責任相關的違規個案。

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Anti-corruption

With its commitment to integrity, Softpower International pays great attention to the personal characters of job applicants apart from their knowledge and skills during the recruitment process. The Group believes that a reliable team can enhance the sense of belonging of employees and attract more high-quality staff. As such, through its transparent human resource management system, the Group clearly specifies its requirements on issues such as conflict of interest and corruption, so as to foster a corporate culture of integrity and honesty.

Pursuant to the Employment Contract and the Staff Handbook of Softpower International, employees are prohibited from receiving bribes or benefits unless approved by the Group. Rules have also been formulated to specify the measures for dealing with gifts and entertainments of insignificant value. For gifts and entertainments exceeding the maximum value, employees must not accept unless approval is obtained from the management. Employee who intends to provide gifts and entertainments to customers must fill in the "Application Form of Entertainment Expenses" and make relevant explanations. Such application may be approved by the management subject to the local laws and regulations.

The anti-corruption measures of the Group are proven effective. During the reporting period, no litigation was initiated against the Group and its employees. The performance of the Group not only won the trust of customers, but also enhanced the employees' attachment to the Group and created a fair environment for competition.

反貪污

本著「以誠為本」的原則，冠力國際在員工招聘時，除了注重員工的知識和技術，亦非常重視員工的個人品格。集團認為，誠信的團隊不但可加強員工的歸屬感，亦能吸納更多高質素的員工。因此，集團透過公開的人事管理機制，清晰地向員工說明集團對處理利益衝突、貪污賄賂等議題的具體要求，致力推動廉潔誠信的企業文化。

冠力國際的《僱傭合約》及《員工手冊》闡明，員工除非得到集團批准，否則不可收受利益或好處。對於價值不高的禮品及招待，集團定明了處理的細則。對於價值超過上限的禮品和招待，員工必須獲得管理層的批准方可接受。若員工有意向客戶提供餽贈及招待，必須事先填寫「應酬費用申請表」及作出說明，在符合當地法律及法規的原則下由管理層特別審批。

冠力國際的反貪污措施是行之有效的。在本報告期內，集團並沒有出現對本集團及僱員的貪污訴訟案件。集團的實際行動不但贏得客戶的信任，更提升員工的歸屬感和公平競爭。

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COMMUNITY INVESTMENT

Softpower International believes that employees are the major force to improve social well-being and create more social value. In pursuit of its mission of making contribution to the society, the Group encouraged its employees, customers and partners to participate in volunteering or charitable fund-raising activities to serve the community. The idea of repaying the society has long been shared by the Group which has a primary focus on the elderly, teenagers and low-income families.

In October 2016, several employees of the Group voluntarily participated in the “2016 Community Charity Activity” sponsored by The Hong Kong Air Conditioning and Refrigeration Association Limited. During the activity, they distributed free rice to the grassroots families and helped the elderly to replace LED bulbs, totalling approximately 20 hours of volunteering work. They expressed their love and care for eight families and elderly in need.

社區投資

冠力國際相信員工是促進社會福祉，為社會創造更多價值的核心力量。集團秉承「取諸社會，用諸社會」的宗旨，鼓勵員工、甚至顧客及合作夥伴參與義工或慈善籌款活動，為社區服務。集團服務的目標對象主要為長者、青少年及低收入家庭，竭誠推動回饋社會的理念。

於二零一六年十月，集團若干員工便參加了由香港空調及冷凍商會有限公司舉辦的「關懷社區行動2016」義工活動，到訪基層家庭送贈白米，更親身為長者替換LED燈膽。是次活動合共獻出約二十小時，成功為八戶有需要的家庭及長者送上關懷和溫暖。

The Benefit Corporation highlights the idea that enterprises should not only focus on the interests of shareholders, but should also attach emphasis on other issues including employees, environmental protection and social equality. In order to achieve certification as a “Benefit Corporation”, an enterprise must create a material positive impact on the society and the environment; redefine its fiduciary duty and consider the non-financial interests when making decisions; and report its social and environmental performance to the public on an annual basis.

「B型企業」(Benefit Corporation)的概念強調企業除了重視股東利益，還要顧及勞工、環境及社會公平。要成為獲得認證的「B型企業」，企業必須對社會和環境產生重要的積極影響；重新界定其受信責任，並在作出決定時考慮非財務利益；以及每年向公眾報告其整體社會和環境績效。

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in Note 32 to the financial statements.

An analysis of the Group’s performance for the year by operating segments is set out in Note 5 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2016 are set out in the consolidated income statement on page 91.

The board of directors of the Company (the “Board”) does not recommend the payment of a final dividend for the year ended 31 December 2016.

BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group’s future business development, possible risks and uncertainties that the Group may be facing are set out in the sections headed “Chairman’s Statement” and “Management Discussion and Analysis” of this Annual Report.

The details of financial risk management of the Group are set out in Note 3 to the financial statements.

An analysis of the Group’s performance during the year using financial key performance indicators is set out in the section headed “Five-Year Financial Summary” of this Annual Report.

本公司董事(「董事」)欣然提呈其報告連同截至二零一六年十二月三十一日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股，而其附屬公司之主要業務則載於財務報表附註32。

按營運分類之本集團表現之分析載於財務報表附註5。

業績及分派

本集團截至二零一六年十二月三十一日止年度之業績載於第91頁之綜合收益表。

本公司董事會(「董事會」)不建議派付截至二零一六年十二月三十一日止年度之末期股息。

業務回顧

有關本集團本年度業務之回顧及有關本集團未來業務發展之討論，本集團可能面對之潛在風險及不明朗因素載於本年報的「主席報告」及「管理層討論及分析」內披露。

本集團之財務風險管理詳請載於財務報表附註3。

本集團採用主要財務表現指標對其本年度表現之分析載於本年報「五年財務概要」內披露。

Report of the Directors

董事會報告

The compliance with relevant laws and regulations which have a significant impact on the Group is set out in this “Report of Directors” and the section headed “Corporate Governance Report” of this Annual Report.

The details of social responsibilities and services and environmental policies are set out in the section headed “Environmental, Social and Governance Report” of this Annual Report.

DISTRIBUTABLE RESERVES

Details of the distributable reserves of the Company as at 31 December 2016 are set out in Note 29 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in properties, plant and equipment of the Group are set out in Note 13 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in Note 21 to the financial statements.

BORROWINGS

Particulars of borrowings of the Group as at 31 December 2016 are set out in Note 23 to the financial statements.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

對本集團有重大影響的相關法律及規例之遵守情況載於本「董事會報告」內及於本年報的「企業管治報告」內披露。

有關社會責任和服務及環境政策的詳細資料載列於本年報的「環境、社會及管治報告」內披露。

可供分派儲備

於二零一六年十二月三十一日本公司之可供分派儲備之詳情載於財務報表附註29。

物業、廠房及設備

本集團之物業、廠房及設備之變動詳情載於財務報表附註13。

股本

本公司之股本變動詳情載於財務報表附註21。

借貸

本集團於二零一六年十二月三十一日之借貸詳情載於財務報表附註23。

購回、出售或贖回股份

本公司於年內概無贖回其任何股份。本公司及其任何附屬公司於年內概無買賣任何本公司股份。

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws or the Bermuda Companies Act, being the jurisdiction in which the Company was incorporated.

PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries as at 31 December 2016 are set out in Note 32 to the financial statements.

DIRECTORS

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

EXECUTIVE DIRECTORS

Mr. Lai Guanglin (*Chairman*)
Mr. Yu Ben Ansheng (*Chief Executive Officer*)
Mr. Lai Fulin

NON-EXECUTIVE DIRECTOR

Mr. U Kean Seng

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Yee Shuen, Wilson
Mr. Chen Wei Wen
Ms. Yang Li (*resigned on 1 September 2016*)
Mr. Guan Zhiqiang (*appointed on 1 September 2016*)

In accordance with bye-law 99 of the Bye-laws of the Company, Mr. Lai Guanglin and Mr. Lai Fulin will retire from office by rotation at the forthcoming annual general meeting. Mr. Lai Guanglin, being eligible, will offer himself for re-election as a Director. Mr. Lai Fulin has indicated to the Company that he will not offer himself for re-election as a Director at the annual general meeting.

優先認購權

本公司之公司細則或百慕達(本公司註冊成立所在司法權區)公司法中並無有關優先認購權之條文。

主要附屬公司

本公司於二零一六年十二月三十一日之主要附屬公司詳情載於財務報表附註32。

董事

年內及直至本報告日期之本公司董事為：

執行董事

Lai Guanglin先生(主席)
俞安生先生(首席執行官)
賴福麟先生

非執行董事

余建成先生

獨立非執行董事

黃以信先生
陳偉文先生
楊莉女士(於二零一六年九月一日辭任)
管志強先生(於二零一六年九月一日獲委任)

根據本公司的公司細則第99條，Lai Guanglin先生和賴福麟先生須於即將舉行之股東週年大會上輪值退任，惟Lai Guanglin先生符合獲重選連任的資格，並表示願意膺選連任為本公司董事，賴福麟先生已向本公司表示彼將不會在股東週年大會上膺選連任。

Report of the Directors

董事會報告

In accordance with bye-law 102(B) of the Bye-laws of the Company, Mr. Guan Zhiqiang will hold office until the forthcoming annual general meeting and, being eligible, will offer himself for re-election.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each independent non-executive Director an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and the Company considers that all of them are independent.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and senior management are set out in the section headed “Biographical Details of Directors and Senior Management” of this Annual Report.

DIRECTORS’ SERVICE CONTRACT

None of the Directors offering themselves for re-election at the forthcoming annual general meeting of the Company has entered into any service contract with the Company or any of its subsidiaries, which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS’ INTERESTS IN COMPETING BUSINESS

None of the Directors and their respective associates has an interest in any business which competes or may compete with the business in which the Group engaged.

根據公司細則第102(B)條，管志強先生之任期至應屆股東週年大會止，惟有資格並將願意膺選連任。

獨立非執行董事之獨立確認

本公司已接獲各獨立非執行董事根據上市規則第3.13條規定作出獨立性之年度確認，而本公司亦認為彼均具獨立性。

董事及高級管理人員之履歷

董事及高級管理人員之履歷載於本年報的「董事及高級管理人員之履歷」內披露。

董事服務合約

於本公司即將舉行之股東週年大會上願意膺選連任之董事概無與本公司或其任何附屬公司簽訂不可於一年內毋須繳付賠償(法定賠償除外)而終止之任何服務合約。

董事於競爭性業務之權益

董事及彼等各自之聯繫人概無擁有與本集團構成或可能構成競爭之任何業務權益。

SHARE OPTION SCHEME

The share option scheme approved by the shareholders of the Company on 24 June 2004 (the “2004 Scheme”) which expired on 23 June 2014. Thereafter, no further options will be granted under the 2004 Scheme but the subsisting options granted thereunder prior to the expiry date will continue to be valid and exercisable in accordance with the terms of the 2004 Scheme.

At the Annual General Meeting of the Company held on 21 May, 2015, the shareholders of the Company approved the adoption of a new share option scheme (the “2015 Scheme”) under which the directors of the Company may grant options to eligible persons to subscribe for the Company’s shares subject to the terms and conditions as stipulated therein. Unless otherwise cancelled or amended, the 2015 Scheme will remain valid for a period of 10 years from the date of its adoption.

1. The 2004 Scheme

The details of 2004 Scheme are as follows:

(a) Purpose

The purpose of the 2004 Scheme is to provide the Company with a flexible means of giving incentive and/or rewarding the participants.

(b) Participants of the Scheme

The Board may offer to grant options to the participants which means (i) any Director (including any executive director, non- executive director or independent non- executive director) of any member of the Group; (ii) any employee (whether full-time or part-time) of any member of the Group; (iii) any consultant, adviser, supplier, customer or sub-contractor of the Group; and (iv) any other person whatsoever from time to time determined by the Board as having contributed to the development, growth or benefit of the Group.

購股權計劃

本公司股東於二零零四年六月二十四日批准之購股權計劃(「二零零四年計劃」)已於二零一四年六月二十三日屆滿。此後，概無根據二零零四年計劃再授出購股權，但於屆滿日期前根據二零零四年計劃條款授出之購股權將繼續有效並可予以行使。

於二零一五年五月二十一日舉行之本公司股東週年大會上，本公司股東批准採納新購股權計劃(「二零一五年計劃」)，據此，本公司董事可向合資格人士授出購股權，以認購本公司股份，惟須受二零一五年計劃規定之條款及條件所規限。除另行取消或修訂外，二零一五年計劃將自其採納日期起計十年期間維持有效。

1. 二零零四年計劃

有關二零零四年計劃詳情如下：

(a) 目的

二零零四年計劃旨在為本公司提供一個靈活方法，藉以獎勵及／或回報予參與者。

(b) 計劃之參與者

董事會可向參與者授出購股權。參與者乃指(i)本集團各成員公司之任何董事(包括執行董事、非執行董事或獨立非執行董事)；(ii)本集團各成員公司之任何僱員(不論屬全職或非全職)；(iii)本集團任何之專業諮詢人、顧問、供應商、客戶或分包商；及(iv)董事會不時釐定為對本集團之發展、增長或利益作出貢獻之任何其他人士。

Report of the Directors

董事會報告

(c) Total number of shares available for issue under the Scheme

The total number of shares of the Company which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the issued share capital of the Company as at the date of the general meeting of the Company approving the Scheme. The number of shares may be refreshed by the approval of the shareholders and the refreshed limit of the number of shares must not exceed 10% of the issued share capital of the Company as the date of the approval of the refreshed limit. The maximum number of shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company must not exceed 30% of the total number of shares of the Company in issue from time to time.

The total number of shares available for issue upon exercise of all options were granted under the Scheme are 19,300,000 Shares, representing approximately 1.45% of the total number of shares of the Company in issue as at the date of this report.

(d) Maximum entitlement of each participant

Total number of shares of the Company issued and to be issued upon exercise of the options granted to each participant (including exercised or outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue as at the date of grant.

(c) 根據計劃可供發行之股份數目

因行使根據計劃及本公司任何其他購股權計劃將予授出之所有購股權而可發行之股份總數，合共不得超過本公司於股東大會上批准計劃當日已發行股份總數10%。股份數目可由股東批准更新，惟經更新之股份數目上限不得超過批准更新上限之日期本公司已發行股本之10%。因行使根據計劃及本公司任何其他購股權計劃已授出而尚未行使之購股權而可發行之股份數目，合共不得超過不時已發行股份總數之30%。

根據計劃其授出之購股權獲悉數行使時可供發行的股份數目共19,300,000股，佔本公司於本報告日期的已發行股本約1.45%。

(d) 根據計劃每位參與者之最高股份限額

於任何十二個月期間，因行使授予每位參與者之購股權(包括已行使或尚未行使之購股權)而發行及將發行予每位參與者之股份總數，不得超過授出日期已發行股份總數之1%。

(e) Minimum period for options to be held

No minimum period for which an option must be held before it can be exercised unless otherwise specified in the relevant offer letter.

(f) Period and payment on acceptance of options

Pursuant to the Scheme, HK\$10 is payable by the grantee to the Company on acceptance of the option within 28 days from the date of grant of the option.

(g) Basis determining the subscription price

The subscription price of a share in respect of any particular option granted under the Scheme shall be a price determined by the Board and notified to the participants and shall be at least the highest of (a) the closing price of the shares as stated in The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) daily quotation sheet on the date on which the options are deemed to be granted and accepted in accordance with the terms of the Scheme (the “Commencement Date”), which must be a business day; (b) the average closing price of the shares as stated in the Hong Kong Stock Exchange’s daily quotation sheet for the five business days immediately preceding the Commencement Date; and (c) the nominal value of the shares.

(e) 持有購股權之最短期限

除非任何有關要約之條款另有指明外，否則購股權毋須持有最短期限亦可行使。

(f) 接納購股權之期間及付款

根據計劃，承授人須在接納購股權後於授出購股權日期起計二十八日內向本公司支付10港元。

(g) 釐定認購價之基準

根據計劃授出之任何特定購股權之股份認購價，將由董事會酌情釐定，並知會參與者，而認購價應至少為(a)股份於有關購股權被視為按照購股權計劃條款授出及接納當日(「開始日期」)(須為香港聯合交易所有限公司(「香港聯交所」)經營證券買賣業務之日期(「交易日」)在香港聯交所每日報價表所報之收市價；(b)股份於緊接開始日期前連續五個交易日在香港聯交所每日報價表所報之平均收市價；及(c)股份面值三者中之最高者。

Report of the Directors

董事會報告

(h) Life of the Scheme

Subject to earlier termination by the Company at general meeting or by the Board, the life of the Scheme commenced from 24 June 2004, date of adoption, and ended on 23 June 2014.

Details of options granted, exercised, lapsed, cancelled and outstanding under the Scheme during the year (the information of exercise price, number and share price of the Company is disclosed on the basis of the information after the Share Consolidation became effective) are as follows:

(h) 計劃之有效期

除本公司於股東大會上或由董事會提早終止外，計劃之有效期由二零零四年六月二十四日(採納日期)起至二零一四年六月二十三日為止。

於年度內，根據計劃授出、行使、失效、註銷及尚未行使的購股權之詳情(有關行使價、數目及股份價格資料乃根據股份合併生效後的資料所載列)如下：

Name of Directors 董事姓名	Date of grant 授出日期	Exercise Price HK\$ 行使價 港元	Movement during the year 年內變動					Held as at 31 December 2016 於二零一六年 十二月三十一日 持有
			Held as at 1 January 2016 於二零一六年 一月一日 持有	Granted and accepted 已授出 並接納	Exercised 已行使	Lapsed 已失效	Cancelled 已註銷	
Lai Fulin ^(Note 1) 賴福麟 ^(附註1)	3/12/2009	0.71	5,000,000	-	-	-	-	5,000,000
U Kean Seng ^(Note 1) 余建成 ^(附註1)	3/12/2009	0.71	3,000,000	-	-	-	-	3,000,000
Wong Yee Shuen, Wilson ^(Note 1) 黃以信 ^(附註1)	3/12/2009	0.71	1,000,000	-	-	-	-	1,000,000
Chen Wei Wen ^(Note 2) 陳偉文 ^(附註2)	5/5/2010	0.83	1,000,000	-	-	-	-	1,000,000
Yang Li ^(Note 3) 楊莉 ^(附註3) <i>(resigned on 1 September 2016)</i> <i>(於二零一六年九月一日辭任)</i>	8/6/2011	0.392	1,000,000	-	-	1,000,000	-	-
			11,000,000	-	-	1,000,000	-	10,000,000
Employees ^(Notes 1 & 4) 僱員 ^(附註1及4)	3/12/2009	0.71	9,300,000	-	-	-	-	9,300,000
			20,300,000	-	-	1,000,000	-	19,300,000

Notes:

1. The options granted to these grantees are vested in stages and be exercised in the following manner:

Maximum percentage of options exercisable
可行使之購股權最高百分比

20%
20%
20%
20%
20%

2. The options granted to these grantees are vested in stages and be exercised in the following manner:

Maximum percentage of options exercisable
可行使之購股權最高百分比

20%
20%
20%
20%
20%

3. The options granted to this grantee are vested in stages and be exercised in the following manner:

Maximum percentage of options exercisable
可行使之購股權最高百分比

20%
20%
20%
20%
20%

4. Vesting of options granted to certain employees is subject to achievement of profit target.

Details of the fair value of options granted under the Scheme during the year ended 31 December 2016 and the accounting policy adopted for the options are set out in Note 21 and Note 2 to the financial statements respectively.

附註：

1. 授予該等承授人的購股權將分階段歸屬，並按下列方式行使：

Period for exercise of the relevant percentage of the options
行使相關購股權百分比之期限

3/6/2010 – 2/12/2019
3/6/2011 – 2/12/2019
3/6/2012 – 2/12/2019
3/6/2013 – 2/12/2019
3/6/2014 – 2/12/2019

2. 授予該等承授人的購股權將分階段歸屬，並按以下方式行使：

Period for exercise of the relevant percentage of the options
行使相關購股權百分比之期限

5/11/2010 – 4/5/2020
5/11/2011 – 4/5/2020
5/11/2012 – 4/5/2020
5/11/2013 – 4/5/2020
5/11/2014 – 4/5/2020

3. 授予該承授人的購股權將分階段歸屬，並按下列方式行使：

Period for exercise of the relevant percentage of the options
行使相關購股權百分比之期限

8/12/2011 – 7/6/2021
8/12/2012 – 7/6/2021
8/12/2013 – 7/6/2021
8/12/2014 – 7/6/2021
8/12/2015 – 7/6/2021

4. 授予若干僱員之購股權須達到溢利目標方可歸屬予有關僱員。

有關截至二零一六年十二月三十一日止年度根據計劃授出購股權的公允值及有關購股權的會計政策的詳情分別載於財務報表附註21及附註2。

Report of the Directors

董事會報告

2. The 2015 Scheme

The details of 2015 Scheme are as follows:

(a) Purpose

The purpose of the 2015 Scheme is to recognize and acknowledge the contributions or potential contributions made or to be made by the participants to the Group, to motivate the participants to optimize their performance and efficiency for the benefit of the Group, and to maintain or attract business relationship with the participants whose contributions are or may be beneficial to the growth of the Group.

(b) Participants

The Board may offer to grant options to the participants which means (i) any director (including any executive director, non-executive director or independent non-executive director) of any member of the Group; (ii) any employee (whether in full time or part-time employment) of any member of the Group; (iii) any consultant, adviser, supplier, customer or sub-contractor of the Group, and (iv) any other person whatsoever from time to time determined by the Board as having contributed to the development, growth or benefit of the Group.

2. 二零一五年計劃

有關二零一五年計劃詳情如下：

(a) 目的

二零一五年計劃旨在表揚及肯定參與者對本集團已作出或將作出的貢獻或潛在貢獻，激勵參與者以最佳表現及最高效率為本集團締造利益，並維繫或吸引與參與者的業務關係，其貢獻有利於或將會有利於本集團的發展。

(b) 參與者

董事會可向參與者授出購股權。參與者乃指(i)本集團任何成員之任何董事(包括任何執行董事、非執行董事或獨立非執行董事)；(ii)本集團任何成員之任何僱員(不論屬全職或非全職)；(iii)本集團任何顧問、諮詢人、供應商、客戶或分包商；及(iv)由董事會釐定為對本集團之發展、增長或利益作出貢獻之任何其他人士。

(c) Total number of shares available for issue under the Scheme

The total number of shares of the Company which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the issued share capital of the Company as at the date of the general meeting of the Company approving the Scheme. The number of shares may be refreshed by the approval of the shareholders and the refreshed limit of the number of shares must not exceed 10% of the issued share capital of the Company as the date of the approval of the refreshed limit. The maximum number of shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company must not exceed 30% of the total number of shares of the Company in issue from time to time.

The total number of shares available for issue under the Scheme are 133,327,000 Shares, representing 10% of the total number of shares of the Company in issue as at the date of this report.

(d) Maximum entitlement of each participant

Total number of shares of the Company issued and to be issued upon exercise of the options granted to each participant (including exercised or outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue as at the date of grant.

(e) Minimum period for options to be held

No minimum period for which an option must be held before it can be exercised unless otherwise specified in the relevant offer letter.

(c) 根據計劃可供發行之股份數目

因行使根據計劃及本公司任何其他購股權計劃將予授出之所有購股權而可發行之股份總數，合共不得超過本公司於股東大會上批准計劃當日已發行股份總數10%。股份數目可由股東批准更新，惟經更新之股份數目上限不得超過批准更新上限之日期本公司已發行股本之10%。因行使根據計劃及本公司任何其他購股權計劃已授出而尚未行使之購股權而可發行之股份數目，合共不得超過不時已發行股份總數之30%。

根據計劃可供發行的股份數目共133,327,000股，佔本公司於本報告日期的已發行股本10%。

(d) 根據計劃每位參與者之最高股份限額

於任何十二個月期間，因行使授予每位參與者之購股權(包括已行使或尚未行使之購股權)而發行及將發行予每位參與者之股份總數，不得超過授出日期已發行股份總數之1%。

(e) 持有購股權之最短期限

除非任何有關要約之條款另有指明外，否則購股權毋須持有最短期限亦可行使。

Report of the Directors

董事會報告

(f) *Period and payment on acceptance of options*

Pursuant to the Scheme, HK\$10 is payable by the grantee to the Company on acceptance of the option within 28 days from the date of grant of the option.

(g) *Basis determining the subscription price*

The subscription price of a share in respect of any particular option granted under the Scheme shall be a price determined by the Board and notified to the participants and shall be at least the highest of (a) the closing price of the shares as stated in The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) daily quotation sheet on the date on which the options are deemed to be granted and accepted in accordance with the terms of the Scheme (the “Commencement Date”), which must be a business day; (b) the average closing price of the shares as stated in the Hong Kong Stock Exchange’s daily quotation sheet for the five business days immediately preceding the Commencement Date; and (c) the nominal value of the shares.

(h) *Life of the Scheme*

Subject to earlier termination by the Company at general meeting or by the Board, the life of the Scheme commenced from 21 May 2015, the date of adoption, and ended on 20 May 2025.

As at 31 December 2016, no share option was granted by the Company under the 2015 Scheme.

(f) 接納購股權之期間及付款

根據計劃，承授人須在接納購股權後於授出購股權日期起計二十八日內向本公司支付10港元。

(g) 釐定認購價之基準

根據計劃授出之任何特定購股權之股份認購價，將由董事會酌情釐定，並知會參與者，而認購價應至少為(a)股份於有關購股權被視為按照購股權計劃條款授出及接納當日(「開始日期」)(須為香港聯合交易所有限公司(「香港聯交所」)經營證券買賣業務之日期(「交易日」)在香港聯交所每日報價表所報之收市價；(b)股份於緊接開始日期前連續五個交易日在香港聯交所每日報價表所報之平均收市價；及(c)股份面值三者中之最高者。

(h) 計劃之有效期

除本公司於股東大會上或由董事會提早終止外，計劃之有效期由二零一五年五月二十一日(採納日期)起至二零二五年五月二十日止。

截至二零一六年十二月三十一日，本公司並沒有根據二零一五年計劃授出購股權。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES

The interests of the directors in the share options of the Company are separately disclosed in the section headed "SHARE OPTION SCHEME" above.

As at 31 December 2016, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were set out below:

Long positions in the shares and underlying share of the Company

Name of Directors	Capacity	Personal Interests	Corporate Interests	Total	Approximate percentage of shares in issue
董事名稱	身份	個人權益	法團權益	總計	佔已發行股份概約百分比
Lai Guanglin	Interest of controlled corporation 受控制法團權益	–	770,552,120 <i>(Note 1附註1)</i>	770,552,120	57.79%
Yu Ben Ansheng 俞安生	Beneficial owner/Interest of controlled corporation 實益擁有人/受控制法團權益	3,000,000	146,000,000 <i>(Note 2附註2)</i>	149,000,000	11.18%

Notes:

- These shares are held by Singapore Zhongxin Investment Company Limited, which is wholly and beneficially owned by Mr. Lai Guanglin, an executive Director and the Chairman of the Company. Accordingly, Mr. Lai is deemed to be interested in such shares under the SFO.
- These shares are held by King Jade Holdings Limited, which is wholly and beneficially owned by Mr. Yu Ben Ansheng, an executive Director and the Chief Executive Officer of the Company. Accordingly, Mr. Yu is deemed to be interested in such shares under the SFO.

董事於股份、相關股份或債券之權益及淡倉

董事所持本公司購股權的權益於上文「購股權計劃」一節中另行披露。

於二零一六年十二月三十一日，本公司董事及主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中，擁有須登記於本公司根據證券及期貨條例第352條備存之登記冊之權益或淡倉，或須根據上市公司董事進行證券交易的標準守則(「標準守則」)知會本公司及香港聯交所之權益或淡倉如下：

於本公司股份及相關股份之好倉

Personal Interests	Corporate Interests	Total	Approximate percentage of shares in issue
個人權益	法團權益	總計	佔已發行股份概約百分比
–	770,552,120 <i>(Note 1附註1)</i>	770,552,120	57.79%
3,000,000	146,000,000 <i>(Note 2附註2)</i>	149,000,000	11.18%

附註：

- 該等股份由Singapore Zhongxin Investment Company Limited持有，該公司由Lai Guanglin先生(本公司之執行董事兼主席)全資實益擁有。因此，根據證券及期貨條例，Lai先生被視為於該等股份中擁有權益。
- 該等股份由King Jade Holdings Limited持有，該公司由俞安生先生(本公司之執行董事兼首席執行官)全資實益擁有。因此，根據證券及期貨條例，俞先生被視為於該等股份中擁有權益。

Report of the Directors

董事會報告

Save as disclosed above and in the section headed "SHARE OPTION SCHEME" above, as at 31 December 2016, none of the Directors or chief executive or their respective associates had any interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2016, the interests or short positions of the following persons or corporations, other than the Directors or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long position in share and underlying share of the Company

Name of shareholders 股東名稱	Capacity 身份
Singapore Zhongxin Investment Company Limited (Note 1附註1)	Beneficial owner 實益擁有人
Li Juan (Note 2) 李娟(附註2)	Interest of spouse 配偶權益
King Jade Holdings Limited (Note 3附註3)	Beneficial owner 實益擁有人

Notes:

1. Singapore Zhongxin Investment Company Limited is wholly and beneficially owned by Mr. Lai Guanglin, an executive Director and the Chairman of the Company. Accordingly, Mr. Lai is deemed to be interested in such shares under the SFO.
2. Ms. Li Juan, the spouse of Mr. Lai Guanglin, is also deemed to be interested in Mr. Lai's interest in the Company under the SFO.
3. King Jade Holdings Limited is wholly and beneficially owned by Mr. Yu Ben Ansheng, an executive Director and the Chief Executive Officer of the Company. Accordingly, Mr. Yu is deemed to be interested in such shares under the SFO.

除上文及另一節「購股權計劃」所披露者外，於二零一六年十二月三十一日，概無董事或最高行政人員或彼等各自之聯繫人士於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中，擁有須登記於本公司根據證券及期貨條例第352條存置之登記冊之權益或淡倉，或須根據標準守則知會本公司及香港聯交所之權益或淡倉。

主要股東

於二零一六年十二月三十一日，以下人士或法團(上文所披露之本公司董事或最高行政人員除外)於本公司股份及相關股份擁有須登記於本公司根據證券及期貨條例第336條存置之登記冊之權益或淡倉如下：

於本公司股份及相關股份之好倉

Number of shares/ underlying shares held 所持股份/ 相關股份數目	Approximate percentage of shares in issue 佔已發行股份 概約百分比
770,552,120	57.79%
770,552,120	57.79%
146,000,000	10.95%

附註：

1. Singapore Zhongxin Investment Company Limited乃由Lai Guanglin先生(本公司之執行董事兼主席)全資實益擁有。因此，根據證券及期貨條例，Lai先生被視為於該等股份中擁有權益。
2. 根據證券及期貨條例，李娟女士(Lai Guanglin先生之配偶)亦被視為擁有Lai先生於本公司之權益。
3. King Jade Holdings Limited乃由俞安生先生(本公司之執行董事兼首席執行官)全資實益擁有。因此，根據證券及期貨條例，俞先生被視為於該等股份中擁有權益。

Save as disclosed above, as at 31 December 2016, the Company had not been notified by any persons or corporations, other than the Directors or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

MANAGEMENT CONTRACTS

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

DONATIONS

Donations for charitable made by the Group during the year amounted to HK\$8,900.

SHARES ISSUED

The Company has not issued any share during the year ended 31 December 2016.

DEBENTURE ISSUED

The Company has not issued any debenture during the year ended 31 December 2016.

EQUITY-LINKED AGREEMENTS

Save as disclosed under the section headed "SHARE OPTION SCHEME" above, no equity-linked agreements were entered into by the Group, or existed during the year.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Bye-laws, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto.

The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group throughout the year.

除上文披露者外，於二零一六年十二月三十一日，本公司並無獲通知有任何其他人士或法團（不包括本公司董事或主要行政人員）持有本公司股份或相關股份的權益或淡倉而須登記於根據證券及期貨條例第336條規定本公司須備存之登記冊內。

管理合約

年內並無訂立或存在涉及本集團全部或任何重大部分業務之任何管理及行政合約。

捐款

於年內，本集團之慈善捐款合共為8,900港元。

已發行股份

截至二零一六年十二月三十一日止年度，本公司並無發行任何股份。

已發行債權證

截至二零一六年十二月三十一日止年度，本公司並無發行任何債權證。

股票掛鈎協議

除上文「購股權計劃」一節所披露者外，本年度內，本集團並無訂立或存有任何股票掛鈎協議。

獲准許的彌償條文

根據本公司章程細則的規定，本公司的每位董事有權就履行其職責或有關事宜而蒙受或招致的所有損失或責任獲得本公司以其資產彌償。

於年內，本公司已為本集團董事及高級管理人員投購適當的董事及高級管理人員責任保險。

Report of the Directors

董事會報告

MATERIAL INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

Save as the disclosure of related party transactions set out in Note 28 to the financial statements, no Director or an entity connected with Director had a material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during the year.

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS OF SIGNIFICANCE

There was no contract of significance between any members of the Group and the Company's controlling shareholders subsisting at the end of the year or at any time during the year.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the section headed "SHARE OPTION SCHEME" above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

CONTINUING CONNECTED TRANSACTION

As mentioned in the announcement dated 11 May 2016 and the circular dated 15 July 2016 of the Company, on 11 May 2016, Mao Xing Limited, a wholly-owned subsidiary of the Company (the "Lender"), entered into a loan agreement (the "Loan Agreement") with China Victory International Holdings Limited, (the "Borrower"), pursuant to which the Lender has conditionally agreed to grant to the Borrower a loan facility in the amount of up to US\$10,000,000 (equivalent to approximately HK\$77,746,000) upon and subject to the terms and conditions set out therein.

於重要交易、安排或合約之重大權益

除於財務報表附註28所披露之關連人士交易外，於本年度內，概無董事或與董事有關連的實體於本公司、其控股公司或其任何附屬公司或同系附屬公司所訂立之任何對本集團業務屬重要交易、安排或合約中直接或間接擁有重大權益。

控股股東於重大合約之權益

於年結時或年內任何時間本集團任何成員公司與本公司控股股東並無重大合約。

購買股份或債券的安排

除上文「購股權計劃」一節所披露外，於年度內任何時間，本公司或其任何附屬公司概無參與訂立任何安排，致使本公司董事可藉收購本公司或任何其他法團的股份或債券獲益。

持續關連交易

誠如本公司於日期為二零一六年五月十一日之公告及二零一六年七月十五日之通函，於二零一六年五月十一日，本公司之全資附屬公司質興有限公司(「貸款人」)已與中滙國際集團有限公司(「借款人」)簽訂貸款協議(「貸款協議」)，據此，貸款人有條件地同意向借款人給予貸款融資金額上限為10,000,000美元(相當於約77,746,000港元)，須待所載的條款和條件達成後方可作實。

As Mr. Lai Guanglin, an executive Director, the Chairman and a controlling shareholder, holding approximately 57.79% of the issued share capital of the Company, is interested in approximately 48.25% of the issued share capital of the Borrower through his interest in Agria Corporation, the Borrower is an associate of Mr. Lai Guanglin and therefore a connected person of the Company under Chapter 14A of the Listing Rules. As such, the transactions contemplated under the Loan Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The annual caps of the principal loan outstanding for the financial years ended/ending 31 December 2016, 31 December 2017, 31 December 2018 and period ending 1 August 2019 were US\$10,000,000 for each year/period. The annual caps of the interest amounts for financial years ended/ending 31 December 2016, 31 December 2017, 31 December 2018 and period ending 1 August 2019 were US\$450,000, US\$1,100,000, US\$1,100,000 and US\$650,000 respectively (“Annual Caps”). The Annual Caps of the principal loan outstanding and interest amounts were approved by the shareholders of the Company at the Company’s special general meeting held on 1 August 2016.

The independent non-executive directors of the Company have reviewed the continuing connected transaction and confirmed that (i) the entering into of the Loan Agreement, although is not conducted in the ordinary and usual course of business of the Group, is in the interests of the Company and the shareholders as a whole; and (ii) the terms of the loan agreement and the Annual Caps are on normal commercial terms and are fair and reasonable.

The Company’s auditor was engaged to report on the Group’s continuing connected transaction in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants.

由於本公司之執行董事、董事會主席及控股股東Lai Guanglin先生持有本公司已發行股本約57.79%，其持有Agria Corporation已發行股本約48.25%，借款人是Agria Corporation之間接全資附屬公司及Lai Guanglin先生的聯繫人士，因此，根據上市規則第14A章，借款人是本公司的關連人士。故此，根據上市規則第14A章，貸款協議項下擬進行的交易構成本公司之持續關連交易。

截至二零一六年十二月三十一日、二零一七年十二月三十一日、二零一八年十二月三十一日止財政年度及截至二零一九年八月一日止期間，每個年度／期間之未償還貸款本金額年度上限均為10,000,000美元。截至二零一六年十二月三十一日、二零一七年十二月三十一日、二零一八年十二月三十一日止財政年度及截至二零一九年八月一日止期間，利息金額年度上限分別為450,000美元、1,100,000美元、1,100,000美元及650,000美元（「年度上限」）。本公司股東已於二零一六年八月一日舉行的股東特別大會上批准貸款本金額及利息金額之年度上限。

本公司獨立非執行董事已審議該持續關連交易，並確認(i)訂立貸款協議，雖然並非在本集團日常及一般業務過程中進行，但符合本公司及股東全體的利益；及(ii)貸款協議的條款及年度上限乃按一般商業條款訂立，屬公平合理。

本公司核數師獲委聘，根據香港會計師公會頒布之香港核證委聘準則第3000號「審核或審閱過往財務資料以外之核證委聘」及參考實務說明第740號「關於香港《上市規則》所述持續關連交易之核數師函件」，就本集團之持續關連交易作出匯報。

Report of the Directors

董事會報告

The auditor has issued an unqualified letter containing its findings and conclusions in respect of the above mentioned continuing connected transaction in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

Save as disclosed above and in Note 28 to the financial statements, during the year, there were no connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the Listing Rules.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

Purchases

- the largest supplier 28.48%
- five largest suppliers combined 59.87%

Sales

- the largest customer 6.23%
- five largest customers combined 21.88%

None of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Details of the compliance with corporate governance code of the Company are set out in the "CORPORATE GOVERNANCE REPORT" of this Annual Report.

核數師已根據上市規則第14A.56條，就上述持續關連交易發出無保留意見函件，當中載有其對上述持續關連交易之發現及結論。本公司已向聯交所提交核數師函件之副本。

除上述及於財務報表附註28披露中，於年內，本公司概無進行上市規則第14A章界定且須根據上市規則遵守申報、公布或獨立股東批准規定之關連交易或持續關連交易。

主要客戶及供應商

本集團主要供應商及客戶年內分別所佔之採購及銷售百份比如下：

採購

- 最大供應商28.48%
- 五大供應商合計59.87%

銷售

- 最大客戶6.23%
- 五大客戶合計21.88%

各董事、其聯繫人士或任何股東（就董事所知擁有本公司股本5%以上者）概無上述主要供應商或客戶擁有之任何權益。

遵守企業管治守則

有關本公司遵守企業管治守則的詳情載於本年報之「企業管治報告」內。

AUDIT COMMITTEE

The audit committee consists of two independent non-executive Directors, namely Mr. Wong Yee Shuen, Wilson and Mr. Chen Wei Wen, and a non-executive Director, namely Mr. U Kean Seng.

By reference to “A Guide for the Formation of An Audit Committee” published by the Hong Kong Institute of Certified Public Accountants, written terms of reference which describe the authority and duties of the audit committee were prepared and adopted by the Board of the Company.

The annual results have been reviewed by the audit committee of the Company.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITORS

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

By Order of the Board

Lai Guanglin
Chairman

Hong Kong, 24 March 2017

審核委員會

本公司審核委員會由兩位獨立非執行董事黃以信先生及陳偉文先生，以及一位非執行董事余建成先生所組成。

本公司之董事會參照香港會計師公會頒布之「組成審核委員會之指引」，制訂及採納審核委員會之書面職權範圍書，訂明審核委員會的職權及職責。

本公司之審核委員會已審閱全年業績。

足夠公眾持股量

根據本公司可取得之公開資料以及就董事所知，於本報告日期，本公司維持上市規則所規定之既訂公眾持股量。

核數師

本財務報表已獲羅兵咸永道會計師事務所審核，該核數師任滿告退，惟有資格及願意膺選連任。

承董事會命

主席
Lai Guanglin

香港，二零一七年三月二十四日

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

To the Shareholders of Softpower International Limited
(incorporated in Bermuda with limited liability)

致冠力國際有限公司股東
(於百慕達註冊成立的有限公司)

Opinion

意見

What we have audited

我們已審計的內容

The consolidated financial statements of Softpower International Limited (the "Company") and its subsidiaries (the "Group") set out on pages 91 to 171, which comprise:

冠力國際有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第91至171頁的綜合財務報表，包括：

- the consolidated statement of financial position as at 31 December 2016;
 - the consolidated income statement for the year then ended;
 - the consolidated statement of comprehensive income for the year then ended;
 - the consolidated statement of changes in equity for the year then ended;
 - the consolidated statement of cash flows for the year then ended; and
 - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
- 於二零一六年十二月三十一日的綜合財務狀況表；
 - 截至該日止年度的綜合收益表；
 - 截至該日止年度的綜合全面收益表；
 - 截至該日止年度的綜合權益變動表；
 - 截至該日止年度的綜合現金流量表；及
 - 綜合財務報表附註，包括主要會計政策概要。

Independent Auditor's Report

獨立核數師報告

Our opinion

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

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零一六年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。

Independent Auditor's Report

獨立核數師報告

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in our audit are summarised as follows:

- Net realisable value of inventories
- Provision for impairment of trade receivables
- Impairment of loan to a related company

關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

- 存貨的可變現淨值
- 貿易應收賬款減值撥備
- 給予一間關連公司的貸款減值

Independent Auditor's Report

獨立核數師報告

Key audit matter 關鍵審計事項

Net realisable value of inventories

Refer to notes 4 and 16 to the consolidated financial statements.

As at 31 December 2016, inventories of the Group amounted to approximately HK\$159 million. As described in the Basis of preparation and accounting policies in note 2(h) to the consolidated financial statements, inventories are carried at the lower of cost and net realisable value.

Management applied judgment in determining the appropriate provisions for obsolete inventories and inventories with net realisable value below cost. Net realisable value is determined based upon a detailed analysis of the aging of inventories on a product-by-product basis, and with reference to their latest invoice prices and current market conditions. An impairment provision of approximately HK\$23 million has been recorded to reduce the carrying values of certain inventories to their estimated net realisable value.

We focused on this area due to the size of the balances and the judgment involved by management in determining the net realisable value of the inventories.

存貨的可變現淨值

請參閱綜合財務報表附註4及附註16。

於二零一六年十二月三十一日，貴集團的存貨總值約為159百萬港元。如綜合財務報表附註2(h)編製基準及會計政策所述，存貨乃按成本與可變現淨值兩者之較低者列賬。

管理層運用判斷以為過時存貨以及可變現淨值低於成本的存貨釐定適當撥備。可變現淨值是根據對個別產品的庫齡的詳細分析，並參照其最近的發票價格和當前的市場狀況而釐定。存貨已記賬的減值撥備約為23百萬港元，以將若干存貨的賬面價值減少至其估計可變現淨值。

我們關注此範疇是鑑於有關結餘的規模及管理層在釐定存貨的可變現淨值時涉及的判斷。

How our audit addressed the Key audit matter 我們的審計如何處理關鍵審計事項

Our procedures in relation to management's assessment on net realisable value of inventories included:

- We understood and evaluated the appropriateness and consistency of the basis management used in estimating the level of provision for inventories by comparing the historical accuracy of inventory provisioning, on a sample basis, to the realised amount; and the level of inventory write-offs during the year.
- Checked, on a sample basis, the accuracy of inventories aging used by management to estimate the appropriate provision for slow moving and obsolete inventories.
- Performed audit analytics on stock holding and movement data to identify products with indication of slow moving or obsolescence.
- Compared the carrying amounts of a sample of inventories to their net realisable value through a detailed review of sale subsequent to the year end to check for completeness of the associated provision. Where there are no subsequent sales of the respective products after the year end, we challenged management as to the realisable value of the products, corroborating explanations with the aging, sales orders, historical margins and marketability of the respective inventories, as appropriate.

Based on the procedures performed, we found the assumptions of management in relation to assessment on net realisable value of inventories to be supportable by available evidence.

我們對管理層評估存貨可變現淨值所執行的審核程序包括：

- 我們通過以抽樣方式，對比過往存貨撥備與實現金額的準確性，了解並評估管理層在估算存貨撥備水平時所採用的基準，以及年內存貨撇銷水平的適當性及一致性。
- 以抽樣方式，檢查管理層使用的庫齡以估計呆滯和過時存貨的適當撥備的準確性。
- 對持有的存貨和變動數據進行審計分析，以識別有呆滯或過時跡象的產品。
- 通過詳細審查年末後的銷售情況，以抽樣方式將存貨賬面價值與其可變現淨值進行比較，以檢查相關撥備的完整性。對於在年末後未有售出的產品，我們已向管理層就該等產品的可變現價值提出質疑，並透過存貨年期、銷售訂單、過往毛利率及相關存貨的市場可銷售性(如適用)佐證其解釋。

根據所執行的程序，我們發現管理層就評估存貨可變現淨值採用的假設有可得的證據支持。

Independent Auditor's Report

獨立核數師報告

Key audit matter 關鍵審計事項

Provision for impairment of trade receivables
Refer to notes 4 and 17 to the consolidated financial statements.

As at 31 December 2016, the Group held gross trade receivables of approximately HK\$129 million with provision for impairment of trade receivables of approximately HK\$2 million.

Management applied judgement in determining the appropriate provision for impairment of trade receivables. Provisions are determined based upon a detailed analysis of trade receivables aging on a customer-by-customer basis, with reference to their settlement subsequent to the year end, and financial condition of the respective customers. A provision of approximately HK\$2 million has been recorded to reduce the carrying values of certain receivables to their estimated recoverable amounts as at 31 December 2016.

We focused on this area due to the size of the balances and the judgment involved by management in determining the recoverable amounts of the receivables.

貿易應收賬款減值撥備

請參閱綜合財務報表附註4及附註17。

於二零一六年十二月三十一日，貴集團的貿易應收賬款總額約為129百萬港元，而減值撥備約為2百萬港元。

管理層運用判斷以釐定貿易應收賬款的適當減值撥備。撥備是根據個別客戶的貿易應收賬款賬齡的詳細分析，並參考年末結算日後的償付情況，以及有關客戶的財務狀況而確定。已入賬的撥備約為2百萬港元，以將若干應收賬款的賬面價值減少至二零一六年十二月三十一日的估計可收回金額。

我們關注此範疇是鑑於有關結餘的規模及管理層在釐定應收賬款的可收回金額時涉及的判斷。

How our audit addressed the Key audit matter 我們的審計如何處理關鍵審計事項

Our procedures in relation to management's assessment on provision for impairment of trade receivables included:

- We understood and evaluated the controls by which management determined the recoverable amount of receivables and the consistency of the basis and the estimation process.
- Checked, on a sample basis, for the accuracy of trade receivables aging used by management to estimate the appropriate provision for impairment.
- Performed audit analytics on aging profile of trade receivables, and by making reference to settlement received after the year end, if any, to identify aged receivables or potential receivables in dispute for which no provision had been made.
- Where settlement had not been received subsequent to the year end for those older unprovided receivables beyond the credit period as at year end, we challenged management as to the recoverability of these receivables, corroborating explanations with underlying documentation and correspondence with the relevant customer.
- Reviewed the circumstances of all major receivables provided against with reference to their credit terms, overdue period, settlement history, and/or amount in dispute as appropriate to determine the reasonableness of the amount provided.

Based on the procedures performed, we found the assumptions of management in relation to assessment on provision for impairment of trade receivables to be supportable by available evidence.

我們對管理層評估貿易應收賬款的減值撥備所執行的審核程序包括：

- 我們了解及評估管理層對釐定應收款的可收回金額所實施的監控和基礎的一致性以及估計的過程。
- 以抽樣方式，檢查管理層使用應收賬款賬齡以估計適當減值撥備的準確性。
- 對貿易應收賬款賬齡進行審計分析，並參考年末後償付的收款情況(如有)，以識別該等未有作出任何撥備的逾期應收款項或潛在的爭議中應收款項。
- 對於在年結日已超出其信貸期的未撥備逾期應收款項在年末後仍未有付款，我們已向管理層就該等應收款項的可收回性提出質疑，並透過相關客戶的文件憑證和往來信函佐證其解釋。
- 根據信貸期、逾期期限、償付記錄及/或爭議金額(如適用)，以審閱所有主要已撥備的應收款項的情況，以確定作出撥備金額的合理性。

根據所執行的程序，我們發現管理層就評估貿易應收賬款減值撥備採用的假設有可得的證據支持。

Independent Auditor's Report

獨立核數師報告

Key audit matter 關鍵審計事項

Impairment of loan to a related company
Refer to notes 4, 17 and 28 (d) to the consolidated financial statements.

As at 31 December 2016, the Group held a loan to a related company of approximately HK\$78 million.

Management applied judgement in determining the appropriate provision for impairment of loan to the related company. The loan is secured by the entire issued shares of the related company, which are not publicly traded, and guaranteed by a holding company of the related company (the "Guarantor"). The loan is interest bearing and repayable by July 2019 as detailed in note 28(d) to the consolidated financial statements.

Management reviewed the financial conditions of the related company and the Guarantor, taking into account the settlement history of the related interest elements, and concluded that no provision for impairment is required for such loan as at 31 December 2016.

We focused on this area due to the size of the balance and the judgment involved by management in determining the recoverable amount of the loan.

給予一間關連公司的貸款減值
請參閱綜合財務報表附註4、17及28(d)。

於二零一六年十二月三十一日，貴集團持有提供予一間關連公司的貸款約為78百萬港元。

管理層運用判斷以釐定提供予該關連公司的適當減值撥備。該貸款由該關連公司的全部已發行股份（並無公開買賣）作抵押，及由該關連公司的一家控股公司（「擔保人」）提供擔保。該貸款須計息並須於二零一九年七月或之前償還，詳情載於綜合財務報表附註28(d)。

管理層考慮了過往相關利息的償付情況，檢討了該關連公司和擔保人的財務狀況，並總結認為該貸款於二零一六年十二月三十一日無須作減值撥備。

我們關注此範疇是鑑於有關結餘的規模及管理層在釐定該貸款可收回金額所涉及的判斷。

How our audit addressed the Key audit matter 我們的審計如何處理關鍵審計事項

Our procedures in relation to management's impairment assessment on the loan receivable included:

- We reviewed the loan agreement and obtained direct confirmation from the related company on the balance and terms of the loan as at 31 December 2016 with no exception.
- Checked, on a sample basis, the accuracy of interest payment received and whether they are in accordance with the terms of the loan.
- We challenged management as to the recoverability of the loan, corroborating explanations with the latest financial information of the related company and the Guarantor and correspondence with the relevant parties.

Based on the procedures performed, we found the assumptions of management in relation to assessment on provision for impairment of loan to the related company to be supportable by available evidence.

我們對管理層評估該應收貸款的減值所執行的審核程序包括：

- 我們審閱了貸款協議，並直接向該關連公司獲取了於二零一六年十二月三十一日貸款餘額和條款的沒有異議的確認。
- 以抽樣方式，檢查所收到的利息付款的準確性，以及其是否按照貸款的條款支付。
- 我們已向管理層就該貸款的可收回性提出質疑，並透過該關連公司和擔保人的最新財務資料以及與有關人士的往來信函佐證其解釋。

根據所執行的程序，我們發現管理層就評估貸款予該關連公司的減值撥備採用的假設有可得的證據支持。

Independent Auditor's Report

獨立核數師報告

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of 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 disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

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

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

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

董事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布的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

Independent Auditor's Report 獨立核數師報告

Responsibilities of Directors and Audit Committee for the Consolidated Financial Statements (cont'd)

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

董事及審核委員會就綜合財務報表須承擔的責任(續)

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

審核委員會須負責監督貴集團的財務報告過程。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅按照百慕達一九八一年《公司法》第90條向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

Independent Auditor's Report

獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

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

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

核數師就審計綜合財務報表承擔的責任 (續)

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

Independent Auditor's Report 獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

核數師就審計綜合財務報表承擔的責任 (續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

Independent Auditor's Report

獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partner on the audit resulting in this independent auditor's report is Mak Tze Leung, William.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 24 March 2017

核數師就審計綜合財務報表承擔的責任 (續)

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

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

出具本獨立核數師報告的審計項目合夥人是麥子良。

羅兵咸永道會計師事務所
執業會計師

香港，二零一七年三月二十四日

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

		Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收入	5	619,203	611,534
Cost of sales	銷售成本	7	(434,588)	(445,801)
Gross profit	毛利		184,615	165,733
Other losses, net	其他虧損淨額	6	(4,113)	(1,907)
Selling and distribution costs	銷售及分銷成本	7	(20,833)	(23,226)
General and administrative expenses	一般及行政費用	7	(105,172)	(100,971)
Operating profit	經營溢利		54,497	39,629
Finance income	財務收入	9	5,239	1,282
Finance costs	財務費用	9	(1,876)	(1,326)
Finance income/(costs), net	財務收入/(費用)淨額	9	3,363	(44)
Profit before income tax	稅前溢利		57,860	39,585
Tax expense	稅項支出	10	(7,297)	(5,562)
Profit for the year	本年度溢利		50,563	34,023
Profit attributable to:	溢利歸屬於：			
Equity holders of the Company	本公司權益持有人		50,572	34,023
Non-controlling interests	非控股權益		(9)	—
			50,563	34,023
			HK cents 港仙	HK cents 港仙
Earnings per share	每股盈利			
Basic and diluted	基本及攤薄	11	3.79	2.55

The notes on pages 98 to 171 are an integral part of these consolidated financial statements.

第98至171頁之附註為此等綜合財務報表之整體部分。

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

		Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit for the year	本年度溢利		50,563	34,023
Other comprehensive income: <i>Item that will not be reclassified subsequently to profit or loss</i>	其他全面收益： 其後將不會重新歸類到 溢利或虧損之項目			
Actuarial gain/(loss) on post- employment benefit obligations, net of tax	離職後福利債務的精算 收益/(虧損)，扣除 稅項後	22	91	(340)
<i>Item that may be subsequently reclassified to profit or loss</i>	其後可能重新歸類到溢 利或虧損之項目			
Currency translation differences	貨幣換算差額	22	404	246
Other comprehensive income/ (loss) for the year, net of tax	本年度其他全面收益/ (虧損)，扣除稅項後		495	(94)
Total comprehensive income for the year	本年度全面收益總額		51,058	33,929
Total comprehensive income attributable to:	全面收益總額歸屬於：			
Equity holders of the Company	本公司權益持有人		51,067	33,929
Non-controlling interests	非控股權益		(9)	—
			51,058	33,929

The notes on pages 98 to 171 are an integral part of these consolidated financial statements.

第98至171頁之附註為此等綜合財務報表之整體部分。

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2016
於二零一六年十二月三十一日

		Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	5,409	5,619
Loan to a related company	貸款予一間關連公司	17	77,746	–
Pledged certificate of deposit	已抵押存款證	19	10,000	–
Rental deposits and other assets	租賃按金及其他資產	17	6,732	6,635
			99,887	12,254
Current assets	流動資產			
Inventories	存貨	16	159,439	164,114
Trade receivables	貿易應收款項	17	127,180	113,588
Deposits, prepayments and other receivables	按金、預付款及其他應收款項	17	23,625	24,346
Financial assets at fair value through profit or loss	按公允價值計入損益之金融資產	18	1,651	1,672
Tax recoverable	可收回稅項		17	80
Pledged bank deposits	已抵押銀行存款	19	37,000	61,000
Cash and bank balances	現金及銀行結餘	20	149,374	154,360
			498,286	519,160
Total assets	總資產		598,173	531,414

The notes on pages 98 to 171 are an integral part of these consolidated financial statements.

第98至171頁之附註為此等綜合財務報表之整體部分。

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2016

於二零一六年十二月三十一日

		Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
EQUITY	權益			
Equity holders	權益持有人			
Share capital	股本	21	26,665	26,665
Reserves	儲備	22	409,611	358,461
			436,276	385,126
Non-controlling interests	非控股權益		(8)	—
Total equity	總權益		436,268	385,126
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	24	181	137
Other non-current liabilities	其他非流動負債		3,457	3,737
			3,638	3,874
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	25	80,546	66,641
Taxation payable	應付稅項		3,730	2,730
Borrowings	借貸	23	73,991	73,043
			158,267	142,414
Total liabilities	總負債		161,905	146,288
Total equity and liabilities	總權益及負債		598,173	531,414
Net current assets	流動資產淨額		340,019	376,746
Total assets less current liabilities	總資產減流動負債		439,906	389,000

The financial statements on pages 91 to 171 were approved by the board of Directors on 24 March 2017 and were signed on its behalf:

第91至171頁的財務報表已由董事會於二零一七年三月二十四日批核，並代表董事會簽署：

Lai Guanglin
Director 董事

Yu Ben Ansheng 俞安生
Director 董事

The notes on pages 98 to 171 are an integral part of these consolidated financial statements.

第98至171頁之附註為此等綜合財務報表之整體部分。

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 holders of the Company
本公司權益持有人應佔部份

		Share	Share	Capital	Merger	Statutory	Other	Exchange	Share	Retained	Total
		capital	premium	reserve	reserve	reserve	reserve	reserve	based	earnings	
		股本	股份溢價	資本儲備	合併儲備	法定儲備	其他儲備	匯兌儲備	以股份為 基礎的 付款儲備	保留溢利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2015	於二零一五年一月一日	26,665	126,618	34,115	3,700	24	519	457	5,338	153,641	351,077
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	34,023	34,023
Other comprehensive income:	其他全面收益：										
Actuarial loss on post-employment benefit obligations, net of tax	離職後福利債務的精算虧損，扣除稅項後	-	-	-	-	-	(340)	-	-	-	(340)
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	246	-	-	246
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	(340)	246	-	34,023	33,929
Transactions with owners:	與擁有人之交易：										
Share based payment	以股份為基礎的付款	-	-	-	-	-	-	-	120	-	120
Transfer upon lapse of share options	因購股權失效轉撥	-	-	-	-	-	-	-	(192)	192	-
At 31 December 2015	於二零一五年十二月三十一日	26,665	126,618	34,115	3,700	24	179	703	5,266	187,856	385,126

The notes on pages 98 to 171 are an integral part of these consolidated financial statements.

第98至171頁之附註為此等綜合財務報表之整體部分。

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 holders of the Company 本公司權益持有人應佔部份										
		Share capital	Share premium	Capital reserve	Merger reserve	Statutory reserve	Other reserve	Exchange reserve	Share based payment reserve	Retained earnings	Non-controlling interests	Total
		股本	股份溢價	資本儲備	合併儲備	法定儲備	其他儲備	匯兌儲備	以股份為基礎的付款儲備	保留溢利	非控股權益	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2016	於二零一六年一月一日	26,665	126,618	34,115	3,700	24	179	703	5,266	187,856	-	385,126
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	50,572	(9)	50,563
Other comprehensive income:	其他全面收益：											
Actuarial gain on post-employment benefit obligations, net of tax	離職後福利債務的精算收益，扣除稅項後	-	-	-	-	-	91	-	-	-	-	91
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	404	-	-	-	404
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	91	404	-	50,572	(9)	51,058
Transactions with owners:	與擁有人之交易：											
Share based payment	以股份為基礎的付款	-	-	-	-	-	-	-	83	-	-	83
Transfer upon lapse of share options	因購股權失效轉撥	-	-	-	-	-	-	-	(152)	152	-	-
Capital from non-controlling interests	非控股權益的資金	-	-	-	-	-	-	-	-	-	1	1
At 31 December 2016	於二零一六年十二月三十一日	26,665	126,618	34,115	3,700	24	270	1,107	5,197	238,580	(8)	436,268

The notes on pages 98 to 171 are an integral part of these consolidated financial statements.

第98至171頁之附註為此等綜合財務報表之整體部分。

Consolidated Statement of Cash Flows

綜合現金流量表

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

		Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cash flows from operating activities	經營業務之現金流量			
Cash generated from operations	經營業務產生之現金	27	64,538	31,374
Interest paid	已付利息		(1,753)	(1,363)
Interest received	已收利息		3,785	1,440
Income tax paid	已付所得稅		(6,208)	(4,840)
Net cash generated from operating activities	經營活動產生現金淨額		<u>60,362</u>	<u>26,611</u>
Cash flows from investing activities	投資業務之現金流量			
Purchase of property, plant and equipment	購入物業、廠房及設備		(2,500)	(3,913)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	27	106	278
Dividend income from financial assets at fair value through profit or loss	按公允價值計入損益之金融資產之股息收入		113	49
Loan to a related party	貸款予一間關連公司		(77,746)	–
Net cash inflow for disposal of a subsidiary	出售一間附屬公司現金流入淨額		–	4,615
Net cash (used in)/generated from investing activities	投資活動(所用)/產生現金淨額		<u>(80,027)</u>	<u>1,029</u>
Cash flows from financing activities	融資活動之現金流量			
Drawdown of borrowings	提用借貸		376,480	414,232
Repayment of borrowings	償還借貸		(374,368)	(418,306)
Purchase of pledged certificate of deposit	購入已抵押存款證		(10,000)	–
Decrease in pledged bank deposits	抵押銀行存款減少		24,000	7,699
Capital from non-controlling interests	非控股權益資金		1	–
Net cash generated from financing activities	融資活動產生現金淨額		<u>16,113</u>	<u>3,625</u>
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額		(3,552)	31,265
Exchange differences	匯兌差額		(270)	254
Cash and cash equivalents at beginning of the year	年初之現金及現金等價物	20	153,196	121,677
Cash and cash equivalents at end of the year	年終之現金及現金等價物	20	<u>149,374</u>	<u>153,196</u>

The notes on pages 98 to 171 are an integral part of these consolidated financial statements.

第98至171頁之附註為此等綜合財務報表之整體部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

1. General information

Softpower International Limited (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in trading of construction materials, mainly pipes and fittings.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”).

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 24 March 2017.

2. Basis of preparation and accounting policies

The principal accounting policies adopted 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.

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) and under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

1. 一般資料

冠力國際有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要從事建築材料(主要是管道和管件)之貿易。

本公司為一間在百慕達註冊成立之有限公司，註冊辦事處位於Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda。本公司股份在香港聯合交易所有限公司(「香港聯交所」)主板上市。

除非另有所指，本綜合財務報表以港元(「港元」)呈列。本綜合財務報表已經由董事會在二零一七年三月二十四日批准刊發。

2. 編製基準及會計政策

下文載列編製此等綜合財務報表時採納之主要會計政策。除另有說明外，所採用的政策與過往年度所呈報的貫徹應用。

綜合財務報表乃根據所有適用的香港財務報告準則(「香港財務報告準則」)按照歷史成本法編製，及以公允價值計量且其變動計入損益的金融資產而作出修訂。

編製符合香港財務報告準則的財務報表，須使用若干關鍵的會計估計。這亦需要管理層在應用本集團會計政策的過程中作出判斷，涉及高度判斷或高度複雜性的範疇或對綜合財務報表屬重大假設和估算的範疇，已於附註4內披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

The following new and amendments to standards are mandatory for the Group's financial year beginning 1 January 2016. The adoption of these new and amendments to standards does not have any significant impact to the results and financial position of the Group.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisition of Interest in Joint Operations
HKFRS 14	Regulatory Deferral Accounts
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 (2011)	Equity Method in Separate Financial Statements
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs

The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1 January 2016 and have not been early adopted by the Group. The Group is assessing the impact of these new standards and amendments to standards.

2. 編製基準及會計政策(續)

本集團已於二零一六年一月一日或之後開始的財政年度首次採納下列新訂及修訂之準則，但並沒對集團業績及財務狀況有重大影響。

香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(修訂本)(二零一一年)	投資實體：應用合併例外情況
香港財務報告準則第11號(修訂本)	收購合營業務權益的會計方法
香港財務報告準則第14號	監管遞延賬戶
香港會計準則第1號(修訂本)	披露計劃
香港會計準則第16號及香港會計準則第38號(修訂本)	澄清折舊及攤銷的可接受方法
香港會計準則第16號及香港會計準則第41號(修訂本)	農業：生產性植物
香港會計準則第27號(修訂本)(二零一一年)	獨立財務報表之權益法
二零一二年至二零一四年週期之年度改進	多項香港財務報告準則(修訂本)

以下為已頒布但在二零一六年一月一日開始的財政年度未生效亦未被本集團提早採納的新訂準則及修訂的準則。本集團正在評估新訂準則及修訂的準則的全面影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

HKFRS 9	Financial Instruments ²
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 16	Leases ³
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transaction ²
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ²
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers ²
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 7	Disclosure Initiative ¹
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ¹

- ¹ effective for annual periods beginning on or after 1 January 2017
- ² effective for annual periods beginning on or after 1 January 2018
- ³ effective for annual periods beginning on or after 1 January 2019
- ⁴ effective date to be determined

2. 編製基準及會計政策(續)

香港財務報告準則第9號	金融工具 ²
香港財務報告準則第15號	客戶合約收益 ²
香港財務報告準則第16號	租賃 ³
香港財務報告準則第2號(修訂本)	以股份為基礎付款交易的分類及計量 ²
香港財務報告準則第4號(修訂本)	與香港財務報告準則第9號金融工具一併應用的香港財務報告準則第4號保險合約 ²
香港財務報告準則第15號(修訂本)	對香港財務報告準則第15號客戶合約收益作出的澄清 ²
香港財務報告準則第10號及香港會計準則第28號(修訂本)(二零一一年)	投資者與其聯營或合營企業之間的資產出售或注資 ⁴
香港會計準則第7號(修訂本)	披露計劃 ¹
香港財務報告準則第12號(修訂本)	就未變現虧損確認遞延資產 ¹

- ¹ 於二零一七年一月一日或之後開始的年度期間生效
- ² 於二零一八年一月一日或之後開始的年度期間生效
- ³ 於二零一九年一月一日或之後開始的年度期間生效
- ⁴ 有效日期有待釐定

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

(a) Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

2. 編製基準及會計政策(續)

(a) 綜合賬目

附屬公司指本集團對其具有控制權的所有主體(包括結構性主體)。當本集團因為參與該主體而承擔可變回報的風險或享有可變回報的權益，並有能力透過其對該主體的權力影響此等回報時，本集團即控制該主體。附屬公司在控制權轉移至本集團之日起合併入賬。附屬公司在控制權終止之日起停止合併入賬。

本集團利用購買法將業務合併入賬。購買一附屬公司所轉讓的對價，為所轉讓資產、對被收購方的前所有人產生的負債，及本集團發行的股本權益的公允價值。所轉讓的對價包括或有對價安排所產生的任何資產和負債的公允價值。在業務合併中所購買可辨認的資產以及所承擔的負債及或有負債，首先以彼等於購買日期的公允價值計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

(a) Consolidation (cont'd)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2. 編製基準及會計政策(續)

(a) 綜合賬目(續)

所轉讓代價、被收購方的任何非控制性權益數額，及在被收購方之前任何權益在收購日期的公允價值，超過購入可辨識淨資產公允價值的數額記錄為商譽。如所轉讓對價、確認的任何非控制性權益及之前持有的權益計量，低於購入附屬公司淨資產的公允價值，則將該數額直接在收益表中確認。

集團內公司之間的交易、結餘及未變現的收益予以對銷。未變現虧損亦予以對銷，除非交易提供了轉讓資產的減值證據。附屬公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

(a) Consolidation (cont'd)

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

2. 編製基準及會計政策(續)

(a) 綜合賬目(續)

出售附屬公司

當集團不再持有控制權，在主體的任何保留權益於失去控制權當日重新計量至公允價值，賬面值的變動在損益中確認。公允價值為就保留權益的後續入賬而言的初始賬面值，作為聯營、合營或金融資產。此外，之前在其他全面收益中確認的任何數額猶如本集團已直接處置相關資產和負債。這意味著之前在其他全面收益中確認的數額重新分類至損益。

附屬公司投資按成本扣除減值列賬。成本包括投資的直接歸屬成本。附屬公司的業績由本公司按已收及應收股息入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that makes strategic decisions.

(c) 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\$, which is the Company's functional and presentation currency.

(ii) *Transactions and balances*
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or revaluation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2. 編製基準及會計政策(續)

(b) 分部報告

經營分部按照向首席經營決策者提供的內部報告貫徹一致的方式報告。首席經營決策者被認為作出策略性決定的執行董事負責分配資源和評估經營分部的表現。

(c) 外幣換算

(i) *功能及呈列貨幣*
本集團各實體的財務報表內的項目，均採用該實體經營業務之主要經濟環境所使用的貨幣(「功能貨幣」)計量。綜合財務報表以港元呈列，即本公司之功能及呈列貨幣。

(ii) *交易及結餘*
外幣交易按交易或對項目重新計量的估價當日之匯率兌換為功能貨幣。因結算該等交易及按年底之匯率換算以外幣列值之貨幣資產及負債所產生之外匯收益及虧損均列入收益表。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

(c) Foreign currency translation (cont'd)

(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:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each 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
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income.

2. 編製基準及會計政策(續)

(c) 外幣換算(續)

(iii) 集團公司

功能貨幣與呈列貨幣不同之所有集團公司(均不擁有高通脹經濟體系之貨幣)之業績及財務狀況按以下方式換算為呈列貨幣：

- 每份列報的財務狀況表內的資產和負債按該財務狀況表日期的收市匯率換算；
- 各收益表之收入及開支按平均匯率換算(除非該平均匯率並非交易當日匯率的累積影響之合理約數，在此情況下收入及開支須按交易日的匯率換算)；及
- 所有由此產生的匯兌差額在其他全面收益中確認。

於綜合入賬時，換算海外業務的淨投資額、借貸及其他用作對沖有關投資的貨幣工具所產生的匯兌差額均計入其他全面收益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

(c) Foreign currency translation (cont'd)

(iii) Group companies (cont'd)

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 closing rate. Currency translation differences arising are recognised in other comprehensive income.

Disposal of foreign operation

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the company are reclassified to profit or loss.

(d) Property, plant and equipment

Property, plant and equipment, comprising, leasehold improvements, plant and machinery, equipment, furniture and fixtures and motor vehicles are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

2. 編製基準及會計政策(續)

(c) 外幣換算(續)

(iii) 集團公司(續)

購買境外主體產生的商譽及公允價值調整視為該境外主體的資產和負債，並按收市匯率換算。產生的匯兌差額在其他全面收益中入賬。

境外經營的處置

對於境外經營的處置(即處置集團在境外經營中的全部權益，或者處置涉及喪失對擁有境外經營的附屬公司的控制權，或涉及喪失對擁有境外經營的合營的共同控制權，或涉及喪失對擁有境外經營的聯營企業的控制權)，就該項經營累計計入權益的歸屬於公司所有者的所有貨幣換算差額均重新分類至損益。

(d) 物業、廠房及設備

物業、廠房及設備(包括租賃物業裝修、廠房及機器、設備、傢俬及裝置及汽車)乃按歷史成本減累計折舊及累計減值虧損列賬。歷史成本包括收購該等資產的直接開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

(d) Property, plant and equipment (cont'd)

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

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Plant, machinery and equipment	3-10 years
Leasehold improvements	5 years or the lease period, if shorter
Office furniture, fixtures and fittings	3-5 years
Office equipment	3-5 years
Computer equipment	3-5 years
Motor vehicles	3-10 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2. 編製基準及會計政策(續)

(d) 物業、廠房及設備(續)

僅於項目有關的未來經濟利益將會流入本集團，而且能可靠計量該項目的成本，後續成本方會計入資產的賬面值或確認為一項單獨資產(如適用)。已更換部份的賬面值已被終止確認。所有其他維修及保養費用在產生的財務期間內於綜合收益表中支銷。

物業、廠房及設備之折舊，乃根據其估計可使用年期採用直線法把其成本值分配予剩餘價值計算，各估計可使用年期如下：

廠房、機器及設備	3至10年
租賃物業裝修	5年或租賃期(以較短者)
辦公室傢俬、裝置及設備	3至5年
文儀設備	3至5年
電腦設備	3至5年
汽車	3至10年

資產的剩餘價值及可使用年期在每個呈報期結束時進行檢討，及在適當時調整。

倘若資產的賬面值高於其估計可收回值，其賬面值即時撇減至可收回值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

(d) Property, plant and equipment (cont'd)

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised within 'Other losses, net' in the consolidated income statement.

(e) Impairment of investments in subsidiaries and non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are at least tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(f) Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

2. 編製基準及會計政策(續)

(d) 物業、廠房及設備(續)

出售帶來的盈虧按比較所得款項及賬面值釐定，並於綜合收益表中的其他虧損淨額確認。

(e) 於附屬公司之投資及非金融資產的減值

沒有確定使用年期之資產(如商譽)毋需攤銷，但最少每年就減值進行測試。資產就當有事件出現或情況改變顯示可能無法收回賬面值時即進行減值檢討，減值虧損按資產之賬面值超出其可收回金額之差額確認。可收回金額以資產之公允值扣除銷售成本或使用價值兩者之較高者為準。於評估減值時，資產將按可識辨現金流量的最低層次組合(即現金產生單位)。出現減值的非金融資產(商譽除外)於每個報告日期就撥回減值的可能性進行檢討。

(f) 金融資產

本集團將其金融資產分類為：按公允價值透過損益記賬的金融資產、貸款及應收款以及可供出售金融資產。上述分類乃按所收購金融資產之目的而定。管理層於本集團金融資產首次確認時作出分類。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

(f) Financial assets (cont'd)

(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 classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months of the balance sheet date; otherwise, they are classified as non-current.

(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 included in current assets, except for those with maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables include "trade receivables", "cash and bank balances", "bank deposits", and "other loans, receivables and deposits" in the consolidated statement of financial position.

2. 編製基準及會計政策(續)

(f) 金融資產(續)

(i) 按公允價值計入損益之金融資產

按公允價值透過損益記賬的金融資產為持作買賣之金融資產。倘若所收購金融資產主要用作在短期出售，則重列為此類別。衍生工具亦分類為持作買賣之金融資產，除非其指定用作對沖。此類資產如預期於十二個月內結算會列作流動資產。否則，分類為非流動資產。

(ii) 貸款及應收款

貸款及應收款指有固定或可釐定付款金額、並無在活躍市場報價的非衍生金融資產。此等項目包括在流動資產內，但若由報告期末起計超過十二個月方到期者，則分類為非流動資產。本集團的貸款及應收款項包括綜合財務狀況表內「貿易應收賬款」、「現金及銀行結餘」、「銀行存款」及「其他貸款、應收款項及按金」。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

(f) Financial assets (cont'd)

- (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 the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period.

Regular way purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the consolidated 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 subsequently carried at amortised cost using the effective interest method, less any provision for impairment.

2. 編製基準及會計政策(續)

(f) 金融資產(續)

- (iii) *可供出售金融資產*
可供出售金融資產為指定列作此類別或並無分類至其他類別之非衍生工具，除非投資到期或管理層計劃於報告期末後十二個月內出售投資，否則均列為非流動資產。

正常買賣金融資產乃於買賣日期，即本集團承諾買賣有關資產當日確認入賬。所有不按公允價值計入損益之金融資產投資初步按公允價值加交易成本確認。按公允價值計入損益之金融資產初步按公允價值確認，交易成本於綜合收益表支銷。當收取投資現金流量之權利屆滿或已經轉讓且本集團已轉讓擁有權絕大部分風險和回報時，則終止確認金融資產。可供出售金融資產及按公允價值透過損益記賬的金融資產其後按公允價值列賬。貸款及應收款其後利用實際利息法按攤銷成本，扣除任何減值撥備列賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

(f) Financial assets (cont'd)

(iii) Available-for-sale financial assets (cont'd)

Gains or losses arising from changes in the fair value of the “Financial assets at fair value through profit or loss” category are presented in the consolidated income statement in the period in which they arise. Dividend income from financial assets at fair value through profit is recognised in the consolidated income statement as part of “Other losses, net” when the Group’s right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Dividends on available-for-sale equity instruments are recognised in the income statement when the Group’s right to receive payment is established.

2. 編製基準及會計政策(續)

(f) 金融資產(續)

(iii) 可供出售金融資產(續)

來自「按公允價值計入損益之金融資產」類別之公允價值變動之盈虧，於產生期間在綜合收益表入賬。自按公允價值計入損益之金融資產產生之股息收入，於本集團收取有關款項之權利確立時在綜合收益表確認為「其他虧損淨額」之一部分。

分類為可供出售之貨幣證券及非貨幣證券公允價值之變動均於其他全面收益中確認。

當分類為可供出售的證券被售出或減值時，已於權益確認的累計公允價值調整均在收益表列作投資證券的盈虧。

可供出售股本工具之股息於本集團確立收取款項之權利時，在收益表確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

(f) Financial assets (cont'd)

(iii) Available-for-sale financial assets (cont'd)

For financial assets at fair value through profit or loss, 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 establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are 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.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

(g) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Receipts or payments made under operating leases (net of any incentives paid to lessees or received from the lessor) are recognised as income or expenses in the consolidated income statement on a straight-line basis over the period of the lease.

2. 編製基準及會計政策(續)

(f) 金融資產(續)

(iii) 可供出售金融資產(續)

就按公允價值計入損益之金融資產而言，報價投資之公允價值按現行買入價計算。倘金融資產之市場並不活躍及就非上市證券而言，本集團採用估值法確立公允價值，當中包括，採用最近公平交易、參考大致相同之其他工具，折現現金流量分析及期權定價模式。盡量使用市場數據代入公式，盡可能減少依賴實體特定數據。

本集團於每個報告期末評估是否有客觀證據顯示一項或一組金融資產出現減值。

(g) 租賃

凡資產擁有權的絕大部分風險和回報由出租人保留的租賃，均列作經營租賃。根據經營租賃收取或支付之租金（扣除承租人收取或出租人給予的任何優惠），按租期以直線法於綜合收益表中確認為收入或開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (“FIFO”) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(i) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated income statement. When trade and other receivables are uncollectible, they are written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited to the consolidated income statement.

2. 編製基準及會計政策(續)

(h) 存貨

存貨按成本及可變現淨值兩者之較低者列賬。成本按先進先出(「先進先出」)法釐定。可變現淨值按日常業務過程中估計售價減去適用之可變銷售開支計算。

(i) 貿易及其他應收款項

貿易及其他應收款項按公允價值初步確認，其後採用實際利息法按攤銷成本減去減值撥備計量。當有客觀證據證明本集團不能按照應收款項原訂條款收回所有款項時，便會就貿易及其他應收款項計提減值撥備。減值撥備乃資產賬面值與估計未來現金流量按實際利率折現的現值間的差額。資產的賬面值透過使用撥備賬扣減，而虧損金額於綜合收益表中確認。倘貿易及其他應收款項無法收回時，該款項於應收款的撥備賬中撇銷。其後收回的前期已撇銷款項將計入綜合收益表中。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

(j) Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

(k) 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.

(l) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(m) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

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

2. 編製基準及會計政策(續)

(j) 現金及現金等價物

在綜合現金流量表中，現金及現金等價物包括手頭現金、銀行通知存款以及銀行透支。銀行透支在綜合資產負債表的流動負債中借款內列示。

(k) 股本

普通股歸類為權益。發行新股份或購股權直接產生之新增成本乃於股本列作所得款項(除稅後)的扣除額。

(l) 貿易應付款項

貿易應付款項以公允價值初步確認，隨後以實際利率法按攤銷成本列賬。

(m) 借貸

借貸以公允價值扣除交易成本初步確認。借貸隨後按攤銷成本列賬，所得款項(扣除交易成本後)與贖回值之間的任何差額，使用實際利率法於借貸期內在綜合收益表中確認。

除非本集團可無條件將負債的結算遞延至呈報期末起計最少十二個月，否則借貸分類為流動負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

(n) Borrowings costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

(o) Employee benefits

(i) *Employee leaves*

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

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

2. 編製基準及會計政策(續)

(n) 借貸成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間處理以作其預定用途或銷售的資產)的借貸成本，加入該等資產的成本內，直至資產大致上備妥供其預定用途或銷售為止。

就特定借貸，因有待合資格資產的支出而臨時投資賺取的投資收入，應自合資格資本化的借貸成本中扣除。

所有其他借貸成本在產生期內的損益中確認。

(o) 僱員福利

(i) *僱員假期*

僱員可享有之年假在彼等放假時確認。本集團已就截至呈報期完結時僱員提供服務而享有年假之估計負債計提撥備。

僱員可享有之病假及產假僅會於休假時確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

(o) Employee benefits (cont'd)

(ii) Bonus plans

The expected cost of bonus payments are recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus plans are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

(iii) Pension obligations

Following the adoption of the Mandatory Provident Fund ("MPF") Scheme in December 2000, all employees of the Group employed in Hong Kong joined the MPF Scheme. Under this scheme, employees and the Group are required to make contributions to the scheme calculated at 5% of the individual employee's monthly basic salaries, subject to a cap of HK\$1,500. The Group's contributions to this scheme are expensed when they are due. The assets of the scheme are held separately from those of the Group in independently administered funds.

2. 編製基準及會計政策(續)

(o) 僱員福利(續)

(ii) 花紅計劃

本集團因僱員所提供之服務而擁有現時之法定或推定責任，且能可靠地估計此責任時，預計花紅支出成本會確認為一項負債。

花紅計劃之負債預期將於十二個月內償還，並按照預期於償還時將予支付之金額計量。

(iii) 退休金責任

在二零零零年十二月採納強制性公積金(「強積金」)計劃後，本集團在香港之所有員工均已參與強積金計劃。根據此計劃，僱員及本集團均須按個別僱員每月基本薪金5%，以1,500港元為上限向計劃供款。本集團向此計劃作出之供款於支付時列入開支。計劃之資產與本集團之資產分開持有，由獨立管理之基金管理。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

(o) Employee benefits (cont'd)

(iii) Pension obligations (cont'd)

The Group's employees in the People's Republic of China (the "PRC") are covered by various government sponsored pension plans. These government agencies are responsible for the pension liabilities to these employees. The relevant group companies pay monthly contributions to these pension plans based on certain percentages of the salaries, subject to a certain ceiling.

The employees employed by the operations in Macau are members of the government-managed retirement benefits schemes operated by the Macau government. The Macau operations are required to pay a monthly fixed contribution to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes operated by the Macau government is to make the required contributions under the schemes.

Under these plans, the Group has no legal or constructive obligation to make further payments once the required contributions have been paid. Contributions to these plans are expensed as incurred.

2. 編製基準及會計政策(續)

(o) 僱員福利(續)

(iii) 退休金責任(續)

本集團於中華人民共和國(「中國」)之僱員均享有多項由政府營辦之退休金計劃。該等政府機關對有關僱員之退休金負債負責。本集團旗下相關公司根據薪金若干百分比(以若干上限為限)，每月向該等退休金計劃供款。

受僱於澳門營運的僱員均為澳門政府運作的政府管理退休福利計劃成員。澳門營運部門須每月向該退休福利計劃支付定額供款，以撥付有關福利所需的款項。本集團對該等由澳門政府運作的退休福利計劃的唯一責任為根據該計劃作出所規定的供款。

根據該等計劃，本集團於支付規定之供款後，並無支付其他款項之法定或推定責任。該等計劃之供款於產生時列作開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

(o) Employee benefits (cont'd)

(iv) Share-based payment

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as considerations for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

2. 編製基準及會計政策(續)

(o) 僱員福利(續)

(iv) 以股份為基礎之付款

本集團推行按股本結算、以股份支付報酬的計劃，以得到僱員提供服務作為收取本集團股本工具(購股權)的代價。僱員提供服務以換取購股權的公允價值乃確認為開支。於歸屬期內列作開支的總金額，乃參照已授出購股權的公允價值釐定：

- 包括任何市場業績條件(例如主體的股價)
- 不包括任何服務和非市場業績可行權條件(例如盈利能力、銷售增長目標和職工在某特定時期內留任實體)的影響；及
- 包括任何非可行權條件(例如規定職工儲蓄或在一段指定期間內持有股份)的影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

(o) Employee benefits (cont'd)

(iv) Share-based payment (cont'd)

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market performance and service conditions. It recognises the impact of the revision of original estimates, if any, in the income statement with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

(p) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2. 編製基準及會計政策(續)

(o) 僱員福利(續)

(iv) 以股份為基礎之付款(續)

總費用在歸屬期內計入，歸屬期是指滿足所有特訂歸屬條件所需的期間。於各呈報期末，本集團均會基於非市場表現和服務歸屬條件修改其估計預期將歸屬的購股權數目，修改原來估計數字的影響(如有)則於收益表內確認，以及對股本作相應調整。

在期權行使時，本公司發行新股。收取的所得款扣除任何直接歸屬交易成本撥入股本(面值)和股本溢價。

(p) 即期及遞延稅項

期內之稅項支出由即期及遞延稅項組成。稅項於綜合收益表中確認，除了關於其他全面收益內確認或直接計入權益之項目，其稅項亦是分別於其他全面收益內確認或直接計入權益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

(p) Current and deferred income tax (cont'd)

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the places where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax

Inside basis differences

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2. 編製基準及會計政策(續)

(p) 即期及遞延稅項(續)

(i) 即期所得稅

當期所得稅支出根據本公司及其附屬公司營運所在及產生應課稅收入的地方於財務狀況表日已頒布或實質頒布的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

(ii) 遞延所得稅

內在差異

遞延稅項的確認採用負債法就資產負債之稅基與它們在綜合財務報表之賬面值兩者之暫時差異作全數撥備。然而，若遞延稅項來自在交易(不包括企業合併)中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅盈虧，則不作記賬。遞延稅項採用在財務狀況表日前已頒布或實質頒布，並在有關之遞延稅項資產實現或遞延稅項負債結算時預期將會應用之稅率及法例而釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

(p) Current and deferred income tax (cont'd)

(ii) *Deferred income tax (cont'd)*
Inside basis differences (cont'd)
Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences
Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(iii) *Offsetting*
Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2. 編製基準及會計政策(續)

(p) 即期及遞延稅項(續)

(ii) *遞延所得稅(續)*
內在差異(續)
遞延稅項資產乃就有可能將未來應課稅溢利與可動用的暫時差異抵銷而確認。

外在差異
就附屬公司投資產生的應課稅暫時性差異確認遞延所得稅負債，但不包括本集團可以控制暫時性差異的轉回時間以及暫時性差異在可預見將來很可能不會轉回的遞延所得稅負債。

就附屬公司投資產生的可扣減暫時性差異確認遞延所得稅資產，但只限於暫時性差異很可能在將來轉回，並有充足的應課稅利潤抵銷可用的暫時性差異。

(iii) *抵銷*
當有法定權利可將即期稅項資產與即期稅項負債抵銷，而遞延稅項資產及遞延稅項負債涉及同一稅務機關徵收，一家應課稅公司或不同的應課稅公司有意將餘額以淨額結算，則可將遞延稅項資產與遞延稅項負債互相抵銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

(q) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(r) Revenue and income recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods and services supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue 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. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2. 編製基準及會計政策(續)

(q) 撥備

撥備於本集團由於過往事件而產生現有的法定或推定責任，可能須就解決有關負債而導致資源流出及能夠可靠地作出金額估計時確認。

撥備以有義務支付有關負債所預計需要產生之支出之現值計量，計算此等現值使用之稅前折現率能夠反映當前市場之貨幣時間價值及該負債特有之風險。時間流逝導致撥備金額之增加，確認為利息支出。

(r) 收入及收益確認

收入按已收或應收對價的公允價值計量，並相當於供應貨品及服務的應收款項，扣除折扣、退貨和增值稅後列賬。當收入的金額能夠可靠計量；當未來經濟利益很可能流入有關主體；及當本集團每項活動均符合具體條件時(如下文所述)，本集團便會將收入確認。本集團會根據退貨往績並考慮客戶類別、交易種類和每項安排的特點作出估計。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Basis of preparation and accounting policies (cont'd)

- (r) **Revenue and income recognition (cont'd)**
- (i) Sale of goods are recognised when goods are delivered to customers, the customer has accepted the products and collectibility of the related receivables is reasonably assured.
- (ii) Interest income is recognised on a time-proportion basis using the effective interest method.
- (s) **Dividend distribution**
Dividend distribution to the company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit and counterparty risk and liquidity risk. The Group's financial risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance by actively managing debt level and cash flow in order to maintain a strong financial position and minimising refinancing and liquidity risks by attaining healthy debt repayment capacity, appropriate maturity profile and availability of banking facilities.

2. 編製基準及會計政策(續)

- (r) **收入及收益確認(續)**
- (i) 出售貨品之收入乃於貨品運送予客戶、客戶已接納產品及有關應收款項可合理確定收回時確認。
- (ii) 利息收入採用實際利息法按時間比例基準確認。
- (s) **股息分派**
向本公司股東分配的股息，在股息獲本公司股東或董事(按適當)批准的期間內於本集團及本公司的財務報表內列為負債。

3. 財務風險管理

3.1 財務風險因素

本集團的業務承受各種財務風險：市場風險(包括外幣風險及利率風險)、信貸及交易方風險及流動資金風險。本集團的整體財務風險管理集中於金融市場的不可預測性，及通過積極管理債務水準及現金流量以維持穩健之財務狀況，及透過穩健的償債能力、適當的還款期限及銀行信貸融資額度而使再融資及流動資金風險減至最低，從而儘量減低對本集團財務表現的潛在不利影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. Financial risk management (cont'd)

3.1 Financial risk factors (cont'd)

(a) Market risk

(i) Foreign exchange risk

The Group operates principally in Hong Kong and in Macau and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollars (“USD”), Macau Pataca (“MOP”) and Renminbi (“RMB”). Foreign exchange risk mainly arises from future commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the group entities. In order to mitigate the foreign currency risk, the Group has been closely monitoring its foreign currency exposure and requirements and will arrange for any hedging facilities if necessary.

As HK\$ is pegged against USD and MOP is pegged against HK\$, the Group is exposed to limited exchange rate fluctuation. As a result, the exchange rate risk exposure in respect of USD and MOP are not significant. While for RMB, the exchange rate fluctuation is relatively volatile. At 31 December 2016, if RMB had strengthened/weakened by 5% (2015: 5%) against HK\$ with all other variables held constant, post-tax profit would have been HK\$345,000 higher/lower (2015: post-tax profit of HK\$631,000 higher/lower) respectively mainly as a result of foreign exchange gains/losses on translation of RMB-denominated financial assets and liabilities.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險

(i) 外匯風險

本集團主要於香港及澳門經營業務並因營運涉及多種貨幣而面臨外匯風險(主要涉及美元(「美元」)、澳門幣(「澳門幣」)及人民幣(「人民幣」))。外匯風險主要來自日後的商業交易，本集團各實體的已確認資產及負債，其貨幣以非功能貨幣換算而產生外匯風險。為降低外幣風險，本集團一直密切監控其外幣風險及規定，及將於必要時作出對沖安排。

由於港元與美元的掛鈎系統及澳門幣與港元的掛鈎系統，本集團承受有限的匯率波動。因此，關於美元及澳門幣的外匯風險不顯著。相對而言，人民幣的匯率比較波動。於二零一六年十二月三十一日，倘人民幣兌港元於所有其他變量保持不變之情況下，升值／貶值5% (二零一五年：5%)，則除稅後溢利將分別增加／減少345,000港元(二零一五年：除稅後溢利增加／減少631,000港元)，主要是由於換算人民幣計值之金融資產及負債產生外匯收益／虧損所致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. Financial risk management (cont'd)

3.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)

(ii) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing assets mainly include loan to a related company and bank balances and deposits, details of which have been disclosed in Notes 17, 19 and 20. The Group's exposure to changes in interest rates is also attributable to its borrowings, details of which have been disclosed in Note 23. Borrowings carry at floating rates expose the Group to cash flow interest-rate risk whereas those carry at fixed rates expose the Group to fair value interest-rate risk. As at 31 December 2016, approximately 33% (2015: 29%) of the Group's borrowings were carried at floating rates and expose the Group to cash flow interest-rate risk. The Group has not used any interest rate swaps to hedge its exposure against cash flow interest-rate risks.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 利率風險

由於本集團的計息資產包括貸款予一間關連公司及銀行結餘及存款，而有關詳情在附註17、19及20披露。本集團的收入及經營現金流量大致上不受市場利率變動的影響，本集團所涉及的利率變動風險亦來自借貸，有關詳情在附註23披露。按浮動利率計息的借貸使本集團面對現金流量利率風險，而按固定利率計息的借貸則使本集團面對公允值現金利率風險。於二零一六年，按浮動利率計息的大約33%（二零一五年：29%）借貸，使本集團面對現金流量利率風險。本集團並無利用任何利率掉期安排對沖利率風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. Financial risk management (cont'd)

3.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

As at 31 December 2016, if interest rate has increased/decreased by 25 basis points with all other variables held constant, profit for the year ended 31 December 2016 would have been HK\$51,000 (2015: HK\$44,000) lower/higher, mainly as a result of increase/decrease in interest expense on borrowings.

(b) Credit and counterparty risk

Credit risk mainly arises from loan to a related company, bank deposits, trade and other receivables, and other deposits. The carrying amounts of these balances substantially represent the Group's maximum exposure to credit and counterparty risk in relation to financial assets.

In respect of the loan to a related company, as detailed in Note 28(d), the Group obtained share mortgage executed by the mortgagor and guarantees executed by the guarantor in favour of the Group as a continuing security and continuing obligation for performance by the borrower of its obligations to minimize the credit risk.

As at 31 December 2015 and 2016, all the bank deposits are deposited in high quality financial institutions without significant credit risk. The credit risk on bank deposits is limited because over 60% of the Group's bank balances are placed with subsidiaries of state-owned banks and others are placed with reputable financial institutions. Management does not expect any loss from non-performance of these banks.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 利率風險(續)

於二零一六年十二月三十一日，倘若利率增加／減少25基點，而所有其他變數維持不變，截至二零一六年十二月三十一日止年度溢利將減少／增加51,000港元(二零一五年：44,000港元)，主要由於借貸利息支出增加／減少所致。

(b) 信貸及交易方風險

信貸風險主要產生自貸款予一間關連公司、銀行存款、貿易及其他應收款項，及其他按金。此等結餘的賬面值大體上相當於本集團關於金融資產所須承受的最高信貸及交易方風險。

關於貸款予一間關連公司，詳情見附註28(d)，本集團獲得由抵押人簽立的股份抵押和由擔保人以貸款人為受益人簽立的擔保作抵押，以作為借款人履行貸款協議內其責任之持續抵押及持續責任，以減少對一間關連公司的貸款的信用風險。

於二零一五年及二零一六年十二月三十一日，所有銀行存款存放於信譽良好之金融機構，故並無重大信貸風險。有限的銀行存款信貸風險乃由於超過60%之本集團銀行餘額存放於國有銀行之附屬公司，其他存款存放於信譽良好之金融機構。管理層認為不會因該等銀行表現不良而帶來損失。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. Financial risk management (cont'd)

3.1 Financial risk factors (cont'd)

(b) Credit and counterparty risk (cont'd)

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue trade and other receivables. In addition, the Group reviews regularly the recoverable amount of each individual trade and other receivables to ensure that adequate impairment losses are made for irrecoverable amounts. Rental deposits made to landlords are also considered to be of low risk. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and availability of funding from an adequate amount of committed credit facilities. Management maintains rolling forecast of the Group's liquidity reserves which comprises undrawn banking facilities and cash and cash equivalents, on the basis of expected cash flows.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸及交易方風險(續)

為將信貸風險降至最低，本集團管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控措施，以確保採取跟進措施收回逾期末收回之貿易及其他應收款項。此外，本集團定期評估每項個別貿易及其他應收款項之可收回金額，以確保就不可收回金額作出足夠減值虧損。已付業主的租金按金，亦被認為是低風險的。就此而言，本公司董事認為本集團之信貸風險已大幅降低。本集團並無顯著集中之信貸風險，有關風險已分散至多個對手方及客戶。

(c) 流動資金風險

審慎的流動資金風險管理包括保持充裕現金及從承諾融資金額取得足夠的可用資金。管理層維持對本集團滾動的流動資金儲備作預測，包括基於未提取貸款額度及現金及現金等價物的預計現金流。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. Financial risk management (cont'd)

3.1 Financial risk factors (cont'd)

(c) Liquidity risk (cont'd)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the date of financial reporting to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 December 2016

Trade and other payables
Borrowings
Interest payment on borrowings

At 31 December 2015

Trade and other payables
Borrowings
Interest payment on borrowings

3.2 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.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

下表按於財務報告日至合約到期日餘下期間將本集團的財務負債分為不同的到期組合。表格所披露的數額為合約未折現現金流。

Less than 1 year
一年以內
HK\$'000
千港元

於二零一六年十二月三十一日

貿易及其他應付款項 76,852
借貸 73,991
借貸之利息支付 510

於二零一五年十二月三十一日

貿易及其他應付款項 62,947
借貸 73,043
借貸之利息支付 490

3.2 資本風險管理

本集團管理資本的目的為保障本集團能持續經營，以為股東提供回報並為其他利益相關人士提供利益，以及維持良好的資本架構以減低資本成本。

為維持或調整資本架構，本集團可調整向股東派付的股息、向股東退回資本、發行新股或出售資產以減少債務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. Financial risk management (cont'd)

3.2 Capital risk management (cont'd)

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total bank borrowings divided by total equity.

The Group's strategy was to maintain a solid capital base to support the operations and development of its business in the long term. Given its existing principal business, management considers a gearing ratio as measured by total bank borrowings to total equity of not more than 50% as solid and reasonable. The table below analyses the Group's capital structure at 31 December 2015 and 2016 as follows:

Total borrowings	總借貸
Total equity	總權益
Gearing ratio	資產負債比率

Note:

Decrease in gearing ratio during the year is a result of the increase in total equity.

3. 財務風險管理(續)

3.2 資本風險管理(續)

和其他同業一樣，本集團以資產負債比率作為監控資本的基準。資產負債比率按銀行借貸總額除以總權益。

本集團之策略是維持穩健的資金基礎，以長期支持本集團的業務營運及發展。鑑於現時之主要業務，管理層認為按銀行借貸總額相對於總權益計算之資產負債比率處於50%以下均屬穩健及合理。下表為本集團於二零一五年及二零一六年十二月三十一日資本架構之分析：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Total borrowings	73,991	73,043
Total equity	436,268	385,126
Gearing ratio	17%	19%

附註：

資產負債比率的減少是由於總權益的增加。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. Financial risk management (cont'd)

3.3 Fair value estimation

The carrying value of trade receivables, other loans and receivables, bank balances and deposits, trade and other payables and borrowings are a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2016 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (level 3)

3. 財務風險管理(續)

3.3 公允價值估計

貿易應收款、其他貸款及應收款項、銀行結餘及存款、貿易及其他應付款項及借貸之賬面值與彼等之公允價值之相若。就披露而言，金融負債之公允價值透過按本集團同類金融工具之現行市場利率對未來合約現金流量貼現而估算。

下表根據在評估公允價值的估值技術中所運用到的輸入的層級，分析本集團於二零一六年十二月三十一日按公允價值入賬的金融工具。這些輸入按照公允價值層級歸類為如下三層：

- 相同資產或負債在活躍市場之報價(未經調整)(第一層)
- 除了第一層所包括之報價外，該資產或負債之可觀察之其他輸入，可為直接(即價格)或間接(即源自價格)(第二層)
- 資產及負債並非依據可觀察市場數據之輸入(即非可觀察輸入)(第三層)

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. Financial risk management (cont'd)

3.3 Fair value estimation (cont'd)

Financial assets	金融資產
– Investment funds	– 投資基金

There were no transfers between levels 1 and 2 during the year.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. It includes quoted market price or dealer quotes for similar instruments. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Group are discussed below.

3. 財務風險管理(續)

3.3 公允價值估計(續)

Fair value Hierarchy 公允價值層階	Fair value as at 31 December 2016 於二零一六年 十二月三十一日的 公允價值 HK\$'000 千港元	Fair value as at 31 December 2015 於二零一五年 十二月三十一日的 公允價值 HK\$'000 千港元
Level 2 第二層	1,651	1,672

年內第1與第2層之間並無轉撥。

並無於活躍市場買賣之金融工具(如場外衍生工具)，其公允值乃使用估值方法釐定。該等估值方法儘量利用於可觀測市場取得之數據，並儘量減少依賴實體獨有估計，包括類似金融工具的市場報價或經銷商報價。倘一金融工具的公允值所需之所有重大輸入數據均可觀測，則該金融工具歸入第二層。

4. 關鍵會計估計及判斷

本公司按過往經驗及其他因素(包括對日後事件作出之合理估計)不時評估現正採納的估計及判斷。以下為有重大風險導致本集團資產及負債之賬面值須作出重大調整之估計及假設之討論。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4. Critical accounting estimates and judgements (cont'd)

(a) **Provision for impairment of loan to a related company and trade and other receivables**

The policy for provision for impairment of loan to a related company and trade and other receivables of the Group is based on the evaluation of collectability and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each counterparty. If the financial conditions of the counterparties were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

(b) **Provision for impairment of inventories**

The management of the Group reviews the marketability of inventory items at the end of each reporting period, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The management estimates the net realisable value for inventories based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at the end of each reporting period and makes provision for obsolete items.

(c) **Provision for bonus and customer claims**

Management reviews the provision for bonus and customer claims at the end of each reporting period to determine whether the provision is adequate based on historical experience and most reliable estimates. Significant judgement is required in determining the provision for bonus and customer claims.

4. 關鍵會計估計及判斷(續)

(a) **對一間關連公司的貸款及貿易及其他應收款項之減值撥備**

本集團對一間關連公司的貸款及貿易及其他應收款項之減值撥備政策以可收回性評估及管理層判斷為基礎。評估該等應收款項之最終變現能力需要進行大量判斷，包括每名交易方之現時信譽及過往收款記錄。倘交易方財務狀況日趨惡化，削弱其付款能力，則須計提額外準備。

(b) **存貨減值撥備**

本集團管理層於各呈報期末審核存貨項目之銷售前景並對確認為不再適合銷售之過時及滯銷庫存品進行撥備。管理層主要根據最近期之發票價格及目前市況估計存貨之可變現淨值。本集團於各呈報期末對每種產品進行存貨審核，並對過時品種作出撥備。

(c) **花紅及客戶補償撥備**

管理層於各呈報期末審核花紅及客戶補償撥備，按過往經驗及可靠的估算決定撥備是否足夠。於決定花紅及客戶補償撥備時，需要重大的判斷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4. Critical accounting estimates and judgements (cont'd)

(d) Current and deferred income tax

The Group is subject to income taxes in various jurisdictions. Judgment is required in determining the provision for income taxes in each of these jurisdictions. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. 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 income tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognized when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilized. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

5. Segment information

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The chief operating decision-maker has been identified as the executive directors of the Company. The chief operating decision-maker assesses the performance of the operating segments based on a measure of profit attributable to equity holders of the Company.

4. 關鍵會計估計及判斷(續)

(d) 即期及遞延所得稅

本集團須繳納不同司法權區的所得稅。釐定各司法權區的所得稅撥備時，需作出判斷。在日常業務中有若干未能確定最終稅項的交易及計算。倘該等事宜的最終稅務結果有異於最初記錄的數額，則有關差額會影響釐定有關數額期間的所得稅及遞延所得稅撥備。

與若干暫時差異及稅項虧損有關之遞延所得稅資產按管理層認為未來有可能出現應課稅溢利可用作抵銷該等暫時差異或稅項虧損而確認。當預期之金額與原定估計有差異時，則該差異將會於估計改變之期間內影響遞延所得稅資產之確認及所得稅費用。

5. 分部資料

本集團按首席經營決策者所審閱並賴以作出決策的報告釐定其營運分部。首席經營決策者被認定為本公司之執行董事。首席經營決策者根據本公司權益持有人應佔溢利以評核營運分部的表現。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. Segment information (cont'd)

During the year, the Group has only one reportable segment, which is trading of pipes and fittings. Trading of pipes and fittings includes wholesale, retail and logistics operations substantially in Hong Kong and Macau.

Geographical information

The Group is domiciled in Hong Kong. The Group's revenues from external customers by geographical location are detailed below:

Hong Kong	香港
Macau	澳門

The Group's non-current assets by geographical location are detailed below:

Hong Kong	香港
Mainland China	中國內地

5. 分部資料(續)

於年內，本集團只有從事管道及管件貿易一項須予呈報的分部。管道及管件貿易包括主要在香港及澳門之批發、零售及物流業務。

地區分部資料

本集團設於香港。本集團按地區分部的來自外部客戶的收入如下：

Revenue 收入	
For the year ended 31 December 截至十二月三十一日止年度	
2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
550,274	511,184
68,929	100,350
619,203	611,534

本集團按地區分部的非流動資產如下：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
98,620	10,055
1,267	2,199
99,887	12,254

Notes to the Consolidated Financial Statements

綜合財務報表附註

6. Other losses, net

6. 其他虧損淨額

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Net exchange loss	匯兌虧損淨額	(675)	(2,101)
Net gain/(loss) on disposal of property, plant and equipment	出售物業、廠房及設備之收益/(虧損)淨額	96	(127)
Loss on financial assets at fair value through profit or loss	按公允價值計入損益之金融資產虧損	(23)	(94)
Dividend income from financial assets at fair value through profit or loss	按公允價值計入損益之金融資產之股息收入	113	49
Provision for impairment of loan to a third party (Note 17)	貸款予一名第三方的減值撥備(附註17)	(4,100)	-
Others	其他	476	366
		(4,113)	(1,907)

7. Expenses by nature

7. 開支性質

Operating profit is arrived at after charging:

經營溢利乃扣除下列項目後達至：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cost of inventories sold (Note 16)	已出售之存貨成本(附註16)	422,559	435,239
Auditor's remuneration:	核數師酬金:		
– Audit services	– 審核服務	1,192	1,192
– Non-audit services	– 非審核服務	179	145
Depreciation of property, plant and equipment (Note 13)	物業、廠房及設備折舊(附註13)	2,697	2,178
Employee benefit expenses (Note 8)	員工福利開支(附註8)	74,309	68,991
Operating lease payments (Note 13)	經營租賃費用(附註13)	20,452	19,404
Provision for impairment of trade and other receivables, net (Note 17)	貿易及其他應收款項減值撥備淨額(附註17)	1,055	860
Provision for impairment of inventories, net	存貨減值撥備淨額	1,919	1,316
Other expenses	其他開支	36,231	40,673
		560,593	569,998
Representing:	代表：		
Cost of sales	銷售成本	434,588	445,801
Selling and distribution costs	銷售及分銷成本	20,833	23,226
General and administrative expenses	一般及行政費用	105,172	100,971
		560,593	569,998

Notes to the Consolidated Financial Statements

綜合財務報表附註

8. Employee benefit expenses

8. 僱員福利開支

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Wages and salaries	工資及薪金	72,109	66,823
Pension costs	退休金成本		
– defined contribution plans	– 定額供款計劃	2,117	2,048
Share based payment (Notes 21(b) and 22)	以股份為基礎之付款 (附註21(b)及22)	83	120
		74,309	68,991

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2015: three) directors whose emoluments are reflected in the analysis shown in Note 30. The emoluments paid to the remaining two (2015: two) individuals were as follows:

(a) 五位最高薪人士

於年內，本集團五位最高薪人士包括三位(二零一五年：三位)董事，其薪金已於附註30的分析反映。支付予其餘二位(二零一五年：二位)人士之酬金如下：

		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 short-term employee benefits	薪金及其他短期僱員 福利	3,043	2,868
Discretionary bonus	酌情花紅	1,468	570
Pension costs	退休金成本		
– defined contribution plans	– 定額供款計劃	36	32
Share based payment	以股份為基礎的付款	28	38
		4,575	3,508

The emoluments of the two (2015: two) individuals fell within the following bands:

二名(二零一五年：二名)最高薪人士之薪酬介乎下列範圍：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
HK\$1,500,001-HK\$2,000,000	1,500,001港元-2,000,000港元	–	2
HK\$2,000,001-HK\$2,500,000	2,000,001港元-2,500,000港元	1	–
HK\$2,500,001-HK\$3,000,000	2,500,001港元-3,000,000港元	1	–

Notes to the Consolidated Financial Statements

綜合財務報表附註

8. Employee benefit expenses (cont'd)

(b) Senior management remuneration by band

The remuneration of senior management fell within the following bands:

Nil-HK\$1,000,000	無-1,000,000港元
HK\$1,000,001-HK\$1,500,000	1,000,001港元-1,500,000港元
HK\$1,500,001-HK\$2,000,000	1,500,001港元-2,000,000港元
HK\$2,000,001-HK\$2,500,000	2,000,001港元-2,500,000港元
HK\$2,500,001-HK\$3,000,000	2,500,001港元-3,000,000港元

8. 僱員福利開支(續)

(b) 高級管理人員薪酬之範圍

向高級管理人員支付之薪酬介乎下列範圍：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
—	—
3	3
—	2
1	—
1	—
5	5

9. Finance (income)/costs, net

Bank and other interest income
Interest expense on bank borrowings

銀行及其他利息收入
銀行借貸之利息支出

9. 財務(收入)/費用淨額

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
(5,239)	(1,282)
1,876	1,326
(3,363)	44

10. Tax expense

Current taxation:
Hong Kong profits tax
Overseas tax
Over-provision in prior years

即期稅項：
香港利得稅
海外稅項
以前年度多提

Total current tax
Deferred taxation (Note 24):
Origination and reversal of temporary differences

即期稅項總額
遞延稅項(附註24)：
暫時差額之產生及撥回

Tax expense

稅項支出

10. 稅項支出

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
7,091	5,147
367	550
(187)	(16)
7,271	5,681
26	(119)
7,297	5,562

Notes to the Consolidated Financial Statements

綜合財務報表附註

10. Tax expense (cont'd)

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the Hong Kong profits tax rate as follows:

10. 稅項支出(續)

香港利得稅以年內估計應課稅溢利按稅率16.5%(二零一五年:16.5%)計提。海外稅項乃根據年內之估計應課稅溢利按本集團經營業務國家之現行稅率計算。

本集團有關稅前溢利之稅項支出與假若採用香港利得稅率而計算之理論稅額之差額如下:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit before income tax	稅前溢利	57,860	39,585
Tax calculated at tax rate of 16.5% (2015: 16.5%)	按16.5%(二零一五年:16.5%)稅率計算之稅項	9,547	6,531
Effect of different tax rates in other jurisdictions	其他司法地方的不同稅率之影響	(588)	(534)
Utilisation of previously unrecognised tax loss	使用先前未確認之稅項虧損	(2,346)	(1,275)
Unrecognised tax losses	未確認稅項虧損	304	589
Tax effect of income not subject to taxation	無須課稅之收入之稅項影響	(763)	(214)
Tax effect of expenses not deductible for taxation purposes	不可扣稅之支出之稅項影響	1,330	481
Over-provision in prior years	之前年度多提	(187)	(16)
Tax expense	稅項支出	7,297	5,562

Notes to the Consolidated Financial Statements

綜合財務報表附註

11. Earnings per share

The calculation of the basic and diluted earnings per share is based on the profit for the year attributable to equity holders and weighted average number of shares with adjustments where applicable as follows:

Profit attributable to equity holders of the Company for the purpose of basic earnings per share 計算每股基本盈利之本公司權益持有人應佔溢利

Number of shares 股份數目

Weighted average number of ordinary shares for the purpose of basic earnings per share 計算每股基本盈利之普通股份之加權平均股數

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential ordinary shares arising from the Company's share options. Diluted earnings per share for the years ended 31 December 2015 and 2016 equal basic earnings per share as the exercise of the outstanding share options would be anti-dilutive.

12. Dividend

At the Board meeting held on 24 March 2017, the Board did not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: Nil).

11. 每股盈利

下表列示計算每股基本盈利及攤薄盈利乃根據年內權益持有人應佔溢利及已發行普通股之加權平均股數(需要時予以調整)：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
50,572	34,023
Thousand 千股	Thousand 千股
1,333,270	1,333,270

計算每股攤薄盈利時，已對已發行普通股之加權平均股數作出調整，以假設所有具攤薄潛力之未行使購股權獲悉數轉換。截至二零一五年及二零一六年十二月三十一日止兩個年度，因行使未行使購股權具反攤薄影響，因此兩個年度之每股攤薄盈利均等如每股基本盈利。

12. 股息

於二零一七年三月二十四日舉行的董事會會議上，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之末期股息(二零一五年：無)。

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綜合財務報表附註

13. Property, plant and equipment

13. 物業、廠房及設備

		Plant, machinery and equipment 廠房、機器及 設備 HK\$'000 千港元	Leasehold improvements 租賃物業 HK\$'000 千港元	Office furniture, fixtures and fittings 辦公室傢俬、 裝置及設備 HK\$'000 千港元	Office equipment 文備設備 HK\$'000 千港元	Computer equipment 電腦設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost	成本							
At 1 January 2016	於二零一六年 一月一日	3,567	10,338	875	27	4,444	6,822	26,073
Exchange differences	匯兌差額	-	-	(4)	-	(1)	(19)	(24)
Additions	添置	347	82	94	12	94	1,871	2,500
Disposals	出售	(222)	-	-	(16)	-	-	(238)
At 31 December 2016	於二零一六年 十二月三十一日	3,692	10,420	965	23	4,537	8,674	28,311
Accumulated depreciation	累積折舊							
At 1 January 2016	於二零一六年 一月一日	3,211	8,972	851	4	3,713	3,703	20,454
Exchange differences	匯兌差額	-	-	(4)	-	(1)	(16)	(21)
Charge for the year	本年度折舊	234	373	10	5	291	1,784	2,697
Disposals	出售	(222)	-	-	(6)	-	-	(228)
At 31 December 2016	於二零一六年 十二月三十一日	3,223	9,345	857	3	4,003	5,471	22,902
Net book value	賬面淨值							
At 31 December 2016	於二零一六年十二月 三十一日	469	1,075	108	20	534	3,203	5,409

Notes to the Consolidated Financial Statements

綜合財務報表附註

13. Property, plant and equipment (Con'd)

13. 物業、廠房及設備(續)

		Plant, machinery and equipment 廠房、機器及設備	Leasehold improvements 租賃物業	Office furniture, fixtures and fittings 辦公室傢俬、裝置及設備	Office equipment 文儀設備	Computer equipment 電腦設備	Motor vehicles 汽車	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cost	成本							
At 1 January 2015	於二零一五年一月一日	4,359	10,048	917	20	8,822	4,954	29,120
Exchange differences	匯兌差額	-	-	(5)	-	(1)	(20)	(26)
Additions	添置	93	957	-	27	146	2,690	3,913
Disposals	出售	(885)	(667)	(37)	(20)	(4,523)	(802)	(6,934)
At 31 December 2015	於二零一五年十二月三十一日	3,567	10,338	875	27	4,444	6,822	26,073
Accumulated depreciation	累積折舊							
At 1 January 2015	於二零一五年一月一日	3,725	9,167	860	20	7,947	3,104	24,823
Exchange differences	匯兌差額	-	-	(4)	-	(1)	(13)	(18)
Charge for the year	本年度折舊	369	340	32	4	290	1,143	2,178
Disposals	出售	(883)	(535)	(37)	(20)	(4,523)	(531)	(6,529)
At 31 December 2015	於二零一五年十二月三十一日	3,211	8,972	851	4	3,713	3,703	20,454
Net book value	賬面淨值							
At 31 December 2015	於二零一五年十二月三十一日	356	1,366	24	23	731	3,119	5,619

Lease rentals amounting to HK\$20,289,000 (2015: HK\$19,224,000) and HK\$163,000 (2015: HK\$180,000) relating to the lease of property and motor vehicles respectively are included in the consolidated income statement (Note 7).

與物業和汽車租賃有關的租賃租金分別為20,289,000港元(二零一五年: 19,224,000港元)及163,000港元(二零一五年: 180,000港元), 並包括在綜合收益表中(附註7)。

14. Subsidiaries

14. 附屬公司

Details of principal subsidiaries which, in the Directors' opinion, materially affect the results and/or net assets of the Group as at 31 December 2016, are set out in Note 32.

董事認為對本集團之業績及/或於二零一六年十二月三十一日之淨資產構成重大影響之主要附屬公司之詳情載於附註32。

Notes to the Consolidated Financial Statements

綜合財務報表附註

15. Financial instruments by category

15. 按種類劃分的金融工具

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loans and receivables	貸款及應收款		
Assets as per consolidated statement of financial position:	綜合財務狀況表所示資產：		
Trade receivables, deposits and other receivables	貿易應收款項、按金及其他應收款項	217,744	128,366
Financial assets at fair value through profit or loss (Note 18)	按公允價值計入損益之金融資產(附註18)	1,651	1,672
Pledged certificate of deposit (Note 19)	已抵押存款證(附註19)	10,000	—
Pledged bank deposits (Note 19)	已抵押銀行存款(附註19)	37,000	61,000
Cash and bank balances (Note 20)	現金及銀行結餘(附註20)	149,374	154,360
Total	總額	415,769	345,398
Other financial liabilities	其他財務負債		
Liabilities as per consolidated statement of financial position:	綜合財務狀況表所示負債：		
Trade and other payables	貿易及其他應付款項	76,852	62,947
Borrowings (Note 23)	借貸(附註23)	73,991	73,043
Total	總額	150,843	135,990

16. Inventories

16. 存貨

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Merchandises	商品	159,439	164,114

At 31 December 2016, the provision for impairment of inventories amounted to approximately HK\$22,544,000 (2015: HK\$21,119,000).

於二零一六年十二月三十一日，存貨減值撥備約達22,544,000港元(二零一五年：21,119,000港元)。

The cost of inventories recognised as expenses and included in cost of sales amounted to HK\$422,559,000 (2015: HK\$435,239,000) (Note 7).

確認為支出並列入銷售成本項下之存貨成本達422,559,000港元(二零一五年：435,239,000港元)(附註7)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

17. Trade and other receivables

17. 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 receivables	貿易應收款項	128,998	114,765
Less: provision for impairment	減：減值撥備	(1,818)	(1,177)
Trade receivables – net	貿易應收款項 – 淨額	<u>127,180</u>	<u>113,588</u>
Prepayments	預付款	17,539	16,203
Loan to an employee	貸款予一位員工	1,343	1,542
Loan to a third party	貸款予一名第三方	–	4,745
Other receivables, deposits and other assets	其他應收款項、按金及其他資產	5,143	3,868
Rental deposits	租賃按金	6,332	4,623
Loan to a related company (Note 28(d))	貸款予一間關連公司 (附註28(d))	77,746	–
		<u>108,103</u>	<u>30,981</u>
		235,283	144,569
Less non-current portion:	減非流動部份：		
Rental deposits and other assets	租賃按金及其他資產	(6,732)	(6,635)
Loan to a related company	貸款予一間關連公司	(77,746)	–
		<u>150,805</u>	<u>137,934</u>

The carrying amounts of trade receivables, other receivables and rental deposits approximate their fair values.

貿易應收款項、其他應收款項及租賃按金之賬面金額與彼等公允價值相若。

The loan to an employee is unsecured, interest-free and repayable on demand.

貸款予一位員工並無抵押、免息及根據要求可即時償還。

Notes to the Consolidated Financial Statements

綜合財務報表附註

17. Trade and other receivables (Con'd)

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

HK\$	港元
RMB	人民幣
USD	美元
MOP	澳門幣
Others	其他

The Group generally grants credit period of 60–120 days to its customers for its trading of pipes and fittings operation. The ageing analysis of the trade receivables based on the due date is as follows:

Within credit period	信貸期內
1 to 30 days	1天至30天
31 to 60 days	31天至60天
61 to 90 days	61天至90天
91 to 120 days	91天至120天
Over 120 days	超過120天

17. 貿易及其他應收款項(續)

本集團貿易及其他應收款項之賬面金額以下列貨幣計值：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
134,782	116,963
8,561	16,408
90,619	6,794
1,221	4,404
100	—
235,283	144,569

本集團一般給予管道及管件貿易業務客戶之信貸期為60至120天。貿易應收款按到期日之賬齡分析如下：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
85,535	81,406
25,089	21,615
6,810	5,753
4,028	1,394
979	297
6,557	4,300
128,998	114,765

Notes to the Consolidated Financial Statements

綜合財務報表附註

17. Trade and other receivables (Con'd)

Trade receivables that are current or past due less than four months are not considered impaired. As of 31 December 2016, trade receivables of HK\$41,645,000 (2015: HK\$32,182,000) were past due but not considered to be impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

1 to 30 days	1天至30天
31 to 60 days	31天至60天
61 to 90 days	61天至90天
91 to 120 days	91天至120天
Over 120 days	超過120天

As at 31 December 2016, trade receivables of HK\$1,818,000 (2015: HK\$1,177,000) were impaired and provided for. The individually impaired receivables mainly relate to customers which have significant delay in repayment or are in unexpected difficult financial situations. These receivables are past due more than 120 days.

17. 貿易及其他應收款項(續)

即期或逾期四個月以下之貿易應收款項不會考慮作減值。截至二零一六年十二月三十一日，貿易應收款項41,645,000港元(二零一五年：32,182,000港元)已逾期但未被認為減值。該等款項與一批並無逾期還款記錄之獨立客戶有關。該等貿易應收款項之賬齡分析如下：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
25,089	21,615
6,810	5,753
4,028	1,394
979	297
4,739	3,123
41,645	32,182

於二零一六年十二月三十一日，貿易應收款項1,818,000港元(二零一五年：1,177,000港元)已作減值撥備。個別已減值應收款項主要與重大延遲還款或突然陷入經濟困難之客戶有關。該等應收款項逾期超過120天。

Notes to the Consolidated Financial Statements

綜合財務報表附註

17. Trade and other receivables (Con'd)

Movements on the provision for impairment of trade receivables are as follows:

At 1 January	於一月一日
Provision for impairment	減值撥備
Receivables written off during the year as uncollectible	年內應收款項未能收回而撇銷
At 31 December	於十二月三十一日

The addition and release of provision for impaired receivables have been included in general and administrative expenses in the consolidated income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

During the year, loan to a third party to the extent of HK\$4,100,000 was impaired and provided for as it was past due over 7 months as at reporting date. Although the loan was secured by certain assets of the third party, the Group considered that the recoverability may take a long time and was uncertain. In this connection, the balance amount of the loan was provided for.

As at 31 December 2016, other receivables of Nil (2015: HK\$502,000) were impaired and provided for. The individually impaired receivables had significant delay in repayment. These receivables were past due more than 120 days.

Save as above, the other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. Save as disclosed above, the Group does not hold any collateral as security.

17. 貿易及其他應收款項(續)

貿易應收款之減值撥備變動如下：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
1,177	819
1,055	358
(414)	-
1,818	1,177

就已減值應收款項新增及解除之撥備已計入綜合收益表內之一般及行政費用。於撥備賬中扣除的金額一般於預期不會收回額外現金時撇銷。

貸款予一名第三方的4,100,000港元於年內已作減值撥備，因為該貸款截至報告日期已逾期七個月。雖然貸款是由第三方的資產作抵押，但本集團認為可回收性可能需要很長時間而且不確定。就此，該貸款的餘額已作撥備。

於二零一六年十二月三十一日，並無其他應收款項(二零一五年：502,000港元)已作減值撥備。個別已減值應收款項與重大延遲還款有關。該等應收款項逾期超過120天。

除上述以外，貿易及其他應收款項內其他類別並無任何已減值資產。

於報告日期之最大信貸風險為上述各類應收款項之公允值。除上文所披露外，本集團並無持有任何抵押品作抵押。

Notes to the Consolidated Financial Statements

綜合財務報表附註

18. Financial assets at fair value through profit or loss

18. 按公允價值計入損益之金融資產

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Investment funds at fair value – unlisted	投資基金公允價值 – 非上市	<u>1,651</u>	<u>1,672</u>

19. Pledged bank deposits and certificate of deposit

19. 已抵押銀行存款及存款證

As at 31 December 2016, bank deposits of HK\$37,000,000 (2015: HK\$61,000,000) denominated in HK\$ were pledged as collateral for the Group's banking facilities (Note 23).

於二零一六年十二月三十一日，37,000,000港元(二零一五年：61,000,000港元)以港元計值之銀行存款已予以抵押，作為本集團銀行信貸額度之擔保(附註23)。

The effective interest rate on pledged bank deposits was 0.78% (2015: 0.50%) per annum and these deposits are matured within 44 to 158 days (2015: 8 to 195 days).

已抵押銀行存款之實際利率為年息0.78%(二零一五年：0.50%)，此等存款之到期日介乎44天至158天(二零一五年：8天至195天)。

As at 31 December 2016, certificate of deposit of HK\$10,000,000 was denominated in HK\$ and was pledged as collateral for the Group's banking facilities (Note 23). The effective interest rate on the pledged certificate of deposit is 1.0% per annum.

於二零一六年十二月三十一日，10,000,000港元以港元計值之存款證已予以抵押，作為本集團銀行信貸額度之擔保(附註23)。已抵押存款證之實際利率為年息1.0%。

20. Cash and bank balances

20. 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
Cash and bank balances (excluding bank overdrafts)	現金及銀行結餘 (不包括銀行透支)	<u>149,374</u>	<u>154,360</u>
Maximum exposure to credit risk	須承受的最高信貸風險	<u>149,161</u>	<u>154,215</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

20. Cash and bank balances (Con'd)

Cash and cash equivalents included the following for the purposes of the statement of cash flows:

Cash and bank balances	現金及銀行結餘
Bank overdrafts (<i>Note 23</i>)	銀行透支(<i>附註23</i>)
Cash and cash equivalents	銀行及現金等價物

The carrying amounts of the Group and the Company's cash and bank balances are denominated in the following currencies:

HK\$	港元
RMB	人民幣
USD	美元
Others	其他

The conversion of RMB denominated balances into foreign currencies and the remittance of these funds out of Mainland China is subject to the exchange control restrictions imposed by the PRC government.

20. 現金及銀行結餘(續)

就現金流量表而言，現金及現金等價物包括下列項目：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
149,374	154,360
–	(1,164)
149,374	153,196

本集團及本公司之現金及銀行結餘之賬面金額按以下貨幣計值：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
129,977	135,586
8,490	11,903
8,512	3,921
2,395	2,950
149,374	154,360

將以人民幣計值之結餘兌換為外幣及將該等資金匯出中國內地，須受中國政府實施之外匯管制措施規限。

Notes to the Consolidated Financial Statements

綜合財務報表附註

21. Share capital

21. 股本

		Number of shares issued 已發行股份數目 thousands 千股	HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	13,332,700	26,665
Effect on share consolidation	股份合併之影響	(11,999,430)	-
At 31 December 2015	於二零一五年十二月三十一日	<u>1,333,270</u>	<u>26,665</u>
At 31 December 2016	於二零一六年十二月三十一日	<u>1,333,270</u>	<u>26,665</u>

(a) Issued shares

Pursuant to an ordinary resolution passed in the special general meeting held on 16 January 2015, every ten shares of the Company's issued and unissued shares with par value of HK\$0.002 per share have been consolidated into one share with par value of HK\$0.02 with effect from 19 January 2015.

All issued shares are fully paid.

(a) 已發行股份

根據於二零一五年一月十六日舉行的股東特別大會通過的普通決議案，自二零一五年一月十九日起，本公司的股本每十股每股面值0.002港元之已發行及未發行股份合併為一股面值0.02港元之股份。

所有已發行股份皆已繳足。

Notes to the Consolidated Financial Statements

綜合財務報表附註

21. Share capital (Con'd)

(b) Share option scheme

The share option scheme approved by the shareholders of the Company on 24 June 2004 (the “2004 Scheme”) has expired on 23 June 2014. Thereafter, no further options will be granted under the 2004 Scheme but the subsisting options granted thereunder prior to the expiry date will continue to be valid and exercisable in accordance with the terms of the 2004 Scheme.

At the annual general meeting of the Company held on 21 May 2015, the shareholders of the Company approved the adoption of a new share option scheme (the “2015 Scheme”) under which the directors of the Company may grant options to eligible persons to subscribe for the Company’s shares subject to the terms and conditions as stipulated therein. Unless otherwise cancelled or amended, the 2015 Scheme will remain valid for a period of 10 years from the date of its adoption.

No share option under the 2015 Scheme was granted, exercised, cancelled or lapsed, during the current year nor outstanding as at 31 December 2016.

21. 股本(續)

(b) 購股權計劃

本公司股東於二零零四年六月二十四日批准之購股權計劃(「二零零四年計劃」)已於二零一四年六月二十三日屆滿。此後，概無根據二零零四年計劃再授出購股權，但於屆滿日期前根據二零零四年計劃條款授出之購股權將繼續有效並可予行使。

於二零一五年五月二十一日舉行之本公司股東週年大會上，本公司股東批准採納新購股權計劃(「二零一五年計劃」)，據此，本公司董事可向合資格人士授出購股權，以認購本公司股份，惟須受二零一五年計劃規定之條款及條件所規限。除另行取消或修訂外，二零一五年計劃將自其採納日期起計十年期間維持有效。

於本年度期間概無任何購股權根據二零一五年計劃獲授出、行使、註銷或失效，亦無購股權於二零一六年十二月三十一日尚未獲行使。

21. Share capital (Con'd)

(b) Share option scheme (Con'd)

The Company was authorised to grant share options under the 2015 Scheme for subscription of up to a total of 133,327,000 shares, representing 10% of the issued share capital of the Company as at the date of adoption. The directors of the Company are authorised at their absolute discretion, to invite any eligible participants as defined in the Scheme, to take up options to subscribe for shares in the Company. The subscription price will be determined by the Board, but shall be at least the highest of (a) the closing price of shares as stated in the Hong Kong Stock Exchange's daily quotation sheet on the date on which the relevant options are deemed to be granted and accepted in accordance with the terms of the Scheme ("the Commencement Date"), which must be a day on which the Hong Kong Stock Exchange is open for the business of dealing in securities ("Trading Day"); (b) the average closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotation sheet for the five Trading Days immediately preceding the Commencement Date; and (c) the nominal value of the shares. A consideration of HK\$10 is payable on acceptance of the grant of option. The maximum number of shares in respect of which options may be granted under the 2015 Scheme may not exceed 10% of the issued share capital of the Company as at the date of adoption of the 2015 Scheme. The number of shares may be refreshed by the approval of the shareholders and the refreshed limit of the number of shares must not exceed 10% of the issued share capital of the Company as at the date of the approval of the refreshed limit.

21. 股本(續)

(b) 購股權計劃(續)

本公司獲授權根據二零一五年計劃授出購股權以認購最多合共133,327,000股股份，佔於採納日期本公司已發行股本之10%。授權本公司董事全權酌情邀請任何合資格參與者(定義見購股權計劃)接納可認購本公司股份之購股權。認購價將由董事會釐定，惟不得低於(a)股份於有關購股權被視為按照購股權計劃條款授出及接納當日(「開始日期」)(須為香港聯交所經營證券買賣業務之日期(「交易日」))在香港聯交所每日報價表所報之收市價；(b)股份於緊接開始日期前連續五個交易日在香港聯交所每日報價表所報之平均收市價；及(c)股份面值三者中之最高者。接納授出之每份購股權時，承授人須支付10港元之代價。根據二零一五年計劃授出之購股權涉及之股份最高數目，不得超過採納二零一五年計劃當日本公司已發行股本之10%。股份數目可由股東批准更新，惟經更新之股份數目上限不得超過批准更新上限之日期本公司已發行股本之10%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

21. Share capital (Con'd)

(b) Share option scheme (Con'd)

As a result of the share consolidation become effective, the exercise price and the number of consolidated shares to be issued upon the exercise of the outstanding options granted under the 2004 Scheme have been adjusted in accordance with the terms of the 2004 Scheme and Rule 17.03(13) of the Listing Rules.

Share information below has been restated to reflect the effect of the share consolidation effective on 19 January 2015.

Movements in the number of share options outstanding during the year are as follows:

Date of grant	Date of maturity	Exercise Price HK\$	31 December 2015	Granted and accepted	Exercised	Lapsed	31 December 2016
授出日期	到期日	行使價 港元	二零一五年 十二月 三十一日	已授出 並接納	已行使	已失效	二零一六年 十二月三十一日
3 December 2009 二零零九年十二月三日	2 December 2019 二零一九年 十二月二日	0.71	18,300,000	-	-	-	18,300,000
5 May 2010 二零一零年五月五日	4 May 2020 二零二零年五月四日	0.83	1,000,000	-	-	-	1,000,000
8 June 2011 二零一一年六月八日	7 June 2021 二零二一年六月七日	0.392	1,000,000	-	-	(1,000,000)	-
Total 總額			20,300,000	-	-	(1,000,000)	19,300,000

Out of 19,300,000 (2015: 20,300,000) outstanding share options, 17,140,000 (2015: 17,420,000) share options were exercisable.

21. 股本(續)

(b) 購股權計劃(續)

於股份合併生效後，根據本公司於二零零四年計劃授出但尚未行使的購股權的行使價及於行使時將予發行之合併股份數目按二零零四年計劃的條款及上市規則第17.03(13)條作出以下調整。

下面的股數資料已經重列以反映於二零一五年一月十九日生效股份合併的影響。

年內，尚未行使購股權數目之變動如下：

於 19,300,000 股（二零一五年：20,300,000）購股權中，17,140,000（二零一五年：17,420,000）股為可行使。

Notes to the Consolidated Financial Statements

綜合財務報表附註

21. Share capital (Con'd)

(b) Share option scheme (Con'd)

The estimated fair value of share options granted is based on the Binomial model. The significant inputs into the models are as follows:

Date of grant	授出日期	8 June 2011 二零一一年 六月八日	5 May 2010 二零一零年 五月五日	3 December 2009 二零零九年 十二月三日
Exercise price	行使價	HK\$0.392	HK\$0.83	HK\$0.71
Expected volatility	預期波幅	49%	55%	54%
Option life	購股權年期	10 years 10年	10 years 10年	10 years 10年
Annual risk free interest rate	年度無風險利率	2.26%	2.86%	2.16%
Dividend yield	孳息率	2.75%	3.10%	3.58%
Fair value	公允價值	<u>HK\$0.14 ~ HK\$0.16</u>	<u>HK\$0.26 ~ HK\$0.38</u>	<u>HK\$0.21 ~ HK\$0.31</u>

The expected volatility measured at the standard deviation is based on the historical data of the weekly share price movement of comparable companies of the Company.

- (i) On 3 December 2009, 59,200,000 share options were offered to and accepted by Directors and employees, with an exercise price of HK\$0.71 and an option period of 10 years commencing from 3 December 2009 and expiring on 2 December 2019 (both days inclusive). The options granted to the grantees are vested in stages and be exercised in the following manner:

Maximum percentage of the options exercisable 可行使之購股權最高百分比

20%
20%
20%
20%
20%

21. 股本(續)

(b) 購股權計劃(續)

已授出購股權的估計公允價值根據二項式估值模式計算。輸入該模式的主要參數如下：

按標準差計量之預期波幅乃基於本公司之可比公司每週股份價格變動的歷史數據。

- (i) 於二零零九年十二月三日，本集團向董事及僱員要約並已獲接納59,200,000份購股權，該等購股權之行使價為0.71港元及購股權期限為十年，由二零零九年十二月三日開始至二零一九年十二月二日到期(包括首尾兩日)。授予承授人的購股權將分階段歸屬，並按以下方式行使：

Period for exercise of the relevant percentage of the options 行使相關購股權百分比之期限

3/6/2010 – 2/12/2019
3/6/2011 – 2/12/2019
3/6/2012 – 2/12/2019
3/6/2013 – 2/12/2019
3/6/2014 – 2/12/2019

Notes to the Consolidated Financial Statements

綜合財務報表附註

21. Share capital (Con'd)

(b) Share option scheme (Con'd)

- (ii) On 5 May 2010, 1,600,000 share options were offered to and accepted by a Director and an employee, with an exercise price of HK\$0.83 and an option period of 10 years commencing from 5 May 2010 and expiring on 4 May 2020 (both days inclusive). The options granted to the grantees are vested in stages and be exercised in the following manner:

Maximum percentage of the options exercisable 可行使之購股權最高百分比

20%
20%
20%
20%
20%

- (iii) On 8 June 2011, 1,000,000 share options were offered to and accepted by a Director, with an exercise price of HK\$0.392 and an option period of 10 years commencing from 8 June 2011 and expiring on 7 June 2021 (both days inclusive). The options granted to the grantees are vested in stages and be exercised in the following manner:

Maximum percentage of the options exercisable 可行使之購股權最高百分比

20%
20%
20%
20%
20%

Vesting of certain options granted to certain employees are subject to achievement of profit target.

21. 股本(續)

(b) 購股權計劃(續)

- (ii) 於二零一零年五月五日，本集團向董事及僱員要約並已獲接納1,600,000份購股權，該等購股權之行使價為0.83港元及購股權期限為十年，由二零一零年五月五日開始至二零二零年五月四日到期(包括首尾兩日)。授予承授人的購股權將分階段歸屬，並按以下方式行使：

Period for exercise of the relevant percentage of the options 行使相關購股權百分比之期限
--

5/11/2010 – 4/5/2020
5/11/2011 – 4/5/2020
5/11/2012 – 4/5/2020
5/11/2013 – 4/5/2020
5/11/2014 – 4/5/2020

- (iii) 於二零一一年六月八日，本集團向一位董事要約並已獲接納1,000,000份購股權，該等購股權之行使價為0.392港元及購股權期限為十年，由二零一一年六月八日開始至二零二一年六月七日到期(包括首尾兩日)。授予承授人的購股權將分階段歸屬，並按以下方式行使：

Period for exercise of the relevant percentage of the options 行使相關購股權百分比之期限
--

8/12/2011 – 7/6/2021
8/12/2012 – 7/6/2021
8/12/2013 – 7/6/2021
8/12/2014 – 7/6/2021
8/12/2015 – 7/6/2021

授予若干僱員之若干購股權須達到溢利目標方可歸屬予有關僱員。

Notes to the Consolidated Financial Statements

綜合財務報表附註

22. Reserves

22. 儲備

		Share premium	Capital reserve (note(i))	Merger reserve (note(ii))	Statutory reserve	Other reserve	Exchange reserve	Share based payment reserve 以股份為基礎的	Retained earnings	Total
		股份溢價	資本儲備 (附註(i))	合併儲備 (附註(ii))	法定儲備	其他儲備	匯兌儲備	付款儲備	保留溢利	總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	126,618	34,115	3,700	24	519	457	5,338	153,641	324,412
Profit for the year	本年度溢利	-	-	-	-	-	-	-	34,023	34,023
Currency translation differences	貨幣換算差額	-	-	-	-	-	246	-	-	246
Share based payment	以股份為基礎的付款	-	-	-	-	-	-	120	-	120
Actuarial loss on post-employment benefit obligations, net of tax	離職後福利債務的精算虧損，扣除稅項	-	-	-	-	(340)	-	-	-	(340)
Transfer upon lapse of share options	因購股權失效轉撥	-	-	-	-	-	-	(192)	192	-
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	126,618	34,115	3,700	24	179	703	5,266	187,856	358,461
Profit for the year	本年度溢利	-	-	-	-	-	-	-	50,572	50,572
Currency translation differences	貨幣換算差額	-	-	-	-	-	404	-	-	404
Share based payment	以股份為基礎的付款	-	-	-	-	-	-	83	-	83
Actuarial gain on post-employment benefit obligations, net of tax	離職後福利債務的精算收益，扣除稅項後	-	-	-	-	91	-	-	-	91
Transfer upon lapse of share options	因購股權失效轉撥	-	-	-	-	-	-	(152)	152	-
At 31 December 2016	於二零一六年十二月三十一日	126,618	34,115	3,700	24	270	1,107	5,197	238,580	409,611

Notes:

- (i) The capital reserve of the Group mainly represents contribution from the then shareholders in connection with the acquisition of the remaining interests in a subsidiary in 1999.
- (ii) The merger reserve of the Group arising from the Group reorganisation is determined by the difference between the nominal value of shares of the subsidiaries acquired pursuant to the Group reorganisation and the nominal value of the Company's shares deemed to have been issued.

附註：

- (i) 本集團之資本儲備主要是於一九九九年收購一間附屬公司之餘下權益與股東有關的貢獻。
- (ii) 本集團因集團重組而產生之合併儲備，乃按集團重組購入之附屬公司股份面值與視作已發行之本公司股份面值兩者間之差額釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

23. Borrowings

23. 借貸

Current	流動	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trust receipt loans, secured (note (i))	有抵押信託收據貸款 (附註(i))	59,637	61,570
Trust receipt loans, unsecured	無抵押信託收據貸款	14,354	10,309
Bank overdrafts (Note 20) (note (i))	銀行透支(附註20)(附註(i))	-	1,164
		73,991	73,043

Notes:

附註：

- (i) The carrying amounts of the trust receipt loans and bank overdrafts approximate their fair values. As at 31 December 2016, the banking facilities were secured by corporate guarantees, bank deposits of HK\$37,000,000 (2015: HK\$61,000,000) and certificate of deposit of HK\$10,000,000 (2015: Nil).
- (ii) The borrowings are denominated in the following currencies:

- (i) 信託收據貸款及銀行透支之賬面金額與彼等公允值相若。於二零一六年十二月三十一日，銀行融資由公司擔保、銀行存款約37,000,000港元(二零一五年：61,000,000港元)及存款證約10,000,000港元(二零一五年：無)作抵押。
- (ii) 借貸以下列貨幣列值：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
HK\$	港元	73,991	73,043

- (iii) The effective interest rates (per annum) of bank borrowings at the financial reporting date are as follows:

- (iii) 於財務報告日，銀行借貸之實際年利率如下：

		2016 二零一六年 %	2015 二零一五年 %
Trust receipt loans and bank overdrafts	信託收據貸款及銀行透支	2.74	2.51

Notes to the Consolidated Financial Statements

綜合財務報表附註

24. Deferred taxation

24. 遞延稅項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Deferred tax liabilities to be settled after 12 months	將於十二個月後償還之遞延稅項負債	(181)	(137)

Deferred tax is calculated in full on temporary differences under the liability method using tax rates of the relevant subsidiaries applicable to the period when the asset is expected to be realised or the liability to be settled, based on tax rates that have been substantively enacted by the financial reporting date.

遞延稅項採用負債法就有關附屬公司預期資產變現或負債結算之期間所適用之稅率(於財務報告日已頒布或實質頒布)作全數撥備。

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income tax levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

當有法定權利可將即期稅項資產與即期稅項負債抵銷，而遞延稅項資產及遞延稅項負債涉及同一稅務機關徵收，一家應課稅公司或不同的應課稅公司有意將餘額以淨額結算，則可將遞延稅項資產與遞延稅項負債互相抵銷。

The net movement on the deferred tax account is as follows:

遞延稅項賬目之變動淨額如下：

		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	(137)	(323)
(Charged)/credited to income statement (Note 10)	在收益表中(扣除)/計入(附註10)	(26)	119
(Charged)/credited to equity	在權益中(扣除)/計入	(18)	67
At 31 December	於十二月三十一日	(181)	(137)

Notes to the Consolidated Financial Statements

綜合財務報表附註

24. Deferred taxation (cont'd)

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets

At 1 January 2015
Credited to income statement

At 31 December 2015
Charged to income statement

At 31 December 2016

Deferred tax liabilities

At 1 January 2015
Charged to income statement
Credited to equity

At 31 December 2015 and
1 January 2016
Charged to income statement
Charged to equity

At 31 December 2016

24. 遞延稅項(續)

遞延稅項資產及負債於年內之變動(未計及於相同徵稅區內抵銷之結餘)如下:

遞延稅項資產

於二零一五年一月一日
在收益表計入

於二零一五年十二月三十一日
在收益表扣除

於二零一六年十二月三十一日

Tax losses
稅務虧損
HK\$'000
千港元

–
182

182
(2)

180

遞延稅項負債

Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Remeasurement gain of post-employment benefit obligations 離職後福利債務 的重計量收益 HK\$'000 千港元	Total 總額 HK\$'000 千港元
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At 1 January 2015	於二零一五年一月一日	(220)	(103)	(323)
Charged to income statement	在收益表扣除	(63)	–	(63)
Credited to equity	在權益中計入	–	67	67

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	(283)	(36)	(319)
Charged to income statement	在收益表扣除	(24)	–	(24)
Charged to equity	在權益中扣除	–	(18)	(18)

At 31 December 2016	於二零一六年十二月三十一日	(307)	(54)	(361)
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Notes to the Consolidated Financial Statements

綜合財務報表附註

24. Deferred taxation (cont'd)

Deferred income 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. The Group did not recognise deferred income tax assets of HK\$4,570,000 (2015: HK\$7,785,000) in respect of accumulated tax losses amounting to HK\$24,688,000 (2015: HK\$41,887,000) as at 31 December 2016, that can be carried forward against future taxable income. As at 31 December 2016, the accumulated tax losses amounting to HK\$4,559,000 (2015: HK\$10,283,000) will be expired in five years. There is no expiry period for the other tax losses.

25. Trade and other payables

Trade payables
Accrued expenses and other payables
(note)

貿易應付款項
預提費用及其他應付款
(附註)

Notes:

Included in other payables of the Group was a provision for a customer claim of HK\$3,694,000 (2015: HK\$3,694,000) made for a project in Hong Kong in prior years. During the year, management reassessed the circumstances and considered that the amount of provision made as at 31 December 2016 remains adequate but not excessive.

24. 遞延稅項(續)

遞延所得稅項資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅項虧損作出確認。本集團並未就二零一六年十二月三十一日可結轉以抵銷未來應課稅收入之累計稅項虧損24,688,000港元(二零一五年: 41,887,000港元)確認遞延所得稅項資產4,570,000港元(二零一五年: 7,785,000港元)。於二零一六年十二月三十一日, 該等累計稅項虧損達4,559,000港元(二零一五年: 10,283,000港元), 將於五年內到期。其他稅項虧損並無屆滿期間。

25. 貿易及其他應付款項

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
	37,982	26,145
	42,564	40,496
	80,546	66,641

附註:

包括在本集團的其他應付款中, 於過往年度, 本集團就一項於香港的項目作出3,694,000港元(二零一五年: 3,694,000港元)的客戶補償撥備。於本年度內, 管理層重新評估狀況及認為該項補償於二零一六年十二月三十一日仍足夠亦不過多。

Notes to the Consolidated Financial Statements

綜合財務報表附註

25. Trade and other payables (cont'd)

The ageing analysis of the Group's trade payables, based on the invoice date, is as follows:

Within 30 days	30天以內
31 to 60 days	31天至60天
61 to 90 days	61天至90天
Over 90 days	超過90天

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

HK\$	港元
USD	美元
RMB	人民幣
EURO	歐元
Others	其他

25. 貿易及其他應付款項(續)

本集團貿易應付款項的賬齡按發票日期分析如下：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
34,456	22,257
2,256	2,491
1,256	1,362
14	35
37,982	26,145

本集團之貿易及其他應付款項之賬面金額按以下貨幣計值：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
42,559	42,258
27,681	17,006
7,133	5,702
3	209
3,170	1,466
80,546	66,641

Notes to the Consolidated Financial Statements

綜合財務報表附註

26. Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the year but not yet incurred is as follows:

Capital expenditure in respect of the acquisition of motor vehicles contracted for but not provided in the consolidated financial statements	就購置汽車訂約但於綜合財務報表未撥備的資本開支
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2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
1,261	1,300

(b) Operating lease commitments

Land and buildings Not later than one year Later than one year and not later than five years Later than five years	土地及樓宇 不超過一年 超過一年 但不超過五年 超過五年
Equipment and motor vehicles Not later than one year Later than one year and not later than five years	設備及汽車 不超過一年 超過一年 但不超過五年

(b) 經營租賃承擔

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
17,967	18,596
72,534	14,214
<u>107,932</u>	<u>-</u>
<u>198,433</u>	<u>32,810</u>
510	590
361	652
<u>871</u>	<u>1,242</u>
<u>199,304</u>	<u>34,052</u>

The lease terms are between one and ten years, and the majority of lease agreements are renewable at the end of the lease period at market rate.

租賃期介乎一至十年，主要的租賃合約於租賃期屆滿後按市價續約。

Notes to the Consolidated Financial Statements

綜合財務報表附註

27. Notes to the consolidated statement of cash flows

27. 綜合現金流量表附註

Cash flows from operations

經營業務所得之現金流量

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit before income tax	稅前溢利	57,860	39,585
Adjustments for:	就下列作出調整：		
Depreciation of property, plant and equipment	物業、廠房及設備的折舊	2,697	2,178
(Gain)/loss on disposal of property, plant and equipment, net (note)	出售物業、廠房及設備之(收益)/虧損淨額(附註)	(96)	127
Interest income	利息收入	(5,239)	(1,282)
Interest expense	利息支出	1,876	1,326
Provision for impairment of loan to a third party	貸款予一名第三方的減值撥備	4,100	-
Provision for impairment of trade and other receivables	貿易及其他應收款減值撥備	1,055	860
Provision for impairment of inventories	存貨減值撥備	1,919	1,316
Fair value losses on financial assets at fair value through profit or loss	按公允價值計入損益之金融資產的公允價值虧損	23	94
Dividend income from financial assets at fair value through profit or loss	按公允價值計入損益之金融資產的股息收入	(113)	(49)
Share based payment	以股份為基礎的付款	83	120
Exchange difference	匯兌差額	740	-
Changes in working capital:	營運資金變動：		
Decrease/(increase) in inventories	存貨減少/(增加)	2,756	(21,956)
(Increase)/decrease in trade and other receivables	貿易及其他應收款(增加)/減少	(16,864)	17,200
Increase in financial assets at fair value through profit or loss	按公允價值計入損益之金融資產增加	-	(1,766)
Increase/(decrease) in trade and other payables	貿易及其他應付款增加/(減少)	13,741	(6,379)
Net cash generated from operations	經營業務所得現金淨額	64,538	31,374

Note: Proceeds from disposal of property, plant and equipment comprises:

附註：出售物業、廠房及設備之所得款項包括：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Net book amount	賬面淨值	10	405
Gain/(loss) on disposal	出售之收益/(虧損)	96	(127)
Proceeds from disposal	出售所得款項	106	278
Represented by:	代表：		
Cash	現金	106	278

Notes to the Consolidated Financial Statements

綜合財務報表附註

28. Related party transactions

28. 關連人士交易

(a) Key management compensation

(a) 主要管理人員報酬

		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 short term employee benefits	薪金及其他短期僱員福利	20,853	18,573
Pension costs	退休金成本		
– defined contribution plans	– 定額供款計劃	126	122
Share based payment	以股份為基礎之付款	83	120
		<u>21,062</u>	<u>18,815</u>

(b) Rental payment to a related party

(b) 向關連人士支付的租金

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Rental paid to a related company (note)	支付租金給一間關連公司 (附註)	163	180

Note:

The Group paid rental of a car and a car licence to a company controlled by Mr. Lai Guanglin, an executive director and Chairman of the Company, for a fixed sum of RMB12,000 (equal to HK\$13,600) per month as agreed by both parties. This is also a connected transaction which is exempted under the Listing Rules 14A.76.

附註：

本集團就車輛及車牌租賃費向一間由本公司執行董事兼主席Lai Guanglin先生控制的公司支付由雙方協定的每月固定費用12,000人民幣(等於13,600港元)。此交易亦為根據上市條例14A.76條而豁免進行的關連交易。

(c) Services income from a related party

(c) 向關連人士收取的服務收入

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Services income from a related company (note)	關連公司服務收入(附註)	64	–

Note:

The Group provided corporate administrative services to a company controlled by Mr. Lai Guanglin, an executive director and Chairman of the Company, for a fixed sum of HK\$8,000 per month as agreed by both parties. This is also a connected transaction which is exempted under the Listing Rules 14A.76.

附註：

本集團就提供公司行政服務向一間由本公司執行董事兼主席Lai Guanglin先生控制的公司收取由雙方協定的每月固定費用8,000港元。此交易亦為根據上市條例14A.76條而豁免進行的關連交易。

Notes to the Consolidated Financial Statements

綜合財務報表附註

28. Related party transactions (cont'd)

(d) Loan to a related company

On 1 August 2016, the Group advanced a loan of US\$10,000,000 (equivalent to HK\$77,746,000) to China Victory International Holdings Limited ("CVIL"), a wholly-owned subsidiary of Agria Corporation, for a term of 3 years.

The loan carried interest at 10.5% per annum and is repayable by 31 July 2019. The interest income for the year from CVIL amounted to approximately US\$440,000 (equivalent to HK\$3,419,000). The loan is secured by the entire issued shares of CVIL executed by Agria Group Limited, the immediate holding company of CVIL, and also guaranteed by a deed of corporate guarantee executed by Agria Corporation in favour of the Group. Mr Lai Guanglin, a director and ultimate controlling party of the Company, is also a controlling shareholder of Agria Corporation holding approximately 48.25% of the issued share capital of Agria Corporation.

28. 關連人士交易(續)

(d) 貸款予一間關連公司

於二零一六年八月一日，本集團向中滙國際集團有限公司「CVIL」(Agria Corporation的一間全資附屬公司)墊付期限3年的貸款10,000,000美元(相等於77,746,000港元)。

該貸款以年息10.5%計息，並將於二零一九年七月三十一日或之前償還。本年度從CVIL所得的利息收入約為440,000美元(相等於3,419,000港元)。該貸款由CVIL的直接控股公司Agria Group Limited行使CVIL的全部已發行股份作擔保及Agria Corporation執行對本集團作公司擔保契約。本公司之董事兼最終控制人Lai Guanglin先生，亦為Agria Corporation控股股東，亦持有Agria Corporation已發行股本約48.25%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

29. Statement of financial position and reserve movement of the Company (cont'd)

Notes:

(i) Reserve movement of the Company

		Share premium	Contributed surplus (note)	Share based payment reserve 以股份為基礎的 付款儲備	Accumulated deficits	Total
		股份溢價 HK\$'000 千港元	繳入盈餘 (附註) HK\$'000 千港元	付款儲備 HK\$'000 千港元	累計虧損 HK\$'000 千港元	總額 HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	126,618	86,759	5,338	(147,825)	70,890
Profit for the year	本年度溢利	-	-	-	7,030	7,030
Share based payment	以股份為基礎的付款	-	-	120	-	120
Transfer upon lapse of share options	因購股權失效轉撥	-	-	(192)	192	-
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	126,618	86,759	5,266	(140,603)	78,040
Profit for the year	本年度溢利	-	-	-	12,754	12,754
Share based payment	以股份為基礎的付款	-	-	83	-	83
Transfer upon lapse of share options	因購股權失效轉撥	-	-	(152)	152	-
At 31 December 2016	於二零一六年十二月三十一日	126,618	86,759	5,197	(127,697)	90,877

Note:

The contributed surplus of the Company represents the difference between the nominal value of the shares issued by the Company in exchange for all the issued ordinary shares of World Trade Bun Kee (BVI) Ltd. and the value of net assets of the underlying subsidiaries acquired by the Company in 2000. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to the shareholders, subject to a solvency test. At the Group level, the contributed surplus is reclassified into its component of reserves of the underlying subsidiaries.

29. 本公司財務狀況表及儲備變動(續)

附註：

(i) 本公司儲備之變動

附註：

本公司之繳入盈餘乃指本公司為換取World Trade Bun Kee (BVI) Ltd.全部已發行普通股而發行之股份面值與本公司所收購有關附屬公司於二零零零年之資產淨值兩者間之差額。根據百慕達一九八一年公司法(經修訂)，繳入盈餘在符合有關無力償還債務之測試之情況下，可供分派予股東。在本集團之賬目上，繳入盈餘重新分類為有關附屬公司之儲備組成部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

30. Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and HK Listing Rules)

30. 董事的利益和權益(根據香港《公司條例》(第622章)第383條及《公司(披露董事利益資料)規例》(第622G章)及香港《上市規則》的規定而作出的披露)

(a) Directors' and chief executive's emoluments

The remuneration of each director and the chief executive for the year ended 31 December 2015 and 2016 is set out below:

(a) 董事及行政總裁酬金

各董事及行政總裁於截至二零一五年及二零一六年十二月三十一日止年度的酬金載列如下：

		For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度								
		Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking 作為董事(不管是本公司或其附屬公司企業)提供服務而支付或應收的酬金								
Name of Director 董事姓名		Fees	Salary	Discretionary bonuses	Housing allowance	Estimated money value of other benefits (note (iv))	Employer's contributions to a retirement benefit scheme	Remunerations paid or receivable in respect of accepting office as director	Emoluments paid or receivable in respect of director's other service in connection with the management of the affairs of the Company or its subsidiary undertaking	Total
		袍金 HK\$'000 千港元	薪金 HK\$'000 千港元	酌情花紅 HK\$'000 千港元	房屋津貼 HK\$'000 千港元	其他福利的估計貨幣價值 (附註(iv)) HK\$'000 千港元	僱主對退休福利計劃之供款 HK\$'000 千港元	就接納擔任董事一職而支付或應收的酬金 HK\$'000 千港元	就管理本公司或其附屬公司企業的事務提供其他董事服務而支付或應收的酬金 HK\$'000 千港元	總額 HK\$'000 千港元
Lai Guanglin	Lai Guanglin	-	3,364	283	-	2,684	-	-	-	6,331
Yu Ben Ansheng	俞安生 (note (i))	-	2,365	599	-	140	18	-	-	3,122
Lai Fulin	賴福麟	-	1,604	695	-	140	18	-	-	2,457
U Kean Seng	余建成	200	-	-	-	-	-	-	-	200
Wong Yee Shuen, Wilson	黃以信	200	-	-	-	-	-	-	-	200
Chen Wei Wen	陳偉文	150	-	-	-	-	-	-	-	150
Yang Li	楊莉(附註(ii))	133	-	-	-	-	-	-	-	133
Guan Zhiqiang	管志強 (附註(iii))	67	-	-	-	-	-	-	-	67
		<u>750</u>	<u>7,333</u>	<u>1,577</u>	<u>-</u>	<u>2,964</u>	<u>36</u>	<u>-</u>	<u>-</u>	<u>12,660</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

30. Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and HK Listing Rules) (cont'd)

30. 董事的利益和權益(根據香港《公司條例》(第622章)第383條及《公司(披露董事利益資料)規例》(第622G章)及香港《上市規則》的規定而作出的披露)(續)

(a) Directors' and chief executive's emoluments (cont'd)

(a) 董事及行政總裁酬金(續)

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking
作為董事(不管是本公司或其附屬公司企業)提供服務而支付或應收的酬金

Name of Director 董事姓名	Fees 袍金 HK\$'000 千港元	Salary 薪金 HK\$'000 千港元	Discretionary bonuses 酌情花紅 HK\$'000 千港元	Housing allowance 房屋津貼 HK\$'000 千港元	Estimated money value of other benefits (note (iv)) 其他福利的估計貨幣價值(附註(iv)) HK\$'000 千港元	Employer's contributions to a retirement benefit scheme 僱主對退休福利計劃之供款 HK\$'000 千港元	Remunerations paid or receivable in respect of accepting office as director 就接納擔任董事一職而支付或應收的酬金 HK\$'000 千港元	Emoluments paid or receivable in respect of director's other service in connection with the management of the affairs of the Company or its subsidiary undertaking 就管理本公司或其附屬公司企業的事務提供其他董事服務而支付或應收的酬金 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Lai Guanglin Lai Guanglin	-	3,268	272	-	2,367	-	-	-	5,907
Yu Ben Ansheng 俞安生 (note (i)) (附註(i))	-	2,295	491	-	140	18	-	-	2,944
Lai Fulin 賴福麟	-	1,542	530	-	140	18	-	-	2,230
U Kean Seng 余建成	200	-	-	-	-	-	-	-	200
Wong Yee Shuen, Wilson 黃以信	200	-	-	-	-	-	-	-	200
Chen Wei Wen 陳偉文	150	-	-	-	-	-	-	-	150
Yang Li 楊莉	200	-	-	-	7	-	-	-	207
	<u>750</u>	<u>7,105</u>	<u>1,293</u>	<u>-</u>	<u>2,654</u>	<u>36</u>	<u>-</u>	<u>-</u>	<u>11,838</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

30. Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and HK Listing Rules) (cont'd)

(a) Directors' and chief executive's emoluments (cont'd)

Notes:

- (i) Mr. Yu Ben Ansheng is the Chief Executive Officer of the Company.
- (ii) Ms. Yang Li resigned as independent non-executive director of the Company on 1 September 2016.
- (iii) Mr. Guan Zhiqiang was appointed as independent non-executive director of the Company on 1 September 2016.
- (iv) Other benefits include share option and other allowance.

(b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the year (2015: Nil).

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year (2015: Nil).

30. 董事的利益和權益(根據香港《公司條例》(第622章)第383條及《公司(披露董事利益資料)規例》(第622G章)及香港《上市規則》的規定而作出的披露)(續)

(a) 董事及行政總裁酬金(續)

附註:

- (i) 俞安生先生是本公司的首席執行官。
- (ii) 楊莉女士於二零一六年九月一日辭任本公司獨立非執行董事。
- (iii) 管志強先生於二零一六年九月一日獲委任為本公司獨立非執行董事。
- (iv) 其他福利包括購股權及其他津貼。

(b) 董事的退休福利

年內，概無董事獲支付或應收退休福利(二零一五年：無)。

(c) 董事的終止福利

年內，概無董事獲支付或應收終止董事服務福利(二零一五年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

30. Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and HK Listing Rules) (cont'd)

- (d) **Consideration provided to third parties for making available directors' services**
During the year ended 31 December 2016, the Company did not pay consideration to any third parties for making available directors' services (2015: Nil).
- (e) **Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors**
During the year ended 31 December 2016, there is no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled bodies corporate by and connected entities with such directors (2015: Nil).
- (f) **Directors' material interests in transactions, arrangements or contracts**
No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2015: Nil).

30. 董事的利益和權益(根據香港《公司條例》(第622章)第383條及《公司(披露董事利益資料)規例》(第622G章)及香港《上市規則》的規定而作出的披露)(續)

- (d) **就提供董事服務而向第三方提供的對價**
截至二零一六年十二月三十一日年度，本公司並沒有就獲取董事服務而支付第三方的對價(二零一五年：無)。
- (e) **向董事、受該等董事控制的法人團體及該董事的關連主體提供的貸款、準貸款和其他交易的資料**
截至二零一六年十二月三十一日年度，概無以董事、受該等董事控制的法團及關連實體為受益人之貸款、準貸款或其他交易(二零一五年：無)。
- (f) **董事在交易、安排或合同的重大權益**
並無有關本公司業務而本公司作為其中一方且本公司董事於其中(不論直接或間接)擁有重大權益(於本年年底或於年內任何時間)的重大交易、安排及合約(二零一五年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31. Ultimate holding company

The Directors of the Company consider Singapore Zhongxin Investment Company Limited (“Singapore Zhongxin”), a company incorporated in the British Virgin Islands, as being the ultimate holding company. Singapore Zhongxin is wholly and beneficially owned by Mr. Lai Guanglin, a director of the Company, who is considered to be the ultimate controlling party.

31. 最終控股公司

本公司董事認為，在英屬維爾京群島註冊成立之 Singapore Zhongxin Investment Company Limited (「Singapore Zhongxin」) 為最終控股公司。Singapore Zhongxin 由本公司之董事 Lai Guanglin 先生全資及實益擁有，其被視為最終控制人。

32. Particulars of the principal subsidiaries

32. 主要附屬公司資料

Name 名稱	Principal Activities 主要業務	Particulars of issued and fully paid share capital/registered capital 已發行及繳足股本/註冊資本	Percentage 百分比	
			Attributable to the Group 本集團應佔	Held by subsidiaries 附屬公司持有
<i>Incorporated and operating in Hong Kong</i> 在香港成立及經營				
Bun Kee (International) Limited 彬記(國際)有限公司	Trading of construction materials, mainly pipes and fittings in Hong Kong 於香港從事建築材料 (主要為管道及管件)之貿易	100 ordinary shares of HK\$1 each and 3,000,000 non-voting deferred shares of HK\$1 each 100股每股面值1港元之普通股及 3,000,000股每股面值1港元之 無投票權遞延股份	100	100
Hamerwind Logistic Company Limited 時風物流有限公司	Provision of warehousing and logistic services in Hong Kong 於香港提供倉貯及物流服務	800 ordinary shares of HK\$100 each 800股每股面值100港元之普通股	100	100
<i>Established and operating in Macao</i> 在澳門成立及經營				
Bun Kee Building Material and Equipment (Macao) Co., Ltd. 彬記建材及設備(澳門) 有限公司	Trading of construction materials, mainly pipes and fittings in Macao 於澳門從事建築材料 (主要為管道及管件)之貿易	MOP50,000 50,000澳門幣	100	100

Five-Year Financial Summary

五年財務概要

		2012 二零一二年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 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
Results	業績					
Revenue	收入	<u>455,127</u>	<u>504,143</u>	<u>553,845</u>	<u>611,534</u>	<u>619,203</u>
Profit before income tax	稅前溢利	16,954	20,258	26,091	39,585	57,860
Income tax expense	稅項支出	<u>(3,254)</u>	<u>(3,597)</u>	<u>(4,362)</u>	<u>(5,562)</u>	<u>(7,297)</u>
Profit for the year	本年度溢利	<u>13,700</u>	<u>16,661</u>	<u>21,729</u>	<u>34,023</u>	<u>50,563</u>
Attributable to:	歸屬於：					
Equity holders of the Company	本公司權益持有人	13,700	16,661	21,729	34,023	50,572
Non-controlling interests	非控股權益	—	—	—	—	(9)
		<u>13,700</u>	<u>16,661</u>	<u>21,729</u>	<u>34,023</u>	<u>50,563</u>
Assets and liabilities	資產及負債					
Total assets	總資產	435,681	491,950	505,577	531,414	598,173
Total liabilities	總負債	<u>(123,055)</u>	<u>(160,722)</u>	<u>(154,500)</u>	<u>(146,288)</u>	<u>(161,905)</u>
Total equity	總權益	<u>312,626</u>	<u>331,228</u>	<u>351,077</u>	<u>385,126</u>	<u>436,268</u>

The background features a stylized globe in shades of blue and white, partially obscured by dynamic, flowing ribbons in blue and gold. The overall aesthetic is modern and corporate, with a focus on global connectivity and technology.

冠力國際有限公司
Softpower International Limited