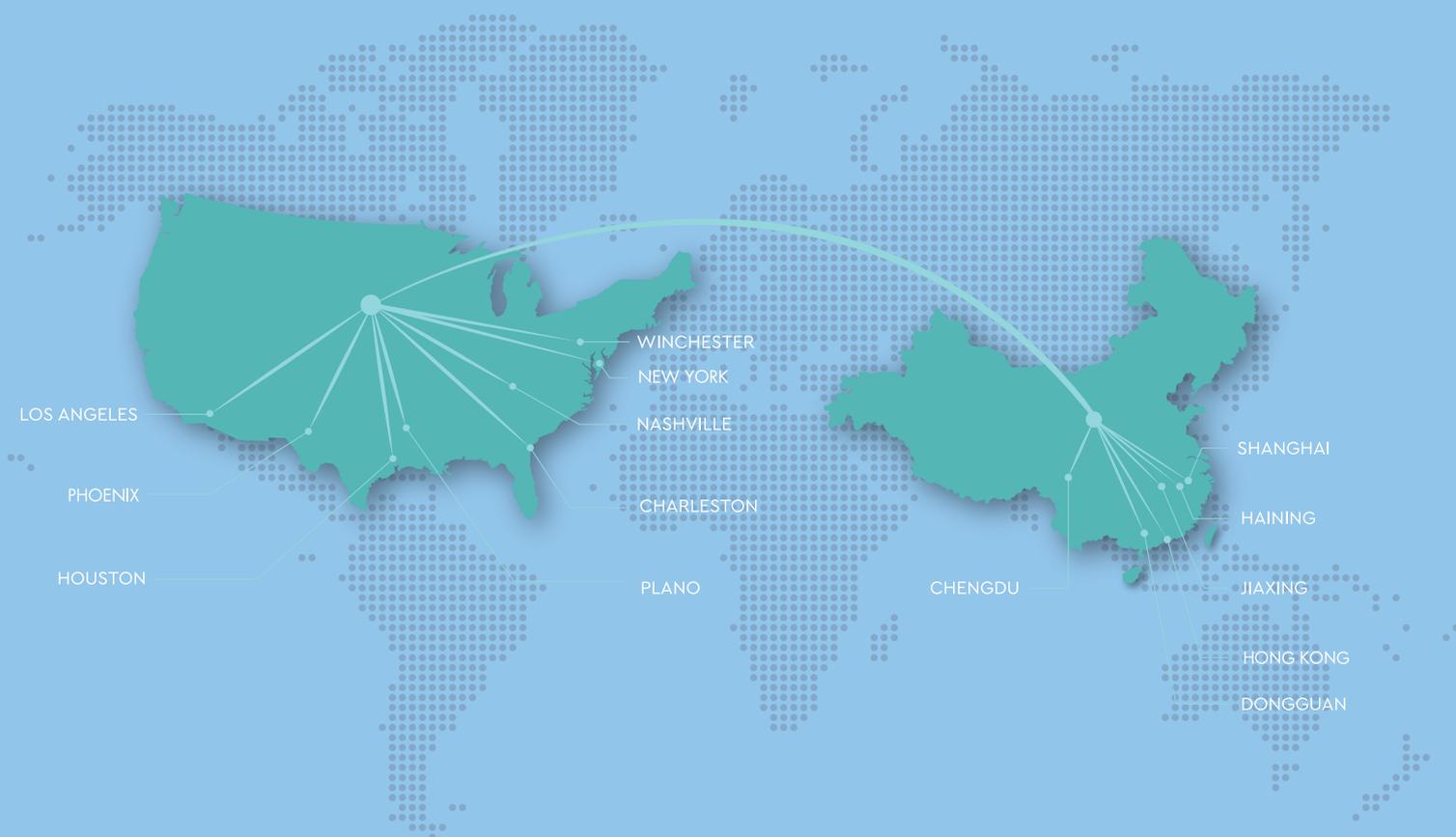




# Sinomax Group Limited 盛諾集團有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)  
(根據開曼群島法例註冊成立的有限公司)

Stock Code 股份代號 : 1418



# Annual Report 2016 年報

## CONTENTS

2	Corporate Information
6	Financial Highlights
7	Chairman's Statement
9	Management Discussion and Analysis
20	Directors and Senior Management
29	Directors' Report
52	Corporate Governance Report
70	Environmental, Social and Governance Report
98	Independent Auditor's Report
105	Consolidated Statement of Profit or Loss and Other Comprehensive Income
106	Consolidated Statement of Financial Position
107	Consolidated Statement of Changes in Equity
109	Consolidated Statement of Cash Flows
111	Notes to the Consolidated Financial Statements
216	Five-Year Financial Summary

## 目錄

公司資料
財務概要
董事長致辭
管理層討論與分析
董事及高級管理層
董事報告書
企業管治報告
環境、社會及管治報告
獨立核數師報告
綜合損益及其他全面收益表
綜合財務狀況表
綜合權益變動表
綜合現金流量表
綜合財務報表附註
五年財務摘要

# CORPORATE INFORMATION

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

LAM Chi Fan (*Chairman of the Board*)  
 CHEUNG Tung (*President*)  
 CHEN Feng  
 LAM Kam Cheung  
 (*Chief Financial Officer and Company Secretary*)  
 LAM Fei Man

#### Independent Non-executive Directors

WONG Chi Keung  
 Professor LAM Sing Kwong, Simon  
 FAN Chun Wah, Andrew, J.P.  
 ZHANG HWO Jie  
 WU Tak Lung

### AUDIT COMMITTEE

WONG Chi Keung (*Chairman*)  
 Professor LAM Sing Kwong, Simon  
 FAN Chun Wah, Andrew, J.P.  
 ZHANG HWO Jie  
 WU Tak Lung

### NOMINATION COMMITTEE

LAM Chi Fan (*Chairman*)  
 WONG Chi Keung  
 Professor LAM Sing Kwong, Simon

### REMUNERATION COMMITTEE

Professor LAM Sing Kwong, Simon (*Chairman*)  
 LAM Chi Fan  
 FAN Chun Wah, Andrew, J.P.

### CORPORATE GOVERNANCE COMMITTEE

WONG Chi Keung (*Chairman*)  
 Professor LAM Sing Kwong, Simon  
 FAN Chun Wah, Andrew, J.P.  
 ZHANG HWO Jie  
 WU Tak Lung

### 董事會

#### 執行董事

林志凡(*董事會主席*)  
 張棟(*總裁*)  
 陳楓  
 林錦祥  
 (*首席財務官兼公司秘書*)  
 林斐雯

#### 獨立非執行董事

王志強  
 林誠光教授  
 范駿華太平紳士  
 張傑  
 吳德龍

### 審核委員會

王志強(*主席*)  
 林誠光教授  
 范駿華太平紳士  
 張傑  
 吳德龍

### 提名委員會

林志凡(*主席*)  
 王志強  
 林誠光教授

### 薪酬委員會

林誠光教授(*主席*)  
 林志凡  
 范駿華太平紳士

### 企業管治委員會

王志強(*主席*)  
 林誠光教授  
 范駿華太平紳士  
 張傑  
 吳德龍

## CORPORATE INFORMATION 公司資料

### COMPANY SECRETARY

LAM Kam Cheung (CPA, FCCA)

### AUTHORISED REPRESENTATIVES

CHEUNG Tung  
LAM Kam Cheung

### AUDITOR

Deloitte Touche Tohmatsu  
Certified Public Accountants  
35/F, One Pacific Place  
88 Queensway  
Hong Kong

### LEGAL ADVISOR

Minter Ellison  
Level 25, One Pacific Place  
88 Queensway  
Hong Kong

### COMPLIANCE ADVISOR

Somerley Capital Limited  
20th Floor, China Building  
29 Queen's Road Central  
Hong Kong

### 公司秘書

林錦祥 (CPA, FCCA)

### 授權代表

張棟  
林錦祥

### 核數師

德勤·關黃陳方會計師行  
註冊會計師  
香港  
金鐘道88號  
太古廣場一期35樓

### 法律顧問

銘德律師事務所  
香港  
金鐘道88號  
太古廣場一期25樓

### 合規顧問

新百利融資有限公司  
香港  
皇后大道中29號  
華人行20樓

## CORPORATE INFORMATION

### 公司資料

#### PRINCIPAL BANKERS

Hang Seng Bank Limited  
83 Des Voeux Road Central  
Central  
Hong Kong

Standard Chartered Bank (Hong Kong) Limited  
15/F Standard Chartered Tower  
388 Kwun Tong Road  
Hong Kong

Citibank, N.A., Hong Kong  
22/F Citi Tower, One Bay East  
83 Hoi Bun Road  
Kwun Tong  
Hong Kong

#### SHARE REGISTRARS

##### Hong Kong share registrar

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

##### Cayman Islands principal share registrar and transfer office

Maples Fund Services (Cayman) Limited  
P. O. Box 1093, Boundary Hall  
Cricket Square  
Grand Cayman, KY1-1102  
Cayman Islands

#### REGISTERED OFFICE

P. O. Box 309 Ugland House  
Grand Cayman KY1-1104 Cayman Islands

#### 主要往來銀行

恒生銀行有限公司  
香港  
中環  
德輔道中 83 號

渣打銀行(香港)有限公司  
香港  
觀塘道 388 號  
渣打中心 15 樓

香港花旗銀行  
香港  
觀塘  
海濱道 83 號  
One Bay East, Citi Tower 22 樓

#### 股份過戶登記處

##### 香港股份過戶登記處

卓佳證券登記有限公司  
香港  
皇后大道東 183 號  
合和中心 22 樓

##### 開曼群島股份過戶登記總處

Maples Fund Services (Cayman) Limited  
P.O. Box 1093, Boundary Hall  
Cricket Square  
Grand Cayman, KY1-1102  
Cayman Islands

#### 註冊辦事處

P.O. Box 309 Ugland House  
Grand Cayman KY1-1104 Cayman Islands

## CORPORATE INFORMATION 公司資料

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 2005–2007  
Level 20 Tower 1  
MegaBox Enterprise Square Five  
38 Wang Chiu Road  
Kowloon Bay  
Hong Kong

### LISTING INFORMATION

The Stock Exchange of Hong Kong Limited  
Stock Code: 1418

### WEBSITE

[www.sinomax.com/group](http://www.sinomax.com/group)

### INVESTOR RELATIONS CONTACT

Email: [ir@sinomax.com](mailto:ir@sinomax.com)

### 總部及香港主要營業地點

香港  
九龍灣  
宏照道 38 號  
企業廣場五期 MegaBox  
1 座 20 樓  
2005–2007 室

### 上市資料

香港聯合交易所有限公司  
股份代號：1418

### 網站

[www.sinomax.com/group](http://www.sinomax.com/group)

### 投資者關係聯絡

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

# FINANCIAL HIGHLIGHTS

## 財務概要

		Year ended/as at 31 December 截至 12 月 31 日止年度/ 於 12 月 31 日	
		2016 2016 年	2015 2015 年
<b>Operating results (HK\$'000)</b>	<b>經營業績 (千港元)</b>		
Revenue	收入	<b>3,499,762</b>	2,869,846
Gross profit	毛利	<b>821,512</b>	787,476
Profit before tax	除稅前溢利	<b>110,978</b>	244,439
Profit for the year	年內溢利	<b>100,452</b>	184,676
Profit for the year attributable to owners of the Company	本公司擁有人應佔年內溢利	<b>103,525</b>	172,674
<b>Financial position (HK\$'000)</b>	<b>財務狀況 (千港元)</b>		
Total assets	總資產	<b>2,537,083</b>	1,809,711
Net current assets	流動資產淨額	<b>397,189</b>	671,204
Bank borrowings	銀行貸款	<b>476,896</b>	160,541
Net assets	資產淨值	<b>1,214,096</b>	1,096,689
Net assets attributable to owners of the Company	本公司擁有人應佔資產淨值	<b>1,059,290</b>	1,058,352
<b>Per share data (HK cents)</b>	<b>每股數據 (港仙)</b>		
Dividend per share	每股股息		
— Interim	— 中期	<b>0.6</b>	1.5
— Final	— 末期	<b>1.0</b>	2.5
— Total	— 總計	<b>1.6</b>	4.0
Earnings per share	每股盈利		
— Basic	— 基本	<b>5.92</b>	10.09
— Diluted	— 攤薄	<b>5.91</b>	10.07
Net assets value per share	每股資產淨值	<b>69.4</b>	62.7
Share price as at 31 December	於 12 月 31 日的股價	<b>63.0</b>	81.0
<b>Key statistics</b>	<b>主要數據</b>		
Gross profit margin (%)	毛利率 (%)	<b>23.5%</b>	27.4%
Net profit margin (%)	淨利率 (%)	<b>2.9%</b>	6.4%
Inventory turnover (days)	存貨周轉天數 (天數)	<b>52.8</b>	61.1
Debtors' turnover (days)	債務人的周轉天數 (天數)	<b>67.1</b>	68.5
Creditors' turnover (days)	債權人的周轉天數 (天數)	<b>50.5</b>	42.4
Payout ratio (%)	派息率 (%)	<b>54.0%</b>	37.9%
Dividend yield (%)	股息收益率 (%)	<b>2.5%</b>	4.9%
Return on total assets (%)	總資產回報率 (%)	<b>4.0%</b>	10.2%
Return on net assets (%)	資產淨值回報率 (%)	<b>8.3%</b>	16.8%
Gearing ratio (%)	資產負債比率 (%)	<b>39.3%</b>	14.6%
Current ratio (%)	流動比率 (%)	<b>135.5%</b>	195.5%

## CHAIRMAN'S STATEMENT

### 董事長致辭



**Lam Chi Fan**  
Chairman  
林志凡  
主席

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Sinomax Group Limited (the “**Company**”) and its subsidiaries (altogether, the “**Group**”), I have the great pleasure of presenting to you our annual report for the financial year ended 31 December 2016.

The year 2016 continued to be another challenging year. We strategically focus on the markets in The People’s Republic of China (“**PRC**”) and the United States of America (the “**US**”). During the year ended 31 December 2016, we had made the following major investments:

- acquired a 51% equity interest in Chengdu Xingang Sponge Co., Ltd.\* (成都新港海綿有限公司) (“**Chengdu Xingang**”) in the PRC.
- acquired an additional 14.81% equity interest in Dormeo North America, LLC (“**Dormeo**”) in the US, which became a 51.31% subsidiary of the Company.
- continued with the set up of the new manufacturing facility in the US.

The acquisition of Chengdu Xingang was completed on 1 March 2016. After the acquisition and during the year ended 31 December 2016, Chengdu Xingang contributed HK\$143.2 million revenue and HK\$5.7 million profit to the Group. We expect Chengdu Xingang will continue to contribute to the revenue and profit of the Group in the coming years. The acquisition further re-inforced our leadership position in the PRC foam market.

The acquisition of Dormeo together with our investment in setting up our manufacturing facility in the US have provided a lot of business opportunities for us in the US, in particular, the “Octaspring” technology used by Dormeo provided a new and innovative product solution to a lot of our customers.

\* English translated name is for identification only

本人欣然代表盛諾集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)董事(「董事」)會(「董事會」)向閣下呈列本公司截至2016年12月31日止財政年度年報。

2016年仍然是充滿挑戰的一年。在戰略上，我們專注於中華人民共和國(「中國」)及美國(「美國」)市場。於截至2016年12月31日止年度，我們已作出以下重大投資：

- 在中國收購成都新港海綿有限公司(「成都新港」)的51%股權。
- 在美國收購Dormeo North America, LLC(「Dormeo」)的額外14.81%股權，該公司成為本公司擁有51.31%之附屬公司。
- 在美國繼續建立新的生產設施。

成都新港的收購事項於2016年3月1日完成。收購後及於截至2016年12月31日止年度，成都新港已為本集團貢獻收益143.2百萬港元及溢利5.7百萬港元。我們預期來年成都新港將繼續為本集團貢獻更多收益及溢利。有關收購事項亦進一步加強我們於中國泡沫市場的領導地位。

收購Dormeo連同我們於美國建立生產設施的投資，為我們於美國提供很多商機，尤其是Dormeo所採用的「Octaspring」技術為我們不少客戶帶來嶄新及創新的產品解決方案。

\* 英文名稱僅供識別

## CHAIRMAN'S STATEMENT

### 董事長致辭

"We built one of the most state of the art foam factories in the world", was the comment on our US manufacturing facility by the CEO of one of our largest customers in the US. We expect the US factory will be operational in the second quarter of 2017. In addition to the US factory, we are setting up another logistics centre in Phoenix, Arizona and we have a new showroom in New York as well. All these US investments will enable us to provide our customers with vertically integrated solutions and shortened lead time thereby enabling us to better serve our customers in the US.

We have successfully developed two new brands, named: "Zeopedic" and "PureLUX". Together with our existing brands like "Sinomax", "Spa Supreme", "ComfortZen", "Dream Serenity" and "Tung Ah", we have a greater brand variety to serve different needs of our customers.

We are expecting a rapid sales growth particularly in the US market. We will continue to seek for other business opportunities in the US market and in the PRC market in the future.

誠如我們在美國最大客戶之一的行政總裁表示：「我們建立了一個世界數一數二先進的泡沫廠房」。我們預期該美國廠房將於2017年第二季投產。除該美國廠房外，我們正於亞利桑那州鳳凰城建立另一個物流中心，而我們亦於紐約設有新展示廳。所有該等美國投資將使我們可向客戶提供垂直整合解決方案，縮短交貨時間，為美國客戶提供更佳服務。

我們已成功開展另外兩個新品牌，即「Zeopedic」及「PureLUX」。連同「Sinomax」、「Spa Supreme」、「ComfortZen」、「Dream Serenity」及「Tung Ah」現有品牌，我們有更多元化的品牌種類滿足客戶的不同需要。

我們預期將錄得快速銷售增長，美國市場將為主要增長點。未來，我們將繼續於美國及中國市場尋找其他業務機遇。



Patented OCTASPRING® Technology  
全球專利突破性科研

Over the years, our bankers have been very supportive to finance our investments. In the coming years, we expect the Group to have a rapid sales growth. We thank our bankers who indicated that they will provide continuous support to finance our expected increase in working capital needs.

On behalf of the Board, I would like to take this opportunity to thank all staff members for their dedication to the Group and the shareholders of the Company (the "**Shareholders**"), valued customers, suppliers, bankers and other business partners for the continuous support.

**Lam Chi Fan**  
Chairman  
28 March 2017

多年來，我們的往來銀行致力為我們的投資提供資金。來年，我們預期本集團將錄得快速銷售增長。我們的往來銀行表明將繼續為我們預期增加的營運資金需要提供資金，我們謹此向他們表示謝意。

本人謹代表董事會向我們全體員工表示謝意，感謝他們對本集團所作出的貢獻，並感謝本公司股東（「股東」）、尊貴客戶、供應商、銀行及其他商業夥伴的持續支持。

董事長  
林志凡  
2017年3月28日

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### REVENUE BY OPERATING SEGMENTS

During the year ended 31 December 2016, revenue of the Group increased by approximately HK\$630.0 million or approximately 21.9% to approximately HK\$3,499.8 million (FY2015: HK\$2,869.8 million).

In the past, the Group reported its segment under export sales, retail and corporate sales and polyurethane foam sales. As our business continues to expand and we have production facilities in the US as well as in the PRC, the previous presentation by separating operating segments into export sales, retail and corporate sales and polyurethane foam sales may not be adequate to reflect the performance of our business. In view of the concentration of our business on different geographical markets, the Group segment's reporting will be on the geographical location of the markets and the respective sales during the year ended 31 December 2016 were as follows:

		For the year ended 31 December 截至 12 月 31 日止年度		
		2016 2016 年 HK\$'000 千港元	2015 2015 年 HK\$'000 千港元	Changes 變動 %
China market	中國市場	<b>1,895,867</b>	1,696,827	11.7
North American market	北美市場	<b>1,494,402</b>	1,118,756	33.6
Europe and other overseas markets	歐洲及其他海外市場	<b>109,493</b>	54,263	101.8
Total	總計	<b>3,499,762</b>	2,869,846	21.9

Despite the fact that the consumer demand in the China market was generally weak, the sales in this region for the year ended 31 December 2016 increased by approximately 11.7% because of the increase in foam and e-commerce sales.

In terms of sales channel, same-store sales recorded a decrease of approximately 6.7% for the year ended 31 December 2016. Same-store sales for each of Life Stores and concession counters decreased by approximately 5.3% and 7.2%, respectively, for the year ended 31 December 2016. During the year ended 31 December 2016, the Group opened five new Life Stores in Hong Kong and in the PRC.

Sales in the North American market recorded an approximately 33.6% growth during the year ended 31 December 2016. With the setting up of the production facility in the US, we were able to co-operate with several new customers in the US.

During the year ended 31 December 2016, we have successfully promoted our own brands including the two new brands "Zeopedic" and "PureLUX". The sales of the two new brands amounted to approximately HK\$304 million.

### 按經營分部劃分的收入

於截至 2016 年 12 月 31 日止年度，本集團的收入增長約 630.0 百萬港元或約 21.9% 至約 3,499.8 百萬港元 (2015 年財政年度：2,869.8 百萬港元)。

過去，本集團按出口銷售、零售及公司銷售及聚氨酯泡沫銷售呈報分部。由於業務持續擴張及我們於美國及中國均有生產設施，故先前以經營分部分為出口銷售、零售及公司銷售及聚氨酯泡沫銷售的呈列方式未必可反映業務表現。鑑於我們的業務集中於不同的地區市場，本集團的分部報告將以市場地點劃分，而於截至 2016 年 12 月 31 日止年度各地區的銷售額如下：

雖然中國市場整體消費需求疲弱，惟於截至 2016 年 12 月 31 日止年度該地區的銷售增加約 11.7%，原因為泡沫及電子商務銷售增加。

就銷售渠道而言，同店銷售於截至 2016 年 12 月 31 日止年度錄得下跌約 6.7%。於截至 2016 年 12 月 31 日止年度，生活館及零售專櫃各自的同店銷售分別下跌約 5.3% 及 7.2%。於截至 2016 年 12 月 31 日止年度，本集團在香港及中國開立五家新設生活館。

於北美市場的銷售於截至 2016 年 12 月 31 日止年度，錄得約 33.6% 增長。於美國設立生產設施後，我們能夠與美國的多名新客戶合作。

截至 2016 年 12 月 31 日止年度，我們成功推廣自有品牌，包括兩個新品牌「Zeopedic」及「PureLUX」。這兩個新品牌的銷售額達約 304 百萬港元。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

Although the general economy in Europe and other overseas markets were weak, we were able to achieve a sales growth of approximately 101.8% by selling newly-innovated products.

#### GROSS PROFIT

With an increase of approximately 21.9% in the Group's revenue, gross profit (the "GP") increased by approximately HK\$34.0 million or 4.3% to approximately HK\$821.5 million during the year ended 31 December 2016 as compared to approximately HK\$787.5 million for FY2015. The GP margin decreased by 3.9% from approximately 27.4% to approximately 23.5% as compared with FY2015. The major reasons for the decrease in the GP margin were:

- (1) several products were sold at a relatively lower margin to attract new customers;
- (2) the new production facility in the US started the trial run of production and a gross loss of HK\$26.0 million was incurred during the year ended 31 December 2016;
- (3) the cost of our key raw material of polyurethane foam, increased significantly in the fourth quarter of 2016 as announced on 20 October 2016 and 21 February 2017.

#### COSTS AND EXPENSES

Selling and distribution costs for the year ended 31 December 2016 increased by approximately HK\$106.6 million or 31.1% to approximately HK\$449.0 million, as compared to approximately HK\$342.4 million for FY2015. The increase was mainly due to the increase in transportation expenses that were incurred to better serve our customers in the PRC and in the US. Staff costs increased as we recruited more sales staff to strengthen the sales team in the US. In addition, advertising expenses and royalty fees also increased which were in line with the sales growth.

Administrative expenses for the year ended 31 December 2016 increased by approximately HK\$43.5 million or 26.8% to approximately HK\$206.1 million, as compared to approximately HK\$162.6 million for FY2015. The increase was mainly due to the increase in staff cost from newly acquired subsidiaries during the year ended 31 December 2016.

Other expenses for the year ended 31 December 2016 mainly consisted of research and development expenses amounted to approximately HK\$59.0 million, as compared to approximately HK\$39.8 million for FY2015. The Group has put much more resources on improving and developing more foam features to meet the increasing customers' needs.

雖然歐洲及其他海外市場的整體經濟衰弱，但我們通過銷售創新產品得以取得約101.8%的銷售增長。

#### 毛利

由於本集團的收入增長約21.9%，截至2016年12月31日止年度毛利（「毛利」）增長約34.0百萬港元或4.3%至約821.5百萬港元，而2015年財政年度則為約787.5百萬港元。期間毛利率由2015年財政年度的約27.4%減少3.9%至約23.5%。毛利率錄得跌幅的主因是：

- (1) 多項產品按較低的毛利率出售，以吸引若干新客戶；
- (2) 美國新建生產設施已投入試產及於截至2016年12月31日止年度內產生毛損26.0百萬港元；
- (3) 誠如於2016年10月20日及2017年2月21日所公佈，主要原材料聚氨酯泡沫的成本在第四季大幅增加。

#### 成本及開支

於截至2016年12月31日止年度內，銷售及分銷成本從2015年財政年度的約342.4百萬港元增長約106.6百萬港元或31.1%至約449.0百萬港元。該增長主要由於為更好地服務中國及美國客戶而令所產生的運輸開支增加所致。由於我們聘請更多銷售人員以加強美國的銷售團隊，故員工成本增加。此外，廣告開支及版權費亦增加，此與銷售增幅相符。

於截至2016年12月31日止年度內，行政開支從2015年財政年度的約162.6百萬港元增長約43.5百萬港元或26.8%至約206.1百萬港元。此增長主要由於報告期間內收購新附屬公司導致員工成本增加所致。

截至2016年12月31日止年度的其他開支主要包括研發開支，金額為約59.0百萬港元，而2015年財政年度為約39.8百萬港元。本集團為改進及開發更多泡沫特色以滿足客戶與日俱增的需求而投入更多資源。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### PROFIT FOR THE YEAR

Profit for the year ended 31 December 2016 decreased by approximately HK\$84.2 million or 45.6% to approximately HK\$100.5 million, as compared to approximately HK\$184.7 million for FY2015.

The major reasons for the decrease were:

- (1) net loss incurred on the trial run of the US production facility of HK\$33.1 million;
- (2) loss related to Dormeo (including net loss on derecognition of an associate, share of loss of an associate and the post-acquisition loss) of HK\$61.1 million; and
- (3) the significant increase in the cost of our key raw material as mentioned above.

### LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

As at 31 December 2016, the Group had net current assets of approximately HK\$397.2 million, as compared to approximately HK\$671.2 million as at 31 December 2015.

### BORROWINGS AND PLEDGE OF ASSETS

As at 31 December 2016, the Group had banking facilities amounted to approximately HK\$1,383.0 million of which approximately HK\$562.3 million was utilized (31 December 2015: banking facilities amounted to approximately HK\$1,251.8 million of which approximately HK\$220.0 million was utilized) (which included bank borrowings and bills payables).

The bills payables of the Group were secured by bank deposits of approximately HK\$5.1 million (31 December 2015: approximately HK\$8.5 million).

Details of the maturity profile and the breakdown of the borrowings are set out in note 29 to the consolidated financial statements.

We expect we will have more bank borrowings in 2017 to finance our rapid business growth.

### 年內溢利

截至2016年12月31日止年度溢利減少約84.2百萬港元或45.6%至約100.5百萬港元，而2015年財政年度則為約184.7百萬港元。

減幅的主因是：

- (1) 美國生產設施試產產生虧損淨額33.1百萬港元；
- (2) 有關Dormeo的虧損（包括終止確認一間聯營公司的虧損淨額、應佔聯營公司之虧損及收購後虧損）61.1百萬港元；及
- (3) 誠如上文所述，主要原材料成本大幅增加。

### 流動資金、財務及資本資源

於2016年12月31日，本集團的流動資產淨值約為397.2百萬港元，而於2015年12月31日則約為671.2百萬港元。

### 借款及抵押資產

於2016年12月31日，本集團的銀行融資約為1,383.0百萬港元，其中約562.3百萬港元已動用（2015年12月31日：銀行融資約為1,251.8百萬港元，其中約220.0百萬港元已動用）（該金額包括銀行借款及應付票據）。

本集團的應付票據由銀行存款約5.1百萬港元（2015年12月31日：約8.5百萬港元）擔保。

借款的到期狀況及明細載於綜合財務報表附註29。

我們預計將於2017年取得更多銀行借款，為我們快速的業務增長提供資金。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### CAPITAL EXPENDITURE

The Group's capital expenditure for the year ended 31 December 2016 amounted to approximately HK\$285.0 million was incurred mainly for the purchase of the Group's plant and machinery (31 December 2015: HK\$86.1 million).

### Financial ratios

### 資本開支

截至2016年12月31日止年度本集團的資本開支約為285.0百萬港元，主要用於購買本集團的設備及機器（2015年12月31日：86.1百萬港元）。

### 財務比率

		As at 於	
		31 December 2016 2016年 12月31日	31 December 2015 2015年 12月31日
Current ratio <sup>(1)</sup>	流動比率 <sup>(1)</sup>	<b>135.5%</b>	195.5%
Quick ratio <sup>(2)</sup>	速動比率 <sup>(2)</sup>	<b>93.0%</b>	153.0%
Gearing ratio <sup>(3)</sup>	資產負債比率 <sup>(3)</sup>	<b>39.3%</b>	14.6%
Debt to equity ratio <sup>(4)</sup>	債務對權益比率 <sup>(4)</sup>	<b>28.4%</b>	N/A

<sup>(1)</sup> Current ratio is equal to current assets divided by current liabilities.

<sup>(2)</sup> Quick ratio is equal to current assets less inventories and divided by current liabilities.

<sup>(3)</sup> Gearing ratio is derived by dividing interest-bearing debt incurred in the ordinary course of business by total equity.

<sup>(4)</sup> Debt to equity ratio is calculated by dividing net debt by total equity. Net debt is defined to include all borrowings net of cash and cash equivalents.

<sup>(1)</sup> 流動比率按流動資產除以流動負債計算。

<sup>(2)</sup> 速動比率按流動資產減存貨除以流動負債計算。

<sup>(3)</sup> 資產負債比率通過日常業務過程中產生的計息債務除以權益總額而得出。

<sup>(4)</sup> 債務對權益比率按債務淨額除以權益總額計算。債務淨額被界定為包括所有借款扣除現金及現金等價物。



OCTASPRING® Contour Pillow  
OCTASPRING® 彈簧護頸枕



4D Space Pillow  
4D 太空智能枕

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### FOREIGN CURRENCY EXPOSURE

The Group carries on business mainly in Hong Kong, the PRC and the US. The Group is exposed to foreign exchange risk principally in Renminbi which can be largely offset by its revenue and expenditure in the PRC. The Group does not expect any appreciation or depreciation of the Hong Kong Dollar against Renminbi which could materially affect the Group's results on operations, and therefore no hedging instrument has been employed. The Group will closely monitor the trend of the Renminbi and take appropriate measures to deal with the foreign exchange exposure if necessary.

### TREASURY POLICY AND MARKET RISKS

The Group has a treasury policy that aims to better control its treasury operations and lower borrowing cost. Such treasury policy requires the Group to maintain an adequate level of cash and cash equivalents, and sufficient available banking facilities to finance the Group's daily operations and to address short term funding needs. The Group reviews and evaluates its treasury policy from time to time to ensure its adequacy and effectiveness.

### PROSPECTS

The polyurethane foam products are becoming more and more popular in the US. With our new US production facility, we can have a vertically integrated solution to customers including product design, foam manufacturing, trimming and assembly, inventory and logistics management as well as sales and marketing in the US. This is particularly a good time where we can capture the increasing demand of polyurethane foam business opportunities as evidenced by the increase in number of new customers and sales amount.

The US factory is expected to be operational in the second quarter of 2017. By that time, we can produce polyurethane foam as well as the end consumer health products to capture different segments in North American market and shorten the lead time between production and delivery and thus better serve our customers. Production volume will gradually increase so that the cost of our products will decrease. Sales growth is expected to be significant in the coming years in North American market.

### 外匯風險

本集團主要在香港、中國及美國經營業務。本集團於中國主要面對人民幣的外匯風險，而此種風險基本可做到收支相抵。本集團預期港幣兌人民幣升值或貶值不會對本集團的經營業績產生任何重大影響，因而並無採用任何對沖工具。本集團將會密切留意人民幣走勢，必要時將採取適當的措施以應對外匯風險。

### 庫務政策及市場風險

本集團設有庫務政策，旨在更有效地控制其庫務運作及降低借貸成本。該等庫務政策要求本集團維持足夠水平的現金及現金等價物，以及充分的可動用銀行融資，以撥付本集團日常營運及應付短期資金需要。本集團不時檢討及評價庫務政策，以確保其充足及有效程度。

### 前景

聚氨酯泡沫產品在美國日益普及。藉著新建美國生產設施，我們可在美國為客戶提供垂直整合解決方案，包括產品設計、泡沫製造、修邊及組裝、存貨及物流管理及銷售及營銷。此乃良好時機，讓我們能把握聚氨酯泡沫需求增加的業務機會，其可證諸新客戶數目及銷售額增加。

美國廠房預期將於2017年第二季投入運作。屆時，我們可生產聚氨酯泡沫以及終端客戶健康產品，從而佔有北美市場不同分部，及縮短生產至交貨的所需時間，為客戶提供更好的服務。生產數量將會逐步增加，而產品成本則會相對減低。未來數年北美市場之銷售預期將大幅增長。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

As mentioned in "Profit for the year" in the Management Discussion and Analysis section, there were several factors which led to the decrease in profit for 2016. However, these factors will be eliminated or minimized in the second half year of 2017 where:

- |  |   |
|--|---|
| <p>(1) we expect there will be a normal gross profit instead of gross loss when the US factory is operational starting from the second quarter of 2017;</p> <p>(2) more new customers will be developed with increasing sales for Dormeo in 2017. At the same time, we were implementing various cost-cutting measures on production costs and selling expenses on the operation of Dormeo. We expect these costing-cutting measures will be fully in place in the second half year of 2017. In fact, the loss in the first two months in 2017 decreased by 77.8% comparing with the same period in 2016;</p> <p>(3) we generally quote our products at a cost-plus basis. However, there is a time lag where it may take some time to discuss with our customers on the prices when there is a sudden change in cost. If the material cost does not fluctuate significantly, our selling prices will gradually catch up the previous cost increase.</p> | <p>誠如管理層討論與分析一節「年內溢利」所述，多個因素導致2016年溢利減少。然而，該等因素將於2017年下半年消除或緩減，當中：</p> <p>(1) 我們預期當美國廠房在2017年第二季投入運作後將錄得正常毛利，而非毛損；</p> <p>(2) 隨著Dormeo將吸納到更多新客戶，其於2017年的銷售已見增加。同時，我們對Dormeo業務營運的生產成本及銷售開支實行多項節流措施。我們預期該等節流措施將於2017年下半年全面生效。實際上，2017年首兩個月的虧損較2016年同期減少77.8%；</p> <p>(3) 我們通常按成本加溢價基準為產品報價。然而，倘成本突然變動，則與客戶磋商價格需時，會產生時間滯後。倘物料成本並無大幅波動，售價將逐步追上過往成本升幅。</p> |
|--|---|



New York Showroom  
紐約陳列室

We are setting up another logistics centre of about 180,000 square feet in Phoenix, Arizona so that we can better serve our customers in the western part of the North American market. We also have a showroom in New York of about 8,700 square feet to demonstrate newly developed products to our customers there.

我們現正於亞利桑那州鳳凰城建立另一個約180,000平方呎的物流中心，以便我們為北美市場西部客戶提供更佳服務。我們於紐約亦有一個約8,700平方呎的展廳，用以展示新開發產品予當地客戶。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

In the PRC market, the Group offers a wide range of health and household products, under its flagship brand "SINOMAX". The Group will further enhance brand management through various marketing activities to reinforce brand recognition and enhance the image of health, relaxation and comfort of the "SINOMAX" brand. The Group will continue to promote its brands and products to corporate customers so as to attract more corporate sales. The Group is also expanding e-commerce sales channels to promote and distribute its products. During the year ended 31 December 2016, e-commerce sales of the Group recorded a substantial growth of approximately HK\$37.9 million or 133.5% to approximately HK\$66.3 million, as compared to approximately HK\$28.4 million for FY2015.

As the sales growth for Europe and other overseas markets is significant, we will devote more resources to explore more business opportunities in these regions.

The Group will continue to upgrade the machinery so as to improve the production efficiency and increase the competitiveness. The Group will continue to devote more resources on research and development to develop more innovative products and to enhance its product features.

The Group plans to continue to grow its business by exploring attractive acquisition and collaboration opportunities that are compatible with its business vision. As disclosed in the paragraph headed "Material Acquisitions and Disposals", the Group acquired Chengdu Xingang and Dormeo during the year ended 31 December 2016. We are also setting up a new foam factory in Shandong province in the PRC to serve our customers in that region. We expect that the Shandong factory will be operational by the end of 2017. This will further enhance our leading position in the polyurethane foam industry in the PRC.

Going forward, the Group will continue to look for other strategic acquisitions and business opportunities.

本集團以旗艦品牌「SINOMAX」在中國市場提供多項保健及家居產品。本集團將藉多項市場營銷活動進一步提升品牌管理，以加強品牌認知度以及提升「SINOMAX」品牌的「健康、放鬆及舒適」形象。本集團將持續向企業客戶推廣其品牌及產品，以實現更多企業銷售。本集團亦擴大電子商務銷售渠道，以宣傳及分銷其產品。於截至2016年12月31日止年度內，本集團的電子商務銷售大幅增長約37.9百萬港元或133.5%至約66.3百萬港元，而2015年財政年度約為28.4百萬港元。

由於歐洲及其他海外市場的銷售增長顯著，我們將於該等地區投放更多資源，以發掘更多商機。

本集團將繼續對有關機器進行升級，以改善生產效率及提高競爭力。本集團亦會將更多資源投入研發以開發更多創新產品及提高其產品性能。

本集團計劃通過發掘具有吸引力並能與我們的業務相配合的收購及合作機遇繼續發展業務。誠如「重大收購及出售」一段披露，本集團於截至2016年12月31日止年度內收購成都新港及Dormeo。我們亦於山東成立了新泡沫廠房以服務該區客戶。我們預期中國山東省的廠房將於2017年結束前投入運作。此舉將進一步穩固我們於中國聚氨酯泡沫行業的領導地位。

展望未來，本集團將繼續物色其他策略收購及業務商機。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### MATERIAL ACQUISITIONS AND DISPOSALS

#### (a) Acquisition of Chengdu Xingang

On 19 February 2016, an indirectly wholly-owned subsidiary of the Company entered into an acquisition agreement (the “**Acquisition Agreement**”) with Mr. Liu Jiaming, an independent third party of the Group. Pursuant to the Acquisition Agreement, the Group conditionally agreed to acquire and Mr. Liu Jiaming agreed to sell 51% of the equity interest in Chengdu Xingang, a company established in the PRC with limited liability, and is principally engaged in the manufacturing and sales of polyurethane foam, sales of decorative materials, sofa materials, cloth materials and mattress materials. The cash consideration of the acquisition is RMB81.7 million (equivalent to approximately HK\$97.9 million). The acquisition was completed on 1 March 2016.

Acquisition-related costs amounting to approximately HK\$0.4 million that related to the above acquisition have been excluded from the cost of acquisition and have been recognised as an expense in the current year, included in “other expenses” line item in the consolidated statement of profit or loss and other comprehensive income.

#### (b) Step acquisition of Dormeo

On 9 September 2015, a wholly-owned subsidiary of the Company entered into a first securities purchase agreement (the “**First Purchase Agreement**”) with, among others, Dormeo, a company formed as a limited liability company pursuant to the Delaware Limited Liability Company Act, to acquire 36.5% of all of the membership interest in Dormeo at an aggregate cash consideration of United States dollars (“**US\$**”) 10 million (equivalent to HK\$77.5 million). Pursuant to the First Purchase Agreement, the Group’s membership interest in Dormeo is initially set at 36.5%, but will be automatically reduced to 25% at 31 December 2017 if certain performance warranties given by the investee and its parent company are met (“**Possible Reduction**”).

### 重大收購及出售

#### (a) 收購成都新港

於2016年2月19日，本公司一間間接全資附屬公司與劉家明先生（本集團的獨立第三方）訂立收購協議（「**收購協議**」）。根據收購協議，本集團有條件收購及劉家明先生同意出售成都新港51%股權，成都新港為於中國成立的有限公司，主要從事生產及銷售聚氨酯泡沫以及銷售裝飾物料、沙發物料、布料及床褥物料業務。收購事項的現金代價為人民幣81.7百萬元（相當於約97.9百萬元）。收購事項於2016年3月1日完成。

收購相關成本約0.4百萬元與上述收購有關，已從收購成本中除開，並於本年度確認為開支，計入綜合損益及其他全面收益表內的「其他開支」項目。

#### (b) 分階段收購 Dormeo

於2015年9月9日，本公司全資附屬公司與（其中包括）Dormeo（一間根據特拉華州有限公司法成立的有限責任公司）訂立首份證券購買協議（「**首份購買協議**」），以現金總代價10百萬美元（「**美元**」）（相當於77.5百萬元）收購Dormeo 36.5%之股東權益。根據首份購買協議，本集團於Dormeo的股東權益最初定為36.5%，但倘被投資方及其母公司給出之若干履約保證獲實現，則將於2017年12月31日自動削減至25%（「**可能削減**」）。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

On 11 April 2016, a wholly-owned subsidiary of the Company entered into a second securities purchase agreement (the “**Second Purchase Agreement**”) with, among others, Dormeo, to increase the Group’s ownership in Dormeo by an additional 14.81% and to waive the Possible Reduction pursuant to First Purchase Agreement for a cash consideration of US\$2.5 million (equivalent to HK\$19.4 million) by way of capital injection to Dormeo.

The acquisition was completed on 12 April 2016. Together with the 25% membership interest previously held by the Group and the 11.5% membership interest gain on the waiver of Possible Reduction, the Group is able to exercise control over Dormeo and Dormeo became a 51.31% subsidiary of the Company from that date.

Dormeo is principally engaged in the business of selling pillows, mattresses and related bedding accessories and other consumer products in North America.

The Group recognised a net loss of approximately of HK\$10.1 million as a result of the re-measurement of membership interests in Dormeo previously held and the derivative financial assets related to membership interests in Dormeo upon waiver of Possible Reduction. The net loss is included in “Net loss on derecognition of an associate” line item in the consolidated statement of profit or loss and other comprehensive income.

Acquisition-related costs amounted to approximately HK\$0.3 million that related to the above acquisition have been excluded from the cost of acquisition and have been recognised as an expense in the current year, included in “other expenses” line item in the consolidated statement of profit or loss and other comprehensive income.

For details of the above-mentioned material acquisitions, please refer to the announcements published by the Company dated 19 February 2016 and 12 April 2016.

For details of the material acquisition in 2015, please refer to the announcement published by the Company dated 23 January 2015.

於2016年4月11日，本公司一間全資附屬公司與(其中包括)Dormeo訂立第二份證券購買協議(「**第二份購買協議**」)，以向Dormeo注資的方式增加本集團於Dormeo的額外擁有權14.81%及豁免首份購買協議下的可能削減，現金代價為2.5百萬美元(相當於19.4百萬港元)。

收購事項於2016年4月12日完成。連同本集團先前持有的25%股權及豁免可能削減後得到的11.5%股權，自該日起，本集團擁有對Dormeo的控制權及Dormeo成為本公司擁有51.31%權益的附屬公司。

Dormeo主要從事於北美洲銷售枕頭、床墊及相關床品配件以及其他商品業務。

本集團因重新計量先前所持有的Dormeo股權及豁免可能削減後有關Dormeo股權的衍生金融資產而確認虧損淨額約10.1百萬港元。虧損淨額已計入綜合損益及其他全面收益表的「終止確認一間聯營公司的虧損淨額」項目。

收購相關成本約0.3百萬港元與上述收購有關，已從收購成本中除開，並於本年度確認為開支，計入綜合損益及其他全面收益表內的「其他開支」項目。

有關上述重大收購的詳情，請參閱本公司於2016年2月19日及2016年4月12日刊發的公佈。

有關2015年重大收購之詳情，請參閱本公司日期為2015年1月23日之公告。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

#### FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the paragraph headed "Prospects" in this annual report, the Group does not have other plans for material investments or capital assets.

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

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

#### EVENT AFTER THE REPORTING PERIOD

On 26 January 2017 (the "**Date of Grant**"), the Company offered to grant a total of 30,800,000 share options (the "**Share Options**") to the Directors and certain eligible employees of the Group (the "**Grantees**"), subject to the acceptance of the Grantees and pursuant to the Share Option Scheme. The Grantees are entitled, subject to the terms and conditions of grant and upon exercise, to subscribe for a total of 30,800,000 new ordinary shares of nominal value of HK0.10 each in the share capital of the Company ("**Shares**"), representing approximately 1.76% of the 1,750,002,000 Shares in issue as at the Date of Grant. The exercises price is HK\$0.69 per share.

All 30,800,000 Share Options are valid for a period of 5 years commencing from the relevant vesting date and subject to the following vesting periods:

- (a) 50% of the Share Options granted to each Grantee shall vest on the first anniversary date of the Date of Grant (i.e. 26 January 2018); and
- (b) 50% of the Share Options granted to each Grantee shall vest on the second anniversary date of the Date of Grant (i.e. 26 January 2019).

For details of the grant of the Share Options, please refer to the announcement published by the Company dated 26 January 2017.

#### 重大投資或資本資產的日後計劃

除本年報上文「前景」一段所披露者外，本集團並無有關重大投資或資本資產的其他計劃。

#### 購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於截至2016年12月31日止年度概無購買、出售或贖回本公司任何上市證券。

#### 報告期後事項

於2017年1月26日（「授出日期」），本公司向董事及本集團若干合資格僱員（「承授人」）要約授出合共30,800,000份購股權（「購股權」），惟須待承授人接納及根據購股權計劃行事。根據授出條款及條件，承授人於行使購股權後，有權認購本公司股本中合共30,800,000股每股面值0.10港元之普通股（「股份」），佔授出日期1,750,002,000股已發行股份約1.76%。行使價為每股股份0.69港元。

30,800,000份購股權全部將於相關歸屬日期起計五年內有效，並受限於以下歸屬期：

- (a) 各承授人獲授的50%購股權須於授出日期第一週年當日（即2018年1月26日）歸屬；及
- (b) 各承授人獲授的50%購股權須於授出日期第二週年當日（即2019年1月26日）歸屬。

有關授出購股權的詳情，請參閱本公司於2017年1月26日刊發的公佈。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2016, the employee headcount of the Group was 3,429 (31 December 2015: 3,197) and the total staff costs, including Directors' remuneration and share option expenses, amounted to approximately HK\$363.4 million for the year ended 31 December 2016 (FY2015: approximately HK\$275.1 million). The significant increase in staff costs was primarily due to salary increment, increase in social insurance contributions, housing provident fund and share option expenses.

The Group offers competitive remuneration packages commensurate with industry practice and provides various fringe benefits to employees including housing and travel allowances depending on their grade and ranking within the Group. The Group also maintains medical insurance for the benefit of its employees. The Group conducts induction training for all of its new employees and on-going training from time to time during their employment. The nature of training offered depends on their specific field of operation. The Group also operates an employee incentive scheme pursuant to which rewards take the form of promotions, salary raises and monetary bonuses, and a share option scheme.

### 僱員及薪酬政策

於2016年12月31日，本集團僱員總數為3,429人(2015年12月31日：3,197人)，截至2016年12月31日止年度員工總成本(包括董事酬金及購股權開支)約為363.4百萬港元(2015年財政年度：約275.1百萬港元)。員工成本大幅增長主要由於工資增長、社保供款、住房公積金及購股權開支增長所致。

本集團為僱員提供符合行業慣例並具競爭力的薪酬待遇及各種福利，包括視乎其在本集團內的級別和等級享有住房及差旅津貼。本集團亦為僱員的利益投購醫療保險。本集團為所有新僱員進行入職培訓，並在彼等受僱期間不時提供持續培訓。所提供培訓的性質取決於彼等具體的工作領域。本集團已實行僱員獎勵計劃，獎勵將以晉升、加薪、獎金方式及購股權計劃的方式作出。

## DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層

The biographical details of the Directors and the senior management of the Company who held office during the year ended 31 December 2016 and up to the date of this annual report are as follows:

#### EXECUTIVE DIRECTORS

##### Mr. LAM Chi Fan, aged 58

Mr. Lam is a co-founder of the Group, the Chairman and an executive Director. Mr. Lam is also the chairman of the Company's nomination committee and a member of the Company's remuneration committee. Mr. Lam was appointed to the Board in June 2012. Mr. Lam is responsible for formulation of the overall business strategies and management of the Group and business planning. He is also a director of certain subsidiaries of the Group. Mr. Lam has over 20 years' experience in the polyurethane foam business. Prior to founding the Group on 19 January 2000, he was a director of Luen Tai Component Limited, a company incorporated in Hong Kong and engaged in the sales of foam products, from March 1991 to July 1996. He was appointed as a member of the 13th Chinese People's Political Consultative Conference Jiashan, Zhejiang Province Committee (中國人民政治協商會議浙江省嘉善縣第十三屆委員會特邀委員) in February 2012, the vice president of the Shau Kei Wan District of the Scout Association of Hong Kong (香港童軍總會筲箕灣區副會長) in August 2012 and in September 2013 and an affiliated supervisor of the Huangpu Customs of the PRC (中華人民共和國黃埔海關辦事處特邀監督員) in April 2014 and the president of the Dongguan City Tang Xia Association of Enterprises with Foreign Investment (東莞市塘廈外商投資企業協會會長) in March 2016. Mr. Lam is the uncle of Mr. Cheung Tung, the President and an executive Director; the father of Mr. Lam Sze Chiu, a senior management member of the Group; and a cousin of Ms. Lam Fei Man, an executive Director.

於截至2016年12月31日止年度至本年報日期任職的本公司董事及高級管理層的履歷詳情如下：

#### 執行董事

##### 林志凡先生，58歲

林先生為本集團聯合創辦人，為董事長兼執行董事。林先生亦為本公司提名委員會主席及本公司薪酬委員會成員。林先生於2012年6月獲委任加入董事會。林先生負責制訂全面業務策略，管理本集團及業務規劃。彼亦為本集團若干附屬公司的董事。林先生在聚氨基酯泡沫業務方面擁有逾20年經驗。在2000年1月19日創辦本集團前，彼自1991年3月至1996年7月擔任聯大集成有限公司董事，該公司在香港註冊成立，從事泡沫產品銷售。於2012年2月，彼獲委任為中國人民政治協商會議浙江省嘉善縣第十三屆委員會特邀委員、於2012年8月及2013年9月獲委任為香港童軍總會筲箕灣區副會長及於2014年4月獲委任為中華人民共和國黃埔海關辦事處特邀監督員以及於2016年3月獲委任為東莞市塘廈外商投資企業協會會長。林先生為張棟(總裁兼執行董事)的叔叔；林仕超(本集團高級管理層)的父親；以及林斐雯(執行董事)的表哥。

## DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層

#### Mr. CHEUNG Tung, aged 41

Mr. Cheung is the President of the Company and an executive Director. Mr. Cheung joined the Group on 21 July 2003 as the Chairman's assistant, responsible for handling the information technology infrastructure of the Group. He was appointed to the Board in June 2012. He is currently responsible for the overall management and daily operations of the Group. He is also a director of certain subsidiaries of the Group. Prior to joining the Group, Mr. Cheung assisted in setting up C&T Solutions Limited, a company incorporated in Hong Kong and engaged in providing information technology services, in March 2000. Mr. Cheung holds a bachelor's degree in computer engineering from the Hong Kong University of Science and Technology and a master's degree in business administration jointly issued by Northwestern University and the Hong Kong University of Science and Technology. Mr. Cheung was granted the "Young Industrialist Award of Hong Kong 2014" by the Federation of Hong Kong Industries. Mr. Cheung is a nephew of Mr. Lam Chi Fan, the Chairman and an executive Director; a nephew of Ms. Lam Fei Man, an executive Director; and a cousin of Mr. Lam Sze Chiu, a senior management member of the Group.

#### 張棟先生，41歲

張先生為本公司總裁兼執行董事。張先生於2003年7月21日加入本集團為主席助理，負責處理本集團的資訊科技基建。彼於2012年6月獲委任加入董事會。彼現時負責全面管理本集團及其日常運作。彼亦為本集團若干附屬公司的董事。加入本集團前，張先生於2000年3月協助創辦C&T Solutions Limited，該公司於香港註冊成立，從事提供信息技術服務。張先生擁有香港科技大學計算機工程學士學位，並取得西北大學及香港科技大學聯合頒發的工商管理碩士學位。張先生獲香港工業總會頒發「2014年香港青年工業家獎」。張先生乃林志凡（董事長兼執行董事）的侄子，林斐雯（執行董事）的表姨甥；及林仕超（本集團高級管理層）的堂兄。

## DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層

#### Mr. CHEN Feng, aged 53

Mr. Chen is an executive Director. He was appointed to the Board in June 2012. He is responsible for the overall management of the export sales business and product development of the Group. He is also the key executive in mapping the sales and marketing strategies in the US through Sinomax USA Inc. ("Sinomax USA"). He is currently a director of various wholly-owned subsidiaries of the Group. Mr. Chen joined the Group on 19 January 2000 as an export sales manager and became the vice president of the Group in 2007. He assisted in setting up Sinomax USA, the company engaging in export sales in the US, and has been the president and director of Sinomax USA since its establishment in 2005. Mr. Chen holds a Master of Science degree in industrial engineering from Louisiana State University in Baton Rouge, US and a bachelor of engineering degree in safety engineering from Beijing College of Economics (北京經濟學院), now known as Capital University of Economics and Business (首都經濟貿易大學), in Beijing, the PRC. Mr. Chen is a cousin of the mother of Ms. Lam Fei Man, an executive Director.

#### Mr. LAM Kam Cheung, aged 49

Mr. Lam is an executive Director, chief financial officer and company secretary of the Company. Mr. Lam joined the Group in May 2004 as the financial controller and was appointed to the Board in June 2012. He was appointed as the chief financial officer in August 2013 and is responsible for the financial management of the Group. Mr. Lam has over 20 years' experience in accounting and auditing. Prior to joining the Group, he was an executive director and company secretary of Yeebo (International Holdings) Limited (stock code: 0259), a listed public company in Hong Kong, from October 1995 to May 2004. Mr. Lam holds a bachelor's degree in business administration from the Chinese University of Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

#### 陳楓先生，53歲

陳先生為本公司執行董事。彼於2012年6月獲委任加入董事會。彼負責全面管理本集團的出口銷售業務及產品發展。彼亦透過Sinomax USA Inc. (「Sinomax USA」) 成為制訂美國銷售及市場策略的主要行政人員。彼目前為本集團多間全資附屬公司的董事。陳先生在2000年1月19日加入本集團，擔任其出口銷售經理，並於2007年成為本集團的副總裁。彼協助成立Sinomax USA (本集團的全資附屬公司，從事美國出口銷售)，並自其於2005年成立以來一直擔任Sinomax USA的總裁兼董事。陳先生在位於美國巴騰魯日市的路易斯安那州立大學取得工業工程的理學碩士學位，及於中國北京的北京經濟學院(現稱為首都經濟貿易大學)取得安全工程系工程學學士學位。陳先生為林斐雯(執行董事)母親的堂弟。

#### 林錦祥先生，49歲

林先生為本公司執行董事、首席財務官及公司秘書。林先生在2004年5月加入本集團擔任財務總監，並於2012年6月獲委任加入董事會。彼於2013年8月擔任首席財務官，負責本集團的財務管理。林先生於會計及審計方面擁有逾20年經驗。加入本集團前，彼自1995年10月至2004年5月為香港上市公眾公司億都(國際控股)有限公司(股份代號：0259)的執行董事及公司秘書。林先生在香港中文大學取得工商管理學士學位。彼為香港會計師公會會員及英國特許公認會計師協會資深會員。

## DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層

#### Ms. LAM Fei Man, aged 42

Ms. Lam is an executive Director. She is responsible for the Group's purchasing operations. She is also a director of certain subsidiaries of the Group. Ms. Lam joined the Group in January 2000 and served as the assistant administration manager of Sinomax (Holding) Group Limited, a predecessor company of Sinomax Enterprises, until January 2003. From June 2003 to January 2006 Ms. Lam worked as a merchandiser in Capital 88 Incorporation Limited, a company engaged in general trading. Ms. Lam rejoined the Group in February 2006 as purchasing manager. She was appointed to the Board in June 2012. Ms. Lam has over 15 years' experience in purchasing and logistics. She holds a bachelor's degree in commerce jointly issued by the University of Canberra and the Hong Kong Baptist University. Ms. Lam is a cousin of Mr. Lam Chi Fan, the Chairman of the Board and an executive Director; the daughter of a cousin of Mr. Chen Feng, an executive Director; and aunt of Mr. Cheung Tung, the President and an executive Director.

#### 林斐雯小姐，42歲

林小姐為本公司執行董事。彼負責本集團的採購營運。彼亦為本集團若干附屬公司的董事。林小姐於2000年1月加入本集團，於2003年1月前擔任聖諾盟企業的前身公司聖諾盟控股集團有限公司的助理行政經理。自2003年6月至2006年1月，林小姐擔任富利金國際股份有限公司（一間在香港從事一般貿易的公司）的採購員。林小姐於2006年2月重新加入本集團擔任採購經理。彼在2012年6月獲委任加入董事會。林小姐在採購及物流方面擁有逾15年經驗。彼持有堪培拉大學及香港浸會大學聯合頒發的商業學士學位。林小姐為林志凡先生（董事長兼執行董事）的表妹，陳楓先生（執行董事）堂姊的女兒及張棟先生（總裁兼執行董事）的表姨。

## DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

##### Mr. WONG Chi Keung, aged 50

Mr. Wong is an independent non-executive Director, the chairman of the audit committee and corporate governance committee and a member of the nomination committee of the Company. Mr. Wong was appointed to the Board on 4 March 2014. Mr. Wong is currently an executive director and the chief financial officer of Win Hanverky Holdings Limited (stock code: 3322), a listed public company in Hong Kong. He was previously the chief financial officer of Besunyen Holdings Company Limited (stock code: 0926) from September 2011 to September 2013 and China Dongxiang (Group) Co., Ltd. (stock code: 3818) from May 2007 to April 2010, all of which are listed public companies in Hong Kong. Between June 2002 and June 2006, Mr. Wong was a senior finance manager of China Netcom Group Corporation (Hong Kong) Limited (a company previously listed in Hong Kong (former stock code: 0906) which subsequently merged with China Unicom (Hong Kong) Limited (stock code: 0762), a listed public company in Hong Kong). Between July 1989 and December 1999, Mr. Wong was employed by PricewaterhouseCoopers, an international public accounting firm, in Hong Kong and was an audit manager. Mr. Wong holds a bachelor's degree in business administration from the Chinese University of Hong Kong and a master's degree in business administration from the Australian Graduate School of Management, jointly issued by the University of New South Wales and the University of Sydney. Mr. Wong is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.

##### Professor LAM Sing Kwong, Simon, aged 58

Professor Lam is an independent non-executive Director, the chairman of the remuneration committee and a member of the audit committee, the nomination committee and the corporate governance committee of the Company. Professor Lam was appointed to the Board on 4 March 2014. Professor Lam joined the University of Hong Kong as full-time teaching staff in September 1989 and is currently the Professor of Management at the Faculty of Business and Economics at the University of Hong Kong. He has published a number of academic papers and case analysis on topics such as corporate strategies, organisation development and operations management. Professor Lam is an independent non-executive director of Overseas Chinese Town (Asia) Holdings Limited (stock code: 3366), Kwan On Holdings Limited (stock code: 1559) and a non-executive director of Jacobson Pharma Corporation Limited (stock code: 2633), all of which are listed public companies in Hong Kong. In the past three years, Professor Lam has been an independent non-executive director of Beijing Enterprises Clean Energy Group Limited (formerly known as Jin Cai Holdings Limited, stock code: 1250), Chun Sing Engineering Holdings Limited (stock code: 2277), King Force Security Holdings Limited (stock code: 8315) and Glory Flame Holdings Limited (stock code: 8059). Prior to joining the University of Hong Kong, Professor Lam was a regional support manager of Canadian Imperial Bank of Commerce from 1987 to 1989. Professor Lam holds a doctorate degree in commerce from the Australian National University.

#### 獨立非執行董事

##### 王志強先生，50歲

王先生為本公司獨立非執行董事，並為審核委員會主席及企業管治委員會主席以及提名委員會成員。王先生於2014年3月4日獲委任加入董事會。王先生現任香港上市公眾公司永嘉集團控股有限公司(股份代號：3322)執行董事兼首席財務官。王先生從2011年9月至2013年9月曾任碧生源控股有限公司(股份代號：0926)及自2007年5月至2010年4月擔任中國動向(集團)有限公司(股份代號：3818)的首席財務官，該等公司均為香港上市公眾公司。自2002年6月至2006年6月，王先生於中國網通集團(香港)有限公司任職高級財務經理。該公司曾經在香港上市(前股份代號：0906)，其後與香港上市公眾公司中國聯合網絡通信(香港)股份有限公司(股份代號：0762)合併。由1989年7月至1999年12月，王先生獲香港一間國際會計師事務所羅兵咸永道會計師事務所聘請，擔任審計經理。王先生擁有香港中文大學工商管理學士學位，並取得由新南威爾斯大學及悉尼大學聯合頒發的澳大利亞管理研究所(Australian Graduate School of Management)的工商管理碩士學位。王先生為英國特許公認會計師協會的資深會員及香港會計師公會會員。

##### 林誠光教授，58歲

林教授為本公司獨立非執行董事、薪酬委員會主席、審核委員會成員、提名委員會成員及企業管治委員會成員。林教授於2014年3月4日獲委任加入董事會。林教授於1989年9月加入香港大學擔任全職教員，現為香港大學經濟及工商管理學院管理學系教授。他曾出版多份學術論文及個案研究，涵蓋的題目包括企業策略、組織發展及營運管理。林教授為華僑城(亞洲)控股有限公司(股份代號：3366)、均安控股有限公司(股份代號：1559)之獨立非執行董事，以及雅各臣科研製藥有限公司(股份代號：2633)之非執行董事，該等公司均為香港上市公司。於過去三年，林教授曾擔任北控清潔能源集團有限公司(前稱金彩控股有限公司)(股份代號：1250)、震昇工程控股有限公司(股份代號：2277)、冠輝保安控股有限公司(股份代號：8315)及朝威控股有限公司(股份代號：8059)的獨立非執行董事。加入香港大學前，林教授由1987年至1989年擔任加拿大帝國商業銀行的地區支援經理。林教授擁有澳洲國立大學商業博士學位。

## DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層

#### Mr. FAN Chun Wah, Andrew, J.P., aged 38

Mr. Fan is an independent non-executive Director and a member of the audit committee, the corporate governance committee and the remuneration committee of the Company. Mr. Fan was appointed to the Board on 4 March 2014. He is a managing director of C.W. Fan & Co. Limited. He is currently an independent non-executive director of Chuang's China Investments Limited (stock code: 0298), Fulum Group Holdings Limited (stock code: 1443), Culturecom Holdings Limited (stock code: 343), Hong Kong Resources Holdings Company Limited (stock code: 2882) and Nameson Holdings Limited (stock code: 1982), all of which are listed public companies in Hong Kong. In the last three years, Mr. Fan had been an independent non-executive director of Milan Station Holdings Limited from March 2013 to July 2015 (stock code: 1150), LT Commercial Real Estate Limited from March 2013 to December 2016 (stock code: 112) and On Real International Holdings Limited from September 2015 to August 2016 (stock code: 8245), all of which are listed public companies in Hong Kong. Mr. Fan was appointed as the chairman of the 23rd council of Hong Kong United Youth Association with effect from 1 July 2015. He is also a committee member of the 10th and 11th Chinese People's Political Consultative Conference Zhejiang Province Committee\* (中國人民政治協商會議浙江省第十屆及第十一屆委員會), the 4th and 5th Chinese People's Political Consultative Conference of Shenzhen Committee\* (中國人民政治協商會議第四屆及第五屆深圳市委員會), member of HKSAR Committee on the Promotion of Civic Education, HKSAR Justices of the Peace and the vice chairman of Zhejiang Province United Young Association. Mr. Fan holds a bachelor's degree in business administration in accounting and finance from the University of Hong Kong and a bachelor's degree in laws from the University of London. Mr. Fan is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.

#### Mr. ZHANG HWO Jie, aged 54

Mr. Zhang is an independent non-executive Director, a member of the audit committee and the corporate governance committee of the Company. Mr. Zhang was appointed to the Board on 4 March 2014. Mr. Zhang is currently the chairman of EVA Precision Industrial Holdings Limited (stock code: 0838), a listed public company in Hong Kong. Mr. Zhang has more than 20 years of experience in marketing, strategic planning and corporate management in manufacturing industry. Mr. Zhang was granted with the "Young Industrialist Award of Hongkong" by the Federation of Hong Kong Industries in 2008, and was bestowed as an honorary fellow by The Professional Validation Council of Hong Kong Industries in 2014. He is currently a honorary chairman of The Hong Kong Metals Manufacturers Association, a honorary president of Hong Kong Mould and Product Technology Association and the president of Hong Kong Young Industrialists Council.

\* English translated name is for identification purpose only

#### 范駿華太平紳士，38歲

范先生為本公司獨立非執行董事、審核委員會成員、企業管治委員會成員及薪酬委員會成員。范先生於2014年3月4日獲委任加入董事會。彼為泛華會計師行常務董事。彼目前為莊士中國投資有限公司(股份代號：0298)、富臨集團控股有限公司(股份代號：1443)、文化傳信集團有限公司(股份代號：343)、香港資源控股有限公司(股份代號：2882)及南旋控股有限公司(股份代號：1982)的獨立非執行董事，該等公司均為香港上市公眾公司。於過去三年，范先生於2013年3月至2015年7月擔任米蘭站控股有限公司(股份代號：1150)、於2013年3月至2016年12月擔任勒泰商業地產有限公司(股份代號：112)及於2015年9月至2016年8月擔任安悅國際控股有限公司(股份代號：8245)的獨立非執行董事，該等公司均為香港上市公眾公司。范先生自2015年7月1日起獲委任為香港青年聯會第二十三屆會董會主席。彼亦為中國人民政治協商會議浙江省第十屆及第十一屆委員會及中國人民政治協商會議第四屆及第五屆深圳市委員會的委員會會員及浙江省青年聯合會副主席。范先生在香港大學取得工商管理學士學位，主修會計及金融學，並在倫敦大學取得法律學學士學位。范先生為英國特許公認會計師協會的資深會員及香港會計師公會會員。

#### 張傑先生，54歲

張先生為本公司獨立非執行董事、審核委員會成員及企業管治委員會成員。張先生於2014年3月4日獲委任加入董事會。張先生現任香港上市公眾公司億和精密工業控股有限公司(股份代號：0838)的主席。張先生在製造業的市場營銷、戰略規劃和企業管理領域擁有逾20年經驗。張先生於2008年榮獲香港工業總會授予的「香港青年工業家獎」，並於2014年獲香港工業專業評審局頒授為榮譽院士。彼目前為香港金屬製造業協會榮譽主席、香港模具及產品科技協會名譽主席及為香港青年工業家協會主席。

\* 英文名稱僅供識別

## DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層

#### Mr. WU Tak Lung, aged 51

Mr. WU is an independent non-executive Director and a member of the audit committee and the corporate governance committee of the Company. Mr. Wu was appointed to the Board on 4 March 2014. Mr. Wu is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants, the Taxation Institute of Hong Kong, the Hong Kong Institute of Chartered Secretaries and the Hong Kong Securities Institute. Mr. Wu had worked in Deloitte Touche Tohmatsu, an international accounting firm, for five years and had worked in several companies in Hong Kong as head of corporate finance and/or executive director. Mr. Wu had over 10 years' experience in the corporate finance field. Mr. Wu currently serves as an independent non-executive director of Beijing Media Corporation Limited (stock code: 1000), China Machinery Engineering Corporation\* (中國機械設備工程股份有限公司) (stock code: 1829), Huarong Investment Stock Corporation Limited (stock code: 2277) and Kam Hing International Holdings Limited (stock code: 2307), all are listed public companies in Hong Kong, and First Tractor Company Limited (a company listed in both Hong Kong, stock code: 0038, and Shanghai). During the past three years, Mr. Wu served as an independent non-executive director of Valuetronics Holdings Limited, a listed company in Singapore, and Aupu Group Holding Limited, which was a listed company in Hong Kong. Mr. Wu currently is the member of the committee of Jiangsu Provincial People's Political Consultative Conference, honorary member of the Council and the Court of Hong Kong Baptist University, the honorary chairman of the North Kwai Chung Scout Association and the executive vice-president of Hong Kong — Guangdong Youth Exchange Promotion Association. Mr. Wu holds a bachelor's degree in business administration in accounting from the Hong Kong Baptist University and a master's degree in business administration (Finance) jointly issued by the University of Manchester and the University of Wales.

#### 吳德龍先生，51歲

吳先生為本公司獨立非執行董事、審核委員會成員及企業管治委員會成員。吳先生於2014年3月4日獲委任加入董事會。吳先生為香港會計師公會會員及英國特許公認會計師協會、香港稅務學會、香港特許秘書公會及香港證券協會的資深會員。吳先生在國際會計師事務所德勤·關黃陳方會計師行任職五年，其後於數間香港公司擔任公司財務主管及／或執行董事。吳先生在企業金融領域擁有逾10年經驗。吳先生現時為北青傳媒股份有限公司(股份代號：1000)、中國機械設備工程股份有限公司(股份代號：1829)、華融投資股份有限公司(股份代號：2277)及錦興國際控股有限公司(股份代號：2307)以及第一拖拉機股份有限公司(該公司於香港(股份代號：0038)及於上海上市)的獨立非執行董事，該等公司均為香港上市公眾公司。於過去三年，吳先生曾擔任新加坡上市公司Valuetronics Holdings Limited及相關上市公司奧普集團控股有限公司的獨立非執行董事。吳先生目前為江蘇省政協委員會成員、香港浸會大學校務委員會及校董會之榮譽成員、童軍總會北葵涌區之榮譽主席及粵港青年交流促進會之執行副主席。吳先生擁有香港浸會大學工商管理(會計學)學士學位及由曼徹斯特大學和威爾斯大學聯合授予的工商管理(金融學)碩士學位。

\* English translated name is for identification purpose only

\* 英文名稱僅供識別

## DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層

#### SENIOR MANAGEMENT

##### Mr. LAM Sze Chiu, aged 34

Mr. Lam is the General Manager of Sinohome Household Products (Shenzhen) Ltd (“**Sinomax Shenzhen**”). He is responsible for supervision of the daily operation of Sinomax Shenzhen. Mr. Lam joined the Group in 2007 and has been working as the marketing director of the Group from 2012 to 2016. Mr. Lam holds a bachelor of arts degree with honours from York University in Toronto, Canada. Mr. Lam is the son of Mr. Lam Chi Fan, the Chairman of the Board and an executive Director, and a cousin of Mr. Cheung Tung, the President and an executive Director.

##### Mr. QIAN Hong Xiang, aged 53

Mr. Qian is a director of certain subsidiaries of the Group, namely, Trade Sincere Limited (“**Trade Sincere**”), Sinomax Kuka (Zhejiang) Foam Co. Limited (“**Sinomax Kuka**”) and Haining Sinomax Trading Co. Limited (“**Haining Sinomax**”) and a general manager of Sinomax Kuka. He is responsible for supervision of daily operation and management of Sinomax Kuka. Mr. Qian joined the Group in 2000 and worked as a general manager and chief of foam research. Prior to joining the Group, Mr. Qian worked at Tung Ah (China Holdings) Limited, a company engaged in the chemical and plastic business, as a factory manager and researcher in foams from 1993 to 2000. Mr. Qian has 20 years’ experience in foam production and research and has participated in formulating more than five national standards. Mr. Qian was a member of the Standardisation Administration of the PRC (中國國家標準化管理委員會) until April 2018 and an expert in foaming plastics of the China Plastics Processing Industry Association (中國塑料加工工業協會) with tenure between November 2005 to September 2017. He was presented the National Science & Technology Progress Award (third class)\* (科學技術進步三等獎) by the China Light Industry Council\* (中國輕工業聯合會) in March 2008, the China Standards Innovation Contribution Award\* (中國標準創新貢獻獎) jointly by the General Administration of Quality Supervision, Inspection and Quarantine of the PRC (中華人民共和國國家質量監督檢驗檢疫總局) and the Standardisation Administration of the People’s Republic of China (中國國家標準化管理委員會) in December 2009. He was also awarded Outstanding Worker of the Plastic Industry in the PRC\* (中國塑料行業先進工作者) by the China Plastics Processing Industry Association (中國塑料加工工業協會) in May 2009, and Good Citizen\* (十佳新居民) between 2011 and 2012 in January 2013, Model Worker of Haining\* (海寧市勞動模範) between 2008 and 2012 in April 2013 and Outstanding Entrepreneur of 2011\* (2011年度優秀企業家) in March 2012 by the Jiaxing People’s Government (嘉興市人民政府).

\* English translated name is for identification purpose only

#### 高級管理層

##### 林仕超先生，34歲

林先生為賽諾家居用品(深圳)有限公司(「賽諾深圳」)之總經理，負責賽諾深圳之日常營運。林先生於2007年加入本集團，自2012年至2016年為本集團營銷總監。林先生擁有加拿大多倫多約克大學榮譽文學士學位。林先生為林志凡先生(董事長兼執行董事)的兒子，及張棟先生(總裁兼執行董事)的堂弟。

##### 錢洪祥先生，53歲

錢先生為本集團若干附屬公司(即貿誠有限公司(「貿誠」)、浙江聖諾盟顧家海綿有限公司(「聖諾盟顧家」)及海寧聖諾盟貿易有限公司(「海寧聖諾盟」)的董事及聖諾盟顧家總經理。彼負責監察聖諾盟顧家的日常運作及管理。錢先生於2000年加入本集團，曾任職總經理及泡沫研究主管。加入本集團前，錢先生由1993年至2000年於東亞(華資集團)有限公司任職工廠經理及泡沫研究員，該公司從事化學及塑料業務。錢先生擁有約20年有關泡沫生產及研究的經驗，並參與制訂超過五個國家的準則。錢先生為中國國家標準化管理委員會會員，任期直至2018年4月；及中國塑料加工工業協會的泡沫塑料專家，任期由2005年11月至2017年9月。彼於2008年3月獲中國輕工業聯合會頒發科學技術進步三等獎，並於2009年12月獲中華人民共和國國家質量監督檢驗檢疫總局及中國國家標準化管理委員會共同頒發中國標準創新貢獻獎。彼於2009年5月獲中國塑料加工工業協會頒授中國塑料行業先進工作者名銜，以及獲嘉興市人民政府於2013年1月頒授2011年至2012年十佳新居民、於2013年4月獲其頒授2008年至2012年海寧市勞動模範及於2012年3月獲其頒授2011年度優秀企業家。

\* 英文名稱僅供識別

## DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層

#### Ms. YUE Wai Fun, aged 42

Ms. Yue was appointed as a general manager of Sinomax Health Household Products Limited (“**Sinomax Health**”) in June 2012. Ms. Yue is responsible for supervision of the daily operation and management of Sinomax Health. Ms. Yue joined the Group in 2004 and served as marketing manager and brand & marketing manager prior to being appointed as the general manager of Sinomax Health. Ms. Yue holds a bachelor of social science degree from the Chinese University of Hong Kong.

#### Mr. CHEN Xiao Hua, aged 55

Mr. Chen joined the Group in 2013 and was appointed as a general manager of Sinomax (Zhejiang) Polyurethane Household Products Limited\* (聖諾盟(浙江)聚氨酯家居用品有限公司) (“**Sinomax Zhejiang**”) in October 2013. Mr. Chen is responsible for supervision of the daily operation and management of Sinomax Zhejiang. Prior to joining the Group, Mr. Chen was a general manager of Sinomax Polyurethane (Shanghai) Co., Ltd.\* (聖諾盟聚氨酯(上海)有限公司), a company indirectly controlled by Mr. Lam Chi Fan, Mr. Cheung Tung and Mr. Chen Feng, the executive Directors, and Ms. Cheung Shui Ying, the mother of Mr. Cheung Tung, and engaging in foam manufacturing, from 2002 to 2013. Mr. Chen has over 20 years of experience in foam production and research. Mr. Chen completed a business administration course for company executives in Zhejiang University\* (浙江大學) in November 2006.

#### 余慧芬小姐，42歲

余小姐於2012年6月獲委任為聖諾盟健康家居用品有限公司(「**聖諾盟健康**」)總經理。余小姐負責監察聖諾盟健康的日常營運及管理。余小姐於2004年加入本集團，獲委任為聖諾盟健康總經理前曾出任市場經理與品牌及市場經理。余小姐擁有香港中文大學社會科學學士學位。

#### 陳小華先生，55歲

陳先生於2013年加盟本集團，並於2013年10月獲委任為聖諾盟(浙江)聚氨酯家居用品有限公司(「**聖諾盟浙江**」)的總經理。陳先生負責監察聖諾盟浙江的日常運作及管理。於加盟本集團前，自2002年至2013年，陳先生擔任聖諾盟聚氨酯(上海)有限公司的總經理，該公司為一家由林志凡先生、張棟先生、陳楓先生(全體均為執行董事)及張水英女士(張棟先生的母親)間接控制的公司，從事泡沫製造。陳先生擁有逾20年泡沫生產及研究的經驗。陳先生於2006年11月於浙江大學完成有關公司行政人員的業務管理課程。

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\* 英文名稱僅供識別

# DIRECTORS' REPORT

## 董事報告書

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 39 to the consolidated financial statements.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on page 105 of this annual report.

An interim dividend of HK0.6 cent per Share amounted to approximately HK\$10.5 million was paid to the Shareholders during the year ended 31 December 2016. The Board recommends the payment of a final dividend of HK1.0 cent per Share, amounting to approximately HK\$17.5 million to the Shareholders whose names appear on the register of members of the Company on 21 June 2017. The final dividend is subject to the approval by the Shareholders at the annual general meeting of the Company to be held on 9 June 2017 ("AGM"). The final dividend will be paid on 4 July 2017.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment and investment properties of the Group during the year ended 31 December 2016 are set out in notes 15 and 16 to the consolidated financial statements.

### DONATIONS

During the year ended 31 December 2016, the Group made charitable and other donations amounting to approximately HK\$0.6 million.

### SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2016 are set out in note 30 to the consolidated financial statements.

### 主要業務

本公司為投資控股公司，其主要附屬公司的業務載於綜合財務報表附註39。

### 業績及股息

本集團截至2016年12月31日止年度的業績載於本年報第105頁綜合損益及其他全面收益表。

於截至2016年12月31日止年度已向股東支付中期股息每股股份0.6港仙，合共約為10.5百萬港元。董事會建議向於2017年6月21日名列股東名冊的股東派付末期股息每股股份1.0港仙，合共約為17.5百萬港元。末期股息須待股東於本公司2017年6月9日舉行之股東週年大會（「股東週年大會」）上批准後，方可作實。末期股息將於2017年7月4日派付。

### 物業、廠房及設備

本集團物業、廠房及設備及投資物業於截至2016年12月31日止年度的變動詳情載於綜合財務報表附註15及16。

### 捐贈

於截至2016年12月31日止年度，本集團作出慈善及其他捐款約為0.6百萬港元。

### 股本

本公司股本於截至2016年12月31日止年度的變動詳情載於綜合財務報表附註30。

## DIRECTORS' REPORT

### 董事報告書

#### DISTRIBUTABLE RESERVES

The Directors consider that the Company's reserves available for distribution to Shareholders comprise the share premium and the accumulated profits which amounted to approximately HK\$593.4 million as at 31 December 2016 (as at 31 December 2015: approximately HK\$459.0 million). Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to Shareholders subject to the provisions of its memorandum and articles of association and provided that immediately following the distribution of dividend the Company is able to pay its debts as they fall due in the ordinary course of business.

#### EQUITY-LINKED AGREEMENTS

The Company has share option schemes, the details of which are set out in the section headed "Share Options" in this annual report. Save as aforesaid, the Company has not entered into any equity-linked agreement during the year ended 31 December 2016.

#### DIRECTORS

The Directors during the year ended 31 December 2016 and up to the date of this annual report were as follows and their biographical information is set out in section headed "Directors and Senior Management" of this annual report.

##### Executive Directors

Mr. Lam Chi Fan (*Chairman of the Board*)  
 Mr. Cheung Tung (*President*)  
 Mr. Chen Feng  
 Mr. Lam Kam Cheung  
 Ms. Lam Fei Man

##### Independent non-executive Directors

Mr. Wong Chi Keung  
 Professor Lam Sing Kwong, Simon  
 Mr. Fan Chun Wah, Andrew, J.P.  
 Mr. Zhang Hwo Jie  
 Mr. Wu Tak Lung

In accordance with the articles of association of the Company, four Directors, namely, Mr. Lam Chi Fan, Mr. Cheung Tung, Mr. Zhang Hwo Jie and Mr. Wu Tak Lung will retire at the AGM, and being eligible, offer themselves for re-election at the AGM.

#### 可供分派儲備

於2016年12月31日，董事認為本公司可向股東分派的儲備包括約593.4百萬港元(2015年12月31日：約459.0百萬港元)的股份溢價及累計溢利。根據開曼群島公司法第22章(修訂本)，本公司股份溢價可用作向股東分派或支付股息，惟須符合組織章程大綱及公司章程之規定，且緊隨分派股息後，本公司須仍可支付日常業務過程中到期應付之債務。

#### 股權掛鈎協議

本公司有購股權計劃，其詳情載於本年度購股權一節。除上述者外，本公司於截至2016年12月31日止年度並未訂立任何股權掛鈎協議。

#### 董事

於截至2016年12月31日止年度至本年報日期董事載列如下，而其履歷詳情載於本年報「董事及高級管理層」一節。

##### 執行董事

林志凡先生(*董事會主席*)  
 張棟先生(*總裁*)  
 陳楓先生  
 林錦祥先生  
 林斐雯小姐

##### 獨立非執行董事

王志強先生  
 林誠光教授  
 范駿華太平紳士  
 張傑先生  
 吳德龍先生

根據本公司公司章程，四名董事，即林志凡先生、張棟先生、張傑先生及吳德龍先生將於股東週年大會上告退及有權在股東週年大會上膺選連任。

## DIRECTORS' REPORT

### 董事報告書

#### PERMITTED INDEMNITY AND DIRECTORS LIABILITY INSURANCE

The articles of association of the Company provided that every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour, or in which he/she is acquitted.

The Company has arranged approved Directors' liability insurance policy to protect the Directors against potential costs and liability arising from claims brought against the Directors.

#### DIRECTORS' SERVICES CONTRACTS

None of the Directors has a service contract with the Company or any member of the Group which is not terminable within one year without payment of compensation (other than statutory compensation).

#### DIRECTORS' INTERESTS IN TRANSACTIONS ARRANGEMENTS OR CONTRACTS

Save as disclosed in the paragraph headed "Continuing Connected Transactions" of this annual report, no other transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or its subsidiaries or holding company was a party and in which any Director or the Director's connected entity had a material interest, whether directly or indirectly, subsisted at the end or at any time during the year ended 31 December 2016.

#### DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2016, none of the Directors or their respective close associates had any interests in any business which competes or are likely to compete, either directly or indirectly with the business of the Group.

#### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2016.

#### 獲准許的彌償保證及董事責任保險

本公司章程規定，每名董事倘以其董事身份對任何訴訟（不論民事或刑事）進行抗辯而得直或獲釋，所引致或蒙受之一切損失或債務應從本公司資產當中獲得彌償保證。

本公司已為獲批准的董事及辦理責任保險以保障針對董事提出的索償所產生的潛在費用及負債。

#### 董事於合約之權益

概無董事與本公司或本集團任何成員公司訂立任何於一年內不作出賠償（法定賠償除外）則不可終止之服務合約。

#### 董事於交易、安排或合約中之權益

除本年報「持續關連交易」一節所披露者外，本公司或其附屬公司或控股公司概無訂立任何董事和董事的關連實體於其中直接或間接擁有重大權益且於報告期完結時或截至2016年12月31日止年度內任何時間持續有效之與本集團業務有關之其他重大交易、安排或合約。

#### 董事於競爭業務之權益

於截至2016年12月31日止年度，概無董事或彼等各自之緊密聯繫人士於直接或間接對本集團業務構成或可能構成競爭之任何業務中擁有任何權益。

#### 管理層合約

於截至2016年12月31日止年度概無訂立或存有與本公司整體或任何重大部分業務之管理及行政事務有關之合約。

## DIRECTORS' REPORT

### 董事報告書

#### REMUNERATION POLICY

The Company's policy and structure for remuneration of all Directors and senior management of the Group is formulated and reviewed by the remuneration committee of the Company, having regards to the comparable market practice, individual performance and the Group's operating results. Details of the remunerations of the Directors are set out in note 10 to the consolidated financial statements.

#### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 31 December 2016, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**") which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (c) were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer (the "**Model Code**") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), to be notified to the Company and the Stock Exchange, were as follows:

#### 薪酬政策

本公司薪酬委員會於考慮可比較市場慣例、個人表現及本集團的經營業績後，制定及審閱本公司對本集團全體董事及高級管理層的薪酬政策及結構。董事薪酬的詳情載於綜合財務報表附註10。

#### 董事於股份的權益及淡倉

於2016年12月31日，本公司董事及最高行政人員於本公司或其任何相聯法團（定義見香港法例第571章證券及期貨條例（「**證券及期貨條例**」）第XV部）之股份、相關股份及債權證中擁有(a)根據證券及期貨條例第XV部第7及8分部規定須知會本公司及聯交所的權益及淡倉（包括按照證券及期貨條例有關條文被視為或當作擁有的權益或淡倉）；(b)根據證券及期貨條例第352條須登記於其中所述由本公司存置之登記冊的權益及淡倉；或(c)根據聯交所證券上市規則（「**上市規則**」）附錄十所載上市發行人董事進行證券交易的標準守則（「**標準守則**」）須知會本公司及聯交所的權益及淡倉如下：

# DIRECTORS' REPORT

## 董事報告書

### Long positions in the Shares and underlying Shares

### 股份及相關股份的好倉

Name of Director	Nature of interest	Number of Shares and underlying Shares held under equity derivatives	Approximate percentage of the issued Shares as at 31 December 2016 (Note 1)
董事姓名	權益性質	持有股份及股本衍生工具內相關股份的數目	於2016年12月31日已發行股份概約股權百分比(附註1)
Mr. Lam Chi Fan 林志凡先生	Founder of a discretionary trust (Note 2) 酌情信託的成立人(附註2)	1,095,472,000	62.60%
	Beneficial owner (Note 3) 實益擁有人(附註3)	6,650,000	0.38%
Mr. Cheung Tung 張棟先生	Beneficial owner (Note 3) 實益擁有人(附註3)	6,376,200	0.36%
Mr. Chen Feng 陳楓先生	Beneficial owner (Note 3) 實益擁有人(附註3)	3,050,000	0.17%
Ms. Lam Fei Man 林斐雯小姐	Beneficial owner (Note 3) 實益擁有人(附註3)	2,150,000	0.12%
Mr. Lam Kam Cheung 林錦祥先生	Beneficial owner (Note 3) 實益擁有人(附註3)	2,000,000	0.11%

## Notes:

- The calculation is based on the total number of 1,750,002,000 Shares in issue as at 31 December 2016.
- These Shares belong to Sinomax Enterprises Limited ("**Sinomax Enterprises**"). Sinomax Enterprises is legally and beneficially owned as to 50% by Chi Fan Holding Limited and as to 50% by The Frankie Trust. The Frankie Trust is a discretionary family trust established by Mr. Lam Chi Fan as settlor and Vistra Trustees (BVI) Limited ("**Vistra**", previously known as Orangefield Trustees (BVI) Limited) acting as the trustee. The beneficiaries of The Frankie Trust are Mr. Lam Chi Fan and his family members.
- Each of Mr. Lam Chi Fan, Mr. Cheung Tung, Mr. Chen Feng, Ms. Lam Fei Man and Mr. Lam Kam Cheung, was granted share options to subscribe for 6,650,000 Shares, 6,376,200 Shares, 3,050,000 Shares, 2,150,000 Shares and 2,000,000 Shares, respectively, under the Pre-IPO Share Option Scheme, all of which are still outstanding and details of which are disclosed in the section headed "Share Option Schemes" on pages 45 to 49 of this annual report.

## 附註:

- 計算結果乃根據於2016年12月31日已發行股份總數為1,750,002,000股。
- 該等股份屬聖諾盟企業有限公司(「**聖諾盟企業**」)所有。聖諾盟企業分別由Chi Fan Holding Limited及Frankie信託法定及實益擁有50%權益及50%權益。Frankie信託乃林志凡成立的酌情家族信託，林志凡為財產授予人，而Vistra Trustees (BVI) Limited(「**Vistra**」，前稱為「Orangefield Trustees (BVI) Limited」)為受託人。Frankie信託的受益人為林志凡先生及其家族成員。
- 執行董事林志凡先生、張棟先生、陳楓先生、林斐雯小姐及林錦祥先生均已根據首次公開發售前購股權計劃分別獲授予購股權以認購6,650,000、6,376,200、3,050,000、2,150,000及2,000,000股股份，全部發行在外，其詳情於本年報第45至49頁的「購股權計劃」一節中披露。

# DIRECTORS' REPORT

## 董事報告書

### Long positions in associated corporation — Sinomax Enterprises 相聯法團的好倉 — 聖諾盟企業

Name of Director 董事姓名	Nature of interest 權益性質	Number of shares 股份數目	Approximate percentage of shareholding 概約股權百分比
Mr. Lam Chi Fan 林志凡先生	Beneficiary of The Frankie Trust Frankie 信託的受益人	15	50%
Mr. Cheung Tung 張棟先生	Beneficiary of The Cheung's Family Trust 張氏家族信託的受益人	5	16.67%
Mr. Chen Feng 陳楓先生	Beneficiary of The Feng Chen's Family Trust 陳楓家族信託的受益人	5	16.67%

### DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as otherwise disclosed in this annual report, at no time during the year ended 31 December 2016, had any rights to acquire benefits by means of the acquisition of Shares or debentures of the Company been granted to any Director or their respective spouse or children under 18 years old, or had any such rights been exercised by them; or was the Company, its holding company or its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years old, to acquire such rights in any other body corporate

### 董事購買股份的權利

除於本年報另有披露者外，於截至2016年12月31日止年度內任何時間，概無向任何董事或彼等各自之配偶或18歲以下之子女賦予權力，以藉購入本公司股份或債券而獲益，且彼等亦無行使任何該等權力；而本公司、其控股公司或其附屬公司亦無參與任何安排，致使董事或彼等各自之配偶或18歲以下之子女可於任何其他法人團體獲得該等權利。

# DIRECTORS' REPORT

## 董事報告書

### INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2016, the person(s) (other than a Director or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

#### Long positions in Shares

Name	Nature of interest	Number of Shares	Approximate percentage of the issued Shares as at 31 December 2016 (Note 1) 於 2016年12月31日 已發行股份概約 股權百分比 (附註1)
姓名或名稱	權益性質	股份數目	
Sinomax Enterprises (Note 2) 聖諾盟企業(附註2)	Beneficial interest 實益權益	1,095,472,000	62.60%
Chi Fan Holding Limited	Interest of a controlled corporation 受控制法團權益	1,095,472,000 (Note 3) (附註3)	62.60%
Vistra (Note 4) (附註4)	Trustee of various trusts 多個信託的受託人	1,095,472,000	62.60%
Li Ching Hau 李晶霞	Interest of spouse 配偶權益	1,102,122,000 (Note 5) (附註5)	62.98%

Notes:

- The calculation is based on the total number of 1,750,002,000 Shares in issue as at 31 December 2016.
- Sinomax Enterprises is legally owned as to 50%, 16.67%, 16.67% and 16.67% by Chi Fan Holding Limited, Wing Yiu Investments Limited, The James' Family Holding Limited and Venture Win Holdings Limited, respectively, and beneficially owned in the same proportion by The Frankie Trust, The Cheung's Family Trust, The James' Family Trust and The Feng Chen's Family Trust, respectively.

### 主要股東之權益

於2016年12月31日，有關人士(不包括本公司董事或執行董事)於股份或相關股份中擁有記錄於根據證券及期貨條例第336條所須存置的登記冊的權益或淡倉如下：

#### 股份的好倉

附註：

- 計算結果乃根據於2016年12月31日已發行股份總數為1,750,002,000股。
- 聖諾盟企業分別由Chi Fan Holding Limited、Wing Yiu Investments Limited、The James' Family Holding Limited及Venture Win Holdings Limited擁有50%、16.67%、16.67%及16.67%法定權益，並分別由Frankie信託、張氏家族信託、James家族信託及陳楓家族信託擁有相同比例實益權益。

## DIRECTORS' REPORT

### 董事報告書

3. These Shares belong to Sinomax Enterprises, which is legally owned as to 50% by Chi Fan Holding Limited.
  4. Vistra acts as the trustee of The Frankie Trust, The James' Family Trust, The Cheung's Family Trust and The Feng Chen's Family Trust. The beneficiaries of The Frankie Trust are Mr. Lam Chi Fan and his family members. The beneficiaries of The Cheung's Family Trust are Mr. Cheung Tung and his family members. The beneficiaries of The James' Family Trust are Ms. Cheung Shui Ying and her family members. The beneficiaries of The Feng Chen's Family Trust are Mr. Chen Feng and his family members.
  5. These interests belong to Mr. Lam Chi Fan, the spouse of Ms. Li Ching Hau. Under the SFO, Ms. Li Ching Hau is deemed to be interested in the same number of Shares which Mr. Lam Chi Fan is interested.
3. 該等股份屬聖諾盟企業所有，而聖諾盟企業乃由Chi Fan Holding Limited擁有50%法定權益。
  4. Vistra擔任Frankie信託、James家族信託、張氏家族信託及陳楓家族信託的受託人。Frankie信託的受益人為林志凡先生及其家族成員。張氏家族信託的受益人為張棟先生及其家族成員。James家族信託的受益人為張水英女士及其家族成員。陳楓家族信託的受益人為陳楓先生及其家族成員。
  5. 該等權益屬李晶霞女士的配偶林志凡先生所有。根據證券及期貨條例，李晶霞女士被視為於林志凡先生擁有權益的相同股份數目中擁有權益。

### CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 December 2016, the Group had continuing connected transactions with certain connected persons, details of which have been disclosed in the prospectus of the Company dated 30 June 2014 (the "**Prospectus**") and the announcements of the Company dated 12 April 2016, 29 April 2016 and 30 December 2016. Certain continuing connected transactions are exempt from one or more of the reporting, announcement, shareholders' approval and annual review requirements for the purpose of Chapter 14A of the Listing Rules.

The following are the continuing connected transactions of the Group that are subject to the reporting and annual review requirements but otherwise exempt from the shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules:

**(i) Sale of foams by Sinomax International Trading Limited ("Sinomax Trading") and Studio Moderna S. A and its subsidiaries ("Studio Moderna")**

Studio Moderna is the holding company of SMSA North America Holdings, LLC which holds 48.69% equity interest in Dormeo, an indirect non-wholly owned subsidiary of the Company. As a substantial shareholder of a subsidiary of the Company, Studio Moderna is a connected person of the Company. Each subsidiary of Studio Moderna is an associate of Studio Moderna and hence a connected person of the Company.

### 持續關連交易

於截至2016年12月31日止年度，本集團與若干關連人士進行持續關連交易，其詳情於本公司日期為2014年6月30日之招股章程（「招股章程」）及本公司日期為2016年4月12日、2016年4月29日及2016年12月30日的公告中披露。若干持續關連交易就上市規則14A章而言獲豁免遵守一項或多項申報、公告、股東批准及年度審核規定。

以下為本集團根據上市14A章須遵守申報及年度審核規定，但獲豁免股東批准規定的持續關連交易：

**(i) 聖諾盟國際貿易有限公司（「聖諾盟貿易」）及 Studio Moderna S. A 及其附屬公司（「Studio Moderna」）出售泡沫**

Studio Moderna 為 SMSA North America Holdings, LLC 之控股公司，而 SMSA North America Holdings, LLC 持有本公司的間接非全資附屬公司 Dormeo 持有 48.69% 股權。由於 Studio Moderna 為本公司旗下一間附屬公司的主要股東，Studio Moderna 為本公司的關連人士。Studio Moderna 旗下各間附屬公司為 Studio Moderna 的聯繫人，故為本公司的關連人士。

## DIRECTORS' REPORT

### 董事報告書

On 12 April 2016, Sinomax Trading, as supplier, entered into a procurement agreement (the “**2016 Studio Moderna Procurement Agreement**”) with Studio Moderna as purchaser in relation to the continuing supply of foam products by the Group to Studio Moderna and its subsidiaries for a term commencing from the date of the 2016 Studio Moderna Procurement Agreement to 31 December 2016. Parties to the 2016 Studio Moderna Procurement Agreement will, from time to time, agree to a price list setting out the price, specifications and delivery schedule in respect of each type of foam products, which the purchase orders must adhere to.

On 30 December 2016, Sinomax Trading entered into a new procurement agreement (the “**Renewal Procurement Agreement**”) with Studio Moderna to govern the sale and purchase of polyurethane foams between Sinomax Trading and Studio Moderna for the financial year commencing from 1 January 2017 to 31 December 2017 after the expiry of the 2016 Studio Moderna Procurement Agreement.

Details of the terms of the 2016 Studio Moderna Procurement Agreement and the Renewal Procurement Agreement and the transactions contemplated thereunder were set out in the announcements of the Company dated 12 April 2016, 30 December 2016 and 6 January 2017.

The annual caps determined by the Directors in respect of such continuing connected transactions under the 2016 Studio Moderna Procurement Agreement and the Renewal Procurement Agreement for the year ended 31 December 2016 and ending 31 December 2017 were USD30 million respectively. The total amount of sales to Studio Moderna pursuant to the 2016 Studio Moderna Procurement Agreement for the year ended 31 December 2016 was approximately USD9.1 million (equivalent to approximately HK\$70.2 million).

於2016年4月12日，聖諾盟貿易(作為供應商)與Studio Moderna(作為買方)訂立採購協議(「**2016年Studio Moderna採購協議**」)，內容有關本集團向Studio Moderna及其附屬公司持續供應泡沫產品，期限由2016年Studio Moderna採購協議日期起直至2016年12月31日。2016年Studio Moderna採購協議訂約各方將不時協定一個價單，列明各類泡沫產品的價格、規格及付運時間表，而採購訂單必須以此為據。

於2016年12月30日，聖諾盟貿易與Studio Moderna訂立一份新採購協議(「**重續採購協議**」)以規管2016 Studio Moderna採購協議逾期後聖諾盟貿易與Studio Moderna之間於2017年1月1日起直至2017年12月31日止財政年度的聚氨酯泡沫買賣。

2016 Studio Moderna採購協議及重續採購協議條款詳情以及據此擬進行之交易列載於本公司日期為2016年4月12日、2016年12月30日及2017年1月6日之公告。

董事就截至2016年12月31日止年度及截至2017年12月31日止年度2016 Studio Moderna採購協議及重續採購協議下該等持續關聯交易之年度上限各自為30百萬美元。於截至2016年12月31日止年度，根據2016 Studio Moderna採購協議向Studio Moderna銷售之總額約為9.1百萬美元(相當於70.2百萬港元)。

## DIRECTORS' REPORT

### 董事報告書

#### (ii) Sale of foams by Sinomax Zhejiang to Hangzhou Gu Jia Bedding Co., Limited\* ("Gu Jia Bedding") (杭州顧家寢具有限公司)

Gu Jia Bedding is a direct wholly-owned subsidiary of Gu Jia Household, Co., Limited\* ("Gu Jia Household") (顧家家居股份有限公司), which holds 40% equity interest in Sinomax Kuka and hence a substantial shareholder of an indirect non-wholly subsidiary of the Company. As such, Gu Jia Household is a connected person of the Company and Gu Jia Bedding is an associate of Gu Jia Household and hence a connected person of the Company.

On 29 April 2016, Sinomax Zhejiang, an indirect wholly-owned subsidiary of the Company, as supplier entered into a procurement agreement (the "**2016 Zhejiang Procurement Agreement**") with Gu Jia Bedding as purchaser to govern the sale and purchase of polyurethane foams by issuing purchase orders from time to time to Sinomax Zhejiang, pursuant to which the Group will sell and Gu Jia Bedding will purchase polyurethane foams for a term commencing from the date of the 2016 Zhejiang Procurement Agreement to 31 December 2016. The price, type, amount and specification of polyurethane foams to be purchased depend on the purchase orders issued by Gu Jia Bedding to Sinomax Zhejiang from time to time, provided that the price of polyurethane foams shall be with reference to market price.

On 30 December 2016, Sinomax Zhejiang entered into a new procurement agreement ("**the Renewal Zhejiang Procurement Agreement**") with Gu Jia Bedding to govern the sale and purchase of polyurethane foams between Sinomax Zhejiang and Gu Jia Bedding for the financial year commencing from 1 January 2017 to 31 December 2017 after the expiry of the 2016 Zhejiang Procurement Agreement.

Details of the terms of the 2016 Zhejiang Procurement Agreement and the Renewal Zhejiang Procurement Agreement and the transactions contemplated thereunder were set out in the announcements of the Company dated 29 April 2016 and 30 December 2016, respectively.

#### (ii) 聖諾盟浙江向杭州顧家寢具有限公司(「顧家寢具」)銷售泡沫

顧家寢具為顧家家居股份有限公司(「顧家家居」)之直接全資附屬公司，顧家家居於聖諾盟顧家持有40%股權，故其為本公司之間接非全資附屬公司。因此，顧家家居為本公司之關連人士及顧家寢具為顧家家居之聯繫人，故顧家寢具為本公司之關連人士。

於2016年4月29日，本公司之間接非全資附屬公司聖諾盟浙江(作為供應商)與顧家寢具(作為買方)訂立採購協議(「**2016年浙江採購協議**」)以透過不時向聖諾盟浙江發出採購訂單以買賣聚氨酯泡沫，據此，本集團顧家寢具將購買聚氨酯泡沫，年期由2016年浙江採購協議日期起直至2016年12月31日。將予購買之聚氨酯泡沫之價格、類型、數量及規格取決於顧家寢具不時向聖諾盟浙江發出之訂單，惟聚氨酯泡沫之價格須參考市值。

於2016年12月31日，聖諾盟浙江與顧家寢具訂立一項新採購協議(「**重續浙江採購協議**」)顧家寢具，以供聖諾盟浙江與顧家寢具於2016年浙江採購協議屆滿後由2017年1月1日起直至2017年12月31日止財政年度買賣聚氨酯泡沫。

有關2016年浙江採購協議及重續浙江採購協議條款以及據此擬進行交易之詳情分別載於本公司日期為2016年4月29日及2016年12月31日之公佈。

## DIRECTORS' REPORT

### 董事報告書

The annual caps determined by the Directors in respect of such continuing connected transactions under the 2016 Procurement Agreement and the Renewal Zhejiang Procurement Agreement for the years ended 31 December 2016 and ending 31 December 2017 were RMB10.0 million and RMB12.0 million respectively. The total amount of sales to Gu Jia Bedding pursuant to the 2016 Zhejiang Procurement Agreement for the year ended 31 December 2016 was RMB7.6 million (equivalent to approximately HK\$8.9 million).

**(iii) Sale of foams by Haining Sinomax and Sinomax Kuka to Gu Jia Household, Zhejiang Gu Jia Meilin Household Co., Limited\* (浙江顧家梅林家居有限公司) (“Gu Jia Meilin”), Gu Jia Bedding and Hangzhou Gu Jia Intelligence Household Co., Limited\* (杭州顧家智能家居有限公司) (“Gu Jia Intelligence”)**

Gu Jia Household holds 40% equity interest in Sinomax Kuka, which is an indirect non-wholly owned subsidiary of the Company. As a substantial shareholder of a subsidiary of the Company, Gu Jia Household is a connected person of the Company. Each of Gu Jia Meilin, Gu Jia Bedding and Gu Jia Intelligence, being the direct wholly-owned subsidiary of Gu Jia Household, is an associate of Gu Jia Household and hence a connected person of the Company.

On 18 December 2015, Haining Sinomax as supplier entered into a procurement agreement (the “**2016 Haining Procurement Agreement**”) with Gu Jia Household and Gu Jia Meilin as purchasers, pursuant to which the Group will sell and Gu Jia Household and Gu Jia Meilin will purchase polyurethane foams for a term commencing from 1 January 2016 to 31 December 2016. The price, type, amount and specification of polyurethane foams to be purchased depend on the purchase orders issued by Gu Jia Household and Gu Jia Meilin to Haining Sinomax from time to time, provided that the price of polyurethane foams shall be with reference to market price.

On 30 December 2016, Haining Sinomax and Sinomax Kuka entered into a procurement agreement (the “**2017 Renewal Haining Procurement Agreement**”) with Gu Jia Household, Gu Jia Meilin, Gu Jia Bedding and Gu Jia Intelligence to govern the sale and purchase of polyurethane foams between Haining Sinomax and Sinomax Kuka and Gu Jia Household, Gu Jia Meilin, Gu Jia Bedding and Gu Jia Intelligence for the financial year commencing from 1 January 2017 to 31 December 2017 after the expiry of the 2016 Haining Procurement Agreement.

董事就2016年採購協議及重續浙江採購協議下有關於持續關連交易釐定截至2016年12月31日及截至2017年12月31日止年度之年度上限分別為人民幣10.0百萬元及人民幣12.0百萬元。根據2016年浙江採購協議，於截至2016年12月31日止年度向顧家寢具作出之銷售總額為人民幣7.6百萬元(相當於8.9百萬元)。

**(iii) 海寧聖諾盟及聖諾盟顧家向顧家家居、浙江顧家梅林家居有限公司(「顧家梅林」)、顧家寢具及杭州顧家智能家居有限公司(「顧家智能」)銷售泡沫**

顧家家居持有聖諾盟顧家(本公司的間接非全資附屬公司)40%股權。由於顧家家居為本公司旗下一間附屬公司的主要股東，該公司為本公司的關連人士。顧家梅林顧家寢具及顧家智能各自為顧家家居的直接全資附屬公司，該公司為顧家家居的聯繫人，故顧家梅林為本公司的關連人士。

於2015年12月18日，海寧聖諾盟(作為供應商)與顧家家居與顧家梅林(作為買方)訂立採購協議(「**2016年海寧採購協議**」)，據此，本集團將出售，而顧家家居及顧家梅林將購買聚氨酯泡沫，年期為2016年1月1日起至2016年12月31日止。將購買的聚氨酯泡沫的價格、種類、數量及規格視乎顧家家居及顧家梅林不時向海寧聖諾盟發出的採購訂單而定，惟聚氨酯泡沫的價格應參考市價。

於2016年12月30日，海寧聖諾盟及聖諾盟顧家與顧家家居、顧家梅林、顧家寢具及顧家智能訂立採購協議(「**2017年重續海寧採購協議**」)，以管理海寧聖諾盟及聖諾盟顧家與顧家家居、顧家梅林、顧家寢具及顧家智能於2016年海寧採購協議屆滿後由2017年1月1日起直至2017年12月31日止財政年度的聚氨酯泡沫買賣。

## DIRECTORS' REPORT

### 董事報告書

Details of the terms of the 2016 Haining Procurement Agreement and 2017 Renewal Haining Procurement Agreement and the transactions contemplated thereunder were set out in the announcement of the Company dated 18 December 2015 and 30 December 2016, respectively.

The annual caps determined by the Directors in respect of such continuing connected transactions under the 2016 Procurement Agreement and the 2017 Renewal Haining Procurement Agreement for the years ended 31 December 2016 and ending 31 December 2017 were RMB154.0 million and RMB170.0 million, respectively. The total amount of sales to Gu Jia Household and Gu Jia Meilin pursuant to the 2016 Haining Procurement Agreement for the year ended 31 December 2016 was approximately RMB128.7 million (equivalent to approximately HK\$150.0 million).

**(iv) Lease agreements between Dongguan Sinohome and Dongguan Donglian Furniture Co., Ltd.\* (東莞東聯傢俱有限公司) (“Dongguan Donglian”)**

Dongguan Donglian is indirectly wholly-owned by Sinomax Enterprises, the controlling Shareholder. Dongguan Donglian is therefore an associate of Sinomax Enterprises and a connected person of the Company.

On 2 December 2013, Dongguan Sinohome, as tenant, entered into a lease agreement (the **“Lease Agreement of Dongguan Sinohome”**) with Dongguan Donglian, as landlord, for the lease of No. 1 Dajieling Road, Shahu Village, Tang Xia Town, Dongguan, Guangdong Province, PRC (**“Dongguan Premises”**) for a term of slightly more than two years at a monthly rental of approximately RMB0.7 million.

On 18 December 2015, Dongguan Sinohome entered into a renewal lease agreement (the **“Renewal Dongguan Lease Agreement”**) with Dongguan Donglian for the lease of Dongguan Premises for a term of three years ending 31 December 2018 at a monthly rental of approximately RMB1.3 million after the expiry of the Lease Agreement of Dongguan Sinohome.

Details of the terms of the Lease Agreement of Dongguan Sinohome and the Renewal Dongguan Lease Agreement and the transactions contemplated thereunder were set out in the Prospectus and the announcement of the Company dated 18 December 2015, respectively.

2016年海寧採購協議及2017年重續海寧採購協議的條款，以及據此擬進行的交易的詳情分別載於本公司日期為2015年12月18日及2016年12月30日的公佈。

董事於截至2016年12月31日止年度及截至2017年12月31日止年度，根據2016年採購協議及2017年重續海寧採購協議，就有關持續關連交易而釐定的年度上限分別為人民幣154.0百萬元及人民幣170.0百萬元。於截至2016年12月31日止年度，根據2016年海寧採購協議，向顧家家居及顧家梅林的銷售總額約為人民幣128.7百萬元（相當於約150.0百萬港元）。

**(iv) 東莞賽諾家居用品及東莞東聯傢俱有限公司（「東莞東聯」）之間的租賃協議**

東莞東聯由本公司控股股東聖諾盟企業間接全資擁有。東莞東聯因此為聖諾盟企業的聯繫人士及本公司的關連人士。

於2013年12月2日，東莞賽諾家居用品（作為承租人）與東莞東聯（作為業主）就出租中國廣東省東莞塘廈鎮沙湖村大結嶺路1號（「東莞物業」）訂立租賃協議（「東莞賽諾家居用品租賃協議」），為期略長於兩年，月租為約人民幣0.7百萬元。

於東莞賽諾家居用品租賃協議屆滿後，Sinohome於2015年12月18日就租賃東莞物業與東莞東聯訂立重續租賃協議（「重續東莞租賃協議」），租期為截至2018年12月31日止三年，每月租金為約人民幣1.3百萬元。

東莞賽諾家居用品租賃協議及重續東莞租賃協議的條款以及協議項下擬進行的交易的詳情分別載於招股章程及本公司日期為2015年12月18日的公告。

## DIRECTORS' REPORT

### 董事報告書

The annual caps determined by the Directors in respect of such continuing connected transactions under the Lease Agreement of Dongguan Sinohome and the Renewal Dongguan Lease Agreement for the year ended 31 December 2016 and each of the two years ending 31 December 2018 were RMB15.7 million, respectively. The total amount of rent paid pursuant to the Renewal Dongguan Lease Agreement for the year ended 31 December 2016 was approximately RMB15.7 million (equivalent to approximately HK\$18.3 million).

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the above continuing connected transactions for the year ended 31 December 2016 and confirmed that the transactions had been entered into:

- (a) in the ordinary and usual course of the business of the Group;
- (b) on normal commercial terms; and
- (c) in accordance with the relevant agreements governing them and on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "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. The auditor has issued the unqualified letter containing the findings and conclusions in respect of the above continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules.

A copy of the auditor's letter had been provided by the Company to the Stock Exchange.

In the opinion of the Board, the Company has complied with the requirements under Chapter 14A of the Listing Rules in respect of all the connected and continuing connected transactions entered into by the Group during the year ended 31 December 2016 and all the above continuing connected transactions was entered into in the manners stated above.

董事根據截至2016年12月31日止年度及截至2018年12月31日止兩個年度各年的東莞賽諾家居用品租賃協議及重續東莞租賃協議就該等持續關連交易釐定的年度上限人民幣15.7百萬元。於截至2016年12月31日止年度，根據重續東莞租賃協議支付的租金總金額為約人民幣15.7百萬元(相當於約18.3百萬港元)。

根據上市規則第14A.55條，獨立非執行董事已審閱上述截至2016年12月31日止年度持續關連交易及確認交易乃按以下基準訂立：

- (a) 於本集團日常及一般業務過程中；
- (b) 按正常商業條款；及
- (c) 根據其相關監管協議，而其條款為公平合理，並符合本公司及股東整體利益。

本公司核數師獲委聘按照香港會計師公會頒佈的香港核證工作準則第3000號(修訂本)「審核或審閱歷史財務資料以外的核證工作」及參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」匯報本集團的持續關連交易。核數師已根據上市規則第14A.56條發出無保留意見函件，載列其就上述持續關連交易之發現及結論。

本公司已向聯交所提供核數師函件副本。

董事會認為，本公司已就本集團於截至2016年12月31日止年度訂立之所有關連及持續關連交易遵守上市規則第14A章項下之規定，而所有上述持續關連交易按上述方式訂立。

# DIRECTORS' REPORT

## 董事報告書

### RELATED PARTY TRANSACTIONS

Details of the significant related party transactions undertaken by the Group during the year ended 31 December 2016 are set out in note 38 to the consolidated financial statements. Other than those transactions disclosed in the paragraph headed "Continuing Connected Transactions" above, these related party transactions either did not constitute connected transaction/continuing connected transactions or constituted connected transaction/continuing connected transactions that were exempted from all disclosure and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### BUSINESS REVIEW

A fair review of the business of the Group and an analysis of the Group financial performance during the year ended 31 December 2016 using financial key performance indicators can be found in the "Financial Highlights" and "Management Discussion and Analysis" sections on page 6 and pages 9 to 19 of this annual report, respectively.

### Environmental Policy and Performance

In conducting the business, the Group's objective is to minimize the adverse effects of its operations on the environment. In addition, in order to comply with the applicable environmental protection laws, the Group has established an environmental management system in its operations in accordance with ISO 14001:2004 international standards and obtained ISO 14001 certification. The environmental management system will be reviewed from time to time in order to reduce risks related to environmental issues. The Group has complied with a number of PRC environmental protection laws in connection with water pollutants, air pollutants, solid waste pollutants, as well as noise pollution generated from its manufacturing operations. During the year ended 31 December 2016, the Group was in compliance with the applicable PRC laws and regulations on environmental laws and was not subject to any fines or legal action resulting from incidents of non-compliance with any applicable PRC environmental regulations, nor was there any threatened or pending action by any PRC environmental regulatory authority.

Other green initiatives and measures have been adopted by the Group to control the use of energy and resources in the production, business operation and management activities so as to achieve economic benefit. Such initiatives include reducing manufacturing wastes by using scrap foams to produce pillows and mattresses, reducing electricity consumption by using the LED lightings and by using the diesel hot water system operated by solar energy, recycling of used papers, creating a paperless work environment and promoting water saving practices.

### 關連方交易

本集團於截至2016年12月31日止年度進行的重大關連方交易之詳情載於綜合財務報表附註38。除於上文「持續關連交易」一段披露的交易外，該等關連方交易根據上市規則第14A章未必構成關連交易／持續關連交易或構成關連交易／持續關連交易，但豁免遵守所有披露及獨立股東批准規定。

### 業務回顧

本集團業務的一般回顧及有關使用財務關鍵表現指標對本集團截至2016年12月31日止年度之財務表現之分析分別載於本年報第6頁「財務摘要」及第9至19頁「管理層討論與分析」內。

### 環境政策及表現

於從事商業活動中，本集團目標乃為將本集團營運對環境造成之不利影響降至最低。此外，為確保符合適用之環保法律，我們已根據ISO 14001：2004國際標準就我們的營運建立環境管理體系，並取得ISO 14001認證。該環境管理體系將不時受到檢討以降低環境相關事宜的風險。本集團已遵守與污水、大氣污染、固體廢物及生產營運中產生之噪音污染相關之多條中國環保法律。於截至2016年12月31日止年度，本集團遵守適用之中國環境法律法規，並無因違反任何適用之中國環境法規而須繳納任何罰款或出現法律訴訟，亦無面臨或有任何未了結之任何中國環境監管機構之訴訟。

本集團已採納其他綠色倡議及措施以控制生產、業務營運及管理活動中耗用之能源及資源，藉以實現經濟效益。該等倡議包括透過使用泡沫碎片生產枕頭及床墊減少生產廢料，透過使用LED燈及太陽能發電的柴油熱水系統減少耗電，紙張循環再用，創造無紙化工作環境及節水實務。

## DIRECTORS' REPORT

### 董事報告書

Further details of the Environmental Policy and Performance during the year ended 31 December 2016 are set out in Environmental, Social and Governance Report on pages 70 to 97 of this annual report.

#### Compliance with Relevant Laws and Regulations

During the year ended 31 December 2016, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

#### Relationship with Employees, Suppliers, Customers, and other Stakeholders

The Group's long term success depends on its employees, customers, suppliers and other stakeholders. The Group recognizes the importance of its employees, it offers competitive remuneration packages commensurate with industry practice and provides various fringe benefits to employees including housing and travel allowances depending on their grade and ranking within the Group. The Group also maintains medical insurance for the benefit of its employees. The Group conducts induction training for all of its new employees and on-going training from time to time during their employment. The nature of training offered depends on their specific field of operation. The Group has adopted a share option scheme and also operates an employee incentive scheme pursuant to which rewards take the form of promotions, salary raises and monetary bonuses.

The Group strives to maintain and enhance the relationship with its customers and to maintain a fair and co-operating relationship with its suppliers. The Group also takes an active role to take part in the communities where it operates.

Further details of the Group's relationship with employees, suppliers, customers and other stakeholder are set out in Environmental, Social and Governance Report on pages 70 to 97 of this annual report.

#### Principal risks and uncertainties

##### (1) Risk of customer concentration

Sales to the Group's top five customers accounted for approximately 37.1% (2015: 43.3%) of the Group's total revenue, with one customer in the segment of North American market, accounted for approximately 20.3% (2015: 26.3%) of the Group's total revenue.

截至2016年12月31日止年度的環境政策及表現的詳情載於本年報第70至97頁的環境、社會及管治報告內。

#### 遵守相關法律及法規

於截至2016年12月31日止年度，據本公司所知，本集團並無重大違反或不遵守適用法律法規，從而對本集團的業務及營運產生重大影響。

#### 與僱員、供應商、客戶及其他利益相關者的關係

本集團的長遠成功取決於本集團的僱員、客戶、供應商及其他利益相關者。本集團了解到僱員的重要性，為僱員提供符合行業慣例並具競爭力的薪酬待遇及各種福利，包括視乎其在本集團內的級別和等級享有住房及差旅津貼。本集團亦為僱員的利益投購醫療保險。本集團為所有新僱員進行入職培訓，並在彼等受僱期間不時提供持續培訓。所提供培訓的性質取決於彼等具體的工作領域。本集團已採納購股權計劃及僱員獎勵計劃，獎勵將以晉升、加薪及獎金的方式作出。

本集團致力於維持並加強與客戶的關係，並維持與供應商的公平合作關係。本集團亦在經營所在社區積極參與活動。

本集團與僱員、供應商、客戶及其他利益相關者的關係之更多詳情列載於本年報第70至97頁環境、社會及管治報告。

#### 主要風險及不確定因素

##### (1) 與客戶集中相關的風險

向本集團五大客戶的銷售佔本集團總收入約37.1% (2015年：43.3%)，而向本集團北美市場市場分部的一名客戶的銷售佔本集團總收入約20.3% (2015年：26.3%)。

## DIRECTORS' REPORT

### 董事報告書

The Group does not enter into any long-term agreements with these top five customers. Their purchases are on an order-by-order basis. The Group cannot assure that it will be able to maintain stable relationships with its key customers. A substantial decrease of purchases could adversely affect product sales, financial condition and results of operations of the Group.

The Group will continue to diversify the customer's portfolio by actively searching for new customers and seeking for strategic acquisition in order to capture more customers in different markets.

#### (2) Risk of changing in the economic conditions

It is anticipating that there will be a downturn in the economy of the PRC and in Hong Kong in the coming year. During the year ended 31 December 2016, approximately 54.2% (2015: 58.9%) of the Group's total revenue was generated from sales in the PRC, Hong Kong and Macau. The decline in the PRC, Hong Kong and Macau economy may dampen the demand for the Group's products which could have a material adverse effect on the Group's business, results of operations and financial condition.

To manage the risk of economic downturn in a particular region, the Group is trying to diversify its investment geographically. In particular, the Group invested in new production facilities and invested in Dormeo, a company having a well-known brand in the US. The management of the Group expects the total revenue from the US will increase in the coming years.

#### (3) Risk of deterioration in the value of the Group brands

The Group is dependent on the goodwill in its brands for the continued success and growth of its business. In particular, the Group relies on sales of its "Sinomax" branded products in Hong Kong and in the PRC, and products under other brands owned by or licensed to it in other territories. Adverse publicity or regulatory or legal action against the Group could damage the reputation, the brand images and reduce long-term demand for the Group's products.

The Group continues its strategy to promote its brand names through different marketing schemes. The Group also uses multi brands strategy to promote more brands like "Zeopedic", "PureLUX", "Dream Serenity", "ComforZen", "Customizer", "Spa Supreme" and "Tung Ah" so as to reduce the risk and deterioration in a particular brand.

本集團並未與該五大客戶訂立任何長期協議。彼等採購乃按個別訂單進行。本集團無法保證其能與其主要客戶維持穩定關係。採購額大幅減少或會對本集團的產品銷售、財務狀況及經營業績造成不利影響。

本集團將繼續積極物色新客戶，尋求戰略性收購事項，豐富客戶組合，以吸納來自不同市場的更多新客戶。

#### (2) 與經濟狀況改變相關的風險

預期中國及香港的經濟於來年出現下滑。於截至2016年12月31日止年度，本集團總收入的約54.2%（2015年：58.9%）產生於中國、香港及澳門的銷售。中國、香港及澳門的經濟下滑可能會削減對本集團產品的需求，從而對本集團的業務、經營業績及財務狀況產生重大不利影響。

為管理部分地區經濟下滑的風險，本集團正試圖實現地域投資多元化。尤其是，本集團投資新生產設備，並投資美國知名品牌公司Dormeo。本集團管理層期望美國的總收入將於來年增加。

#### (3) 與本集團品牌貶值相關的風險

本集團業務的持續成功及增長有賴於品牌的商譽。尤其是，本集團依賴「Sinomax」品牌產品於香港及中國的銷售及其他自有或授權品牌產品於其他地區的銷售。有關針對本集團的不利宣傳或監管或法律行動可能會損害本集團的聲譽和品牌形象，降低本集團產品的長遠需求。

本集團繼續採用策略以持續藉不同市場營銷計劃推廣品牌。本集團亦使用多個品牌策略推廣更多諸如「Zeopedic」、「PureLUX」、「Dream Serenity」、「ComforZen」、「Customizer」、「Spa Supreme」及「東亞」等品牌，以降低某一品牌的風險及貶值。

## DIRECTORS' REPORT

### 董事報告書

#### (4) Risk of volatility in the pricing of raw materials

The Group is exposed to commodity price risks resulting from fluctuation of prices of chemicals including polypropylene glycol and toluene diisocyanate, the principal raw materials for the production of polyurethane foams. The Group has not entered into any long-term agreement with any of its raw materials suppliers, nor has it entered into any hedging arrangements or transactions to reduce the Group's exposure to fluctuations in raw materials costs.

The Group implements a cost-plus pricing policy. Price quotations for orders are negotiated in an order-by-order basis. In determining the product prices, the Group usually takes into account of various factors such as production costs (including costs of raw materials), production cycle, transportation costs, product types and specification, market price and global economic conditions.

## PROSPECTS

A description of the prospects of the Group's business is provided in the "Management Discussion and Analysis" section on pages 9 to 19 of this annual report.

## EVENTS AFTER THE REPORTING PERIOD

The particulars of important events affecting the Company that have occurred since the end of the year ended 31 December 2016 are set out in the "Management Discussion and Analysis" section on pages 9 to 19 of this annual report.

## SHARE OPTION SCHEMES

### (i) The Pre-IPO Share Option Scheme

On 13 December 2013, the Pre-IPO Share Option Scheme which complies with the requirements of Chapter 17 of the Listing Rules was adopted by the Shareholders.

The Pre-IPO Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions that the eligible participants under the scheme have or may have made to the Company.

#### (4) 與原材料價格波動相關的風險

本集團面臨因化學物質(包括聚丙二醇及甲苯二異氰酸酯,即生產聚氨酯泡沫的主要原材料)價格波動所導致的商品價格風險。本集團並無與任何原材料供應商訂立任何長期協議,亦無訂立任何對沖安排或交易以減低本集團承受原材料成本波動的風險。

本集團實行成本加成基準的定價政策。本集團按個別訂單基準協商訂單報價。於釐定產品價格時,本集團通常會考慮多項因素,如生產成本(包括原材料成本)、生產週期、運輸成本、產品類型及規格、市場價格及全球經濟狀況。

## 展望

有關本集團業務的前景的描述載於本年報第9至19頁的「管理層討論與分析」一節。

## 報告期後事項

有關於截至2016年12月31日止年度末後發生並對本公司產生影響的重大事件之詳情載於本年報第9至19頁的「管理層報告與分析」一節。

## 購股權計劃

### (i) 首次公開發售前購股權計劃

於2013年12月13日,符合上市規則第17章的首次公開發售前購股權計劃獲本公司股東採納。

首次公開發售前購股權計劃為一項股份獎勵計劃,旨在肯定及認可該計劃項下的合資格參與者對本公司已作出或可能已作出的貢獻。

## DIRECTORS' REPORT

### 董事報告書

The eligible participants include any full-time or part-time employees, executives or officers (including executive, non-executive and independent non-executive directors) of the Company or any of its subsidiaries and any suppliers, customers, consultants, agents and advisers who, in the opinion of the Directors, will contribute or have contributed to the Company and/or any of its subsidiaries.

Upon acceptance of the share option, the grantee shall pay HK\$1 to the Company by way of consideration for the grant.

On 13 December 2013, the Company has authorised to grant to 140 eligible participants to subscribe for an aggregate of 34,918,000 Shares under the Pre-IPO Share Option Scheme. In February 2014, the Company granted share options to 137 eligible participants to subscribe for an aggregate of 34,903,000 Shares.

The subscription price of a Share in respect of any particular share option offered under the Pre-IPO Share Option Scheme shall be a price representing 30% discount to the Offer Price (as defined in the Prospectus).

The share options granted to each grantee under the Pre-IPO Share Option Scheme shall be vested equally in five tranches commencing on the Listing Date and on each of the first, second, third and fourth anniversary of the Listing Date. The grantees to whom a share option has been granted under the Pre-IPO Share Option Scheme will be entitled to exercise the share option any time after the share option has been vested but in any event on or before the date falling on the fifth anniversary of the Listing Date. The share options granted under the Pre-IPO Share Option Scheme are not transferable and share options not exercised within the exercise period will lapse and cease to be of further effect.

The Pre-IPO Share Option Scheme expired on 10 July 2014 and ceased to have effect after 10 July 2014. Share options granted prior to the expiration of the Pre-IPO Share Option Scheme but not yet exercised at that time shall continue to be valid and exercisable in accordance with the Pre-IPO Share Option Scheme.

合資格參與者包括本公司或其任何附屬公司的任何全職或兼職僱員、行政人員或高級職員(包括執行、非執行及獨立非執行董事)，以及本公司董事全權認為將會或已對本公司及／或其附屬公司作出貢獻的任何供應商、客戶、諮詢顧問、代理及顧問。

於接納購股權後，承授人將向本公司支付1港元作為獲授購股權的代價。

於2013年12月13日，本公司獲授權向首次公開發售前購股權計劃項下140名合資格參與者授出合共可認購34,918,000股股份的購股權。於2014年2月，本公司向137名合資格參與者授出合共可認購34,903,000股股份的購股權。

根據首次公開發售前購股權計劃發售之任何特定購股權涉及之股份之認購價將相當於發售價(定義見招股章程)折讓30%之價格。

根據首次公開發售前購股權計劃授予每名承授人的購股權將自上市日期開始，於上市日期首個週年日、第二個週年日、第三個週年日及第四個週年日平均分五批歸屬。根據首次公開發售前購股權計劃獲授購股權的承授人將有權於購股權獲歸屬後(惟在任何情況下須於上市日期第五個週年日當日或之前)隨時行使購股權。根據首次公開發售前購股權計劃授出的購股權不可轉讓，及於行使期間尚未行使的購股權將失效及不再具有其他效力。

首次公開發售前購股權計劃已於2014年7月10日屆滿，及於2014年7月10日後不再具有效力。於首次公開發售前購股權計劃屆滿前授出但當時尚未行使的購股權將繼續有效及根據首次公開發售前購股權計劃可予行使。

# DIRECTORS' REPORT

## 董事報告書

The following tables disclose details of movements of share options granted under the Pre-IPO Share Option Scheme:

下表披露根據首次公開發售前購股權計劃授出的購股權變動詳情：

Grantee	Date of grant	Vesting period	Exercisable period	Exercise price per share	Number of share options			Outstanding at 31 Dec 2016
					Outstanding at 1 Jan 2016	Lapsed during the year	Exercised during the year	
承授人	授出日期	歸屬期	行使期	每股行使價 HK\$ 港元	於2016年 1月1日 尚未行使	於年內失效	於年內行使	於2016年 12月31日 尚未行使
Mr. Lam Chi Fan (Chairman) 林志凡先生(董事長)	10 Feb 2014	10 Feb 2014 – 10 Jul 2014	10 Jul 2014 – 10 Jul 2019	0.74	1,330,000	-	-	1,330,000
	2014年2月10日	2014年2月10日 – 2014年7月10日	2014年7月10日 – 2019年7月10日					
	10 Feb 2014	10 Feb 2014 – 10 Jul 2015	10 Jul 2015 – 10 Jul 2019	0.74	1,330,000	-	-	1,330,000
	2014年2月10日	2014年2月10日 – 2015年7月10日	2015年7月10日 – 2019年7月10日					
	10 Feb 2014	10 Feb 2014 – 10 Jul 2016	10 Jul 2016 – 10 Jul 2019	0.74	1,330,000	-	-	1,330,000
	2014年2月10日	2014年2月10日 – 2016年7月10日	2016年7月10日 – 2019年7月10日					
	10 Feb 2014	10 Feb 2014 – 10 Jul 2017	10 Jul 2017 – 10 Jul 2019	0.74	1,330,000	-	-	1,330,000
	2014年2月10日	2014年2月10日 – 2017年7月10日	2017年7月10日 – 2019年7月10日					
Mr. Cheung Tung (President) 張棟先生(總裁)	10 Feb 2014	10 Feb 2014 – 10 Jul 2014	10 Jul 2014 – 10 Jul 2019	0.74	1,275,240	-	-	1,275,240
	2014年2月10日	2014年2月10日 – 2014年7月10日	2014年7月10日 – 2019年7月10日					
	10 Feb 2014	10 Feb 2014 – 10 Jul 2015	10 Jul 2015 – 10 Jul 2019	0.74	1,275,240	-	-	1,275,240
	2014年2月10日	2014年2月10日 – 2015年7月10日	2015年7月10日 – 2019年7月10日					
	10 Feb 2014	10 Feb 2014 – 10 Jul 2016	10 Jul 2016 – 10 Jul 2019	0.74	1,275,240	-	-	1,275,240
	2014年2月10日	2014年2月10日 – 2016年7月10日	2016年7月10日 – 2019年7月10日					
	10 Feb 2014	10 Feb 2014 – 10 Jul 2017	10 Jul 2017 – 10 Jul 2019	0.74	1,275,240	-	-	1,275,240
	2014年2月10日	2014年2月10日 – 2017年7月10日	2017年7月10日 – 2019年7月10日					
Mr. Chen Feng (Executive Director) 陳楓先生(執行董事)	10 Feb 2014	10 Feb 2014 – 10 Jul 2014	10 Jul 2014 – 10 Jul 2019	0.74	610,000	-	-	610,000
	2014年2月10日	2014年2月10日 – 2014年7月10日	2014年7月10日 – 2019年7月10日					
	10 Feb 2014	10 Feb 2014 – 10 Jul 2015	10 Jul 2015 – 10 Jul 2019	0.74	610,000	-	-	610,000
	2014年2月10日	2014年2月10日 – 2015年7月10日	2015年7月10日 – 2019年7月10日					
	10 Feb 2014	10 Feb 2014 – 10 Jul 2016	10 Jul 2016 – 10 Jul 2019	0.74	610,000	-	-	610,000
	2014年2月10日	2014年2月10日 – 2016年7月10日	2016年7月10日 – 2019年7月10日					
	10 Feb 2014	10 Feb 2014 – 10 Jul 2017	10 Jul 2017 – 10 Jul 2019	0.74	610,000	-	-	610,000
	2014年2月10日	2014年2月10日 – 2017年7月10日	2017年7月10日 – 2019年7月10日					
10 Feb 2014	10 Feb 2014 – 10 Jul 2018	10 Jul 2018 – 10 Jul 2019	0.74	610,000	-	-	610,000	
2014年2月10日	2014年2月10日 – 2018年7月10日	2018年7月10日 – 2019年7月10日						

# DIRECTORS' REPORT

## 董事報告書

Grantee	Date of grant	Vesting period	Exercisable period	Exercise price per share	Number of share options			Outstanding at 31 Dec 2016
					Outstanding at 1 Jan 2016	Lapsed during the year	Exercised during the year	
承授人	授出日期	歸屬期	行使期	每股行使價 HK\$ 港元	於2016年 1月1日 尚未行使	於年內失效	於年內行使	於2016年 12月31日 尚未行使
Mr. Lam Kam Cheung (Executive Director) 林錦祥先生(執行董事)	10 Feb 2014	10 Feb 2014 – 10 Jul 2014	10 Jul 2014 – 10 Jul 2019	0.74	400,000	-	-	400,000
	2014年2月10日	2014年2月10日 – 2014年7月10日	2014年7月10日 – 2019年7月10日					
	10 Feb 2014	10 Feb 2014 – 10 Jul 2015	10 Jul 2015 – 10 Jul 2019	0.74	400,000	-	-	400,000
	2014年2月10日	2014年2月10日 – 2015年7月10日	2015年7月10日 – 2019年7月10日					
	10 Feb 2014	10 Feb 2014 – 10 Jul 2016	10 Jul 2016 – 10 Jul 2019	0.74	400,000	-	-	400,000
	2014年2月10日	2014年2月10日 – 2016年7月10日	2016年7月10日 – 2019年7月10日					
	10 Feb 2014	10 Feb 2014 – 10 Jul 2017	10 Jul 2017 – 10 Jul 2019	0.74	400,000	-	-	400,000
2014年2月10日	2014年2月10日 – 2017年7月10日	2017年7月10日 – 2019年7月10日						
Ms. Lam Fei Man (Executive Director) 林斐雯小姐(執行董事)	10 Feb 2014	10 Feb 2014 – 10 Jul 2014	10 Jul 2014 – 10 Jul 2019	0.74	430,000	-	-	430,000
	2014年2月10日	2014年2月10日 – 2014年7月10日	2014年7月10日 – 2019年7月10日					
	10 Feb 2014	10 Feb 2014 – 10 Jul 2015	10 Jul 2015 – 10 Jul 2019	0.74	430,000	-	-	430,000
	2014年2月10日	2014年2月10日 – 2015年7月10日	2015年7月10日 – 2019年7月10日					
	10 Feb 2014	10 Feb 2014 – 10 Jul 2016	10 Jul 2016 – 10 Jul 2019	0.74	430,000	-	-	430,000
	2014年2月10日	2014年2月10日 – 2016年7月10日	2016年7月10日 – 2019年7月10日					
	10 Feb 2014	10 Feb 2014 – 10 Jul 2017	10 Jul 2017 – 10 Jul 2019	0.74	430,000	-	-	430,000
2014年2月10日	2014年2月10日 – 2017年7月10日	2017年7月10日 – 2019年7月10日						
Other employees 其他僱員	10 Feb 2014	10 Feb 2014 – 10 Jul 2014	10 Jul 2014 – 10 Jul 2019	0.74	2,711,360	(56,000)	-	2,655,360
	2014年2月10日	2014年2月10日 – 2014年7月10日	2014年7月10日 – 2019年7月10日					
	10 Feb 2014	10 Feb 2014 – 10 Jul 2015	10 Jul 2015 – 10 Jul 2019	0.74	2,713,360	(56,000)	-	2,657,360
	2014年2月10日	2014年2月10日 – 2015年7月10日	2015年7月10日 – 2019年7月10日					
	10 Feb 2014	10 Feb 2014 – 10 Jul 2016	10 Jul 2016 – 10 Jul 2019	0.74	2,711,360	(56,000)	-	2,657,360
	2014年2月10日	2014年2月10日 – 2016年7月10日	2016年7月10日 – 2019年7月10日					
	10 Feb 2014	10 Feb 2014 – 10 Jul 2017	10 Jul 2017 – 10 Jul 2019	0.74	2,711,360	(56,000)	-	2,657,360
2014年2月10日	2014年2月10日 – 2017年7月10日	2017年7月10日 – 2019年7月10日						
10 Feb 2014	10 Feb 2014 – 10 Jul 2018	10 Jul 2018 – 10 Jul 2019	0.74	2,711,360	(56,000)	-	2,657,360	
2014年2月10日	2014年2月10日 – 2018年7月10日	2018年7月10日 – 2019年7月10日						
					33,856,000	(280,000)	-	33,576,000
<b>Number of share options exercisable at 31 December 2016</b>								
於2016年12月31日可行使購股權數目								20,144,800

## Notes:

- (a) 5 eligible participants (FY2015: 10), who have been granted share options have ceased to become eligible participants upon termination of employment during the year ended 31 December 2016 and the said share options have automatically lapsed.
- (b) Other details of the Pre-IPO Share Option Scheme are set out in note 31 to the consolidated financial statements.

## 附註:

- (a) 5名獲授購股權的合資格參與者(2015年財政年度: 10名)於截至2016年12月31日止年度終止僱傭關係後不再為合資格參與者, 而上述購股權已自動失效。
- (b) 首次公開發售前購股權計劃其他詳情載於綜合財務報表附註31。

## DIRECTORS' REPORT

### 董事報告書

#### (ii) The Post-IPO Share Option Scheme

On 4 March 2014, the Post-IPO Share Option Scheme was conditionally adopted by the Shareholders. Details of the Post-IPO Share Option Scheme are set out in note 31 to the consolidated financial statements.

#### PRE-EMPTIVE RIGHTS

The articles of association of the Company and the Companies Law (2013 Revision) of the Cayman Islands do not entitle any Shareholder to any pre-emptive right or other similar rights to subscribe for the Shares.

#### PURCHASE, SALES OR REDEMPTION OF SHARES

During the year ended 31 December 2016, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any Shares.

#### NON-COMPETITION UNDERTAKINGS

The Company has received an annual confirmation from each of the controlling Shareholders, namely, Sinomax Enterprises, Mr. Lam Chi Fan, Mr. Cheung Tung, Mr. Chen Feng and Ms. Cheung Shui Ying, in respect of their compliance with the terms of the deed of non-competition as set out in the Prospectus for the financial year ended 31 December 2016.

#### INDEPENDENT NON-EXECUTIVE DIRECTORS' CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors (the "INED(s)") an annual confirmation of his independence as required under Rule 3.13 of the Listing Rules. The Company considers all of the INEDs are independent.

#### (ii) 首次公開發售後購股權計劃

於2014年3月4日，股東有條件採納首次公開發售後購股權計劃。首次公開發售後購股權計劃的詳情載於綜合財務報表附註31。

#### 優先購股權

本公司公司章程及開曼群島公司法(2013年修訂本)概無賦予任何股東任何優先購股權或其他類似權利以認購股份。

#### 購買、出售或贖回股份

於截至2016年12月31日止年度，本公司及其任何附屬公司概未購買、出售或贖回任何股份。

#### 不競爭承諾

本公司已就各控股股東(即聖諾盟企業、林志凡先生、張棟先生、陳楓先生及張水英女士)於截至2016年12月31日止財政年度期間遵守招股章程所載不競爭契據的條款接獲其發出的年度確認書。

#### 獨立非執行董事確認其獨立性

本公司已接獲各獨立非執行董事(「獨立非執行董事」)根據上市規則第3.13條的規定就其獨立性所發出的年度確認書。本公司認為全體獨立非執行董事均為獨立人士。

## DIRECTORS' REPORT

### 董事報告書

#### MAJOR SUPPLIERS AND CUSTOMERS

During the year ended 31 December 2016, the aggregate purchases from the Group's five largest suppliers was approximately 39.2% of the Group's total purchases. The Group's largest supplier accounted for approximately 12.4% of the Group's total purchases.

During the year ended 31 December 2016, the aggregate sales to the Group's five largest customers was approximately 37.1% of the Group's total revenue and the length of relationship with the customers are in a range of 1 to 10 years. The Group's largest customer accounted for approximately 20.3% of the Group's total revenue.

None of the Directors or any of their close associates or any Shareholder (which to the knowledge of the Directors own more than 5% of the issued Shares) had a beneficial interest in the Group's five largest customers or suppliers.

#### PROFESSIONAL TAX ADVICE

If any Shareholder has any doubt about the taxation implication of purchasing, holding, disposing of, dealing in, or exercise of any rights in relation to the Shares, they are advised to consult their own professional advisers.

#### AUDITOR

The Group's consolidated financial statements have been audited by Messrs. Deloitte Touche Tohmatsu, Certified Public Accountants, who will retire and offer itself for re-appointment at the AGM. A resolution will be submitted to the AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

#### AUDIT COMMITTEE

The audited consolidated financial statements for the year ended 31 December 2016 have been reviewed by the audit committee of the Company.

#### CORPORATE GOVERNANCE

The principal corporate governance practices adopted by the Company are set out in the "Corporate Governance Report" on pages 52 to 69 of this annual report.

#### 主要供應商及客戶

於截至2016年12月31日止年度，本集團自五大供應商的採購合計佔本集團總採購約39.2%。本集團最大供應商佔本集團總採購約12.4%。

於截至2016年12月31日止年度，本集團向五大客戶的銷售合計佔本集團總收入約37.1%且與客戶關係之時長介乎1至10年。本集團最大客戶佔本集團總收入約20.3%。

概無董事或彼等任何緊密聯繫人士或任何股東（據董事所知擁有已發行股份超過5%）於本集團五大客戶或供應商擁有實益權益。

#### 專業稅務意見

如任何股東對購買、持有、出售、買賣或行使任何有關股份任何權利的稅務影響有任何疑問，務請諮詢其專業顧問。

#### 核數師

本集團綜合財務報表已由註冊會計師德勤·關黃陳方會計師行審核，其任期將於股東週年大會日期屆滿，並表示願意繼續連任。決議案將呈交股東週年大會以重新任命德勤·關黃陳方會計師行為本公司核數師。

#### 審核委員會

截至2016年12月31日止年度經審核綜合財務報表已由本公司審核委員會審閱。

#### 企業管治

本公司採納之主要企業管治常規載於本年報第52至69頁「企業管治報告」一段。

## DIRECTORS' REPORT

### 董事報告書

#### SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the knowledge of the Directors, at least 25% of the Company's total issued share capital, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules, are held by the public at all times during the year ended 31 December 2016 and up to the date of this annual report.

This annual report is signed for and on behalf of the Board.

**Lam Chi Fan**  
*Chairman*

Hong Kong, 28 March 2017

#### 充分公眾持股量

根據本公司公開可得資料及據董事所知，本公司已發行股本總額的最少25%（即聯交所規定及上市規則允許的最低公眾持股量）於截至2016年12月31日止年度及截至本年報日期任何時間一直由公眾人士持有。

代表董事局簽署本年報書。

董事長  
林志凡

香港，2017年3月28日

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of its Shareholders and to enhance corporate value and accountability. The Board believes that good corporate governance provides a framework that is essential for effective management and healthy corporate culture, thereby earning the confidence of the Shareholders and the public.

The Company has adopted the code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Listing Rules as its own code of corporate governance. The Company had met the applicable code provisions set out in the CG Code during the year ended 31 December 2016.

The Board will continue to monitor and review the Company’s corporate governance practices to ensure compliance with the CG Code.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for the Directors and relevant employees, who are likely to possess inside information of the Company, in their dealings in the Company’s securities. The code of conduct are on terms no less exacting than the required standard set out in the Model Code.

The Company has made specific enquiry of all Directors and all Directors confirmed that they had complied with the required standard set out in the Model Code during the year ended 31 December 2016.

### 企業管治常規

本公司致力於維持高標準的企業管治以保障其股東的利益及提升企業價值及問責性。董事會相信良好的企業管治能為有效管理及健康企業文化訂立框架，從而獲取股東及公眾的信心。

本公司已採納符合上市規則附錄十四所載企業管治守則（「**企業管治守則**」）所載守則條文作為其自身的企業管治守則。於截至2016年12月31日止年度，本公司已遵守企業管治守則載列之適用守則條文。

董事會將持續監控及審閱本公司的企業管治常規以確保符合企業管治守則。

### 進行證券交易的標準守則

本公司已就有可能擁有有關本公司證券買賣的內幕資料的董事及有關僱員採納行為守則。行為守則條款不寬鬆於標準守則所載的規定標準。

本公司已向全體董事作出詳細查詢，全體董事確認彼等於截至2016年12月31日止年度已遵守標準守則所規定之準則。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### BOARD OF DIRECTORS

#### Board composition

The Board currently comprises ten Directors, with five executive Directors and five INEDs. The Directors' biographical details are set out in the "Directors and Senior Management" section on pages 20 to 28 of this annual report and are posted on the Company's website at [www.sinomax.com/group](http://www.sinomax.com/group). The Directors during the year ended 31 December 2016 and up to the date of this annual report were as follows:

Executive Directors	: Mr. Lam Chi Fan ( <i>Chairman</i> ) Mr. Cheung Tung ( <i>President</i> ) Mr. Chen Feng Mr. Lam Kam Cheung Ms. Lam Fei Man
INED	: Mr. Wong Chi Keung Professor Lam Sing Kwong, Simon Mr. Fan Chun Wah, Andrew, J.P. Mr. Zhang Hwo Jie Mr. Wu Tak Lung

The Board has a balance of skills and experience appropriate for the Company's business. The independence of the INEDs is assessed according to the relevant rules and requirements under the Listing Rules. The Company requests the Directors to disclose annually to the Company the number and nature of office held in public companies or organizations and other significant commitments with an indication of time involved.

#### Relationship between Board Members

The relationships among the members of the Board are disclosed under "Directors and Senior Management" on pages 20 to 28 of this annual report.

Save as disclosed above, there are no financial, business, family or other material relationships among members of the Board.

### 董事會

#### 董事會組成

董事會現時由十名董事組成，其中有五名執行董事及五名獨立非執行董事。董事履歷詳情載於本年報第20至28頁「董事及高級管理層」一節，並刊載於本公司網站 [www.sinomax.com/group](http://www.sinomax.com/group)。於截至2016年12月31日止年度及截至本年報日期之董事如下所示：

執行董事	: 林志凡先生(主席) 張棟先生(總裁) 陳楓先生 林錦祥先生 林斐雯小姐
獨立非執行董事	: 王志強先生 林誠光教授 范駿華太平紳士 張傑先生 吳德龍先生

董事會由具備適用於本公司業務的不同技能和經驗的人士所組成。獨立非執行董事的獨立性乃根據上市規則相關條例及規定而作出評核。本公司要求董事每年向本公司披露於公眾公司或機構所擔任的職位的數目及性質以及其他重大承擔，以及其所涉及之時間。

#### 董事會成員之間的關係

董事會成員間的關係如本年報第20至28頁「董事及高級管理層」所披露。

除上文所披露者外，董事會成員間概無財務、業務、家庭或其他重大關係。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Delegation by the Board

The Board is responsible and has general power for the management and conduct of the business of the Group. It delegates day-to-day management and operations functions of the Company to Board committees and senior management of the Company with clear directions and authority framework. The Board will review periodically the delegation given to management to ensure that they are appropriate and continue to be beneficial to the Group as a whole.

The Board has delegated specific roles and responsibilities to the Company's audit committee, corporate governance committee, remuneration committee and nomination committee. Details of these committees are set out on pages 58 to 63 of this annual report.

### Chairman and President

Mr. Lam Chi Fan is the Chairman of the Board. Mr. Lam is responsible for the formulation of the overall business strategies and business planning of the Group.

Mr. Cheung Tung is the President (equivalent to the role of a chief executive) of the Company. Mr. Cheung is responsible for the overall management of the day-to-day operations of the Group.

Mr. Lam Chi Fan is the uncle of Mr. Cheung Tung. However, there is a clear distinction between the Chairman's responsibility and the President's responsibility.

### Independent non-executive Directors

The Company currently has five INEDs, more than one-third of the members of the Board, and are persons of high caliber with appropriate professional qualifications or accounting or related financial management expertise.

Each of Mr. Wong Chi Keung, Professor Lam Sing Kwong, Simon, Mr. Fan Chun Wah, Andrew, J.P., Mr. Zhang Hwo Jie and Mr. Wu Tak Lung has entered into a service contract with the Company for a term of three years commenced from 10 July 2014, respectively.

### 董事會授權

董事會負責及擁有管理及經營本集團業務的一般權力。董事會授權本公司董事委員會及高級管理層處理本公司的日常管理及營運職能，並設立明確的方向及權力框架。董事會將定期審閱授予管理層的權力，藉此確保其乃適當並對本集團整體有利。

董事會已向本公司審核委員會、企業管治委員會、薪酬委員會及提名委員會授權特定角色及責任。該等委員會的詳情載於本年報第58至63頁。

### 董事長及總裁

林志凡先生為董事會主席及本集團聯合創辦人。林先生負責制訂本集團的全面業務策略，管理業務規劃。

張棟先生為本公司總裁(相當於行政總裁的職能)。張先生負責全面管理本集團及其日常運作。

林志凡先生為張棟先生的叔叔。然而，主席職責與總裁職責之間有明確區分。

### 獨立非執行董事

本公司目前擁有五名獨立非執行董事，超過董事會成員三分之一，且皆為具有合適專業資格或會計或相關財務管理專長的優秀人才。

王志強先生、林誠光教授、范駿華太平紳士、張傑先生及吳德龍先生各自己與本公司訂立服務合約，由2014年7月10日起為期三年。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

Each of the service contracts of the INEDs can be terminated by either party by giving not less than three months' prior written notice.

The Company has received from all INEDs their confirmation of independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all INEDs met the independence guidelines and are independent. These INEDs are high calibre executives who bring a diversified range of expertise and serve the crucial function of providing checks and balances for safeguarding the interests of Shareholders and the Group as a whole.

### Board meetings

The Board meets at least four times a year and a tentative schedule for regular Board meetings for each year is provided to Directors prior to the beginning of each calendar year. Between scheduled regular Board meetings, Directors may approve various matters by way of passing written resolutions. Additional Board meetings may be arranged if required. At least 14 days' notice of a regular Board meeting shall be given and the Company aims at sending the agenda and the accompanying board papers to Directors at a reasonable time before the intended date of a Board meeting.

During the year ended 31 December 2016, the Board held six meetings to consider and approve the audited annual results for the year ended 31 December 2015, unaudited interim results for the six months ended 30 June 2016 and continuing connected transactions. At these Board meetings, the Board also reviewed and discussed the business updates and development of the Group.

Board minutes are kept by the company secretary of the Company and are open for inspection by the Directors.

各獨立非執行董事之服務合約可由任何一方發出不少於三個月的事先書面通知予以終止。

公司已獲得全體獨立非執行董事根據上市規則第3.13條所載之獨立性指引作出的獨立性確認。本公司認為全體獨立非執行董事均符合獨立性指引及均具獨立性。該等獨立非執行董事皆為優秀之行政人員，彼等具備多方面的專業知識，可為本集團提供足夠的審核及制衡，以保障股東及本集團的整體利益。

### 董事會會議

董事會每年至少召開四次常規會議，而本公司會於每個歷年開始前向董事提供該年度董事會常規會議之初擬時間表。於常規董事會會議間，董事可以書面決議形式批准各項事宜。若有需要，可另行召開董事會會議。董事會常規會議一般須發出至少14天通知，而本公司亦致力於在董事會會議預定日期前一段合理時間向董事發出議程及隨附董事會文件。

於截至2016年12月31日止年度，董事會召開六次會議，考慮及批准截至2015年12月31日止年度之經審計年度業績，截至2016年6月30日止六個月之未經審計中期業績及持續關聯交易。於該等董事會會議上，董事會亦檢討及討論本集團業務更新及發展。

董事會會議記錄由本公司公司秘書保存並供董事公開查閱。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The attendance records of the Directors at the Board meetings held during the year ended 31 December 2016 are set out as follows:

董事出席截至2016年12月31日止年度舉行的董事會會議記錄載列如下：

Name of Directors 董事姓名		Meetings attended 出席會議次數
<b>Executive Directors</b>		
	<b>執行董事</b>	
Mr. Lam Chi Fan	林志凡先生	6/6
Mr. Cheung Tung	張棟先生	6/6
Mr. Chen Feng	陳楓先生	6/6
Mr. Lam Kam Cheung	林錦祥先生	6/6
Ms. Lam Fei Man	林斐雯小姐	6/6
<b>Independent non-executive Directors</b>		
	<b>獨立非執行董事</b>	
Mr. Wong Chi Keung	王志強先生	6/6
Professor Lam Sing Kwong, Simon	林誠光教授	6/6
Mr. Fan Chun Wah, Andrew, J.P.	范駿華太平紳士	6/6
Mr. Zhang Hwo Jie	張傑先生	5/6
Mr. Wu Tak Lung	吳德龍先生	5/6

### Accountability and Audit

The Directors acknowledged their responsibilities for the preparation of financial statements of the Group to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the results of its operation and its cashflows. In preparing the financial statements for the year ended 31 December 2016, the Board had prepared the Group's financial statements on a going-concern basis and in accordance with relevant accounting standards and regulations. Board members are provided with monthly updates on the Group's financial position, which give the Directors a clear assessment of the performance, position and prospect of the Group.

A statement from the external auditor relating to their reporting responsibilities is set out in the independent auditor's report on pages 98 to 215 of this annual report.

### 責任及審計

董事確認其對編製本集團之財務報表負責，以確保財務報表真實而公平地反映出本集團的事務狀況以及其營運業績及現金流。於編製截至2016年12月31日止年度之財務報表時，董事會已按持續基準及根據相關會計準則及規例編製本集團之財務報表。董事會成員獲提供本集團財務狀況之月度更新，其向董事提供本集團表現、狀況及前景清晰明確的評估。

外部審計機構就其報告責任的說明載於第98至215頁之獨立核數師報告內。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Continuous training and professional development for Directors

Directors must keep abreast of their responsibilities and duties and are committed to participate in continuous professional development to develop their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant.

The Company provides regular updates on changes and developments relating to the Group's business and the legislative and regulatory environments to the Directors at regular Board meetings. In addition, the Company also organises briefing sessions to the Directors which place emphasis on the roles, functions and duties of a listed company director, as well as the latest developments regarding the Listing Rules and other applicable regulatory requirements.

Individual training record of each Director during the year ended 31 December 2016 is set out as follows:

### 董事持續培訓及專業發展

董事必須清楚彼等之職責及職能，並須致力於參加持續專業發展，以拓展其知識及技能，確保彼等在具備全面資訊及切合所需的情況下對董事會作出貢獻。

本公司定期於常規董事會會議上向董事更新與本集團之業務相關變動以及進展及法律及法規環境。此外，本公司亦為董事安排簡報會，着重上市公司董事的角色、職能及責任，以及上市規則及其他適用監管規定的最新發展。

各董事於截至2016年12月31日止年度之個人培訓記錄如下：

Name of Directors 董事姓名	Reading materials regarding regulatory updates and corporate governance matters 有關監管更新及 企業管治事宜的 閱讀材料	Attending seminars and/or conferences and/ or briefings 出席研討會及/ 或會議及/或簡報
<b>Executive Directors</b>		
Mr. Lam Chi Fan	林志凡先生	✓
Mr. Cheung Tung	張棟先生	✓
Mr. Chen Feng	陳楓先生	✓
Mr. Lam Kam Cheung	林錦祥先生	✓
Ms. Lam Fei Man	林斐雯小姐	✓
<b>Independent non-executive Directors</b>		
Mr. Wong Chi Keung	王志強先生	✓
Professor Lam Sing Kwong, Simon	林誠光教授	✓
Mr. Fan Chun Wah, Andrew, J.P.	范駿華太平紳士	✓
Mr. Zhang Hwo Jie	張傑先生	✓
Mr. Wu Tak Lung	吳德龍先生	✓

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### BOARD COMMITTEES

The Company has set up four committees, namely, the audit committee, the remuneration committee, the nomination committee and the corporate governance committee, for overseeing the particular aspects of the Company. The terms of reference of these committees are available on the websites of the Company and the Stock Exchange.

#### Audit Committee

The audit committee comprises five INEDs, namely Mr. Wong Chi Keung, Professor Lam Sing Kwong, Simon, Mr. Fan Chun Wah, Andrew, J.P., Mr. Zhang Hwo Jie and Mr. Wu Tak Lung. Mr. Wong Chi Keung is the chairman of the audit committee. He has professional qualifications in accounting and financial management.

The primary duties of the audit committee include, among other things:

- reviewing and monitoring the external auditor's independence and objectivity;
- recommending to the Board on the re-appointment of the external auditor and approve its remuneration;
- reviewing the Group's consolidated financial statements, annual reports and interim reports before submitting them to the Board;
- overseeing the Group's financial reporting system, internal control and risk management procedures and audit process;
- reviewing the Group's financial and accounting policies and practices of the Group; and
- meeting with the external auditor to discuss issues regarding audit at least once a year in the absence of the management.

During the year ended 31 December 2016, the audit committee held four meetings and reviewed and discussed with the external auditor the interim and annual results of the Group and the relevant financial reports. It also discussed matters with respect to the risk management and internal controls and re-appointment of external auditor.

### 董事委員會

本公司設立4個委員會，即審核委員會、薪酬委員會、提名委員會及企業管治委員會，以監督本公司的特定事務。該等委員會職權範圍可於本公司網站及聯交所網站查詢。

#### 審核委員會

審核委員會由五位獨立非執行董事組成，即王志強先生、林誠光教授、范駿華太平紳士、張傑先生及吳德龍先生。王志強先生為審核委員會主席，彼具備會計及財務管理專長相關之專業資格，為審核委員會主席。

審核委員會的主要職責其中包括：

- 審閱及監督外部核數師的獨立性及客觀性；
- 就重新委任外部核數師對董事會作出建議及核准其酬金；
- 於向董事會提交前審閱本集團綜合財務報表、年報及中期報告；
- 監督本集團的財務報告系統、內部控制程序及審核過程；
- 審閱本集團財務及會計政策以及本集團的慣例；及
- 每年一次於並無管理層在場的情況下與外部核數師討論有關審核的事宜。

於截至2016年12月31日止年度，審核委員會召開四次會議並審閱及與外部核數師討論本集團中期及年度業績及財務報告。會上亦討論風險管理及內部控制及續任外部核數師相關事宜。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

A summary of the work of the audit committee during the year ended 31 December 2016 is as follows:

於截至2016年12月31日止年度審核委員會工作概要如下：

- |  |   |
|--|---|
| (a) reviewed and discussed with the external auditor the annual results for the year ended 31 December 2015 and interim results for the six months ended 30 June 2016;   | (a) 審閱及與外部核數師討論截至2015年12月31日止年度的年度業績及截至2016年6月30日止六個月的中期業績；   |
| (b) discussed and reviewed the risk management system of the Group, reviewed the internal control review plan and the internal controls report of the Group prepared by the internal control advisor relating to the annual financial statements for the year ended 31 December 2015 and the interim financial statements for the six months ended 30 June 2016; | (b) 討論及審閱本集團之風險管理系統、審閱由內部控制顧問就截至2015年12月31日止年度之年度財務報表及截至2016年6月30日止六個月的中期財務報表編製的內部控制審閱計劃及本集團內部控制報告； |
| (c) reviewed the effectiveness of the Company's internal audit function; and   | (c) 審閱本公司內部控制職能的有效性；及   |
| (d) approved and confirmed the annual audit plan for the year ended 31 December 2016.  | (d) 批准及確認截至2015年12月31日止年度的年度審核計劃。   |

The attendance record of each member of the audit committee at the meetings held during the year ended 31 December 2016 is set out as follows:

各審核委員會成員於截至2016年12月31日止年度舉行之會議的出席記錄載列如下：

Name of members of audit committee	審核委員會成員姓名	Meetings attended 出席會議次數
Mr. Wong Chi Keung	王志強先生	3/3
Professor Lam Sing Kwong, Simon	林誠光教授	3/3
Mr. Fan Chun Wah, Andrew, J.P.	范駿華太平紳士	3/3
Mr. Zhang Hwo Jie	張傑先生	3/3
Mr. Wu Tak Lung	吳德龍先生	3/3

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Corporate Governance Committee

The corporate governance committee comprises five INEDs, namely, Mr. Wong Chi Keung, the chairman of the corporate governance committee, Professor Lam Sing Kwong, Simon, Mr. Fan Chun Wah, Andrew, J.P., Mr. Zhang Hwo Jie and Mr. Wu Tak Lung.

The primary duties of the corporate governance committee include, among other things:

- developing and reviewing the policies and practices of the Company on corporate governance and making recommendation to the Board with regard to any change;
- reviewing and monitoring the training and continuous professional development of Directors and senior management on corporate governance;
- reviewing and monitoring the policies and practices of the Company on compliance with legal and regulatory requirements on corporate governance and making recommendation to the Board with regard to any change;
- developing, reviewing and monitoring the code of conduct and corporate governance manual applicable to Directors and employees; and
- reviewing the Company's compliance with the CG Code and disclosure in the corporate governance report.

During the year ended 31 December 2016, the corporate governance committee held one meeting to review the Company's corporate governance policies and practices and the compliance with the CG Code.

The attendance record of each member of the corporate governance committee at the meeting held during the year ended 31 December 2016 is set out as follows:

### 企業管治委員會

企業管治委員會由五位獨立非執行董事組成，即王志強先生(企業管治委員會主席)、林誠光教授、范駿華太平紳士、張傑先生及吳德龍先生。

企業管治委員會的主要職責其中包括：

- 檢討本公司企業管治的政策及常規，並就任何變動向董事會作出建議；
- 就企業管治檢討及監察董事及高級管理層的培訓及持續專業發展；
- 檢討及檢查本公司政策及常規遵守法律及法例規定的情況，並就任何變動向董事會作出建議；
- 制定、檢討及監察適用於董事及僱員的行為守則及企業管治手冊；及
- 檢討本公司就企業管治守則及企業管治報告中的披露的合規情況；

於截至2016年12月31日止年度，企業管治委員會召開一次會議以審閱本公司的企業管治政策及常規，及遵守企業管治守則之情況。

各企業管治委員會成員於截至2016年12月31日止年度內於舉行之企業管治委員會會議的出席記錄載列如下：

Name of members of corporate governance committee	企業管治委員會成員姓名	Meeting attended 出席會議次數
Mr. Wong Chi Keung	王志強先生	1/1
Professor Lam Sing Kwong, Simon	林誠光教授	1/1
Mr. Fan Chun Wah, Andrew, J.P.	范駿華太平紳士	1/1
Mr. Zhang Hwo Jie	張傑先生	1/1
Mr. Wu Tak Lung	吳德龍先生	1/1

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Remuneration Committee

The remuneration committee consists of one executive Director and two INEDs. The remuneration committee is chaired by Professor Lam Sing Kwong, Simon, an INED. Other members are Mr. Fan Chun Wah, Andrew, J.P., an INED and Mr. Lam Chi Fan.

The primary duties of the remuneration committee include, among other things:

- studying and making recommendations or proposals to the Board for its review on the Company's policy and structure for remuneration of all Directors and senior management, on the Company's incentive schemes and on the establishment of a formal and transparent procedure for formulating the remuneration policies and incentive schemes;
- determining the remuneration packages of all executive Directors and senior management and making recommendation to the Board on the remuneration of the non-executive Directors; and
- reviewing and approving performance-based remuneration by reference to corporate objectives approved by the Board from time to time.

During the year ended 31 December 2016, the remuneration committee held one meeting to review and approve the Directors' and senior management's performance bonus, taking into consideration the comparable market practice, competitive market position, individual performance and contributions and the Group's operating results.

In order to recognize and acknowledge the contributions of key employees of the Company, the Company adopted the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme. These incentive schemes enable the eligible persons to have a personal stake in the Company and thus motivate them to optimize their performance efficiency for the benefit of the Company.

### 薪酬委員會

薪酬委員會包括一位執行董事及兩位獨立非執行董事。薪酬委員會主席為獨立非執行董事林誠光教授。其他成員為獨立非執行董事范駿華太平紳士及林志凡先生。

薪酬委員會的主要職責其中包括：

- 就其審閱本公司所有董事及高級管理層的薪酬政策與架構、本公司獎勵計劃及為制定有關薪酬政策及獎勵計劃而設立正式及透明的程序作出研究，並向董事會作出推薦意見或建議；
- 釐定所有執行董事及高級管理層的薪酬待遇，並就非執行董事的薪酬向董事會提供推薦意見；及
- 檢討及批准參考董事會不時批准的公司目標而制定的表現掛鉤薪酬。

於截至2016年12月31日止年度，薪酬委員會召開一次會議，並在考慮可比較市場慣例、具競爭力的市場地位、個人表現及貢獻以及本集團經營業績後，審閱及批准董事及高級管理層的表現花紅。

為肯定及認可本公司主要僱員的貢獻，本公司採納首次公開發售前購股權計劃。該獎勵計劃可令合資格人士於本公司中擁有個人權益，從而鼓勵彼等為本公司的利益提升工作效率。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

Details of the Directors' emolument for the year ended 31 December 2016, the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme are set out in note 10 and note 31 to the consolidated financial statements, respectively.

The attendance record of each member of the remuneration committee at the meeting held during the year ended 31 December 2016 is set out as follows:

有關截至2016年12月31日止年度的董事酬金及首次公開發售前購股權計劃及首次公開發售後購股權計劃之詳情分別載於綜合財務報表附註10及附註31。

各薪酬委員會成員於截至2016年12月31日止年度內舉行之各薪酬委員會會議的出席記錄載列如下：

Name of members of remuneration committee	薪酬委員會成員姓名	Meeting attended 出席會議次數
Professor Lam Sing Kwong, Simon	林誠光教授	1/1
Mr. Lam Chi Fan	林志凡先生	1/1
Mr. Fan Chun Wah, Andrew, J.P.	范駿華太平紳士	1/1

#### Nomination Committee

The nomination committee comprises three members with the majority of its members being INEDs. The nomination committee is chaired by Mr. Lam Chi Fan, the Chairman of the Board. Other members are Mr. Wong Chi Keung and Professor Lam Sing Kwong, Simon, both being INEDs.

The primary duties of the nomination committee include, among other things:

- reviewing the structure, size, diversity and composition of the Board and making recommendations regarding any proposed changes to the Board in line with the Company's strategies;
- developing and formulating relevant procedures for nomination and appointment of directors;
- identifying suitable candidates for appointment as directors; and
- assessing the independence of independent non-executive Director.

#### 提名委員會

提名委員會由三位成員組成，其絕大部分成員為獨立非執行董事。提名委員會主席為董事會主席林志凡先生。其他成員為獨立非執行董事王志強先生及林誠光教授。

提名委員會的主要職責其中包括：

- 審閱董事會的架構、規模、多元性及組成，並根據本公司策略就任何建議變動向董事會作出建議；
- 發展及制定提名及委任董事的相關程序；
- 就董事委任物識適合人選；及
- 評估獨立非執行董事的獨立性。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

During the year ended 31 December 2016, the nomination committee held one meeting to review the structure, size and composition of the Board. The Company recognises and embraces the benefits of diversity among its Board members. The nomination committee has a policy concerning the diversity of Board members with measurable objectives. Selection of candidates is based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, length of service and the legitimate interests of the principal Shareholders.

The attendance record of each member of the nomination committee at the meeting held during the year ended 31 December 2016 is set out as follows:

於截至2016年12月31日止年度，提名委員會召開一次會議並檢討董事會的架構、規模及組成。本公司確認及擁護董事會成員多元化的利益。提名委員會就董事會成員多元化採納具有重大目標的政策。候選人的選擇乃基於一系列多元化的視角，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識、服務年期及主要股東的合法利益。

各提名委員會成員於截至2016年12月31日止年度內舉行之會議的出席記錄載列如下：

Name of members of nomination committee	提名委員會成員姓名	Meeting attended 出席會議次數
Mr. Lam Chi Fan	林志凡先生	1/1
Mr. Wong Chi Keung	王志強先生	1/1
Professor Lam Sing Kwong, Simon	林誠光教授	1/1

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining and reviewing the effectiveness of the Group's risk management and internal control systems. A review of the implemented systems and procedures, including areas covering operational, legal compliance controls and risk management functions, is carried out annually. The risk management and internal control systems are implemented to minimise the risks to which the Group is exposed and used as a management tool for the day-to-day operation of business.

The Board has, through the audit committee, reviewed and considered the Group's risk management and internal control systems to be effective and adequate for the year ended 31 December 2016.

No significant areas of concern that might affect the operational, legal compliance controls and risk management functions of the Group were identified.

The Group has established an organizational structure with defined levels of responsibility and reporting procedures. The group internal audit department assist the Board and the audit committee in the review of the effectiveness of the Group's risk management and internal control systems on an ongoing basis.

### 風險管理及內部控制

董事會負責維持及檢討本集團風險管理及內部控制系統的有效性。其已就實施系統及程序進行年度檢討，涵蓋經營、法律合規監控及風險管理職能等方面。實施風險管理及內部控制系統旨在將本集團面臨之風險最小化，並將系統用作日常業務經營之管理工具。

董事會於截至2016年12月31日止年度已透過審核委員會檢討及考察本集團風險管理及內部控制系統是否有效及充足。

並無識別可能影響本集團經營、法律合規控制及風險管理職能的重大關注事項。

本集團已建立一個組織架構，清晰訂明責任級別及申報程序。本集團內審部協助董事會及審核委員會按持續基準檢討本集團之風險管理及內部控制系統。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

The Company has established Enterprise Risk Management Procedures to ensure safeguard of assets and to identify, evaluate, quantify and manage existing and potential risks. Relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the Group's performance are appropriately identified and managed.

The internal audit department is responsible in the operation and coordination of enterprise risk management mechanism, which includes assessing, reviewing the effectiveness of risk management processes and systems, assessing whether risk is properly assessed, assessing significant risk reporting, and reviewing significant risk management. The Group with appoint external internal control consultant when necessary.

The task group on risk management is responsible for establishing the risk management register and defining responsibilities, procedures and system of risk management, formulating the annual risk management work plan, carrying out risk assessment, proposing the risk management strategy, assisting the relevant departments and the enterprises in significant risk management. It also prepares risk management performance appraisal program and conducts annual performance appraisal and arranges risk management training.

The departmental managements execute risk management strategies, solutions and crisis management plans for significant risks, dynamically monitor significant risk associated indicators and execute the procedures and policies of the risk management and internal controls of the Group.

In addition to the review of risk management and internal controls undertaken within the Group, the external auditor also assessed the effectiveness of certain key risks and internal controls as part of their statutory audits.

本公司已建立《企業風險管理制度》，以確保資產安全及識別、評估、量化及管理現有及潛在風險。相關規則及規例以及可靠財務及會計記錄保留乃遵從及符合相關會計準則及監管報告規定，亦適當地識別及管理可能影響本集團表現的主要風險。

內部審計部門負責企業風險管理機制的經營及協調，包括評估、檢討風險管理程序及系統的有效性，檢測風險是否受到妥當評估、評估重大風險申報及檢討重大風險管理。如有需要，本集團將委聘外間內部監控顧問。

風險管理工作小組負責建立風險管理登記冊及界定風險管理的職責、程序及風險、制定年度風險管理工作計劃、進行風險評估、建議風險管理策略、協助相關部門及企業管理重大風險。其亦編製風險管理表現評估計劃及進行年度表現評估及安排風險管理培訓。

部門管理層員執行就重大風險制定風險管理策略、解決方案及危機管理計劃、靈活地監察與指標相關的重大風險及制定本集團風險管理及內部控制之程序及政策

除本集團內所進行的風險管理及內部控制檢討外，外部核數師亦評估若干風險及內部控制之有效性，作為其法定審計的一部分。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

To help ensure all risks which are relevant to the Group are considered, a systematic approach to risk identification is followed. Identifiable risk areas which are considered include:

- maintaining a safe work environment for the Group's employees;
- safeguarding and efficient use of assets;
- management of human resources;
- ensuring the Group complies with legal and regulatory obligations;
- achieving established objectives and goals;
- reliability and integrity of financial and operational information; and
- compliance with internal policies and procedures;

With respect to procedures and internal controls for the handling and dissemination of inside information, the Group:

- (i) is aware of the obligations under the Securities and Futures Ordinance, the applicable Listing Rules and other statutory regulations with regard to the timely and proper disclosure of inside information, announcements and financial disclosures and authorises their publication as required.
- (ii) has adopted and implemented its Inside Information Disclosure Policy.
- (iii) has in place a Code for Securities Dealing for governing the securities transactions of those employees who, because of their positions, are likely to have access to confidential or inside information.

為確保已計及所有與本集團有關的風險，我們就識別風險實行一套有系統的方法。已計及的可識別風險範圍包括：

- 為本集團僱員維持安全的工作環境；
- 維護並有效地利用資產；
- 管理人力資源；
- 確保本集團遵守法定及監管責任；
- 達成既定目標；
- 財務及營運資料的可靠性及完整性；及
- 遵守內部政策及程序；

就處理及散播內幕消息的程序及內部控制措施而言，本集團：

- (i) 知悉根據證券及期貨條例的責任、適用的上市規則及與及時適當地披露內幕消息、公告及財務披露資料有關的其他法定規例，並在有需要時授權其刊發。
- (ii) 已採納並實施其內幕消息披露政策。
- (iii) 基於該等僱員的職位，彼等可能需要存取機密或內幕消息，而就該等僱員進行證券交易採納一套有關證券買賣的守則。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

#### AUDITOR'S REMUNERATION

For the year ended 31 December 2016, the fees in respect of the audit and non-audit services provided to the Group by Messrs. Deloitte Touche Tohmatsu, are set out as follows:

#### 核數師酬金

於截至2016年12月31日止年度，就德勤·關黃陳方會計師行向本集團提供的審核及非審核服務而支付的費用載列如下：

		Fee 費用 HK\$'000 千港元
Audit services	審核服務	3,380
Non-audit services:	非審核服務：	
Reviewing the Company's interim financial information, report on continuing connected transactions and review of risk management and internal control of the Group, and conducting financial and tax due diligence for potential acquisition	審核之本公司中期財務資料、持續關聯交易報告及審核本集團的風險管理及內部控制，就潛在收購事項作出財務及稅務方面之盡職審查	1,836
		5,216

#### COMPANY SECRETARY

Mr. Lam Kam Cheung was appointed as the company secretary of the Company on 4 March 2014. The biographical details of Mr. Lam is set out in the paragraph headed "Directors and Senior Management" on page 22 of this annual report.

During the year ended 31 December 2016, Mr. Lam took no less than 15 hours of relevant professional training.

#### 公司秘書

林錦祥先生於2014年3月4日獲委任為本公司公司秘書。有關林先生的履歷詳情載於本年報第22頁「董事及高級管理層」一段。

於截至2016年12月31日止年度，林先生參加了不少於15小時的有關專業培訓。

#### COMMUNICATION WITH SHAREHOLDERS

The Company respects the rights of Shareholders and seeks to facilitate the effective exercise of those rights by ensuring that the Company communicates effectively with its Shareholders.

The Company promotes effective communication with Shareholders and encourages effective participation by Shareholders at general meetings of the Company. To ensure a high quality of communication and level of clarity with all investors and other stakeholders, whilst complying with its statutory disclosure obligations, the Company endeavours to provide Shareholders with ready and easy access on a timely basis to matters that affect their investment in the Company; communicate in a clear, accurate and easy to understand manner with investors and other stakeholders. Communication with Shareholders would be mainly through the Company's interim and annual reports, announcements and circulars, general meetings and disclosure on the Company's website.

#### 與股東的溝通

本公司尊重股東的權利並致力透過確保本公司與其股東有效溝通促進有關權利的有效行使。

本公司促進與股東的有效溝通，並鼓勵股東有效參與本公司股東大會。為確保與所有投資者及其他利益相關者的高質量溝通及清楚程度，而同時遵守其法定披露責任，本公司致力及時令股東可以隨時及輕易知悉有關影響其於本公司的投資的事宜，並與投資者及其他利益相關者以清晰、準確及易於明白的方式溝通。與股東的溝通將主要透過本公司中期及年度報告、公佈及通函、股東大會及本公司網站披露進行。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### General Meetings

The Board also considers that general meetings of the Company provide an useful forum for Shareholders to exchange views with the Board. The Company shall in each year hold a general meeting as its annual general meetings. All general meetings other than annual general meetings shall be called extraordinary general meetings ("EGM").

Members of the audit committee, remuneration committee, corporate governance committee and nomination committee and the external auditor also attend the annual general meetings to answer questions from Shareholders. Notice of annual general meetings is sent to all Shareholders at least 20 clear business days before the annual general meetings and the accompanying circular also sets out details of each proposed resolution and other relevant information as required under the Listing Rules. The vote results of annual general meetings and EGMs are posted on the websites of the Stock Exchange and the Company on the same day of the annual general meetings and EGM.

The 2016 annual general meeting was held on 10 June 2016. The attendance records of the Directors at the 2016 annual general meeting held during the year are set out below:

### 股東大會

董事會亦認為本公司股東大會為股東提供一個有用的論壇以與董事會交換意見。本公司應每年舉行股東大會作為其股東週年大會。本公司鼓勵股東於股東週年大會上與董事會會面及溝通，並就所有決議案投票。除股東週年大會以外的所有股東大會均為股東特別大會（「股東特別大會」）。

審核、薪酬、企業管治及提名委員會成員及外部核數師亦出席股東週年大會，以回答股東的提問。股東週年大會通告在股東週年大會舉行前不少於20個營業日寄發予所有股東，而隨附通函亦須載明各提呈決議案之詳情及上市規則要求之其他相關資料。股東週年大會及股東特別大會投票表決的結果會於股東週年大會及股東特別大會舉行當日在聯交所及本公司的網站刊發。

2016年股東週年大會於2016年6月10日舉行，股東於年內舉行的2016年股東週年大會的出席記錄載列如下：

Name of Directors	董事姓名	Annual General Meeting attended 出席股東週年大會
<b>Executive Directors</b>	<b>執行董事</b>	
Mr. Lam Chi Fan	林志凡先生	1/1
Mr. Cheung Tung	張棟先生	1/1
Mr. Chen Feng	陳楓先生	1/1
Mr. Lam Kam Cheung	林錦祥先生	1/1
Ms. Lam Fei Man	林斐雯小姐	1/1
<b>Independent non-executive Directors</b>	<b>獨立非執行董事</b>	
Mr. Wong Chi Keung	王志強先生	1/1
Professor Lam Sing Kwong Simon	林誠光教授	1/1
Mr. Fan Chun Wah, Andrew, J.P.	范駿華太平紳士	1/1
Mr. Zhang Hwo Jie	張傑先生	1/1
Mr. Wu Tak Lung	吳德龍先生	1/1

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

#### **Rights and Procedures for Shareholders to Convene General Meetings**

Any two or more members of the Company, at the date of the deposit of a written requisition holding not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings, shall at all times have the right to require an EGM to be called by the Board for the transaction of any business specified in such requisition.

The written requisition must specify the purpose of the meeting, signed by the requisitionists and deposit it with the Company Secretary of the Company at the Company's principal place of business in Hong Kong at Units 2005–2007, Level 20, Tower 1, MegaBox Enterprise Square Five, No. 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong.

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the EGM to be held within a further 21 days, the requisitionists themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the EGM, but any EGM shall not be held after the expiration of three months from the date of deposit of the requisition.

An EGM so convened by the requisitionists shall be convened in the same manner, as nearly possible, as that in which meetings are to be convened by the Board.

#### **Right to put enquiries to the Board**

Shareholders may, at any time, direct questions or requests for information to the Directors or management through the 'Contact Us' section in the Company's website at [www.sinomax.com](http://www.sinomax.com) or in writing and sent by post to the Company's principal place of business in Hong Kong.

#### **Right to put forward proposals at general meetings**

As a matter of Cayman Islands law, no members nor Shareholders are permitted to propose new resolutions at the general meetings if the intention to propose the new resolutions is not specified in the notice convening the general meeting. However, procedures for proposing candidate(s) for election as Directors at a Shareholder's meeting are set out in the Corporate Governance section of the Company's website at [ir.sinomax.com](http://ir.sinomax.com).

#### **股東召開股東大會的權利及過程**

凡於書面請求發出日期持有不少於本公司繳足股本(附帶於股東大會上投票之權利)十分之一之兩名或以上本公司股東，隨時有權要求董事會就該請求處理指定的任何事務召開股東特別大會。

書面請求必須述明會議的目的，由請求人簽署並交本公司公司秘書，地址為本公司主要營業地點香港九龍灣宏照道38號企業廣場五期MegaBox一座20樓2005–2007室。

倘董事會於該請求書交付日期起計21天內未有正式落實將於往後21天內召開股東特別大會，請求人或任何佔全體一半以上總表決權的人士可自行召開股東特別大會，惟任何股東特別大會不得在交付請求日期起計三個月屆滿後舉行。

由請求人如此召開的股東特別大會須盡可能以接近董事會召開股東大會的方式召開。

#### **向董事會作出查詢的權利**

股東可於任何時間透過本公司網站([www.sinomax.com](http://www.sinomax.com))的「聯繫我們」或以書面及郵寄至本公司香港主要營業地點向董事或管理層指出疑問或要求資料。

#### **於股東大會提呈議案的權利**

就開曼群島法例而言，倘提呈新決議案的意向並未於召開股東大會的通告上指明，概無成員或股東獲准於股東大會提呈新決議案。然而，於股東大會上建議董事候選人的程序載於本公司網站([ir.sinomax.com](http://ir.sinomax.com))的企業管治章節。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### INVESTOR RELATIONS

The Company believes that communicating with its Shareholders, investors and other stakeholders by electronic means, particularly through its website, is an efficient way of distributing information in a timely and convenient manner. The Company's website at [www.sinomax.com/group](http://www.sinomax.com/group) provides the following information:

- member of the Board, terms of reference of the Board committees, key corporate governance policies and the Company's constitutional documents;
- latest news, announcements, financials including interim and annual reports and all material information submitted to the Stock Exchange;
- other information relating to the Group and its business.

During the year ended 31 December 2016, there had been no significant change in the Company's constitutional documents.

Shareholders can make any query in respect of the Group or to make request for the Company's financial reports. The designated contact details are as follows:

By post: Sinomax Group Limited  
Units 2005–2007, Level 20, Tower 1,  
MegaBox Enterprise Square Five,  
No. 38 Wang Chiu Road, Kowloon Bay,  
Hong Kong

By email: [ir@sinomax.com](mailto:ir@sinomax.com)

Shareholders who have any matters related to change of name or address, transfer of shares and stolen or loss of share certificates, please contact the Company's share registrar, Tricor Investor Services Limited. The contact details are as follows:

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

Tel: (852) 2980 1333

### 投資者關係

本公司相信透過電子方式(特別是其網站)與其股東、投資者及其他持份者溝通乃及時和便捷的資料發佈方式: 本公司網站([www.sinomax.com/group](http://www.sinomax.com/group))具有以下資料:

- 董事會成員、董事委員會職權範圍、主要企業管治政策及本公司之章程文件;
- 最新新聞、公佈、財務材料(包括中期及年度報告以及呈交聯交所之所有重大資料); 及
- 關本集團及其業務的其他資料。

於截至2016年12月31日止年度,本公司之章程文件並無重大變動。

股東可就本集團作出查詢或就本公司財務報告作出詢問。指定聯絡詳情如下:

郵寄地址: 盛諾集團有限公司  
香港九龍灣  
宏照道38號  
企業廣場五期MegaBox  
一座20樓2005–2007室

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

股東倘姓名或地址變動、轉讓股份、股票遭盜或丟失,請聯繫本公司的股份過戶登記處卓佳證券登記有限公司。聯繫詳情如下:

地址: 卓佳證券登記有限公司  
香港皇后大道東183號  
合和中心22樓

電話: (852) 2980 1333

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### SCOPE OF REPORT

This annual report mainly covers the environmental, social and governance activities at the Group's core operating sites, namely, our headquarter in Hong Kong and Sinomax Industrial Park, Shahu Village, Tang Xia Town, Dongguan.

### PARTICIPATION AND IMPORTANCE OF THE STAKEHOLDERS

The Group recognizes our stakeholders' participation as one of the most important driving forces to accelerate the Group's social responsibility efforts. Therefore, the Group strives to improve existing communication channels and conduct regular and spontaneous communications with customers, employees, suppliers, community organizations, governmental organizations and other relevant stakeholders through a variety of channels, including interviews, phone calls, emails, forums, seminars, company internal correspondences, publications and press conferences, to understand expectations about corporate social responsibilities from all parties and motivate us to reach various objectives regarding corporate sustainability, as well as fulfilling expectations of all stakeholders.

During the year ended 31 December 2016, we commenced environmental and social assessment practices in the forms of (among others) face-to-face interviews and surveys for certain stakeholders with a view to identify their concerns and the environmental and social impacts of our businesses.

### Group Development and Social Responsibility

As a leading industry expert in memory foam healthcare products, the Group is an integrated enterprise that incorporates research and development ("R&D"), manufacturing as well as sales. Our aim is to become a global leader on health and household and a multinational corporation with self-owned brands and renowned reputation.

### 報告範疇

本年報主要涵蓋本集團的核心營運業務點 — 香港總部及東莞塘廈鎮沙湖村盛諾工業城的環境、社會及管治活動之工作。

### 持份者的參與及重要性

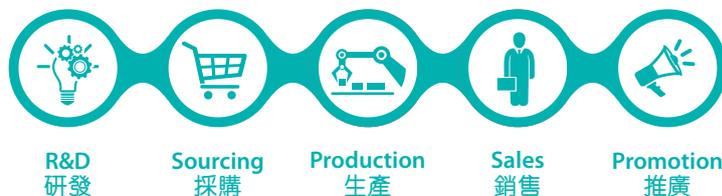
集團明白持份者參與是加促集團社會責任步伐的重要推動力之一。因此，集團致力完善現有的溝通渠道，並透過各種溝通方式，包括訪談、電話、電子郵件、座談會、研討會、公司內部通訊、刊物及新聞發布會等，與顧客、員工、供應商、社區組織、政府機關和其他相關持份者，進行定時及不定時的溝通，以達致互相了解各方對企業社會責任的期望，促使我們達致企業可持續發展的不同目標外，更使我們滿足各個持份者的期望。

在截至2016年12月31日止年度，我們展開了環境及社會實質性評估，形式包括面談以及對部分持份者進行問卷調查，以識別持份者所關注的議題及我們業務於環境及社會層面上所造成的影響。

### 集團發展及社會責任

本集團是業內領先的太空棉健康及保健產品專家，為集研發(「研發」)、製造、銷售於一體化的資源整合型企業，致力於成為全球健康家居的引領者，並成為擁有自主品牌和良好口碑的跨國企業。

### An Integrated Enterprise 資源整合型企業



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

As a leading player in the industry, we believe that corporate social responsibility is closely connected to business strategies. With “Integrity, Inclusiveness, Innovation, Win-win” as our core values, and “Creating and Sharing Quality Household Lifestyle” as our mission, our focus lies not only in the development direction of the Company, but also in commitment to global consumers as well as our responsibility to all staff members at Sinomax.

### Our Vision

“To become a global leader on health and household products”:

For more than a decade, supported by strong R&D capabilities and a comprehensive industry chain, and leveraging on our understanding of healthy household living, the Group has consistently provided innovative solutions of healthy living and has shared quality lifestyles. The grand vision of our Group is to become a global leader on health and household products.

### Our Mission

“Creating and sharing quality household lifestyle”:

Using Sinomax products helps bring comforts and health to numerous households and improve people’s standards of living.

### Milestones of Sustainable Development

Incorporate the idea of sustainable development into current operating strategy:

In order to achieve the goal of sustainable development in the next hundred years, the Group adheres to its established core values and has set up an operating strategy with focus on sustainable development. The Group incorporates the idea of sustainable development into its values, culture, decision and strategy making process through establishing international standards, promoting environment awareness and continuing to practice environmentally-friendly production and supply of health and household products with a view to maximize values for the company, society, customers and employees.

作為業內領先者，我們相信企業社會責任與業務決策息息相關。我們秉承「誠信、包容、創新、共贏」的核心價值觀，以「創享優質家居生活」為使命，著重的不僅是公司發展方向，更是對全球消費者的承諾，也是對盛諾員工的責任。

### 企業願景

「成為全球健康家居產品引領者」：

透過強大的研發實力和完善的產業鏈支持，以及對健康家居領域的理解，十餘年來，集團不斷為大眾的健康生活提供創新方案及分享優質家居生活，以成為全球健康家居產品引領者為集團的宏偉願景。

### 集團使命

「創享優質家居生活」：

用盛諾的產品將舒適和健康帶給千家萬戶，改善大眾的生活質素。

### 可持續發展里程碑

可持續發展理念融入現有的營運方針：

為了實現集團未來百年的可持續發展目標，集團堅守所訂立的核心價值，並建立以可持續發展理念為重要的營運方針，融入集團的價值觀、文化、決策及戰略，包括於內部建立國際化的標準，提高環保意識，並繼續實踐在盡量減少環境影響下生產和供應健康家居產品的使命，旨在為企業、社會、消費者及員工締造最大的價值。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

Excellent performance of social responsibility against ISO 26000 guidance:

Furthermore, the Group has obtained ISO 26000: 2010, the corporate social responsibility performance statement from SGS Hong Kong Limited ("SGS"), an international inspection and certification body, being the first enterprise in the industry to receive such recognition from SGS. This is no doubt recognition of the sustainable development system established by the Group and our concern and contribution regarding social responsibility.

實踐ISO 26000指引善盡社會責任：

集團更成功獲得國際檢測及認證機構 — 香港通用檢測認證有限公司(「SGS」)，頒發ISO 26000: 2010企業社會責任表現聲明，為業內首個獲得SGS頒發社會責任表現聲明的企業，無可置疑是肯定了集團建立的可持續發展系統及對社會責任的關注及貢獻。



ISO 26000 Corporate Social Responsibility Performance Logo  
ISO 26000企業社會責任表現標誌

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### REVIEW OF HIGHLIGHTS

### 重點回顧



**Social Responsibility**  
社會責任

Being the first enterprise in the industry to receive the corporate social responsibility performance statement ISO 26000 from SGS.  
成為首家於業界內獲得SGS ISO 26000社會責任表現聲明的企業。



**Recyclable Energy**  
可再生能源

Investing in the first clean energy project at our Dongguan plant — the PV Project, with aggregate investment amount of approximately RMB20 million.  
投資東莞廠房首個潔淨能源工程 — 光伏項目，投資總額估計約兩千萬元人民幣。



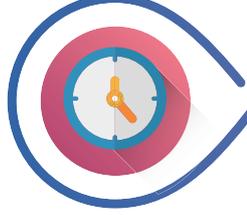
**Caring for Society**  
關懷社會

Awarded the 10 year plus “Caring Company” award by the Hong Kong Council of Social Service.  
連續十年獲得香港社會服務聯會頒發的《商界展關懷》獎項。



**Industry Development**  
業界發展

Accelerating industry development by assisting related departments of the PRC in formulating industry standards for over 10 products and quality standards.  
加促業界發展，協助中國的相關部門制定逾10項產品及質量的行業標準。



**Social Services**  
社會服務

Enhancing social harmony, with over 1,190 hours of voluntary services in aggregate.  
促進社會和諧，累積的義工服務小時已超過1,190小時。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### A. Environmental

#### • A1 Aspect: Emissions

The Group emphasized our contribution and potential impact to the society in the process of business development. We hope to build a positive image for our brand by means of environmental management and internal training. Therefore, in addition to compliance with regulations of local regulatory authorities and the specific industrial guidelines, the Group also attempts to fulfill environmental and social responsibilities through various channels.

#### 1. "Green industry chain"

The Group extends the concept of "green industry chain" from its implementation of "Vertical Integration Mode of Development". We minimize the environmental impact produced during our production by adding meticulously elements of green to a number of aspects of our operation ranging from research and development, procurement, manufacturing, packaging, sales and marketing.

In addition, we review regularly on how to bring more positive influence to both the society and the environment.

### A. 環境

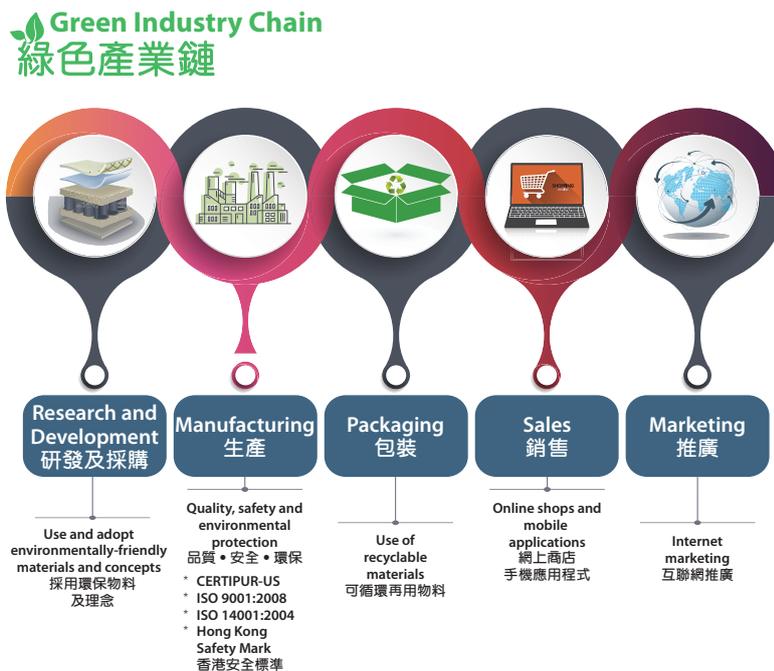
#### • A1 層面：排放物管理

集團在業務發展的過程中，重視對社會作出的貢獻及有可能造成的影響，我們希望透過環境管理及內部培訓，營造良好的品牌形象。因此，集團除了遵守當地監管機構的規定及業界特定的指引外，更嘗試從不同的渠道積極履行綠色社會責任。

#### 1. 「綠色產業鏈」

集團推行的「垂直整合發展模式」延伸出「綠色產業鏈」的概念。我們的業務由研發及採購、生產、包裝、銷售及推廣都是一絲不苟地加入綠色元素，令生產過程中對環境的影響減至最低。

此外，我們會定期進行檢討，構思如何為社會及環境帶來更多正面的影響。



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

#### 2. Photovoltaic Project ("PV Project")

Project implementation site:

The Group's location at Sinomax Industrial Park, Shahu Village, Tang Xia Town, Dongguan.

Aggregate amount of investments:

The project is undertaken in stages, the first and second stages have been completed successfully in 2016. We plan to commence the third and more stages to expand its scale according to practical needs. The aggregate amount of investments is estimated to be approximately RMB20 million.

Project completion:

In 2016, the project has completed for utilization with a satisfactory overall outcome. It remains to be monitored and finalized subject to practical needs.

Project outcome:

According to estimation, the annual amount of electric power that the project helps Sinomax Industrial Park save is equivalent to the power produced out of 460 tonnes of coal, which will significantly reduce the carbon emissions from coal-fired generation.

#### 2. 太陽光電系統項目(「光伏項目」)

項目執行點：

集團位於東莞塘廈鎮沙湖村的盛諾工業城

總投資金額：

項目將分階段進行，第一及二期已經於2016年順利完成。並按實際需要，我們有計劃地展開第三期或更多階段來擴大有關項目，估算整個項目的總投資額約為二千萬元人民幣。

項目投入：

於2016年正式投入使用，整體效果良好，有關項目將繼續進行監測並按實際需要分階段繼續落實。

項目成效：

根據估算，該項目能為盛諾工業城每年節省的用電量相等於460噸煤發電，大幅降低由煤發電而產生的碳排放。



PV Project — the major thermal energy collector installation  
光伏項目 — 主要熱能收集裝置

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 3. ISO 14001:2004 Environmental Management System

Sinomax Industrial Park monitors, controls and evaluates continuously the environmental impact of the Group based on the ISO 14001:2004 Environmental Management System, with a view to promoting green industry chain through appropriate controls on energy conservation, and limiting the pollutions resulting from our production process, including sewage, air pollution, solid wastes and noise pollution at the same time.

#### Exhaust collection:

Aiming to reduce exhaust emissions, we have installed activated carbon absorption device in Sinomax Industrial Park to handle and collect the exhaust emitted from the sponge foaming process, so as to improve the air quality at workplace as well as mitigating air pollution.

#### Waste Management:

In terms of waste management, we proactively reduce the amount of waste and alleviate its damage to the environment.

#### Plastic Waste Management:

We take into account the indecomposable pollutants produced from the enormous consumption of plastic bags. In this regard, the adoption of "Environmentally-friendly and Convenient Packaging" by the Group not only frees customers from using extra plastic bags by providing handle installation for most of our retail products, but also delivers the message of environmental awareness to the public in hopes of protecting the environment with joint hands.

#### Waste Management of Raw Material Barrel:

Meanwhile, we also consider how to put environmental concepts into practice on the procurement of raw material aspect. We select containers of larger size for raw material storage, such as oil tanker truck instead of smaller barrel, in order to reduce the waste of raw material barrels.

### 3. ISO 14001:2004 環境管理體系

盛諾工業城以 ISO 14001:2004 環境管理體系監督、控制及持續評估因集團而產生的環境影響。旨在透過適當的節約能源控制措施，提倡綠色產業鏈。同時控制在生產過程中產生之污染，包括污水、大氣污染、固體廢物及噪音等污染。

#### 廢氣收集：

為了降低廢氣排放量，我們於盛諾工業城安裝活性碳吸附裝置，處理並收集海綿發泡時所產生的廢氣，從而改善工作場所的空氣質素，減少空氣污染。

#### 廢棄物管理：

我們於管理廢棄物方面，積極減少廢棄物數量及其對生態環境造成的破壞。

#### 塑膠廢棄物管理：

我們考慮到塑膠袋的大量使用，會產生不可分解的污染物。就此，集團使用「綠色便利包裝」，為大部份零售產品的包裝盒組裝手挽，免除顧客使用額外塑膠袋。另外，亦將環保意識宣揚給社會大眾，希望共同攜手保護環境。

#### 原料桶廢棄物管理：

與此同時，我們亦考慮到在原材料採購層面如何實施綠色理念。我們會選擇以較大體積的器具盛裝原料，例如以油罐車取代小桶，達致減少原料桶的廢棄。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### Waste Disposal:

We are an advocator for legitimate disposal of waste. We work with environmental protection companies from our operation locations and have the waste disposed by those with qualifications. We also keep the receipt of hazardous waste disposal in compliance with the law, and ensure the mitigation of environmental impact as a result of proper disposal of hazardous waste.

### 廢棄物處理：

我們支持廢棄物合法處理，與各個營運所在地的環保公司合作，把廢棄物交由合資格的環保公司處理，並按法例保留處理有害廢物的單據，確保有害廢棄物能夠適當處理後減少對環境影響。



ISO 14001 Environmental Management System Certification Mark  
ISO 14001環境管理認證標籤

- **Aspect A2: Use of Resources**

We have adopted several policies and guidelines to improve energy efficiency and management constantly.

1. *Water preservation*

Water resource management is not the most important issue of the Group, as our water consumption and waste water discharge in the production process is not significant and most of the consumption only relates domestic use. Nevertheless, we encourage employees to preserve water and promote the idea of environmental protection and its importance.

2. *Environmental friendly lighting*

In our Hong Kong office, 30% of light bulbs have been replaced with LED luminaires to reduce energy consumption. It also reduces harmful waste generated by the replacement of traditional luminaires with shorter life cycle.

- **A2層面：資源使用**

我們採取多項政策和指引以持續改善能源效益及管理。

1. 節約用水

雖然水資源管理並非本集團的重要議題，我們在生產過程中，不會產生大量用水及廢水排放，我們大多數用水只涉及生活用水。但我們亦會鼓勵員工節約及珍惜用水，宣揚環保的理念及重要性。

2. 環保照明

我們將香港辦公室30%的電燈更換成LED照明燈具，此舉能減少電源能耗，亦可以減少因更換壽命較短的傳統照明設備時所造成的有害廢棄物。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

In addition, lunchtime energy saving policies have been implemented in factories and most lighting devices are temporarily switched off during lunchtime to preserve energy, resulting in an annual reduction in electricity consumption equivalent to approximately 500 hours.

#### 3. Green office

Energy for transportation:

Local suppliers are preferred to minimise energy consumption due to product transportation.

Energy for communication:

Online methods are preferred for business communications to reduce "carbon footprints", such as using electronic mail and visual conference.

Paperless office:

We adopt various kinds of electronic management, such as system platforms like OA, POS and WMS, to minimise use of paper. For instance, submission claims for fees and expenses, update of personal particulars and other internal documents are handled through an electronic system.

Meanwhile, we convey the importance of "reducing carbon emissions" to staff members and suppliers, such as encouraging the printing on both sides and reuse of paper to reduce paper consumption.

此外，工廠亦實施午膳節約能源的政策。大部分燈光將於員工用膳期間暫時關閉，以節約能源，而每年能減少約500小時的電力。

#### 3. 環保辦公

運輸能源：

優先考慮使用本地供應商，以減低因貨物運輸所產生的能源消耗。

溝通能源：

優先使用網上平台進行商業溝通，例如使用電子郵件或視像會議等平台，以減少「碳足跡」。

無紙化辦公：

我們使用各類電子化管理，例如：OA、POS及WMS等系統平台，以減少對紙張的消耗，如透過電子系統提交費用開支申請、更新個人資料、其他內部文件資料等。

同時，我們向員工及供應商宣傳「減少碳排放」的重要性，例如提倡雙面列印，紙張再用的可能性，以減少用紙。



Paperless office  
無紙化辦公室

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 4. *Green production*

Scraps are fully utilised in the course of production in order to maximise the efficiency of resource utilisation and minimise waste.

Further, industrial zones of the Group are equipped with solar water heating system to reduce electricity consumption.

- **Aspect A3: The Environment and Natural Resources**

In addition to our utmost effort to promote environmental protection, we also recognise the importance of integration of green elements into different aspects to improve the environment.

In order to further relieve the material impact of our operation on the environment, we avoid using volatile organic production materials to meet the requirements of the United States and European countries. Moreover, starting from the research and development of application, reusable materials are considered whenever possible throughout the entire industry chain. All packaging material we use is recyclable and reusable so as to minimise the Group's impact on the environment and natural resources.

### 4. 綠色生產

生產過程中會善用切割的餘料，以發揮資源使用的最大效益。亦能避免廢料的產生。

另外，集團的工業城亦會提供以太陽能發電的熱水系統，減少耗電。

- **A3 層面：環境及天然資源**

我們除了積極推動環保的同時，亦重視如何在不同層面，加入綠色元素以改善環境。

我們為了進一步減少因營運過程中所產生的重大環境影響，我們於生產材料方面著手，盡量不使用有機揮發性的材料以滿足美國及歐洲國家之要求。另外，在整個產業鏈上，從研發的認用層面開始，已經盡量考慮使用可再生材料。產品包裝方面，我們亦全部使用可循環再造包裝物料，以減少集團對環境及天然資源所造成的影響。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### B. Social

#### • **Aspect B1: Employment**

The Group employs more than 1,200 staff members in its Hong Kong and Dongguan factories. The Group considers “talent” as one of the important assets in the implementation of ideas of sustainable development. We pursue harmony in cultural diversity and is committed to creating an equal platform for the growth, learning and development of employees, thereby leading to a more comprehensive career planning for staff members at various positions and levels. These commitments are set out in our employee manual.

Based on the following significant elements, we were awarded the 10 year plus “Caring Company” award and the “Employer of Choice Award”.

#### 1. *Equal recruitment*

We provide all applicant with fair and equal career opportunity and conduct the selection process based on their quality, academic qualifications, capability, integrity and suitability for the position in an impartial manner. Such selection is not based on elements like race, ethnicity, gender, age, family status, language, religious belief, political affinity, etc.

#### 2. *Diverse development, equal opportunity and talent retention*

We ensure that each colleague grows with the Group. In case of vacancy, given the same set of qualifications, we will first look for internal options and give priority to suitable candidates from existing employees of the Company.

With regard to the Group’s promotion system, it is based on the past performance, experience and personal quality of employee.

We offer remuneration package in strict accordance with relevant labour and employment ordinances and other employment laws and regulations in respect of work hour and day-off.

### B. 社會

#### • **B1 層面：僱傭**

集團於香港及東莞廠房僱用超過1,200名員工，集團認為「人才」是公司實行可持續發展理念的重要元素之一。我們推崇多元文化的共容，及致力於建立一個平等的空間予員工成長、學習及發展，讓不同職位及職級員工的職業生涯規劃可以更加完滿。這些承諾已納入我們的員工手冊。

以下這些措施，是讓我們連續10年取得《商界展關懷》獎項與「卓越僱主大獎」的重要原素。

#### 1. 平等招聘

我們透過提供一個良好而平等的就業機會給所有應徵者，甄選過程會按照各應徵者的本領、學識、能力、品德及是否適合工作所需條件而公平地進行。我們不會以種族、膚色、性別、年齡、家庭崗位、語言、宗教、政治等因素來進行篩選。

#### 2. 多元化發展、平等機會及人才挽留

我們亦確保每位工作夥伴都能與集團一同發展，當出現職位空缺時，在同等條件下，我們會首先進行內部公開招聘，優先考慮公司內部是否有合適人選。

在員工升遷的制度上，集團一貫以員工的工作表現、經驗及個人能力作為員工晉升的條件。

在薪酬待遇方面，我們堅持遵守各相關勞工及僱傭條例，以及所有其他有關處理工時及休息時間的僱傭法律及法規。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 3. *Balance between work and family life*

As a family friendly employer, we hope that employees achieve a balance between work and family life. We do not encourage overtime work and offers flexibility to improve labour relationship, boost morale, reduce employee attrition and achieve a win-win situation.

### 4. *Energetic work environment*

We are committed to building a satisfying work environment and encourage employees and their family members to take part in various recreational and sports activities to improve physical and mental health. Sinomax Industrial Park is equipped with facilities like leisure centre, fitness room, KTV room and children playground.

### 5. *Retirement security*

In terms of retirement security, in addition to legal retirement security of places where we operate, including national social security fund (five insurances and one fund) and mandatory provident fund, employees in Hong Kong who retire at the age of 65 are entitled to extra pension as recognition for their contributions to the Group over the years.

Furthermore, the Group strictly complies with protection policies in relation to retirement and day-off of places where we operate.

### 3. 工作與家庭生活之間取得平衡

作為家庭友善僱主，希望各員工都能於工作與家庭生活之間取得平衡，我們不主張加班工作，並提供不同靈活措施以加強僱傭關係、提高士氣、減少員工流失等，達致雙贏目標。

### 4. 活力工作環境

我們致力提供一個獲得滿足感的工作環境，同時鼓勵員工及其家人透過參與各式各樣的康樂及體育活動，提升身心健康。我們在盛諾工業城設立了員工康樂中心、健身室、KTV室及兒童玩樂等設施。

### 5. 退休生活保障

在退休生活保障方面，除了各營運地點的法定退休保障(包括全國社會保險基金(五險一金)，強制性公積金)外，但凡任職至65歲而退休的香港僱員，我們更會額外給予退休金，以答謝員工多年來為集團付出的貢獻。

再者，集團嚴格遵守各營運所在地有關員工退休及休假等保障政策。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### • **Aspect B2: Health and Safety**

The Group strives to maintain a safe working environment, and continuously enhance employees' awareness of occupational health and safety to achieve "zero work accident". During the reporting year, the Group strictly followed regulations of each operating site relating to occupational health and safety.

Head of each department in the Group also takes on the role of safety officer, who is responsible for managing and undertaking health and safety-related risks, and managing relevant affairs in this respect. We constantly improve our working environment to prevent work-related injuries and illness. We have also adopted and implemented laws and regulations such as Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) and Technical Specifications for Occupational Health Surveillance (《職業健康監護技術規範》).

#### 1. *Work-related hazard and risk assessment*

We have identified possible work-related hazards for each job at production factories in the country and conducted risk assessment to prevent any worker on the job from occupational hazards.

#### 2. *Protective gears and safety devices*

We provide suitable protective gears for work to individual workers, such as safety hat, anti-dust mask, ear plugs and protective gloves, to prevent personal injury.

#### 3. *Free health check*

The Group provides free annual health checks to employees exposed to work-related health hazards and follows up any problematic case.

#### 4. *Occupational health and safety training*

We provide occupational health and safety trainings to employees and identify high-risk areas in the working place for them.

In addition, we care about the psychological health of our employees. If necessary, we will engage professional institutions to provide psychological consultations to employees. Related measures have been included in the annual assessment plan.

### • **B2 層面：健康與安全**

集團一直致力保持工作環境安全及不斷提高員工有關職業健康及安全的意識，以達致「零工傷意外」。於報告年期，集團堅持遵守各營運點有關職業健康安全法例。

集團內各個部門的管理人員亦是安全負責人，管理及承擔健康及安全中不同的風險，並且管理集團有關職業健康及安全事宜。我們不斷通過改善工作環境，預防工傷及職業病的發生。我們亦採納及執行法律及法規，如《中華人民共和國職業病防治法》及《職業健康監護技術規範》。

#### 1. *職業性危害，並進行風險評估*

針對國內製造工場，我們已識別各職位有可能產生的職業性危害，並進行風險評估，以確保在其職位的僱員免受除職業性危害。

#### 2. *防護及安全用品*

我們向僱員派發合適的個人勞動防護用品，如安全帽、防塵口罩、耳塞及防護手套等，以防止員工受傷。

#### 3. *免費身體檢查*

集團更每年提供免費身體檢查給予有職業性疾病危害的員工，並跟進有問題之個案。

#### 4. *職業健康及安全培訓*

我們為員工提供職業健康及安全培訓，使他們認識工作場所中的高危地方。

我們亦關心員工的心理健康發展，如有需要，將會聘請專業機構，為員工提供心理支援服務，而相關措施已納入年度評審計劃當中。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### • **Aspect B3: Development and Training**

"Welcome to join our Sinomax team and choose us to be your platform for career development. We will provide the best career planning for you." The Group makes arrangements of promotions or re-designations according to plans based on mutual agreement, with reference to capacity, potential, performance of employees and the business development requirements of the Company as well as the career planning of employees, so as to realize employees' full potentials.

#### 1. *Induction training*

We provide induction trainings to new employees on (among others) history, structure, policy and culture of the Group to give new staff an overview of the Group.

#### 2. *On-the-job training*

We provide on-the-job training to individual employee based on his/her respective job position and need. Such trainings will be provided by department heads.

#### 3. *Teamwork*

We value teamwork and motivate our employees to steer forward together and actively engage themselves in the job through training activities centered on teamwork.

#### 4. *Training in cooperation with experts*

In addition to on-the-job trainings, we also engage experts from various academic backgrounds to enable employees to gain a deeper understanding of different sectors.

#### 5. *Sponsorship scheme for external training*

We also encourage employees to take part in external training programs to support relevant career development. We have in place a sponsorship scheme for external training. Upon completion of trainings and obtaining of qualification by employees, we will grant sponsorship to them.

### • **B3 層面：發展及培訓**

「只要您願意加入盛諾團隊，選擇盛諾作為您事業發展的平台、最佳的職業生涯規劃。」集團根據僱員的能力、潛質、工作表現以及公司的業務發展需要，再依照僱員職業發展生涯規劃，有計劃地進行晉升或轉職等雙方面認同之安排，以發揮員工最大潛力。

#### 1. 入職培訓

我們為新入職的員工提供入職培訓，當中涉及集團歷史、架構、制度及文化等範疇，讓新成員對集團有一個全方位的了解。

#### 2. 在職培訓

我們會根據不同員工的崗位及需要，為他們提供個人在職培訓，而培訓內容會由部門主管提供。

#### 3. 團隊精神

我們注重員工之間的合作，並透過以團隊精神為主題的培訓活動，激勵員工齊心協力，積極投入工作。

#### 4. 合作專家培訓

除在職培訓外，我們會安排不同學術領域的專家，使員工對各項知識範疇有更深入的了解。

#### 5. 外部培訓資助計劃

我們亦鼓勵員工參加外部培訓計劃以輔助相關事業發展。我們提供外部培訓資助機制，在員工成功完成並取得資格後發出資助。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### • **Aspect B4: Labour Standards**

We are committed to protecting human rights and creating a fair environment for employees.

#### 1. *Zero tolerance policy*

We strictly follow regulations on child labour and forced labour of each operating site.

Regarding employment of child labour, the Group adopts a "zero tolerance policy". To prevent the occurrence of child labour, all applicants must provide identity documents for verification.

Regarding forced labour, we would explain to applicants terms of the contract, including relevant requirements and their rights, and give them sufficient time to read and understand the contract. Related company policies and staff codes are also attached to the staff manual and contract. When relevant information is amended from time to time, the Company will arrange designated departments or representatives of staff to provide explanations on the latest updates for employees.

Regarding prevention of forced labour, the Group has set up a telephone hotline handled independently by the human resource department.

### • **Aspect B5: Supply Chain Management**

The Group's suppliers mainly locate in the PRC, the US and Japan. As of 31 December 2016, there were 173 qualified suppliers who provided materials and services to the Group regularly. Pushed by the wave of economic globalization, the Group has to improve its standards towards the entire supply chain.

#### 1. *Criteria for selecting suppliers*

We have included performance in corporate social responsibility as one of the key criteria in selecting our suppliers. Our suppliers must operate responsibly and in compliance with our corporate social responsibility standards, which involve (among others) business ethics, environmental impacts, health and safety as well as data privacy.

### • **B4 層面：勞工準則**

我們致力保障人權，為員工建立一個公平的環境。

#### 1. 零容忍政策

我們嚴格遵守各營運點針對童工及強制勞工等相關法例。

有關聘用童工的議題，集團採取「零容忍政策」。為防止童工問題發生，所有應徵者必須提供身份證明文件以作核實。

有關強制勞工的議題上，我們與應徵者訂立僱傭合約前，將合約內容向應徵者講解說明相關要求及其權益，並且給予應徵者充分時間閱讀及理解。相關的公司制度、員工守則已附錄在員工手冊及合約當中，當相關內容因時而作出修訂之時，公司會透過權責部門或職工代表向僱員作最新修訂內容之解釋。

在預防強迫勞動的議題上，集團更提供由人力資源部獨立負責電話熱線。

### • **B5 層面：供應鏈管理**

集團的主要物料供應商來自中國、美國及日本等國家。截至2016年12月31日，合資格供應商為173家，定期向集團提供物料及服務。經濟全球一體化的帶動之下，促使集團對整個供應鏈的要求加以提升。

#### 1. 供應商挑選準則

我們已經將企業社會責任表現列為挑選供應商的主要準則之一。我們的供應商必須負責任地營運業務，並遵從我們的企業社會責任準則，當中包括商業道德、環境影響、健康安全、消防安全及資料保密等。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 2. *Supplier Review and Management*

We express the Group's latest requirements in details to suppliers on a regular basis through various channels including phone calls, emails, questionnaires, training and on-site assessment, for the purpose of achieving a win-win situation by enhancing the awareness and performance of corporate social responsibility of our business partners.

### 3. *Advocating the corruption-free culture*

All suppliers are required to sign and adhere to the "Corruption-free Agreement" developed by us, so as to strengthen the anti-corruption awareness on the supplier side.

#### • **Aspect B6: Product Responsibility**

The Group's business has been expanding worldwide with our customer-oriented approach. We have adopted a vertically integrated business model as our mainstay of operation and have also implemented the ISO 9001:2008 Quality Management System, where we have put in place systematic and reliable procedures in each and every stage of our operation from R&D and procurement, production, packaging to sale and marketing. We have also been in compliance with the requirements on quality by relevant laws, and keep fulfilling and matching the increasingly stringent requirements on product quality and safety. Our Group will look at and review the performance in this aspect.

#### 1. *International product quality assurance*

Sinomax Group obtained the ISO 9001:2008 certification in 2005, testifying our entire operation procedure were at a par with the international standard, from management's commitment to product quality, operation plan, implementation, monitoring and optimization.

The visco-elastic foams, conventional polyurethane foams and high resilience foams produced by us have all received CertiPUR-US certification, verifying that our foams have low volatile organic compound (VOC) emission and are free from ozone-depleting chlorofluorocarbons (CFCs).

### 2. 供應商審核及管理

我們會定期透過不同的渠道包括電話、電子郵件、調查問卷、培訓及現場評審等，向供應商詳細說明集團的最新要求，藉此提高各合作夥伴企業社會責任的意識及表現，達致雙贏。

### 3. 提倡廉潔風氣

我們要求各供應商簽署及遵守我們所制定的《廉潔協議書》，加強供應鏈的反貪腐意識。

#### • **B6 層面：產品責任**

集團「以客為本」地走向世界，採用「垂直整合業務模式」的經營方針及執行 ISO 9001：2008 質量管理體系，由研發及採購、生產、包裝、銷售及推廣，每個過程已建立系統化及可靠性的程序，並一直滿足相關法例的質量要求，以及不斷地滿足產品質量及安全的更高要求，成效由集團自行監測。

#### 1. 國際產品質量保證

自 2005 年，盛諾集團已獲得 ISO 9001：2008 認證，顯示我們從管理層對產品質量保證之承諾，營運計劃、行動、監控及改進的所有過程，都與國際接軌。

我們生產的慢回彈泡沫、傳統聚氨酯泡沫及高回彈泡沫已獲 CertiPUR-US 認證，此證書證明泡沫揮發性有機化合物排放量低，並不含破壞臭氧層的氟氯化碳。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

Our business model has earned us the Hong Kong Awards for Industries — Upgrading and Transformation in 2016.

經營模式更讓我們於2016年榮獲香港工商業升級轉型大獎。



**ISO 9001 Quality Management certification mark**  
ISO 9001 質量管理認證標籤

### 2. *Product quality assurance*

The Group's "SINOMAX" brand pillows and mattress toppers have been recognized by the Chiropractic Doctors' Association of Hong Kong since 2005, and the top quality of our mattresses also has gained recognition from the Hong Kong Consumer Council, testifying the top quality of Sinomax Group's products.

### 3. *Monitoring on raw materials suppliers*

We implement thorough and detailed monitoring measures towards our raw materials suppliers. Through regular and random checks on the quality of materials supplied by our suppliers, as well as field studies and sampling test, amongst others, we seek to maintain a stable supply of raw materials and their high quality.

### 4. *Quality control team*

Each and every production line of the Group has been assigned with a quality control officer, who would perform the quality control tasks according to the technical standards on production process as set out by the quality control team in order to achieve the ultimate objective of conformity and consistency in products quality.

### 2. *成品質量保證*

集團的「SINOMAX」品牌床褥及床墊亦自2005年起，獲得香港執業脊醫協會認可，而床褥更獲香港消費者委員會認可為優質產品，證明盛諾集團產品的品質優秀。

### 3. *原材料供貨商監控*

我們對原材料供貨商進行嚴格監控，根據定期與不定期對供應商提供物料的品质進行檢查，透過實地考察及抽驗物料等措施，以維持穩定及優質的原材料供應。

### 4. *質量控制團隊*

集團的每條生產線均設有質量控制專員，根據質量控制團隊對各製造流程所制定的標準，來進行質量控制，以實現產品質量的符合性及一致性為最終目標。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 5. *Independent testing laboratory*

The Group had acquired a number of product checking devices with advanced technology and set up a laboratory and testing service centre at our Dongguan facilities which is run independently from the production department. Throughout the whole production process from R&D onwards, all our products would have undergone several rounds of vigorous testing and standard checking procedures. Reliable testing results have to be obtained before any products are ready for delivery.

Amongst the testing and investigation to be conducted include those on environmental protection and safety, such as VOC contents and flame retardant tests.

Furthermore, the Group is in the process to prepare for its existing laboratory and testing service centre to be upgraded to a certified laboratory. Such exercise will be done according to the ISO/IEC 17025 standard for laboratories, and if materialized, will help to enhance the level of objectiveness of the testing and modification being taken.



**Independent laboratory and testing service centre**  
獨立實驗室及測試中心

### 6. *Establishment of industry standard*

The Group does not solely focus on its own development, but also pay considerable attention to R&D and overall development of our industry, and strives to enhance products quality in general.

### 5. 自設獨立測試中心

集團先後購買了多種先進的檢測儀器，並於東莞廠房設有獨立的實驗室及測試中心，所有產品從研發到成品出貨前，必須通過各項嚴謹的測試標準，並取得可靠的檢測結果。

當中包括產品的環保及安全檢測，例如 VOC 含量及阻燃性測試等。

另外，本集團正在計劃將實驗室及測試中心升格為認可的實驗室，並根據實驗室的認可準則 ISO/IEC 17025 來執行，藉此提高測試和校正的客觀性。



**Environmental protection and safety check and investigation**  
環保及安全檢測

### 6. 制訂行業標準

集團除了顧及自身的發展，還注重研發及行業的發展，致力提升產品質量水平。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

We have actively taken part and been involved in establishment of more than ten items of industry standards in various aspects. Senior R&D staff of the Group have also represented the Group in participation of drafting and outlining of standard for polyurethane foam products and quality standard in China.

我們積極推動及參與各項標準的建立逾十項，集團的資深研發人員亦曾多次代表集團參與中國有關聚氨酯泡沫產品標準及質量標準的起草及制訂工作。

#### Various polyurethane foam products and quality standards in China 中國聚氨酯泡沫產品及質量標準

- ✓ Plastic standard for visco-elastic flexible polyurethane foam  
慢回彈軟質聚氨酯泡沫塑料標準
- ✓ Test and determination of rebound resilience for flexible foam polymeric material by ball rebound test  
軟質泡沫聚合材料落球法回彈性能的測定
- ✓ Test and determination of tensile strength and elongation at break of flexible foam polymeric material  
軟質泡沫聚合材料拉伸強度和斷裂伸長率的測定
- ✓ Plastics generally used for flexible polyether polyurethane foam  
通用軟質聚醚型聚氨酯泡沫塑料
- ✓ Plastics for high resilience flexible polyurethane foam  
高回彈軟質聚氨酯泡沫塑料
- ✓ Test and determination of firmness of flexible foam polymeric material (indentation method)  
軟質泡沫聚合材料硬度的測定(壓陷法)
- ✓ Test and determination of tearing strength of flexible cellular polymeric material  
高聚物多孔彈性材料撕裂強度的測定
- ✓ Test and determination of recovery time of visco-elastic foam  
慢回彈泡沫復原時間的測定
- ✓ Test and determination of persistent fatigue performance of flexible cellular materials  
軟質泡沫材料長期疲勞性能的測定
- ✓ Inflaming retarding in public and component inflammability requirement and mark  
公共場所阻燃製品及元件燃燒性能要求和標識

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 7. Transparency of product information

The Group commits to providing the best products for customers. Customers can test product effects by themselves through product experience.

To make information on the Group and its products more accessible to customers, we have established online and offline platforms providing information relating to various aspects. Such platforms include retail outlets, webpages, online social media platforms, product catalogues and sheets.

To ensure accuracy and truthfulness of information about products and services given by our Group to customers during sales activities, we provide product trainings to staff and account managers at all retail outlets, clearly introducing the features and effects of our products.

Regarding the promotion materials of our products, we strictly follow the Trade Descriptions Ordinance and did not have any non-compliance with related requirements.

We have set up customer service hotlines and emails for customers to inquire about the use of products and reflect any feedback on our products.

### 7. 產品資訊透明化

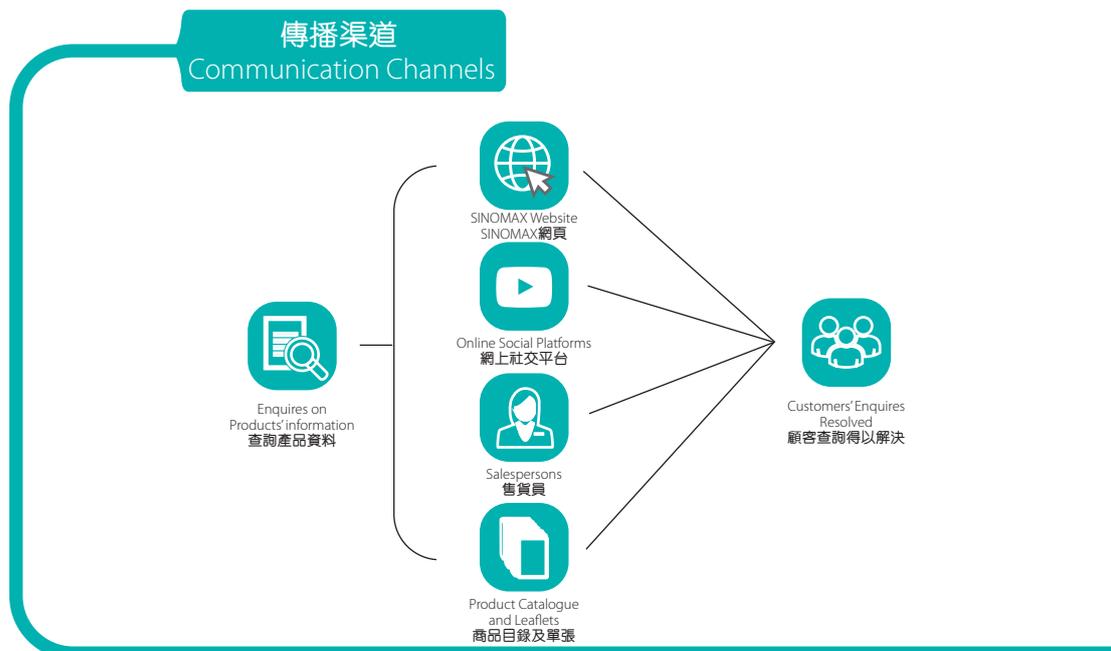
集團堅持為顧客提供最優質的產品，顧客可透過產品體驗，用第一身感覺了解產品功效。

為了方便顧客搜尋集團及旗下產品的資訊，我們建立線上線下平台，提供多方面的資料，包括零售店、網頁、網上社交平台、產品目錄及單張等。

為了確保集團能在銷售過程向顧客提供準確及真實的產品及服務訊息，我們向所有零售店員工及客戶經理提供產品培訓，清晰講解產品的特性及功效。

產品的宣傳資料方面，我們已嚴格遵守「商品說明條例」，而過往並沒有違反有關規定。

我們同時設立客戶服務熱線及電郵，供顧客查詢產品的使用方式及反映產品意見。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 8. Products after-sales service

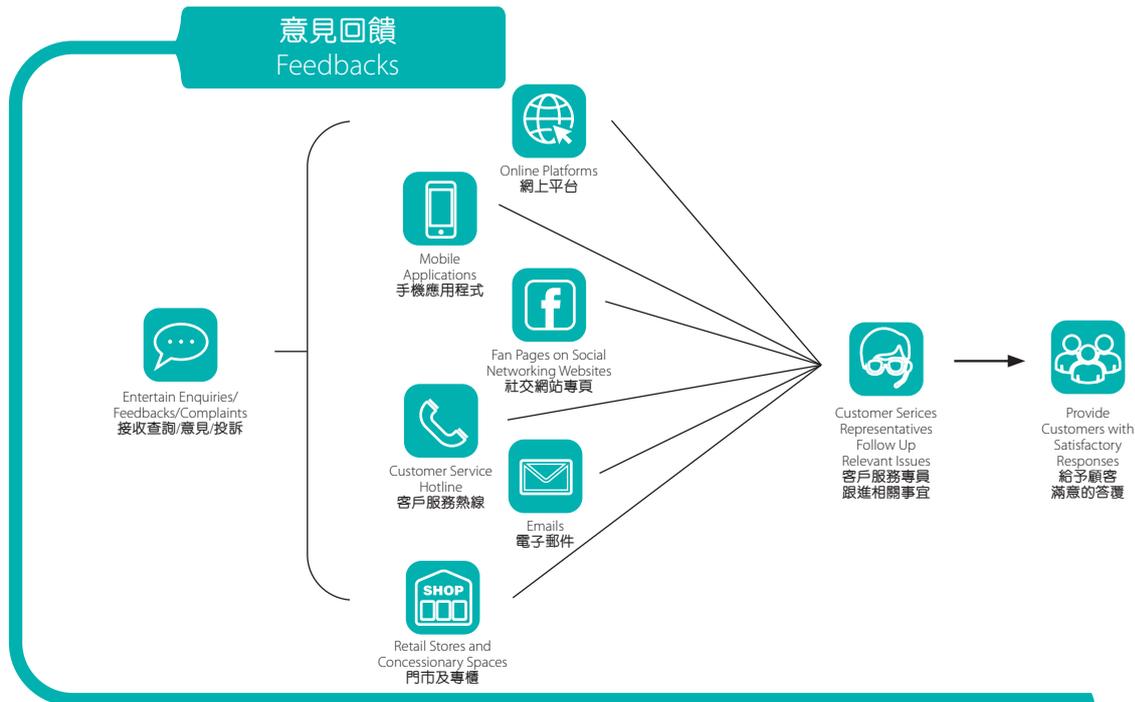
After-sale service is also included in our one-stop shopping experience, where customers can make product inquiries, leave comments and file complaints by paying a visit to our stores and concessionary spaces, or through mobile applications, customer service hotlines and emails to communicate with our staff or customer service officers. Seeking satisfactory feedbacks from our customers, the customer service officers will follow up the advice and conduct review accordingly.

Notwithstanding the Group has not called back any products due to safety or health concerns, nor received any complaints in relation to our products and services during the reporting year. In case of such emergencies, we will insist on the product recall procedure and address the issue immediately.

### 8. 產品售後服務

我們的一站式服務，亦包括售後服務。客戶可從不同途徑查詢產品、提供意見及投訴，包括門市及專櫃、手機應用程式、客戶服務熱線及電郵等，與店員或客戶服務專員溝通，我們的客戶服務專員會跟進客戶意見，並作出相應檢討，務求令客戶獲得滿意的答覆。

在報告年度內，集團並沒有因安全或健康問題而回收產品，也沒有收到顧客關於產品及服務的投訴，如有此突發情況，我們仍會堅守產品回收流程，以作即時處理。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 9. Protection of consumers' data and privacy policy

Protection of consumers' data and privacy:

In respect of customers' personal data collected in the course of sales, the Group adheres to the information management principle of "safe, reliable and efficient service" set out in the corporate culture manual:

- According to the "Personal Data (Privacy) Ordinance", "personal information collection statement" shall be set out in a promotion material, website and application which collects customer data to facilitate customers' understanding of the relevant information.
- Without customers' prior consent, according to internal guidelines, the collected customer data shall not be used for promotional purpose.
- All customer data should be stored properly. The Group has engaged a technology company to inspect the customer data storage system regularly to ensure its security and prevent hacker attack.
- The Group conducts daily analysis and inspection through firewall and online activity management to assess the security and reliability of the system.

Protection of intellectual property:

In respect of protection and safeguard of intellectual property, the Group undertakes:

- not to purchase any pirated hardware and software and information technology department and material development department of the Group shall ensure all software is provided by a licenced supplier.

### 9. 消費者資料保障及私隱政策

消費者資料及私隱保障：

針對銷售過程中涉及收集客戶個人資料的事項，集團根據企業文化手冊內的信息管理行為準則－「安全可靠，服務高效」來進行管理：

- 按《個人資料(私隱)條例》，於收集客戶資料的宣傳品、網頁及應用程式內，列出「收集個人資料聲明」，以便客戶可更了解有關內容。
- 如非得到客戶同意，按照內部指引，已收集的客戶資料將不能用作宣傳之用。
- 所有客戶資料必須妥善保存，集團已委託科技公司定期監察客戶資料儲存系統，以保障系統安全，避免被黑客入侵。
- 集團通過對防火牆、上網行為管理等進行日誌分析及檢測，以評估系統的安全及穩定性。

維護知識產權：

針對知識產權的維護及保障方面，集團承諾：

- 不會購買任何盜版硬及軟件，並由集團的資訊科技部及物料開發部確保所有軟件由持有版權的供應商提供。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

- to assign information technology department of the Group to handle all software installation to maintain the integrity and reliability of the system in accordance with the master management principle of the information technology department.
- to include provisions in respect of intellectual property in the cooperation agreement entered into with partners and suppliers to require both parties to respect copyrights and prohibit unauthorised use of copyrighted assets and information.
- to agree on the owner of design in an engagement of design and development and obtain signatures from both parties.
- 根據資訊科技部管理總則，只有集團的資訊科技部才能安裝軟件，以維護系統的健康及穩定性。
- 與合作夥伴及供應商簽署合作協議，訂下知識產權條款，規定雙方應尊重彼此版權，不得使用未經合法授權而享有版權的資產及資料。
- 受委託設計開發時，訂定設計的產權持有者，並需雙方簽署協定。

- **Aspect B7: Anti-corruption**

Sinomax Group emphasises the standardisation, systematisation and transparency of corporate governance. It makes constant strides toward better internal management and control and corporate governance structure to pursue a more comprehensive mechanism resulting in an efficient, transparent and competitive corporate governance culture which boosts the strategic decision making capability of the Company. During the Reporting Period, we were not aware of any non-compliance nor subject to any legal proceeding.

- **B7層面：反貪污**

盛諾集團高度重視企業管治的規範化、制度化和透明化，不斷增強內部管理與控制能力，展開企業治理結構的不斷優化，逐步使有關基制更健全，建立起高效透明、有競爭力的企業管治文化，藉此提升公司戰略決策的能力。於報告年內，我們並沒有收到有關違法個案或接收訴訟案件。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

As an integral corporation, we operate in a faithful, honest, responsible and compliant manner and tackle material business misconduct, such as bribery, blackmail, fraud and money laundering. We implement the following measures to prevent malpractice:

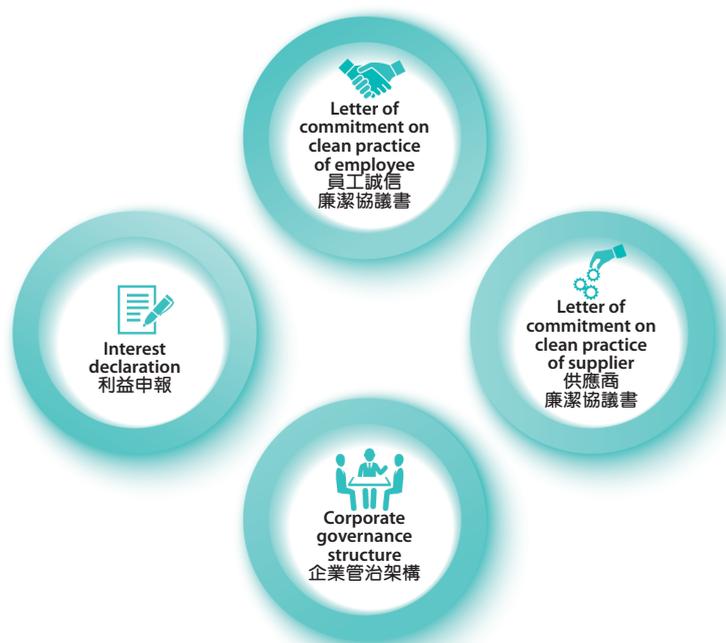
1. Letter of commitment on clean practice for employees
2. Interest declaration mechanism
3. Letter of commitment on clean practice for suppliers
4. Fair competition with non-exclusive suppliers
5. Approval authority of purchasing orders
6. Anti-corruption and anti-bribery guidelines
7. Gift reporting mechanism
8. Whistle-blowing mechanism

我們作為一間廉潔企業，以正直、誠信、承擔及遵守的方式開展業務，以打擊賄賂、勒索、欺詐及洗黑錢等嚴重違反商業操守的行為。我們嚴格執行以下措施來防止不潔行為，當中包括：

1. 《員工誠信廉潔從業承諾書》
2. 利益申報機制
3. 供應商《廉潔協議書》
4. 非唯一供應商公平競爭
5. 採購訂單審批權限
6. 反腐敗反賄賂指引
7. 饋贈物品申報機制
8. 舉報機制

### Governance Measures

## 管治措施



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

• **Aspect B8: Community Investment**

Sinomax Group always upholds its core value of “Love Supports Beloved” and has extended its caring spirit and action into the community and area of environmental protection and conservation.

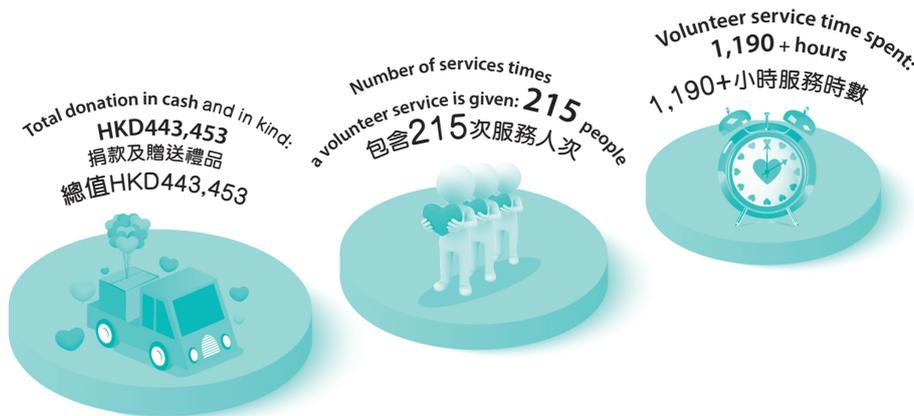
We have been a member of the World Wide Fund — Hong Kong (“**WWF-Hong Kong**”) since 2013. We support the protection of natural resources and development of a sustainable living environment. The Group established a volunteer team in 2015 and organised and took part in different kinds of voluntary works to lend a helping hand to the people in need at various levels of the society. In 2016, the volunteer team accumulated a service time of over 1,190 hours and donated gifts with a total value of over HK\$400,000.

• **B8 層面：社區投資**

盛諾集團一直秉承著「用愛·支持所愛」的理念，並將關愛延續至社區及環境保育等範疇。

自2013年，我們已是世界自然基金會香港分會（「**WWF-Hong Kong**」）的會員，支持保護地球資源，打造可持續發展的生活環境。集團在2015年成立義工團隊，並且定期組織及參與各類義工活動，以行動為社會不同階層的有需要人士出一分力。於2016年，義工隊已累積超過1,190小時的服務時數，亦捐贈總值超過40萬港元的禮品。

### Statistics on volunteer service in 2016 2016年度義工服務統計



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### SUMMARY OF SUSTAINABLE DEVELOPMENT STRATEGIES

### 可持續發展方針總結

<b>A. Environmental</b>	
<b>A. 環境</b>	
<b>Aspect A1: Emission management</b> A1 層面：排放物管理	<ol style="list-style-type: none"> <li>1. "Green industry chain" 「綠色產業鏈」</li> <li>2. "PV Project" 「光伏項目」</li> <li>3. ISO 14001:2004 Environmental Management System ISO 14001:2004 環境管理體系</li> </ol>
<b>Aspect A2: Use of Resources</b> A2 層面：資源使用	<ol style="list-style-type: none"> <li>1. Water preservation 節約用水</li> <li>2. Environmental friendly lighting 環保照明</li> <li>3. Green office 環保辦公</li> <li>4. Green production 綠色生產</li> </ol>
<b>Aspect A3: The Environment and Natural Resources</b> A3 層面：環境及天然資源	<ol style="list-style-type: none"> <li>1. Avoid using volatile organic production materials 避免使用有機揮發性的材料</li> <li>2. Recyclable and reusable materials are used throughout the entire industry chain 在產業鏈中使用可再生及可循環再造物料</li> </ol>
<b>B. Social</b>	
<b>B. 社會</b>	
<b>Aspect B1: Employment</b> B1 層面：僱傭	<ol style="list-style-type: none"> <li>1. Equal recruitment 平等招聘</li> <li>2. Diverse development, equal opportunity and talent retention 多元化發展、平等機會及人才挽留</li> <li>3. Balance between work and family life 工作與家庭生活之間取得平衡</li> <li>4. Energetic work environment 活力工作環境</li> <li>5. Retirement security 退休生活保障</li> </ol>
<b>Aspect B2: Health and Safety</b> B2 層面：健康與安全	<ol style="list-style-type: none"> <li>1. Work-related hazard and risk assessment 職業性危害，並進行風險評估</li> <li>2. Protective gears and safety devices 防護及安全用品</li> <li>3. Free health check 免費身體檢查</li> <li>4. Occupational health and safety training 職業健康及安全培訓</li> </ol>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### B. Social

### B. 社會

#### Aspect B3: Development and Training

#### B3 層面：發展及培訓

1. Induction Training  
入職培訓
2. On-the-job training  
在職培訓
3. Teamwork  
團隊精神
4. Training in cooperation with experts  
合作專家培訓
5. Sponsorship scheme for external training  
外部培訓資助計劃

#### Aspect B4: Labour Standards

#### B4 層面：勞工準則

1. Zero tolerance policy  
零容忍政策

#### Aspect B5: Supply Chain Management

#### B5 層面：供應鏈管理

1. Criteria for selecting suppliers  
供應商挑選準則
2. Supplier Review and Management  
供應商審核及管理
3. Advocating the corruption-free culture  
提倡廉潔風氣

#### Aspect B6: Product Responsibility

#### B6 層面：產品責任

1. International product quality assurance  
國際產品質量保證
2. Product quality assurance  
成品質量保證
3. Monitoring on raw materials suppliers  
原材料供貨商監控
4. Quality control team  
質量控制團隊
5. Independent testing laboratory  
自設獨立測試中心
6. Establishment of industry standard  
制訂行業標準
7. Transparency of product information  
產品資訊透明化
8. Products after-sales service  
產品售後服務
9. Protection of consumers' data and privacy policy  
消費者資料保障及私隱政策

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### B. Social

#### B. 社會

##### Aspect B7: Anti-corruption

##### B7 層面：反貪污

1. Letter of commitment on clean practice for employees  
《員工誠信廉潔從業承諾書》
2. Interest declaration mechanism  
利益申報機制
3. Letter of commitment on clean practice for suppliers  
供應商《廉潔協議書》
4. Fair competition with non-exclusive suppliers  
非唯一供應商公平競爭
5. Approval authority of purchasing orders  
採購訂單審批權限
6. Anti-corruption and anti-bribery guidelines  
反腐敗反賄賂指引
7. Gift reporting mechanism  
饋贈物品申報機制
8. Whistle-blowing mechanism  
舉報機制

##### Aspect B8: Community Investment

##### B8 層面：社區投資

1. Member of the WWF — Hong Kong  
世界自然基金會香港分會的會員
2. Volunteer team  
義工團隊

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

# Deloitte.

### TO THE MEMBERS OF SINOMAX GROUP LIMITED

盛諾集團有限公司

(incorporated in Cayman Islands with limited liability)

### OPINION

We have audited the consolidated financial statements of Sinomax Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as “**the Group**”) set out on pages 105 to 215, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

### BASIS FOR OPINION

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

# 德勤

致盛諾集團有限公司股東

盛諾集團有限公司

(於開曼群島註冊成立的有限公司)

### 意見

吾等已審計列載於第105至215頁盛諾集團有限公司(「**貴公司**」)及其附屬公司(以下統稱「**貴集團**」)的綜合財務報表，包括於2016年12月31日的綜合財務狀況表，與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表的附註，包括主要會計政策概要。

吾等認為，綜合財務報表已根據《香港財務報告準則》(「**香港財務報告準則**」)真實而公允地反映了 貴集團於2016年12月31日的綜合財務狀況及截至該日止年度的綜合財務表現及其綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

### 意見的基礎

吾等已根據《香港審計準則》(「**香港審計準則**」)進行審計。吾等就該等準則承擔的責任在本年報「核數師就審計綜合財務報表承擔的責任」部分中闡述。根據香港會計師公會的《專業會計師道德守則》(以下簡稱「**守則**」)，吾等獨立於 貴集團，並已履行守則中的其他職業道德責任。吾等相信，吾等所獲得的審計憑證能充足及適當地為吾等的審計意見提供基礎。

# 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.

### 關鍵審計事項

關鍵審計事項是根據吾等的職業判斷，對本期綜合財務報表的審計最為重要的事項。這些事項是在吾等審計整體綜合財務報表及出具意見時進行處理的。吾等不會對這些事項提供單獨的意見。

Key audit matters 關鍵審計事項	How our audit addressed the key audit matters 吾等在審計中對關鍵審計事項的處理方式
<p><b>Valuation of goodwill and intangible assets</b> <b>商譽及無形資產的估值</b></p> <p>We identified the valuation of goodwill and intangible assets arising on the acquisition of Dormeo North America, LLC (the “Dormeo”) as a key audit matter due to the complexity and significant judgements made by the management.</p> <p>基於複雜程度及管理層所作的重大判斷，吾等將因收購 Dormeo North America, LLC (「Dormeo」) 而產生的商譽及無形資產的估值識別為關鍵審計事項。</p> <p>As disclosed in notes 4, 18 and 19 to the consolidated financial statements, a significant value of goodwill of HK\$36,463,000 and intangible assets of HK\$148,252,000 arising on the acquisition of the Dormeo for the year ended 31 December 2016.</p> <p>誠如綜合財務報表附註4、18及19所披露，截至2016年12月31日止年度，因收購Dormeo而產生36,463,000港元的商譽及148,252,000港元的無形資產的重大價值。</p> <p>Determining whether the goodwill and intangible assets are impaired requires the management’s estimation of the value in use of cash-generating units (“CGUs”) related to business of which the goodwill and intangible assets have been allocated. In estimating the value in use of the CGU, key assumptions used by the management include cash flow projections, growth rates, gross margin, discount rate, expected sales from customers and management’s expectation for market development.</p> <p>在釐定商譽及無形資產有否出現減值時，需要管理層就有關商譽及無形資產所分配至的業務的現金產生單位(「現金產生單位」)的使用價值所作出的估算。在估計現金產生單位的使用價值時，管理層所用的關鍵假設包括現金流量預測、增長率、毛利率、貼現率、來自客戶的預期銷售及管理層就市場發展的預期。</p> <p>As at 31 December 2016, the carrying values of goodwill and intangible assets of the Dormeo are HK\$36,463,000 and HK\$143,545,000, respectively.</p> <p>於2016年12月31日，Dormeo的商譽及無形資產的賬面值分別為36,463,000港元及143,545,000港元。</p> <p>Management of the Group determined that there were no impairment in these CGUs containing goodwill and intangible assets during the year ended 31 December 2016.</p> <p>貴集團的管理層確定，截至2016年12月31日止年度，該等包括商譽及無形資產的現金產生單位概無出現減值。</p>	<p>Our procedures in relation to valuation of goodwill and intangible assets included:</p> <p>吾等關於商譽及無形資產的估值之程序包括：</p> <ul style="list-style-type: none"> <li>Understanding the entity’s key control in relation to the valuation of goodwill and intangible assets, including the process of preparation of the future cash flows projections, CGUs allocation and assumptions estimation; 了解實體有關商譽及無形資產的估值的關鍵監控措施，有關措施包括編製未來現金流量預測、現金產生單位的分配及假設的估算的過程。</li> <li>Evaluating the appropriateness of the key assumptions in the cash flow projections, including growth rates, gross margin, discount rate, expected sales from customers, by discussing with the management based on their expectation for market development; 以與管理層討論彼等對市場發展的預期的方式，評價現金流量預測(包括增長率、毛利率、貼現率、來自客戶的預期銷售)的關鍵假設的恰當程度；</li> <li>evaluating the reasonableness of, and recalculating, the sensitivity provided by management and assess the extent impact on the value in use; 評估管理層提供的敏感度分析的合理性，並進行重新計算，以及評估使用價值的延伸影響；</li> <li>Comparing historical financial performance and revenue after the end of reporting period of the CGUs with the original forecasts, to evaluate the accuracy of management’s budgeting process; and 將過往財務表現及現金產生單位的報告期末的收益與原有預測作比較，以評估管理層作出預算的過程的準確程度；及</li> <li>Assessing whether the disclosures of impairment testing in the consolidated financial statements are sufficient and appropriate. 評估綜合財務報表的減值測試的披露資料是否足夠及適當。</li> </ul>

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### Key audit matters 關鍵審計事項

#### **The recoverability of trade receivables**

##### **貿易應收款項的可收回情況**

We identified the recoverability of trade receivables as a key audit matter due to management judgement is required in making an assessment of the adequacy of the allowance for doubtful debts. 由於就呆賬撥備的充足程度而進行的評估，需要管理層的判斷，吾等將貿易應收款項的可收回情況識別為關鍵審計事項。

As disclosed in notes 4 and 24, the Group held trade receivables approximately of HK\$731,010,000 which was net of allowance for doubtful debts of approximately HK\$23,363,000 as at 31 December 2016.

誠如附註4及24所披露，於2016年12月31日，貴集團持有的貿易應收款項約為731,010,000港元，而有關款項已扣除約23,363,000港元的呆賬撥備。

When there is objective evidence of allowance for doubtful debts, the management determines the allowance based on the aging analysis, business relationship and settlement records for each transaction.

當呆賬撥備有客觀證據時，管理層將根據賬齡分析、業務關係及各交易的償付記錄，釐定撥備。

### How our audit addressed the key audit matters 吾等在審計中對關鍵審計事項的處理方式

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

吾等關於貿易應收款項的可收回情況之程序包括：

- Obtaining an understanding of how impairment for trade receivables is estimated by the management; 了解管理層如何估算貿易應收款項的減值；
- Understanding and testing the entity's key control in relation to the recoverability of trade receivables; 了解及測試實體就貿易應收款項的可收回情況的關鍵監控措施；
- Testing the aging analysis of the trade receivables, on a sample basis, to the source documents; 根據來源文件，抽樣測試貿易應收款項的賬齡分析；
- Assessing the reasonableness of recoverability of trade receivables with reference to the credit history including default or delay in payments, settlement records and aging analysis of each individual trade debtor; and 參考信貸記錄(包括拖欠或延遲付款)、償付記錄及個別應收賬款各自的賬齡分析，評估貿易應收款項的可收回情況的合理程度；及
- Discussing with the management the business relationship with customers and evaluating reasonableness of the recoverability of trade receivables with/without subsequent settlement. 與管理層討論與客戶的業務關係，以及評估在有/沒有作其後償付的情況下，貿易應收款項的可收回情況的合理程度。

# 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 the information included in the annual report, but does not include 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 THOSE CHARGED WITH GOVERNANCE 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 and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### 其他資料

貴公司董事需對其他資料負責。其他資料包括年報所載的資料，但不包括綜合財務報表及吾等就此發出的核數師報告。

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

在吾等審計綜合財務報表時，吾等的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或吾等在審計過程中所了解的情況有重大抵觸，或者似乎有重大錯誤陳述。基於吾等已執行的工作，如果吾等認為其他資料有重大錯誤陳述，吾等需要報告該事實。在這方面，吾等沒有任何報告。

### 董事及管治人員就綜合財務報表須承擔的責任

貴公司董事須負責根據《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而公允的綜合財務報表，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必需的內部控制負責。

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

管治人員負責監督 貴集團財務報告過程的責任。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### 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 solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

### 核數師就審計綜合財務報表承擔的責任

吾等的目標，是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括吾等意見的核數師報告。吾等僅向閣下（作為整體）按照吾等協定的委聘條款報告，除此之外本年報別無其他目的。吾等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《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，如果合理預期它們個別或滙總起來可能影響綜合財務報表使用者所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，吾等運用了職業判斷，保持了職業懷疑態度。吾等亦：

- 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，以及取得充足和適當的審計憑證，作為吾等意見的基礎。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比較因錯誤而導致的重大錯誤陳述的風險為高。
- 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資料的合理性。

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

- 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.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所得的審計憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對 貴集團持續經營的能力構成重大疑慮。如果吾等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對綜合財務報表中的相關披露資料的關注。假若有關的披露資料不足，則吾等須出具非無保留意見的核數師報告。吾等的結論是基於截至核數師報告日止所取得的審計憑證。然而，未來事件或情況可能導致 貴集團不能繼續持續經營。
- 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.
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露資料，以及綜合財務報表是否公允反映交易和事項。
- 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.
- 就 貴集團內各實體或業務活動的財務資料獲得充足適當的審核憑證，以就綜合財務報表發表意見。吾等負責指導、監督和執行 貴集團的審核工作。吾等須為吾等的審核意見承擔全部責任。

We communicate with those charged with governance 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.

吾等與管治人員溝通了計劃的審計範圍、時間安排、重大審計發現等事項，包括吾等在審計期間識別出內部控制的任何重大缺陷。

We also provide those charged with governance 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.

吾等亦向管治人員作出聲明，指出吾等已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響吾等獨立性的所有關係及其他事宜，以及相關防範措施（如適用）。

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

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

The engagement partner on the audit resulting in the independent auditor's report is Gladys Fung Suet Ngan.

從與管治人員溝通的事項中，吾等釐定對本期間綜合財務報表的審計至關重要的事項，因而構成關鍵審計事項。吾等在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在吾等報告中溝通某事項造成的負面後果超出產生的公眾利益，則吾等決定不應在報告中傳達該事項。

出具獨立核數師報告的審計項目合夥人為馮雪顏。

#### **Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

28 March 2017

#### **德勤•關黃陳方會計師行**

*執業會計師*

香港

2017年3月28日

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 綜合損益及其他全面收益表

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

			2016	2015
		Notes	2016年	2015年
		附註	HK\$'000	HK\$'000
			千港元	千港元
Revenue	收入	5	<b>3,499,762</b>	2,869,846
Cost of sales	銷售成本		<b>(2,678,250)</b>	(2,082,370)
Gross profit	毛利		<b>821,512</b>	787,476
Other income	其他收入	6	<b>55,123</b>	47,946
Other gains and losses	其他收益及虧損	7	<b>(1,248)</b>	(11,229)
Selling and distribution costs	銷售及分銷成本		<b>(449,028)</b>	(342,416)
Administrative expenses	行政開支		<b>(206,106)</b>	(162,565)
Share of loss of an associate	應佔一間聯營公司之虧損	20	<b>(12,719)</b>	(7,924)
Net loss on derecognition of an associate	終止確認一間聯營公司之虧損淨額		<b>(10,100)</b>	-
Finance costs	財務成本	8	<b>(16,332)</b>	(7,955)
Other expenses	其他開支		<b>(70,124)</b>	(58,894)
Profit before taxation	除稅前溢利	9	<b>110,978</b>	244,439
Income tax expenses	所得稅開支	12	<b>(10,526)</b>	(59,763)
Profit for the year	年內溢利		<b>100,452</b>	184,676
Other comprehensive expense that may be reclassified subsequently to profit or loss	其後可能重新分類至損益的其他全面開支			
Exchange differences arising on translation of foreign operations	換算海外業務產生的匯兌差額		<b>(53,705)</b>	(28,069)
Total comprehensive income for the year	年內全面收入總額		<b>46,747</b>	156,607
Profit (loss) for the year attributable to:	下列人士應佔年內溢利(虧損)：			
Owners of the Company	本公司擁有人		<b>103,525</b>	172,674
Non-controlling interests	非控股權益		<b>(3,073)</b>	12,002
			<b>100,452</b>	184,676
Total comprehensive income (expense) for the year attributable to:	下列人士應佔年內全面收入(開支)總額：			
Owners of the Company	本公司擁有人		<b>52,851</b>	146,381
Non-controlling interests	非控股權益		<b>(6,104)</b>	10,226
			<b>46,747</b>	156,607
Earnings per share	每股盈利	14		
— Basic	— 基本		<b>HK5.92 cents 港仙</b>	HK10.09 cents 港仙
— Diluted	— 攤薄		<b>HK5.91 cents 港仙</b>	HK10.07 cents 港仙

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

AT 31 DECEMBER 2016

於2016年12月31日

			2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
		Notes 附註		
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	15	572,917	211,904
Investment properties	投資物業	16	82,274	28,676
Prepaid lease payments	預付租賃款項	17	64,469	21,989
Deposits paid for acquisition of property, plant and equipment	就收購物業、廠房及設備支付的按金		50,781	61,893
Goodwill	商譽	18	60,926	-
Intangible assets	無形資產	19	143,545	-
Interests in an associate	於一間聯營公司權益	20	-	71,569
Rental deposits	租金按金	21	23,952	19,764
Deferred tax assets	遞延稅項資產	22	22,673	19,937
			<b>1,021,537</b>	435,732
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	23	475,941	298,707
Prepaid lease payments	預付租賃款項	17	1,607	580
Trade and other receivables	貿易及其他應收款項	24	870,760	613,406
Bills receivables	應收票據	25	11,714	22,485
Tax recoverable	可收回稅項		-	17,841
Pledged bank deposits	已抵押銀行存款	26	5,053	8,513
Fixed bank deposits	定期銀行存款	26	18,623	57,118
Structured bank deposits	結構性銀行存款	26	-	26,539
Bank balances and cash	銀行結餘及現金	26	131,848	328,790
			<b>1,515,546</b>	1,373,979
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	27	617,331	367,557
Bills payables	應付票據	28	85,433	59,493
Taxation payable	應付稅項		24,000	115,184
Unsecured bank borrowings	無抵押銀行借款	29	391,593	160,541
			<b>1,118,357</b>	702,775
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>397,189</b>	671,204
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>		<b>1,418,726</b>	1,106,936
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Unsecured bank borrowings	無抵押銀行借款	29	85,303	-
Deferred tax liabilities	遞延稅項負債	22	119,327	10,247
			<b>204,630</b>	10,247
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>1,214,096</b>	1,096,689
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>			
Share capital	股本	30	175,000	175,000
Reserves	儲備		884,290	883,352
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,059,290	1,058,352
Non-controlling interests	非控股權益		154,806	38,337
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>1,214,096</b>	1,096,689

The consolidated financial statements on pages 105 to 215 were approved and authorised for issue by the board of directors on 28 March 2017 and are signed on its behalf by:

第105至215頁所載綜合財務報表於2017年3月28日獲本公司董事會批准及授權刊發，並由下列董事代表簽署：

**CHEUNG Tung 張棟**  
Director 董事

**LAM Kam Cheung 林錦祥**  
Director 董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

		Equity attributable to owners of the Company 本公司擁有人應佔權益										
		Share capital	Share premium	Merger reserve	Statutory reserve	Capital reserve	Share option	Translation reserve	Retained profits	Total	Non-controlling interests	Total
		股本	股份溢價	合併儲備	法定儲備	資本儲備	購股權儲備	匯兌儲備	保留溢利	總計	非控股權益	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (Note (i)) (附註(i))	HK\$'000 千港元 (Note (ii)) (附註(ii))	HK\$'000 千港元 (Note (iii)) (附註(iii))	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2015年1月1日	165,000	312,677	(403,835)	8,514	1,510	7,430	41,729	743,295	876,320	36,793	913,113
Profit for the year	年內溢利	-	-	-	-	-	-	-	172,674	172,674	12,002	184,676
Exchange differences arising on translation of foreign operations	換算海外業務產生的匯兌差額	-	-	-	-	-	-	(26,293)	-	(26,293)	(1,776)	(28,069)
Total comprehensive (expense) income for the year	年內全面(開支)收入總額	-	-	-	-	-	-	(26,293)	172,674	146,381	10,226	156,607
Dividend recognised as distribution (note 12)	確認為分派的股息(附註12)	-	-	-	-	-	-	-	(70,000)	(70,000)	(8,682)	(78,682)
Issue of shares (note 30(a))	發行股份(附註30(a))	10,000	96,000	-	-	-	-	-	-	106,000	-	106,000
Cost of issuing new shares	發行新股份成本	-	(4,157)	-	-	-	-	-	-	(4,157)	-	(4,157)
Recognition of share based payment expense	確認股份付款開支	-	-	-	-	-	3,808	-	-	3,808	-	3,808
Transfers	轉讓	-	-	-	1,858	-	-	-	(1,858)	-	-	-
At 31 December 2015	於2015年12月31日	175,000	404,520	(403,835)	10,372	1,510	11,238	15,436	844,111	1,058,352	38,337	1,096,689
Profit for the year	年內溢利	-	-	-	-	-	-	-	103,525	103,525	(3,073)	100,452
Exchange differences arising on translation of foreign operations	換算海外業務產生的匯兌差額	-	-	-	-	-	-	(50,674)	-	(50,674)	(3,031)	(53,705)
Total comprehensive (expense) income for the year	年內全面(開支)收入總額	-	-	-	-	-	-	(50,674)	103,525	52,851	(6,104)	46,747
Dividend recognised as distribution (note 13)	確認為分派的股息(附註13)	-	-	-	-	-	-	-	(54,250)	(54,250)	-	(54,250)
Recognition of share based payment expense	確認股份付款開支	-	-	-	-	-	2,337	-	-	2,337	-	2,337
Acquisition of subsidiaries	收購附屬公司	-	-	-	-	-	-	-	-	-	99,200	99,200
Capital contribution to a subsidiary	向一間附屬公司注資	-	-	-	-	-	-	-	-	-	23,373	23,373
Transfers	轉讓	-	-	-	2,249	-	-	-	(2,249)	-	-	-
At 31 December 2016	於2016年12月31日	175,000	404,520	(403,835)	12,621	1,510	13,575	(35,238)	891,137	1,059,290	154,806	1,214,096

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

Notes:

(i) The merger reserve represented the difference between the total equity of those subsidiaries which were transferred from the shareholders of Sinomax Enterprises Limited, the immediate holding company of the Company ("**Individual Shareholders**") to Treasure Range Holdings Limited ("**Treasure Range**"), a wholly owned subsidiary of the Company, attributable to the owners of the Company and the aggregated share capital of the relevant subsidiaries pursuant to the group reorganisation where the transfer of the relevant subsidiaries to Treasure Range as satisfied by issue of new shares from Treasure Range to the Company and from the Company to Sinomax Enterprises, the immediate holding company of the Company.

(ii) According to the relevant requirements in the memorandum of association of the Company's PRC subsidiaries, a portion of their profits after taxation has to be transferred to the statutory reserve. The transfer had been made before the distribution of a dividend to equity owners. The reserve can be applied either to set off accumulated losses, if any, or to increase capital. The statutory reserve fund is non-distributable other than upon liquidation.

In accordance with the provisions of the Macao Commercial Code, the subsidiary of the Company incorporated in Macau is required to transfer a minimum of 25% of annual net profit to statutory reserve until the accumulated amount equals half of its quota capital. This reserve is not distributable to the shareholder.

(iii) During the year ended 31 December 2011, the Individual Shareholders acquired an additional 34% interest in Trade Sincere Limited ("**Trade Sincere**"), a non-wholly owned subsidiary of the Company, from a non-controlling shareholder for a consideration of US\$998,012 (equivalent to HK\$7,755,000) and the Group's interest in Trade Sincere was then increased from 51% to 85%. Simultaneously, Trade Sincere disposed of its 40% equity interest in Sinomax Kuka (Zhejiang) Foam Co. Limited ("**Sinomax Kuka**"), a then wholly-owned subsidiary of Trade Sincere to a non-controlling shareholder for a consideration of US\$1,174,132 (equivalent to HK\$8,855,000). Sinomax Kuka became a 60% owned subsidiary of Trade Sincere after this partial disposal. The Group's effective interest in Sinomax Kuka remained unchanged. The difference between the consideration received by the Group and the increase in non-controlling interests after these transactions amounting to approximately HK\$1,515,000 is recorded in capital reserve.

附註：

(i) 合併儲備乃指根據集團重組本公司擁有人應佔該等附屬公司的權益總額由本公司直接控股公司聖諾盟企業之股東(「**個別股東**」)向本公司全資附屬公司Treasure Range Holdings Limited(「**Treasure Range**」)轉讓與相關附屬公司股本總額的差額。向Treasure Range轉讓相關附屬公司的代價乃透過Treasure Range向本公司發行新股份及本公司向本公司直接控股公司聖諾盟企業發行新股份的方式支付。

(ii) 根據本公司的中國附屬公司組織章程大綱的相關規定，除稅後溢利部份須轉撥至法定儲備。該轉撥已於向權益擁有人分派股息前進行。該儲備可用於抵銷累計虧損(如有)或增資。除進行清盤時外，法定儲備基金不得用作分派。

根據澳門《商法典》的規定，本公司於澳門註冊成立的附屬公司須轉撥最少25%的年度純利至法定儲備，直至累計金額等同於配額資本的一半。該儲備不得用作股東分派。

(iii) 截至2011年12月31日止年度，個別股東向非控股股東收購本公司非全資附屬公司質誠有限公司(「**質誠**」)的額外34%權益)代價為998,012美元(相當於7,755,000港元)及本集團於質誠的權益因此由51%增加至85%。同時，質誠向非控股股東出售其於浙江聖諾盟顧家海綿有限公司(「**聖諾盟顧家**」)(當時質誠的一間全資附屬公司)的40%股權，代價為1,174,132美元(相當於8,855,000港元)。於該部份出售後，聖諾盟顧家成為質誠擁有60%權益的附屬公司。本集團於聖諾盟顧家的實際權益維持不變。於該等交易後，本集團所收取的代價與非控股權益增加的差額約為1,515,000港元，並計入資本儲備。

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

	Note	2016	2015
	附註	2016年 HK\$'000 千港元	2015年 HK\$'000 千港元
<b>OPERATING ACTIVITIES</b>	<b>經營活動</b>		
Profit before taxation	除稅前溢利	<b>110,978</b>	244,439
Adjustments for:	經下列各項調整：		
Net allowance for doubtful debts	呆賬撥備淨額	<b>2,034</b>	9,809
Reversal of allowance for inventories	存貨撥備撥回	<b>8,023</b>	(1,071)
Amortisation of prepaid lease payments	預付租賃款項攤銷	<b>1,478</b>	592
Amortisation of intangible assets	無形資產攤銷	<b>4,707</b>	-
Depreciation of investment properties	投資物業折舊	<b>3,129</b>	1,564
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>40,425</b>	29,934
Finance costs	財務成本	<b>16,332</b>	7,955
Interest income	利息收入	<b>(1,931)</b>	(6,531)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	<b>134</b>	103
Share-based payment expense	股份付款開支	<b>2,337</b>	3,808
Share of loss of an associate	應佔一間聯營公司之虧損	<b>12,719</b>	7,924
Net loss on derecognition of an associate	終止確認一間聯營公司之虧損淨額	<b>10,100</b>	-
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	<b>210,465</b>	298,526
Increase in rental deposits	租金按金增加	<b>(4,188)</b>	(1,282)
(Increase) decrease in inventories	存貨(增加)減少	<b>(170,047)</b>	122,512
(Increase) decrease in trade and other receivables	貿易及其他應收款項(增加)減少	<b>(248,896)</b>	13,101
Decrease (increase) in bills receivables	應收票據減少(增加)	<b>9,697</b>	(12,797)
Increase in trade and other payables	貿易及其他應付款項增加	<b>157,116</b>	70,913
Increase (decrease) in bills payables	應付票據增加(減少)	<b>30,693</b>	(29,522)
Cash (used in) generated from operations	經營(動用)產生現金	<b>(15,160)</b>	461,451
Hong Kong Profits Tax paid	已付香港利得稅	<b>(59,659)</b>	(10,537)
PRC Enterprise Income Tax paid	已付中國企業所得稅	<b>(27,070)</b>	(43,952)
US Income Tax paid	已付美國所得稅	<b>(13)</b>	(657)
<b>NET CASH (USED IN) FROM OPERATING ACTIVITIES</b>	<b>經營活動(動用)產生現金淨額</b>	<b>(101,902)</b>	406,305
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>		
Payment for property, plant and equipment	物業、廠房及設備付款	<b>(284,997)</b>	(86,063)
Acquisition of subsidiaries	收購附屬公司	<b>(55,076)</b>	(43,186)
Net withdrawal (placement) of fixed bank deposits	提取(存放)定期銀行存款淨額	<b>34,820</b>	(43,548)
Net withdrawal (placement) of structured bank deposits	提取(存放)結構性銀行存款	<b>24,831</b>	(2,464)
Capital injection from non-controlling interests of a subsidiary	來自一間附屬公司非控股權益之注資	<b>23,373</b>	-
Net withdrawal of pledged bank deposits	提取已抵押銀行存款淨額	<b>2,912</b>	5,728
Interest received	已收利息	<b>1,931</b>	6,531
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的所得款項	<b>322</b>	61
Investment in an associate	於一間聯營公司之投資	-	(79,493)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>投資活動動用現金淨額</b>	<b>(251,884)</b>	(242,434)

## CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

		<b>2016</b>	2015
		<b>2016年</b>	2015年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>		
Repayments of bank borrowings	償還銀行借款	<b>(250,355)</b>	(354,871)
Dividends paid	已付股息	<b>(54,250)</b>	(78,682)
Interest paid	已付利息	<b>(16,332)</b>	(7,955)
New bank borrowings raised	新籌集的銀行借款	<b>486,193</b>	258,274
Proceeds on issue of shares, net of share issue expenses	發行股份的所得款項， 扣除發行股份開支	-	101,843
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>	<b>融資活動產生(動用) 現金淨額</b>	<b>165,256</b>	(81,391)
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物 (減少)增加淨額</b>	<b>(188,530)</b>	82,480
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>年初現金及現金等價物</b>	<b>328,790</b>	254,020
Effect of foreign exchange rate changes	匯率變動的影響	<b>(8,412)</b>	(7,710)
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by</b>	<b>年末現金及現金等價物</b>	<b>131,848</b>	328,790
Bank balances and cash	以銀行結餘及現金呈列	<b>131,907</b>	328,790
Bank overdraft	以銀行透支呈列	<b>(59)</b>	-
		<b>131,848</b>	328,790

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 1. GENERAL

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its ultimate holding company is Sinomax Enterprises Limited (“**Sinomax Enterprises**”), a company incorporated in the British Virgin Islands (the “**BVI**”).

The address of the registered office and the principal place of business of the Company are P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands and Units 2005–2007, Level 20, Tower 1, MegaBox Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Hong Kong, respectively.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 39.

The consolidated financial statements are presented in Hong Kong dollar (“**HK\$**”), which is also the functional currency of the Company.

### 1. 一般事項

本公司根據開曼群島公司法第22章(1961年第三號法例，經綜合及修訂)於開曼群島註冊成立並登記為一間獲豁免有限公司，及其股份於香港聯合交易所有限公司(「**聯交所**」)主板上市。其最終控股公司為聖諾盟企業有限公司(「**聖諾盟企業**」)，該公司為一間於英屬處女群島(「**英屬處女群島**」)註冊成立的公司。

本公司的註冊辦事處及主要營運地點分別為P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands及香港九龍灣宏照道38號企業廣場五期MegaBox 1座20樓2005–2007室。

本公司為投資控股公司。主要附屬公司之主要業務載於附註39。

綜合財務報表以港元(「**港元**」)呈列，港元亦為本公司的功能貨幣。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)****Application of amendments to HKFRSs**

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time in the current year:

Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception

The application of the above amendments to HKFRSs has had no material impact on the disclosures or amounts recognised in the Group’s consolidated financial statements.

**2. 應用新訂及香港財務報告準則（「香港財務報告準則」）的修訂本****應用香港財務報告準則的修訂本**

本集團已於本年度首次應用香港會計師公會（「香港會計師公會」）所頒佈的以下香港財務報告準則修訂本：

香港財務報告準則第11號的修訂本	收購合營業務權益的會計處理
香港會計準則第1號的修訂本	披露計劃
香港會計準則第16號及香港會計準則第38號的修訂本	對可接受的折舊和攤銷方法的澄清
香港財務報告準則的修訂本	2012年至2014年週期香港財務報告準則的年度改進
香港會計準則第16號及香港會計準則第41號的修訂本	農業：生產性植物
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號的修訂本	投資實體：應用綜合入賬的例外情況

應用上述香港財務報告準則修訂本對本集團綜合財務報表確認之披露事項或金額概無重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### New and amendments to HKFRSs issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments <sup>1</sup>
HKFRS 15	Revenue from Contracts with Customers and the related amendments <sup>1</sup>
HKFRS 16	Leases <sup>2</sup>
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>1</sup>
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to HKAS 7	Disclosure Initiative <sup>3</sup>
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses <sup>3</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014–2016 Cycle <sup>5</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2018  
<sup>2</sup> Effective for annual periods beginning on or after 1 January 2019  
<sup>3</sup> Effective for annual periods beginning on or after 1 January 2017  
<sup>4</sup> Effective for annual periods beginning on or after a date to be determined  
<sup>5</sup> Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate

#### HKFRS 9 “Financial Instruments”

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

### 2. 應用新訂及香港財務報告準則(「香港財務報告準則」)的修訂本(續)

#### 已頒佈但尚未生效的新訂及香港財務報告準則的修訂本

本集團尚未提早應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具 <sup>1</sup>
香港財務報告準則第15號	客戶合約收益及相關修訂 <sup>1</sup>
香港財務報告準則第16號	租賃 <sup>2</sup>
香港財務報告準則第2號的修訂本	以股份為基礎付款交易的分類及計量 <sup>1</sup>
香港財務報告準則第4號的修訂本	應用香港財務報告準則第9號金融工具與香港財務報告準則第4號保險合約 <sup>1</sup>
香港財務報告準則第10號及香港會計準則第28號的修訂本	投資者與其聯營公司或合資企業間的資產出售或注資 <sup>4</sup>
香港會計準則第7號的修訂本	披露計劃 <sup>3</sup>
香港會計準則第12號的修訂本	確認未變現虧損的遞延稅項資產 <sup>3</sup>
香港財務報告準則的修訂本	2014年至2016年週期香港財務報告準則的年度改進 <sup>5</sup>

- <sup>1</sup> 於2018年1月1日或以後開始的年度期間生效  
<sup>2</sup> 於2019年1月1日或以後開始的年度期間生效  
<sup>3</sup> 於2017年1月1日或以後開始的年度期間生效  
<sup>4</sup> 於待釐定日期或以後開始的年度期間生效  
<sup>5</sup> 於2017年1月1日或2018年1月1日(如適用)或以後開始的年度期間生效

#### 香港財務報告準則第9號「金融工具」

香港財務報告準則第9號引入有關金融資產、金融負債分類及計量、一般對沖會計處理和金融資產減值規定之新規定。

與本集團相關的香港財務報告準則第9號之主要規定涉及金融資產之減值，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初步確認以來之變動。換言之，毋須再待發生信貸事件方確認信貸虧損。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)****HKFRS 9 “Financial Instruments” (Continued)**

Based on the Group’s financial instruments and risk management policies as at 31 December 2016, application of HKFRS 9 in the future may have a material impact on the classification and measurement of the Group’s financial assets. The expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised cost.

**HKFRS 15 “Revenue from Contracts with Customers”**

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

**2. 應用新訂及香港財務報告準則（「香港財務報告準則」）的修訂本（續）****香港財務報告準則第9號「金融工具」(續)**

根據本集團於2016年12月31日的金融工具及風險管理政策，日後應用香港財務報告準則第9號可能對本集團金融資產的分類及計量構成重大影響。預期信貸虧損模式可能導致就本集團按攤銷成本列賬的金融資產所產生的信貸虧損提早計提撥備。

**香港財務報告準則第15號「客戶合約收益」**

香港財務報告準則第15號已頒佈，其制定單一全面模式，供實體用作將自客戶合約所產生的收益入賬；於香港財務報告準則第15號生效後，其將取代香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋等現行的收益確認指引。

香港財務報告準則第15號的核心原則為實體就描述向客戶轉讓承諾貨品或服務所確認的收益金額，應為能反映該實體預期就交換該等貨品或服務有權獲得的代價。具體而言，該準則引入確認收益的五個步驟。

- 第1步：識別與客戶訂立的合約
- 第2步：識別合約中的履約責任
- 第3步：釐定交易價
- 第4步：將交易價分配至合約中的履約責任
- 第5步：於（或當）實體完成履約責任時確認收益

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### HKFRS 15 “Revenue from Contracts with Customers”

(Continued)

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company consider that the performance obligations are similar to the current identification of separate revenue components under HKAS 18, however, the allocation of total consideration to the respective performance obligations will be based on relative fair values which will potentially affect the timing and amounts of revenue recognition. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review. In addition, the application of HKFRS 15 in the future may result in more disclosures in the consolidated financial statements.

#### HKFRS 16 “Leases”

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 “Leases” and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

### 2. 應用新訂及香港財務報告準則(「香港財務報告準則」)的修訂本(續)

#### 香港財務報告準則第15號「客戶合約收益」(續)

根據香港財務報告準則第15號，一間實體於(或當)完成履約責任時(即於與特定履約責任相關的商品或服務的「控制權」轉讓予客戶時)確認收益。香港財務報告準則15號已就特別情況的處理方法加入更明確的指引。此外，香港財務報告準則第15號要求更詳盡的披露。

於2016年，香港會計師公會頒佈香港財務報告準則第15號之澄清，涉及識別履約責任、主事人與代理人代價以及牌照申請指引。

本公司董事認為履約責任與現時根據香港會計準則第18號識別單獨收益組成部分相類似，但分配總代價至各履約責任將基於相對公平值，其可能會影響收益確認的時間及金額。然而，於本集團詳細審閱前提供對香港財務報告準則第15號影響的合理估計並不實際可行。此外，日後應用香港財務報告準則第15號可能導致於綜合財務報表作出更多披露。

#### 香港財務報告準則第16號「租賃」

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一項綜合模式。香港財務報告準則第16號生效時將取代香港會計準則第17號「租賃」及其相關詮釋。

香港財務報告準則第16號以顧客能否控制所識別資產來區分租賃及服務合約。除短期租賃及低價值資產租賃外，經營租賃及融資租賃的差異自承租人會計處理中移除並由承租人須就所有租賃將予確認使用權資產及相對應負債的模式取代。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)****HKFRS 16 “Leases” (Continued)**

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Under the HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows except for the short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability within operating cash flows.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

**2. 應用新訂及香港財務報告準則(「香港財務報告準則」)的修訂本(續)****香港財務報告準則第16號「租賃」(續)**

使用權資產初始按成本計量並隨後按成本計量(惟若干例外情況除外)減累計折舊及減值虧損,就任何租賃負債重新計量而調整。租賃負債初始按當日尚未支付的租賃款項的現值計量。隨後,租賃負債就利息及租賃款項以及(其中包括)租賃修訂的影響作出調整。就現金流分類而言,本集團目前將提前預付租賃款項呈列為有關自用租賃土地且該等分類為投資物業的投資現金流量,而其他經營租賃付款呈列為經營現金流量。根據香港財務報告準則第16號,有關租賃負債的租賃款項將分配至本金及利息部分,其將呈列為融資現金流,惟短期租賃付款、低價值資產租賃付款及浮動租賃付款並未計入經營現金流內的租賃負債計量。

與承租人會計處理相比,香港財務報告準則第16號大致轉承香港會計準則第17號的出租人會計處理規定,並且繼續要求出租人將其租賃分類為經營租賃或融資租賃。

此外,香港財務報告準則第16號要求作出詳盡披露。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### HKFRS 16 “Leases” (Continued)

As at 31 December 2016, the Group had non-cancellable operating lease commitments of HK\$289,742,000 as disclosed in note 35. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the directors complete a detailed review.

The directors of the Company anticipate that the application of other new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

### 3. PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on historical basis at the end of each reporting period, as explained in the accounting policies below.

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

### 2. 應用新訂及香港財務報告準則(「香港財務報告準則」)的修訂本(續)

#### 香港財務報告準則第16號「租賃」(續)

於2016年12月31日，本集團擁有不可撤銷經營租約承擔289,742,000港元(如附註35所披露)。初步評估顯示此等安排將符合香港財務報告準則第16號項下租賃的定義，因此本集團將就所有該等租賃確認一項使用權資產及相對應的負債，除非其於應用香港財務報告準則第16號時符合低價值或短期租賃。此外，應用新規定可能導致上文列示的計量、呈列及披露的變動。然而，於董事進行詳細審閱前，對財務影響作出合理估計屬不切實際。

董事預期應用新訂及經修訂香港財務報告準則將不會對本集團的業績及財務狀況造成重大影響。

### 3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則(「上市規則」)及香港《公司條例》所規定的適用披露資料。

誠如下列會計政策所述，綜合財務報表乃於各報告期末按歷史基準而編製。

歷史成本一般按交換貨品及服務所付代價的公平值計算。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**3. PRINCIPAL ACCOUNTING POLICIES**  
(Continued)

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

**3. 主要會計政策 (續)**

公平值是於計量日期市場參與者於有秩序交易中出售資產可收取或轉讓負債須支付的價格，而不論該價格是否直接可觀察或可使用其他估值技術估計。若市場參與者於計量日期對資產或負債定價時會考慮資產或負債的特點，則本集團於估計資產或負債的公平值時會考慮該等特點。此等綜合財務報表中作計量及／或披露用途的公平值乃按此基準釐定，惟屬於香港財務報告準則第2號「股份付款」範圍的以股份付款的交易、屬於香港會計準則第17號範圍內的租賃交易，以及與公平值有部份相若地方但並非公平值的計量，譬如香港會計準則第2號「存貨」內的可變現淨額或香港會計準則第36號「資產減值」的使用價值除外。

非金融資產的公平值計量會考慮市場參與者透過以最大限度使用該資產達致最佳用途，或透過將該資產出售給能夠以最大限度使用該資產達致最佳用途的其他市場參與者產生經濟利益的能力。

此外，就財務呈報而言，公平值計量根據公平值計量的輸入數據可觀察程度及公平值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場之報價（未經調整）；
- 第二級輸入數據是就資產或負債直接或間接地可觀察之輸入數據（第一級內包括的報價除外）；及
- 第三級輸入數據是資產或負債的不可觀察輸入數據。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

The principal accounting policies are set out below.

#### Basis of consolidation

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

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

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

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

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

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

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

### 3. 主要會計政策(續)

主要會計政策載列如下。

#### 綜合基準

綜合財務報表包括本公司及本公司控制的實體及其附屬公司的財務報表。當本公司完成以下事項則可被視為取得控制權：

- 可對被投資方行使權力；
- 承擔或擁有因參與被投資方業務產生的浮動回報的風險或權利；及
- 有能力使用其權力影響其回報。

倘有事實及情況顯示上述三項控制權要素有一項或以上出現變動，本集團會重新評估其是否對被投資方擁有控制權。

綜合附屬公司於本集團取得附屬公司的控制權時開始，並於本集團失去附屬公司的控制權時終止。尤其是，於年內收購或出售附屬公司的收入及開支，會由本集團取得控制的日期直至本集團失去附屬公司的控制權當日計入綜合損益及其他全面收益表。

溢利或虧損及其他全面收入的各個部份會分配予本公司擁有人及非控股權益。附屬公司的全面收入總額會分配予本公司擁有人及非控股權益，即使此舉將導致非控股權益出現虧絀結餘。

如需要，將會就附屬公司的財務報表作出調整，使其會計政策與本集團的會計政策貫徹一致。

本集團成員公司間的交易所涉及的所有集團內公司間資產及負債、權益、收入、開支及現金流量已於綜合賬目時全部對銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Business combinations

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

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

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

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

### 3. 主要會計政策 (續)

#### 業務合併

收購業務採用收購法入賬。業務合併所轉讓的代價按公平值計量，而計算方法為本集團所轉讓的資產、本集團向被收購方原擁有人產生的負債及本集團於交換被收購方的控制權發行的權益於收購日期之公平值總和。有關收購的成本一般於產生時在損益賬中確認。

於收購日期，已收購之可識別資產及已承擔之負債按其公平值確認，惟以下各項除外：

- 遞延稅項資產或負債及與僱員福利安排相關之資產或負債分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 於收購日，被收購方以股份為基礎的付款安排或本集團以股份為基礎的付款安排替代被收購方以股份為基礎的付款安排之負債或股權工具，應根據香港財務報告準則第2號「以股份為基礎之付款」計量（見下文會計政策）；及
- 根據香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」分類為持作出售之資產（或出售組合）根據該準則計量。

商譽以所轉讓之代價、被收購方任何非控股權益之金額及收購方過往持有之被收購方股權（如有）之公平值總和超出所收購之可識別資產及於收購日所承擔之負債於收購日之淨值之差額計量。倘（經重新評估後）所收購之可識別資產及所承擔之負債於收購日之淨額超出所轉讓之代價、被收購方任何非控股權益之金額及收購方過往持有被收購方權益（如有）之公平值總和，超出部分即時於損益中確認為議價收購收益。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Business combinations (Continued)

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

When a business combination is achieved in stages, the Group's previously held by equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

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

#### Goodwill

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

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") (or group of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

### 3. 主要會計政策(續)

#### 業務合併(續)

屬現時擁有權權益且於清盤時賦予其持有人按比例分佔相關附屬公司資產淨值之非控股權益可初步按公平值或按非控股權益應佔被收購方之可識別資產淨值之已確認金額比例計量。計量基準之選擇乃按每次交易為基礎。其他類型之非控股權益乃按其公平值計量。

倘業務合併分階段完成，本集團先前於被收購方持有之股權重新計量至收購日期之公平值，而所產生之收益或虧損(如有)於損益確認。於收購日期因被收購方權益所產生並且過往於其他全面收益確認之金額重新分類至損益，惟條件是倘有關權益被出售時此處理方法適用。

倘業務合併之初步會計處理截至合併發生之報告期末尚未完成，則本集團報告未完成會計處理項目之暫定數額。該等暫定數額會於計量期間(見上文)予以調整，或確認額外資產或負債，以反映所獲得有關於收購日期已存在之事實及情況之新資料，而當時如獲知有關新資料則可能影響該日已確認金額。

#### 商譽

因收購一項業務而產生之商譽乃按成本(於收購業務當日確定)減累計減值虧損(如有)列賬。

進行減值測試時，商譽將分配至預期會因合併之協同效應而受惠之各本集團之現金產生單位(「現金產生單位」)(或現金產生單位組別)，代表實體基於內部管理之目的所記錄之商譽最低水平。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**3. PRINCIPAL ACCOUNTING POLICIES**  
(Continued)**Goodwill** (Continued)

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs).

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

**Investments in an associate**

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

The results and assets and liabilities of an associate are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of an associate used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

**3. 主要會計政策 (續)****商譽 (續)**

現金產生單位 (或現金產生單位組別) 已獲分配商譽之現金產生單位每年或凡單位有跡象顯示可能出現減值時更頻繁地進行減值測試。就於報告期間收購所產生之商譽而言，已獲分配商譽之現金產生單位 (或現金產生單位組別) 於該報告期間結束前進行減值測試。倘可收回金額低於其之賬面金額，則分配減值虧損，首先削減任何商譽之賬面金額，然後以單位 (或現金產生單位組別) 各資產之賬面金額為基準，按比例分配到其他資產。

出售有關現金產生單位時，商譽之金額將計入出售時之損益。

本集團有關因收購聯營公司而產生之商譽之政策載於下文。

**於聯營公司之投資**

聯營公司為一間本集團擁有重大影響力之實體。重大影響力乃為有權參與被投資公司之財務及經營政策決定而非控制或共同控制該等政策。

聯營公司之業績及資產與負債乃使用權益會計法併入該等綜合財務報表。作會計權益法用途之聯營公司財務報表乃按與本集團就同類交易及同類情況下事項之劃一會計政策編製。根據權益法，於聯營公司之投資以成本在綜合財務狀況表內初始確認，及調整其後確認本集團應佔聯營公司之損益及其他全面收益。當本集團應佔某聯營公司之虧損超出其於該聯營公司之權益 (其包括任何長期權益，而該長期權益實質上構成本集團於該聯營公司之投資淨值之一部份)，則本集團不再確認應佔之進一步虧損。確認額外虧損僅以本集團已產生法律或推定責任或代表該聯營公司作出付款為限。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Investments in an associate (Continued)

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

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

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKAS 39, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

### 3. 主要會計政策(續)

#### 於聯營公司之投資(續)

於聯營公司之投資乃自該被投資方成為聯營公司之日起採用權益法入賬。於收購聯營公司投資時，任何投資成本超出本集團應佔該被投資方可辨別資產及負債之公平淨值之數額確認為商譽，而該商譽包括在投資之賬面值內。本集團應佔之可辨別資產及負債重估後之公平淨值超出收購成本之差額即時於收購該投資期間之損益中確認。

本集團應用香港會計準則第39號之規定，以釐定是否需要就本集團於聯營公司之投資確認任何減值虧損倘需要，投資之全部賬面值(包括商譽)會根據香港會計準則第36號作為單一資產與可收回金額(即使用價值與公平值減出售成本之較高者)及賬面值進行比較，測試是否減值。任何已確認減值虧損構成該項投資之賬面值之一部份。根據香港會計準則第36號，有關減值虧損之任何撥回確認，僅限於該項投資其後可收回金額增加之幅度。

當本集團對聯營公司不再有重大影響，則入賬列為出售該被投資公司之全數權益，產生之收益或虧損於損益中確認。當本集團保留於前聯營公司的權益及該保留權益為一項香港會計準則第39號範圍內之金融資產，則本集團按於該日的公平值計量該保留權益，而公平值乃視為其初步確認時的公平值。聯營公司賬面值與任何保留權益的公平值及出售聯營公司相關權益所得款項之間的差額，乃計入釐定出售聯營公司的收益或虧損。此外，本集團就該聯營公司先前確認於其他全面收益的所有數額(按相同基準)，猶如直接出售該聯營公司的相關資產或負債予以入賬。因此，倘該聯營公司先前確認於其他全面收益的收益或虧損會在相關資產或負債出售時重新分類至損益中，則本集團會在不再使用權益法時將此收益或虧損由權益重新分類至損益(作為重新分類的調整)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Investments in an associate (Continued)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate.

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

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

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts, returns and sales related taxes.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;

### 3. 主要會計政策 (續)

#### 於聯營公司之投資 (續)

本集團於投資不再為聯營公司當日起終止使用權益法。聯營公司於終止採用權益法當日的賬面值與任何保留權益及出售聯營公司部份權益的任何所得款項的公允價值之間的差額，乃於釐定出售該聯營公司的收益或虧損時計入。

倘本集團削減其於聯營公司的擁有權權益但本集團繼續採用權益法，而有關收益或虧損會於出售相關資產或負債時重新分類至損益，則本集團會將先前就削減擁有權權益而於其他全面收入確認的收益或虧損部份重新分類至損益。

倘集團旗下實體與本集團之聯營公司交易(例如出售或投入資產)時，本集團之綜合財務報表確認與該聯營公司交易所產生之損益時，僅限於該聯營公司與本集團並無關聯之權益。

#### 收入確認

收入按已收或應收代價的公平值計算，即就一般業務過程中所售商品而應收取的金額(扣除折扣、退貨及銷售相關稅項)。

銷售貨品所得收入於商品交付且已轉移所有權時確認。屆時，下列條件應已達成：

- 本集團已向買方轉移與商品擁有權有關的重大風險及回報；
- 本集團對已售商品不再具有一般與擁有權相關程度的持續管理參與權，亦無實際控制權；
- 收入金額能可靠計量；

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Revenue recognition (Continued)

- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The Group's policy for recognition of revenue from operating leases is described in the accounting policy below.

#### Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

### 3. 主要會計政策(續)

#### 收入確認(續)

- 與交易有關的經濟利益可能會流入本集團；及
- 交易已產生或將予產生的成本能可靠計量。

在經濟利益可能流入本集團及收入金額能夠可靠地計量的情況下，金融資產的利息收入會被確認。利息收入乃參照未償還本金額及適用實際利率按時間基準累算，適用實際利率即是把金融資產預計年期內估計日後現金收入確切地折現至該資產初步確認賬面淨值的利率。

本集團就經營租賃的收入確認政策於以下會計政策載列。

#### 投資物業

投資物業包括持有以賺取租金及／或資本升值的物業。

投資物業初步按成本(包括任何直接應佔開支)計量。於初步確認後，投資物業乃按成本減其後累計折舊及任何累計減值虧損列賬。折舊乃按投資物業的估計可使用年期並計及其估計剩餘價值後以直線法撇銷其成本而確認。估計可使用年期、剩餘價值及折舊法於各報告期末檢討，而任何估計變動的影響按預期基準入賬。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**3. PRINCIPAL ACCOUNTING POLICIES**  
(Continued)**Investment properties** (Continued)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

When an owner-occupied property becomes an investment property because its use has changed as evidenced by end of owner-occupation, the transfer is made at the carrying amount.

When there is a change of use of an investment property as evidenced by commencement of owner-occupation, the transfer is made at the carrying amount.

**Property, plant and equipment**

Property, plant and equipment including buildings held for use in the production or supply of goods, or for administrative purposes (other than construction in progress as described below) are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Properties in the course of construction for production, supply or administrative purposes (i.e. construction in progress) are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

**3. 主要會計政策 (續)****投資物業 (續)**

投資物業乃於出售時或於投資物業永久終止使用及預期未來不能自出售投資物業取得經濟利益時終止確認。從終止確認物業產生的任何收益或虧損(按出售所得款項淨額與資產賬面值的差額計算)乃於物業終止確認期間計入損益表。

倘有證據顯示自用物業的用途因已更改為終止自用而成為投資物業，則有關轉變按賬面值入賬。

倘有證據顯示投資物業的用途已更改為業主自用，則有關轉變按賬面值入賬。

**物業、廠房及設備**

除下文所述在建工程外，物業、廠房及設備(包括持作生產或供應商品或作行政用途的樓宇)乃按成本減其後的累計折舊及累計減值虧損(如有)於綜合財務狀況表中列賬。

折舊乃按撇銷資產(在建工程除外)的成本減其於估計可使用年期內的剩餘價值使用直線法確認。於各報告期末檢討估計可使用年期、剩餘價值及折舊法，而任何估計變動的影響按預期基準入賬。

用作生產、供應或行政用途的在建物業(即在建工程)按成本減任何已確認減值虧損列賬。成本包括專業費用及就合資格資產而言，借貸成本乃根據本集團的會計政策撥充資本。當相關物業完工並可作擬定用途時，該等物業將分類至適當的物業、廠房及設備類別。該等資產的折舊於資產可投入擬定用途時開始按與其他物業資產相同的基準計算。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Alternatively, intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets).

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

### 3. 主要會計政策(續)

#### 物業、廠房及設備(續)

物業、廠房及設備項目會在出售或預期繼續使用資產不會帶來未來經濟利益時解除確認。物業、廠房及設備項目在出售或報廢時產生的任何收益或虧損，乃按出售所得款項與有關資產賬面值的差額計算，並於損益中確認。

#### 業務合併中收購的無形資產

業務合併中收購的無形資產與商譽分開來確認，以及初步按其於收購日期的公平值確認(被視作其成本)。初步確認後，業務合併中收購的具備有限可使用年期無形資產按成本減累計攤銷及任何累計減值虧損呈報，與獨立收購之無形資產之基準相同。另一方面，業務合併中收購的具備無限可使用年期無形資產乃按成本減任何其後累計減值虧損(見有關有形及無形資產減值虧損之會計政策)列賬。

無形資產於出售時或當預期使用或出售無形資產不會產生將來經濟利益時終止確認。終止確認無形資產所產生的損益按出售收益淨額及該資產賬面值的差額計量，並於終止確認該資產期間於損益賬內確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**3. PRINCIPAL ACCOUNTING POLICIES***(Continued)***Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**The Group as lessor**

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

**The Group as lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

**Leasehold land for own use**

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

**3. 主要會計政策 (續)****租賃**

當租賃條款轉移擁有權的絕大部分風險及回報予承租人時，租賃被分類為融資租賃。所有其他租賃被分類為經營租賃。

**本集團作為出租人**

經營租賃的租金收入於有關租賃期間按直線法於損益確認。

**本集團作為承租人**

經營租賃款項乃於租期內以直線法確認為開支。經營租賃下產生的或然租金在產生當期作為開支確認。

倘訂立經營租賃可以獲得租賃優惠，該等優惠確認為負債。優惠整體利益以直線法沖減租金開支確認。

**自用租賃土地**

當租賃包括土地及樓宇部分，本集團根據對附於各部分擁有權的絕大部分風險及回報是否已轉移至本集團的評估，分別將各部分的分類評定為融資或經營租賃。除非土地及樓宇部分均明確屬於經營租賃，於此情況下整項租賃分類為經營租賃。具體而言，最低租賃付款（包括任何一次性預付款項）於租約訂立時按租賃土地部分及樓宇部分中的租賃權益相對公平值比例於土地與樓宇部分間分配。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Leasing (Continued)

#### Leasehold land for own use (Continued)

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the weighted average cost method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

#### Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

### 3. 主要會計政策(續)

#### 租賃(續)

#### 自用租賃土地(續)

倘租賃款項能可靠分配，則以經營租賃入賬的土地租賃權益在綜合財務狀況表中列為「預付租賃款項」，且於租期內按直線法攤銷。倘租賃款項無法於土地和樓宇部分間可靠分配時，則整項租賃通常分類為融資租賃，並入賬列作物業、廠房及設備。

#### 存貨

存貨按成本及可變現淨值兩者較低者列賬。存貨成本使用加權平均成本法計算。可變現淨值按存貨估計售價減所有完工成本及銷售所需成本計。

#### 金融工具

金融資產及金融負債於本集團成為工具合約條文的訂約方時確認。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債直接應佔的交易成本於初步確認時計入或扣除自金融資產或金融負債的公平值(如適用)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**3. PRINCIPAL ACCOUNTING POLICIES***(Continued)***Financial instruments** *(Continued)***Financial assets**

The Group's financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

*Effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, bills receivables, pledged bank deposits, structured bank deposits, fixed bank deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of loans and receivables below).

**3. 主要會計政策 (續)****金融工具 (續)****金融資產**

本集團的金融資產分類為貸款及應收款項。分類視乎金融資產的性質及目的並於初步確認時釐定。

*實際利率法*

實際利率法指一種在有關期間內用於計算債務工具的攤銷成本以及分配利息收入的方法。實際利率指一種於初步確認時可將金融資產的預期年期或(如適用)較短期間內的預計未來現金收入額(包括構成實際利率部份的已付或已收取的全部費用、交易成本及其他溢價或折讓)準確折現至賬面淨值的利率。

債務工具的利息收入乃按實際利息基準確認。

*貸款及應收款項*

貸款及應收款項乃具有固定或可釐定付款而沒有於活躍市場報價的非衍生金融資產。初步確認後貸款及應收款項(包括貿易及其他應收款項、應收票據、已抵押銀行存款、結構性銀行存款、定期銀行存款及銀行結餘及現金)乃以實際利率法按攤銷成本減任何可識別減值虧損計量(請參閱下述有關貸款及應收款項減值的會計政策)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

#### Financial assets (Continued)

#### Impairment of loans and receivables

Loans and receivables are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment of loans and receivables could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the respective credit period, observable changes in national or local economic conditions that correlate with default on receivables.

The amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the loans and receivables is reduced by the impairment loss directly with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 金融資產(續)

#### 貸款及應收款項減值

貸款及應收款項須於各報告期末獲評估是否存有減值跡象。倘出現客觀證據，因金融資產初步確認後發生的一項或多項事件，導致估計未來現金流量受到影響，則金融資產將須予減值。

貸款及應收款項減值的客觀證據可能包括：

- 發行人或對手方出現重大財政困難；或
- 違反合約，如違約或拖欠利息或本金付款；或
- 借款人很大機會面臨破產或財務重組。

應收款項組合減值的客觀證據可能包括本集團過往收款經驗、組合內超過各自信貸期間的逾期還款數目上升、國家或地區經濟狀況出現明顯變動導致應收款項遭拖欠。

減值虧損金額按該資產的賬面值及估計未來現金流量按金融資產的原實際利率折現後的現值兩者之間的差額確認。

貸款及應收款項的減值虧損會直接於其賬面值中作出扣減，惟貿易應收款項除外，其賬面值會透過撥備賬作出扣減。撥備賬內的賬面值變動會於損益賬中確認。當貿易應收款項被視為不可收回時，會於撥備賬內撇銷。於其後收回的先前撇銷的款項將計入損益賬。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**3. PRINCIPAL ACCOUNTING POLICIES**  
(Continued)**Financial instruments** (Continued)**Financial assets** (Continued)*Impairment of loans and receivables* (Continued)

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses were recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

**Financial liabilities and equity instruments**

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

*Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by a group entity are recorded at the proceeds received, net of direct issue costs.

**3. 主要會計政策 (續)****金融工具 (續)****金融資產 (續)***貸款及應收款項減值 (續)*

倘於其後期間減值虧損的金額減少，而此項減少可客觀地與確認減值虧損後發生的某一事件有關，則先前確認的減值虧損於損益賬中予以撥回，惟於撥回減值當日的資產賬面值不得超過於未確認減值時的攤銷成本。

**金融負債及股本工具**

由本集團發行的債務及股本工具按所訂立的合約安排性質，以及金融負債及股本工具的定義而分類為金融負債或股本。

*實際利率法*

實際利率法是計算金融負債的攤銷成本，及將利息開支在相關期間內分配的方法。實際利率指於初步確認時可將金融負債的預計年期或（如適用）較短期間內的估計未來現金付款（包括所有構成實際利率部份的已付或已收取的全部費用、交易成本及其他溢價或折讓）準確折現至賬面淨值的利率。

利息開支乃按實際利息基準確認。

*股權工具*

股本工具乃任何證明本集團經扣減所有負債後之資產剩餘權益的合同。本集團所發行股本工具按已收所得款項減直接發行成本列賬。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

#### Financial liabilities and equity instruments (Continued)

##### Financial liabilities at amortised cost

Financial liabilities of the Group, including trade and other payables, bills payables and bank borrowings, are subsequently measured at amortised cost using effective interest method.

#### Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or, when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 金融負債及股本工具(續)

##### 按攤銷成本計量之金融負債

本集團的金融負債(包括貿易及其他應付款項、應付票據及銀行借款)其後以實際利率法按攤銷成本計量。

#### 終止確認

本集團僅於自資產獲取現金流量的合約權利到期時，或本集團將金融資產及資產擁有權的絕大部分風險及回報轉讓予另一實體時，方會取消確認金融資產。

於終止確認整項金融資產時，該項資產的賬面值與已收及應收代價的總額的差額已於損益確認。

本集團在及只有在本集團的責任獲免除、取消或終止時，方會終止確認金融負債。獲終止確認的金融負債的賬面值與已付及應付代價之間的差額會於損益確認。

#### 有形及無形資產(除商譽外)減值

於各報告期末，本集團會檢討其有形資產及無形資產的賬面值，以確定是否有任何跡象顯示該等資產已出現減值虧損。倘有任何該等跡象，則估計有關資產的可收回款額，以確定減值虧損(如有)的程度。倘若不大可能估計個別資產的可收回金額，則本集團估計資產屬於的現金產生單位的可收回金額。如分配的合理及一致基準可予識別，則公司資產亦被分配至個別現金產生單位，或於其他情況下合理及一致分配基準可予識別時，將其分配至現金產生單位的最小組合。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**3. PRINCIPAL ACCOUNTING POLICIES***(Continued)***Impairment of tangible and intangible assets other than goodwill** *(Continued)*

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or the CGU) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**3. 主要會計政策 (續)****有形及無形資產(除商譽外)減值(續)**

具備無限可使用年期之無形資產及尚未可供使用之無形資產須每年最少進行一次減值測試，及凡有跡象顯示可能出現減值時進行減值測試。

可收回金額為公平值減去銷售成本及使用價值兩者中的較高者。於評估使用價值時，估計未來現金流量乃以稅前貼現率貼現至現值，該貼現率能反映貨幣時間值的當前市場評估及資產特定風險(針對該等未經調整的未來現金流量的估計)。

倘資產(或現金產生單位)的可收回金額估計將少於其賬面值，則資產(或現金產生單位)的賬面值會減少至其可收回金額。於分配減值虧損時，首先分配減值虧損以減少任何商譽的賬面值(如適用)，然後按比例根據該單位各資產的賬面值分配至其他資產。資產賬面值不得減少至低於其公平值減出售成本(如可計量)、其使用價值(如可計量)及零之中的最高值。已另行分配至資產之減值虧損數額按比例分配至該單位其他資產。減值虧損會即時於損益確認。

倘減值虧損於其後撥回，則增加資產(或現金產生單位)的賬面值至其可收回金額經修訂估計金額惟增加後的賬面值不能超過倘於過往年度並無確認該資產(或現金產生單位)的減值虧損而應確定的賬面值。減值虧損的撥回會即時於損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are 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.

#### Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

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

### 3. 主要會計政策(續)

#### 撥備

當本集團因過往事件而承擔現行責任(法律或推定)及本集團可能需要履行該責任，並且就責任金額作出可靠的估計，則確認撥備。確認作撥備的金額乃按於報告期末對履行現有責任所需代價的最佳估計，並計及責任的風險及不確定性而計量。倘撥備採用履行現有責任的估計現金流量計量，則其賬面值為該等現金流量的現值(倘對金額時間值影響重大)。

#### 借貸成本

直接因收購、建設或生產合資格資產(需要一段長時間方能達致其擬定用途或出售者)而產生之借貸成本，用於增加資產的成本，直至該等資產實際達到預定用途或可供出售。

等待用於合資格資產的特定借貸的暫時投資所賺取的投資收入乃自合適作資本化的借貸成本中扣除。

所有其他借貸成本乃於產生期間於損益確認。

#### 政府補助

政府補助可於合理確定本集團將符合政府補助附帶的條件及將會收取補助時方予確認。

作為已產生開支或虧損的補償或向本集團提供即時財務資助(並無日後相關成本)而可收取的政府補助金，乃於其成為可收取的期間於損益賬中確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**3. PRINCIPAL ACCOUNTING POLICIES***(Continued)***Foreign currencies**

In preparing the financial statements of each individual entity comprising the Group, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

**Retirement benefit costs**

Payments to defined contribution retirement benefit plans, government-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

**3. 主要會計政策 (續)****外幣**

於編製本集團各個別實體的財務報表時，以該實體功能貨幣以外的貨幣(外幣)進行的交易，乃按交易日期的匯率以各自的功能貨幣(即實體營運所在主要經濟環境的貨幣)列賬。於報告期末，以外幣計值的貨幣項目，採用當日的匯率重新換算。以外幣按公平值計算的非貨幣項目，採用釐定公平值當日的匯率重新換算。以外幣按歷史成本計值的非貨幣項目不予重新換算。

結算貨幣項目及重新換算貨幣項目所產生的匯兌差額，於產生期間在損益內確認。

為呈列綜合財務報表，本集團海外業務的資產及負債均以報告期末的匯率換算為本集團的呈列貨幣(即港元)。收入及開支會按年內平均匯率進行換算。所產生的匯兌差額(如有)會於其他全面收入內確認，並會於權益下的匯兌儲備內累計(在適當情況下撥歸非控股權益)。

因收購海外業務而所產生之商譽及可辨認資產的公平值調整乃視作該海外業務之資產及負債，並按各報告期末之適用匯率重新換算。所產生之匯兌差額於其他全面收益確認。

**退休福利成本**

定額退休福利計劃、政府管理退休福利計劃及強制性公積金計劃的供款於僱員提供服務使彼等可享有供款時作為開支確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

#### Equity-settled share-based payment transactions

Equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 31.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share option reserve).

At the end of each reporting period, the Group revises its estimates of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in the share option reserve will be transferred to retained profits.

### 3. 主要會計政策(續)

#### 短期及其他長期僱員福利

短期僱員福利乃按僱員提供服務時預期向其支付之福利未折讓金額確認。除非另一項香港財務報告準則規定或批准將福利計入資產成本，所有短期僱員福利確認為開支。

負債乃於減除任何已付金額後就僱員應計福利(如工資及薪金、年假及病假)確認。

#### 股權結算以股份支付之交易

股權結算以股份支付之交易乃以股權工具於授出日期的公平值計量。有關釐定股權結算以股份支付之交易的公平值詳情載於附註31。

於股權結算以股份支付之授出當日釐定的公平值按直線法於歸屬期支銷，相應增加計入權益(購股權儲備)。

於各報告期末時，本集團修訂其對預期歸屬之股本工具數目之估計。修訂於歸屬期的原有估計之影響(如有)於損益內確認，以使累計開支可反映經修訂之估計，而購股權儲備將作出相應調整。

當購股權獲行使時，過往於購股權儲備確認之金額將轉撥至股份溢價。倘購股權於歸屬日期後被沒收或於屆滿日期仍未獲行使，則過往於購股權儲備確認之金額將轉撥至保留溢利。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**3. PRINCIPAL ACCOUNTING POLICIES***(Continued)***Research and development expenditure**

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses (if any).

**3. 主要會計政策 (續)****研發費用**

研究工作的費用於產生期間確認為開支。

由開發活動(或由內部項目開發階段產生)的內部產生無形資產於或僅於以下所有項目均得到證明時確認：

- 完成該無形資產的技術可行性從而使其可予使用或出售；
- 完成及使用或出售該無形資產的意圖；
- 使用或出售該無形資產的能力；
- 該無形資產將很有可能產生未來經濟利益的方式；
- 有充足的技術、財務或其他資源以完成開發及使用或出售該無形資產；及
- 能可靠地計量無形資產於其開發期間所用的開支。

內部產生無形資產的初步確認金額乃從無形資產首次符合上列確認條件的日期起所產生的開支總額如並無可確認的內部產生無形資產，開發開支將於產生期間計入損益。於初步確認後，內部產生無形資產將按成本減累計攤銷及累計減值虧損(如有)計量。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and an associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

### 3. 主要會計政策(續)

#### 稅項

所得稅開支指即期應付稅項與遞延稅項的總和。

即期應付稅項乃根據年內應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表所呈報的除稅前溢利不同，乃由於其他年度的應課稅收入或可扣稅開支，及毋須課稅或不得扣稅的項目。本集團的即期稅項以於報告期末已實施或實際已實施的稅率計算。

遞延稅項按綜合財務報表內資產及負債的賬面值與計算應課稅溢利時使用的相應稅基之間的臨時性差額確認。遞延稅項負債通常會就所有應課稅臨時性差額確認，而遞延稅項資產一般會在可能出現可利用臨時性差額扣稅的應課稅溢利時就所有可扣減臨時性差額確認。若於一項交易中，因初始確認(業務合併除外)資產與負債而引致的臨時性差額既不影響應課稅溢利亦不影響會計溢利，則有關資產與負債不會予以確認。此外，若暫時差額是源自商譽之初始確認，則不確認遞延稅項負債。

遞延稅項負債會就與投資於附屬公司及聯營公司有關的應課稅臨時性差額確認，惟倘本集團有能力控制臨時性差額的撥回且臨時性差額可能不會於可見將來撥回，則另作別論。因與該等投資有關的可扣減臨時性差額而引致的遞延稅項資產，僅會於可能有足夠應課稅溢利可以使用臨時性差額的利益，且預期於可預見未來撥回時確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**3. PRINCIPAL ACCOUNTING POLICIES**  
(Continued)**Taxation** (Continued)

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities.

Current and deferred tax are recognised in profit or loss. When current tax or deferred tax arises from initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**4. KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

**3. 主要會計政策 (續)****稅項 (續)**

遞延稅項資產的賬面值會於報告期末作檢討，並在不再可能有足夠的應課稅溢利供收回全部或部分資產時作調減。

遞延稅項資產及負債乃按償還負債或變現資產所在期間預期將會適用的稅率，根據於報告期末已實施或實際已實施的稅率(及稅法)計算。

遞延稅項負債及資產的計量反映按照本集團預期於報告期末可收回或結算其資產及負債的賬面值方式計算而得出的稅務結果。

即期及遞延稅項於損益內確認。當即期或遞延稅項乃因業務合併的初次會計處理而產生，稅項影響將包含於業務合併的會計處理內。

**4. 估計不明朗因素的主要來源**

於應用本集團之會計政策(其於附註3內闡述)時，本公司董事須作出有關未能從其他來源輕易獲得之資產及負債賬面值之判斷、估計及假設。估計及相關假設乃基於過往經驗及被認為有關之其他因素。實際結果可能不同於該等估計。

估計及相關假設乃按持續經營基準予以檢討。倘會計估計之修訂僅影響估計獲修訂之期間，則會計估計之修訂於該期間予以確認，倘若修訂影響現時及未來期間，則會計估計之修訂於修訂及未來期間內予以確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### Impairment of goodwill and intangible assets

Determining whether the goodwill and intangible assets are impaired requires the management's estimation of the value in use of **CGUs** related to business of which the goodwill and intangible assets have been allocated. In estimating the value in use of the CGU, key assumptions used by the management include cash flow projections, growth rates, gross margin, discount rate, expected sales from customers and management's expectation for market development. When the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash, a material impairment loss may arise.

Details of the Group's goodwill and intangible assets are set out in notes 18 and 19, respectively.

#### The recoverability of trade receivables

Management regularly reviews the recoverability of trade receivables which require management judgement in making an assessment of the adequacy of the allowance for doubtful debts. When there is objective evidence of allowance for doubtful debts, the management determines the allowance based on the aging analysis, business relationship and settlement record for each transaction. Where the actual recoverability of the debts is different from the original estimate, such difference will impact the carrying amounts of trade receivables and allowance for the periods in which such estimate has been changed.

Details of the Group's trade receivables are set out in note 24.

### 4. 估計不明朗因素的主要來源(續)

於報告期末有重大可能自使下一個財政年度的資產及負債賬面值須作重大調整而與未來有關的主要假設及估計不明朗因素的其他主要來源如下。

#### 商譽及無形資產減值

釐定商譽及無形資產是否減值需要管理層就商譽及無形資產已作出分配之業務對**現金產生單位**的使用價值進行估值。於估計現金產生單位之使用價值時，管理層計及現金流預測、增長率、毛利率、折讓率、預期來自客戶之銷售額及管理層對市場發展的預計。倘實際未來現金流量少於預期，或事實及情況發生變化導致未來現金流向下調整，則可能產生重大減值虧損。

有關本集團商譽及無形資產之詳情分別載於附註18及19。

#### 貿易應收款項之可收回情況

管理層定期審查貿易應收款項的可收回情況，此乃需要管理層的判斷，以就呆賬撥備的充足程度進行評估。倘出現呆賬撥備之客觀證據，管理層根據賬齡分析、業務關係及各項交易之清算記錄釐定撥備。倘負債之實際可收回情況與初步估計有異，有關差額將於估計改變的期間影響貿易應收款項及撥備之賬面值。

有關本集團貿易應收款項之詳情載於附註24。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**4. KEY SOURCES OF ESTIMATION UNCERTAINTY** *(Continued)***Estimated allowance for inventories**

Inventories are valued at the lower of cost and net realisable value. The Group regularly reviews its inventory levels in order to identify slow-moving and obsolete inventories. When the Group identifies items of inventories which have a realisable value that is lower than its carrying amount, the Group estimates the amount of write-down of inventories as allowance for inventories. If the realisable value of inventories of the Group becomes lower than its carrying amount subsequently, additional allowance may be required.

Details of the Group's inventories are set out in note 23.

**Deferred tax assets**

The realisability of the deferred tax assets mainly depends on whether sufficient future assessable profits or taxable temporary differences will be available in the future. In cases where the actual future assessable profits generated are less or more than expected, a material reversal or additional recognition of deferred tax assets may arise, which would be recognised in the consolidated statement of profit or loss and other comprehensive income in future.

Details of the Group's deferred tax assets are set out in note 22.

**4. 估計不明朗因素的主要來源 (續)****估計存貨撥備**

存貨乃按成本及可變現淨值之較低者進行估計。本集團定期審查其存貨水平，以識別滯銷及陳舊存貨。當本集團發現任何存貨項目之可變現價值低於其賬面值，本集團將估計撇減存貨以作存貨撥備之金額。倘其後本集團存貨可變現價值變得低於其賬面值，則需作出額外撥備。

有關本集團存貨之詳情載於附註23。

**遞延稅項資產**

遞延稅項資產之可變現性主要視乎日後是否具備充足可供使用的未來應課稅溢利或應課稅暫時差額。倘實際所得未來應課稅溢利低於或高於預期，則可能出現重大撥備或額外確認遞延稅項資產，其將於未來確認於綜合損益及其他全面收益表。

有關本集團遞延稅項資產之詳情載於附註22。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 5. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the business of manufacture and sale of health and household products and polyurethane foam. Health and household products mainly represent quality visco-elastic pillows, mattress toppers and mattresses.

In previous years, the Group reported its primary segment information based on three major operating and reportable segments as follows:

Export sales	— wholesales of products to overseas customers;
Retail and corporate sales	— sales of products through self-operated retail network, third-party distributors, direct sales to corporates and other customers and e-commerce sales channel; and
Polyurethane foam sales	— wholesales of polyurethane foam to furniture manufacturers in the People's Republic of China (the "PRC") (other than Hong Kong and Macau).

During the current year, management has changed the presentation of the information reported to the chief operating decision maker ("CODM") (i.e. the executive directors of the Company), in order to present a more meaningful representation of its business operations, consistent with the Group's long-term strategy, and for the purpose of allocating resources to the segments and assessing the performance of the segment. The information reported to CODM in respect of the Group's business is focused on the location of customers.

### 5. 收入及分部資料

本集團主要從事製造及銷售健康及家居產品及聚氨酯泡沫的業務。健康及家居產品主要為優質慢回彈枕頭、床墊及床褥。

於過往年度，本集團根據以下三個主要經營及可報告分部呈報其主要分部資料：

出口銷售	— 向海外客戶批發產品；
零售及公司銷售	— 透過自營零售網絡、第三方分銷商、直接向公司及其他客戶以及電子商貿銷售渠道銷售產品；及
聚氨酯泡沫銷售	— 向中華人民共和國（「中國」）（不包括香港及澳門）家具製造商批發聚氨酯泡沫。

於本年度，為更有意義地呈列本集團的業務營運，並與本集團的長遠策略保持一致及作分部資源分配及績效評估之用，管理層已改變向首席營運決策者（「首席營運決策者」，即本公司的執行董事）呈報資料的方式。向首席營運決策者匯報有關本集團業務的資料集中於客戶地點。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

5. REVENUE AND SEGMENT INFORMATION  
(Continued)

In compliance with the requirements of HKFRS 8 "Operating Segments", the change of the presentation of the information reported to CODM has led to a change in the segment report for all comparable years. The Group is now organised into the following three operating and reportable segments as follows:

China market	— manufacture and sale of health and household products and polyurethane foam for customers located in the PRC, Hong Kong and Macau
North American market	— manufacture and sale of health and household products for customers located in the United States of American (the "US"), Canada and other North American countries
Europe and other overseas markets	— manufacture and sale of health and household products for customers located overseas except for those customers located in North American market

The CODM makes decisions based on the revenue of each segment and reviews reports on the financial performance of the Group as a whole. No information of segment results, segment assets and liabilities are reviewed by the CODM for the assessment of performance of operating segments. Therefore, only the segment revenue is presented. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The accounting policies of the operating segments are the same as the Group's accounting policies.

## 5. 收入及分部資料(續)

根據香港財務報告準則第8號「經營分部」的規定，向首席營運決策者匯報的資料的呈列方式變動導致所有可比較年度的分部報告變動。本集團目前分為以下三個經營及可報告分部：

中國市場	— 為中國、香港及澳門客戶製造及銷售健康及家居產品及聚氨酯泡沫
北美市場	— 為美利堅合眾國(「美國」、加拿大及其他北美國家客戶製造及銷售健康及家居產品
歐洲及其他海外市場	— 為海外客戶(北美市場客戶除外)製造及銷售健康及家居產品

首席營運決策者根據各分部的收益作決策及審閱有關本集團整體財務表現的報告。首席營運決策者概無就評估經營分部表現審閱分部業績、分部資產及負債資料。因此，僅呈報分部收益。此乃為資源分配及表現評估而向首席營運決策者匯報的計量。

經營分部之會計政策與本集團之會計政策相同。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 5. REVENUE AND SEGMENT INFORMATION (Continued)

### 5. 收入及分部資料(續)

#### Segment revenues and results

#### 分部收入及業績

The following is an analysis of the Group's revenue and results by operating segments:

以下為本集團按經營分部劃分的收入及業績分析：

#### For the year ended 31 December 2016

#### 截至2016年12月31日止年度

		China market 中國市場 HK\$'000 千港元	North American market 北美市場 HK\$'000 千港元	Europe and other overseas markets 歐洲及其他 海外市場 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
SEGMENT REVENUE	分部收入				
External sales	外部銷售	1,895,867	1,494,402	109,493	3,499,762
Share of loss of an associate	應佔一間聯營 公司虧損				(12,719)
Net loss on derecognition of an associate	終止確認一間聯營 公司之虧損淨額				(10,100)
Unallocated other income	未分配其他收入				58,207
Unallocated costs and expenses	未分配成本及開支				(3,424,172)
Profit before taxation	除稅前溢利				110,978

#### For the year ended 31 December 2015 (as restated)

#### 截至2015年12月31日止年度(經重列)

		China market 中國市場 HK\$'000 千港元	North American market 北美市場 HK\$'000 千港元	Europe and other overseas markets 歐洲及其他 海外市場 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
SEGMENT REVENUE	分部收入				
External sales	外部銷售	1,696,827	1,118,756	54,263	2,869,846
Share of loss of an associate	應佔一間聯營 公司虧損				(7,924)
Unallocated income	未分配收入				48,940
Unallocated costs and expenses	未分配成本及開支				(2,666,423)
Profit before taxation	除稅前溢利				244,439

There were no inter-segment sales during both years.

於兩年，並無分部間的銷售。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

5. REVENUE AND SEGMENT INFORMATION  
(Continued)

## Revenue from major products and services

The following is an analysis of the Group's revenue from its major products:

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Health and household products	健康及家居產品	2,147,302	1,765,801
Polyurethane foam	聚氨酯泡沫	1,352,460	1,104,045
		<b>3,499,762</b>	2,869,846

## Geographical information

Information about the Group's revenue from external customers is presented based on the location of the retail shops and concession counters for retail sales and location of customers for other sales.

## 5. 收入及分部資料(續)

## 主要產品及服務的收入

下文列載本集團來自其主要產品的收入分析：

## 地域資料

本集團來自外部客戶收入的資料乃按進行零售銷售的零售店及寄售專櫃所在地及其他銷售客戶的所在地予以呈列。

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
The US	美國	1,411,594	1,101,612
The PRC	中國	1,609,574	1,532,469
Hong Kong	香港	277,863	157,893
Macau	澳門	8,430	6,465
Europe	歐洲	90,548	31,454
Other Asian countries	其他亞洲國家	12,411	18,259
Other American countries	其他美洲國家	82,808	17,144
Others	其他	6,534	4,550
		<b>3,499,762</b>	2,869,846

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 5. REVENUE AND SEGMENT INFORMATION (Continued)

#### Geographical information (Continued)

Information about the Group's non-current assets (excluding deferred tax assets) is presented based on the location of the assets:

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
The PRC	中國	515,583	276,317
The US	美國	466,116	119,174
Hong Kong	香港	17,138	20,265
Macau	澳門	27	39
		<b>998,864</b>	415,795

#### Information about major customers:

An analysis of revenue from a customer in the segment of North American market contributing over 10% of the Group's total revenue during the year is as follows:

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Customer A	客戶A	711,512	755,508

### 5. 收入及分部資料(續)

#### 地域資料(續)

本集團非流動資產(不包括遞延稅項資產)的資料乃按資產所在地予以呈列:

#### 主要客戶的資料:

於年內來自北美市場分部的一位客戶的收入(貢獻本集團總收入的10%以上)的分析如下:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

## 6. OTHER INCOME

## 6. 其他收入

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Interest income	利息收入	1,931	6,531
Rental income	租金收入	8,898	6,414
Scrap sales (Note a)	零碎物料銷售(附註a)	25,011	31,723
Government subsidy (Note b)	政府補助(附註b)	1,081	1,579
Overprovision of tax penalties in prior years	過往年度稅項罰款超額撥備	11,541	-
Others	其他	6,661	1,699
		<b>55,123</b>	47,946

Notes:

- (a) The corresponding cost of scrap inventories is inseparable from cost of sales.
- (b) During the current year, the PRC government granted subsidy of approximately HK\$1,081,000 (2015: HK\$1,579,000) to the PRC subsidiaries of the Company with amounts equivalent to a certain percentage of the tax paid to the local government.

附註：

- (a) 相關零碎物料存貨的成本計入銷售成本。
- (b) 於本年度，中國政府授予本公司中國附屬公司為數約1,081,000港元(2015年：1,579,000港元)之津貼，相等於其向地方政府所支付稅款若干百分比的金額。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

## 7. OTHER GAINS AND LOSSES

## 7. 其他收益及虧損

	2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Allowance for doubtful debts 呆賬撥備	<b>(4,198)</b>	(10,804)
Reversal of allowance for doubtful debts 呆賬撥備撥回	<b>2,164</b>	995
Loss on disposal of property, plant and equipment 出售物業、廠房及設備的虧損	<b>(134)</b>	(103)
Net exchange gains (losses) 匯兌收益(虧損)淨額	<b>920</b>	(1,317)
	<b>(1,248)</b>	(11,229)

## 8. FINANCE COSTS

## 8. 財務成本

	2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Interest on:		
— bank borrowings 銀行借貸	<b>13,161</b>	7,955
— other borrowings 其他借貸	<b>3,171</b>	-
	<b>16,332</b>	7,955

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

## 9. PROFIT BEFORE TAXATION

## 9. 除稅前溢利

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Profit before taxation has been arrived at after charging (crediting):	扣除(抵免)以下各項後所得的除稅前溢利:		
Directors' remuneration (note 10)	董事薪酬(附註10)	12,871	14,268
Other staff costs	其他員工成本	310,688	227,385
Retirement benefit scheme contributions for other staff	其他員工的退休福利計劃供款	38,906	31,873
Share based payment expenses, excluding those of directors	股份支付開支(不包括董事)	919	1,534
Total staff costs	員工成本總額	363,384	275,060
Amortisation of prepaid lease payments	預付租賃款項攤銷	1,478	592
Amortisation of intangible assets	無形資產攤銷	4,707	-
Depreciation of investment properties	投資物業折舊	3,129	1,564
Depreciation of property, plant and equipment	物業、廠房及設備折舊	40,425	29,934
Total depreciation and amortisation	折舊及攤銷總額	49,739	32,090
Operating lease rentals in respect of	下列各項的經營租賃租金:		
— rented premises	— 租賃物業	41,303	32,571
— retail stores (included in selling and distribution costs)	— 零售店(計入銷售及分銷成本)	26,783	21,932
		68,086	54,503
Department store counters concessionaire commission (included in selling and distribution costs) (Note a)	百貨公司專櫃特許經營佣金(計入銷售及分銷成本)(附註a)	57,158	56,193
		125,244	110,696
Auditor's remuneration (including fees for non-audit services)	核數師酬金(計入非審核服務費用)	5,216	3,895
Net provision (reversal of allowance) for inventories (included in cost of sales) (Note b)	存貨撥備(撥備撥回)淨額(計入銷售成本)(附註b)	8,023	(1,071)
Cost of inventories recognised as expenses (included in cost of sales)	確認為開支的存貨成本(計入銷售成本)	2,670,227	2,083,441
Research and development expenses (included in other expenses) (Note c)	研發開支(計入其他開支)(附註c)	58,950	39,820

Notes:

附註:

- (a) Concessionaire commission in respect of department store counters is generally calculated by applying pre-determined percentages to actual sales made through respective counters.
- (b) The reversal of allowance for inventories for the year ended 31 December 2015 was mainly resulted from the utilisation or sales of the inventories of which allowance had previously been provided.
- (c) Research and development expenses comprised staff salaries of HK\$15,158,000 (2015: HK\$12,187,000), which were also included in the staff costs disclosed above.

- (a) 百貨公司專櫃特許經營佣金一般以各專櫃的實際銷售額按預先釐定百分比計算。
- (b) 截至2015年12月31日止年度存貨撥備撥回乃主要由於動用或出售於之前已獲計提撥備的存貨所致。
- (c) 研發開支包括的員工薪金15,158,000港元(2015年: 12,187,000港元), 均計入上述所披露的員工成本。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's emoluments comprise payments to the following directors, which include the chief executive of the Company, by the Group in connection with the management of the affairs of the Group. The amount paid to each director was as follows:

### 10. 董事及最高行政人員酬金

董事及最高行政人員酬金包括就與管理本集團事務有關而向下列董事(包括本公司最高行政人員)支付的款項。向各董事支付的款項載列如下:

Name of Director	Fees	Salaries and allowances	Performance related incentive payments	Share based payment expense	Retirement benefit contributions	Total
董事姓名	袍金	薪金及津貼	有關表現的獎金	股份支付開支	退休福利計劃供款	總計
	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
			(Note (i)) (附註(i))			
<b>For the year ended 31 December 2016</b>	<b>截至2016年12月31日止年度</b>					
Mr. Lam Chi Fan (Chairman)	-	1,969	180	466	18	2,633
Mr. Cheung Tung (President and the Chief Executive)	-	2,039	220	447	18	2,724
Mr. Chen Feng	-	2,447	250	214	-	2,911
Mr. Lam Kam Cheung	-	1,547	250	140	18	1,955
Ms. Lam Fei Man	-	1,079	200	151	18	1,448
Mr. Wong Chi Keung	240	-	-	-	-	240
Professor Lam Sing Kwong Simon	240	-	-	-	-	240
Mr. Fan Chun Wah Andrew	240	-	-	-	-	240
Mr. Zhang Hwo Jie	240	-	-	-	-	240
Mr. Wu Tak Lung	240	-	-	-	-	240
	1,200	9,081	1,100	1,418	72	12,871

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

## 10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

## 10. 董事及最高行政人員酬金(續)

Name of Director	Fees	Salaries and allowances	Performance related incentive payments	Share based payment expense	Retirement benefit scheme contributions	Total
董事姓名	袍金	薪金及津貼	有關表現的獎金	股份支付開支	退休福利計劃供款	總計
	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
			(Note (i))			
			(附註(i))			
<b>For the year ended 31 December 2015</b> <b>截至2015年12月31日止年度</b>						
Mr. Lam Chi Fan (Chairman)						
林志凡先生(董事長)	-	1,902	380	748	18	3,048
Mr. Cheung Tung						
張棟先生						
(President and the Chief Executive)						
(總裁兼最高行政人員)	-	1,969	450	717	18	3,154
Mr. Chen Feng						
陳楓先生	-	2,149	500	343	-	2,992
Mr. Lam Kam Cheung						
林錦祥先生	-	1,470	480	225	18	2,193
Ms. Lam Fei Man						
林斐雯小姐	-	1,042	380	241	18	1,681
Mr. Wong Chi Keung	240	-	-	-	-	240
王志強先生	240	-	-	-	-	240
Professor Lam Sing Kwong Simon	240	-	-	-	-	240
林誠光教授	240	-	-	-	-	240
Mr. Fan Chun Wah Andrew	240	-	-	-	-	240
范駿華先生	240	-	-	-	-	240
Mr. Zhang Hwo Jie	240	-	-	-	-	240
張傑先生	240	-	-	-	-	240
Mr. Wu Tak Lung	240	-	-	-	-	240
吳德龍先生	240	-	-	-	-	240
	1,200	8,532	2,190	2,274	72	14,268

Notes:

- (i) Performance related incentive payments is recommended by the remuneration committee of the Company and is approved by the board of directors, with reference to the Group's operating results, individual performance and comparable market statistics.
- (ii) No Director nor the chief executive waived any emoluments in respect of the years ended 31 December 2016 and 2015.
- (iii) There is no loans, quasi-loans and other dealings arrangement in favour of the Directors of the Company, controlled bodies corporate of the Directors of the Company and connected entities with such Directors of the Company in respect of the years ended 31 December 2016 and 2015.

附註:

- (i) 有關表現的獎金乃參考本集團經營業績、個別人士表現及可資比較市場統計資料後由本公司薪酬委員會建議及董事會批准。
- (ii) 概無董事或最高行政人員就截至2016年及2015年12月31日止年度放棄任何酬金。
- (iii) 截至2016年12月31日止年度，概無以本公司董事、本公司董事之受控制法團及本公司該等董事關連實體為受益人之貸款、準貸款及其他交易安排。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 11. EMPLOYEES' EMOLUMENTS

#### (a) Emoluments of senior management

Of the five senior management of the Company for the year ended 31 December 2015 and 2016, all of them are directors of the Company and their remuneration has been disclosed in note 10.

#### (b) Five highest paid individuals

The five highest paid individual of the Group during the year included four directors (2015: five directors), details of whose remuneration are set out in note 10 above. Details of the remuneration for the year of the remaining one (2015: Nil) highest paid individual who is neither a director nor chief executive of the Company are as follows:

	2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Salaries, allowances and benefits in kind 薪金、津貼及實物福利	1,516	-
Performance related incentive payments (Note) 有關表現的獎金(附註)	124	-
	<b>1,640</b>	-

Note: Performance related incentive payments are reference to the Group's operating results, individual performance and comparable market statistics.

附註：與表現相關的獎勵款項乃參考本集團之經營業績、個人表現及可資比較市場數字。

The number of the highest paid individual who is not the director of the Company whose remuneration fell within the following band is as follows:

薪金屬下列等級的非本公司董事最高薪酬人士數目如下：

	2016 2016年 No. of individual 人數	2015 2015年 No. of individual 人數
HK\$1,500,001 to HK\$2,000,000 1,500,001 港元至 2,000,000 港元	1	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

## 12. INCOME TAX EXPENSES

## 12. 所得稅開支

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Current tax	即期稅項		
Hong Kong Profits Tax (Note i)	香港利得稅(附註i)	3,709	1,393
PRC Enterprise Income Tax (the "EIT") (Note ii)	中國企業所得稅(「企業所得稅」) (附註ii)	37,063	56,781
US income tax (Note iii)	美國所得稅(附註iii)	3	4,757
		<b>40,775</b>	62,931
(Over)underprovision in prior years	過往年度(超額)不足撥備		
Hong Kong Profits Tax	香港利得稅	(14,500)	(588)
PRC EIT	中國企業所得稅	(5,268)	1,637
US income tax	美國所得稅	(7,087)	(2,743)
		<b>(26,855)</b>	(1,694)
Deferred taxation (note 22)	遞延稅項(附註22)	(3,394)	(1,474)
		<b>10,526</b>	59,763

Notes:

- (i) Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.
- (ii) PRC EIT is calculated based on the statutory rate of 25% of the assessable profit for those subsidiaries established in the PRC for both years.
- The amounts include PRC withholding tax on distributed profits of a PRC subsidiary of HK\$1,115,000 for the year ended 31 December 2015.
- (iii) The US income tax includes (a) federal income tax calculated at a progressive rate of 15% to 35% on the estimated US federal taxable income and (b) state income tax calculated at various state income tax rates on the estimated state taxable income for the respective states for both years. The income subject to tax in a specific state (i.e. state taxable income) is calculated based on the federal taxable income with state tax adjustments, which is then allocated or apportioned to the respective states (i.e. percentage of taxable income that should be apportioned or specially allocated to the respective states in which the Group operates) based on the apportionment factors provided from the state tax returns in previous year.
- (iv) Under Decree-Law no. 58/99/M, the Group's Macau subsidiary incorporated under the Decree-Law, is exempted from Macau Complementary tax as it satisfies the relevant conditions as specified in the Decree-Law, one of which being that it does not sell its products to any Macau resident company during both years.

附註：

- (i) 兩個年度的香港利得稅乃按估計應課稅溢利的16.5%計算。
- (ii) 兩個年度的中國企業所得稅乃按於中國成立之附屬公司之應課稅溢利之25%之法定稅率計算。
- 截至2015年12月31日止年度，金額包括就一間中國附屬公司所分派溢利的中國預扣稅1,115,000港元。
- (iii) 美國所得稅包括(a)就估計美國聯邦所得稅收入，按15%至35%的累進稅率計算的聯邦所得稅及(b)兩個年度內就各州的估計州應課稅收入，按不同州所得稅率計算的州所得稅。特定州份的應課稅收入(即州應課稅收入)按經作出州份稅項調整(其後分配或按比例分派至各州份)的聯邦應課稅收入(即按比例分派或特別分配至本集團經營所在相關州份的應課稅收入百分比)，根據先前年度的州報稅表提供的分配因素而計算得出。
- (iv) 根據第58/99/M號法令，本集團根據該法令註冊成立的澳門附屬公司，可獲豁免繳納澳門補充稅，乃由於其符合該法令所訂明的相關條件，其中一項為其於兩個年度內並無向任何澳門本地公司銷售其產品。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 12. INCOME TAX EXPENSES (Continued)

The income tax expenses for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

### 12. 所得稅開支(續)

綜合損益及其他全面收益表的除稅前溢利與年內的所得稅開支對照如下：

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Profit before taxation	除稅前溢利	<b>110,978</b>	244,439
Tax at Hong Kong Profits Tax rate of 16.5%	按香港利得稅率16.5%計算的稅項	<b>18,311</b>	40,332
Tax effect of share of loss of an associate	應佔聯營公司虧損的稅務影響	<b>2,099</b>	1,307
Tax effect of loss on derecognition of an associate	取消確認聯營公司的稅務影響	<b>1,666</b>	-
Tax effect of expenses not deductible for tax purposes	不可扣稅的開支對稅務的影響	<b>4,135</b>	2,833
Tax effect of income not taxable for tax purposes	毋須繳稅的收入對稅務的影響	<b>(2,993)</b>	(580)
Overprovision in prior years	過往年度超額撥備	<b>(26,856)</b>	(1,694)
Tax effect of tax loss not recognised	未予確認的稅項虧損的稅務影響	<b>10,346</b>	-
Tax effect of deductible temporary difference not recognised	未予確認的可扣減臨時性差額的稅務影響	<b>(1,695)</b>	-
Utilisation of deductible temporary difference previously not recognised	動用於過往未予確認的可扣減臨時性差額	-	(844)
Deferred tax on withholding tax on undistributed earnings of PRC subsidiaries	中國附屬公司未分派盈利的預扣稅的遞延稅項	<b>2,095</b>	1,376
Tax effect of profit of a subsidiary under tax exemption in Macau	在澳門獲豁免稅項的附屬公司溢利的稅務影響	<b>(7,895)</b>	(5,913)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營的附屬公司的不同稅率影響	<b>11,313</b>	22,946
Income tax expenses	所得稅開支	<b>10,526</b>	59,763

The Inland Revenue Department (the "IRD") commenced a tax audit on certain subsidiaries of the Company in prior years. The IRD had issued estimated profits tax assessments of HK\$14,100,00, HK\$24,000,000, HK\$26,725,000, HK\$19,140,000 and HK\$24,519,000 to the Group relating to the years of assessment 2005/06, 2006/07, 2007/08, 2008/09 and 2009/10 for the financial years ended 31 December 2005, 2006, 2007, 2008 and 2009 (the "Relevant Years"), respectively. The Group had lodged objection with the IRD against the assessments and the IRD agreed that the relevant subsidiaries could holdover the tax demanded for the said years of assessment, except for the amounts of HK\$175,000, HK\$2,275,000, HK\$8,150,000 and HK\$11,300,000 concerned for the years of assessment 2006/07, 2007/08, 2008/09 and 2009/10, respectively, which were required to be paid by acquiring tax certificates by one of the subsidiaries in 2013, 2014, 2015 and 2016, respectively.

於過往年度，稅務局(「稅務局」)開始就本公司的若干附屬公司進行稅務審核。截至2005年、2006年、2007年、2008年及2009年12月31日止財政年度(「相關年度」)，稅務局已分別就2005/06年、2006/07年、2007/08年、2008/09年及2009/10年課稅年度向本集團發出金額為14,100,000港元、24,000,000港元、26,725,000港元、19,140,000港元及24,519,000港元的估計利得稅評估。本集團已就該等評估向稅務局提出異議，以及稅務局同意除其中一間附屬公司須於2013年、2014年、2015年及2016年分別就2006/07年、2007/08年、2008/09年及2009/10年課稅年度繳交金額175,000港元、2,275,000港元、8,150,000港元及11,300,000港元外，相關附屬公司可緩繳上述課稅年度要求的所有稅項。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

## 12. INCOME TAX EXPENSES (Continued)

The Group had provided various information and supporting documents from time to time. However, having considered the different opinion of the IRD on the controversial issue, and in order to avoid further protracted exchange of correspondences, which may not be in the best interest of the Company from the commercial perspective, the directors of the Company decided to take an alternative means with a compromised settlement approach to resolve the case. During the current year, the Group submitted a settlement proposal to IRD for the Relevant Years (the "Settlement Proposal") with an aggregate of HK\$93,450,000 as a full and final settlement of the tax audit. Subsequent to the submission of the Settlement Proposal, the Group received formal notices of revised assessment for the Relevant Years from the IRD pursuant to the Settlement Proposal. With the Settlement Proposal accepted by the IRD, the tax audit in respect of the Relevant Years has now been completely settled. The Group had previously made adequate provision for this tax audit in prior years. A provision of approximately HK\$14,453,000 has been released for the year ended 31 December 2016.

## 12. 所得稅開支(續)

本集團已不時提供各種資料及支持文件。然而，考慮到稅務局對此爭議事項持不同意見，為避免日後需要冗長通訊往來(從商業角度而言未必符合本公司最佳利益)，本公司董事決定採取另一種方式，以妥協和解的方式解決此案件。於本年度，本集團已向稅務局提交相關年度的和解建議(「和解建議」)，總金額為93,450,000港元，作為稅務審核的全面及最終和解。提交和解建議後，本集團收到稅務局根據和解建議發出的有關相關年度經修訂評稅的正式通知。由於稅務局已接受和解建議，相關年度的稅務審核目前已完全和解。本集團先前於過往年度曾就此稅務審核計提充足撥備。截至2016年12月31日止年度已解除撥備約14,453,000港元。

## 13. DIVIDENDS

## 13. 股息

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Dividends for ordinary shareholders of the Company recognised as distribution during the year:	年內確認為分派之本公司普通股股東之股息：		
Interim, paid — HK0.6 cent per share for 2016 (2015: HK1.5 cents per share)	2016年已派付中期股息 — 每股股份0.6港仙 (2015年：每股股份1.5港仙)	10,500	26,250
Final, paid — HK2.5 cents per share for 2015 (2015: HK2.5 cents per share for 2014)	2015年已派付末期股息 — 每股股份2.5港仙 (2015年：2014年每股股份2.5港仙)	43,750	43,750
		<b>54,250</b>	70,000

Subsequent to the end of the reporting period, a final dividend of HK1.0 cent per share in respect of the year ended 31 December 2016, amounting to approximately HK\$17,500,000 has been proposed by the board of directors and is subject to approval by the shareholders in the forthcoming annual general meeting. The proposed final dividend is not recognised as a liability in these consolidated financial statements.

於報告期末後，董事會建議就截至2016年12月31日止年度派付末期股息每股股份1.0港仙，合共約17,500,000港元，惟須待股東於應屆股東週年大會上批准。建議末期股息並未於該等綜合財務報表內確認為負債。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 14. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

### 14. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據以下數據計算：

		<b>2016</b>	2015
		<b>2016年</b>	2015年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
<i>Earnings for the purpose of basic and diluted earnings per share:</i>	計算每股基本及攤薄盈利之盈利：		
Profit for the year attributable to owners of the Company	本公司擁有人應佔年內溢利	<b>103,525</b>	172,674
		<b>2016</b>	2015
		<b>2016年</b>	2015年
<i>Number of shares:</i>	股份數目：		
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利的普通股數目加權平均數	<b>1,750,002,000</b>	1,711,645,836
Effect of dilutive potential ordinary shares in respect of outstanding share options	有關未行使購股權的潛在攤薄普通股之影響	<b>788,805</b>	2,658,793
Weighted average number of ordinary shares for the purpose of diluted earnings per share	計算每股攤薄盈利的普通股數目加權平均數	<b>1,750,790,805</b>	1,714,304,629

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 15. PROPERTY, PLANT AND EQUIPMENT

### 15. 物業、廠房及設備

		Buildings	Plant and machinery	Leasehold improvements, furniture and fixtures 租賃裝修、 家具及裝置	Motor vehicles	Construction in progress	Total
	樓宇	廠房及機器	租賃裝修、 家具及裝置	汽車	在建工程	總計	
	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	
<b>COST</b>	<b>成本</b>						
At 1 January 2015	於2015年1月1日	148,715	104,132	51,824	9,307	5,789	319,767
Exchange adjustments	匯兌調整	(6,729)	(4,994)	(794)	(428)	(304)	(13,249)
Additions	添置	1,020	12,979	9,041	2,398	6,523	31,961
Disposal	出售	-	(701)	(48)	(245)	-	(994)
Acquisition of a subsidiary	收購附屬公司	1,312	4,252	48	1,272	-	6,884
Transfers	轉撥	87	4,267	-	-	(4,354)	-
Transferred to investment properties (Note)	轉撥至物業、廠房及設備(附註)	(9,740)	-	-	-	-	(9,740)
At 31 December 2015	於2015年12月31日	134,665	119,935	60,071	12,304	7,654	334,629
Exchange adjustments	匯兌調整	(14,073)	(9,034)	(1,048)	(830)	(1,254)	(26,239)
Additions	添置	528	68,406	33,761	1,608	220,016	324,319
Disposal	出售	-	(244)	(572)	(546)	-	(1,362)
Acquisition of a subsidiary	收購附屬公司	79,899	9,875	4,936	1,148	-	95,858
Transfers	轉撥	-	3,872	60	224	(4,156)	-
At 31 December 2016	於2016年12月31日	201,019	192,810	97,208	13,908	222,260	727,205
<b>DEPRECIATION</b>	<b>折舊</b>						
At 1 January 2015	於2015年1月1日	29,794	33,112	31,745	3,724	-	98,375
Exchange adjustments	匯兌調整	(1,654)	(1,875)	(429)	(179)	-	(4,137)
Provided for the year	年度撥備	7,441	11,832	8,613	2,048	-	29,934
Elimination on disposal	出售的抵銷	-	(596)	(44)	(190)	-	(830)
Transferred to investment properties (Note)	轉撥至投資物業(附註)	(617)	-	-	-	-	(617)
At 31 December 2015	於2015年12月31日	34,964	42,473	39,885	5,403	-	122,725
Exchange adjustments	匯兌調整	(3,132)	(3,601)	(786)	(437)	-	(7,956)
Provided for the year	年度撥備	9,456	17,378	10,960	2,631	-	40,425
Elimination on disposal	出售的抵銷	-	(171)	(289)	(446)	-	(906)
At 31 December 2016	於2016年12月31日	41,288	56,079	49,770	7,151	-	154,288
<b>CARRYING VALUES</b>	<b>賬面值</b>						
At 31 December 2016	於2016年12月31日	159,731	136,731	47,438	6,757	222,260	572,917
At 31 December 2015	於2015年12月31日	99,701	77,462	20,186	6,901	7,654	211,904

The Group's buildings are erected on land in the PRC.

本集團的樓宇乃建設於中國土地上。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 15. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation is provided to write off the cost of items of property, plant and equipment, other than construction in progress, less their residual values over their estimated useful lives, using the straight-line method and at the following rates per annum:

Buildings	Over the shorter of the term of the lease or 35 years
Plant and machinery	10%–20%
Leasehold improvements, furniture and fixtures	10%–33 $\frac{1}{3}$ % or over the term of the lease, whichever is shorter
Motor vehicles	20%

Note: Property, plant and equipment were transferred to investment properties evidenced by end of owner-occupation.

### 15. 物業、廠房及設備(續)

折舊乃按撇銷物業、廠房及設備項目(在建工程除外)的成本減其於估計可使用年期內的剩餘價值使用直線法及按下列年利率計提撥備:

樓宇	按租約年期或35年 (以兩者中的較短者為準)
廠房及機器	10%–20%
租賃裝修、家具及裝置	10%–33 $\frac{1}{3}$ %或按租約年期 (以兩者中的較短者為準)
汽車	20%

附註：物業、廠房及設備於不再由業主佔用時轉撥至投資物業。

### 16. INVESTMENT PROPERTIES

### 16. 投資物業

		HK\$'000 千港元
<b>COST</b>	<b>成本</b>	
At 1 January 2015	於2015年1月1日	23,780
Exchange adjustments	匯兌調整	(1,270)
Transferred from property, plant and equipment	轉撥自物業、廠房及設備	9,740
At 31 December 2015	於2015年12月31日	32,250
Exchange adjustments	匯兌調整	(5,879)
Acquisition of a subsidiary	收購一間附屬公司	62,049
At 31 December 2016	於2016年12月31日	88,420
<b>DEPRECIATION</b>	<b>折舊</b>	
At 1 January 2015	於2015年1月1日	1,506
Exchange adjustments	匯兌調整	(113)
Provided for the year	年度撥備	1,564
Transferred from property, plant and equipment	轉撥自物業、廠房及設備	617
At 31 December 2015	於2015年12月31日	3,574
Exchange adjustments	匯兌調整	(557)
Provided for the year	年度撥備	3,129
At 31 December 2016	於2016年12月31日	6,146
<b>CARRYING VALUES</b>	<b>賬面值</b>	
At 31 December 2016	於2016年12月31日	82,274
At 31 December 2015	於2015年12月31日	28,676

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**16. INVESTMENT PROPERTIES** (Continued)

The Group's investment properties are erected on land in the PRC and are depreciated on a straight-line basis over the shorter of the term of the lease or 35 years.

As at 31 December 2016, the fair values of the Group's investment properties were HK\$166,551,000 (2015: HK\$91,679,000). The fair values have been determined by the directors of the Company.

The directors of the Company determined the fair values of the investment properties at the end of each reporting period by reference to the comparison method of valuation. The inputs used by the directors of the Company in the fair value measurements mainly include the market value of comparable properties of similar size, character and location.

In the opinion of the directors, the current use of the investment properties are their highest and best use.

The Group's investment properties represent industrial properties located in Zhejiang Province and Sichuan Province, the PRC and their fair values are measured with unobservable inputs, which is categorised within level 3 of the fair value hierarchy.

There were no transfers of investment properties into or out of level 3 during the year.

**16. 投資物業 (續)**

本集團的投資物業乃建設於中國土地上，以直線法按租約年期內或35年計算折舊，以兩者中的較短者為準。

於2016年12月31日，本集團的投資物業公平值為166,551,000港元(2015年：91,679,000港元)。本公司董事已釐定公平值。

本公司董事在各報告期末按比較估值法釐定投資物業的公平值。於計算公平值時，本公司董事所用的輸入值主要包括面積、特點及位置相若的可比較物業之市值。

董事認為投資物業的目前用途乃其最高價值及最佳用途。

本集團的投資物業乃位於中國浙江省及四川省的工業物業，其公平值以不可觀察輸入數據計量，已予分類為公平值架構層級當中的第三級。

年內投資物業並無轉入或轉出第三級。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 17. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments comprise leasehold land interests in the PRC.

### 17. 預付租賃款項

本集團的預付租賃款項包括在中國的租賃土地權益。

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Analysed for reporting purposes as:	就報告目的而分析為：		
Non-current asset	非流動資產	64,469	21,989
Current asset	流動資產	1,607	580
		<b>66,076</b>	22,569

### 18. GOODWILL

### 18. 商譽

		HK\$'000
		千港元
<b>COST</b>	<b>成本</b>	
At 1 January 2015 and 31 December 2015	於2015年1月1日及2015年12月31日	-
Exchange adjustments	匯兌調整	(1,508)
Arising on acquisition of subsidiaries	因收購附屬公司而產生	62,434
At 31 December 2016	於2016年12月31日	60,926

For the purposes of impairment testing, goodwill has been allocated to two individual CGUs, comprising Chengdu Xingang Sponge Co., Ltd. ("**Chengdu Xingang**") in the manufacturing and sales of polyurethane foam and Dormeo North America, LLC ("**Dormeo**") in the retail and wholesale of health and household products. As at 31 December 2016, the carrying amounts are HK\$24,463,000 and HK\$36,463,000, respectively.

為進行減值測試，商譽已分配至兩個個別的現金產生單位，其包括成都新港海綿有限公司（「**成都新港**」）的聚氨酯泡沫生產及銷售，以及Dormeo North America, LLC（「**Dormeo**」）的健康及家居產品零售及批發。於2016年12月31日，賬面值分別為24,463,000港元及36,463,000港元。

During the year ended 31 December 2016, the directors of the company determine that there are no impairments of any of its CGUs containing goodwill.

截至2016年12月31日止年度，本公司董事確定其任何一個涉及商譽的現金產生單位均無減值。

The basis of the recoverable amounts of the above CGUs and their major underlying assumptions are summarised below:

上述現金產生單位的可收回金額的基準及其主要相關假設概述如下：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**18. GOODWILL (Continued)****Chengdu Xingang**

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 4-year period, and a discount rate of 8%. Chengdu Xingang's cash flows beyond the 4-year period are extrapolated using a steady 3% growth rate. This growth rate is used with reference to the inflation rate in Chengdu area and the management expectation on market development. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include gross margin, expected sales from customers, the estimation is based on the Chengdu Xingang's past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of Chengdu Xingang to exceed the aggregate recoverable amount of Chengdu Xingang.

**Dormeo**

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and a discount rate of 15.6%. Dormeo's cash flows beyond the 5-year period are extrapolated using a steady 2% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include gross margin, expected sales from customers, the estimation is based on the Dormeo's past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of Dormeo to exceed the aggregate recoverable amount of Dormeo.

**18. 商譽(續)****成都新港**

此單位的可收回金額乃根據使用價值計算釐定。該項計算乃根據管理層所批准的四年財務預算使用現金流量預測按貼現率8%計算。成都新港四年後的現金流量採用3%的穩定增長率推算。此增長率乃參考成都之通脹率及管理層對市場發展的預測計算，而且並不會超出相關行業的平均長期增長率。使用價值計算的其他主要假設與現金流入／流出的估計有關，有關估計包括毛利率、預計來自客戶的銷售，而該估計乃根據成都新港的過往表現以及管理層對市場發展的預期而作出。管理層相信任何該等假設的合理可能變動將不會導致成都新港的賬面總值高於成都新港的可收回總額。

**Dormeo**

此單位的可收回金額乃根據使用價值計算釐定。該項計算乃根據管理層所批准的五年財務預算使用現金流量預測按貼現率15.6%計算。Dormeo五年後的現金流量採用2%的穩定增長率推算。此增長率乃根據相關行業增長預測計算，而且並不會超出相關行業的平均長期增長率。使用價值計算的其他主要假設與現金流入／流出的估計有關，有關估計包括毛利率、預計來自客戶的銷售，而該估計乃根據Dormeo的過往表現以及管理層對市場發展的預期而作出。管理層相信任何該等假設的合理可能變動將不會導致Dormeo的賬面總值高於Dormeo的可收回總額。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 19. INTANGIBLE ASSETS

### 19. 無形資產

		<b>Brand name</b> 品牌名稱 HK\$'000 千港元	<b>Customer relationship</b> 客戶關係 HK\$'000 千港元	<b>Total</b> 總計 HK\$'000 千港元
<b>COST</b>	<b>成本</b>			
At 1 January 2015 and 31 December 2015	於2015年1月1日及2015年12月31日	-	-	-
Acquired on acquisition of a subsidiary	因收購一間附屬公司而收購	85,483	62,769	148,252
At 31 December 2016	於2016年12月31日	85,483	62,769	148,252
<b>AMORTISATION</b>	<b>攤銷</b>			
At 1 January 2015 and 31 December 2015	於2015年1月1日及2015年12月31日	-	-	-
Charge for the year	年內支出	-	4,707	4,707
At 31 December 2016	於2016年12月31日	-	4,707	4,707
<b>CARRYING VALUES</b>	<b>賬面值</b>			
At 31 December 2016	於2016年12月31日	85,483	58,062	143,545
At 31 December 2015	於2015年12月31日	-	-	-

The customer relationship has finite useful lives of 10 years and amortised on a straight-line basis.

客戶關係的有限可使用年期為十年，並按直線基準攤銷。

The brand name has indefinite useful life. The directors of the Company are of the opinion that the brand name is developed through years of advertising, promotional campaigns, and customer satisfaction.

品牌名稱的可使用年期為無限。本公司董事認為品牌名稱乃由多年來的廣告、推廣活動及客戶滿意度所建立。

As a result, the brand name is considered by the directors of the Company as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The brand name will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired.

因此，由於品牌名稱預期將無限地貢獻現金流量淨額，故其被本公司董事視為擁有無限可使用年期。品牌名稱並不會被攤銷，直至其可使用年期被釐定為有限。相反，每年以及倘有跡象顯示其可能出現減值時，其將須進行減值測試。

The brand name is acquired on acquisition of Dormeo, the basis of the recoverable amount and its major underlying assumptions are summarised in note 18.

品牌名稱於收購 Dormeo 時獲收購，而可收回金額的基準及其主要相關假設於附註 18 概述。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

## 20. INTEREST IN AN ASSOCIATE

## 20. 於一間聯營公司之權益

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Cost of investment	投資成本	-	79,493
Share of post-acquisition loss	應佔收購後虧損	-	(7,924)
		-	71,569

## Consolidated financial position

## 綜合財務狀況

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Current assets	流動資產	-	59,363
Non-current assets	非流動資產	-	17,241
Current liabilities	流動負債	-	54,466
Net assets	資產淨值	-	22,138

## Result for the period upon deem disposal/since acquisition

## 視作出售後／自收購起期間之業績

		HK\$'000 千港元	HK\$'000 千港元
Revenue	收入	36,300	33,697
Loss and total comprehensive expense for the period	期內虧損及全面開支總額	(34,847)	(17,335)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 20. INTEREST IN AN ASSOCIATE (Continued)

#### Result for the period upon deem disposal/since acquisition (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements for the year ended 31 December 2015:

		HK\$'000 千港元
Net assets of the associate	聯營公司之淨資產	22,138
Proportion of the Group's ownership interest in the associate	本集團佔聯營公司所有權權益之比例	25%
		5,535
Goodwill	商譽	55,200
Effect of fair value adjustments at acquisition	收購事項之公平值調整的影響	8,841
Acquisition cost	收購成本	1,993
Carrying amount of the Group's interest in the associate	本集團佔聯營公司權益之賬面金額	71,569

On 11 April 2016, the Group further acquired 14.81% membership interests in Dormeo. For details of the step acquisition of Dormeo, please refer to note 34(b). The Group recognised a net loss of approximately of HK\$10,100,000 as a result of the re-measurement of membership interests in Dormeo previously held and the derivative financial assets related to membership interests in Dormeo upon waiver of Possible Reduction (as defined in note 34(b)). The net loss is included in "Net loss on derecognition of an associate" line item in the consolidated statement of profit or loss and other comprehensive income.

### 20. 於一間聯營公司之權益(續)

視作出售後／自收購起期間之業績(續)

截至2015年12月31日止年度之財務資料概要與於綜合財務報表中確認的於聯營公司權益之賬面值之對賬如下：

於2016年4月11日，本集團進一步收購Dormeo 14.81%股東權益。有關分步收購Dormeo之詳情，請參閱附註34(b)。本集團就豁免可能削減(定義見附註34(b))後重新計量Dormeo先前持有之股東權益及與Dormeo股東權益相關之衍生金融資產確認虧損淨額約10,100,000港元。有關虧損淨額計入綜合損益及其他全面收益表中「終止確認一間聯營公司之虧損淨額」中。

### 21. RENTAL DEPOSITS

The balances represent rental deposits placed by the Group in connection with its rented premises, retail stores and department store counters. The relevant leases will either expire after one year from the end of the reporting period, or if the remaining lease term is less than one year, the Group has the positive intention to renew the leases upon expiry. Therefore, the balances are classified as non-current.

### 21. 租金按金

結餘相當於本集團就其租賃物業、零售店及百貨公司專櫃置付的租金按金。相關租賃將於自報告期末起計一年屆滿；或倘若剩餘的租賃年期少於一年，本集團有意在屆滿後重訂租賃。因此，結餘獲分類為非流動。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

## 22. DEFERRED TAXATION

The following are the deferred tax (liabilities) assets recognised and movements thereon during the reporting period:

## 22. 遞延稅項

以下為於報告期獲確認的遞延稅項(負債)資產及其變動:

		Undistributed profits of PRC subsidiaries 中國附屬公司的未分配溢利	Unrealised profit in inventories 存貨未變現溢利	Tax losses 稅項虧損	Allowance for inventories and doubtful debts 存貨及呆賬撥備	Land appreciation tax 土地增值稅	Revaluation of properties upon acquisition 收購後物業估值	Amortisation of intangible assets 無形資產攤銷	Others 其他	Total 總計
		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2015年1月1日	(9,353)	3,116	738	12,795	-	-	-	922	8,218
Exchange adjustments	匯兌調整	(2)	-	(33)	(33)	-	-	-	66	(2)
(Charged) credited to profit or loss	於損益(扣除)計入	(1,376)	(724)	2,115	104	-	-	-	240	359
Released to profit or loss upon payment of dividends	支付股息後撥至損益	1,115	-	-	-	-	-	-	-	1,115
At 31 December 2015	於2015年12月31日	(9,616)	2,392	2,820	12,866	-	-	-	1,228	9,690
Exchange adjustments	匯兌調整	(11)	-	-	(813)	1,898	1,574	-	(12)	2,636
(Charged) credited to profit or loss	於損益(扣除)計入	(2,095)	(2,247)	3,552	1,513	-	712	1,600	359	3,394
Arising from acquisition	產生自收購	-	-	-	-	(32,671)	(27,815)	(51,888)	-	(112,374)
At 31 December 2016	於2016年12月31日	(11,722)	145	6,372	13,566	(30,773)	(25,529)	(50,288)	1,575	(96,654)

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset.

就綜合財務狀況表的呈列而言，若干遞延稅項資產及負債已予以抵銷。

The following is the analysis of the deferred tax balances for financial reporting purposes:

以下為就財務報告作出的遞延稅項結餘分析:

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	22,673	19,937
Deferred tax liabilities	遞延稅項負債	(119,327)	(10,247)
		(96,654)	9,690

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 22. DEFERRED TAXATION (Continued)

At the end of the reporting period, the Group has unused tax losses of HK\$93,247,000 (2015: HK\$17,090,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK\$30,543,000 (2015: HK\$17,090,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$62,704,000 (2015: Nil) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK\$15,670,000 (2015: Nil) that will expire in 2021. Other losses may be carried forward indefinitely.

As at 31 December 2016, the Group had deductible temporary differences mainly arising from allowance for inventories and doubtful debts and unrealised profits on inventories of HK\$49,636,000 (2015: HK\$52,808,000). Deferred tax assets have been recognised in respect of such deductible temporary differences of HK\$46,696,000 (2015: HK\$52,333,000). No deferred tax asset has been recognised in relation to the remaining deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Under the PRC Enterprise Income Tax Law, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in respect of temporary differences attributable to the undistributed profit earned by certain of the PRC subsidiaries as at 31 December 2016 of Renminbi ("RMB") 290,494,000 (equivalent to HK\$355,728,000) (2015: 228,975,000 (equivalent to HK\$284,480,000)), as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. As at 31 December 2016, deferred tax has been provided in respect of remaining balance of the temporary difference to the undistributed profits earned by PRC subsidiaries from 1 January 2008 onwards.

The Group is liable to withholding tax on dividends distributed from Sinomax USA. As at 31 December 2016, the Group had temporary differences relating to the undistributed profits of Sinomax USA of US\$6,149,000 (equivalent to HK\$47,655,000) (2015: US\$3,851,000 (equivalent to HK\$29,892,000)). Deferred taxation has not been provided for such temporary differences as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

### 22. 遞延稅項(續)

於報告期末，本集團有未動用稅項虧損93,247,000港元(2015年：17,090,000港元)可供抵銷未來溢利。已就有關虧損30,543,000港元(2015年：17,090,000港元)確認遞延稅項資產。由於未來溢利難以預測，故並無就餘下62,704,000港元(2015年：無)確認實驗稅項資產。將於2021年屆滿之虧損15,670,000港元(2015年：無)於未確認稅項虧損確認。其他虧損可無限期結轉。

於2016年12月31日，本集團主要因存貨及呆賬及存貨未變現溢利撥備而產生可扣減短暫差額49,636,000港元(2015年：52,808,000港元)。已就有關可扣減短暫差額46,696,000港元(2015年：52,333,000港元)確認遞延稅項資產。由於不大可能有應課稅溢利可用作扣減臨時性差額，故並無就剩餘可扣減臨時性差額確認遞延稅項資產。

根據中國企業所得稅法，由2008年1月1日起，中國附屬公司就其所賺溢利所宣派的股息須繳納預扣稅。由於本集團能控制撥回臨時性差額的時間，以及於可見未來不大可能撥回臨時性差額，因此並無就中國附屬公司於2016年12月31日賺取的未分派溢利人民幣(「人民幣」)290,494,000元(相當於355,728,000港元)(2015年：人民幣228,975,000元(相當於284,480,000港元))應佔的臨時性差額作出遞延稅項撥備。於2016年12月31日，已就中國附屬公司於2008年1月1日起賺取的未分派溢利臨時性差額的餘額作出遞延稅項撥備。

本集團須就Sinomax USA分派的股息繳付預扣稅。於2016年12月31日，本集團就Sinomax USA未分派溢利的臨時性差額為6,149,000美元(相當於47,655,000港元)(2015年：3,851,000美元(相當於29,892,000港元))。由於本集團能控制撥回臨時性差額的時間，已及於可見未來不大可能撥回臨時性差額，故並無就該等臨時性差額作出遞延稅項撥備。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

## 23. INVENTORIES

## 23. 存貨

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Raw materials	原材料	149,480	72,292
Work in progress	在建工程	68,423	31,887
Finished goods	製成品	258,038	194,528
		<b>475,941</b>	298,707

## 24. TRADE AND OTHER RECEIVABLES

## 24. 貿易及其他應收款項

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Trade receivables	貿易應收款項	754,373	548,408
Less: allowance for doubtful debts	減：呆賬撥備	(23,363)	(27,514)
		<b>731,010</b>	520,894
Other receivables	其他應收款項		
Prepayments for purchase of raw materials and operating expenses	購買原材料的預付款項及經營開支	82,169	67,007
Other taxes recoverable	其他可收回稅項	49,019	15,230
Advance to staff	預付員工款項	2,185	5,482
Others	其他	6,377	4,793
		<b>139,750</b>	92,512
Total trade and other receivables	貿易及其他應收款項總額	<b>870,760</b>	613,406

The Group's retail sales are made through its retail network comprising stand-alone retail shops and concession counters in department stores. The Group also sells health and household products directly to overseas wholesalers and retailers and the polyurethane foam to furniture manufacturers in the PRC. Sales at self-operated retail shops and sales through retailers in the PRC are transacted either by cash or credit cards. For sales made at concession counters, the department stores collect cash from the ultimate customers and then repay the balance after deducting the concessionaire commission to the Group. The credit period granted to department stores ranges from 30 days to 120 days. For sales to wholesalers, retailers and other manufacturers, the Group generally allows a credit period ranging from 7 days to 90 days.

本集團透過本集團的零售網絡(包括獨立零售店及位於百貨公司的寄售專櫃)進行零售銷售。本集團亦向海外批發商及零售商直接銷售健康及家庭產品，以及向中國的家具有生產商銷售聚氨酯泡沫。於自營零售店及透過中國零售商進行的銷售均以現金或信用卡進行交易。就於寄售專櫃進行的銷售而言，由百貨公司向最終客戶收取現金，於扣除特許經營佣金後，向本集團償還餘額。授予百貨公司的信貸期介乎30日至120日。就向批發商、零售商及其他生產商的銷售而言，本集團一般授予的信貸期介乎7日至90日。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 24. TRADE AND OTHER RECEIVABLES (Continued) 24. 貿易及其他應收款項(續)

The following is an aged analysis of trade receivables, net of allowance for doubtful debts, presented based on the revenue recognition date at the end of each reporting period.

以下為經扣除呆賬撥備的貿易應收款項的賬齡分析(根據各報告期末的收入確認日期呈列)。

		<b>2016</b>	2015
		<b>2016年</b>	2015年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Within 30 days	30日以內	<b>371,154</b>	249,521
31 to 60 days	31至60日	<b>206,123</b>	142,112
61 to 90 days	61至90日	<b>106,625</b>	54,232
91 to 180 days	91至180日	<b>33,326</b>	20,830
181 to 365 days	181至365日	<b>6,758</b>	29,578
Over 365 days	超過365日	<b>7,024</b>	24,621
		<b>731,010</b>	520,894

For sales to wholesalers, retailers and other manufacturers, before accepting any new customer, the Group will internally assess the potential customers' credit quality and define the credit limits based on results from investigation of historical credit records of these customers.

就向批發商、零售商及其他生產商的銷售而言，於接納任何新客戶之前，本集團會對潛在客戶的信貸質素進行內部評估，並會根據本集團對該等客戶過往信貸記錄的調查結果界定信貸限額。

The management of the Group closely monitors the credit quality of trade receivables and considers the debts that are neither past due nor impaired to be of a good credit quality and the Group maintains a good business relationship with those customers.

本集團管理層會密切監察貿易應收款項的信貸質素，並認為既未逾期又未減值的債務具有良好的信貸質素，且本集團與該等客戶維持良好業務關係。

Included in the Group's trade receivables balance are debtors with aggregate carrying amounts of HK\$215,303,000 (2015: HK\$142,583,000), which are past due at end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

總賬面值為215,303,000港元(2015年：142,583,000港元)的應收債項已計入本集團的貿易應收款項結餘，該等款項於報告期末已逾期，惟本集團並無就此作出減值虧損撥備。本集團並無就該等結餘持有任何抵押品。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**24. TRADE AND OTHER RECEIVABLES (Continued)** **24. 貿易及其他應收款項 (續)**

The following is an aged analysis of trade receivables which are past due but not impaired at the end of each reporting period.

以下為於各報告期末的已逾期但未減值的貿易應收款項賬齡分析。

		<b>2016</b>	2015
		<b>2016年</b>	2015年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Within 30 days	30日以內	<b>127,820</b>	48,563
31 to 60 days	31至60日	<b>45,017</b>	51,258
61 to 90 days	61至90日	<b>22,785</b>	4,452
91 to 180 days	91至180日	<b>11,085</b>	11,565
181 to 365 days	181至365日	<b>1,988</b>	2,124
Over 365 days	超過365日	<b>6,608</b>	24,621
		<b>215,303</b>	142,583

**Movement in the allowance for doubtful debts****呆賬撥備變動**

		<b>2016</b>	2015
		<b>2016年</b>	2015年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Balance at beginning of the year	年初結餘	<b>27,514</b>	28,316
Exchange adjustments	匯兌調整	<b>(1,082)</b>	(785)
Allowance for doubtful debts	呆賬撥備	<b>4,198</b>	10,804
Reversal of allowance for doubtful debts	呆賬撥備撥回	<b>(2,164)</b>	(995)
Bad debts written off	已撇銷壞賬	<b>(5,103)</b>	(9,826)
Balance at end of the year	年末結餘	<b>23,363</b>	27,514

Allowance are made based on the settlement records, aging analysis and internal assessment of recoverability of the debt.

撥備乃根據償付記錄、賬齡分析及債務可收回性之內部評估而作出。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 25. BILLS RECEIVABLES

The amount represents bills receivables on hand which are not yet due at the end of the reporting period. The management considers the default rate is low based on past experience as the Group seldom encounters default on bills receivables.

The following is an aged analysis of bills receivables based on their time to maturity as at the respective reporting dates.

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Within 30 days	30日以內	2,850	3,538
31 to 60 days	31至60日	923	2,850
61 to 90 days	61至90日	1,179	3,071
91 to 180 days	91至180日	6,762	12,822
181 to 365 days	181至365日	-	204
		<b>11,714</b>	<b>22,485</b>

### 26. PLEDGED BANK DEPOSITS/STRUCTURED BANK DEPOSITS/FIXED BANK DEPOSITS/BANK BALANCES AND CASH

#### (a) Pledged bank deposits

As at 31 December 2016, pledged bank deposits with original maturity of more than three months carried interest at fixed rates ranging from 3.10% to 3.13% (2015: 2.80% to 3.05%) per annum, respectively. The bank deposits have been pledged to secure the Group's general banking facilities and are classified as current assets. The pledged bank deposits will be released upon the settlement of relevant bills payable.

### 25. 應收票據

該等金額為於報告期末尚未逾期的手頭應收票據。根據過往經驗，由於本集團甚少遇到應收票據違約情況，故管理層認為違約率甚低。

以下為於各呈報日期按其到期時間呈列的應收票據賬齡分析。

### 26. 已抵押銀行存款／結構性銀行存款／定期銀行存款／銀行結餘及現金

#### (a) 已抵押銀行存款

於2016年12月31日，原到期日為三個月以上的已抵押銀行存款按固定利率計息，分別介乎每年3.10%至3.13%（2015年：2.80%至3.05%）。銀行存款已作抵押以取得本集團的一般銀行融資，分類為流動資產。已抵押銀行存款將於相關應付票據結償後解除。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**26. PLEDGED BANK DEPOSITS/STRUCTURED BANK DEPOSITS/FIXED BANK DEPOSITS/BANK BALANCES AND CASH** (Continued)**26. 已抵押銀行存款／結構性銀行存款／定期銀行存款／銀行結餘及現金** (續)**(b) Structured bank deposits**

As at 31 December 2015, structured bank deposits carried interest at variable rates ranging 1.25% to 2.27% per annum. These deposits bore guaranteed minimum interest of 1.25% per annum, their principals were guaranteed and the deposits may be withdrawn by the Group at any time. Interest rates of these structured deposits varied depending on the movement of market interest rates and foreign exchange rates at the respective maturity dates and those features constituted embedded derivatives. Some of the embedded derivatives were closely related whereas some were not based on assessment of their risks and characteristics. For the non-closely related embedded derivatives, their fair values were assessed to be not significant during the reporting period.

**(c) Fixed bank deposits**

As at 31 December 2016, fixed bank deposits with original maturity of more than three months carried interest at fixed rates ranging from 1.40% to 2.27% (2015: 1.60% to 2.27%) per annum.

**(d) Bank balances**

As at 31 December 2016, bank balances carried interest at market rates ranging from 0.01% to 3.30% (2015: 0.01% to 3.30%) per annum.

**(e) Bank overdrafts**

As at 31 December 2016, the Group had bank overdrafts of approximately HK\$59,000 (2015: Nil). Bank overdrafts carry interest at market rate of 5.5% (2015: Nil) per annum.

**(b) 結構性銀行存款**

於2015年12月31日，結構性銀行存款按浮動利率計息，介乎每年1.25%至2.27%。該等存款附有最低保證年利率1.25%，其本金乃受保障及本集團可於任何時間提取存款。此等結構性存款的利率乃根據於相關到期日市場利率及外匯匯率變動而改變，而該等特性構成內嵌式衍生工具。部分內嵌式衍生工具的關係密切，部分則否，視乎對其風險及特色的評估而定。就非關係密切的內嵌式衍生工具而言，其公平值於報告期內被評估為不重大。

**(c) 定期銀行存款**

於2016年12月31日，原到期日為三個月以上的定期銀行存款按固定利率計息，介乎每年1.40%至2.27%（2015年：1.60%至2.27%）。

**(d) 銀行結餘**

於2016年12月31日，銀行結餘以市場利率計息，介乎每年0.01%至3.30%（2015年：0.01%至3.30%）。

**(e) 銀行透支**

於2016年12月31日，本集團有銀行透支約59,000港元（2015年：無）。銀行透支按每年5.5%（2015年：無）之市場利率計息。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 27. TRADE AND OTHER PAYABLES

### 27. 貿易及其他應付款項

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Trade payables	貿易應付款項	<b>395,725</b>	200,804
Deposits received from customers	自客戶收取的按金	<b>14,267</b>	15,915
Accrued expenses/provision for expenses	應計開支／開支撥備	<b>97,776</b>	95,822
Other taxes payable	其他應付稅項	<b>30,741</b>	29,121
Amount due to a non-controlling shareholder of a subsidiary (Note)	應付結欠附屬公司非控股股東的款項(附註)	<b>6,543</b>	6,543
Payable for property, plant and equipment	應付物業、廠房及設備款項	<b>29,981</b>	-
Payable for freight charges	應付運費	<b>17,674</b>	9,401
Others	其他	<b>24,624</b>	9,951
		<b>221,606</b>	166,753
Total trade and other payables	貿易及其他應付款項總額	<b>617,331</b>	367,557

Note: The amount was unsecured, interest-free and repayable on demand.

附註：該款項為無抵押、免息及須按的要求償還。

The credit period of trade payables is from 30 to 60 days.

貿易應付款項的信貸期為30至60日。

The following is an aged analysis of trade payables based on the invoice date at the end of each reporting period.

以下為於各報告期末按發票日期呈列的貿易應付款項賬齡分析。

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Within 30 days	30日以內	<b>204,086</b>	131,749
31 to 60 days	31至60日	<b>131,086</b>	58,446
61 to 90 days	61至90日	<b>46,071</b>	4,025
91 to 180 days	91至180日	<b>9,242</b>	2,795
Over 180 days	超過180日	<b>5,240</b>	3,789
		<b>395,725</b>	200,804

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**28. BILLS PAYABLES**

All the bills payables of the Group are not yet due at the end of each reporting period. Bills payables as at 31 December 2016 were secured by pledged bank deposits of HK\$5,053,000 (2015: HK\$8,513,000).

The following is an aged analysis of bills payables at the end of the reporting period presented based on bills issue date:

		<b>2016</b>	2015
		<b>2016年</b>	2015年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Within 30 days	30日以內	<b>7,267</b>	4,392
31 to 60 days	31至60日	<b>42,426</b>	11,588
61 to 90 days	61至90日	<b>17,392</b>	8,070
91 to 180 days	91至180日	<b>18,348</b>	35,443
		<b>85,433</b>	59,493

**28. 應付票據**

本集團的所有應付票據於各報告期末尚未到期。於2016年12月31日的應付票據以已抵押銀行存款5,053,000港元(2015年：8,513,000港元)作抵押。

以下為於報告期末按票據發行日期所呈列的應付票據賬齡分析：

**29. UNSECURED BANK BORROWINGS**

		<b>2016</b>	2015
		<b>2016年</b>	2015年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Trade loans	貿易貸款	<b>130,000</b>	38,000
Term loans	定期貸款	<b>346,896</b>	122,541
		<b>476,896</b>	160,541
Variable-rate	浮動利率	<b>366,293</b>	160,541
Fixed-rate	固定利率	<b>110,603</b>	-
		<b>476,896</b>	160,541
Carrying amounts repayable*	應償還賬面值*		
Within one year	一年內	<b>270,259</b>	130,541
More than one year, but not more than two years	超過一年但兩年以內	<b>112,105</b>	8,000
More than two years, but not more than five years	超過兩年但五年以內	<b>94,532</b>	22,000
		<b>476,896</b>	160,541

**29. 無抵押銀行借款**

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

## 29. UNSECURED BANK BORROWINGS

(Continued)

## 29. 無抵押銀行借款(續)

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Analysis of carrying amounts:	賬面值分析：		
Bank borrowings that are repayable within one year from the end of the reporting period	須於報告期末起計一年內償還的銀行借款	<b>270,259</b>	130,541
Bank borrowings that are not repayable within one year from the end of the reporting period but contain a repayable on demand clause (shown under current liabilities)	毋須於報告期末起計一年內償還但包含須按要求償還條款的銀行借款(於即期負債呈列)		
More than one year, but not more than two years	超過一年但兩年以內	<b>72,667</b>	8,000
More than two years, but not more than five years	超過兩年但五年以內	<b>48,667</b>	22,000
		<b>391,593</b>	160,541
Amounts shown under non-current liabilities	非流動負債項下呈列金額	<b>85,303</b>	-
		<b>476,896</b>	160,541

\* The amounts due are based on scheduled repayment dates set out in the loan agreements.

\* 到期款項以貸款協議載列的預定還款日期為基準。

Variable-rate bank borrowings bear interest with reference to Hong Kong Interbank Offered Rate and Prime rate plus a specific margin of the relevant banks.

浮動利率銀行借款按香港銀行同業拆息及相關銀行的最優惠利率加特定利潤率計息。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**29. UNSECURED BANK BORROWINGS***(Continued)*

Included in bank borrowings are the following amounts denominated in a currency other than the functional currency of the corresponding group entity which it relates:

		<b>2016</b>	2015
		<b>2016年</b>	2015年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
US\$	美元	<b>163,491</b>	38,750

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings, are as follows:

		<b>2016</b>	2015
		<b>2016年</b>	2015年
Effective interest rates (per annum):	實際年利率：		
Variable-rate borrowings	浮動利率借款	<b>1.75% – 4.64%</b>	1.45% – 6.90%
Fixed-rate borrowings	固定利率借款	<b>3.95% – 6.09%</b>	N/A 不適用

As at 31 December 2016, a non-controlling shareholder of a subsidiary had provided a guarantee to a bank to secure the bank facilities granted to that subsidiary to the extent of RMB17,600,000, out of which RMB14,000,000 (equivalent to approximately HK\$15,802,000) (2015: RMB17,600,000, out of which RMB14,000,000 (equivalent to approximately HK\$16,888,000)), were utilised.

**29. 無抵押銀行借款(續)**

下列為計入銀行借款的金額(以所涉相關集團實體功能貨幣以外的貨幣列值)：

本集團的借款實際利率(相等於訂約利率)範圍分別如下：

於2016年12月31日，一間附屬公司的非控股股東向銀行提供擔保，以取得銀行向該附屬公司授予上限為人民幣17,600,000元的銀行融資，當中已動用人民幣14,000,000元(相當於約15,802,000港元)(2015年：人民幣17,600,000元，當中已動用人民幣14,000,000元(相當於約16,888,000港元))。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 30. SHARE CAPITAL

### 30. 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.1 each	每股0.1港元的普通股		
Authorised:	法定：		
At 1 January 2015, 31 December 2015 and 2016	於2015年1月1日以及2015年及 2016年12月31日	10,000,000,000	1,000,000
		Number of shares 股份數目	HK\$'000 千港元
Issued and fully paid:	已發行及繳足：		
At 1 January 2015	於2015年1月1日	1,650,002,000	165,000
Issue of shares upon placement (Note a)	配售時發行股份(附註a)	100,000,000	10,000
At 31 December 2015 and 2016	於2015年及2016年12月31日	1,750,002,000	175,000

Notes:

- (a) On 15 May 2015, the Company entered into a placing agreement to place up to 100,000,000 new shares to Sinomax Enterprises at HK\$1.06 per share. On 21 May 2015, 100,000,000 new shares were issued and allotted upon the placement. The net proceeds are to be used to fund the Group's business expansion in the US and general working capital.

附註：

- (a) 於2015年5月15日，本公司訂立一份配售協議，以每股股份1.06港元的價格向聖諾盟企業配售多達100,000,000股新股。於2015年5月21日，100,000,000股新股於配售後發行及配發。所得款項淨額將用於為本集團的美國業務擴張及一般營運資本提供資金。

### 31. SHARE OPTION SCHEMES

### 31. 購股權計劃

#### (i) The Pre-IPO Share Option Scheme

On 13 December 2013, a share option scheme was adopted by the shareholders of the Company (the "Pre-IPO Share Option Scheme"). The Pre-IPO Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions that the eligible participants under the scheme have or may have made to the Company.

The eligible participants include any full-time or part-time employees, executives or officers (including executive, non-executive and independent non-executive directors) of the Company or any of its subsidiaries and any suppliers, customers, consultants, agents and advisers who, in the opinion of the directors of the Company, will contribute or have contributed to the Company and/or any of its subsidiaries.

#### (i) 首次公開發售前購股權計劃

於2013年12月13日，本公司股東採納購股權計劃(「首次公開發售前購股權計劃」)。首次公開發售前購股權計劃為一項股份獎勵計劃，旨在肯定及認可該計劃項下的合資格參與者對本公司已作出或可能已作出的貢獻。

合資格參與者包括本公司或其任何附屬公司的任何全職或兼職僱員、行政人員或高級職員(包括執行、非執行及獨立非執行董事)，以及本公司董事認為將會或已對本公司及／或其任何附屬公司作出貢獻的任何供應商、客戶、諮詢顧問、代理及顧問。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

## 31. SHARE OPTION SCHEMES (Continued)

## (i) The Pre-IPO Share Option Scheme (Continued)

Upon acceptance of the share option, the grantee shall pay HK\$1 to the Company by way of consideration for the grant.

On 13 December 2013, the Company has authorised to grant to 140 eligible participants to subscribe for an aggregate of 34,918,000 shares under the Pre-IPO Share Option Scheme. In February 2014, the Company granted share options to 137 eligible participants to subscribe for an aggregate of 34,903,000 shares.

The subscription price of a share in respect of any particular share option offered under the Pre-IPO Share Option Scheme shall be a price representing 30% discount to the Offer Price.

The share options granted to each grantee under the Pre-IPO Share Option Scheme shall be vested equally in five tranches commencing on 10 July 2014, the first date on which dealings in the shares of the Company commenced on the Stock Exchange (the "Listing Date") and on each of the first, second, third and fourth anniversary of the Listing Date. The grantees to whom a share option has been granted under the Pre-IPO Share Option Scheme will be entitled to exercise the share option any time after the share option has been vested but in any event on or before the date falling on the fifth anniversary of the Listing Date. The share options granted under the Pre-IPO Share Option Scheme are not transferable and share options not exercised within the exercise period will lapse and cease to be of further effect.

The Pre-IPO Share Option Scheme expired on 10 July 2014 and will cease to have effect after 10 July 2014. Share options granted prior to the expiration of the Pre-IPO Share Option Scheme but not yet exercised at that time shall continue to be valid and exercisable in accordance with the Pre-IPO Share Option Scheme.

## 31. 購股權計劃(續)

## (i) 首次公開發售前購股權計劃(續)

於接納購股權後，承授人將向本公司支付1港元作為獲授購股權的代價。

於2013年12月13日，本公司獲授權向首次公開發售前購股權計劃項下140名合資格參與者授出合共可認購34,918,000股股份的購股權。於2014年2月，本公司向137名合資格參與者授出合共可認購34,903,000股股份的購股權。

根據首次公開發售前購股權計劃發售之任何特定購股權涉及之股份之認購價將相當於發售價折讓30%之價格。

根據首次公開發售前購股權計劃授予每名承授人的購股權將自2014年7月10日(本公司股份開始於聯交所買賣的首日)(「上市日期」)開始，於上市日期首個週年日、第二個週年日、第三個週年日及第四個週年日平均分五批歸屬。根據首次公開發售前購股權計劃獲授購股權的承授人將有權於購股權獲歸屬後(惟在任何情況下須於上市日期第五個週年日當日或之前)隨時行使購股權。根據首次公開發售前購股權計劃授出的購股權不可轉讓，及於行使期間尚未行使的購股權將失效及不再具有其他效力。

首次公開發售前購股權計劃已於2014年7月10日屆滿，及將於2014年7月10日後不再具有效力。於首次公開發售前購股權計劃屆滿前授出但當時尚未行使的購股權將繼續有效及根據首次公開發售前購股權計劃可予行使。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 31. SHARE OPTION SCHEMES (Continued)

#### (i) The Pre-IPO Share Option Scheme (Continued)

The following tables disclose details of movements of share options granted under the Pre-IPO Share Option Scheme:

Options	Vesting period	Outstanding at 1.1.2015 於2015年 1月1日 尚未行使	Lapsed during the year 於年內失效 (Note (a)) (附註(a))	Outstanding at 31.12.2015 於2015年 12月31日 尚未行使	Lapsed during the year 於年內失效	Exercised during the year 於年內行使	Outstanding at 31.12.2016 於2016年 12月31日 尚未行使
<i>Directors</i> <i>董事</i>							
Tranche 1 第一批	10.02.2014 – 10.07.2014 2014年2月10日至2014年7月10日	4,045,240	-	4,045,240	-	-	4,045,240
Tranche 2 第二批	10.02.2014 – 10.07.2015 2014年2月10日至2015年7月10日	4,045,240	-	4,045,240	-	-	4,045,240
Tranche 3 第三批	10.02.2014 – 10.07.2016 2014年2月10日至2016年7月10日	4,045,240	-	4,045,240	-	-	4,045,240
Tranche 4 第四批	10.02.2014 – 10.07.2017 2014年2月10日至2017年7月10日	4,045,240	-	4,045,240	-	-	4,045,240
Tranche 5 第五批	10.02.2014 – 10.07.2018 2014年2月10日至2018年7月10日	4,045,240	-	4,045,240	-	-	4,045,240
		20,226,200	-	20,226,200	-	-	20,226,200
<i>Senior management</i> <i>高級管理層</i>							
Tranche 1 第一批	10.02.2014 – 10.07.2014 2014年2月10日至2014年7月10日	1,007,560	-	1,007,560	-	-	1,007,560
Tranche 2 第二批	10.02.2014 – 10.07.2015 2014年2月10日至2015年7月10日	1,007,560	-	1,007,560	-	-	1,007,560
Tranche 3 第三批	10.02.2014 – 10.07.2016 2014年2月10日至2016年7月10日	1,007,560	-	1,007,560	-	-	1,007,560
Tranche 4 第四批	10.02.2014 – 10.07.2017 2014年2月10日至2017年7月10日	1,007,560	-	1,007,560	-	-	1,007,560
Tranche 5 第五批	10.02.2014 – 10.07.2018 2014年2月10日至2018年7月10日	1,007,560	-	1,007,560	-	-	1,007,560
		5,037,800	-	5,037,800	-	-	5,037,800

### 31. 購股權計劃(續)

#### (i) 首次公開發售前購股權計劃(續)

下表披露根據首次公開發售前購股權計劃授出的購股權變動詳情：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

## 31. SHARE OPTION SCHEMES (Continued)

## (i) The Pre-IPO Share Option Scheme (Continued)

Options	Vesting period	Outstanding at 1.1.2015 於2015年 1月1日 尚未行使	Lapsed during the year 於年內失效 (Note (a)) (附註(a))	Outstanding at 31.12.2015 於2015年 12月31日 尚未行使	Lapsed during the year 於年內失效	Exercised during the year 於年內行使	Outstanding at 31.12.2016 於2016年 12月31日 尚未行使
購股權	歸屬期						
<i>Employees</i>							
<i>僱員</i>							
Tranche 1 第一批	10.02.2014 – 10.07.2014 2014年2月10日至2014年7月10日	1,839,800	(123,000)	1,716,800	(56,000)	-	<b>1,660,800</b>
Tranche 2 第二批	10.02.2014 – 10.07.2015 2014年2月10日至2015年7月10日	1,841,800	(123,000)	1,718,800	(56,000)	-	<b>1,662,800</b>
Tranche 3 第三批	10.02.2014 – 10.07.2016 2014年2月10日至2016年7月10日	1,841,800	(123,000)	1,718,800	(56,000)	-	<b>1,662,800</b>
Tranche 4 第四批	10.02.2014 – 10.07.2017 2014年2月10日至2017年7月10日	1,841,800	(123,000)	1,718,800	(56,000)	-	<b>1,662,800</b>
Tranche 5 第五批	10.02.2014 – 10.07.2018 2014年2月10日至2018年7月10日	1,841,800	(123,000)	1,718,800	(56,000)	-	<b>1,662,800</b>
		9,207,000	(615,000)	8,592,000	(280,000)	-	<b>8,312,000</b>
		34,471,000	(615,000)	33,856,000	(280,000)	-	<b>33,576,000</b>
Exercisable at the end of the reporting period 於報告期末可予行使				13,541,200			<b>20,144,800</b>

Note:

- (a) 5 (2015: 10) eligible participants, who have been granted share options have ceased to become eligible participants upon termination of employment and the said share options have automatically lapsed.

附註：

- (a) 5名(2015年：10名)獲授購股權的合資格參與者於終止僱傭關係後不再為合資格參與者，而上述購股權已自動失效。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 31. SHARE OPTION SCHEMES (Continued)

#### (i) The Pre-IPO Share Option Scheme (Continued)

Details of the share options granted under the Pre-IPO Share Option Scheme are as follows:

	Date of grant	Number of share options granted	Exercise period	Exercise price	Fair value per share option
	授出日期	授出購股權數目	行使期	行使價 HK\$ 港元	每份購股權之公平值 HK\$ 港元
Tranche 1 第一批	10.02.2014 2014年2月10日	6,980,600	10.07.2014 – 10.07.2019 2014年7月10日至 2019年7月10日	0.74	0.41
Tranche 2 第一批	10.02.2014 2014年2月10日	6,980,600	10.07.2015 – 10.07.2019 2015年7月10日至 2019年7月10日	0.74	0.43
Tranche 3 第三批	10.02.2014 2014年2月10日	6,980,600	10.07.2016 – 10.07.2019 2016年7月10日至 2019年7月10日	0.74	0.45
Tranche 4 第四批	10.02.2014 2014年2月10日	6,980,600	10.07.2017 – 10.07.2019 2017年7月10日至 2019年7月10日	0.74	0.47
Tranche 5 第五批	10.02.2014 2014年2月10日	6,980,600	10.07.2018 – 10.07.2019 2018年7月10日至 2019年7月10日	0.74	0.48

The fair value of the share options at the grant date, calculated using the Binomial Model is approximately HK\$15,662,000.

The inputs into the model were as follows:

Grant date	10 February 2014
Number of share options	34,903,000
Share price	HK\$0.96
Risk-free rate	0.46%
Expected volatility	47.82%
Time-to-maturity	5.41 years

The risk-free rate is based on Hong Kong Dollar Sovereign Curve obtained from Bloomberg.

### 31. 購股權計劃(續)

#### (i) 首次公開發售前購股權計劃(續)

根據首次公開發售前購股權計劃授出的購股權詳情如下：

購股權於授出日期使用二項式模型計算之公平值為約15,662,000港元。

該模式的輸入數據如下：

授出日期	2014年2月10日
購股權數目	34,903,000
股價	0.96港元
無風險利率	0.46%
預期波幅	47.82%
距到期日時間	5.41年

無風險利率乃根據彭博社所列港元主權曲線計算。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**31. SHARE OPTION SCHEMES** (Continued)**(i) The Pre-IPO Share Option Scheme** (Continued)

Expected volatility was determined by using five comparable companies' historical volatility quoted by Bloomberg. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

The Group recognised a total expense of HK\$2,337,000 for the year ended 31 December 2016 (2015: HK\$3,808,000) in relation to the Pre-IPO Share Options granted by the Company.

The number of share options granted expected to vest has been reduced to reflect historical experience of forfeiture of 23% (2015: 19%) of options granted prior to completion of vesting period and accordingly the share option expense has been adjusted. At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in the profit and loss over the remaining vesting period, with a corresponding adjustment to the share options reserve.

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

**31. 購股權計劃** (續)**(i) 首次公開發售前購股權計劃** (續)

預期波幅乃按彭博社所列五家可資比較公司的歷史波幅而釐定。模式所用的預期壽命已按管理層的最佳估算予以調整，以反映不可轉讓、行使限制及行為考慮因素的影響。

本集團就本公司所授出的首次公開發售前購股權計劃於截至2016年12月31日止年度確認總開支2,337,000港元(2015年：3,808,000港元)。

所授予購股權之預期行使數目已經減少，此為反映過往經驗中所授購股權其中23%(2015年：19%)在行使期完成前被收回。因此，購股權開支已獲調整。於報告期末，本集團會修訂其對預期最終會行使之購股權數目之估計。修訂原來估計(如有)之影響在剩餘歸屬期之損益內確認，並對購股權儲備作出相應調整。

二項式模型用於估計購股權之公平值。用於計算購股權計劃之公平值之變化及假設乃基於董事之最佳估計。購股權價值隨若干主觀假設之不同變量而變化。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 31. SHARE OPTION SCHEMES (Continued)

#### (ii) The Post-IPO Share Option Scheme

On 4 March 2014, a share option scheme was conditionally adopted by the shareholders of the Company (the “**Post-IPO Share Option Scheme**”).

The purpose of the Post-IPO Share Option Scheme is to provide incentive or reward to the eligible participants with an opportunity to acquire the equity interests in the Company, for their contributions to, and continuing efforts to promote the interest of the Group or for such other purposes as the board of directors of the Company may approve from time to time, linking their interests with the interests of the Group and thereby attracting and encouraging those parties to work better for the interests of the Group.

The eligible participants include any full-time or part-time employees, executives or officers (including executive, non-executive and independent non-executive directors) of the Company or any of its subsidiaries and any suppliers, customers, consultants, agents and advisers who, in the sole opinion of the directors of the Company, will contribute or have contributed to the Company and/or any of its subsidiaries.

The subscription price of a share of the Company in respect of any particular share option granted under the Post-IPO Share Option Scheme shall be such price as the directors of the Company in its absolute discretion shall determine, save that such price shall at least be the higher of (i) the closing price of the shares of the Company as stated in the Stock Exchange’s daily quotations sheet on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities; (ii) the average of the closing prices of the shares of the Company as stated in the Stock Exchange’s daily quotations sheet for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company’s share.

### 31. 購股權計劃(續)

#### (ii) 首次公開發售後購股權計劃

於2014年3月4日，本公司股東有條件採納購股權計劃(「**首次公開發售後購股權計劃**」)。

首次公開發售後購股權計劃旨在向為增加本集團利益或本公司董事會不時批准的其他目的而作出貢獻或持續努力的合資格參與者提供一個獲取本公司股權的機會，作為對彼等的激勵或獎勵，以將彼等的利益與本集團的利益聯繫在一起，從而吸引及鼓勵有關各方為本集團的利益更加努力工作。

合資格參與者包括本公司或其任何附屬公司的任何全職或兼職僱員、行政人員或高級職員(包括執行、非執行及獨立非執行董事)，以及本公司董事全權認為將會或已對本公司及／或其附屬公司作出貢獻的任何供應商、客戶、諮詢顧問、代理及顧問。

根據首次公開發售後購股權計劃授出的任何特定購股權所涉及的公司股份認購價將由本公司董事全權酌情釐定，惟不得低於下列較高者：(i) 授出當日聯交所每日報價表所示本公司股份的收市價，而授出日期必須為聯交所買賣證券的營業日；(ii) 緊接授出當日前五個營業日聯交所每日報價表所示本公司股份收市價的平均值；及(iii) 本公司股份面值。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

## 31. SHARE OPTION SCHEMES (Continued)

## (ii) The Post-IPO Share Option Scheme (Continued)

The maximum number of shares in respect of which share options may be granted under the Post-IPO Share Option Scheme and under any other share option schemes of the Group must not in aggregate exceed 10% of the total number of shares of the Company in issue at the Listing Date (without taking into account any shares that may be issued upon the full exercise of the options granted pursuant to the Pre-IPO Share Option Scheme), being 165,000,000 Shares (“**Option Limit**”). Options which have lapsed in accordance with the terms of the Post-IPO Share Option Scheme (or any other share option schemes of the Company) will not be counted for the purpose of calculating the Option Limit. Subject to the approval of the shareholders of the Company, the Company may refresh the Option Limit at any time provided that (i) the Option Limit as refreshed does not exceed 10% of the shares of the Company in issue as at the date of the approval by the shareholders of the Company; and (ii) the options previously granted (including those outstanding, cancelled, lapsed in accordance with the provisions of the Post-IPO Share Option Scheme or exercised options) will not be counted for the purpose of calculating the Option Limit as refreshed. The Company may also, with the approval of the shareholders of the Company, grant share options in respect of shares of the Company in excess of the Option Limit (as refreshed from time to time) to eligible participants specifically identified by the Company before such approval is sought.

Notwithstanding the foregoing, the shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Post-IPO Share Option Scheme and any other share option schemes of the Group at any time shall not exceed 30% of the issued shares of the Company from time to time. No share options shall be granted under any schemes of the Company (including the Post-IPO Share Option Scheme) if this will result in the 30% limit being exceeded.

## 31. 購股權計劃(續)

## (ii) 首次公開發售後購股權計劃(續)

根據首次公開發售後購股權計劃及本集團任何其他購股權計劃可能授出的購股權所涉及股份數目上限，合共不得超過上市日期本公司已發行股份總數的10%（即165,000,000股股份，惟不計及因根據首次公開發售前購股權計劃授出的購股權獲悉數行使而可能發行的任何股份）（「**購股權上限**」）。計算購股權上限時，根據首次公開發售後購股權計劃（或本公司任何其他購股權計劃）的條款已失效的購股權將不予計算在內。在獲得本公司股東於股東大會上批准的情況下，本公司可隨時重新釐定購股權上限，惟：(i)更新購股權上限不得超逾本公司股東授出有關批准當日已發行股份的10%；及(ii)計算更新購股權上限時，先前已授出的購股權（包括根據首次公開發售後購股權計劃的條款尚未行使、已註銷、失效或已行使的購股權）將不予計算。本公司亦可在本公司股東批准後，向本公司於尋求有關批准前特別指定的合資格參與者授出所涉股份數目超逾購股權上限（以不時更新者為準）的購股權。

儘管上述規定，在任何時間因行使根據首次公開發售後購股權計劃或本集團任何其他購股權計劃授出但尚未行使的全部購股權而可能發行的股份總數，不得超過本公司不時已發行股份的30%。倘授出購股權將導致超逾上述30%的上限，則不得根據本公司任何計劃（包括首次公開發售後購股權計劃）授出任何購股權。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 31. SHARE OPTION SCHEMES (Continued)

#### (ii) The Post-IPO Share Option Scheme (Continued)

The total number of shares issued and which fall to be issued upon exercise of the share options granted under the Post-IPO Share Option Scheme and any other share option schemes of the Group (including both exercised and outstanding options) to each grantee in any 12-month period up to the date of offer to grant shall not exceed 1% of the shares of the Company in issue as at the date of offer to grant. Any further grant of share options in excess of this 1% limit shall be subject to shareholders' approval in a general meeting.

In addition, any grant of share options to a director, chief executive or substantial shareholder of the Company or any of their respective associates is required to be approved by the independent non-executive directors (excluding any independent non-executive director who is proposed to be an option holder). If the Company proposes to grant share options to a substantial shareholder or any independent non-executive director of the Company or their respective associates which will result in the number of shares of the Company issued and to be issued upon exercise of share options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of offer of such grant representing in aggregate over 0.1% of the shares of the Company in issue; and having an aggregate value in excess of HK\$5 million, based on the closing price of the Company's shares at the date of offer of each grant, such further grant of share options will be subject to, in addition to the approval of the independent non-executive directors, the approval of shareholders of the Company in general meeting.

No share option under the Post-IPO Share Option Scheme has been granted during both years.

### 31. 購股權計劃(續)

#### (ii) 首次公開發售後購股權計劃(續)

每名承授人在截至提出授出當日的任何12個月期間因行使根據首次公開發售後購股權計劃及本集團任何其他購股權計劃所獲授購股權(包括已行使及尚未行使者)而獲發行及將獲發行的股份總數,不得超過截至提出授出當日本公司已發行股份的1%。另行授出超過上述1%上限的購股權須在股東大會上獲股東批准。

此外,董事、最高行政人員或主要股東或彼等各自的聯繫人士被授予任何購股權,須獲得獨立非執行董事(不包括獲建議持有購股權的任何獨立非執行董事)的批准。倘本公司建議向本公司主要股東或任何獨立非執行董事或彼等各自的聯繫人士授出購股權,而在行使已獲授及將獲授購股權(包括已行使、已註銷及尚未行使的購股權)後將導致於截至提出授出日期(包括該日)止12個月期間已發行及將發行股份的數目合計超過本公司已發行股份的0.1%;及根據各提出授出日期本公司股份的收市價計算,總值超過5百萬港元,則除須待獨立非執行董事批准外,亦須經本公司股東在股東大會上批准,始可進一步授出購股權。

自採納首次公開發售後購股權計劃以來,並無根據首次公開發售後購股權計劃授出購股權。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**32. CAPITAL RISK MANAGEMENT**

The management of the Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of unsecured bank borrowings disclosed in note 29, cash and cash equivalents, and equity attributable to the owners of the Company, comprising share capital, reserves and retained profits.

The management of the Group reviews the capital structure on a regular basis. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital, and takes appropriate actions to balance its overall capital structure.

**33. FINANCIAL INSTRUMENTS****(a) Categories of financial instruments**

		<b>2016</b>	2015
		<b>2016年</b>	2015年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
<b>Financial assets</b>	<b>金融資產</b>		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等價物)	<b>906,810</b>	964,339
<b>Financial liabilities</b>	<b>金融負債</b>		
Amortised cost	攤銷成本	<b>1,036,875</b>	446,733

**(b) Financial risk management objectives and policies**

The Group's major financial instruments include trade and other receivables, bills receivables, pledged bank deposits, structured bank deposits, fixed bank deposits, bank balances and cash, trade and other payables, bills payables and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with certain of these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

**32. 資本風險管理**

本集團管理層為確保本集團旗下實體能夠繼續持續經營而管理其資本，並透過在債務與權益之間取得最佳平衡，為股東爭取最大回報。本集團之整體策略與去年相同。

本集團資本結構包括附註29所披露的無抵押銀行借款、現金及現金等價物及本公司擁有人應佔權益(包括股本、儲備及保留溢利)。

本集團管理層定期審閱資本結構。作為審閱之一部份，本集團管理層考慮資金成本及與各類資金相關的風險，並採取適當行動以對其整體資本結構作出平衡。

**33. 金融工具****(a) 金融工具的分類****(b) 財務風險管理的目標及政策**

本集團的主要金融工具包括貿易及其他應收款項、應收票據、已抵押銀行存款、結構性銀行存款、定期銀行存款、銀行結餘及現金、貿易及其他應付款項、應付票據及銀行借款。該等金融工具的詳情於相關附註披露。下文載列有關該等若干金融工具的風險及如何減低此等風險的政策。管理層會管理及監控該等風險，以確保及時有效地採取適當措施。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 33. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Market risk

##### Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank deposits and bank borrowings (see notes 26 and 29 for details of these balances) due to the fluctuation of the prevailing market interest rate. The Group currently does not have a policy on hedging interest rate risk. However, management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

The Group is also exposed to fair value interest rate risk in relation to the fixed-rate bank deposits and bank borrowings (see notes 26 and 29 for details of these balances). However, management considers the fair value interest rate risk is insignificant as they are relatively short-term.

##### Sensitivity analysis

The sensitivity analyses have been determined based on the exposure to interest rates for variable-rate bank deposits and bank borrowings. The analysis is prepared assuming that the amount of assets and liabilities outstanding at the end of the reporting period were outstanding for the whole year. 25 basis point and 50 basis point increase or decrease represent the management's assessment of the reasonable possible change in interest rates of bank deposits and bank borrowings, respectively. Based on the sensitivity analysis, the directors of the Company consider that the impact to profit or loss for the respective years is insignificant.

##### Foreign currency risk

Several subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. The Group currently does not have a formal foreign currency hedging policy but will use foreign currency contracts to hedge against the risk when it is foreseen to be significant.

### 33. 金融工具(續)

#### (b) 財務風險管理的目標及政策(續)

##### 市場風險

##### 利率風險

本集團因現行市場利率波動而就浮動利率銀行存款及銀行借款(該等結餘的詳情見附註26及29)面臨現金流量利率風險。本集團目前並無制定對沖利率風險的政策。然而，管理層會留意利率風險，在有需要時，將考慮對沖重大利率風險。

本集團亦就固定利率銀行存款及銀行借款(該等結餘的詳情見附註26及29)面臨公平值利率風險。然而，由於相對較為短期，故管理層認為公平值利率風險並不重大。

##### 敏感度分析

敏感度分析乃基於本集團就浮動利率銀行存款及銀行借款所面臨的利率風險而作出。編製有關分析時已假設於報告期末未償還的資產及負債金額於全年內均未償還。25個基點及50個基點的增幅或降幅分別為管理層對銀行存款及銀行借款利率的合理可能變動的評估。根據敏感度分析，本公司董事認為對各年度損益的影響甚微。

##### 外幣風險

本公司若干附屬公司以外幣進行銷售及採購，令本集團面臨外幣風險。本集團現時並無制定正式外匯對沖政策，但會以外匯合約對沖可以預見的重大風險。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

## 33. FINANCIAL INSTRUMENTS (Continued)

## (b) Financial risk management objectives and policies

(Continued)

**Market risk** (Continued)*Foreign currency risk* (Continued)

The carrying amounts of the Group's monetary assets and monetary liabilities (excluding inter-company balances) denominated in currencies other than the respective group entities' functional currencies at the end of each reporting period are as follows:

		Assets 資產		Liabilities 負債	
		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
HK\$	港元	16,761	10,444	-	-
RMB	人民幣	191	51,840	-	-
US\$	美元	129,254	104,384	202,152	56,507

In addition, inter-company balances denominated in foreign currencies other than the respective group entities' functional currencies at the end of each reporting period are as follows:

		Assets 資產		Liabilities 負債	
		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
HK\$	港元	88,057	-	765,937	202,368
RMB	人民幣	19,401	63	82,489	-
US\$	美元	766,776	597,988	19,574	201,054

## 33. 金融工具(續)

## (b) 財務風險管理的目標及政策(續)

**市場風險**(續)*外幣風險*(續)

本集團於各報告期末，以各集團實體的功能貨幣以外的貨幣計值的貨幣資產及貨幣負債(不包括集團內公司間結餘)的賬面值如下：

此外，於各報告期末，以各集團實體的功能貨幣以外的外幣列值的集團內公司間結餘如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 33. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### Foreign currency risk (Continued)

##### Sensitivity analysis

Subsidiaries of the Company carry out most of the transactions denominated in HK\$, RMB or US\$ and the Group is mainly exposed to the foreign exchange risk arising from these currencies when they are different from the functional currencies of the respective group entities. Under the pegged exchange rate system, the financial impact arising from changes in exchange rates between HK\$ and US\$ is not expected to be significant and therefore, the corresponding sensitivity analysis is not prepared.

The sensitivity analysis below details the Group's sensitivity to a 5% increase and decrease in HK\$, RMB or US\$ against the functional currencies of the respective group entities. 5% is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign currency rate. A positive (negative) number indicates an increase (decrease) in post-tax profit for the year when HK\$, RMB or US\$ strengthen 5% against the functional currencies of the respective group entities. For a 5% weakening of HK\$, RMB or US\$, there would be an equal but opposite impact on the post-tax profit for the year.

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
HK\$	港元	(26,420)	(8,013)
RMB	人民幣	(2,626)	2,167
US\$	美元	30,478	20,529

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

### 33. 金融工具(續)

#### (b) 財務風險管理的目標及政策(續)

##### 市場風險(續)

##### 外幣風險(續)

##### 敏感度分析

本公司的附屬公司進行的絕大部分交易乃以港元、人民幣或美元計值，當該等貨幣有別於各集團實體的功能貨幣時，本集團主要面對上述貨幣的外匯風險。根據聯繫匯率制度，預期來自港元與美元匯率變動產生的財務影響並不重大，因此並無編製相應的敏感度分析。

下列敏感度分析詳述本集團對港元、人民幣或美元兌相關集團實體的功能貨幣升值及貶值5%的敏感度。所用5%敏感度比率為管理層對外幣匯率合理可能變動的評估。正(負)數表示港元、人民幣或美元兌相關集團實體的功能貨幣升值5%時年內除稅前溢利增加(減少)。就港元、人民幣或美元兌相關集團實體的功能貨幣貶值5%而言，年內除稅前溢利將受到等量但相反的影響。

管理層認為，年末的風險不能反映年內的風險，故敏感度分析不能代表固有外匯風險。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**33. FINANCIAL INSTRUMENTS (Continued)****(b) Financial risk management objectives and policies***(Continued)***Credit risk**

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations at the end of the reporting period is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures over the customers to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

The management of the Group considers that the Group's credit risk in relation to sales made at concession counters is limited as the Group only operates concession counters in leading and reputable department stores. For international and export sales, the customers are mainly leading retailers in the US and the credit risk is not expected to be significant by the management. In case of any disputed sales, the Group will closely monitor and may consider making adjustments to sales for any returned or defective goods. For other customers, the management closely monitors settlement status and regularly updates their credit profile to ensure that the Group's credit risk is properly managed. For customers in the PRC, the Group would accept bills as alternate settlement means to reduce the exposure of credit risk.

**33. 金融工具(續)****(b) 財務風險管理的目標及政策(續)****信貸風險**

本集團於報告期末因對手方未能履行彼等的責任而面臨的最大信貸風險來自綜合財務狀況表所示各已確認金融資產的賬面值。

為最大限度地降低信貸風險，本集團管理層已委派一組人員負責制訂客戶的信貸限額、信貸審批及其他監控程序，以確保採取跟進措施，追回逾期債務。此外，本集團審閱各個別債務於各報告期末的可收回金額，以確保就不可收回金額計提足夠的減值虧損撥備。就此，本集團管理層認為本集團的信貸風險已經大為降低。

本集團管理層認為本集團與寄售專櫃銷售有關的信貸風險有限，原因是本集團只在領先及知名的百貨公司經營寄售專櫃。至於國際及出口銷售，客戶主要為美國領先零售商，管理層預期信貸風險並不顯著。倘出現任何有爭議銷售，本集團將緊密監察及可能考慮就任何退還或瑕疵產品對銷售作出調整。至於其他客戶，管理層密切監察結賬情況及定期更新其信貸資料以確保妥善控制本集團的信貸風險。至於在中國的客户，本集團接受票據作為替代支付方式，以減少信貸風險敞口。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 33. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Credit risk (Continued)

The Group has concentration of credit risk in relation to its trade receivables as follows:

		2016 2016年	2015 2015年
Amount due from the largest debtor as a percentage to total trade receivables	應收最大債務人款項佔貿易應收款項總額的百分比	8%	17%
Total amounts due from the five largest debtors as a percentage to total trade receivables	應收五大債務人款項總額佔貿易應收款項總額的百分比	22%	34%

The Group keeps exploring new customers to diversify and strengthen its customer base to reduce the concentration of credit risk.

The credit risk on liquid funds, pledged, structured and fixed banks deposits is limited because majority of the counterparties are banks with good reputation.

##### Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

### 33. 金融工具(續)

#### (b) 財務風險管理的目標及政策(續)

##### 信貸風險(續)

就本集團的貿易應收款項而言，本集團面臨的集中信貸風險如下：

本集團不斷發掘新客戶，以豐富及鞏固本集團的客戶基礎，從而降低集中信貸風險。

流動資金、已抵押、結構性及定期銀行存款的信貸風險有限，因為大多數對手方均為聲譽卓著的銀行。

##### 流動資金風險

於管理流動資金風險時，本集團會監察並將現金及現金等價物維持在管理層認為足以為本集團的業務營運提供資金及減輕現金流量波動影響的水平。管理層會監察銀行借款的使用情況，並確保遵守貸款契約。

下表詳列本集團金融負債的餘下合約年期分析。該表按本集團可要求付款的最早日期的金融負債未貼現現金流量編製。尤其是，具有須按要求償還條款的銀行貸款乃計入最早時間段，而不論銀行是否可能選擇行使彼等的權利。其他非衍生金融負債的到期日分析乃根據預定的償還日期編製。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 33. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Liquidity risk (Continued)

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

Liquidity tables

		Weighted average interest rate	On demand or less than 1 month 按要求 或少於一個月	1-3 months	3 months to 1 year	1-5 years	Total undiscounted cash flows 未貼現 現金流量總額	Carrying amounts
		加權平均利率 %	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	賬面值 HK\$'000 千港元
<b>At 31 December 2016</b>	<b>於2016年12月31日</b>							
Trade and other payables	貿易及其他應付款項	-	419,257	54,886	403	-	474,546	474,546
Bills payables	應付票據	-	10,622	61,665	13,146	-	85,433	85,433
Bank borrowings	銀行借款							
- variable-rate	— 浮動利率	2.74	229,454	6,542	46,305	89,929	372,230	366,293
- fixed rate	— 固定利率	4.49	408	31,391	81,495	-	113,294	110,603
			659,741	154,484	141,349	89,929	1,045,503	1,036,875
<b>At 31 December 2015</b>	<b>於2015年12月31日</b>							
Trade and other payables	貿易及其他應付款項	-	150,344	71,868	4,487	-	226,699	226,699
Bills payables	應付票據	-	14,200	20,038	25,255	-	59,493	59,493
Bank borrowings	銀行借款							
- variable-rate	— 浮動利率	2.43	143,743	179	17,298	-	161,220	160,541
			308,287	92,085	47,040	-	447,412	446,733

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

### 33. 金融工具(續)

#### (b) 財務風險管理的目標及政策(續)

##### 流動資金風險(續)

下表已載列利息及本金現金流量。倘利息為浮動利率，未貼現金額則按報告期末的利率計算。

流動資金表

倘浮動利率變化與於報告期末釐定的利率估計有別，則上述非衍生金融負債的浮動利率工具的金額亦會變動。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 33. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Liquidity risk (Continued)

##### Liquidity tables (Continued)

Bank loans with a repayment on demand clause while the scheduled repayment dates are over one month are also included in the "on demand or less than 1 month" time band in the above maturity analysis. As at 31 December 2016, the aggregate undiscounted principal amounts of these bank loans amounted to HK\$129,333,000 (2015: HK\$42,660,000). Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment.

The directors of the Company believe that the principal and interest will be repaid in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to HK\$135,540,000.

#### (c) Fair value

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

### 33. 金融工具(續)

#### (b) 財務風險管理的目標及政策(續)

##### 流動資金風險(續)

##### 流動資金表(續)

具有須按要求償還條款而預期償還日期為一個月以上的銀行借款亦於上述到期日分析計入「按要求或少於一個月」的時間段。於2016年12月31日，該等銀行借款的未貼現本金總額為129,333,000港元(2015年：42,660,000港元)。鑒於本集團的財務狀況，本公司的董事認為有關銀行不可能會行使其酌情權要求立即償還有關款項。

本公司董事相信，該本金及利息將會按照貸款協議所載的預定還款日期償還。當時，本金總額及利息現金流出為135,540,000港元。

#### (c) 公平值

金融資產及金融負債的公平值乃根據貼現現金流量分析按一般公認計價模式釐定。

本公司董事認為按攤銷成本於綜合財務報表入賬的金融資產及金融負債的賬面值與其公平值相約。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

## 34. ACQUISITION OF SUBSIDIARIES

For the year ended 31 December 2016

## (a) Acquisition of Chengdu Xingang Sponge Co., Ltd.

On 19 February 2016, an indirectly wholly-owned subsidiary of the Company entered into an acquisition agreement (the “**Acquisition Agreement**”) with Mr. Liu Jiaming, an independent third party of the Group. Pursuant to the Acquisition Agreement, the Group conditionally agreed to acquire and Mr. Liu Jiaming agreed to sell 51% of the equity interest in Chengdu Xingang Sponge Co., Ltd. (成都新港海綿有限公司) (“**Chengdu Xingang**”), a company established in the PRC with limited liability, and is principally engaged in the manufacturing and sales of polyurethane foam, sales of decorative materials, sofa materials, cloth materials and mattress materials. The cash consideration of the acquisition is RMB81,740,000 (equivalent to approximately HK\$97,948,000). The acquisition was completed on 1 March 2016.

Acquisition-related costs amounting to approximately HK\$390,000 that related to the above acquisition have been excluded from the cost of acquisition and have been recognised as an expense in the current year, included in “other expenses” line item in the consolidated statement of profit or loss and other comprehensive income.

Assets acquired and liabilities recognised at the date of acquisition are as follows:

## 34. 收購附屬公司

截至2016年12月31日止年度

## (a) 收購成都新港海綿有限公司

於2016年2月19日，本公司一間間接全資附屬公司與劉家明先生（本集團的獨立第三方）訂立收購協議（「**收購協議**」）。根據收購協議，本集團有條件收購及劉家明先生同意出售成都新港海綿有限公司（「**成都新港**」）51%股權，成都新港為於中國成立的有限公司，主要從事生產及銷售聚氨酯泡沫以及銷售裝飾物料、沙發物料、布料及床褥物料業務。收購事項的現金代價為人民幣81,740,000元（相當於約97,948,000港元）。收購事項於2016年3月1日完成。

收購相關成本約390,000港元與上述收購有關，已從收購成本中除開，並於本年度確認為開支，計入綜合損益及其他全面收益表內的「其他開支」項目。

於收購日期收購之資產及確認之負債如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	88,742
Investment properties	投資物業	62,049
Prepaid lease payments	預付租賃款項	49,238
Inventories	存貨	25,405
Trade and other receivables	貿易及其他應收款項	24,569
Bank balances and cash	銀行結餘及現金	49,890
Trade and other payables	貿易及其他應付款項	(38,149)
Taxation payable	應付稅項	(212)
Bank borrowings	銀行借款	(59,915)
Deferred tax liabilities	遞延稅項負債	(60,486)
		141,131

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 34. ACQUISITION OF SUBSIDIARIES (Continued)

### 34. 收購附屬公司(續)

For the year ended 31 December 2016 (Continued)

截至2016年12月31日止年度(續)

**(a) Acquisition of Chengdu Xingang Sponge Co., Ltd.**  
(Continued)

**(a) 收購成都新港海綿有限公司(續)**

The fair value of trade and other receivables at the date of acquisition amounted to HK\$24,569,000. The gross contractual amounts of those trade and other receivables acquired amounted to HK\$25,006,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected is HK\$437,000.

貿易及其他應收款項於收購日期的公平值為24,569,000港元。於收購日期，已收購的該等貿易及其他應收款項的總合約金額為25,006,000港元。預計無法收回的合約現金流量於收購日期的最佳估計為437,000港元。

Goodwill arising on acquisition:

收購產生的商譽：

		HK\$'000 千港元
Consideration transferred	已轉讓的代價	97,948
Plus: Non-controlling interests (Note)	加：非控股權益(附註)	69,154
Less: Net assets acquired	減：收購之淨資產	(141,131)
Goodwill arising on acquisition	收購產生的商譽	25,971

Note: The non-controlling interests (49%) recognised at the acquisition date was measured by the fair value of the proportionate share of recognised amounts of net assets acquired.

附註：於收購日期確認之非控股權益(49%)乃按已確認收購資產淨值金額應佔比例之公平值計量。

Goodwill arose in the acquisition of Chengdu Xingang because the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Chengdu Xingang. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

收購成都新港所產生之商譽乃由於就合併實際所支付代價包括有關預期協同效應、收入增長、未來市場發展及成都新港之整體人手之有關金額。該等利益並無自商譽單獨確認，因其並不符合可識別無形資產之確認標準。

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

預期概無收購產生的商譽可用作扣減稅項。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

## 34. ACQUISITION OF SUBSIDIARIES (Continued)

## 34. 收購附屬公司(續)

For the year ended 31 December 2016 (Continued)

截至2016年12月31日止年度(續)

## (a) Acquisition of Chengdu Xingang Sponge Co., Ltd.

## (a) 收購成都新港海綿有限公司(續)

(Continued)

Net cash outflow arising on acquisition:

收購產生的現金流出淨額：

		HK\$'000 千港元
Cash consideration	現金代價	97,948
Less: Bank balances and cash	減：銀行結餘及現金	(49,890)
		<b>48,058</b>

Included in the profit for the year is HK\$3,604,000 attributable to Chengdu Xingang. Revenue for the year includes HK\$143,171,000 attributable to Chengdu Xingang.

來自成都新港的3,604,000港元計入年內溢利。年內收入包括來自成都新港的143,171,000港元。

Had the acquisition of Chengdu Xingang been effected at the beginning of the year, the total amount of revenue of the Group for the year would have been HK\$3,517,166,000, and the amount of the profit for the year would have been HK\$97,244,000. The aforesaid information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the year, nor is it intended to be a projection of future results.

倘收購成都新港於年初已生效，則本集團年內收入總額為3,517,166,000港元，年內溢利為97,244,000港元。前述資料僅供說明，未必可代表倘收購於年初已完成的情況下本集團實際上實現的收入及經營業績，亦無意成為未來業績的預測。

In determining the 'aforesaid' revenue and profit of the Group had Chengdu Xingang been acquired at the beginning of the year, the directors calculated depreciation and amortisation of property, plant and equipment based on the recognised amounts of property, plant and equipment at the date of the acquisition.

於釐定「前述」收益及成都新港於年初已獲得本集團的溢利時，董事已根據於收購日期物業、廠房及設備的已確認金額計算物業、廠房及設備的折舊及攤銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 34. ACQUISITION OF SUBSIDIARIES (Continued)

For the year ended 31 December 2016 (Continued)

#### (b) Step acquisition of Dormeo North America, LLC

On 9 September 2015, a wholly-owned subsidiary of the Company entered into a first securities purchase agreement (the **"First Purchase Agreement"**) with, among others, Dormeo North America, LLC (**"Dormeo"**), a company formed as a limited liability company pursuant to the Delaware Limited Liability Company Act, to acquire 36.5% of all of the membership interest in Dormeo at an aggregate cash consideration of United States dollars (**"US\$"**) 10,000,000 (equivalent to HK\$77,500,000). Pursuant to the First Purchase Agreement, the Group's membership interest in Dormeo is initially set at 36.5%, but will be automatically reduced to 25% at 31 December 2017 if certain performance warranties given by the investee and its parent company are met (**"Possible Reduction"**).

On 11 April 2016, a wholly-owned subsidiary of the Company entered into a second securities purchase agreement (the **"Second Purchase Agreement"**) with, among others, Dormeo, to increase the Group's ownership in Dormeo by an additional 14.81% and to waive the Possible Reduction pursuant to First Purchase Agreement for a cash consideration of US\$2,500,000 (equivalent to HK\$19,375,000) by way of capital injection to Dormeo.

The acquisition was completed on 12 April 2016. Together with the 25% membership interest previously held by the Group and the 11.5% membership interest gain on the waiver of Possible Reduction, the Group is able to exercise control over Dormeo and Dormeo became a 51.31% subsidiary of the Company from that date.

Dormeo is principally engaged in the business of selling pillows, mattresses and related bedding accessories and other consumer products in North America.

The Group recognised a net loss of approximately of HK\$10,100,000 as a result of the re-measurement of membership interests in Dormeo previously held and the derivative financial assets related to membership interests in Dormeo upon waiver of Possible Reduction. The net loss is included in "Net loss on derecognition of an associate" line item in the consolidated statement of profit or loss and other comprehensive income.

### 34. 收購附屬公司(續)

截至2016年12月31日止年度(續)

#### (b) 分階段收購 Dormeo North America, LLC

於2015年9月9日，本公司全資附屬公司與(其中包括) Dormeo North America, LLC (**"Dormeo"**) (一間根據特拉華州有限公司法成立的有限責任公司) 訂立首份證券購買協議 (**"首份購買協議"**)，以現金總代價10,000,000美元 (**"美元"**) (相當於77,500,000港元) 收購 Dormeo 36.5% 之股東權益。根據首份購買協議，本集團於 Dormeo 的股東權益最初定為 36.5%，但倘被投資方及其母公司給出之若干履約保證獲實現，則將於2017年12月31日自動削減至25% (**"可能削減"**)。

於2016年4月11日，本公司一間全資附屬公司與(其中包括) Dormeo 訂立第二份證券購買協議 (**"第二份購買協議"**)，以向 Dormeo 注資的方式增加本集團於 Dormeo 的額外擁有權 14.81% 及豁免首份購買協議下的可能削減，現金代價為2,500,000美元 (相當於19,375,000港元)。

收購事項於2016年4月12日完成。連同本集團先前持有的25%股權及豁免可能削減後得到的11.5%股權，自該日起，本集團擁有對 Dormeo 的控制權及 Dormeo 成為本公司擁有 51.31% 權益的附屬公司。

Dormeo 主要從事於北美洲銷售枕頭、床墊及相關床品配件以及其他商品業務。

本集團因重新計量先前所持有的 Dormeo 股權及豁免可能削減後有關 Dormeo 股權的衍生金融資產而確認虧損淨額約10,100,000港元。虧損淨額已計入綜合損益及其他全面收益表的「終止確認一間聯營公司的虧損淨額」項目。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 34. ACQUISITION OF SUBSIDIARIES (Continued)

For the year ended 31 December 2016 (Continued)

**(b) Step acquisition of Dormeo North America, LLC**  
(Continued)

Acquisition-related costs amounting to approximately HK\$286,000 that related to the above acquisition have been excluded from the cost of acquisition and have been recognised as an expense in the current year, included in "other expenses" line item in the consolidated statement of profit or loss and other comprehensive income.

Assets acquired and liabilities recognised at the date of acquisition are as follows:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	7,116
Intangible assets	無形資產	148,252
Inventories	存貨	4,057
Trade and other receivables	貿易及其他應收款項	15,133
Bank balances and cash	銀行結餘及現金	12,357
Trade and other payables	貿易及其他應付款項	(47,887)
Bank borrowings	銀行借款	(26,431)
Deferred tax liabilities	遞延稅項負債	(51,888)
		60,709

The fair value of trade and other receivables at the date of acquisition amounted to HK\$15,133,000. The gross contractual amounts of those trade and other receivables acquired amounted to HK\$23,116,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected is HK\$7,983,000.

### 34. 收購附屬公司(續)

截至2016年12月31日止年度(續)

**(b) 分階段收購 Dormeo North America, LLC(續)**

收購相關成本約286,000港元與上述收購有關，已從收購成本中除開，並於本年度確認為開支，計入綜合損益及其他全面收益表內的「其他開支」項目。

於收購日期收購之資產及確認之負債如下：

貿易及其他應收款項於收購日期的公平值為15,133,000港元。於收購日期，已收購的該等貿易及其他應收款項的總合約金額為23,116,000港元。預計無法收回的合約現金流量於收購日期的最佳估計為7,983,000港元。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 34. ACQUISITION OF SUBSIDIARIES (Continued)

### 34. 收購附屬公司(續)

For the year ended 31 December 2016 (Continued)

截至2016年12月31日止年度(續)

(b) **Step acquisition of Dormeo North America, LLC**  
(Continued)

(b) 分階段收購 **Dormeo North America, LLC**(續)

Goodwill arising on acquisition:

收購產生的商譽：

		HK\$'000 千港元
Consideration transferred by way of capital injection	以注資方式轉讓的代價	19,375
Derivative financial assets related to membership interests in Dormeo upon waiver of Possible Reduction	豁免可能削減後與於Dormeo的股東權益有關的衍生金融資產	15,045
Fair value of membership interests in Dormeo held before the acquisition	於收購前於Dormeo持有的股東權益的公平值	32,706
		67,126
Plus: Non-controlling interests (Note)	加：非控股權益(附註)	30,046
Less: Net assets acquired	減：收購之淨資產	(60,709)
Goodwill arising on acquisition	收購產生的商譽	36,463

Note: The non-controlling interests (48.69%) recognised at the acquisition date was measured by the fair value of the proportionate share of recognised amounts of net assets acquired.

附註：於收購日期確認之非控股權益(48.69%)乃按已確認收購資產淨值金額應佔比例之公平值計量。

Goodwill arose in the acquisition of Dormeo because the cost of combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Dormeo. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

收購Dormeo所產生之商譽乃由於就合併實際所支付代價包括有關預期協同效應、收入增長、未來市場發展及Dormeo之整體人手之有關金額。該等利益並無自商譽單獨確認，因其並不符合可識別無形資產之確認標準。

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

預期概無收購產生的商譽可用作扣減稅項。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 34. ACQUISITION OF SUBSIDIARIES (Continued)

For the year ended 31 December 2016 (Continued)

(b) **Step acquisition of Dormeo North America, LLC**  
(Continued)

Net cash outflow arising on acquisition:

		HK\$'000 千港元
Cash consideration	現金代價	19,375
Less: Bank balances and cash	減：銀行結餘及現金	(12,357)
		7,018

Since step acquisition, included in the profit for the year is loss of approximately HK\$41,407,000 and revenue for the year includes approximately HK\$112,929,000 attributable to Dormeo.

Had the acquisition of Dormeo been effected at the beginning of the year, the total amount of revenue of the Group for the year would have been approximately HK\$3,536,062,000, and the amount of the profit for the year would have been approximately HK\$65,605,000. The aforesaid information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the year, nor is it intended to be a projection of future results.

In determining the 'aforesaid' revenue and profit of the Group had Dormeo been acquired at the beginning of the year, the directors calculated depreciation and amortisation of property, plant and equipment based on the recognised amounts of property, plant and equipment at the date of the acquisition.

### 34. 收購附屬公司(續)

截至2016年12月31日止年度(續)

(b) 分階段收購 **Dormeo North America, LLC**(續)

收購產生的現金流出淨額：

自分階段收購起，來自Dormeo的虧損約41,407,000港元計入年內溢利，而年內收入包括來自Dormeo的約112,929,000港元。

倘收購Dormeo於年初已生效，則本集團年內收入總額約為3,536,062,000港元，年內溢利約為65,605,000港元。前述資料僅供說明，未必可代表倘收購於年初已完成的情況下本集團實際上實現的收入及經營業績，亦無意成為未來業績的預測。

於釐定「前述」收益及Dormeo於年初已獲得本集團的溢利時，董事已根據於收購日期物業、廠房及設備的已確認金額計算物業、廠房及設備的折舊及攤銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 34. ACQUISITION OF SUBSIDIARIES (Continued)

For the year ended 31 December 2015

#### (c) Acquisition of Shanghai Luen Tai Polyurethane Co. Ltd.

On 23 January 2015, an indirect wholly-owned subsidiary of the Company entered into an acquisition agreement (the “**Acquisition Agreement**”) with Mil-ton Company Limited (“**Mil-ton**”), a company incorporated in Hong Kong with limited liability and wholly owned by a connected person of the Group, and Chori Co., Ltd. (“**Chori**”), an independent third party incorporated in Japan with limited liability whose shares are listed on the Tokyo Stock Exchange, Inc.. Pursuant to the Acquisition Agreement, the Group conditionally agreed to acquire and Mil-ton and Chori conditionally agreed to sell respectively 60% and 40% of the equity interest in Shanghai Luen Tai Polyurethane Co. Ltd. (上海聯大海綿有限公司) (“**Shanghai Luen Tai**”), a company established in the PRC with limited liability, and principally engaged in the processing, manufacturing and is sales of polyurethane foam and products including mattress, sofa and pillows. The cash consideration of the acquisition was RMB21,000,000 (equivalent to approximately HK\$26,519,000) and RMB14,000,000 (equivalent to approximately HK\$17,679,000), to Mil-ton and Chori, respectively. The acquisition was completed on 1 April 2015.

Acquisition-related costs amounting to HK\$1,014,000 related to the acquisition had been excluded from the cost of acquisition and had been recognised as an expense in 2015, included in “other expenses” in the condensed consolidated statement of profit or loss and other comprehensive income.

### 34. 收購附屬公司(續)

截至2015年12月31日止年度

#### (c) 收購上海聯大海綿有限公司

於2015年1月23日，本公司間接全資附屬公司與萬東有限公司(「萬東」)(一間於香港註冊成立的有限公司，並由本集團一名關連人士全資擁有)及蝶理株式會社(「蝶理」)(獨立第三方，一間於日本註冊成立的有限公司，其股份於東京證券交易所上市)訂立收購協議(「收購協議」)。根據收購協議，本集團有條件同意收購及萬東及蝶理分別有條件同意出售上海聯大海綿有限公司(「上海聯大」)的60%及40%股權。上海聯大為一間於中國成立的有限公司，並主要從事加工、生產及銷售聚氨酯泡沫及產品(包括床墊、沙發及枕頭)。收購現金代價為人民幣21,000,000元(相當於約26,519,000港元)及人民幣14,000,000元(相當於約17,679,000港元)分別應付予萬東及蝶理。收購事項乃於2015年4月1日完成。

收購相關成本1,014,000港元與收購事項有關，已從收購成本中扣除，並於2015年確認為開支，計入簡明綜合損益及其他全面收益表內的「其他開支」項目。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

## 34. ACQUISITION OF SUBSIDIARIES (Continued)

## 34. 收購附屬公司(續)

For the year ended 31 December 2015 (Continued)

截至2015年12月31日止年度(續)

## (c) Acquisition of Shanghai Luen Tai Polyurethane Co. Ltd.

## (c) 收購上海聯大海綿有限公司(續)

(Continued)

Assets acquired and liabilities recognised at the date of acquisition are as follows:

於收購日期已收購的資產及已確認的負債如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	6,884
Inventories	存貨	26,211
Trade and other receivables	貿易及其他應收款項	67,027
Bank balances and cash	銀行結餘及現金	1,012
Trade and other payables	貿易及其他應付款項	(29,873)
Taxation payable	應付稅項	(544)
Bank and other borrowings	銀行及其他借款	(26,519)
		44,198

The fair value of trade and other receivables at the date of acquisition amounted to HK\$67,027,000. The gross contractual amounts of those trade and other receivables acquired amounted to HK\$70,489,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected amounted to HK\$3,462,000.

貿易及其他應收款項於收購日期的公平值為67,027,000港元。於收購日期，已收購的該等貿易及其他應收款項的總合約金額為70,489,000港元。預計無法收回的合約現金流量於收購日期的最佳估計為3,462,000港元。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 34. ACQUISITION OF SUBSIDIARIES (Continued)

### 34. 收購附屬公司(續)

For the year ended 31 December 2015 (Continued)

截至2015年12月31日止年度(續)

(c) **Acquisition of Shanghai Luen Tai Polyurethane Co. Ltd.**  
(Continued)

(c) 收購上海聯大海綿有限公司(續)

Goodwill arising on acquisition:

收購產生的商譽：

		HK\$'000 千港元
Consideration transferred	轉讓代價	44,198
Less: Net assets acquired at provisional fair value	減：按臨時公平值收購之淨資產	(44,198)
Goodwill arising on acquisition	收購產生的商譽	-

Net cash outflow arising on acquisition:

收購產生的現金流出淨額：

		HK\$'000 千港元
Cash consideration	現金代價	44,198
Less: Bank balances and cash	減：銀行結餘及現金	(1,012)
		43,186

Included in the profit for the year is HK\$7,206,000 attributable to Shanghai Luen Tai. Revenue for the year includes HK\$64,190,000 is attributable to Shanghai Luen Tai.

上海聯大應佔的7,206,000港元計入年內溢利。年內收入包括上海聯大應佔的64,190,000港元。

Had the acquisition of Shanghai Luen Tai been effected at the beginning of the year, the total amount of revenue of the Group for the year would have been HK\$108,782,000, and the amount of the profit for the year would have been HK\$8,662,000. The aforesaid information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the year, nor is it intended to be a projection of future results.

倘收購上海聯大於年內已完成，則本集團年內收入總額為108,782,000港元，年內溢利為8,662,000港元。上述資料僅供說明，未必可代表倘收購於年初已完成的情況下本集團實際上實現的收入及經營業績，亦無意成為未來業績的預測。

In determining the 'aforesaid' revenue and profit of the Group had Shanghai Luen Tai been acquired at the beginning of the year, the directors calculated depreciation and amortisation of plant and equipment based on the recognised amounts of plant and equipment at the date of the acquisition.

於釐定上海聯大於年初已收購之上述本集團收益及溢利時，本集團根據於收購日期確認廠房及設備之金額計算廠房及設備之減值及攤銷。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

## 35. OPERATING LEASES

## The Group as a lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	77,272	58,671
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	132,386	121,590
Over five years	超過五年	80,084	83,922
		<b>289,742</b>	264,183

Included above are the following lease payments committed to a fellow subsidiary of the Company:

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	18,063	18,963
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	17,823	37,926
		<b>35,886</b>	56,889

Operating lease payments represent rentals payable by the Group for the retail stores, offices, factory, staff quarters and warehouses. Leases are negotiated for initial terms ranging from one to ten years.

Certain retail stores include payment obligations with rental varied with gross revenue. The additional rental payable (contingent rents) is determined generally by applying pre-determined percentages to actual sales less the basic rentals of the respective leases. It is not possible to estimate in advance the amount of such contingent rents payable.

## 35. 經營租賃

## 本集團為承租人

於報告期末，本集團須就不可撤銷經營租賃承擔未來最低租賃款項，該等不可撤銷經營租賃的到期情況如下：

以上所載為下列向本公司同系附屬公司承擔的租賃款項：

經營租賃款項指本集團就零售店、辦公室、廠房、員工宿舍及倉庫的應付租金。租約年期乃經磋商釐定，初步介乎一至十年不等。

若干零售店訂有因應總收入而繳交不同租金的付款責任。額外應付租金(或然租金)一般以實際銷售額的預定百分比減去各項租約的基本租金釐定。預先估計有關應付或然租金並不可行。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 35. OPERATING LEASES (Continued)

#### The Group as lessor

At the end of each reporting period, the Group had contracted with tenants for the following future minimum lease payments:

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	7,801	6,274
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	11,560	6,307
Over five years	超過五年	8,176	1,719
		<b>27,537</b>	14,300

The amounts represent rentals receivable by the Group for the leasing of unutilised factories and warehouses classified as investment properties. Leases are generally negotiated for initial terms ranging from a few months to three years.

### 36. RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at a rate of 5% specified in the rules, but subject to a cap. The only obligation of the Group with respect of MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The employees employed in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their basic payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes. No forfeited contribution is available to reduce the contribution payable in future years.

### 35. 經營租賃(續)

#### 本集團為出租人

於各報告期末，本集團就下列未來最低租賃款項與租戶訂立合同：

該等金額相當於本集團就租賃獲分類為投資物業的未使用工廠及倉庫的應收租金。租約年期乃經磋商釐定，初步介乎數個月至兩年不等。

### 36. 退休福利計劃

根據強制性公積金計劃條例，本集團為所有香港合資格僱員參與強制性公積金計劃(「強積金計劃」)。強積金計劃的資產與本集團在獨立受託人控制下的基金資產分開持有。根據強積金計劃規例，僱主及其僱員須分別按規例訂明的5%為計劃供款，但設有上限。本集團有關強積金計劃的唯一義務為根據計劃作出所須供款。並無被沒收供款可用以扣減未來年度應付的供款。

於中國受僱的僱員為中國政府管理的國家管理退休福利計劃的成員。中國附屬公司須按其基本工資的若干百分比向退休福利計劃供款，以為福利提供資金。本集團有關退休福利計劃的唯一義務為根據計劃作出所須供款。並無被沒收供款可用以扣減未來年度應付的供款。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

## 37. COMMITMENTS

## 37. 承擔

	2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Capital expenditure in respect of property, plant and equipment contracted for but not provided in the consolidated financial statements	32,510	107,978

已訂約但未於綜合財務報表撥備的物業、廠房及設備的資本開支

## 38. RELATED PARTY DISCLOSURES

## 38. 關連方披露

In addition to the transactions, balances and commitments disclosed elsewhere in the consolidated financial statements, the Group had entered into the following related party transactions:

除綜合財務報表所披露的交易、結餘及承擔外，本集團已訂立下列關連方交易：

Relationship with the Group 與本集團關係	Nature of transactions 交易性質	2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Fellow subsidiary of the Company 本公司的同系附屬公司	Rental expenses 租金開支	18,330	10,280

In addition, certain trademarks owned by fellow subsidiaries of the Company were used by the Group free of charge during both years.

此外，本集團於兩個年度內免費使用若干本公司同系附屬公司擁有的商標。

## Compensation of key management personnel

## 主要管理人員的補償

The remuneration of directors and other member of key management during the reporting period was as follows:

董事及其他主要管理層成員於報告期的薪酬如下：

	2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Salaries and allowances	11,370	10,692
Performance related incentive payments	1,200	3,126
Retirement benefit schemes contributions	156	201
Share based payment expense	1,772	2,274
	14,498	16,293

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 39. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Particulars of the Company's subsidiaries are as follows:

### 39. 本公司附屬公司詳情

本公司附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ operations/ establishment 註冊成立/經營/ 設立地點	Issued and fully paid share capital/ registered capital/ quota capital 已發行及繳足股本/ 註冊資本配額資本	Proportion of share/ registered/ quota capital held by the Group 本集團持有股本/ 註冊資本/配額資本的比例 At 31 December 於12月31日		Principal activities 主要業務
			2016 2016年	2015 2015年	
<i>Directly owned</i> 直接擁有					
Treasure Range Holdings Limited 香港	Hong Kong 香港	Ordinary shares HK\$27 普通股27港元	100%	100%	Investment holding 投資控股
<i>Indirectly owned</i> 間接擁有					
Ascension International Development Limited 高晉國際發展有限公司	The BVI 英屬處女群島	Ordinary shares US\$1 普通股1美元	100%	100%	Investment holding 投資控股
Fullelite Limited 傑豐有限公司	The BVI 英屬處女群島	Ordinary shares US\$10 普通股10美元	100%	100%	Investment holding 投資控股
Year Prosper Limited 盛年有限公司	The BVI 英屬處女群島	Ordinary shares US\$10 普通股10美元	100%	100%	Investment holding 投資控股
Wonderful Health Limited	The BVI 英屬處女群島	Ordinary shares US\$10 普通股10美元	100%	100%	Investment holding 投資控股
Trade Sincere Limited 質誠有限公司	The BVI 英屬處女群島	Ordinary shares US\$100 普通股100美元	85%	85%	Investment holding 投資控股
Sinomax International Investment Limited 聖諾盟國際投資有限公司	The BVI 英屬處女群島	Ordinary shares US\$10 普通股10美元	100%	100%	Investment holding and provision of treasury management services 投資控股及提供財資管理服務
Sinomax Health & Household Products Limited 聖諾盟健康家居用品有限公司	Hong Kong 香港	Ordinary shares HK\$1,000,000 普通股1,000,000港元	100%	100%	Retail and wholesale of health and household products 零售及批發健康家居產品
Sinomax International Trading Limited 聖諾盟國際貿易有限公司	Hong Kong 香港	Ordinary shares HK\$10,000 普通股10,000港元	100%	100%	Trading of health and household products 健康家居產品買賣
Chengdu Xingang Sponge Co., Ltd.* (Notes 1 and 4) 成都新港海綿有限公司(附註1及4)	The PRC 中國	Registered capital RMB120,000,000 註冊資本人民幣120,000,000元	51%	-	Manufacture and sale of polyurethane foam 製造及銷售聚氨酯泡沫
Dongguan Sinohome Limited (Note 3)* 東莞賽諾家居用品有限公司(附註3)	The PRC 中國	Registered capital HK\$32,000,000 註冊資本32,000,000港元	100%	100%	Manufacture and sales of health and household products 製造及銷售健康家居產品
Shandong Sinomax Household Products and Technology Limited (Notes 2 and 3)* 山東賽諾家居科技有限公司(附註2及3)	The PRC 中國	Registered capital RMB30,000,000 註冊資本人民幣30,000,000元	100%	-	Processing, manufacturing and sales of polyurethane foam 加工、製造及銷售聚氨酯泡沫
Shanghai Luen Tai Polyurethane Co., Ltd* (Notes 2 and 3) 上海聯大海綿有限公司(附註2及3)	The PRC 中國	Registered capital RMB35,000,000 註冊資本人民幣35,000,000元	100%	100%	Processing, manufacturing and sales of polyurethane foam 加工、製造及銷售聚氨酯泡沫

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

## 39. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

## 39. 本公司附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operations/ establishment 註冊成立/經營/ 設立地點	Issued and fully paid share capital/ registered capital/ quota capital 已發行及繳足股本/ 註冊資本/配額資本	Proportion of share/ registered/ quota capital held by the Group 本集團持有股本/ 註冊資本/配額資本的比例		Principal activities 主要業務
			At 31 December 於12月31日 2016 2016年	2015 2015年	
Sinohome Household Products (Shenzhen) Limited (Note 3)* 賽諾家居用品(深圳)有限公司(附註3)	The PRC 中國	Registered capital HK\$1,000,000 註冊資本1,000,000港元	100%	100%	Retail and wholesale of health and household products 零售及批發健康家居產品
Sinomax (Zhejiang) Polyurethane Household Products Limited (Note 3)* 聖諾盟(浙江)聚氨酯家居用品有限公司(附註3)	The PRC 中國	Registered capital US\$30,000,000 註冊資本30,000,000美元	100%	100%	Manufacture and sale of health and household products 製造及銷售健康家居產品
Sinomax Kuka (Zhejiang) Foam Co. Limited (Note 4)* ("Sinomax Kuka") 浙江聖諾盟顧家海綿有限公司 (附註4)(「聖諾盟顧家」)	The PRC 中國	Registered capital US\$2,100,000 註冊資本2,100,000美元	51%	51%	Manufacture and sale of foam 製造及銷售泡沫
Haining Sinomax Trading Co., Ltd.* (Note 4) ("Haining Sinomax") 海寧聖諾盟貿易有限公司(附註4)(「海寧聖諾盟」)	The PRC 中國	Registered capital RMB1,000,000 註冊資本人民幣1,000,000元	51%	51%	Trading of foam 泡沫買賣
Sinomax Macao Commercial Offshore Limited 聖諾盟澳門離岸商業服務有限公司	Macau 澳門	Quota capital MOP100,000 配額資本澳門幣100,000元	100%	100%	Wholesale of health and household products 批發健康家居產品
Sinomax USA, Inc.	The US 美國	100 shares of common stock of no par value 100股無面值普通股	100%	100%	Wholesale of health and household products 批發健康家居產品
Sinomax East, Inc.	The US 美國	1 share of common stock with no par value 1股無面值普通股	100%	100%	Manufacture of health and household products 製造健康家居產品
Dormeo North American, LLC (Note 5) Dormeo North American, LLC (附註5)	The US 美國	Issued and fully paid share capital US\$50,481,560 (Note 6) 已發行及繳足股本50,481,560美元 (附註6)	51.31%	36.5%	Investment holding 投資控股
Top Shop TV, LLC (Note 5) Top Shop TV, LLC (附註5)	The US 美國	Issued and fully paid share capital US\$42,103,890 (Note 6) 已發行及繳足股本42,103,890美元 (附註6)	51.31%	36.5%	Investment holding 投資控股
Octaspring Operations US, Inc. (Note 5) Octaspring Operations US, Inc. (附註5)	The US 美國	100 shares of common stock of US\$0.0001 par value 100股每股面值0.0001美元普通股	51.31%	36.5%	Manufacture and sales of health and household products 製造及銷售聚氨酯泡沫
Octaspring US, Inc. (Note 5) Octaspring US, Inc. (附註5)	The US 美國	100 shares of common stock of US\$0.0001 par value 100股每股面值0.0001美元普通股	51.31%	36.5%	Retail and wholesale of health and household products 零售及批發健康家居產品
TSTV Canada Limited (Note 5) TSTV Canada Limited (附註5)	Canada 加拿大	1,000 shares of common stock of no par value 1,000股無面值普通股	51.31%	36.5%	Retail and wholesale of health and household products 零售及批發健康家居產品

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 39. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

Notes:

- (1) This subsidiary was acquired in March 2016.
- (2) This subsidiary was incorporated in November 2016.
- (3) The companies are registered in the form of wholly foreign owned enterprise.
- (4) The companies are registered in the form of sino-foreign equity joint venture.
- (5) This subsidiaries were acquired in April 2016.
- (6) The amount represents the issued and fully paid share capital as at 31 December 2016.

None of the subsidiaries of the Company had any debt securities outstanding at the end of or any time during the reporting periods.

\* English translated name is for identification purpose only.

### 39. 本公司附屬公司詳情(續)

附註：

- (1) 該附屬公司於2016年3月獲收購。
- (2) 該附屬公司於2016年11月註冊成立。
- (3) 該等公司以外商獨資企業形式註冊。
- (4) 該等公司以中外合資企業形式註冊。
- (5) 該等附屬公司於2016年4月獲收購。
- (6) 該金額為於2016年12月31日已發行及繳足股本。

概無本公司附屬公司於報告期末或其中任何時間有任何未償債務證券。

\* 英文名稱僅供識別

### 40. MATERIAL NON-CONTROLLING INTERESTS

### 40. 重大非控股權益

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點及主要營運地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益所持擁有權益及投票權		Profit (loss) allocated to non-controlling interests 分配至非控股權益之溢利(虧損)		Accumulated non-controlling interests 累計非控股權益	
		2016	2015	2016	2015	2016	2015
		2016年	2015年	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Sinomax Kuka 聖諾盟顧家	The PRC 中國	51%	51%	15,350	12,006	50,347	37,929
Chengdu Xingang 成都新港	The PRC 中國	51%	-	1,438	-	94,204	-
Dormeo Dormeo	The US 美國	51.31%	36.5%*	(20,161)	-	9,878	-
Individually immaterial subsidiary with non controlling interests 持有非控股權益之獨立不重大附屬公司						377	408
						<b>154,806</b>	<b>38,337</b>

\* Being the associate of the Group as at 31 December 2015.

\* 於2015年12月31日之本集團聯營公司

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**40. MATERIAL NON-CONTROLLING INTERESTS**  
(Continued)

Summarised financial information in respect of each of Group's subsidiaries that had material non-controlling interests is set out below. The summarised financial information below represents amounts before the elimination of intragroup transactions.

**(a) Sinomax Kuka and its wholly owned subsidiary, Haining Sinomax**

		<b>2016</b>	2015
		<b>2016年</b>	2015年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Current assets	流動資產	<b>137,831</b>	113,464
Non-current assets	非流動資產	<b>11,738</b>	13,813
Current liabilities	流動負債	<b>46,820</b>	49,871
Total equity	權益總額	<b>102,749</b>	77,406
Total equity attributable to non-controlling interests	非控股權益應佔權益總額	<b>50,347</b>	37,929
		<b>2016</b>	2015
		<b>2016年</b>	2015年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Revenue	收入	<b>416,293</b>	334,876
Expenses	開支	<b>384,967</b>	310,374
Profit for the year	年內溢利	<b>31,326</b>	24,502
Other comprehensive expense for the year	年內其他全面開支	<b>(6,309)</b>	(3,395)
Total comprehensive income for the year	年內全面收入總額	<b>25,017</b>	21,107
Profit for the year attributable to non-controlling interest	非控股權益應佔年內溢利	<b>15,350</b>	12,006
Dividend paid to non-controlling interest	向非控股權益所支付的股息	-	7,322
Net cash inflow from operating activities	經營活動現金流入淨額	<b>12,429</b>	22,494
Net cash inflow from investing activities	投資活動現金流入淨額	<b>1,096</b>	2,039
Net cash outflow from financing activities	融資活動現金流出淨額	<b>(934)</b>	(16,934)
Net cash inflow	現金流入淨額	<b>12,591</b>	7,599

**40. 重大非控股權益 (續)**

有關本集團擁有重大控股權益的各附屬公司的財務資料概況載列如下。以下財務資料概況指代表銷集團內交易前之金額。

**(a) 聖諾盟顧家及海寧聖諾盟**

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**40. MATERIAL NON-CONTROLLING INTERESTS**  
(Continued)**40. 重大非控股權益(續)****(b) Chengdu Xingang****(b) 成都新港**

		2016 2016年 HK\$'000 千港元
Current assets	流動資產	93,908
Non-current assets	非流動資產	205,731
Current liabilities	流動負債	51,083
Non-current liabilities	非流動負債	56,303
Total equity	權益總額	192,253
Total equity attributable to non-controlling interests	非控股權益應佔權益總額	94,204
		2016 2016年 HK\$'000 千港元
Revenue	收入	150,280
Expenses	開支	147,346
Profit for the year	年內溢利	2,934
Other comprehensive expense for the year	年內其他全面開支	(8,339)
Total comprehensive expense for the year	年內全面開支總額	(5,405)
Profit for the year attributable to non-controlling interest	非控股權益應佔年內溢利	1,438
Dividend paid to non-controlling interest	向非控股權益所支付的股息	-
Net cash outflow from operating activities	經營活動現金流出淨額	(50,572)
Net cash outflow from investing activities	投資活動現金流出淨額	(10,330)
Net cash inflow from financing activities	融資活動現金流入淨額	10,249
Net cash outflow	現金流出淨額	(50,653)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

**40. MATERIAL NON-CONTROLLING INTERESTS**      **40. 重大非控股權益 (續)**  
(Continued)**(c) Dormeo and its wholly owned subsidiaries****(c) Dormeo 及其全資附屬公司**

		<b>2016</b> <b>2016年</b> <b>HK\$'000</b> 千港元
Current assets	流動資產	<b>34,427</b>
Non-current assets	非流動資產	<b>149,771</b>
Current liabilities	流動負債	<b>113,622</b>
Non-current liabilities	非流動負債	<b>50,288</b>
Total equity	權益總額	<b>20,288</b>
Total equity attributable to non-controlling interests	非控股權益應佔權益總額	<b>9,878</b>
		<b>2016</b> <b>2016年</b> <b>HK\$'000</b> 千港元
Revenue	收入	<b>113,860</b>
Expenses	開支	<b>154,336</b>
(Loss) for the year	年內(虧損)	<b>(41,407)</b>
Other comprehensive expense for the year	年內其他全面開支	<b>(635)</b>
Total comprehensive expense for the year	年內全面開支總額	<b>(42,042)</b>
Profit for the year attributable to non-controlling interest	非控股權益應佔年內溢利	<b>20,161</b>
Net cash inflow from operating activities	經營活動現金流入淨額	<b>19,014</b>
Net cash outflow from investing activities	投資活動現金流出淨額	<b>(148)</b>
Net cash outflow from financing activities	融資活動現金流出淨額	<b>(4,691)</b>
Net cash outflow	現金流出淨額	<b>(14,175)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 41. EVENTS AFTER THE REPORTING PERIOD

On 26 January 2017 (the “**Date of Grant**”), the Company offered to grant a total of 30,800,000 share options (the “**Share Options**”) to the Directors and certain eligible employees of the Group (the “**Grantees**”), subject to the acceptance of the Grantees and pursuant to the Share Option Scheme. The Grantees are entitled, subject to the terms and conditions of grant and upon exercise, to subscribe for a total of 30,800,000 new Shares in the capital of the Company, representing approximately 1.76% of the 1,750,002,000 Shares in issue as at the Date of Grant. The exercises price is HK\$0.69 per share.

All 30,800,000 Share Options are valid for a period of 5 years commencing from the relevant vesting date and subject to the following vesting periods:

- (a) 50% of the Share Options granted to each Grantee shall vest on the first anniversary date of the Date of Grant (i.e. 26 January 2018); and
- (b) 50% of the Share Options granted to each Grantee shall vest on the second anniversary date of the Date of Grant (i.e. 26 January 2019).

### 41. 報告期後事項

於2017年1月26日(「**授出日期**」)，本公司向本集團董事及若干合資格僱員(「**承授人**」)授出合共30,800,000份購股權(「**購股權**」)，惟須待承授人接納及根據購股權計劃，方可作實。根據授出之條款及條件及行使購股權後，承授人有權認購本公司股本中30,800,000股新股份，佔授出日期已發行1,750,002,000股股份約1.76%。行使價為每股0.69港元。

30,800,000份購股權之有效期由相關歸屬日期起為期5年及受以下歸屬期規限：

- (a) 50%向各承授人授出之購股權須於授出日期之第一週年(即2018年1月26日)歸屬；及
- (b) 50%向各承授人授出之購股權須於授出日期之第二週年(及2019年1月26日)歸屬。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度

## 42. FINANCIAL INFORMATION OF THE COMPANY

## 42. 本公司之財務資料

## Statement of financial position of the Company

## 本公司之財務狀況表

		At 31 December	
		於12月31日	
		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
TOTAL ASSETS	總資產		
Investments in subsidiaries	於附屬公司之投資	<b>403,846</b>	403,846
Other receivables	其他應收款項	<b>1,300</b>	651
Amounts due from subsidiaries	應收附屬公司款項	<b>478,048</b>	293,782
(Bank overdraft) bank balances and cash	(銀行透支)銀行結餘及現金	<b>(59)</b>	102
		<b>883,135</b>	698,381
TOTAL LIABILITIES	總負債		
Other payables	其他應付款項	<b>1,200</b>	1,345
Amounts due to subsidiaries	應付附屬公司款項	<b>-</b>	51,768
Bank borrowings	銀行借款	<b>100,000</b>	-
		<b>101,200</b>	53,113
NET ASSETS	資產淨值	<b>781,935</b>	645,268
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	<b>175,000</b>	175,000
Reserves (Note)	儲備(附註)	<b>606,935</b>	470,268
TOTAL EQUITY	權益總額	<b>781,935</b>	645,268

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016  
截至2016年12月31日止年度

### 42. FINANCIAL INFORMATION OF THE COMPANY (Continued)

### 42. 本公司之財務資料(續)

Note:

附註：

		Share premium	Capital reserve	Share option reserve	Accumulated (losses)/ profits	Total
		股份溢價	股本儲備	購股權儲備	(虧損)/溢利	總計
		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
At 1 January 2015	於2015年1月1日	312,677	(5)	7,430	(38,437)	281,665
Profit for the year	年內溢利	-	-	-	162,952	162,952
Dividend recognised as distribution (note 13)	確認為分派之股息(附註13)	-	-	-	(70,000)	(70,000)
Issue of shares (note 30(a))	發行股份(附註30(a))	96,000	-	-	-	96,000
Cost of issuing new shares	發行新股份成本	(4,157)	-	-	-	(4,157)
Recognition of share based payment expense	確認為股份為基礎之付款開支	-	-	3,808	-	3,808
At 31 December 2015	於2015年12月31日	404,520	(5)	11,238	54,515	470,268
Profit for the year	年內溢利	-	-	-	188,580	188,580
Dividend recognised as distribution (note 13)	確認為分派之股息(附註13)	-	-	-	(54,250)	(54,250)
Recognition of share based payment expense	確認為股份為基礎之付款開支	-	-	2,337	-	2,337
At 31 December 2016	於2016年12月31日	404,520	(5)	13,575	188,845	606,935

## FIVE-YEAR FINANCIAL SUMMARY

### 五年財務摘要

A summary of the results and the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements is set out below:

本集團過去五個財政年度業績以及資產及負債概要乃摘錄自經審核綜合財務報表載列如下：

#### RESULTS

#### 業績

		Year ended 31 December 截至12月31日止年度				
		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元	2014 2014年 HK\$'000 千港元	2013 2013年 HK\$'000 千港元	2012 2012年 HK\$'000 千港元
Revenue	收入	<b>3,499,762</b>	2,869,846	2,683,408	2,369,539	1,971,495
Profit before tax	除稅前溢利	<b>110,978</b>	244,439	246,867	189,578	154,676
Income tax expenses	所得稅開支	<b>(10,526)</b>	(59,763)	(43,920)	(44,545)	(39,000)
Profit for the year	年內溢利	<b>100,452</b>	184,676	202,947	145,033	115,676
Attributable to:	下列人士應佔：					
Owners of the Company	本公司擁有人	<b>103,525</b>	172,674	194,393	135,761	108,411
Non-controlling interest	非控股權益	<b>(3,073)</b>	12,002	8,554	9,272	7,265
		<b>100,452</b>	184,676	202,947	145,033	115,676

#### ASSET AND LIABILITIES

#### 資產及負債

		As at 31 December 於12月31日				
		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元	2014 2014年 HK\$'000 千港元	2013 2013年 HK\$'000 千港元	2012 2012年 HK\$'000 千港元
Total assets	總資產	<b>2,537,083</b>	1,809,711	1,621,266	1,428,665	1,283,111
Total liabilities	總負債	<b>(1,322,987)</b>	(713,022)	(708,153)	(853,409)	(803,211)
Total equity	權益總額	<b>1,214,096</b>	1,096,689	913,113	575,256	479,900
Attributable to:	下列人士應佔：					
Owners of the Company	本公司擁有人	<b>1,059,290</b>	1,058,352	876,320	540,271	455,010
Non-controlling interest	非控股權益	<b>154,806</b>	38,337	36,793	34,985	24,890
		<b>1,214,096</b>	1,096,689	913,113	575,256	479,900

**SINOMAX**

Sinomax Group Limited  
盛諾集團有限公司