



# Wai Chi Holdings Company Limited 偉志控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 1305



ANNUAL REPORT 2016 年報



Our goal is to provide LED backlight and lighting devices and one-stop energy management services for enterprises and government organisations to optimize their operational effectiveness and cost efficiency

我們的目標是通過提供LED背光和照明設備及一站式能源管理服務以便企業及政府機構優化營運效率和成本效益



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# CORPORATE PROFILE

## 公司簡介

Being established in Hong Kong for over 30 years, Wai Chi Holdings Company Limited (“**Wai Chi Holdings**” or “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) is one of China’s high-quality manufacturer for Light-Emitting Diode (“**LED**”) backlight and LED lighting products. The Group is recently developing its business in lighting energy management solutions actively and is becoming an integrated one-stop LED energy management services provider specializing in offering comprehensive lighting energy management solutions for sizeable business corporations and public utilities.

Wai Chi Holdings was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 18 November 2014 (stock code: 1305), which marked an important milestone for the Group and laid a solid foundation for future development. Capital strength was also being enhanced providing the Group with better capabilities to meet any future challenges.

The Group possesses industry leading LED research and development (“**R&D**”) technologies and has excellent achievements in R&D for LED backlight products. The Group has successfully developed over a thousand of new LED backlight products and over a hundred of new LED lighting products in Hong Kong, China, Taiwan and Japan, among which 45 patents were registered in the PRC. The Group has comprehensive production facilities in Shenzhen and Huizhou in the Guangdong province and Yichang in the Hubei province.

The Group’s customers can be categorized into 2 main groups under LED backlight products and LED lighting business. LED backlight products are classified into 4 types including: 1) smartphones; 2) automobile on-board displays; 3) television displays; and 4) other industrial equipment displays. LED lighting business is divided into 2 types, including commercial lighting and public lighting.

於香港成立逾三十年，偉志控股有限公司(「**偉志控股**」或「**本公司**」)及其附屬公司(統稱為「**本集團**」)為中國其中一個優良的發光二極體(「**LED**」)背光及LED照明產品製造商，近年集團更積極發展LED能源管理照明方案，成為一站式的LED能源管理服務供應商，為大型商業機構及公共事業提供整體能源管理照明方案。

偉志控股於2014年11月18日於香港聯合交易所有限公司(「**聯交所**」)主板成功上市(股票編號：1305)，標誌著本集團正邁進一個重要的新里程，為未來發展奠下重要基石，豐富了集團的資本實力，為未來發展提供龐大的機遇及發展優勢。

集團擁有行業領先的LED研究及開發(「**研發**」)技術，在LED背光產品的科研成就卓著，在香港、中國、台灣及日本地區，已成功開發逾千項新LED背光產品，及逾百項新LED照明產品，當中包括於中國註冊的45項專利。本集團於廣東省深圳和惠州及湖北省宜昌三個地區設有全面的生產設施。

集團之顧客主要分為兩大類，其包括：LED背光產品及LED照明業務。LED背光產品分為四大類，其包括：1) 智能手機；2) 車載顯示器；3) 電視顯示器；及4) 其他工業用設備顯示器。LED照明業務分為兩大類，其包括商業照明及公共照明。

# CORPORATE INFORMATION

## 公司資料

### EXECUTIVE DIRECTORS

Mr. Yiu Chi To (*Chairman*)  
Mr. Chen Chung Po (*Chief Executive Officer*)  
Ms. Yiu Kwan Yu  
Mr. Chen Wei Wu  
Ms. Yong Jian Hui

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Au Yeung Tin Wah  
Mr. Chen Kwok Wang  
Mr. Ho Chi Wai

### COMPANY SECRETARY

Mr. Cheung Wai Hung

### AUDIT COMMITTEE

Mr. Au Yeung Tin Wah (*Chairman*)  
Mr. Chen Kwok Wang  
Mr. Ho Chi Wai

### REMUNERATION COMMITTEE

Mr. Ho Chi Wai (*Chairman*)  
Mr. Au Yeung Tin Wah  
Mr. Chen Kwok Wang

### NOMINATION COMMITTEE

Mr. Chen Kwok Wang (*Chairman*)  
Mr. Au Yeung Tin Wah  
Mr. Ho Chi Wai

### RISK MANAGEMENT COMMITTEE

Mr. Chen Chung Po (*Chairman*)  
Mr. Chen Kwok Wang  
Mr. Cheung Wai Hung

### 執行董事

姚志圖先生(*主席*)  
陳鐘譜先生(*行政總裁*)  
姚君瑜女士  
陳緯武先生  
雍建輝女士

### 獨立非執行董事

歐陽天華先生  
陳國宏先生  
何志威先生

### 公司秘書

張偉雄先生

### 審核委員會

歐陽天華先生(*主席*)  
陳國宏先生  
何志威先生

### 薪酬委員會

何志威先生(*主席*)  
歐陽天華先生  
陳國宏先生

### 提名委員會

陳國宏先生(*主席*)  
歐陽天華先生  
何志威先生

### 風險管理委員會

陳鐘譜先生(*主席*)  
陳國宏先生  
張偉雄先生

## CORPORATE INFORMATION

### 公司資料

#### AUTHORISED REPRESENTATIVE

Mr. Chen Chung Po  
Mr. Cheung Wai Hung

#### REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P. O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

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

6th Floor, Liven House  
63 King Yip Street  
Kwun Tong  
Kowloon  
Hong Kong

#### AUDITORS

SHINEWING (HK) CPA Limited  
*Certified Public Accountants*  
43/F, Lee Garden One,  
33 Hysan Avenue,  
Causeway Bay,  
Hong Kong

#### LEGAL ADVISERS

Keith Lam Lau & Chan (as to Hong Kong law)

#### STOCK CODE

01305

#### COMPANY'S WEBSITE

[www.waichiholdings.com](http://www.waichiholdings.com)

#### 授權代表

陳鐘譜先生  
張偉雄先生

#### 註冊辦事處

Cricket Square  
Hutchins Drive  
P. O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

#### 總部及香港主要營業地點

香港  
九龍  
觀塘  
敬業街63號  
利維大廈六樓

#### 核數師

信永中和(香港)會計師事務所有限公司  
*執業會計師*  
香港  
銅鑼灣  
希慎道33號  
利園一期43樓

#### 法律顧問

劉林陳律師行(香港法律顧問)

#### 股份代號

01305

#### 公司網址

[www.waichiholdings.com](http://www.waichiholdings.com)

## CORPORATE INFORMATION

### 公司資料

#### PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
Bank of China Tower,  
1 Garden Road,  
Central,  
Hong Kong

The Hongkong and Shanghai Banking Corporation Limited  
HSBC Main Building,  
1 Queen's Road Central,  
Central,  
Hong Kong

Standard Chartered Bank (Hong Kong) Limited  
Standard Chartered Bank Building,  
4-4A Des Voeux Road Central,  
Central,  
Hong Kong

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

Codan Trust Company (Cayman) Limited  
Cricket Square,  
Hutchins Drive,  
P.O. Box 2681,  
Grand Cayman KY1-1111,  
Cayman Islands

#### Hong Kong branch share registrar and transfer office

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

#### 主要往來銀行

中國銀行(香港)有限公司  
香港  
中環  
花園道1號  
中銀大廈

香港上海滙豐銀行有限公司  
香港  
中環  
皇后大道中1號  
滙豐總行大廈

渣打銀行(香港)有限公司  
香港  
中環  
德輔道中4-4A號  
渣打銀行大廈

#### 開曼群島股份過戶登記總處

Codan Trust Company (Cayman) Limited  
Cricket Square,  
Hutchins Drive,  
P.O. Box 2681,  
Grand Cayman KY1-1111,  
Cayman Islands

#### 香港股份過戶登記分處

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

# CHAIRMAN'S STATEMENT

## 主席報告

We actively fine-tune our product mix to meet ever-changing market demands.

我們積極優化產品組合，以應對不斷變化的市場需求。

Chairman **Mr. Yiu Chi To**  
主席 姚志圖先生



### Dear Shareholders,

On behalf of Wai Chi Holdings Company Limited, its subsidiaries and the board of directors of the Company ("**Directors**" or the "**Board**"), I am pleased to present to our shareholders our audited annual results of the Group for the year ended 31 December 2016.

As the world's second-biggest economy, China's slowdown has become a world-wide concern. With GDP growth rate at 6.7% in 2016, China has reached its slowest pace since 1990. Nevertheless, the figure is in line with China's economic growth target of between 6.5% and 7%, set at the beginning of the year, showing that China has entered its economical "new normal", with the economic structure being optimized and upgraded, and development focuses being shifted towards service-oriented and technology-oriented segments.

### 致各位股東：

本人很榮幸能代表偉志控股有限公司、其附屬公司和本公司董事會（「**董事**」或「**董事會**」），向各位股東提呈本集團於截至2016年12月31日止年度的經審核全年業績。

作為世界第二大經濟體，中國經濟放緩令世界關注。中國2016年國內生產總值增長率為6.7%，創下1990年以來最低增速。儘管如此，該數據仍符合年初所設的中國經濟增長目標6.5%至7%，表明中國經濟已進入「新常態」，經濟結構得以優化升級，發展重心轉向服務導向型及科技導向型行業。



## CHAIRMAN'S STATEMENT

### 主席報告



China's LED industry has experienced impressive development over the past few years but keen competitions and oversupply came along with the rapid growth, as happened in other industries in China. In particular, Smartphone LED backlight industry, which has been the main revenue driver of the Group, confronted with major problems as numerous new manufacturers entered the market which resulted in price wars and significantly brought down profit margin. However, with relatively high entry barriers, automobile and TV LED backlight sectors managed to maintain a healthy development pace.

As a seasoned market player with strong research and development capacity, the Group has strategically adjusted its business plan and placed priority in the development of LED backlights products for automobile on-board displays and LED lighting business. The Group ceased the operation of its business in LED backlight for smartphones in order to focus on segments with higher profit margin. During this transitional period, the Group managed to expediently dip in revenue and profit from a newly developed business segment of high-tech electronic components and products sourcing business, while nurturing and growing high margin business segments.

過去數年，中國LED產業發展令人矚目，但激烈競爭及供應過剩在增長迅速伴隨下滋生，情況與中國其他產業如出一轍。尤其是一直作為本集團主要營收動力的智能手機LED背光產業，在大量新生產商湧入市場引起價格戰及毛利大幅降低的衝擊下，面臨種種重大問題。然而，由於准入壁壘高築，車載及電視LED背光行業得以穩健發展。

作為研發能力強大的資深市場參與者，本集團已策略性調整業務計劃，優先發展車載顯示器LED背光產品及LED照明業務。為重點發展毛利更高的分部，本集團已停止營運智能手機LED背光業務。於該過渡期內，本集團成功權宜地從新開發的高科技電子零部件及產品的採購業務分部中獲取收入及利潤，同時扶植及發展高利率業務分部。

## CHAIRMAN'S STATEMENT

### 主席報告

During the year, the total revenue of the Group amounted to approximately HK\$1,321,601,000, representing an increase of 20.1% as compared to 2015. Revenue from sales of LED backlight products was approximately HK\$762,716,000, decreased by 26.2% as compared to 2015, mainly due to the cessation of business in LED backlights for smartphones; revenue from sales of LED lighting products was approximately HK\$57,319,000, decreased by 14.2% as compared to 2015; revenue from the provision of high-tech electronic components and products sourcing business was approximately HK\$501,566,000.

### PROSPECTS

Global economy is going through a period of uncertainty and is expected to stay this way in the foreseeable future. Under such circumstances, to maintain stability becomes a priority for China's economic development. An even slower growth rate and tighter policies are expected. Meanwhile, as China continues to encourage domestic manufacturing and energy-saving business, prospects for such corporations, especially ones with strong capacity and proven track records can be promising.

In Wai Chi Holdings, after the hard decisions made, bold explorations conducted, we saw a turn from loss to profit, which confirmed our confidence in the future. We will keep fine-tuning our product mix and business profile to secure profitability and flexibility in face of the changing market. Investment in technological research and development will stay a priority as the Group reallocates its resources in various aspects. Riding on our 30-year track record, we spare no efforts in strengthening our existing business and seeking new opportunities both domestically and internationally. The future is opening a new page for us and I sincerely hope you, our shareholders, will keep your faith in the Group.

於本年度內，本集團的總收入約為1,321,601,000港元，較2015年增加20.1%。銷售LED背光產品的收入約為762,716,000港元，較2015年下降26.2%，主要由於停止了智能手機LED背光業務；銷售LED照明產品的收入則約為57,319,000港元，較2015年下降14.2%；提供高科技電子零部件及產品的採購業務的收入約為501,566,000港元。

### 展望

全球經濟目前正處於不明朗時期，預計於可預見未來亦維持此狀態。在該等情況下，維穩成為中國經濟發展的重中之重。預計增長速度將進一步放緩，而政策將日趨緊縮。同時，由於中國繼續鼓勵國內製造業及節能業務，業內公司（尤其實力強大及往績記錄彪炳的公司）的發展前景廣闊。

於作出艱難的決定後，偉志控股大膽探索，轉虧為盈，堅定了我們對未來的信心。我們將繼續優化產品結構及業務概況，確保靈活應對瞬息萬變的市場並從中獲利。本集團分配各板塊資源時，會優先考慮投資技術研發。憑藉我們過往30年的業績，我們不遺餘力地鞏固現有的業務，並尋求國內外新機遇。未來為我們揭開新的篇章，本人衷心地希望閣下，我們的股東，繼續對本集團滿懷信心。

## CHAIRMAN'S STATEMENT

### 主席報告

#### ACKNOWLEDGEMENT

Finally, on behalf of the Board, I would like to express my deep appreciation to all the investors, business partners and clients for their continuous support and trust. I would also take this opportunity to thank the Board members for their significant contribution and all of our staffs for their dedicated work, without which, we would not have come so far on the path full of competition.

**Mr. YIU Chi To**

*Executive Director and Chairman*

24 March 2017

#### 鳴謝

最後，本人謹代表董事會向所有投資者、業務夥伴及客戶一如既往的支持及信任表示衷心的感謝。本人也借此機會感謝董事會成員卓越的貢獻及全體員工辛勤的工作，沒有你們，我們就不能在激烈的競爭中取得如此傲人的成績。

姚志圖先生

*執行董事兼主席*

2017年3月24日



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層之論述及分析

### INDUSTRY REVIEW

In the year of 2016, the global economic and political environment posed uncertainties to all major economies, putting downward pressure on their rates of congregated economic growth. Despite the deceleration in growth, the annual GDP of China was recorded at RMB74,412.7 billion, representing a gentle growth rate of 6.7%. Under Chinese government's announced insight regarding the country's drive of medium to long term economic growth, the "new normal" annual target growth rate of 6.5-7% suggested sheer optimism in strengthened domestic demand for the manufacturing sector nationwide. Faced with the challenge of overcapacity, although Chinese government has launched reform focusing on domestic demand, overall observation and studies have yet seen tangible improvement in the number of orders received by plants and factories. Currently, the production industry outlook features mixed opinions, amongst which some point to imminent improvement in production level, favoring durable goods slightly over non-durables. On the other hand, it is still expected institutional capacity reduction in various sectors may take place, presenting more pressure on domestic manufacturers in the short to medium run.

In terms of the LED backlight industry, its relevant domestic market was maturing further and reached close-to-full saturation during 2016; adding on the effects of the macroeconomic slowdown, this indicated sluggish growth of the industry for the year and the potential of the same trend for the coming year. Smartphone LED backlight lost its growth momentum under the intensified market competition across the country, whereas automobile and TV LED backlight maintained a steady pace of development. In line with the general view of China's industrial economy, the market conditions and production demand are anticipated to remain unstable, hence leading to a more complicated business environment.

### 行業回顧

於2016年，全球經濟及政治環境給所有主要經濟體帶來不確定性，並對其集體經濟增長率產生了下行壓力。儘管增長放緩，但中國年度國內生產總值錄得人民幣744,127億元，溫和增長6.7%。根據中國政府就國家推動中長期經濟增長所宣佈的預期，「新常態」年度目標增長率6.5至7%表明對全國製造業的內需增長抱持極樂觀的態度。面對產能過剩的挑戰，儘管中國政府已推行以內需為重點的改革，但經縱觀及研究表明廠房及工廠收到的訂單數量尚未有明顯改善。目前，就生產行業前景存有不同意見，其中部分意見指出，生產水平即將提高，但耐用用品方面較非耐用用品方面略勝一籌。另一方面，亦預計各個行業可能會進行制度性減產，短中期內對國內生產商帶來更大壓力。

於2016年，就LED背光行業而言，其國內相關市場已進一步成熟，接近飽和；加上宏觀經濟放緩的影響，表明年內行業增長乏力且來年可能延續同一勢態。在全國各地市場競爭加劇的情況下，智能手機LED背光產品增長勢頭消失，而車載及電視LED背光產品則穩步發展。根據中國工業經濟相關整體意見，市況及生產需求預計仍不穩定，從而導致營商環境更加錯綜複雜。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層之論述及分析



## BUSINESS REVIEW

Taking prudence into consideration, the Group introduced changes to restructure its business in 2016 in order that profit optimization is achieved, given the emerging market conditions. In principle, product mix was revised by lowering the proportion of low margin products and shifting focus onto the production of high margin products. This is mainly reflected by the reduced business coverage of smartphone LED backlight products, which eventually came to cessation of sales in the second half of the year.

The total revenue for the year under review was approximately HK\$1,321,601,000, increased by 20.1% as compared to approximately HK\$1,100,491,000 in 2015. Revenue from the sales of LED backlight products was approximately HK\$762,716,000 (2015: approximately HK\$1,033,652,000), with a decrease by 26.2%. The substantial drop in the sales of LED backlight products can be explained by the cessation of sales of smartphone backlight products under the Company's transition into focusing on other high-margin products. Revenue from the sales of LED lighting products was approximately HK\$57,319,000 (2015: approximately HK\$66,839,000), with a decrease of 14.2%, and such regression can be explained by the weakened domestic demand in China which led to decreased spending from commercial customers on related LED lighting projects.

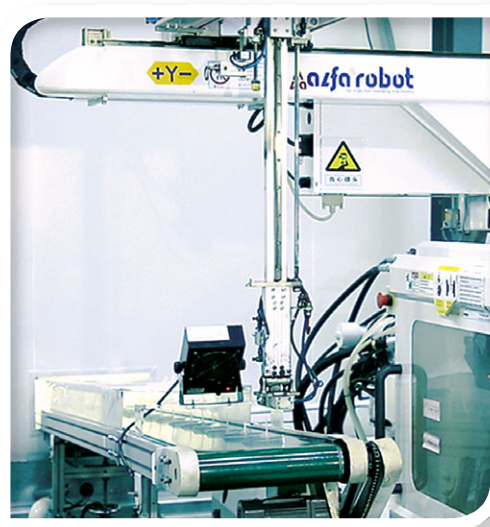
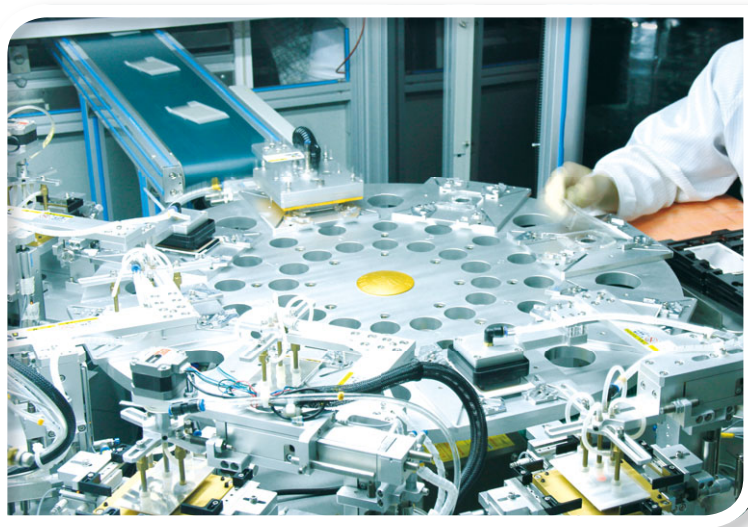
## 業務回顧

經審慎考慮後，為於新興市況下實現利潤優化，本集團於2016年推出多項改變以重組業務。原則上，我們透過降低低毛利產品的比重及專注生產高毛利產品改進產品組合。印證這一舉措的情況主要是智能手機LED背光產品的業務覆蓋面縮減，最終導致於下半年停售。

於回顧年內，總收入約為1,321,601,000港元，較2015年約1,100,491,000港元上升20.1%。LED背光產品銷售收入約為762,716,000港元（2015年：約1,033,652,000港元），下跌26.2%。LED背光產品銷售額大幅下跌主要由於本公司停止銷售智能手機背光產品，轉而銷售其他高毛利產品。LED照明產品銷售收入約為57,319,000港元（2015年：約66,839,000港元），下跌14.2%，有關衰退乃由於中國國內需求疲弱導致商業客戶在有關LED照明項目的開支有所減少。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層之論述及分析



Throughout the year under review, the Group took strategic measures in restructuring product portfolio, as well as continuing with stringent cost control which involved the full implementation of the enterprise resource planning ("ERP") system for timely monitoring of its operational process, to promote information exchange between functions and to store and manage operational data. The ERP system in particular successfully lowered operational cost for the Group during the manufacturing process. In the same aspect, there was also a system upgrade which facilitated a higher degree of process automation, enhancing production line productivity. This resulted in better resource allocation and utilization, effecting overall improvement of financial and work efficiency.

#### LED Backlight Business

The Group's LED backlight products are classified into four types, including: 1) smartphones; 2) automobile on-board displays; 3) television displays; and 4) other industrial equipment displays. During the year, revenue derived from LED backlight products related to smartphones, automobile on-board displays, television displays and industrial equipment displays were approximately HK\$230,508,000, HK\$164,922,000, HK\$144,103,000 and HK\$223,183,000 respectively.

於整個回顧年內，本集團在重組產品組合及繼續嚴控成本方面推行各種策略舉措，透過全面實施企業資源規劃（「ERP」）系統，實時監察營運過程、促進各職能部門之間的資訊流通以及儲存及管理營運數據，得以成功於生產過程中減省營運成本。同時，通過系統升級加強自動化生產，提升生產線的效率。此舉令資源獲得更佳的配置及利用，整體財務及工作效率均獲大幅提升。

#### LED背光業務

本集團的LED背光產品分為四大類，包括：1) 智能手機；2) 車載顯示器；3) 電視顯示器；及4) 其他工業設備顯示器。於年內，LED背光產品中來自智能手機的收入為約230,508,000港元；車載顯示器的收入為約164,922,000港元；電視顯示器的收入為約144,103,000港元；工業設備顯示器的收入為約223,183,000港元。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層之論述及分析

From the above, smartphone LED backlight production ceased in the second half of the year under review due to the declining profitability of smartphone backlight products relative to other existing products, which was caused by the heightened cost of research & development (“R&D”) under robust market competition and the smartphone consumer market slowdown after a decade of rapid development. This led to oversupply and price wars, hence stagnant growth in the smartphone backlight market, with especially detrimental impact from the sub-market of low-end handsets. According to the International Data Corporation’s Worldwide Quarterly Mobile Phone Tracker, the worldwide smartphone market saw a total of 1.47 billion units shipped, only marking 2.3% growth from the previous year, which is a considerable decline with reference to the 10.1% growth in 2015 and 27.5% growth in 2014. As the Chinese smartphone market continues to mature, pricing will only be increasingly competitive, chipping away profits along with secondary competition for the material suppliers. Together with the wave of new display technologies, such as the featuring of OLED displays for some international smartphone brands, the demand for LED backlight shrank drastically leading to discouraging rate of growth in the smartphone backlight market.

The Group adopted the new focus on its high-margin products, namely automobile on-board displays and television displays LED backlight. They emerged to be the two key revenue drivers for the Group this year. LED displays faced with a drop in market price over the past year, with the observed technological advancement, demand for automobile on-board displays catering for middle to high-end vehicles in China and international markets surged. Given the relatively high entry barrier on specialized automotive products, the Group believes that its existing manufacturing technologies and resources for automobile on-board displays LED backlight are advantageous to its growth in this specific market. Business conditions are also less challenging, thus less costly in terms of R&D because of the durability of such products.

以上數據中，智能手機LED背光產品於回顧年下半年停產。因為由於研究與開發(「研發」)成本在激烈的市場競爭下升高及智能手機消費市場經過十年的快速增長後放緩，智能手機背光產品的盈利能力較其他現有產品而言日益下降。此情況導致供應過剩及價格戰，致使智能手機背光市場深受低端手機次級市場造成的不利影響而增長止步不前。據國際數據公司的全球手機季度跟蹤報告顯示，全球智能手機市場合共出貨14.7億部，較去年僅增長2.3%，與2015年10.1%及2014年27.5%的增長相比大幅下降。由於中國智能手機市場繼續飽和，定價只會越來越具競爭力，造成材料供應商的利潤被侵蝕及次級競爭削弱。加上新顯示技術的發展浪潮，如若干國際智能手機品牌採用OLED顯示器，令LED背光需求急劇縮減，進而導致智能手機背光市場增長率不盡如人意。

本集團的最新關注點為車載顯示器及電視顯示器LED背光這兩項在本年度成為本集團兩大收益驅動力的毛利產品。去年，LED顯示器價格下跌，而眾目可睹的技術提升則令中國乃至全球市場對於中端汽車的車載顯示器需求激增。鑒於專業汽車產品的進入門檻相對較高，本集團認為，其現有的車載顯示器LED背光製造技術及資源有利於本集團在此特定市場發展壯大。營商條件亦無太多挑戰，故由於該等產品經久耐用，研發成本亦相對較低。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層之論述及分析

Another division of the Group's backlight products is for television displays, sales performance of which remained stable in the year under review. According to IHS Technology, a leading research and analysis firm specializing in the industries of technology, media, and telecommunications, smart TV shipments had been predicted to reach 109 million units in 2016, and is expected to rise to 134 million units in 2020. China continues to dominate the worldwide smart TV manufacturing market. The Group remains optimistic about the stable growth of TV backlight market in the foreseeable future.

The Group understands and treasures the value of customer loyalty for its business, having long been supported by groups of long-term clients. In view of the weakened domestic consumption market, the Group sets out on product restructuring – starting to fine-tune its product mix by placing emphasis on high-margin backlight products to safeguard profit margins and to attain more business security. On top of that, the Group is also working on customer diversification – exploring new markets and clientele, in the meantime landing new sources of income. The Group is confident that the above measures will enhance its business sustainability.

本集團背光產品的另一部份是用於電視顯示器，其銷售業績於回顧年內維持穩定。根據專門從事技術、媒體及通訊行業的領先研究及分析公司IHS Technology的資料，智能電視的出貨量於2016年已達到109百萬部，並預期於2020年上升至134百萬部。中國繼續佔據全球智能電視製造市場的主導地位。本集團對電視背光市場於可見未來的穩定增長抱持樂觀態度。

由於一直受惠於長期客戶群體的大力支持，本集團瞭解並重視其業務的客戶忠誠度價值。鑒於國內消費市場疲弱，本集團著手進行產品重組，透過專注於高利潤背光產品開始優化產品組合，以維持利潤率及達到更高的業務穩定性。此外，本集團亦致力於實現客戶多元化，開拓新市場及客戶，同時引入新的收入來源。本集團深信，上述舉措將有助於提升業務的可持續性。

#### For the year ended 31 December

截至12月31日止年度

LED Backlight Revenue Breakdown	LED背光收入明細	2016		2015	
		2016年		2015年	
		HK\$'000	%	HK\$'000	%
		千港元		千港元	
Smartphone	智能手機	230,508	30.2	598,903	57.9
Automobile Displays	車載顯示器	164,922	21.6	145,480	14.1
Televisions	電視	144,103	18.9	105,352	10.2
Equipment Displays	設備顯示器	223,183	29.3	183,917	17.8
		762,716	100.0	1,033,652	100.0

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層之論述及分析

#### LED Lighting Service Business

The Group's LED lighting business is classified into 2 types, including public lighting and commercial lighting. The Group provides various services including products, lighting solutions design, installation and maintenance etc. During the year under review, revenue from public lighting and commercial lighting was approximately HK\$33,271,000 and HK\$24,048,000 respectively, showing decrease of 16.7% and 10.7% compared to respective approximates of HK\$39,921,000 and HK\$26,918,000 for the year of 2015.

The Chinese government has determined to stimulate the public penetration of LED street lights in previous years, bringing about strong demand for such LED street lighting products. This, however, has been adversely affected by the weak consumption sentiment due to economic breakdown, causing many projects to be delayed and major disruption of the domestic LED lighting market. The Group had successfully completed over 200 LED lighting projects with major supermarkets in China prior to the market slowdown and built up its reputation and strong client database. It is striving to acquire more domestic LED lighting upgrade projects in various supermarket chain stores as the market momentum resumes.

The markets of the U.S. and Europe appear promising during the year under review. The Group reported satisfactory sales to both markets for large-scale business arrangement have been established or put in progress. The Group has been conducting research and building its profile in LED street lighting market in Mexico over the years and projects are now in progress. Both the North American and European markets will remain the Group's short-term sales focus for the LED lighting segment.

#### LED照明業務

本集團的LED照明業務分為公共照明及商業照明兩大類。本集團提供的服務包括產品、照明方案設計、安裝及維護等。於回顧年內，公共照明及商業照明的收入分別約為33,271,000港元及24,048,000港元，較2015年的約39,921,000港元及約26,918,000港元分別減少16.7%及10.7%。

由於近年中國政府決定刺激LED路燈的公共滲透率，該類LED路燈照明產品出現暢旺需求。然而，由於經濟崩潰引致消費意慾低迷，很多項目被擱置，國內LED照明市場受到重大干擾，對LED路燈產品的需求造成了不利影響。幸而於市場放緩前，本集團已成功完成了與多間中國主要超級市場訂立的200多個LED照明項目，贏得了聲譽及強大的客戶群。本集團銳意於市場動力恢復時，積極參與於各連鎖超級市場的國內LED照明項目。

於回顧年內，美國及歐洲市場呈樂觀前景。就已建立或進行中的大型業務安排而言，本集團於兩大市場取得理想的銷售額。本集團多年來一直在墨西哥LED路燈照明市場進行研究及建立其形象，現正推進其項目。北美及歐洲市場仍將為本集團短期內LED照明業務的銷售重點。

#### For the year ended 31 December

截至12月31日止年度

LED Lighting Revenue Breakdown	LED照明收入明細	2016		2015	
		HK\$'000	%	HK\$'000	%
Public Lighting	公共照明	33,271	58.0	39,921	59.7
Commercial Lighting	商用照明	24,048	42.0	26,918	40.3
		57,319	100.0	66,839	100.0



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層之論述及分析

#### High-Tech Electronic Components and Products Sourcing Business

For the year of 2016, the Group engaged in a non-core business of provision of sourcing business of high-tech electronic component and products with the background of being a seasoned industry player. The move was an expedient to migrating to high margin business segments. During the year under review, revenue from the provision of sourcing business was approximately HK\$501,566,000, taking up approximately 38% of this year's total revenue.

#### 高科技電子零部件及產品的採購業務

於2016年，本集團開展一項非核心業務，憑藉資深行業參與者優勢提供高科技電子零部件及產品的採購業務。此舉為轉移至高利潤業務分部提供了適當的緩沖。於回顧年度內，提供採購業務的收入約為501,566,000港元，佔本年度總收入約38%。

		For the year ended 31 December 截至12月31日止年度			
		2016 2016年		2015 2015年	
High-Tech Electronic Components and Products Sourcing Business		HK\$'000 千港元	%	HK\$'000 千港元	%
High-Tech Electronic Components and Products Sourcing Business	高科技電子零部件及產品的採購業務	501,566	100	N/A	N/A
		501,566	100	N/A	N/A

#### QUALITY CONTROL

The Group has established stringent quality control procedures to ensure the quality of the LED products. From the very beginning of production at the stage of product design, the Group's quality control procedures continue throughout the entire product manufacturing and storage process. Staffs in quality control participate in the process of product design, which ensures quality excellence starting from the fundamentals. There is a set of established procedures in selecting and approving new suppliers and raw materials, and thorough testing of product samples are carried out before mass production of the LED products.

The Group has purchased a series of advanced production and testing equipment for improving quality control. The Group has been awarded various certifications, including ISO 9001:2008 and ISO 14001:2004 for quality and environmental management systems, which serve as important assurance of the quality and reliability of the Group's products.

#### 質量控制

本集團已訂立嚴格的質量控制程序以確保LED產品的質素。由產品設計階段量產開始，本集團的品質控制過程持續至產品製造及儲存的整個過程。品質控制人員參與產品設計過程，由基礎開始確保卓越品質。本集團會採用完善的程序以挑選及批核新供應商及原材料，並在LED產品量產前對產品樣本進行全面測試。

本集團已購置一系列先進的生產及測試設備以提高質量控制。本集團的質量及環境管理系統已獲頒多項認證，其包括ISO9001：2008及ISO14001：2004認證，是本集團產品質素及可靠性的最重要保證。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層之論述及分析

#### RESEARCH AND DEVELOPMENT

Being a competitive member in the industry, the Group believes the upkeep of product innovation and the research and development capabilities can immensely boost its competitiveness and market status. Therefore, the Group puts forth the development of new LED backlight and LED lighting products, which is pivotal in the industry of rapidly advancing technologies and supports the Group's competitiveness in the long-term.

The Group's R&D centre is located in our production plant in Huizhou. The Group engages in various R&D activities, including (i) concurrent development of new product designs with our customers; (ii) improvement of product quality, efficiency and functions of existing products; (iii) in-project calibration and optimization of the production processes and capability of the equipment; (iv) introduction and promotion of the use of new production technologies and new production materials; and (v) assessment of the future prospect and development trend of the LED industry. The Group has achieved a number of technological advancement and breakthroughs throughout the years and, as of 31 December 2016, the Group holds 45 patents registered in the PRC. Looking forward, the Group will continue to enhance its R&D capabilities in order to catch up with the strong demands in both LED backlight and LED lighting products markets.

#### AWARDS FOR CORPORATE RESPONSIBILITY

The Group stays ahead in terms of corporate responsibility while in pursuit for commercial gains. During the year, a subsidiary of the Group has once again been awarded the Green Office Awards Labelling Scheme ("GOALS") Green Office Label by the World Green Organization ("WGO"), in recognition of the Group's continued efforts in aiding environmental protection.

WGO launched GOALS in 2013 with the objectives of raising awareness of global environmental issues and encouraging corporations to implement the best green practices in their offices in 9 stipulated aspects of operations, including energy savings, water savings, waste reduction, paper and printing reduction, green procurement, IT use and disposal, transportation, education and awareness, and finally green innovation. Companies have to undergo a process of stringent green audit, during which the Group has demonstrated its commitment in corporate social responsibility by incorporating its green mission into daily practice and corporate culture.

#### 研究與開發

作為行業中具競爭力的一員，本集團相信保持產品創新及研發的能力可極大地提升其競爭力及市場地位。因此，本集團提倡開發LED背光及LED照明新產品，此舉對應對行業技術的不斷革新至關重要，有助於本集團長期維持競爭力。

本集團的研發中心位於我們惠州的生產廠房。本集團參與多項研發活動，其包括(i)與客戶同時開發新產品設計；(ii)改善現有產品的質素、效率及功能；(iii)於項目內標準化及優化設備的生產過程及產能；(iv)引入及推廣新生產技術及新生產材料的使用；及(v)評估LED行業的未來前景及發展趨勢。多年來，本集團已取得大量技術進展及突破，截至2016年12月31日，本集團持有45項於中國註冊的專利。本集團未來將繼續提升其研發能力，以應對LED背光及LED照明產品市場強大的需求。

#### 有關企業責任的獎項

本集團在追求商業收益的同時，亦保持高度的企業責任感。於回顧年內，本集團旗下子公司再次榮獲由世界綠色組織(「世界綠色組織」)舉辦的綠色辦公室獎勵計劃(「綠色辦公室獎勵計劃」)所頒發的綠色辦公室企業獎，以表揚本集團於環境保護方面的持續付出。

世界綠色組織為了提高各界對全球環境問題的關注以及鼓勵企業於辦公室施行綠色守則，遂於2013年推出綠色辦公室獎勵計劃，以9個不同範疇包括節約能源、節約用水、減少廢物、減少用紙、綠色採購、資訊技術使用及處置、交通運輸、教育及意識以及綠色創新推動辦公室在日常營運「變綠」。本集團成功通過嚴格的審核，證明其於履行企業社會責任的堅持，以及積極將綠色理念融入日常生活及企業文化。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層之論述及分析

Certifying the Group's all-rounded performance in its corporate social responsibility, the Group had been presented with the Outstanding SME Social Responsibility Award for the first time, by Hong Kong's Mirror Post in the Fifth Annual Outstanding CSR Award Ceremony.

Mirror Post, a longstanding monthly magazine in Hong Kong, first organized the Outstanding CSR Award in 2012 aiming to celebrate Chinese enterprises excelling in their realization of CSR. To be eligible for nomination, companies have to pass through a strict selection process with the 7 criteria of obligations towards shareholders, caring of employees, environmental protection, commitment to customers, community and society relations, leadership ability and other indices related to the enterprise's own specialty of the profession.

### PROSPECTS

Having seen the recent sluggish growth in China's economy, domestic demand and business investment are under uncertain circumstances, but expected to be stimulated by the PRC government's economic reform policies along the line of the "new normal" routine. Incentives over consumer spending and enhancing the service sector are put in place to create solid domestic demand, while encouragement towards domestic manufacturing and energy-saving can be directly favorable for business owners. Particularly, the PRC government has opened up subsidizing program in light of supportive policies on high and new tech enterprises, holding the industry optimistic for more extensive benefits and reinforcement in the future.

Both overseas and domestic opportunities may arise for the Group's LED backlight business, hence the Group strives to constantly better itself by operating in the principle of sustainability. Aside from optimizing efficiency and cost-effectiveness through various means like business streamlining, process automation and system upgrades, the Group redesigns the composition of its output to capture the most market gains. In the immediate future, automobile displays LED backlight will be receiving key focus of development following the parting of smartphone LED backlight products. The Group believes it will benefit from the relatively long life of automobile displays as opposed to smartphone LED backlight, in that costs of frequent creation of new models are reduced; while fewer entrants appear in the automobile displays backlight market than in the smartphone LED backlight market due to higher entry barriers.

關於企業社會責任的綜合表現方面，本集團於第五屆傑出企業社會責任獎典禮中首次榮獲由香港《鏡報》舉辦的傑出中小企業社會責任獎。

香港《鏡報》為一香港老牌月刊，於2012年首次組織傑出企業社會責任獎，旨在頌揚中國企業於其實現企業社會責任中的卓越表現。為符合提名資格，公司須通過一套嚴格的篩選程序，包括股東承擔、員工關愛、環境保護、客戶承諾、社區及社會關係、領導能力及其他有關企業自身專業特長指標的七項標準。

### 展望

鑒於中國經濟近期增長緩慢，國內需求及商業投資環境並不明朗，但預期將會受到中國政府「新常態」方針路線下經濟改革政策的刺激，就消費支出及加強服務行業已出台激勵措施，以創造穩固的國內需求，而針對國內製造及節能的激勵措施則可令企業直接受益。尤其是，中國政府根據對高新技術企業的扶持政策開展補貼計劃，使行業對未來更廣泛的效益及發展壯大保持樂觀態度。

本集團LED背光業務帶來海內外的機會，因此本集團致力透過以可持續發展原則經營不斷自我完善。除透過如業務精簡、流程自動化及系統升級等各種手段優化效率及成本效益外，本集團重新設計產能的使用以獲取最大的市場收益。於不久的將來，汽車顯示屏LED背光將於智能手機LED背光產品分離後成為發展的重點。本集團相信，與智能手機LED背光相比，汽車顯示屏的使用壽命相對較長，減少了不斷開發新型號的成本；而由於市場的進入門檻較高，進入汽車顯示屏背光市場的企業較進入智能手機LED背光市場的企業少，本集團將因此受益。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層之論述及分析

Regarding the segment of LED lighting, the Group has established or begun execution of large-scale business arrangement for the European and North American market, involving collaboration with major agents in the European market and with the government in North America. The Group has dedicated its effort in exploring and establishing business relationship with the Mexican government since 2012. Due to the temporal investment required for these jobs, the Group is confident in securing and aggressively increasing its market share in the foreign LED lighting market. Also, the Group will continue participating in various global lighting trade shows in different international markets while devoting reasonable resources in R&D to keep up with the changing market.

With over 30 years of LED backlight and lighting experience, industry expertise and wide market recognition, Wai Chi Holdings Company Limited is in a better position to deal with all the challenges ahead. The Group is always working to develop itself into an integrated industry leader in terms of design, manufacturing and selling of LED backlight and LED lighting products.

## FINANCIAL REVIEW

### Revenue

During the year under review, the sources of revenue for the Group were the sales of LED backlight products, the sales of LED lighting products and the provision of high-tech electronic components and products sourcing business. For the year ended 31 December 2016, the sales of the Group's LED backlight products was approximately HK\$762,716,000, a decrease by 26.2% from approximately HK\$1,033,652,000 in 2015; the fall was mainly attributable to the cessation of sales of smartphone backlight products. The sales of the Group's LED lighting products was approximately HK\$57,319,000, a decrease by 14.2% from approximately HK\$66,839,000 in 2015. The fall was mainly attributable to the decreased spending from commercial customers on related LED lighting projects. A newly developed segment in the year under review, the provision of high-tech electronic components and products sourcing business, had relevant sales approximating to HK\$501,566,000.

The Group has strategized with great effort about new forms of profit optimization, and changes took place in the year under review. Further from raising the sales contribution from high margin goods, namely automobile on-board displays and television LED backlight products, there was the cessation of sales of smartphone LED backlight products in the second half of the year.

關於LED照明分部，本集團已為歐洲及北美洲市場建立或開始實行大規模的業務安排，包括與歐洲市場主要代理商及北美洲政府合作。本集團自2012年起一直致力於發展及建立與墨西哥政府的業務關係。由於該等工作需要時間投資，本集團對保持及大幅增加其於外國LED照明市場的市場份額充滿信心。此外，本集團將繼續於不同的國際市場參與多個全球性照明貿易展銷會，同時本集團將投入合理的資源於研發工作，與時並進。

憑藉本集團於LED背光及照明方面超過30年的經驗、行業專業性及廣泛的市場認受性，偉志控股有限公司將能排除萬難，面對挑戰，一如以往，努力強化自身成為一間集設計、製造及銷售LED背光和LED照明產品於一身的行業領先企業。

## 財務回顧

### 收入

於回顧年度，本集團的收入來自銷售LED背光產品、銷售LED照明產品及提供高科技電子零部件及產品的採購業務。截至2016年12月31日止年度，本集團錄得LED背光產品的銷售額為約762,716,000港元，較由2015年約1,033,652,000港元下跌26.2%；LED背光產品銷售額下降主要由於停止銷售智能手機背光產品所致。本集團LED照明產品的銷售額為約57,319,000港元，較2015年約66,839,000港元下跌14.2%。LED照明產品銷售額下降主要由於商業用戶於相關LED照明項目開支減少所致。於回顧年度，提供高科技電子零部件及產品的採購業務的新開發分部的相關銷售額為約501,566,000港元。

本集團盡力策劃利潤優化新形式，並於回顧年度進行整改。除進一步增加高利潤率產品（即車載顯示器及電視LED背光產品）的銷售佔比外，本年度下半年停止銷售智能手機LED背光產品。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層之論述及分析

Meanwhile, a share of revenue stemmed from the Group's engaging in a newly developed business of provision of sourcing business of high-tech electronic components and products. The introduction of this business is part of the actions the Group takes to continuously diversify its profit sources by exploring opportunities from new business segments and new markets. The Group acknowledges its appeal as a seasoned industry professional towards the alternative clients in these services, however, it will carefully examine the compatibility between such service provision and its main business to further define an appropriate mode of operation.

此外，部分收入來自本集團新開展提供高科技電子零部件及產品的採購業務的業務。引入該業務為本集團持續多元化拓展其收益來源並於新業務板塊及新市場探索商機的舉措之一。本集團確信作為經驗豐富的行業專家於該等服務對其他客戶的吸引力，然而，其將會仔細審查提供該服務與其主要業務之間的兼容性，以進一步確定一個合適的運營模式。

#### For the year ended 31 December

截至12月31日止年度

		2016		2015	
		2016年	%	2015年	%
Total Revenue	總收入	HK\$'000		HK\$'000	
		千港元		千港元	
LED Backlight	LED背光	762,716	57.7	1,033,652	93.9
LED Lighting	LED照明	57,319	4.3	66,839	6.1
High-Tech Electronic Components and Products Sourcing Business	高科技電子零部件及產品的採購業務	501,566	38.0	不適用N/A	不適用N/A
		<b>1,321,601</b>	<b>100.0</b>	1,100,491	100.0

### Gross Profit and Gross Profit Margin

For the year ended 31 December 2016, gross profit from the sales of LED backlight and LED lighting products was HK\$156,770,000, representing a decrease of 36.1% from approximately HK\$245,512,000 in 2015, mainly due to the cessation of the sales of smartphone LED backlight products. Gross profit margin for these two segments decreased by 3.2 percentage points from 22.3% in 2015 to 19.1% for the year under review. Gross profit and gross profit margin from the provision of sourcing business of high-tech electronic components and products were HK\$4,495,000 and 0.9% respectively.

For the year ended 31 December 2016, the Group's overall gross profit was approximately HK\$161,265,000, decreased by 34.3% from approximately HK\$245,512,000 in 2015. Gross profit margin was 12.2%, decreased by 10.1 percentage points from 22.3% in 2015 due to the temporary setback experienced by the Group during its transition of focus from smartphone backlight products to automobile on-board displays and other high-tech products, with the aim of abandoning the low-profitting division for gross profit optimization in the long run.

### 毛利及毛利率

截至2016年12月31日止年度內，銷售LED背光及LED照明產品的毛利為約156,770,000港元，較2015年約245,512,000港元下降36.1%，主要是由於停止了銷售智能手機LED背光產品所致。該兩個分部的毛利率由2015年的22.3%下降3.2個百分點至回顧年度的19.1%。提供高科技電子零部件及產品的採購業務的毛利及毛利率分別為4,495,000港元及0.9%。

截至2016年12月31日止年度內，本集團錄得整體毛利為約161,265,000港元，較2015年約245,512,000港元下降34.3%，毛利率為12.2%，較2015年的22.3%下降10.1%，此乃由於本集團在其重點由智能手機背光產品向車載顯示器及其他高科技產品過渡期間遭受暫時挫折，本集團此舉旨在為長期優化毛利而放棄低盈利部門。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層之論述及分析

#### Selling and Distribution Expenses

Labour costs, sales commissions and transportation costs were the Group's major selling and distribution expenses. For the year ended 31 December 2016, the Group's selling and distribution expenses was approximately HK\$23,625,000, decreased by 8.9% compared to approximately HK\$25,926,000 for the year of 2015, which was attributable to the scale down of low profit margin operation.

#### Administrative Expenses

Administrative expenses refer to the general expenses incurred in offices and factories. The Group focuses on effective management, by means of resources consolidation in the Shenzhen and Huizhou factories. For the year ended 31 December 2016, the Group's administrative expenses was approximately HK\$75,227,000, decreased by 29.8% compared to approximately HK\$107,129,000 of the year of 2015. The decrease was mainly attributable to the scale down of low profit margin operation and the adopting of stringent cost control measures.

#### Other Income and Other Gains

During the year under review, other income and gains was approximately HK\$23,901,000, increased by 121.6% in comparison with approximately HK\$10,788,000 of the year of 2015. The significant increase can mainly be accounted for by the Group's subsidies receipt from the PRC government in light of supportive policies on high and new tech enterprises.

#### Taxation

Taxation comprised current tax and movements in deferred tax assets and liabilities. Two of the Group's subsidiaries, Wai Chi Opto Technology (Shenzhen) Limited and Huizhou Wai Chi Electronics Company Limited, are qualified as a "High-Tech Enterprise" in the PRC and granted certain tax benefit, including a preferential enterprise income tax rate of 15% instead of the statutory rate of 25%. During the year under review, the Group's tax expenses was approximately HK\$383,000 (for the year ended 31 December 2015: approximately HK\$1,106,000), which was mainly attributable to the taxable profit generated by the subsidiaries of the Company located in PRC and the over-provision of taxation expenses in previous years.

#### Inventories

As at 31 December 2016, the Group's inventory was approximately HK\$191,838,000, decreased by 13.7% as compared to approximately HK\$222,385,000 as at 31 December 2015. The decrease in inventory was attributable to lesser stock of smartphone backlight products.

#### 銷售及分銷開支

員工成本、銷售佣金及運輸成本為本集團主要銷售及分銷開支。截至2016年12月31日止年度，本集團銷售及分銷開支為約23,625,000港元，較2015年度的約25,926,000港元減少8.9%，主要是由於降低低毛利業務所致。

#### 行政開支

行政開支包括一般辦公室及廠房開支，本集團通過深圳生產廠房和惠州生產廠房資源整合強調有效率管理。截至2016年12月31日止年度，本集團的行政開支為約75,227,000港元，較2015年度的約107,129,000港元下降29.8%。下降主要是由於縮減低毛利業務及採取嚴格成本控制措施所致。

#### 其他收入及其他收益

於回顧年內，其他收入及收益約為23,901,000港元，較2015年度的約10,788,000港元增加121.6%。大幅上升的主要因為本集團就高新技術企業的扶持政策自中國政府收取補貼。

#### 稅項

稅項包括當期稅項及遞延稅項資產及負債的變動。本集團的兩家附屬公司，偉志光電(深圳)有限公司及惠州偉志電子有限公司被評定為中國「高新技術企業」，享有若干稅務優惠，包括以優惠企業所得稅稅率15%而非法定稅率25%納稅。於回顧年內，本集團的稅項開支為約383,000港元(截至2015年12月31日止年度：約1,106,000港元)，主要是由於本公司位於中國的附屬公司產生應課稅溢利及過往年度稅項開支超額撥備所致。

#### 存貨

於2016年12月31日，本集團的存貨量為約191,838,000港元，較2015年12月31日的約222,385,000港元減少13.7%。存貨減少乃由於智能手機背光產品的庫存較少。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層之論述及分析

#### Trade Receivables

As at 31 December 2016, the Group's net trade receivables was approximately HK\$437,263,000, which increased by 25.9% as compared to approximately HK\$347,231,000 as at 31 December 2015. The Group's major customers are sizeable corporations with long term relationships, including a number of listed companies, hence the risk of trade receivables turning into bad debts is relatively low.

#### Trade Payables

As at 31 December 2016, the Group's trade payables was approximately HK\$154,167,000, decreased by 16.2% as compared to the approximately HK\$183,936,000 as at 31 December 2015, the decrease was attributable to decline in purchase of materials.

#### Placing of New Shares and Offer to Acquire the Company's Shares

On 6 May 2016, the Company completed a placing, allotted and issued 16,825,000 new shares of the Company to not less than six individuals who are independent third parties at the price of HK\$2.00 per share. Net Proceeds from the Placing amounted to approximately HK\$31,134,000, which are intended to be used for financing any potential investment opportunities such as mergers and acquisitions that may arise from time to time. Immediately after the completion of the placing, there were 216,825,000 shares of the company in issue, with Mr. Yiu Chi To as the major shareholder holding 52.25% of all issued shares. The net proceeds from the placing have not yet been utilised and have been deposited with licensed banks in Hong Kong.

On 17 May 2016, the Company entered into a placing agreement with Kingston Securities Limited (the "Placing Agent"), pursuant to which the Company conditionally agreed to place, through the Placing Agent on a best effort basis, up to 23,175,000 placing shares at the price of HK\$2.05 per share to not fewer than six placees. The expected maximum net proceeds was approximately HK\$46,700,000. On 31 May 2016, the Company announced that such placing agreement has lapsed as the conditions of the placing agreement have not been fulfilled and/or waived (as the case may be). The Directors are of the view that the lapse of the placing agreement had no material adverse impact on the business operation and financial position of the Group.

#### 應收賬款

於2016年12月31日，本集團的應收賬款淨額為約437,263,000港元，較2015年12月31日的約347,231,000港元增加25.9%。本集團的主要客戶為長期合作的大型企業，包括多家上市公司，因此應收賬款的壞賬風險較低。

#### 應付賬款

於2016年12月31日，本集團的應付賬款為約154,167,000港元，較2015年12月31日的約183,936,000港元減少16.2%，下降主要由於生產用材料採購金額減少。

#### 配售新股份及提呈要約收購本公司股份

於2016年5月6日，本公司完成配售事項，以每股2.00港元的價格向不少於六名獨立第三方人士配發及發行本公司16,825,000股新股份。配售事項所得款項淨額約為31,134,000港元，擬用於為可能不時出現的任何潛在投資機遇（如合併及收購）提供資金。緊隨配售事項完成後，本公司已發行股份為216,825,000股，而主要股東姚志圖先生持有全部已發行股份的52.25%。配售事項所得款項淨額尚未動用並已存入香港持牌銀行。

於2016年5月17日，本公司與金利豐證券有限公司（「配售代理」）訂立配售協議，據此，本公司有條件地同意透過配售代理按盡力基準向不少於六名承配人配售最多23,175,000股配售股份，每股2.05港元。預期最高所得款項淨額約為46,700,000港元。於2016年5月31日，本公司宣佈有關配售協議已告失效，原因為配售協議的條件未獲達成及／或豁免（視情況而定）。董事認為，配售協議失效並無對本集團的業務營運及財務狀況造成重大不利影響。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層之論述及分析

On 13 December 2016, Rexell Technology Company Limited (all the issued shares of which are legally and beneficially owned by Mr. Yiu Chi To), showing confidence in the Company's prospects, offered to acquire all the issued shares of the Company (other than those already owned by Rexell Technology Company Limited) at the offer price of HK\$2.00 per share, with the total consideration of the offer being HK\$207,078,000. As at 9 December 2016, Rexell Technology Company Limited held 113,286,000 shares which represented approximately 52.25% of the issued share capital of the Company. Subsequently on 3 January 2017, 5 valid acceptances in respect of a total of 20,587,000 shares had been received, representing approximately 9.49% of the entire issued share capital of the Company as at 3 January 2017.

於2016年12月13日，銳士科技有限公司（其所有已發行股份由姚志圖先生合法及實益擁有）對本公司前景抱有信心，以每股要約價2.00港元提呈要約收購本公司全部已發行股份（銳士科技有限公司已擁有者除外），要約總代價為207,078,000港元。於2016年12月9日，銳士科技有限公司持有113,286,000股股份，佔本公司已發行股本約52.25%。隨後於2017年1月3日，已就合共20,587,000股股份接獲5份有效接納書，該等股份佔本公司於2017年1月3日的全部已發行股本約9.49%。



# DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

## 董事、高級管理人員及僱員

### EXECUTIVE DIRECTORS

**Mr. Yiu Chi To**, age 54, is the founder of our Group, the executive Director and Chairman of our Company. He was appointed as an executive Director of our company on 16 August 2013. He is responsible for formulating corporate strategies and overseeing the Group's business development and operation as well as monitoring the Group's administration. He also plays a role in developing new technology and innovations with our Group's research and development team and maintaining good relationships with our major customers. Mr. Yiu has more than 30 years of working experience in the LED industry. Mr. Yiu had successfully registered patents in the PRC for the new technologies that he had developed, including "Double sided light emitting backlight" in 2003, "Bottom-side dual-efficient LED white light" in 2004, and "LED with heat dissipation" in 2005. From 2009 to present, Mr. Yiu also served as a deputy director for the Shenzhen Light Emitting Diode Industry Association.

Mr. Yiu graduated from Fujian Jinjiang Neikeng High School in 1978. Prior to the establishment of the Group, from 1979 to 1981 he worked in an electronic watch manufacturing company initially as an assembly line worker, and was later promoted to a manager where he was involved in sales and marketing of the electronic watches and in 1982 he started a business in the electronic watch industry and ceased the business in 1984 before establishing the Group. In 1984, Mr. Yiu founded Wai Chi Electronics Co. Mr. Yiu is the father of Ms. Yiu Kwan Yu and Ms. Yiu Kwan Wai and father-in-law of Mr. Chen Chung Po.

**Mr. Chen Chung Po**, age 39, was appointed as executive Director and the Chief Executive Officer of our Company on 16 August 2013. He is responsible for the day-to-day management of our Group including administration, procurement, production as well as financial management. Mr. Chen received his Bachelor of Arts in Business Studies degree from Hong Kong Polytechnic University in November 2000. He has more than 10 years of working experience in banking and finance fields. After graduation, he joined Bank of China (Hong Kong) as a credit analyst and has been gradually promoted to Branch Manager from 2000 to 2006. From 2006 to 2010, he worked with Sun Hung Kai Group of companies serving as the Vice President of Sales Division in Wealth Management when he resigned in 2011. From 2011 to 2012, he was a person licensed to carry on Type 2 regulated activity. Prior to joining our Group, he was the sales director in GF Securities (Hong Kong) Brokerage Limited from 2011 to 2013. He also held the Directorship of Hong Kong Critical Component Manufacturing Association from 2012 to present. Mr. Chen is the husband of Ms. Yiu Kwan Yu, son-in-law of Mr. Yiu Chi To and brother-in-law of Ms. Yiu Kwan Wai.

### 執行董事

**姚志圖先生**，54歲，本集團創辦人，為本公司執行董事兼主席。彼於2013年8月16日獲委任為本公司執行董事，負責制定企業策略及監督本集團的業務發展及營運，以及監察本集團的行政。彼與本集團研發團隊在開發新技術和創新及與主要客戶維持良好關係方面亦擔當角色。姚先生於LED行業擁有逾30年工作經驗。姚先生已成功於中國為其開發的新技術註冊專利，專利包括2003年的「雙面發光背光源」、2004年的「底側兩用高效LED白燈」及2005年的「帶散熱功能的LED」。由2009年至今，姚先生亦擔任深圳市LED產業聯合會副會長。

姚先生於1978年畢業於福建晉江內坑中學。成立本集團前，由1979年至1981年，姚先生於一間電子手錶製造公司任職，初期擔任裝配線人員，其後獲晉升為經理，從事有關電子手錶銷售及市場推廣的業務。彼於1982年開始電子手錶行業的業務，並於1984年創立本集團之前終止該業務。於1984年，姚先生創立偉志電子公司。姚先生為姚君瑜女士及姚君慧女士的父親，亦為陳鐘譜先生的岳父。

**陳鐘譜先生**，39歲，於2013年8月16日獲委任為本公司執行董事兼行政總裁，負責本集團的日常管理，包括行政、採購、生產以及財務管理。陳先生於2000年11月取得香港理工大學的工商管理文學士學位。彼於銀行及金融界擁有逾10年工作經驗。畢業後，彼加入中國銀行（香港）擔任信貸分析師，並於2000年至2006年間逐漸晉升至分行經理。2006年至2010年間，彼於新鴻基金融集團旗下公司任職，其於2011年辭任時正擔任財富管理銷售分部副總裁。2011年至2012年，彼獲授權進行第二類受規管活動。加入本集團前，彼於2011年至2013年間擔任廣發證券（香港）有限公司的銷售經理。彼亦於2012年至今擔任香港關鍵性零部件製造業協會的董事職務。陳鐘譜先生為姚君瑜女士的丈夫，亦為姚志圖先生的女婿及姚君慧女士的姐夫。

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

### 董事、高級管理人員及僱員

**Ms. Yiu Kwan Yu**, age 32, was appointed as executive Director of our Company on 16 August 2013. She is also the Sales and Marketing Manager of Wai Chi Opto Technology Limited since 2009. Ms. Yiu joined us in 2008 and served as Sales and Marketing Executive initially. She is responsible for the sales and marketing of our LED lighting division and she is also in charge of the research and development department of our LED lighting division. Ms. Yiu received her Bachelor's degree of Applied Science in Electrical Engineering from The University of British Columbia in May 2008 and her Master of Lighting degree from the Queensland University of Technology in May 2012. Ms. Yiu was admitted as Engineer by the Corporation of Seven Wardens Inc. in 2008. She also held the Directorship of Hong Kong Critical Component Manufacturing Association from 2009 to 2012 and the Directorship of Hong Kong Opto Mechatronics Industry Association from 2012 to present. Ms. Yiu is the elder daughter of Mr. Yiu Chi To, wife of Mr. Chen Chung Po and elder sister of Ms. Yiu Kwan Wai.

**Mr. Chen Wei Wu**, age 53, was appointed as executive Director of our Company on 11 March 2014. He is the Financial Controller of Shenzhen Wai Chi since 2010. He is responsible for the financial management and day-to-day financial operation in the PRC region. He has 30 years of experience in commercial and finance fields. From 1984 to 1992, Mr. Chen served as Accounting Officer in Jinan Chemicals Factory at Hengyang City of Hunan. From 1992 to 1997, he served as Financial Controller in Shenzhen Zhongqiao Group at Shenzhen. From 1997 to 2001, he served as Vice General Manager and Chief Financial Controller in Shenzhen Shennan Merchants Group. From 2001 to 2006, he served as the Assistant to the General Manager and head of the Capital Department in Shenzhen Saigedasheng Joint-stock Company Limited. From 2006 to 2008, he served as the General Manager of the Audit Planning Department in GD Hengfeng Investment Group Co., Ltd. From 2008 to 2010, he served as the General Manager of Group Finance Division in Shenzhen Shangtianran Investment Company Limited. Mr. Chen studied and graduated from the correspondence course in industrial accountancy and received the professional certificate in industrial accountancy from the Hunan College of Finance and Economics in July 1987. In October 1994, Mr. Chen was conferred by the Ministry of Finance in the PRC the qualification of an accountant specializing in corporate accounting. In April 2011, Mr. Chen was admitted as Senior International Finance Manager by the International Financial Management Association. In June 2012, Mr. Chen obtained his Master of Business Administration degree from the Zhongnan University of Economics and Law. In November 2014, Mr. Chen obtained his Doctor of Business Administration degree from the Victoria University of Switzerland.

**姚君瑜女士**，32歲，於2013年8月16日獲委任為本公司執行董事。彼自2009年起亦為偉志光電有限公司的銷售及市場推廣經理。姚女士於2008年加入本集團，起初擔任銷售及市場推廣行政人員，負責LED照明部的銷售及市場推廣，亦為LED照明部研發部門的負責人。姚女士於2008年5月取得英屬哥倫比亞大學的電子工程應用科學學士學位，並於2012年5月取得昆士蘭科技大學的照明碩士學位。姚女士於2008年獲七大工程學院接納為工程師。彼亦於2009年至2012年間擔任香港關鍵性零部件製造業協會的董事職務，於2012年至今擔任香港光機電行業協會的董事職務。姚君瑜女士為姚志圖先生之長女，陳鐘譜先生之太太及姚君慧女士之姐。

**陳緯武先生**，53歲，於2014年3月11日獲委任為本公司執行董事。彼自2010年起擔任深圳偉志的財務總監，負責中國地區的財務管理及日常財務營運。彼於商務及金融界擁有30年經驗。於1984年至1992年間，陳先生於湖南衡陽市金雁化工廠擔任會計主管。於1992年至1997年間，彼於深圳的深圳中僑集團擔任財務總監。於1997年至2001年間，彼於深南招商集團擔任副總經理及財務總監。於2001年至2006年間，彼於深圳市賽格達聲股份有限公司擔任總經理助理及資本部主管。於2006年至2008年間，彼於廣東恆豐投資集團有限公司擔任審核計劃部的總經理。於2008年至2010年間，彼於深圳市尚天然投資有限公司擔任集團財務部總經理。陳先生於湖南財經學院研讀工業會計的相關課程，於1987年7月畢業並取得工業會計專業文憑。於1994年10月，陳先生獲中國財政部頒授會計師資格，專責企業會計。於2011年4月，陳先生獲國際財務管理協會認可為資深國際財務管理師。於2012年6月，陳先生於中南財經政法大學取得工商管理碩士學位。於2014年11月，陳先生於瑞士維多利亞大學取得工商管理博士學位。

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

### 董事、高級管理人員及僱員

**Ms. Yong Jian Hui**, age 40, was appointed as executive Director of our Company on 11 March 2014. She joined our Company since 2003. She is currently the Deputy General Manager and the Head of Sales Department of Shenzhen Wai Chi Opto Technology Company Limited. She is responsible for the sales and marketing of our LED backlight products. She has more than 10 years of working experience in sales and marketing of backlight products. Prior to her joining our Company, Ms. Yong served as the head of Sales Department at Wah Mei Electronics (Shenzhen) Company Limited from 2000 to 2002. Ms. Yong received the certificate on achieving the third grade in University English from the Hunan Radio & TV University in March 1998 and her Master of Business Administration degree from the Southwest Jiaotong University in June 2012.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Au Yeung Tin Wah**, age 53, was appointed as independent non-executive Director (“INED”) of our Company on 11 March 2014.

Mr. Au Yeung is currently a director of Lau & Au Yeung C.P.A. Limited. Prior to establishing his CPA practice in mid-1992, Mr. Au Yeung worked in an international accounting firm where he was responsible for doing the auditing work for several well-known listed companies in Hong Kong. He also used to be the Finance Manager of a private limited company in Hong Kong and of a Hong Kong listed company named Next Media Limited (Stock Code: 282, a company listed on the Main Board of the Stock Exchange formerly known as Paramount Publishing Group Limited). Mr. Au Yeung is currently a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, and the Society of Registered Financial Planners.

Mr. Au Yeung was appointed in May 2006 and is currently acting as an independent non-executive director of Amvig Holdings Limited (Stock Code: 2300, a company listed on the Main Board of the Stock Exchange formerly known as Vision Grande Group Holdings Limited).

**雍建輝女士**，40歲，於2014年3月11日獲委任為本公司執行董事。彼自2003年加入本公司。彼現時擔任深圳偉志光電有限公司的副總經理及銷售部主管，負責LED背光產品的銷售及市場推廣。彼於背光產品的銷售及市場推廣方面擁有逾10年工作經驗。加入本公司前，雍女士於2000年至2002年擔任華美電子(深圳)有限公司的銷售部主管。雍女士於1998年3月獲湖南廣播電視大學頒授大學英語三級證書，並於2012年6月取得西南交通大學的工商管理碩士學位。

### 獨立非執行董事

**歐陽天華先生**，53歲，於2014年3月11日獲委任為本公司獨立非執行董事(「獨立非執董」)。

歐陽先生現為劉歐陽會計師事務所有限公司董事。歐陽先生於1992年中創立其執業會計師事務所前，曾於一間國際會計師事務所工作，負責為若干知名香港上市公司進行審計工作。彼亦曾於香港一所私人有限公司及於一間香港上市公司壹傳媒有限公司(股份代號：282，其為於聯交所主板上市公司，前稱百樂門印刷集團有限公司)擔任財務經理。歐陽先生現為香港會計師公會、英國特許公認會計師公會及註冊財務策劃師協會資深會員。

歐陽先生於2006年5月獲委任，現時擔任澳科控股有限公司(股份代號：2300，其為於聯交所主板上市公司，前稱偉誠集團控股有限公司)獨立非執行董事。

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

### 董事、高級管理人員及僱員

**Mr. Chen Kwok Wang**, age 54, was appointed as INED of our Company on 11 March 2014.

Mr. Chen is currently a Partner at Messrs. Fairbairn, Catley, Low & Kong. He has been admitted as a Solicitor of the High Court since 2005. He obtained his Bachelor of Laws from the University of Wolverhampton in February 2002 and his Postgraduate Certificate in Laws from the University of Hong Kong in June 2003. Mr. Chen obtained a Bachelor of Science degree in Engineering in November 1986 and also a Master of Business Administration degree in December 1997 from the University of Hong Kong.

Mr. Chen was a Member of the Hong Kong Society of Accountants (now known as Hong Kong Institute of Certified Public Accountants) in 1990.

Prior to establishing his career in the legal field, Mr. Chen worked in an international accounting firm from 1986 to 1991 as a Staff Accountant and was eventually promoted to the position of Audit Supervisor. In 1992 to 1993, Mr. Chen became an Internal Auditor at the Hong Kong branch of a bank. In 1993 to 2000, Mr. Chen worked at The Stock Exchange of Hong Kong Limited in the capacity as a Manager and was eventually promoted to the position of Senior Manager. In 2001 to 2002, Mr. Chen worked at the Securities and Futures Commission of Hong Kong as a Manager where he was responsible for day-to-day supervision of financial intermediaries. Mr. Chen was appointed as an independent non-executive director of Fujian Start Group Co., Ltd, a company listed on the Shanghai Stock Exchange (stock code: 600734), on 20 May 2014 and PPS International (Holdings) Limited, a company listed on The Stock Exchange of Hong Kong Limited (Stock code: 8201), during the period from 19 November 2014 to 30 December 2015.

**陳國宏先生**，54歲，於2014年3月11日獲委任為本公司獨立非執董。

陳先生現時為范紀羅江律師行的合夥人。彼自2005年獲認許為高等法院律師。彼於2002年2月取得伍爾弗漢普頓大學法律學士學位，並於2003年6月取得香港大學法學專業證書。陳先生分別於1986年11月及1997年12月自香港大學取得工程理學士學位及工商管理碩士學位。

陳先生於1990年為香港會計師公會的會員。

陳先生於成立其法律事業前，於1986年至1991年曾於一間國際會計師事務所任職審計員，其後晉升為審計主任。彼於1992年至1993年為一間銀行香港分行的內部核數師。1993年至2000年，陳先生於香港聯合交易所任職經理，其後晉升為高級經理。2001年至2002年，陳先生於證券及期貨事務監察委員會任職經理，負責金融中介機構的日常監督。於2014年5月20日，陳先生獲委任為福建實達集團股份有限公司（其為於上海證券交易所上市的公司，股份代號：600734）的獨立非執行董事及於2014年11月19日至2015年12月30日期間，陳先生獲委任為寶聯控股有限公司（其為香港交易所上市的公司，股份代號：8201）的獨立非執行董事。



## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

### 董事、高級管理人員及僱員

**Mr. Ho Chi Wai**, age 42, was appointed as INED of our Company on 11 March 2014.

Mr. Ho is currently a partner of SRF Partners & Co., CPAs. He obtained a Bachelor's degree in Business Administration from Lingnan University in November 1997 and a Master's degree in Finance from Jinan University in December 2012. He is currently a practicing certified public accountant of the Hong Kong Institute of Certified Public Accountants, a fellow of the Association of Chartered Certified Accountants, a certified tax adviser at the Taxation Institute of Hong Kong and an associate of the Taxation Institute of Hong Kong, a member of the Association of International Accountants..

Mr. Ho has over 19 years of experience in audit assurance and business consulting. Prior to his own practice in 2012, Mr. Ho worked as an Audit Senior in a local accounting firm from 1997 to 2000. From 2000 to 2010, Mr. Ho was the audit manager in a sizable accounting firm and from 2010 to 2011 he became the Principal of the group the said accountancy firm belonged in.

Mr. Ho acted as an independent non-executive Director of Ming Kei Holdings Limited (Stock Code 8239, a company listed on the GEM Board of the Stock Exchange) from June 2012 to October 2013.

### SENIOR MANAGEMENT

**Ms. Yiu Kwan Wai**, age 30, joined our Company since 2011 and is currently the General Manager Assistant of Huizhou Wai Chi Electronics Company Limited mainly assisting the General Manager in executing tasks. She is also currently the Senior Marketing Executive/Product Merchandiser of Wai Chi Opto Technology Limited where she is responsible for product development and marketing. Prior to joining our Company, Ms. Yiu worked as a sales lead in a retail group from 2007 to 2009. Ms. Yiu obtained a Bachelor of Arts degree with major in Economics from Simon Fraser University, British Columbia, Canada in May 2011. Ms. Yiu is the younger daughter of Mr. Yiu Chi To, younger sister of Ms. Yiu Kwan Yu and sister-in-law of Mr. Chen Chung Po.

何志威先生，42歲，於2014年3月11日獲委任為本公司獨立非執董。

何先生現為仕富圖會計師行之合夥人。彼於1997年11月取得嶺南大學工商管理學士學位，於2012年12月取得暨南大學財務學碩士學位。彼現為香港會計師公會執業會計師、英國特許公認會計師公會資深會員、香港稅務學會註冊稅務師及資深會員，國際會計師公會會員。

何先生擁有超過19年的審計及商業顧問相關經驗。於2012年開始執業之前，何先生於1997年至2000年在一間本地會計師事務所任職高級審計員。2000年至2010年，何先生為一具規模的會計師事務所的審計部經理，2010年至2011年，彼為該會計師事務所所屬集團的總監。

何先生於2012年6月至2013年10月為明基控股有限公司(股份代號：8239，為於聯交所創業板上市公司)的獨立非執行董事。

### 高級管理人員

**姚君慧女士**，30歲，自2011年起加入本公司，現為惠州偉志電子有限公司總經理助理，主要協助總經理執行職務。彼亦為偉志光電有限公司高級市場推廣主管／產品採購員，負責產品開發及市場推廣。加入本公司前，姚女士於2007年至2009年間擔任一個零售集團的銷售領導。姚女士於2011年5月取得加拿大卑詩省西門菲莎大學文學士學位，主修經濟。姚女士為姚志圖先生之幼女，姚君瑜女士之妹及陳鐘譜先生之姨子。

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

### 董事、高級管理人員及僱員

**Mr. Luo Zeng Chang**, age 35, joined our Company since 2003 and is currently the General Manager of our Project Design Department of Shenzhen Wai Chi. Mr. Luo is responsible for supervising the designs of our products. Prior to joining our Company, Mr. Luo was a research development engineer in a small to medium size LED backlight module manufacturing company from 2002 to 2003. Mr. Luo was then employed as a senior technician at Shenzhen Wai Chi in 2003 and was the leader of our Design Project Department from 2004 to 2007. He was then appointed as the Vice General Manager of our Design Project Department at Shenzhen Wai Chi in 2008. Mr. Luo obtained a graduation certificate specializing in Mechatronics from Jiaying University in July 2001.

**Mr. Pei Yanfeng**, age 47, joined our Company since 2008 and is currently the Factory President of Wai Chi Jingmi Hardware (Huizhou) Company Limited. Prior to joining our Company, Mr. Pei was a Mould Assistant Engineer at a company specialised in developing and manufacturing hardware in Heinan from 1992 to 1995. He was then a Mould Engineer at a factory in Dong Guan from 1995 to 1997. From 1997 to 1998, he was a Mould Engineer at Shenzhen Konka factory. He was then the Mould Design Personnel in Charge of a company from 1998 to 2001. From 2001 to 2004, he was the Head of the Department of Plastic Moulds at a factory in Shenzhen. He was then the Manager of a mould factory in Shenzhen from 2005 to 2006. Between 2007 and 2008, he was the Mould Manager of a telecommunications company in Shenzhen. Mr. Pei obtained a Bachelor's degree in Materials Engineering specialised in Moulding from Xian Technological University in July 1992.

**羅增昌先生**，35歲，自2003年加入本公司，現為深圳偉志項目設計部總經理。羅先生負責監督我們產品的設計。加入本公司前，於2002年至2003年，羅先生為一間小尺寸至中尺寸LED背光模塊製造公司的研究發展工程師。羅先生其後於2003年受聘於深圳偉志作高級技師，於2004年至2007年為設計項目部主管。彼於2008年獲委任為深圳偉志設計項目部副總經理。羅先生於2001年7月取得嘉應學院機械電子學專業的畢業證書。

**裴炎峰先生**，47歲，自2008年加入本公司，現為偉志精密五金塑膠(惠州)有限公司之廠長。加入本公司前，於1992年至1995年，裴先生為海南一間專門開發及製造五金塑膠公司的模具助理工程師。彼於1995年至1997年為東莞一間廠房的模具工程師。於1997年至1998年，彼為深圳康佳工廠的模具工程師。於1998年至2001年，彼為一間公司的模具設計主管。於2001年至2004年，彼為深圳一間工廠的塑料模具部主管。彼於2005年至2006年為深圳一間模具工廠的經理。彼於2007年至2008年間為深圳一間通訊公司的模具經理。裴先生於1992年7月取得西安工業大學材料工程學學士學位，專修模具造型。

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

### 董事、高級管理人員及僱員

**Mr. Zeng Yan Ming**, age 48, joined our Company since 2011 and is currently the Human Resources Administrative Supervisor in Shenzhen Wai Chi Lighting Company Limited where he is responsible for the overall management of personnel. Prior to joining our Company, Mr. Zeng was the Head of the Manufacturing Department in a company specialised in manufacturing plastic products and electrical appliances from 1993 to 1997. He then became the Inspection Officer and Chief Administrative Officer of Baodeli Computer Hardware Company Limited from 1997 to 2002. Mr. Zeng then became the Manager of the Management Department and Inspection Manager at Dongguan Eastech Electrical Products Company Limited, a subsidiary of KME Group from 2002 to 2005. Mr. Zeng then became the Administrative Manager of Personnel and Manager of the Inspection Department at a company specialised in manufacturing plastic products from 2005 to 2009. He then became the Manager of Human Resources at an environmentally friendly enterprise specialised in researching and promoting products for water purification from 2010 to 2011 before joining our Company. Mr. Zeng obtained a Bachelor's degree in Economics specializing in Industrial Enterprises Management from Xiangtan University in June 1992.

曾艷明先生，48歲，自2011年加入本公司，現為深圳市偉志照明有限公司之人力資源行政監督，負責員工之整體管理。加入本公司前，於1993年至1997年，曾先生為一間專門製造塑料產品及電器的公司之生產部主管。彼其後於1997年至2002年成為保得利電腦五金有限公司的視察主任及行政總監。彼於2002年至2005年為KME集團附屬公司Dongguan Eastech Electrical Products Company Limited的管理部經理及視察經理。於2005年至2009年，曾先生為一間專門製造塑料產品的公司之人事行政經理及視察部經理。加入本公司前，於2010年至2011年，曾先生為一間專門研究及推廣淨水產品的環保企業的人力資源經理。曾先生於1992年6月取得湘潭大學經濟學士學位，專研工業企業管理。

## COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

**Mr. Cheung Wai Hung**, age 35, was appointed as the Chief Financial Officer of our Company on 11 March 2014 and appointed as the Company Secretary of our Company on 12 November 2015.

## 公司秘書及財務總監

張偉雄先生，35歲，於2014年3月11日獲委任為本公司的財務總監，並於2015年11月12日獲委任為本公司的秘書。

Mr. Cheung is responsible for our financial management other than the PRC. Mr. Cheung has over 9 years of experience in audit assurance. Prior to joining our Group, Mr. Cheung worked as audit trainee in Eric Ng & Co. from June 2003 to July 2004 and as audit manager in Jonten Hopkins CPA Limited from July 2004 to March 2014. Mr. Cheung graduated from The Hong Kong Polytechnic University with an honors degree in Bachelor of Arts in Accountancy in November 2003. He is currently a certified public accountant of the Hong Kong Institute of Certified Public Accountants, a fellow of the Association of Chartered Certified Accountants and a certified tax adviser at the Taxation Institute of Hong Kong.

張先生負責中國以外地區的財務管理。張先生擁有超過9年的審計經驗。加入本集團前，張先生於2003年6月至2004年7月任職伍國偉會計師事務所的審計實習生，並於2004年7月至2014年3月任職中天運浩勤會計師事務所有限公司的審計經理。張先生於2003年11月取得香港理工大學會計(榮譽)文學士學位。張先生現為香港會計師公會註冊會計師、英國特許公認會計師公會資深會員及香港稅務學會註冊稅務師。

# REPORT OF THE DIRECTORS

## 董事會報告書

The Board of Directors is pleased to present this report and the audited consolidated financial statements of the Group for the year ended 31 December 2016 (the “**Consolidated Financial Statements**”).

### PRINCIPAL PLACE OF BUSINESS

The Company was incorporated in the Cayman Islands and is domiciled in Hong Kong and has its principal place of business at 6th Floor, Liven House, Nos. 61–63 King Yip Street, Kowloon, Hong Kong.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities and particulars of the Company’s principal subsidiaries are set out in note 35 to the Consolidated Financial Statements. There were no significant changes in the nature of the Group’s principal activities during the year ended 31 December 2016.

### RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2016 (the “**Reporting Period**”) are set out in the Consolidated Financial Statements on pages 75 to 162 of this annual report. The Directors do not recommend the payment of a dividend and resolve not to declare any final dividend in respect of the year ended 31 December 2016.

### CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting of the Company (“**AGM**”) to be held on 24 May 2017 (Wednesday), the register of members of the Company will be closed from 19 May 2017 (Friday) to 24 May 2017 (Wednesday), both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on 18 May 2017 (Thursday). The record date for the entitlement to attend the AGM will be on 18 May 2017 (Thursday).

董事會欣然提呈本集團截至2016年12月31日止年度之年報及經審核綜合財務報表(「**綜合財務報表**」)。

### 主要營業地點

本公司在開曼群島註冊成立，並於香港註冊，其主要營業地點位於香港九龍觀塘敬業街61–63號利維大廈6樓。

### 主要業務

本公司為一家投資控股公司。本公司主要附屬公司之主要業務載於綜合財務報表附註35。於截至2016年12月31日止年度期內，本集團主要業務的性質並無重大改變。

### 業績及股息

本集團截至2016年12月31日止年度(「**本報告年度**」)之業績乃載於本年報第75至第162頁之綜合全面收益表。董事會不建議派發亦並無議決宣佈截至2016年12月31日止年度之末期股息。

### 股東週年大會暫停辦理股份過戶登記手續

為確定出席於2017年5月24日(星期三)舉行之股東週年大會會上投票資格權利，本公司將於2017年5月19日(星期五)至2017年5月24日(星期三)(包括首尾兩日)期間暫停辦理股份過戶登記手續。為符合資格出席股東週年大會及於會上投票，股東須於2017年5月18日(星期四)下午4時30分或以前將所有股份過戶文件，連同相關股票及轉讓表格送達本公司之香港股份過戶登記處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓。出席股東週年大會資格的記錄日期為2017年5月18日(星期四)。



## REPORT OF THE DIRECTORS

### 董事會報告書

#### PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 15 to the Consolidated Financial Statements.

#### SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 28 to the Consolidated Financial Statements.

#### RESERVES

Movements in the reserves of the Group during the year are set out in consolidated statement of changes in equity on pages 79 to 80 of the Consolidated Financial Statements.

#### DISTRIBUTABLE RESERVES

As at 31 December 2016, the Company's reserves available for distribution to shareholders is approximately HK\$331,977,000 (2015: approximately HK\$299,321,000), representing the balance of share premium account which can be authorised for this purpose in accordance with the Company Law of Cayman Islands.

#### BORROWINGS

Details of bank borrowings of the Group as at 31 December 2016 are set out in note 23 to the Consolidated Financial Statements.

#### GEARING RATIO

As at 31 December 2016, the gearing ratio of the Group, based on total borrowings (including bank borrowing, corporate bonds and obligations under finance leases) to the equity (including all capital and reserves) of the Company, was 48% (2015: 62%).

#### EMPLOYEES

As at 31 December 2016, the Group had 2,647 employees. The Group recognized the importance of maintaining good relationship with its employees and retaining competent staff to ensure operational efficiency and effectiveness. In the year ended 31 December 2016, the Group had not encountered any significant problems with its employees, and there had not been any dispute between the Group and its employees that might have caused any disruption to the Group's business or operation. The Group has had no difficulty in recruiting and retaining experienced staff. The remuneration of each employee of the Group is determined on the basis of his or her performance and responsibility. The Group provides training to employees.

#### 物業、廠房及設備

本集團本年度物業、廠房及設備之變動詳情載於綜合財務報表附註15。

#### 股本

本公司本年度股本之變動詳情載於綜合財務報表附註28。

#### 儲備

本集團的儲備變動詳情，載於本年報第79至第80頁綜合權益變動表。

#### 可供分派儲備

於2016年12月31日，本公司可用於向股東派發股利之金額約為331,977,000港元（2015年：約299,321,000港元），為股份溢價賬之餘額，根據開曼群島公司法，本公司可用其股份溢價賬向股東宣告或派發股息。

#### 貸款

本集團於2016年12月31日的銀行貸款的詳情載於綜合財務報表附註23。

#### 負債比率

於2016年12月31日，本集團之負債比率為48%（2015年：62%），該負債比率乃根據本集團借貸總額（包括銀行貸款、公司債券及融資租賃債項）與權益（包括全部股本及儲備）之比率計算。

#### 僱員

於2016年12月31日，本集團共有2,647名員工。本集團深悉保持良好勞僱關係、挽留人才以確保營運效率及效能。於截至2016年12月31日年度期內，本集團與其僱員之間從未發生任何重大問題，而本集團與其僱員之間亦無任何可引致本集團的業務或營運中斷的糾紛。本集團在招聘及挽留富經驗的員工方面，並無任何困難。每位僱員的薪酬是基於其表現及職責而釐定的。本集團向員工提供培訓。

## REPORT OF THE DIRECTORS

### 董事會報告書

The total staff cost incurred by the Group for the year ended 31 December 2016 was approximately HK\$187,849,000.

### PRE-EMPTIVE RIGHTS

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

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the percentage of public float as prescribed in the Listing Rules for the Reporting Period and at any time before and up to the date of this annual report.

### DIRECTORS

The Directors of the Company during the year ended 31 December 2016 and up to and including the date of this annual report are:

#### Executive Directors

Mr. Yiu Chi To (*Chairman*)  
Mr. Chen Chung Po (*Chief Executive Officer*)  
Ms. Yiu Kwan Yu  
Mr. Chen Wei Wu  
Ms. Yong Jian Hui  
Mr. Peng Jian

resigned on 16 January 2017

#### Independent Non-executive Directors

Mr. Au Yeung Tin Wah  
Mr. Chen Kwok Wang  
Mr. Ho Chi Wai

In accordance with article 84(1) and 84(2) of the Company's articles of association, each of Mr. Chen Wei Wu and Ms. Yong Jian Hui, all of whom were appointed as executive directors on 11 March 2014 will retire as Directors at the forthcoming annual general meeting, and they, being eligible, will offer themselves for re-election thereat.

In accordance with article 84(1) and 84(2) of the Company's articles of association, each of Mr. Au Yeung Tin Wah, Mr. Chen Kwok Wang and Mr. Ho Chi Wai, all of whom were appointed as independent non-executive directors on 11 March 2014 will retire as Directors at the forthcoming annual general meeting, and they, being eligible, will offer themselves for re-election thereat.

Mr. Peng Jian has resigned as executive director of the Company with effect from 16 January 2017 to pursue his own career development.

於截至2016年12月31日年度內，本集團之員工成本總金額約為187,849,000港元。

### 優先購買權

本公司組織章程或其註冊成立所在地開曼群島之適用法律並無載列有關優先購買權的條文。

### 公眾持股量

截至本年報公佈日，根據本公司可公開取得之資料及就本公司董事會所知悉，本公司在本報告年度，及截至本年報公佈日前任何時間保持《上市規則》所指定之公眾持股量。

### 董事

截至2016年12月31日及直至及包括本年報日期，本公司在任董事如下：

#### 執行董事

姚志圖先生(*主席*)  
陳鐘譜先生(*行政總裁*)  
姚君瑜女士  
陳緯武先生  
雍建輝女士  
彭建先生

於2017年1月16日辭任

#### 獨立非執行董事

歐陽天華先生  
陳國宏先生  
何志威先生

按照本公司的組織章程細則第84(1)及84(2)條，陳緯武先生及雍建輝女士於2014年3月11日獲委任為執行董事，各自將在即將召開的股東周年大會退任董事，而他們均合資格及願意膺選連任。

按照本公司的組織章程細則第84(1)及84(2)條，歐陽天華先生、陳國宏先生及何志威先生於2014年3月11日獲委任為獨立非執行董事，各自將在即將召開的股東周年大會退任董事，而他們均合資格及願意膺選連任。

彭建先生因個人事業發展已辭任本公司執行董事的職務，由2017年1月16日起生效。

## REPORT OF THE DIRECTORS

### 董事會報告書

## DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors of the Company and senior management of the Group as at the date of this annual report are set out on pages 24 to 30 of this annual report.

## DIRECTORS' SERVICE CONTRACTS

Each of Mr. Yiu Chi To, Mr. Chen Chung Po and Ms. Yiu Kwan Yu has entered into a service agreement with the Company for three years from 16 August 2016, and may be terminated by either party by giving not less than three months' written notice.

Each of Mr. Chen Wei Wu and Ms. Yong Jian Hui has entered into a service agreement with the Company for three years from 11 March 2017, and may be terminated by either party by giving not less than three months' written notice.

Each of Mr. Au Yeung Tin Wah, Mr. Chen Kwok Wang and Mr. Ho Chi Wai has entered into a letter of appointment with the Company for a term of two years commencing from 11 March 2016 and may be terminated by either party by giving not less than two months' written notice.

Save as disclosed above, none of the Directors has a contract of service with the Company or any of its subsidiaries not determinable by the employing company within one year without payment of compensation (except for statutory compensation).

The emoluments of the Directors and senior management of the Group are determined by the Remuneration Committee with reference to their relevant qualifications, experience, competence and the prevailing market conditions. Apart from Mr. Peng Jian, who agreed not to receive any emoluments agreed under the service agreement, none of the Directors waived or agreed to waive any emoluments during the year ended 31 December 2016.

Details of the Directors' remuneration of the Group as at the date of this annual report are set out in note 12 to the Consolidated Financial Statements.

## 董事及高級管理人員之履歷

於本年報日期，本公司董事及本集團高級管理人員之履歷詳情載於本年報第24至第30頁。

## 董事的服務合約

姚志圖先生、陳鐘譜先生及姚君瑜女士已各自與本公司訂立服務協約，任期自2016年8月16日起計為期3年，並可由任何一方發出不少於3個月書面通知而予以終止。

陳緯武先生及雍建輝女士已各自與本公司訂立服務協約，任期自2017年3月11日起計為期3年，並可由任何一方發出不少於3個月書面通知而予以終止。

歐陽天華先生、陳國宏先生及何志威先生已各自與本公司訂立委任書，任期自2016年3月11日起計為期2年，並可由任何一方發出不少於2個月書面通知而予以終止。

除上文披露者外，董事概無與本公司或其附屬公司訂立任何不可於1年內由僱主終止而毋須支付賠償(法定賠償除外)之服務合約。

本公司高級管理人員的酬金，由薪酬委員會釐定，根據其專業資格經驗參與率及市場情況作基準。於截至2016年12月31日止年度，除彭建先生同意不收取任何服務協約下訂明的酬金外，概無董事放棄或同意放棄任何酬金。

於本年報日期，本公司董事之薪酬詳情載於綜合財務報告附註12。

## REPORT OF THE DIRECTORS

### 董事會報告書

#### DIRECTORS' INTERESTS IN CONTRACTS

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

#### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 December 2016 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children (under 18 years of age), or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangement whose objectives are to enable a Director of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

#### DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors is or was interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the year ended 31 December 2016 and up to and including the date of this annual report.

#### CONTROLLING SHAREHOLDERS AND DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed under the sub-section headed "Connected Transaction" below and "Related Party Transactions and Balances" in note 32 to the Consolidated Financial Statements, no contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party to and in which a Director or a controlling shareholder had a material interest in, whether directly or indirectly, subsisted at the end of the year ended 31 December 2016 or at any time during the year.

#### 董事的合約利益

本公司董事概無於由本公司或任何附屬公司或同系附屬公司訂立並任何在年底及年內任何時間仍然存在，對本集團業務而言屬重大之合約中，直接或間接擁有重大權益。

#### 董事購買股份或債券的權利

截至2016年12月31日止年度內任何時間，任何董事或彼等各自的配偶或未成年子女概無獲授或行使可透過購買本公司股份或債券獲益的權利，而本公司、其控股公司或其任何附屬公司或同系附屬公司亦無參與任何安排，旨在使本公司董事可以通過收購於本公司或任何其他實體公司之股份或債券而獲益。

#### 董事於競爭業務中之權益

截至2016年12月31日止年度以及直至及包括本年報刊發日期內任何時間，除本集團業務外，董事目前或過往概無於與本集團業務構成或可能構成直接或間接競爭的業務中擁有權益。

#### 控股股東及董事於重大合約之權益

本公司或其任何附屬公司概無訂立與本集團業務有關，而董事或控股股東在其中直接或間接擁有重大利益並於截至2016年12月31日之財政年度結束時或其間任何時間仍然有效的任何重大合約，惟下文「關連交易」分節及綜合財務報表附註32「關連人士交易及結餘」所披露者除外。



## REPORT OF THE DIRECTORS 董事會報告書

### DIRECTORS AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 31 December 2016, the interests and short positions of the directors and chief executive personnel of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in Appendix 10 to the Listing Rules were as follows:

Name of Director 董事姓名	Capacity/nature of interest 身份／權益性質	Number and class of securities 證券數目及類別 (Note 2) (附註2)	Approximate percentage of shareholding 股權概約百分比
Mr. Yiu Chi To (Note 1) 姚志圖先生(附註1)	Beneficial owner 實益擁有人	113,487,000 (L)	52.34%

Notes:

- Mr. Yiu Chi To holds 100% of the issued share capital of Rexell Technology Company Limited, which is the controlling shareholder holding approximately 52.34% of the issued share capital of the Company.
- The letter "L" denotes the Directors' long position in the shares of the Company or the relevant associated corporation.

Save as disclosed above, as at 31 December 2016, none of the Directors and chief executive personnel of the Company had or was deemed to have any interests or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which 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 interest or short positions which they had taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

### 董事及主要行政人員所擁有公司及其相聯法團的股份、相關股份及債券之權益及淡倉

於2016年12月31日，本公司董事及主要行政人員於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中，擁有本公司須根據證券及期貨條例第352條記入所存置登記冊內或須根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則(「標準守則」)另行知會本公司及聯交所的權益及淡倉如下：

附註：

- 姚志圖先生全資擁有銳士科技有限公司，而銳士科技有限公司擁有本公司約52.34%股權，為本公司的控股股東。
- 英文字母「L」代表董事於本公司或有關相聯法團股份中的好倉。

除上文披露者外，於2016年12月31日，董事及本公司主要行政人員概無於本公司及其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例的有關條文被當作或視為擁有的權益及淡倉)，或根據證券及期貨條例第352條須記錄於該條所述登記冊的權益或淡倉，或根據上市規則所載本公司董事進行證券交易的標準守則須知會本公司及聯交所的權益及淡倉。

## REPORT OF THE DIRECTORS 董事會報告書

### INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PARTIES IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

As at 31 December 2016, so far as the directors and chief executive officer of the Company were aware, the following persons and corporations (excluding the directors and chief executive officer of the Company) had interests or short positions in any of the shares or underlying shares of the Company which were required to be notified to the Company and Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who, directly or indirectly, is interested in 10% or more of the nominal value of any class of share capital to vote in all circumstances at general meetings of any other member of the Group:

### 主要股東及其他人士於本公司股份 及相關股份中的權益及淡倉

於2016年12月31日，就本公司董事及行政總裁所知，以下人士及法團(本公司董事及行政總裁以外)於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文規定須知會本公司及聯交所的權益或淡倉，或直接或間接擁有可於在本集團任何其他成員公司的股東大會上投票的任何類別股本面值10%或以上的權益如下：

Name of Shareholder	Capacity/nature of interest	Number of shares held	Approximate percentage of issued share capital
股東姓名	身份／權益性質	所持股份數目	已發行股本之概約百分比
Rexell Technology Company Limited (Note 1) 銳士科技有限公司(附註1)	Beneficial owner 實益擁有人	113,487,000	52.34%
Mr. Yiu Chi To (Note 2) 姚志圖先生(附註2)	Interest of a controlled corporation 於受控法團的權益	113,487,000	52.34%
Ms. Luk Fong (Note 3) 陸方女士(附註3)	Interest of spouse 配偶權益	113,487,000	52.34%

Notes:

1. Rexell Technology Company Limited directly holds 113,487,000 shares representing approximately 52.34% of the issued share capital of the Company.
2. Mr. Yiu Chi To is the legal and beneficial owner of all the issued shares of Rexell Technology Company Limited and is therefore deemed to be interested in all the shares of the Company held by Rexell Technology Company Limited under the SFO.
3. Ms. Luk Fong, as the spouse of Mr. Yiu Chi To, is deemed to be interested in the shares held by Rexell Technology Company Limited by virtue of the SFO.

附註：

1. 銳士科技有限公司直接持有113,487,000股份代表公司已發行股本的約52.34%。
2. 姚志圖先生為銳士科技有限公司全部已發行股份的合法和實益擁有人，故此，根據證券及期貨條例，姚志圖先生被視為在銳士科技有限公司持有本公司股份及相關股份中擁有權益。
3. 陸方女士為姚志圖先生的配偶，根據證券及期貨條例，陸女士被視為擁有銳士科技有限公司所持股份的權益。

## REPORT OF THE DIRECTORS

### 董事會報告書

#### DIRECTORS' INDEMNITIES AND INSURANCE

As permitted by the articles of association of the Company, a director of the Company may be indemnified out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which the director shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of his or her duty as a director of the Company, to the extent permitted by law. Such permitted indemnity provision has been in force since the adoption of the articles of association of the Company on 27 October 2014 and is currently in force at the time of approval of this report.

The Company has also taken out and maintained directors' and officers' liability insurance throughout the year, which provides appropriate cover for certain legal actions brought against its directors and officers.

#### DEED OF NON-COMPETITION

Each of the controlling shareholders has confirmed to the Company of its/his compliance with the terms and undertakings of the deed of non-competition provided to the Company under the Deed of Non-competition (as defined in the Company's prospectus dated 4 November 2014). The INEDs of the Company have reviewed the status of compliance and confirmed that all the terms and undertakings under the Deed of Non-competition have been complied with by the controlling shareholders.

#### SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and of the assets and liabilities of the Group for the last five financial years is set out on page 164 of this annual report.

#### CONNECTED TRANSACTION

During the year ended 31 December 2016, the Group has had two continuing connected transactions under the Listing Rules, which is required to be disclosed in this report in accordance with Chapter 14A of the Listing Rules. Details of such a continuing connected transaction (as defined under the Listing Rules) are set out below in accordance with the requirements of the Listing Rules:

#### 董事的彌償及保險

本公司組織章程細則允許本公司董事或前董事可在法律允許的範圍內，因應其履行作為本公司董事的責任時所作出的行動，贊成或遺漏而引致該董事需要或可能承受的行動、成本、費用、損失、損害或支出、可從本公司的資產或利潤中獲得補償。此等允許的彌償條款於2014年10月27日本公司採納的組織章程細則後及至於批准本報告時仍為有效。

本公司於年內已購買及維持董事及高級職員責任保險，為其董事及高級職員面對若干法律行動時提供適當的保障。

#### 不競爭契約

各控股股東已向本公司確認其已遵守根據不競爭契約(定義見本公司於2014年11月4日刊發的招股章程)而向本公司提供的條款及承諾。本公司的獨立非執董已審查其遵守不競爭契約的情況，並確認控股股東已遵守該等條款及承諾。

#### 財務報表概要

本集團過去五個財政年度已發表的業績及資產和負債之概要載於本年報第164頁。

#### 關連交易

截至2016年12月31日止年度期內，本集團涉及兩項構成上市規則項下的持續關連交易，根據上市規則第14A章，須於本報告內予以披露。按照上市規則的規定，該持續關連交易(定義見上市規則)的詳情載列如下：

## REPORT OF THE DIRECTORS 董事會報告書

### Tenancy Agreement with Maxtone Electronics Limited ("Maxtone")

Maxtone leased to our Group a property located at Unit A, 6th Floor, Liven House, Nos. 61–63 King Yip Street, Kowloon, Hong Kong (the "Property"). The term for the existing tenancy agreements in respect of the Property commenced from 1 April 2015, and will expire on 31 March 2017 at a monthly rent of HK\$85,000 exclusive of rates, air-conditioning, management charges and other outgoings. As at 31 December 2016, Maxtone was held as to 60% by Mr. Yiu Kwan Lok, the son of Mr. Yiu Chi To, as to 20% by Ms. Yiu Kwan Yu, a director of the Company and as to 20% by Ms. Yiu Kwan Wai, a member of our senior management and therefore it is a connected party of the Company.

During the year ended 31 December 2016, total rental paid or payable by the Group under the Tenancy Agreement amounted to HK\$1,020,000 which did not exceed the annual caps for this transaction.

### Opinion from the Independent Non-Executive Directors and Auditor on the Continuing Connected Transaction

The Directors (including all INEDs) have reviewed the continuing connected transaction and confirmed that this transaction was entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms; and
- (3) in accordance with the relevant agreement governing it and on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, SHINEWING (HK) CPA Limited ("SHINEWING"), the auditor of the Company, was engaged to report on the Group's continuing connected transaction in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Company has received an unqualified letter from SHINEWING containing their finding and conclusions in respect of the continuing connected transaction disclosed above.

### 與萬事通電子有限公司(「萬事通」)訂立的租賃協議

萬事通出租一項位於香港九龍觀塘敬業街61–63號利維大廈6樓A室之物業(「該物業」)予本集團。該物業現有租賃協議的年期由2015年4月1日開始，將於2017年3月31日屆滿，月租為85,000港元(不包括差餉、空調費用、管理費及其他開支)。於2016年12月31日，萬事通由姚志圖先生之子姚君樂先生持有60%、本公司一名董事姚君瑜女士持有20%及本公司一名高級管理人員姚君慧女士持有20%，因此，其為本公司之關連公司。

截至2016年12月31日止年度，根據租賃協議，本集團已付或應付的租金總額為1,020,000港元，並無超過該交易的年度上限。

### 獨立非執行董事及核數師對持續關連交易的意見：

董事(包括所有獨立非執行董事)已審閱持續關連交易，並確認該交易：

- (1) 於本集團日常業務過程中訂立；
- (2) 按一般商業條款進行；及
- (3) 根據監管交易的相關協議及按公平合理的條款訂立，並符合本公司股東整體利益。

按上市規則第14A.56條規定，本公司核數師信永中和(香港)會計師事務所有限公司(「信永中和」)獲委聘，根據香港會計師公會頒佈的《香港其他鑒證業務服務準則》第3000號「歷史財務資料審核或審閱以外的鑒證」，及參考《實務說明》第740號「關於香港上市規則所述持續關連交易的核數師函件」，就本集團的持續關連交易作出匯報。本公司已收到信永中和發出有關上文所披露持續關連交易的無保留意見函件，當中載有其發現及結論。



## REPORT OF THE DIRECTORS

### 董事會報告書

The Company's auditors have reported to the Directors that during the year ended 31 December 2016, the above-mentioned continuing connected transaction had been approved by the Board, had been entered into in accordance with the terms of the agreement governing such transaction and the annual cap amount set out in the relevant agreement for the transaction had not been exceeded.

#### Personal Guarantee given by Controlling Shareholder

Certain banking facilities of the Group were guaranteed by Mr. Yiu Chi To, the controlling shareholder of the Company. As at 31 December 2016, the amount of such banking facilities was HK\$67,076,000.

#### MAJOR SUPPLIERS AND CUSTOMERS

During the year ended 31 December 2016, the largest supplier accounted for 35% of the Group's purchases and the five largest suppliers accounted for 58% of the Group's total purchases. The largest customer accounted for 33% of the Group's revenue and the five largest customers accounted for 70% of the Group's total revenue.

To the best of the Directors' knowledge, none of the Directors, their associates or any shareholders (which to the knowledge of the Directors owns more than 5% of the Company's share capital) has an interest in the Group's five largest suppliers and customers.

#### CHARITABLE DONATIONS

Charitable donations made by the Group during the year amounted to approximately HK\$36,000 (2015: approximately HK\$183,000).

#### CORPORATE BOND

Details of movement in corporate bonds issued by the Company during the year are set out in note 26 to the Consolidated Financial Statements.

#### CONFIRMATION OF INDEPENDENCE

The Company has received from each of the INEDs an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the INEDs to be independent.

本公司核數師向董事呈報，表示截至2016年12月31日止年度內，上述的持續關連交易已獲董事會批准，是根據規管該等交易的條款所訂立，及並無超出有關交易的相關協定所載的年度上限。

#### 控股股東提供之個人擔保

於回顧年內，部分集團獲得的銀行融資額度由本公司控股股東姚志圖先生提供個人擔保。於2016年12月31日，該些銀行融資額度為67,076,000港元。

#### 主要供貨商及客戶

於截至2016年12月31日止年度，本集團最大供貨商及首5大供貨商分別佔本集團總採購額35%及58%。本集團最大客戶及首5大客戶分別佔本集團總營業額33%及70%。

就本公司各董事所知，概無任何本公司各董事、聯繫人士或據董事所知擁有本公司股本5%以上權益之任何股東概無實益擁有任何本集團首5大供貨商及客戶之權益。

#### 慈善捐款

本集團於年內撥出之慈善捐款達約36,000港元(2015年：約183,000港元)。

#### 公司債券

本公司本年度發行公司債券之變動詳情載於綜合財務報表附註26。

#### 獨立性確認

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的年度獨立性確認書，並認為全體獨立非執行董事均為獨立人士。

## REPORT OF THE DIRECTORS

### 董事會報告書

## REPURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year ended 31 December 2016, neither the Company nor any of its subsidiaries had purchased or redeemed any of the listed shares of the Company. The Controlling shareholder of the Company, Rexell Technology Company Limited, has disposed of 16,925,000 listed shares and purchased 201,000 listed shares during the year ended 31 December 2016.

## CORPORATE GOVERNANCE

The Company and its management are committed to maintain good corporate governance with an emphasis on the principles of transparency, accountability and independence to all shareholders. The Company believes that good corporate governance is essential for continual growth and enhancement of shareholder's value. For the year ended 31 December 2016, the Company has applied and complied with the code provisions stipulated in the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules. The Company periodically reviews its corporate governance practices with reference to the latest development in corporate governance. The Group's principal corporate governance practices and compliance with code provisions are set out in the Corporate Governance Report on pages 43 to 59 of this annual report.

## ENVIRONMENTAL AND CORPORATE SOCIAL RESPONSIBILITIES

During the reporting period, the Group is committed to continuously promote the long-term, stable and sustainable development of employees, environmental protection and social responsibilities.

The Group's environmental policies and performance are set out in the Environmental, Social and Governance Report on pages 60 to 66 of this annual report.

## 購回、出售或贖回本公司股份

截至2016年12月31日止年度內，本公司或其任何附屬公司概無購回或贖回本公司任何上市證券。於截至2016年12月31日止年度內，本公司控股股東，銳士科技有限公司出售了16,925,000股已發行股份及購入了201,000股已發行股份。

## 企業管治

本公司及其管理層承諾維持良好的企業管治，著重於對全體股東的透明度、問責性及獨立性的原則。本公司相信良好的企業管治對達致持續增長及提升其股東價值實為重要。截至2016年12月31日，本公司已應用聯交所上市規則附錄14所載的企業管治守則及企業管治報告之原則，並加以遵守其中規定的守則條文。本公司參考企業管治的最新發展並定期審閱其企業管治常規。本集團的主要企業管治常規及遵守規定的詳情載於本年報第43至第59頁的企業管治報告內。

## 環境及企業社會責任

本集團於報告期內不斷致力於推行從僱員、環境保護以及社會責任的長期、穩定和可持續發展。

有關本集團環境政策及表現之詳情載於本年報第60至66頁的環境、社會及管治報告內。

## REPORT OF THE DIRECTORS

### 董事會報告書

#### AUDIT COMMITTEE

The Audit Committee had reviewed with management the Group's consolidated financial statements for the year ended 31 December 2016, the accounting principles and practices adopted and discussed auditing, internal controls and financial reporting matters.

#### AUDITOR

The Consolidated Financial Statements have been audited by SHINEWING. A resolution to re-appoint SHINEWING as our auditor will be submitted for shareholders' approval at our forthcoming AGM.

On behalf of the Board of Directors

**Mr. YIU Chi To**

*Executive Director and Chairman*

Hong Kong, 24 March 2017

#### 審核委員會

審核委員會已與管理層審閱本集團截至2016年12月31日止年度的綜合財務報表，所採納的會計原則及慣例，並就審核、內部監控及財務報告事宜進行磋商。

#### 核數師

信永中和已審核綜合財務報表。本公司將於應屆股東週年大會上提呈一項決議案，供股東批准續聘信永中和為本公司核數師。

代表董事會

**姚志圖**

*執行董事及主席*

香港，2017年3月24日

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CORPORATE GOVERNANCE CODE

The Company is committed in maintaining high standards of corporate governance (“CG”). The Board believes that commitment in CG practices will definitely benefit Company’s shareholders in long term. For the year ended 31 December 2016 (“FY2016”), the Company has applied the principles and complied with all the applicable code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules in force at that time.

The Board considers that good CG is central to safeguarding the interests of the shareholders and enhancing the performance of the Group. The Board will continuously review and improve the CG practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

With a view to further improving the Company’s CG practices, the following actions were taken in 2016:

- Appointment of INEDs with appropriate professional accounting qualifications and financial management experience with regulatory entities to further broaden the collective knowledge, perspective and skill of the Board.
- All members of the Audit Committee are INEDs and all of them have appropriate professional accounting qualifications and financial management experience.
- Introduction of a program of continuous professional development for Directors by providing internal training to the Board.
- To adopt Board diversity policy to recognize and embrace the benefits of having a diverse Board to enhance the quality of its performance. In designing the Board’s composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

### 企業管治守則

本公司致力維持高水平之企業管治(「企業管治」)。董事會相信，謹守企業管治守則必定為本公司股東帶來益處。截至2016年12月31日止年度(「2016年財政年度」)，本公司已採納上市規則附錄14所載的企業管治常規守則(「企業管治守則」)，及已遵從所有適用守則條文。

董事會認為，良好的企業管治是保障股東權益及提升本集團的表現之核心。董事會將不斷檢討及改善本公司之企業管治常規及標準，以確保業務活動及決策過程符合規管和審慎的態度。

為進一步改善本公司的企業管治常規，在2016年採取了以下行動：

- 委任具備適當專業會計資格及監管實體財務管理經驗的獨立非執董，以擴大董事會的集體知識、觀點和技能。
- 審計委員會的所有成員均為獨立非執董及所有成員已有專業會計資格及財務管理經驗。
- 透過採用持續專業發展程序，向董事會提供內部培訓。
- 董事會採取多元化政策，承認和接受其好處，使董事會多元化以提高其性能質量。在設計董事會的成員多樣化方面，董事會一直認為該從多個方面考慮，包括但不限於性別、年齡、文化和教育背景、種族、專業經驗、技能、知識和工齡。



## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as the code of conduct regarding securities transactions by Directors. Following specific enquiry by the Company, all the Directors have confirmed that they have complied with the required standard as set out in the Model Code and its code of conduct regarding directors' securities transactions during the year ended 31 December 2016.

## **THE BOARD**

The Board focuses on the overall strategic development and is also responsible for monitoring the financial performance, risk management and the internal controls of the Group. With a wide range of expertise and a balance of skills, the INEDs bring independent judgment on issues of strategic direction, development, performance and risk management through their contribution at Board meetings and committee work.

### **Appointment and re-election of Directors**

All of the Directors have service agreements or letters of appointment and the details of their terms are set out in the Report of the Directors on pages 33 to 34 of this annual report. All Directors are subject to re-election by shareholders at the annual general meeting. Retiring Directors are eligible for re-election and re-election of retiring Directors at annual general meetings is dealt with by separate individual resolutions. Where vacancies arise at the Board, candidates are proposed and put forward to the Board by the Nomination Committee as more fully explained below under the section on Nomination Committee.

### **Board Composition**

As at the date of this report, the Board has five executive Directors and three INEDs, as shown on page 3 of this annual report. Biographies of the Company's Directors are shown on pages 24 to 30 of this annual report.

INEDs ensure the Board accounts for the interest of all shareholders and subject matters are considered objectively. The Board has received from each INED an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Board considers all of the INEDs to be independent. INEDs have accounted for 37.5% of the full Board.

## **董事進行證券交易的操守指引**

本公司已採納標準守則為本公司董事進行證券交易的操守指引。董事會全體成員經特別查詢後，確認彼等在2016年財政年度內已遵守操守指引所載有關董事進行證券交易的標準及其本身所訂有關的行為守則。

## **董事會**

董事會主要負責本集團的整體策略發展，及負責監察財務表現，風險管理及本集團之內部監控。憑藉廣泛的專業知識和平均的技能，獨立非執行董事（「獨立非執董」）能就通過其在董事會會議及委員會的工作策略方針、發展、業績及風險管理作出獨立判斷。

### **董事委任及重選**

所有董事均簽訂服務協約或委任書，相關條款載於本年報第33至第34頁董事會報告書內。惟彼等須於股東週年大會上接受股東重選。退任董事有資格重選。於股東週年大會上，重選退任董事乃按個別決議案單獨進行。誠如下文提名委員會一節更全面的列述，倘董事局產生空缺，候選人會由提名委員會向董事局建議及提呈。

### **董事會組合**

於本報告日期，董事會有五名執行董事及三名獨立非執董如本年報第3頁所載。本公司董事會之履歷乃載於本年報第24至30頁。

獨立非執董確保董事會為所有股東的利益負責，並就重大議題作出客觀考慮。董事會已根據上市規則第3.13條取得各獨立非執董之年度確認，以確認其獨立性。董事會認為所有獨立非執董均具獨立性。獨立非執董佔全董事會的37.5%。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

#### THE BOARD (continued)

##### Board Composition (continued)

To the best of the Directors' knowledge, there is no financial, business and family relationship among members of the Board except that Mr. Yiu Chi To is the father of Ms. Yiu Kwan Yu and father-in-law of Mr. Chen Chung Po, Mr. Chen Chung Po and Ms. Yiu Kwan Yu are a married couple.

##### Chairman and the Chief Executive Officer

The Chairman of the Board (“**Chairman**”) and the Chief Executive Officer are Mr. Yiu Chi To and Mr. Chen Chung Po, respectively.

##### Induction, Information and ongoing Development

All Directors were kept informed on a timely basis of major changes that may have affected the Group's businesses, including relevant rules and regulations. In addition, the Group has implemented a continuing development programme to update the Directors (in particular INEDs) on the macro economics and business environment relevant to the Group's major operations.

In addition to the above, each newly-appointed Director received a tailored induction programme, which covers briefing on the Company's overview by the Chief Executive Officer, meeting with management and meeting with the Company's external legal adviser on directors' legal role and responsibilities. To further maximize the contribution from INEDs, separate meeting between the Chief Executive Officer and INEDs was held in June 2016 to address business and related issues. Written procedures are also in place for Directors to seek independent professional advice in performing their Directors' duties at the Company's expense. No request was made by any Director for such independent professional advice during the FY2016.

#### 董事會(續)

##### 董事會組合(續)

據董事所知，除了姚志圖先生為姚君瑜女士的父親及陳鐘譜先生的岳父，以及陳鐘譜先生與姚君瑜女士為夫婦之外，董事會成員之間概無任何財務、業務或家族關係。

##### 主席及行政總裁

董事會主席(「**主席**」)及行政總裁分別是姚志圖先生及陳鐘譜先生。

##### 誘導、資訊和持續發展

所有董事均保持適時通報可能影響本集團的業務重大變化，包括相關規則及法規。此外，就本集團在主要業務的宏觀經濟和商業環境的最新消息，本集團已實行了一個董事持續發展課程(特別是獨立非執董)。

除上述外，每位新委任董事收到量身定制的誘導、資訊方案，其中包括由集團行政總裁介紹本公司的概述，參與就董事之法定角色及職能的議程上與管理層及外部法律顧問的會議。為了進一步提升獨立非執董的貢獻，集團行政總裁及獨立非執董之間在2016年6月舉行了會議，以解決業務及相關問題。董事為履行其職責到任，亦可按書面程序尋求獨立專業意見，費用由本公司支付。在2016年財政年度沒有任何董事請求上述獨立專業意見。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

#### THE BOARD (continued)

##### Induction, Information and ongoing Development (continued)

During the year, all Directors have participated in continuous professional development to develop and refresh their knowledge and skills in accordance with code provision A.6.5 contained in the CG Code. Each of the Directors received a series of training locally or overseas, relevant trainings and briefings included, among others:

- development of national and global economy;
- national policy outlook;
- corporate governance;
- regulatory updates; and
- LED backlight and lighting industry development trend, etc.

All of them have also provided to the Company their records of training attended or fulfillment of ongoing development for the year, the information of which has been entered in the register of directors' training records maintained and updated by the Company from time to time. The following summarises the compliance status of all Directors of the Company in respect of code provision A.6.5 during the year:

#### 董事會(續)

##### 誘導、資訊和持續發展(續)

根據企業守則第A.6.5條，年內，所有董事均已參加持續專業發展，以發展和更新他們的知識和技能。每名董事獲得了一系列的本地或海外培訓，相關的培訓和簡報包括：

- 國家和全球經濟的發展；
- 國家政策的前景；
- 企業管治；
- 最新的監管規定；及
- LED背光及照明行業的發展趨勢，等等。

所有董事還對本公司提供了本年度他們已出席的培訓或符合持續發展要求的記錄，其中的信息已經寄存在董事培訓記錄保存檔，並由本公司不時更新。下面總結了守則第A.6.5條年內就本公司全體董事的遵守情況：

Name of Directors	董事姓名	In compliance with Code A.6.5 遵守守則第A.6.5條
<b>Executive Directors</b>	<b>執行董事</b>	
Mr. Yiu Chi To ( <i>Chairman</i> )	姚志圖先生( <i>主席</i> )	✓
Mr. Chen Chung Po ( <i>Chief Executive Officer</i> )	陳鐘譜先生( <i>行政總裁</i> )	✓
Ms. Yiu Kwan Yu	姚君瑜女士	✓
Mr. Chen Wei Wu	陳緯武先生	✓
Ms. Yong Jian Hui	雍建輝女士	✓
<b>Independent non-executive Directors</b>	<b>獨立非執行董事</b>	
Mr. Au Yeung Tin Wah	歐陽天華先生	✓
Mr. Chen Kwok Wang	陳國宏先生	✓
Mr. Ho Chi Wai	何志威先生	✓

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

## THE BOARD (continued)

### Role and Responsibilities of the Board

The Board delegates appropriate aspects of its management and administrative functions to management. It also gives clear directions as to the powers of management, in particular, with respect to the matters that management must report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company. The Board determines on regular basis which functions are reserved to the Board and which are delegated to management.

The Board exercises a number of duties and powers which include:

- formulating of the Group's long-term strategy;
- approving major acquisitions, disposals and capital investment;
- reviewing operational and financial performance;
- approving financial results and public announcements;
- reviewing the effectiveness of risk management and internal control;
- authorizing material borrowings;
- setting dividend policy;
- approving appointment to the Board and senior management; and
- setting the Group's remuneration policy.

To assist in fulfilling its duties and responsibilities, the Board established four committees, namely the audit committee, the remuneration committee, the nomination committee, and the risk management committee.

### Board Processes

All Directors are regularly updated on governance and regulatory matters. There is an established procedure for Directors to obtain independent professional advice at the expense of the Company in the furtherance of their duties. The Company has also arranged appropriate director and officer liability insurance cover in respect of any potential legal actions that might be taken against its Directors.

## 董事會(續)

### 董事會之角色及職能

董事會就其管理及行政職能適當地授權予管理層。董事會亦就管理層之權力給予清晰指引，尤其對於管理層作出決定或訂立任何承擔前必須向董事會匯報及獲得董事會事前批准。董事會定期釐定由董事會保留及授權予管理層之職能。

董事會行使的職權包括：

- 制定本集團長遠策略；
- 批准主要收購、出售及資本投資；
- 檢討經營及財務表現；
- 批准財務業績及公佈；
- 檢討風險管理及內部監控成效；
- 審批重大借貸；
- 制訂股息政策；
- 批准委任董事會及高級管理層；及
- 制訂本集團之薪酬政策。

為協助達成其職務及責任，董事會已成立四個屬下委員會，即審核委員會、薪酬委員會、提名委員會及風險管理委員會。

### 董事會程序

全體董事均定期獲得有關管治及監管事宜的更新信息。董事可按照既定程序尋求獨立專業意見以協助履行其責任，有關費用由本公司支付。本公司亦已就董事可能面臨法律行動的風險，預備適當的董事及行政人員責任保險。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

#### THE BOARD (continued)

##### Board Processes (continued)

The Board meets regularly throughout the year to review the overall strategies and monitor the operations as well as the financial performance of the Group. The Chairman mainly focuses on Group strategies and is responsible for chairing and managing the efficient operation of the Board and ensuring that all key issues are considered by the Board in a timely manner. Notice of at least 14 days has been given to all Directors for all regular Board meetings and the Directors can include matters for discussion in the agenda whenever they consider appropriate and necessary. Agenda and accompanying Board papers in respect of regular Board meetings are despatched in full to all Directors within a reasonable time before the meeting. Directors have to declare their direct or indirect interests, if any, in any proposals or transactions to be considered by the Board at board meetings and abstain from voting as appropriate. Draft minutes of all board meetings are circulated to Directors for comment within a reasonable time prior to confirmation.

Minutes of board meetings and meetings of board committees are kept by the Company Secretary. All Directors have free access to board papers and related materials, and are provided with adequate information in a timely manner, enabling the Board to make informed decision on matters placed before it. In FY2016, four Board meetings were held and the attendance details are shown as follows:

#### 董事會(續)

##### 董事會程序(續)

董事會於年內定期開會，檢討整體策略及監察本集團的營運及財務表現。主席主要負責本集團之策略，並負責有效領導及管理董事會，確保董事會及時顧及所有重點議題。就董事會所有定期會議，全體董事均獲發最少十四天通知，如彼等認為合適或有需要，董事可將討論事項納入有關議程。董事會定期會議的議程及附連之董事會文件在開會前一段合理時間內派發予所有董事。董事須披露彼等於董事會會議上供董事會考慮之任何建議書或交易所享有之直接或間接權益(如有)並放棄投票權(如需要)。所有董事會會議記錄草稿會在合理時間內交董事傳閱，讓董事在確定會議記錄前提出意見。

董事會及董事委員會的會議記錄由公司秘書保存。全體董事均有權查閱董事會的文件及有關資料，並會及時獲提供充份資料，使董事會可就提呈會議的事項作出知情決定。於2016年度內，董事會舉行了四次董事會大會，會議出席詳情如下：

#### Board Meetings attended in FY2016 二零一六年財政年度 出席董事會會議次數

Name of Directors	董事姓名	
<b>Executive Directors</b>	<b>執行董事</b>	
Mr. Yiu Chi To ( <i>Chairman</i> )	姚志圖先生( <i>主席</i> )	4/4
Mr. Chen Chung Po ( <i>Chief Executive Officer</i> )	陳鐘譜先生( <i>行政總裁</i> )	4/4
Ms. Yiu Kwan Yu	姚君瑜女士	4/4
Mr. Chen Wei Wu	陳緯武先生	4/4
Ms. Yong Jian Hui	雍建輝女士	4/4
Mr. Peng Jian	彭建先生	4/4
<b>Independent non-executive Directors</b>	<b>獨立非執行董事</b>	
Mr. Au Yeung Tin Wah	歐陽天華先生	3/4
Mr. Chen Kwok Wang	陳國宏先生	4/4
Mr. Ho Chi Wai	何志威先生	4/4



## CORPORATE GOVERNANCE REPORT

### 企業管治報告

#### BOARD'S COMMITTEES

The Board has established four committees, namely audit committee, remuneration committee, nomination committee and risk management committee. Each of them has specific terms of reference to consider matters relating to specific areas and to advise the Board on such matters. INEDs play a significant role in these committees to ensure that independent and objective views are taken. The list of the Chairman and members of each Board committee is set out on page 3 of this annual report.

##### (a) Audit Committee

The Audit Committee of the Company was established in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls.

The Audit Committee reviewed with the senior management and external auditors the Group's significant internal controls and financial matters (as set out in the Audit Committee's terms of reference), including:

- the Group's interim and annual financial statements with recommendation to the Board for approval;
- the Group's compliance with regulatory and statutory requirements;
- the Group's financial reporting, internal control and risk management;
- arranging the internal control audit department working plan, discussing the review result of internal control system and reporting to the Board;
- discussing with the external auditors the nature, scope of the audit and significant accounting and audit issues;
- connected transactions; and
- managing and overseeing the external auditors.

#### 董事會屬下委員會

董事會已設立四個委員會，即審核委員會、薪酬委員會、提名委員會及風險管理委員會。各委員會有其具體職權範圍，負責審議有關特定範疇的事項，並就該等事項向董事會提出意見。獨立非執董對該等委員會甚為重要，以確保採取獨立及客觀的意見。各董事會屬下委員會的主席及成員名單載於本年報第3頁。

##### (a) 審核委員會

本公司審核委員會乃為符合上市規則第3.21條而成立，旨在審議本集團製定財務報告程序及內部監控，並就此作出監察。

審核委員會已與高級管理層及外聘核數師審閱本集團的重大內部監控措施及財務事宜(如審核委員會的職權範圍所載)，包括：

- 向董事會提供本集團中期及年度財務報表之意見予其批准；
- 本集團遵守法例及法定規定之情況；
- 本集團之財務報告、內部監控及風險管理；
- 製定集團內部控制監管部門之工作計劃，定期討論內部控制系統審查結果，並向董事會匯報；
- 與外聘審計師討論審計性質，範疇及重要會計政策及審核事宜；
- 關連交易；及
- 管理及監督外聘核數師。

## **BOARD'S COMMITTEES (continued)**

### **(a) Audit Committee (continued)**

The Audit Committee has the power to conduct investigations into any matter within the scope of responsibility of the Audit Committee and is authorized to obtain independent professional advice if it deems necessary in discharging its responsibilities.

The Audit Committee has been satisfied with the review of the audit scope, process and effectiveness, independence of SHINEWING and thus recommended the Board for the approval of the 2016 financial statements.

In FY2016, three meetings were held by Audit Committee with 100% attendance by all Audit Committee's members.

### **(b) Remuneration Committee**

The Remuneration Committee advises the Board on the Group's overall policy and structure for the remuneration of Directors and senior management, and ensures that no Director or any of his associate is involved in deciding his/her own remuneration. The Remuneration Committee also reviews and approves (i) compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that such compensation is consistent with contractual terms and is otherwise fair and not excessive; and (ii) compensation arrangement(s) relating to dismissal or removal of Director(s) for misconduct to ensure that such compensation arrangement is consistent with contractual terms and is otherwise reasonable and appropriate.

The Company has adopted the model to delegate the determination of the remuneration packages of individual executive Director and senior management to the Remuneration Committee.

In determining the remuneration for Directors, the Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors and the desirability of performance-based remuneration.

## **董事會屬下委員會(續)**

### **(a) 審核委員會(續)**

審核委員會有權就審核委員會職能範圍以內之任何事宜進行調查，在履行其職責時如認為有需要，則可獲授權以取得獨立專業意見。

審核委員會已對信永中和審閱之審核範圍、過程和有效性，以及獨立性表示信納，故向董事會建議通過2016年的財務報表。

於2016年財政年度，審核委員會舉行了三次會議，所有審核委員會成員之出席率均為100%。

### **(b) 薪酬委員會**

薪酬委員會就本集團董事及高級管理層的整體薪酬政策及結構向董事會提供意見，並確保並無董事或其任何聯繫人士參與釐訂其薪酬。薪酬委員會亦檢討及批准(i)向執行董事及高級管理人員就其喪失或終止職務或委任而須支付的賠償，以確保該等賠償與合約條款一致，若未能與合約條款一致，賠償亦須公平，不致過多；及(ii)因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排與合約條款一致，若未能與合約條款一致，有關賠償亦須合理適當。

本公司已授權薪酬委員會決定執行董事及高級管理人員的薪酬。

薪酬委員會於釐訂應付予董事的酬金時，已考慮各種因素，包括同類公司支付的薪酬、董事貢獻的時間及責任及是否適宜提供與表現掛鈎的薪酬。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

#### BOARD'S COMMITTEES (continued)

##### (b) Remuneration Committee (continued)

The Remuneration Committee meets to determine the policy for the remuneration of Directors and assess the performance of executive Directors and approving the terms of executive Directors' service contracts. In FY2016, two meetings were held by Remuneration Committee with 100% attendance by all Remuneration Committee members.

##### (c) Nomination Committee

The Nomination Committee is mainly responsible for reviewing the candidates' qualification and competence, and making recommendations to the Board on appointment of Directors, so as to ensure that all nominations are fair and reasonable.

The functional roles of the Nomination Committee are:

- to establish a formal and transparent procedure for the appointment or reappointment of Directors;
- to make recommendations to the Board for new appointments or reappointments of executive and non-executive directors;
- to evaluate the performance of Directors and determine if they should be reappointed; and
- to be responsible for significant issues concerning the nomination of Directors during the year.

The Nomination Committee meets to discuss the procedures and criteria which should be adopted by them in nominating candidates for directorship and agreed that such criteria should include the candidates' professional background, their experiences and their past track record with other listed companies (if any). In FY2016, Two meetings were held by Nomination Committee with 100% attendance by all Nomination Committee members

#### 董事會屬下委員會(續)

##### (b) 薪酬委員會(續)

薪酬委員會開會釐訂董事的薪酬政策及衡量執行董事的表現及批准執行董事服務合約的條款。於2016年財政年度，薪酬委員會舉行了兩次會議，所有薪酬委員會成員之出席率均為100%。

##### (c) 提名委員會

提名委員會主要負責覆核候選人的資歷及能力，並於提名董事時向董事會提出建議，以確保所有提名均為公平合理。

提名委員會的職責是：

- 建立正規而具透明度的董事委任或重新委任程序；
- 向董事會作出執行董事及非執行董事的新委任或再度委任的建議；
- 評估董事的表現，並確定他們是否應該連任；及
- 負責有關董事提名於年內之主要問題。

提名委員會開會討論提名董事人選的程序及準則，並採納該等準則，包括人選的專業背景、他們的經驗與其他上市公司的過往記錄(如有)的程序和標準。於2016年財政年度，提名委員會舉行了兩次會議，所有提名委員會成員之出席率均為100%。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

#### BOARD'S COMMITTEES (continued)

##### (d) Risk Management Committee

The members of the Risk Management Committee comprise three members which include the Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”) and one INED of the Company. The Board has appointed Mr. Chen Chung Po (CEO), Mr. Cheung Wai Hung (CFO) and Mr. Chen Kwok Wang (INED) as members of the Risk Management Committee. Mr. Chen Chung Po has also been appointed as the Chairman of the Risk Management Committee.

The primary responsibilities of the risk management committee include reviewing the Company's enterprise risk management framework, and the guidelines, policies and procedures for risk assessment and risk management and reviewing the effectiveness of the risk management function.

In FY2016, two meetings with attendance by all Risk Management Committee's members were held.

#### AUDITOR'S REMUNERATION

During the year, the remuneration paid to the external auditors of the Company, SHINEWING, in respect of audit services and non-audit services for the year ended 31 December 2016 amounted to HK\$935,000 and HK\$200,000 respectively. The details and fee for non-audit services are set out below:

		HK\$ 港幣
2016 interim review	2016 中期檢閱	200,000

#### 董事會屬下委員會(續)

##### (d) 風險管理委員會

風險管理委員會由三位成員組成，當中包括本公司行政總裁、財務總監及一名獨立非執行董事。董事會已委任陳鐘譜先生(行政總裁)、張偉雄先生(財務總監)及陳國宏先生(獨立非執行董事)為風險管理委員會成員，並由陳鐘譜先生出任風險管理委員會主席。

風險管理委員會的主要職責包括檢討本公司企業風險管理架構、風險評估及風險管理的指引、政策及程序及檢討風險管理功能的有效性。

於2016年財政年度，風險管理委員會舉行了兩次會議，所有審核委員會成員均有出席。

#### 核數師酬金

於年內，本公司就截至2016年12月31日止年度的審計服務及非審計服務支付外聘核數師信永中和的酬金分別為935,000港元及200,000港元。而非審計服務的性質及所支費用的詳情如下：

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

## RISK MANAGEMENT AND INTERNAL CONTROLS

During the year, the Group has complied with Principle C.2 of the Corporate Governance Code by establishing appropriate and effective risk management and internal control systems. Management is responsible for the design, implementation and monitoring of such systems, while the Board oversees management in performing its duties on an ongoing basis. Main features of the risk management and internal control systems are described in the sections below:

### Risk Management System

The Group adopts a risk management system which manages the risk associated with its business and operations. The system comprises the following phases:

- Identification: Identify occurrence and changes in the nature and extent of risks, business objectives and risks that could affect the achievement of objectives.
- Evaluation: Analyze the likelihood and impact of risks and evaluate the risk portfolio accordingly; assess the Group's ability to manage risks.
- Management: Consider the risk responses, ensure effective communication to the Board and on-going monitoring of risks.

Based on the risk assessments conducted in 2016, no significant risk was identified.

### Internal Control System

The Company has in place an internal control system which is compatible with the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") 2013 framework. The framework enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The components of the framework are shown as follow:

- Control Environment: A set of standards, processes and structures that provide the basis for carrying out internal control across the Group.
- Risk Assessment: A dynamic and iterative process for identifying and analyzing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.

## 風險管理及內部控制

本集團於本年度，已遵守企業管治守則C.2原則，建立適當及有效的風險管理及內部監控系統。管理層負責相關系統的設計、實施和監控，董事會則負責監督管理層持續執有關職責。風險管理和內部監控系統的主要特點如下面章節所述：

### 風險管理系統

本集團採用風險管理系統，管理與其業務及營運相關的風險。該系統包括以下各方面：

- 識別：識別風險的出現及其性質和程度的轉變，業務目標及可能影響目標實現的風險。
- 評估：分析風險的可能性和影響，並相應地評估風險組合；評核本集團的風險管理能力。
- 管理：考慮風險應對，確保與董事會的有效溝通，並持續監控風險。

根據2016年進行的風險評估，未發現重大風險。

### 內部監控系統

公司內設有一個內部監控系統，與特雷德韋委員會發起組織委員會("COSO")2013框架兼容。該框架使本集團能夠達致關運營的有效性和效率，財務報告的可靠性以及遵守適用法律和法規的目標。該框架包含以下元素：

- 環境監控：為本集團實施內部監控提供依據的一套標準，流程和結構。
- 風險評估：一個主動和持續的過程，用於識別和分析風險以實現集團的目標，為確定如何管理風險奠定基礎。



## CORPORATE GOVERNANCE REPORT

### 企業管治報告

## RISK MANAGEMENT AND INTERNAL CONTROLS (continued)

### Internal Control System (continued)

- Control Activities: Action established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.
- Information and Communication: Internal and external communication to provide the Group with the information needed to carry out day-to-day controls.
- Monitoring: Ongoing and separate evaluations to ascertain whether each component of internal control is present and functioning.

In order to enhance the Group's system of handling inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Group also adopts and implements an inside information policy and procedures. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include:

- The access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.
- Confidentiality agreements are in place when the Group enters into significant negotiations.
- The Executive Directors are designated persons who speak on behalf of the Company when communicating with external parties such as the media, analysts or investors.

Based on the internal control reviews conducted in 2016, no significant control deficiency was identified.

## 風險管理及內部控制(續)

### 內部監控系統(續)

- 監控活動：通過政策和程序的建立，有助減低風險以達致實現管理的目標。
- 資訊與溝通：內部與外部溝通，為集團提供進行日常管理所需的信息。
- 監督：持續及個別評估，以確定內部監控的每個組成部分是否存在和運行

為加強本集團內部信息處理制度，確保公開披露的真實性，準確性，完整性與及時性，本集團亦採納並實施內幕信息政策及程序。一系列合理措施已不時實施，以防止違反有關本集團的披露規定，包括：

- 僅有需要的員工可以獲取相關信息。擁有內幕信息的員工完全了解其保守機密的義務。
- 當本集團進行重大談判時，會備妥保密協議。
- 執行董事是與外界(如媒體，分析師或投資者)溝通時代表本公司發言的指定人士。

根據2016年進行的內部控制審查，未發現重大監控缺陷。

## **RISK MANAGEMENT AND INTERNAL CONTROLS (continued)**

### **Internal Auditors**

The Group has an Internal Audit (“IA”) function, which is executed of professional staff with relevant expertise (such as Certified Public Accountant). The IA function is independent of the Group’s daily operation and carries out appraisal of the risk management and internal control systems by conducting interviews, walkthroughs and tests of operational effectiveness.

An IA plan has been approved by the Board. According to the established plan, review of the risk management and internal control systems is conducted semi-annually and the results are reported to the Board via Audit Committee afterwards.

### **Effectiveness of the Risk Management and Internal Control Systems**

The Board is responsible for the risk management and internal control systems of the Group and ensuring review of the effectiveness of these systems has been conducted semi-annually. Several areas have been considered during the Board’s reviews, which include but not limited to (i) the changes in the nature and extent of significant risks since the last review, and the Group’s ability to respond to changes in its business and the external environment (ii) the scope and quality of management’s ongoing monitoring of risks and of the internal control systems.

The Board, through its reviews and the reviews made by IA function and Audit Committee, concluded that the risk management and internal control systems were effective and adequate. Such systems, however, are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. It is also considered that the resources, staff qualifications and experience of relevant staff were adequate and the training programs and budget provided were sufficient.

## **風險管理及內部控制(續)**

### **內部審計員**

本集團擁有內部審計(「內審」)職能，由具有相關專業知識的專業人員(如註冊會計師)執行。內審職能獨立於本集團的日常運作，並通過訪談，穿行測試和運行有效性測試對風險管理和內部監控系統進行評估。

內審計劃已經董事會批准。根據既定計劃，風險管理和內部監控系統的審核每半年進行一次，結果將通過審計委員會向董事會報告。

### **風險管理和內部監制系統的有效性**

董事會負責本集團的風險管理和內部監控系統，並確保每半年對這些系統的有效性進行審查。董事會審查期間審議了若干領域，其中包括但不限於(i)自上次審查以來重大風險的性質和程度的變化以及本集團對其業務和外部環境變化做出反應的能力(ii)管理層持續監控風險和內部監控系統的範圍和質量。

董事會通過其審查以及內審職能部門和審核委員會的審查結論認為，風險管理和內部監制程度是有效和充份的。然而，此類系統旨在管理而不是消除未能實現業務目標的風險，並且只能提供合理且非絕對的保證，以防止重大錯報或損失。董事會亦認為已有足夠的資源，工作人員具備足夠的資格和經驗，亦提供了足夠的培訓和預算去進行該工作。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors are responsible for the preparation of the financial statements, which give a true and fair view of the state of affairs of the Company and comply with the requirement of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) ("**Hong Kong Companies Ordinance**") and the applicable disclosure provisions of the Listing Rules. The auditors are responsible for forming an independent opinion, based on the audit, on the financial statements prepared by the Directors and reporting the opinion solely to the Company's shareholders. The Independent Auditor's Report is set out on pages 67 to 74 of this annual report.

#### INVESTOR AND SHAREHOLDER RELATION

The Company endeavors to continue maintaining a high level of transparency in communicating with shareholders and the investment community at large. Briefings and meetings with institutional investors and analysts are conducted regularly. The Company is committed to maintaining an open and effective investor communication policy and to update investors on relevant information on its business on a timely manner, subject to relevant regulatory requirements.

In order to ensure effective, clear and accurate communications with the investors and analysts, all corporate communications are arranged and handled by the Chief Financial Officer of the Company.

Financial information and all shareholder corporate communications of the Company are made available on the Company's website at <http://www.waichiholdings.com> and updated regularly on a timely basis.

#### 董事及核數師各自之責任

董事負責編製財務報表，以真實及公平地反映本公司的狀況及遵守香港法例第622章公司條例（「香港公司條例」）及上市規則適用披露條文的規定。核數師負責根據審核結果對董事編製的財務報表發表獨立意見，並僅向本公司股東滙報意見。獨立核數師報告載於本年報第67至第74頁。

#### 與投資者及股東的關係

本公司在與股東及投資界溝通時，一直盡量保持高透明度。本公司定期為機構投資者及分析員舉行簡報會及會議。本公司致力按照有關監管規定，維持公開及有效的投資者溝通政策，並及時向投資者提供最新的業務資料。

為確保與投資者及分析員保持有效、清晰及準確之溝通，所有企業通訊均由本公司財務總監按照本公司既定之常規及程序安排及處理。

本公司財務資料及所有與股東的公司通訊已載於本公司網站<http://www.waichiholdings.com>，並會適時定期更新。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

## INVESTOR AND SHAREHOLDER RELATION (continued)

The Board and management shall ensure shareholders' right and all shareholders are treated equitably and fairly. The Company will announce and publish its interim and annual results in a timely manner, which is well before the time limits set out in the Listing Rules. Separate resolutions will be proposed at the general meetings on each substantially separate issue, including the re-election of individual Directors, if any.

The annual general meeting will provide an opportunity for direct communication between the Board and the Company's shareholders. The Company regards the annual general meeting as an important event in which the Chairman and all Directors will make an effort to attend. External auditors shall also be invited to attend the Company's annual general meeting and are also available to assist the Directors in addressing queries from shareholders relating to the conduct of the audit and the preparation and content of the auditors' report. All shareholders are given prior notice on a timely basis together with a detailed agenda. The Board, according to the Listing Rules, will conduct voting at the forthcoming AGM by poll. The results of the Company will be declared at the meeting, and announced timely on the Stock Exchange's website and the Company's website.

## SHAREHOLDERS' RIGHTS

### Procedures for convening an extraordinary general meeting and putting forward proposals at shareholders' meeting

Any shareholder(s) individually or collectively holding 10% or more of the Company's total issued share capital shall be entitled to request the Board in writing to convene an extraordinary general meeting. Upon receiving such request, the Board shall issue a notice of extraordinary general meeting within 21 days and hold an extraordinary general meeting within two months from the receipt of such request. If within 21 days of the receipt of such request the Board fails to proceed to convene such meeting, the shareholder(s) proposing to convene an extraordinary general meeting in writing may himself (themselves) convene an extraordinary general meeting in the same manner.

## 與投資者及股東的關係(續)

董事會及管理層須確保股東權利，且全體股東均獲公平公正對待。本公司已適時宣佈及印發其中期及年度業績，並向股東寄發有關賬目，宣佈及寄發時間均早於上市規則規定的時間。就每個重大個別事項將於股東大會提呈個別決議案，包括重選個別董事(如有)。

股東週年大會將為董事會與本公司之股東提供直接的溝通機會。本公司視股東週年大會為重要事項，主席及全體董事均盡可能出席。外聘核數師亦獲邀請出席本公司的股東週年大會，並可協助董事回應股東對進行核數及核數師報告的編製及內容所提出的查詢。所有股東收取附有詳細議程的通知和及時之通知函。根據上市規則，董事會將於應屆股東週年大會進行投票表決。本公司的業績將於會上宣佈，並適時於聯交所網站及本公司網站作出公佈。

## 股東權利

### 召開特別股東大會及於股東大會提出提案之過程

單獨或合計持有本公司全部已發行總股本10%或以上股份權益的一名或多名股東，有權以書面方式要求董事會召集特別股東大會，董事會在接獲有關要求後，應在21天內發出召集特別股東大會的通告，並於接獲有關要求後的2個月內舉行特別股東大會；如董事會未能於接獲有關要求後21天內進行召集特別股東大會，書面提出召集特別股東大會的股東可按照同一方式自行召集特別股東大會。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

#### SHAREHOLDERS' RIGHTS (continued)

##### Procedures for shareholders to put enquires to the Board

Shareholders must prove to the Board that they really own the equity interests of the Company (e.g. by providing shareholding documents etc.). The Company suggests shareholders should submit their enquiries in writing (including by email, facsimile and mail) and provide sufficient contact details so that the Company can process their enquiries in a proper and timely manner.

Shareholders may contact the Company via the following means:

Address: 6/F, Liven House, 63 King Yip Street, Kwun Tong, Kowloon, Hong Kong  
Email: barry.cheung@waichi.com  
Tel No.: (852) 3760 2805  
Fax No.: (852) 2341 8144

#### CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the duties on corporate governance function as set out below:

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and
- to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

#### 股東權利(續)

##### 股東向董事會提出查詢的程序

股東須向董事會證明其確實擁有本公司股份權益(如提供持股文件等)。公司建議股東通過書面方式(包括電郵、傳真及郵寄)提出查詢要求,並提供足夠的聯絡資料以便有關查詢及時獲得公司恰當的處理。

股東可以通過以下聯繫方式向本公司提出查詢:

地址: 香港九龍觀塘敬業街63號利維大廈6樓  
電郵地址: barry.cheung@waichi.com  
電話: (852) 3760 2805  
傳真號碼: (852) 2341 8144

#### 企業管治職能

董事會負責執行下文所載之企業管治職能:

- 制定及檢討本公司的企業管治政策和做法;
- 檢討及監察董事及高級管理人員的培訓及持續專業發展;
- 檢討及監察本公司的政策和做法以符合法律 and 監管要求;
- 制定、審閱及監察適用於僱員和董事的操守準則及管治守則;及
- 檢討本公司遵守企業管治守則和披露於企業管治報告。



## CORPORATE GOVERNANCE REPORT

### 企業管治報告

#### CORPORATE GOVERNANCE FUNCTIONS (continued)

##### Constitutional documents

Rights of the shareholders are also provided under the articles of association of the Company. The articles of association of the Company which was adopted on 27 October 2014 was drafted in line with provisions of the Hong Kong Companies Ordinance which came into effect on 3 March 2014, the Listing Rules and current corporate practices. An up-to-date consolidated version of the articles of association of the Company is available on the Company's website and the HKEx's website.

#### 企業管治職能(續)

##### 組織章程文件

股東的權利已於本公司組織章程細則內闡述。本公司於2014年10月27日採納的組織章程細則，已符合於2014年3月3日生效的公司條例的條文，上市規則及目前企業常規。本公司的組織章程細則已登載於本公司網站及港交所網站，可供閱覽。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 1. OVERVIEW

Wai Chi Holdings Company Limited has adhered to the philosophy of environment-friendly management and fulfilled its commitment to caring for staff needs, enhancing product quality and performing social responsibilities for many years. This environmental, social and governance report, as the first one of Wai Chi Holdings, will give an overview through various aspects including environment-friendly management, working environment, supply chain management, product responsibility and community engagement covering each of the Group members in Hong Kong, Shenzhen, Huizhou and Yichang for the year 2016.

### 2. ENVIRONMENTAL PROTECTION AND RESPONSIBILITIES

#### a. Qualifications for environmental management

Wai Chi Group formulated effective Environmental Management System and Internal Compliance Manual in order to identify and comply with the laws and regulations on environmental protection in different countries and regions. The production materials and products also satisfy the environmental protection requirements and standards in all the regions where the suppliers and customers located. We have strictly controlled the use of the Group's vehicles, water and electricity consumption in each plant, reduced the use of materials and hazardous chemicals that are harmful to the environment, and by manufacturing green products for customers, we are rewarded the title of Excellent Supplier in Environmental Protection by our customers.

We engage independent external evaluation institutions regularly to conduct professional identification on sewage inspection and others and have obtained international environmental quality certifications such as ISO 14001:2004 Environmental Management System certification and IECQ QC 08000:2005 Hazardous Substance Process Management compliance certification.

### 1. 概述

偉志控股有限公司多年來一直秉承環保管理理念，以關懷員工需求，提升產品品質，履行社會責任為己任。作為偉志控股首份環境、社會及管治報告，將對2016年度涵蓋香港、深圳、惠州、宜昌四地集團各公司，從環保管理、工作環境、供應鏈管理、產品責任、社會參與等方面進行綜述。

### 2. 環境保護及責任

#### a. 環境管理資質

偉志集團制定有效的環境管理系統及內部合規手冊，以便識別及遵守不同國家和地區環境保護法律法規。生產材料及產品亦符合供應商及客戶所在地區環保法規及標準。我們一直嚴格管控集團車輛使用情況、各工廠水電耗用水平，減少使用對環境有害的物質及危險化學品，為客戶生產綠色產品，得到客戶授予的優秀環保供應商稱號。

我們定期聘請獨立外部評測機構進行排污檢測等專業鑒定，並取得ISO 14001：2004環境管理系統認證和IECQ QC 08000：2005有害物質處置管理符合性認證等國際化環保品質認證。

## **2. ENVIRONMENTAL PROTECTION AND RESPONSIBILITIES (continued)**

### **b. Energy-saving and emission reduction**

The Group strictly monitors each production step, and by designing and improving the production process to minimize and control the amount of gummed paper, tapes and other packaging materials we use. We have been improving the office environment to save energy and resources and post slogans of energy-saving and emission reduction in each plant. Staffs are required to switch off all the electrical appliances, lights and office equipments while leaving, and we also give reminders and make spot check regularly so that our staffs' awareness of environmental protection keeps awake. We regularly analyze the spending situation of gummed paper and duplication paper, promote double-sided printing, strive for paperless office and also encourage our staffs to choose public transport for green commuting.

### **c. Development and Application of Environmental Products**

The Group is committed to research and development of energy-saving products, expanding ideas and making exploration with great courage; we takes environmental protection as our responsibility and strives to promote energy-saving lighting product project in relation to street lights and large sized public facilities of the government. We actively advocates to replace traditional lamp with LED lights to increase the lifetime of lamp and save a lot of energy consumption volume. In the long term, this also saves costs, decreases energy losses and reduces carbon emission.

## **2. 環境保護及責任(續)**

### **b. 節能減排**

集團於生產的各個環節嚴格把關，設計改良產品工藝，盡量減少和控制膠紙膠帶及其他包裝物的使用量。我們不斷改善辦公環境，節省能源和資源，各地廠房均有張貼節能減排標語。要求員工下班時間關掉所有電器電燈及辦公設備，並定期發出通告提醒及抽查，旨在令員工時刻保持環保意識。我們定期分析膠紙及複印紙耗用情況，積極倡導使用雙面印刷，努力推進辦公無紙化，亦鼓勵員工搭乘公共交通，綠色出行。

### **c. 環保產品開發與應用**

集團致力於研發節能產品，拓展思路，勇於探索，以環保為己任，努力促成政府路燈及大型公共設施的節能燈品項目。我們積極倡導用LED燈替換傳統燈膽，用以增加燈具使用年限，並節省大量電能耗用量，長遠來說，亦可節約成本，減少能源損耗，降低碳排放量。

### **3. WORKING ENVIRONMENT AND EMPLOYEE DEVELOPMENT**

#### **a. Human capital and quality training**

As at 31 December 2016, the Group has a total of 2,647 employees, the majority of which are young and middle-aged people between 20 and 40 years old, guaranteeing the production impetus and the spirit of focus and encouraging innovative thinking. During the year, we irregularly held over 100 training seminars on various topics for different positions with over 2,000 participants, to constantly improve the professionalism and professional skills of employees in every aspect. The Group endeavors to attract and cultivate highly skilled technical personnel with various benefits and packages. Both of Shenzhen Company and Huizhou Company have been accredited by local governments as high-tech enterprises and enjoyed corresponding tax concessions.

The Group adopts the performance appraisal system, and evaluates employees' performance monthly with scientific and comprehensive performance indicators, and such results are used as important references for employees' salary adjustment, promotion and annual bonus rating. We encourage employees to explore their own strengths, without limiting their positions and profession, respect employees' personal career planning, support them to try and challenge works in different areas, open up horizontal and vertical position development channels, and always put talented and competent people first.

#### **b. Workplace safety**

The Group is committed to providing employees with a safe and healthy working environment, abiding by the Labor Law of the People's Republic of China and Law of the People's Republic of China on the Protection of Rights and Interests of Workers and other applicable laws and regulations. The Group conducts strict and effective management of its production elements such as personnel, machinery, objects and operating methods in the production site, carries out Safety Month activities on a regular basis and informs the inspection and evaluation results to all employees.

All new employees will be disbursed a Staff Manual to ensure that employees are kept informed in a timely manner of the Company's general information, management requirements and corporate culture etc., and we regularly review and update the contents of Staff Manual in order to keep up with the Company's strategy and development plan, and announce such contents on time at the Group's internal websites. In addition to making timely payments for the pension and insurance on a pro-rata basis as required by relevant laws, the Group also regularly maintains commercial accident insurance for its employees. There were no illnesses and casualties caused by work or other material accidents and property loss incidents during the year.

### **3. 工作環境及員工發展**

#### **a. 人力資本及素質培養**

於2016年12月31日，集團內在職員工共2,647人，以20-40歲中青年為主，保證生產動力及專注精神，鼓勵創新思維。本年度我們不定期針對不同崗位展開各種主題培訓講座百餘次，參加人次逾兩千人，不斷提升員工各層面的職業素養和專業技能。集團大力吸納及培養高精技術人才，提供多種不同福利待遇。深圳及惠州公司均獲當地政府評定為高新技術企業，並享受相應稅務優惠。

集團採取績效考核制度，每月以科學、全面的績效指標評價員工表現，並作為員工調薪升職及年度獎金評級的重要參考。我們鼓勵員工發掘自身專長，不局限職位及專業，尊重員工個人職業規劃，支持員工嘗試及挑戰不同領域工作，開放橫向及縱向職位發展通道，任才為先，能者居之。

#### **b. 職場安全**

集團致力為員工提供安全及健康的工作環境，遵守《中華人民共和國勞動法》和《中華人民共和國勞動者權益保護法》及其他適用的法律法規。集團對生產現場中人員、機器、物件、操作方法等生產要素進行嚴格有效的管理，定期開展安全月活動，並對考察及評比結果進行全員通報。

新入職員工均發放員工手冊，確保使員工及時瞭解公司一般資料，管理規定及企業文化等，並定期檢討更新員工手冊內容，以便緊跟公司策略及發展規劃，並及時於集團內部網站公示。集團除為員工按照相關法例要求比例按時交納養老金及保險外，還定期為員工購買商業意外保險。本年度並無工作原因致病及傷亡或其他重大事故及財產損失事件發生。

### **3. WORKING ENVIRONMENT AND EMPLOYEE DEVELOPMENT (continued)**

#### **c. Care for our employees**

Each subsidiary of the Group sets up a labor union. Funds are appropriated to such union on a regular basis for labor union activities, collection and resolution of staff's suggestions and requests to protect vital interests of individual employee. Collective birthday celebration activities are organized regularly for the employees, including carefully prepared dinner, entertainment programs and birthday presents. A special fund for love donation is set up by the Group and funds are accrued monthly as the provision of love donation for special staff in special conditions, making them imbued with a caring feeling and building up a sense of belonging.

### **4. SUPPLY CHAIN MANAGEMENT**

- a. We ensure to maintain a good communication and a stable cooperative relationship with the suppliers so as to make sure that the supply chain work with high efficiency. The quality, timeliness and reliability of the product are guaranteed by the setup of an independent raw material quality inspection and testing department, achievement of a scheduled delivery with suppliers, and warranty agreement tracking.
- b. All the information of the suppliers are maintained in the ERP system. A supplier assessment mechanism is in place to perform a strict selection on the suppliers in respect of qualification, material quality, intellectual property qualification and price to ensure the suppliers meet the production standards in terms of raw material quality, price and production capacity.
- c. A reasonable and effective price management mechanism with a quotation team to review material prices is set up, in which a price comparison and control for each kind of materials is set for a timely reminder and periodic summary, so as to make the procurement fair and transparent and to maintain healthy competition.

### **3. 工作環境及員工發展(續)**

#### **c. 員工關愛**

集團各子公司設立工會組織，定期撥付經費，以供開展工會活動，收集和解決員工建議及訴求，保障員工切身利益。定期組織員工集體慶生活動，精心準備聚餐及文娛節目，並派發生日禮品。集團內設立愛心捐款專項基金，每月計提經費，以供特殊員工特殊情況的愛心捐助撥備，使員工體味關愛，建立歸屬感。

### **4. 供應鏈管理**

- a. 我們確保與供應商保持良好的溝通及穩定的合作關係，以確保供應鏈可高效運轉，設有獨立的原材料質檢及測試部門，與供應商達成如期交付，追溯保修的協議，從而保證產品品質、及時性和可靠性。
- b. 所有供應商資料均在ERP系統中維護，執行供應商審核機制，對供應商資質、材料品質、知識產權資質及價格嚴格篩選，確保供應商對於原材料的品質、價格、生產能力等方面合乎生產標準。
- c. 建立合理有效的價格管理機制，設置報價組對材料價格進行審核，並於系統中設置每種材料的價格比對及監控，做到及時提醒、定期匯總。使採購工作公平透明，保持良性競爭。



## **5. PRODUCT RESPONSIBILITY**

### **a. Qualification Certificates**

We have been granted several qualifications, including ISO 9001:2008, ISO 14001:2004 of Quality and Environment Management System Certificates, and ISO/TS 16949:2009 of Quality Control System Certificates. By stringent and careful implementation of the management and control systems, the Group maintains an excellent standard for its product quality and reliability in the industry.

### **b. Product R&D**

In response to the characteristic of rapid technological advancement in the LED backlight and LED lighting industries, the Group has maintained strong R&D capabilities, upgraded the skills required in the production processes and actively improved the production technologies. The self-built R&D centre has core competitiveness in the industry, and its R&D team is professional and dedicated with the capacity and competency to develop on its own more than 1,000 LED backlight and lighting products, and has obtained certain patents in China and Hong Kong. Some products have been recognised by the Science, Industry, Trade and Information Technology Commission of Shenzhen Municipality as "Independent and Creative Products of Shenzhen".

The Group has showcased a series of total 15 LED backlight products applicable to automobile on-board displays, industrial equipment displays and smart home displays in the Electronica Germany held on November 2016. Of which the key cured-surface LED backlight products exhibited have catered to the design trend of displays of new motor vehicles in the future, which is a revolutionary breakthrough in LED backlight industry, and have received wide praise and attention from the potential customers of motor vehicle industry exhibited. As an industry leader of LED backlight products, we closely catch up with the development trend of science and technology, continuously innovate, actively develop the overseas market, expand a broader and better customer base, lead the group to the international stage and further expand the income source to bring in more desirable returns.

## **5. 產品責任**

### **a. 資格認證**

我們以獲授包括質量及環境管理系統認證ISO 9001：2008、ISO 14001：2004，及ISO/TS 16949：2009品質控制系統認證等多項認證。通過嚴格謹慎的實施各項管控，使得我們產品的質素及可靠性維持業內卓越標準。

### **b. 產品研發**

我們順應LED背光及LED照明行業技術急速改進的特點，集團一直保持強大的研發能力，提升生產過程所需技能水平，積極改良生產工藝。自設的研發中心在業內具有核心競爭力，研發團隊專業而專注，自主研發千餘種LED背光及照明產品，並已於中國及香港取得若干專利權。部份產品已獲深圳市科技工貿和信息化委員會認可為深圳市獨立創新產品。

於2016年11月德國慕尼黑黑電子展中，本集團展出一系列共15款可應用於車載顯示器、工業設備顯示器及智能家居顯示器的LED背光產品。其中重點展出的曲面LED背光產品迎合未來新型汽車的顯示器設計趨勢，是LED背光產業中的一次革命性突破，受到參展汽車行業潛在客戶廣泛好評和垂注。作為LED背光產品領先企業，緊跟科技發展趨勢，不斷創新，積極開發海外市場，拓展更廣泛更優質的客戶群，引領集團走向國際化舞臺，進一步拓展收入來源，帶來更理想回報。

## **5. PRODUCT RESPONSIBILITY (continued)**

### **c. Quality Control**

The Group has fully adopted quality management system, every employee involved shall be responsible for the product quality. The employees shall strive to achieve a perfect and smooth procedure from understanding customer needs to providing after-sales services. The Group has purchased a series of advanced production and testing equipment with professional technical engineers, committing to improving production technology and enhancing output efficiency and product passing rate. There are strict quality control processes from procurement, design, production to storage. The processes include incoming materials management, sample reliability testing, and quality inspection during the process, ultimate quality control and quality assessment experiment for finished goods.

### **d. After-sales Service and Information Maintenance**

We undertake the responsibility for each product and provide customers with warranty and replacement services. After the expiry of warranty period, we can continue to provide maintenance services and only charge for necessary costs. We have been well-received for providing excellent products and services to the majority of customers. There are no substantial complaints, returns or return process incidents arising from product quality problems during the year.

We strive to protect customer information. All customer information is maintained in ERP system. Different management and operation authorities are designed and open to every process and different positions. The system information is updated in a timely manner, audited by levels and offsite backup to ensure the information of every customer can be properly kept and maintained.

## **6. ANTI-CORRUPTION**

- a. The Group pursues business ethics and is committed to honest operation. Any form of bribery, fraud, extortion, corruption and money laundering are strictly prohibited. The Group has established the inspection mechanism to regularly inspect the execution of relevant systems in each department, and is devoted to reducing adverse effects on the normal business activities because of improper operational systems, procedures and regulations.

## **5. 產品責任(續)**

### **c. 品質管控**

集團全面採用質量管理體系，每個崗位的員工均需對產品質量負責。從瞭解客戶需求至售後服務，力求完善流暢。本集團已購置一系列先進的生產及檢測設備，配備專業技術工程師，致力於改進生產工藝提高產出效能及產品合格率。從採購環節開始經設計、生產至倉儲環節，均有嚴格的品質管控流程。包擴來料質量管理、樣品可靠性測試、進程質量檢查、最後質量控制及產成品品質評估實驗。

### **d. 售後服務與信息維護**

我們承諾對每一件產品負責，向客戶提供保修及更換服務，保修期滿後亦可繼續提供維修服務並僅收取必要成本費用，為客戶提供優質的產品及服務，受到廣大客戶好評。本年度未發生因產品質量問題產生的重大投訴、退貨或返修事故。

我們致力保護客戶資料信息。客戶全部資料均在ERP系統中維護，針對每個流程及不同職位設計開放不同管理和操作權限，系統資料及時更新、逐層審核、異地備份，確保每個客戶的信息都能被妥善保管及維護。

## **6. 反腐敗**

- a. 本集團恪守商業道德，堅持誠信經營，嚴禁任何形式的賄賂、欺詐、勒索、腐敗及洗錢行為。設立稽查機制，定期對各部門制度執行情況進行稽核，致力於減少因操作監管不當對日常經營活動造成不良影響。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

#### 6. ANTI-CORRUPTION (continued)

- b. The Group has established an internal audit department which is responsible for the Independent Audit Committee directly and controls and improves all procedures of each company in the Group to keep the operation system and procedures of the company consistent with its operational development and changes. The Group has established a reporting and complain mechanism and opened internal and external access for impeachment, which enables the workplaces to achieve an operational mechanism of high standards and meet the strict requirement for fairness and equity.

#### 7. COMMUNITY INVOLVEMENT

We have been insisting on our commitment in social responsibility and the contributions to environmental protection through the development of new LED energy-saving products. We actively participated in the government's street lamps replacement project and popularized the positive effects on saving resources that replace the traditional lamps with LED lamps. During the Hong Kong International Lighting Fair (Autumn Edition) in 2016, the Group has showcased high-pole lamps applying to large outdoor facilities such as gymnasiums, outdoor billboards and wharves; LED ceiling panel lights applying to large construction facilities such as hospitals, car parks, offices and schools; and high patio lights applying to large warehouses, exhibition centers and any facility with high ceiling. Conforming to the development trend of intelligent industrial lighting and intelligent home life, and adhering to sustainable development, we make efforts to save government's public expenditure and reduce energy consumption.

We have taken the initiative to respond to the government's call. In May 2016, we participated in the tree-planting activity innovating Shenzhen, green home proposed and organized in Shenzhen. We are concerned about charity, culture and education, and encourage the employees to participate in volunteer activities, and in the future we also plan to participate in more public welfare activities or projects.

#### 8. SUMMARY

The Group adheres to the essence of corporate culture of "bring light into life", and has been insisting on the contribution to the development of global lighting industry with superb technology, reasonable prices and quality services. We strive for excellence, continuous innovation, and aim to create more environmentally friendly products, commit to the career of environmental protection, promote energy conservation and bring about benefits to customers, shareholders, employees and the whole society.

#### 6. 反腐敗(續)

- b. 設立內審部直接對獨立審核委員會負責，對集團內各公司全部流程進行監控及完善，使公司的經營制度和流程保持與經營發展及變更步調一致。設立舉報及投訴機制，開放內部及外部檢舉通道，保持工作場所實現高標準嚴要求、正直公平的運營機制。

#### 7. 社區參與

我們一直堅持履行社會責任，通過研發新LED節能產品為環保事業貢獻力量。積極參與政府路燈更換項目，普及用LED燈具代替傳統燈具對節約資源的積極作用。集團於2016年度香港國際秋季燈飾展中重點展示應用於大型戶外設施如體育館、戶外廣告牌、碼頭等的高杆燈；應用於大型建築設施如醫院、停車場、辦公室及學校的LED天花平板燈；及應用於大型倉庫、展覽中心及任何高天花設施的高天井燈。順應智能工業照明及智能家居生活的發展潮流，堅持可持續發展，為節約政府公共開支，降低能耗作出努力。

我們主動響應政府號召，2016年5月，我們參加由深圳市倡議舉辦的創新深圳、綠色家園的植樹活動。我們關心關愛慈善、文化、教育事業，鼓勵員工參與義工活動，未來亦計畫參與更多的公益活動或項目。

#### 8. 總論

集團秉承「將光明帶進生活」的企業文化精髓，一直堅持以精湛的技術、合理的價格和優質的服務為全球照明行業的發展貢獻力量，我們精益求精、不斷創新，志在創造更多的環保產品，投身環保事業，促進節能減排，回饋客戶，股東，僱員和整個社會。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告



SHINEWING (HK) CPA Limited  
43/F., Lee Garden One  
33 Hysan Avenue  
Causeway Bay, Hong Kong

### TO THE MEMBERS OF WAI CHI HOLDINGS COMPANY LIMITED

(incorporated in the Cayman Islands with limited liability)

### OPINION

We have audited the consolidated financial statements of Wai Chi Holdings Company Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 75 to 162, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss, 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 financial position of the Group as at 31 December 2016, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

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

### 致偉志控股有限公司列位股東

(於開曼群島註冊成立的有限公司)

### 意見

我們已審核第75至162頁所載偉志控股有限公司(「**貴公司**」)及其附屬公司(統稱為「**貴集團**」)的綜合財務報表，其包括於2016年12月31日的綜合財務狀況表，以及截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，連同綜合財務報表附註(包括主要會計政策概要)。

我們認為，綜合財務報表已根據香港會計師公會(「**香港會計師公會**」)頒布的香港財務報告準則(「**香港財務報告準則**」)真實而公平地反映 貴集團於2016年12月31日的財務狀況及其於截至該日止年度的綜合財務表現及綜合現金流量，並已根據香港公司條例的披露規定妥善編製。

### 意見基礎

我們根據香港會計師公會頒布的香港核數準則(「**香港核數準則**」)進行審核工作。我們就該等準則承擔的責任已於報告內「核數師就審核綜合財務報表承擔的責任」一節作進一步闡述。根據香港會計師公會頒布的專業會計師道德守則(「**守則**」)，我們獨立於 貴集團，並根據該等規範及守則履行我們的其他道德責任。我們相信我們已獲得足夠及適當的審核憑證，以為我們的審核意見提供基礎。

## 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.

#### VALUATION AND IMPAIRMENT ASSESSMENT OF INVENTORIES

Refer to note 17 to the consolidated financial statements and the accounting policies on pages 100.

##### The key audit matter

##### 關鍵審核事項

As at 31 December 2016, the Group maintained inventories of approximately HK\$191,838,000, net of allowance for inventories of approximately HK\$63,165,000.

The management has concluded that there is no further impairment required in respect of these inventories. This conclusion required significant management judgement.

於2016年12月31日，貴集團存置存貨約191,838,000港元（扣除存貨撥備約63,165,000港元）。

管理層斷定，無需就該等存貨作進一步減值。該結論要求管理層作出重大判斷。

#### 關鍵審核事項

關鍵審核事項指以我們的專業判斷認為我們對本期綜合財務報表的審核工作中最為重要的事項。該等事項於我們審核整份綜合財務報表並就此形成有關意見的背景處理，而我們並不就該等事項發表獨立意見。

#### 存貨估值及減值評估

請參閱綜合財務報表附註17及第100頁會計政策。

##### How the matter was addressed in our audit

##### 我們於審核時如何處理有關事項

Our audit procedures were designed to challenge the assumptions and critical judgements of the Group's impairment assessment on inventories and the management estimations or judgements on the net realisable value of inventories based on the latest invoice prices and current market conditions.

We have checked with the net realisable value for inventories up to the date of this report and discussed with the management in respect of the adequacy of the allowance made by the management based on ageing analysis and individual assessments. We have challenged the assumptions and critical judgements used by the management by assessing the reliability of the management's past estimates and taking into account the ageing at year end and subsequent usage status after year end.

我們的審核程序旨在根據最近期的發票價格及當時市況，質疑貴集團就存貨減值評估的假設及關鍵判斷以及管理層就存貨可變現淨值的估計或判斷。

截至本報告日期，我們已審查存貨的可變現淨值，並就管理層根據賬齡分析及個別評估所作出的撥備是否充足與管理層進行討論。我們透過評估管理層過往估計的可靠性並計及年末賬齡及年末後的後續使用狀況，對管理層所採用的假設及關鍵判斷提出質疑。



## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

## RECOVERABILITY AND IMPAIRMENT ASSESSMENT OF TRADE RECEIVABLES

## 應收賬款的可收回性及減值評估

Refer to note 18 to the consolidated financial statements and the accounting policies on pages 101 to 104.

請參閱綜合財務報表附註18及第101至104頁會計政策。

### The key audit matter

#### 關鍵審核事項

As at 31 December 2016, trade receivables of the Group amounted to approximately HK\$437,263,000, net of accumulated impairment loss of approximately HK\$23,600,000.

We have identified recoverability and impairment assessment of trade receivables as a key audit matter because the amount of allowance for impairment loss required significant management judgement.

於2016年12月31日，貴集團的應收賬款約為437,263,000港元(扣除累計減值虧損約23,600,000港元)。

我們已將應收賬款的可收回性及減值評估識別為關鍵審核事項，此乃由於計提減值虧損金額需要管理層作出重大判斷。

### How the matter was addressed in our audit

#### 我們於審核時如何處理有關事項

Our audit procedures were designed to challenge the assumptions and critical judgements of the Group's impairment assessment on trade receivables and the management estimations or judgements on the recoverability on the outstanding balances.

We have discussed the indicators of possible impairment with the management and, where such indicators were identified, assessing the management's impairment testing. We have discussed with the management in respect of the adequacy of the provision of impairment made by the management. We have challenged the assumptions and critical judgements used by the management by assessing the reliability of the management's past estimates and taking into account the ageing at year end and cash received after year end, as well as the recent creditworthiness of each debtor.

我們的審核程序旨在質疑貴集團就應收賬款減值評估的假設及關鍵判斷以及管理層就未收回結餘可收回性的估計或判斷。

我們與管理層討論可能出現減值的跡象，並在識別該等跡象後，評估管理層的減值測試。我們就管理層所作出的減值撥備是否充足與管理層進行討論。我們透過評估管理層過往估計的可靠性並計及年末賬齡及年末後的應收現金以及各債務人的近期信譽，對管理層所採用的假設及關鍵判斷提出質疑。

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

#### INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises all of 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.

#### 除綜合財務報表及核數師報告外的資料

貴公司董事須對其他資料負責。其他資料包括所有載於年報的資料，但並不包括綜合財務報表及我們就此發出的核數師報告。

我們就綜合財務報表的意見並未涵蓋其他資料，且我們概不就此發表任何形式的保證結論。

就我們對綜合財務報表的審核工作而言，我們的責任是審閱該等其他資料，並在此過程中考慮該等其他資料是否與綜合財務報表或我們在審核工作中所知悉的情況存在重大不一致或以其他形式出現重大錯誤陳述。根據我們所執行的工作，倘我們斷定該等其他資料存在重大錯誤陳述，則我們須報告該事實。我們並無有關該方面的任何事項須作報告。

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

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

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for reviewing and providing supervision over the Group's financial reporting process.

#### 董事及審核委員會就綜合財務報表承擔的責任

貴公司董事須負責根據香港會計師公會頒布的香港財務報告準則及香港公司條例的披露規定編製真實及公平的綜合財務報表，以及落實 貴公司董事認為必要的內部控制，以便編製不存在由於欺詐或錯誤而導致重大錯誤陳述的綜合財務報表。

於編製綜合財務報表時，除非 貴公司董事有意將 貴集團清盤或停止經營，或除此之外並無其他實際可行的辦法，否則 貴公司董事須負責評估 貴集團可持續經營的能力，披露（如適用）與持續經營有關的事項，以及採用持續經營基準會計法。

審核委員會須負責審議 貴集團的財務報告流程，並就此作出監察。

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

#### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, 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 HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

#### 核數師就審核綜合財務報表承擔的責任

我們的目標是合理保證綜合財務報表整體是否不存在任何重大錯誤陳述(不論是否因欺詐或錯誤而導致),並根據我們已協定的委聘條款僅向閣下全體出具載有我們意見的核數師報告,除此以外,我們的報告不可用作其他用途。我們概不就本報告的內容,對任何其他人士負責或承擔責任。合理保證乃屬高水平保證,但並不保證根據香港核數準則進行的審核工作一定能發現重大錯誤陳述(倘存在)。錯誤陳述可能由欺詐或錯誤引起,並且倘若個別或整體合理預期可能影響使用者根據該等綜合財務報表所作出的經濟決定,則被視為重大錯誤陳述。

作為根據香港核數準則進行審核工作的一部分,我們在整個審核工作中運用專業判斷及維持專業懷疑態度。我們亦:

- 識別及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,設計及執行審核程序以應對該等風險,以及獲取充足及適當的審核憑證,作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述,或凌駕於內部控制之上,因此未能發現因欺詐而出現的重大錯誤陳述的風險高於未能發現因錯誤而出現的重大錯誤陳述的風險。
- 瞭解與審核相關的內部控制,以設計在有關情況下屬適當的審核程序,但目的並非對貴集團內部控制的有效性發表意見。

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

#### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

#### 核數師就審核綜合財務報表承擔的責任(續)

- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。
- 對董事採用持續經營基準會計法的適當性作出結論，並根據所獲取的審核憑證，確定是否存在與可能導致對貴集團持續經營能力產生重大疑慮的事項或情況有關的重大不確定因素。倘我們斷定存在重大不確定因素，則我們須在核數師報告中提請垂注綜合財務報表中的相關披露，或倘若有關披露不足，則修訂我們的意見。我們的結論乃基於截至核數師報告日期止所獲得的審核憑證。然而，未來事項或情況可能導致貴集團不能持續經營業務。
- 評估綜合財務報表的整體呈列方式、結構及內容(包括披露事項)以及綜合財務報表是否公平呈列相關交易及事項。
- 就貴集團內實體或業務活動的財務資料獲取充足適當的審核憑證，以便對綜合財務報表發表意見。我們負責指引、監督及執行集團審核工作。我們僅為我們的審核意見承擔責任。



## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

#### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Kwan Chi Fung.

#### **SHINEWING (HK) CPA Limited**

*Certified Public Accountants*

#### **Kwan Chi Fung**

Practising Certificate Number: P06614

Hong Kong

24 March 2017

#### 核數師就審核綜合財務報表承擔的責任(續)

我們與審核委員會進行溝通，內容有關(其中包括)審核的計劃範圍及時間安排以及重大審核結果，包括我們在審核中發現的任何重大內部控制缺陷。

我們亦向審核委員會提交聲明，表明我們已符合有關獨立性的相關專業道德要求，並與其溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項及(倘適用)相關防範措施。

從與審核委員會進行溝通的事項中，我們確定對本期綜合財務報表的審核工作最為重要的事項，並因此將該等事項定為關鍵審核事項。我們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，或於極端罕見情況下，倘合理預期在報告中溝通某事項造成的負面後果超過其產生的公眾利益，則我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審核項目合夥人為關志峰先生。

#### 信永中和(香港)會計師事務所有限公司

*執業會計師*

#### **關志峰**

執業證書號碼：P06614

香港

2017年3月24日

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

## 綜合損益表

For the year ended 31 December 2016 截至2016年12月31日止年度

		Notes	2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
		附註		
<b>Revenue</b>	<b>營業額</b>	7	<b>1,321,601</b>	1,100,491
Cost of sales	銷售成本		<b>(1,160,336)</b>	(854,979)
<b>Gross profit</b>	<b>毛利</b>		<b>161,265</b>	245,512
Other income and other gains	其他收入及其他收益	7	<b>23,901</b>	10,788
Selling and distribution expenses	銷售及分銷開支		<b>(23,625)</b>	(25,926)
Administrative expenses	行政開支		<b>(75,227)</b>	(107,129)
Other operating expense	其他經營開支		<b>(18,454)</b>	(77,313)
Research and development expenses	研發開支		<b>(38,212)</b>	(53,059)
Finance costs	財務成本	9	<b>(22,866)</b>	(30,534)
<b>Profit (loss) before tax</b>	<b>除稅前利潤(虧損)</b>		<b>6,782</b>	(37,661)
Income tax expense	所得稅開支	10	<b>(383)</b>	(1,106)
<b>Profit (loss) for the year</b>	<b>年度利潤(虧損)</b>	11	<b>6,399</b>	(38,767)
			<b>HK\$</b>	HK\$
			<b>港元</b>	港元
<b>Earnings (loss) per share</b>	<b>每股盈利(虧損)</b>			
Basic and diluted	基本及攤薄	14	<b>0.03</b>	(0.19)

# 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 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
<b>Profit (loss) for the year</b>	年度利潤(虧損)	<b>6,399</b>	(38,767)
<b>Other comprehensive expense that may be subsequently reclassified to profit or loss</b>	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>(33,685)</b>	(33,026)
<b>Total comprehensive expense for the year</b>	年度全面開支總額	<b>(27,286)</b>	(71,793)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31 December 2016 於2016年12月31日

		Notes 附註	2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	15	231,948	285,415
Prepaid lease payments	預付租賃款項	16	36,057	39,364
Deferred taxation	遞延稅項	25	5,120	6,216
			<b>273,125</b>	330,995
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	17	191,838	222,385
Prepaid lease payments	預付租賃款項	16	856	967
Trade receivables	應收賬款	18	437,263	347,231
Bills receivables	應收票據	18	60,461	206,399
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	19	95,134	44,822
Amount due from a related company	應收一間關連公司款項	21	–	477
Pledged bank deposits	已抵押銀行存款	20	238,467	225,710
Deposits with bank	銀行存款	20	–	29,505
Bank balances and cash	銀行結餘及現金	20	152,341	240,013
			<b>1,176,360</b>	1,317,509
<b>Current liabilities</b>	<b>流動負債</b>			
Trade payables	應付賬款	22	154,167	183,936
Bills payables	應付票據	22	351,656	444,708
Other payables and accruals	其他應付款項及預提費用	22	42,101	43,213
Bank borrowings – due within one year	銀行借款 – 於1年內到期	23	272,920	345,719
Obligations under finance leases – due within one year	融資租賃債項 – 於1年內到期	24	3,051	4,190
Income tax payables	應付所得稅		8,115	10,414
			<b>832,010</b>	1,032,180
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>344,350</b>	285,329

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

### 綜合財務狀況表(續)

As at 31 December 2016 於2016年12月31日

		Notes 附註	2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>617,475</b>	616,324
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Bank borrowings	銀行借款			
– due more than one year	– 於多於1年後到期	23	<b>2,660</b>	3,027
Obligations under finance leases	融資租賃債項			
– due more than one year	– 於多於1年後到期	24	<b>1,607</b>	4,005
Corporate bond	公司債券	26	<b>1,736</b>	–
Government grants	政府補助	27	<b>29,496</b>	32,854
			<b>35,499</b>	39,886
<b>Net assets</b>	<b>資產淨值</b>		<b>581,976</b>	576,438
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	28	<b>2,168</b>	2,000
Reserves	儲備		<b>579,808</b>	574,438
<b>Total equity</b>	<b>總權益</b>		<b>581,976</b>	576,438

The consolidated financial statements on pages 75 to 162 were approved and authorised for issue by the board of directors on 24 March 2017 and are signed on its behalf by:

第75至162頁的綜合財務報表已於2017年3月24日經董事會批准及授權刊發，並由下列代表簽署：

**Mr. Yiu Chi To**

姚志圖先生

Director

董事

**Mr. Chen Chun Po**

陳鐘譜先生

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

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Statutory reserve 法定儲備 HK\$'000 千港元 (Note a) (附註a)	Translation reserve 匯兌儲備 HK\$'000 千港元	Merger reserve 合併儲備 HK\$'000 千港元 (Note b) (附註b)	Retained profits 保留利潤 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2015	於2015年1月1日	2,000	303,321	39,742	25,234	34,561	247,373	652,231
Loss for the year	年度虧損	-	-	-	-	-	(38,767)	(38,767)
Other comprehensive expense for the year	年度其他全面開支							
- exchange differences arising from foreign operations	- 海外業務產生的 匯兌差額	-	-	-	(33,026)	-	-	(33,026)
Total comprehensive expense for the year	年度全面開支總額	-	-	-	(33,026)	-	(38,767)	(71,793)
Interim dividend declared and paid Transfer	宣派及支付中期股息 轉撥	-	(4,000)	-	-	-	-	(4,000)
		-	-	2,925	-	-	(2,925)	-
At 31 December 2015	於2015年12月31日	2,000	299,321	42,667	(7,792)	34,561	205,681	576,438

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

### 綜合權益變動表(續)

For the year ended 31 December 2016 截至2016年12月31日止年度

		Share capital	Share premium	Statutory reserve	Translation reserve	Merger reserve	Retained profits	Total
		股本	股份溢價	法定儲備	匯兌儲備	合併儲備	保留利潤	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(Note a)		(Note b)		
				(附註a)		(附註b)		
At 1 January 2016	於2016年1月1日	2,000	299,321	42,667	(7,792)	34,561	205,681	576,438
Profit for the year	年度利潤	-	-	-	-	-	6,399	6,399
Other comprehensive expense for the year	年度其他全面開支							
- exchange differences arising from foreign operations	- 海外業務產生的匯兌差額	-	-	-	(33,685)	-	-	(33,685)
Total comprehensive (expense) income for the year	年度全面(開支)收入總額	-	-	-	(33,685)	-	6,399	(27,286)
Issue of new shares by way of placing (Note 28)	以配售方式發行新股份(附註28)	168	33,482	-	-	-	-	33,650
Share issue expense	發行股份開支	-	(826)	-	-	-	-	(826)
Transfer	轉撥	-	-	2,376	-	-	(2,376)	-
At 31 December 2016	於2016年12月31日	2,168	331,977	45,043	(41,477)	34,561	209,704	581,976

Notes:

- (a) As stipulated by regulations in the People's Republic of China (the "PRC"), the Company's subsidiaries established and operated in the PRC are required to appropriate 10% of their after-tax profit (after offsetting prior year losses) as determined in accordance with the PRC accounting rules and regulations, to statutory reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to equity owners.
- (b) Merger reserve represented the difference between share capital of the new holding company and the aggregate of the share capital of the then holding company of the Group and the companies comprising the Group.

During the year ended 31 December 2013, as part of the pre-listing reorganisation, the Company issued 135 ordinary shares of HK\$1,000,000 each which, through its subsidiaries, were used to subscribe for new shares issued and allotted by Wai Chi Group (HK) Limited ("Wai Chi Group") and became the holding company of the Group. The difference between the proceed from the issuance of shares and the then share capital and capital reserve subscribed was recognised in the merger reserve.

附註：

- (a) 中華人民共和國(「中國」)法規規定本公司於中國成立及營運的附屬公司須根據中國會計規則及法規釐定劃撥其除稅後利潤(於抵銷過往年度虧損後)10%為法定儲備，直至儲備結餘達註冊資本50%。轉撥至此儲備須於分派股息予權益擁有人前作出。
- (b) 合併儲備指新控股公司股本與本集團及本集團組成公司的當時控股公司股本總額的差額。

截至2013年12月31日止年度，作為上市前重組的一部分，本公司透過其附屬公司發行135股每股面值1,000,000港元的普通股，用作認購由偉志集團有限公司(「偉志集團」)發行及配發的新股份，並成為本集團的控股公司。發行股份所得款項與已認購的當時股本及資本儲備間的差額於合併儲備確認。

# 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

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
<b>OPERATING ACTIVITIES</b>	<b>經營活動</b>		
Profit (loss) before tax	除稅前利潤(虧損)	6,782	(37,661)
Adjustments for:	調整以下各項：		
Finance costs	財務成本	22,866	30,534
Interest income	利息收入	(7,298)	(4,930)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	39,422	47,746
Reversal of impairment loss recognised in respect of trade and other receivables	就應收賬款及其他應收款項確認的減值虧損撥回	(599)	(249)
Government grants	政府補助	(12,816)	(2,952)
Amortisation of prepaid lease payments	預付租賃款項攤銷	899	958
Loss on disposal of property, plant and equipment, net	出售物業、廠房及設備虧損淨額	216	243
Write-off of property, plant and equipment	撇銷物業、廠房及設備	24	118
Impairment loss recognised in respect of trade and other receivables	就應收賬款及其他應收款項確認的減值虧損	1,715	21,319
Impairment loss recognised in respect of construction in progress	就在建工程確認的減值虧損	-	14,164
Write-down of inventories	撇減存貨	16,739	41,830
Reversal of allowance for inventories	存貨撥備撥回	-	(407)
<b>Operating cash flows before movements in working capital</b>	<b>營運資金變動前經營現金流量</b>	<b>67,950</b>	110,713
Decrease (increase) in inventories	存貨減少(增加)	234	(63,632)
(Increase) decrease in trade receivables	應收賬款(增加)減少	(113,559)	165,213
Decrease (increase) in bills receivables	應收票據減少(增加)	136,718	(113,645)
Increase in other receivables	其他應收款項增加	(55,151)	(11,615)
Decrease in trade payables	應付賬款減少	(20,505)	(38,707)
(Decrease) increase in bills payables	應付票據(減少)增加	(68,444)	160,255
Increase (decrease) in other payables	其他應付款項增加(減少)	1,697	(1,219)
<b>Cash (used in) generated from operations</b>	<b>經營活動(所用)所產生現金</b>	<b>(51,060)</b>	207,363
PRC Enterprise Income Tax paid	已付中國企業所得稅	(1,359)	(12,985)
<b>NET CASH (USED IN) FROM OPERATING ACTIVITIES</b>	<b>經營活動(所用)所產生現金淨額</b>	<b>(52,419)</b>	194,378

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

### 綜合現金流量表(續)

For the year ended 31 December 2016 截至2016年12月31日止年度

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>		
Withdrawal of pledged bank deposits	提取已抵押銀行存款	554,549	326,509
Placements of pledged bank deposits	存入已抵押銀行存款	(575,177)	(506,218)
Acquisition of property, plant and equipment	購置物業、廠房及設備	(13,630)	(56,504)
Withdrawal (placements) of time deposits	提取(存入)定期存款	29,505	(31,225)
Repayments from (advances to) related companies	關連公司還款(向關連公司墊款)	467	(477)
Interest received	已收利息	7,298	4,930
Proceeds from disposal of property, plant and equipment	出售物業、廠房及 設備所得款項	11,685	8,237
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>	<b>投資活動所得(所用)現金淨額</b>	<b>14,697</b>	(254,748)
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>		
New bank borrowings raised	新增銀行借款	339,195	604,591
Proceeds from issue of shares	發行股份所得款項	33,650	-
Government grants received	已收政府補助	11,484	3,953
Proceeds from issue of bond	發行債券所得款項	2,000	-
Repayment of bank borrowings	償還銀行借款	(396,765)	(590,103)
Interest paid	已付利息	(22,830)	(30,534)
Repayment of obligations under finance leases	償還融資租賃債項	(4,218)	(2,699)
Share issue expenses	發行股份開支	(826)	-
Bonds issue expense	債券發行開支	(300)	-
Dividend paid	已付股息	-	(4,000)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>融資活動所用現金淨額</b>	<b>(38,610)</b>	(18,792)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物減少淨額</b>	<b>(76,332)</b>	(79,162)
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>於1月1日的現金及現金等價物</b>	<b>240,013</b>	331,864
Effect of foreign exchange rate changes	匯率變動的影響	(11,340)	(12,689)
<b>CASH AND CASH EQUIVALENTS AT THE END OF 31 DECEMBER, represented by bank balances and cash</b>	<b>於12月31日結束時的現金及 現金等價物，包括銀行 結餘及現金</b>	<b>152,341</b>	240,013

# 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

Wai Chi Holdings Company Limited is a company incorporated in the Cayman Islands as an exempted company with limited liability under Companies Law of the Cayman Islands on 16 August 2013 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 18 November 2014. Its ultimate controlling party is Mr. Yiu Chi To. The address of the registered office of the Company is Offshore Incorporations (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands and the principal place of business of the Company is 6th Floor, Liven House, 63 King Yip Street, Kwun Tong, Kowloon, Hong Kong.

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are set out in note 35.

The functional currency of the Company and the subsidiaries incorporated in Hong Kong are Hong Kong dollars (“**HK\$**”) while that of the subsidiaries established in the People’s Republic of China (the “**PRC**”) are Renminbi (“**RMB**”). For the purpose of presenting the financial statements, the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) adopted HK\$ as its presentation currency which is the same as the functional currency of the Company.

### 1. 一般資料

偉志控股有限公司乃一間於2013年8月16日根據開曼群島公司法在開曼群島註冊成立的獲豁免有限公司，而其股份於2014年11月18日在香港聯合交易所有限公司（「**聯交所**」）主板上市。其最終控股方為姚志圖先生。本公司註冊辦事處的地址為Offshore Incorporations (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands，而本公司主要營業地點為香港九龍觀塘敬業街63號利維大廈6樓。

本公司主要從事投資控股。其附屬公司的主要業務載於附註35。

本公司及於香港註冊成立的附屬公司的功能貨幣為港元（「**港元**」），而於中華人民共和國（「**中國**」）成立的附屬公司的功能貨幣為人民幣（「**人民幣**」）。就呈列財務報表而言，本公司及其附屬公司（下文統稱「**本集團**」）採納同為本公司功能貨幣的港元為其呈列貨幣。

## 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 HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”) AND NEW HONG KONG COMPANIES ORDINANCE

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRSs, Hong Kong Accounting Standards (“HKAS(s)”), amendments and Interpretations (“Int(s)”), issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations

The directors of the Company consider that the application of the new and revised HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## 2. 應用香港財務報告準則(「香港財務報告準則」)及新香港公司條例

本年度，本集團應用以下新訂及經修訂香港財務報告準則，其涵蓋香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則、香港會計準則(「香港會計準則」)、修訂及詮釋(「詮釋」)。

香港財務報告準則(修訂本)	香港財務報告準則2012年至2014年週期的年度改進披露計劃
香港會計準則第1號(修訂本)	可接受的折舊及攤銷方法的釐清
香港會計準則第16號及香港會計準則第38號(修訂本)	農業：生產性植物
香港會計準則第16號及香港會計準則第41號(修訂本)	獨立財務報表權益法
香港會計準則第27號(修訂本)	投資實體：應用綜合入賬的例外情況
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(修訂本)	收購共同營運權益的會計法
香港財務報告準則第11號(修訂本)	收購共同營運權益的會計法

本公司董事認為，於本年度應用新訂及經修訂香港財務報告準則對本集團於本年度及過往年度的財務表現及狀況及／或載列於該等綜合財務報表的披露並無造成重大影響。



## 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 HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”) AND NEW HONG KONG COMPANIES ORDINANCE (continued)

### New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9 (2014)	Financial Instruments <sup>2</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>2</sup>
HKFRS 16	Leases <sup>3</sup>
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts <sup>2</sup>
Amendments to HKAS 7	Disclosure Initiative <sup>1</sup>
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses <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 HKFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>2</sup>
Amendments to HKFRSs	Annual Improvement to HKFRSs 2014–2016 Cycle <sup>5</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2017.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2019.

<sup>4</sup> Effective date not yet been determined.

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

The directors of the Company anticipate that, except as described below, the application of other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

## 2. 應用香港財務報告準則(「香港財務報告準則」)及新香港公司條例(續)

### 已頒布但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用下列已頒布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(2014年)	財務工具 <sup>2</sup>
香港財務報告準則第15號	來自客戶合約的收益 <sup>2</sup>
香港財務報告準則第16號	租賃 <sup>3</sup>
香港財務報告準則第4號(修訂本)	於香港財務報告準則第4號保險合約應用香港財務報告準則第9號財務工具 <sup>2</sup>
香港會計準則第7號(修訂本)	披露計劃 <sup>1</sup>
香港會計準則第12號(修訂本)	就未變現虧損確認遞延稅項資產 <sup>1</sup>
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間出售或注入資產 <sup>4</sup>
香港財務報告準則第2號(修訂本)	以股份為基礎付款交易的分類及計量 <sup>2</sup>
香港財務報告準則修訂本	香港財務報告準則2014年至2016年週期之年度改進 <sup>5</sup>

<sup>1</sup> 於2017年1月1日或之後開始的年度期間生效。

<sup>2</sup> 於2018年1月1日或之後開始的年度期間生效。

<sup>3</sup> 於2019年1月1日或之後開始的年度期間生效。

<sup>4</sup> 生效日期尚未釐定。

<sup>5</sup> 於2017年1月1日或2018年1月1日(如適用)或之後開始之年度期間生效。

本公司董事預期，除下文所述者外，應用其他新訂及經修訂香港財務報告準則不會對本集團的業績及財務狀況構成重大影響。

## 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 HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”) AND NEW HONG KONG COMPANIES ORDINANCE (continued)

### New and revised HKFRSs issued but not yet effective (continued)

#### HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 and includes the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 to incorporate all the requirements of HKFRS 9 that were issued in previous years with limited amendments to the classification and measurement by introducing a “fair value through other comprehensive income” (“FVTOCI”) measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an “expected credit loss” model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

## 2. 應用香港財務報告準則(「香港財務報告準則」)及新香港公司條例(續)

### 已頒布但尚未生效的新訂及經修訂香港財務報告準則(續)

#### 香港財務報告準則第9號(2014年)財務工具

於2009年頒布的香港財務報告準則第9號引入金融資產分類及計量的新規定。香港財務報告準則第9號於2010年經修訂，並包括有關分類及計量金融負債及取消確認的規定。於2013年，香港財務報告準則第9號獲進一步修訂，以落實對沖會計法的實質性修訂，從而將使實體於財務報表中更能反映風險管理活動。香港財務報告準則第9號的最終版本於2014年頒布，以納入過往年度所頒布香港財務報告準則第9號的全部規定，並透過就若干金融資產引入「按公允值計入其他全面收益」(「按公允值計入其他全面收益」)的計量類別規定，對有關分類及計量作出有限修訂。香港財務報告準則第9號的最終版本亦就減值評估引入「預期信貸虧損」模式。

香港財務報告準則第9號(2014年)的主要規定載述如下：

- 所有屬香港會計準則第39號財務工具：確認及計量範圍內的已確認金融資產其後均須按攤銷成本或公允值計量。具體而言，目的是收取合約現金流量的業務模式內持有的債務投資，及合約現金流量僅為償還本金及尚未償還本金利息的債務投資，一般於其後報告期末按攤銷成本計量。於目的為同時收回合約現金流量及出售金融資產的業務模式中持有的債務工具，以及金融資產的合約性條款令於特定日期產生的現金流量純粹為支付本金及尚未償還本金的利息的債務工具，按公允值計入其他全面收益的方式計量。所有其他債務投資及權益投資均於其後報告期末按公允值計量。此外，根據香港財務報告準則第9號(2014年)，實體可作出不可撤回的選擇，以於其他全面收益呈列權益投資(並非持作買賣者)公允值的其後變動，而一般只有股息收入於損益確認。

## 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

## 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”) AND NEW HONG KONG COMPANIES ORDINANCE (continued)

### New and revised HKFRSs issued but not yet effective (continued)

#### HKFRS 9 (2014) Financial Instruments (continued)

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.
- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014), it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

## 2. 應用香港財務報告準則(「香港財務報告準則」)及新香港公司條例(續)

### 已頒布但尚未生效的新訂及經修訂香港財務報告準則(續)

#### 香港財務報告準則第9號(2014年)財務工具(續)

- 就指定為按公允值計入損益處理的金融負債的計量而言，香港財務報告準則第9號(2014年)規定金融負債的信貸風險變動引致該負債公允值變動的金額於其他全面收益內呈列，除非於其他全面收益中確認該負債信貸風險變動的影響會導致或擴大損益中的會計錯配。金融負債的信貸風險引致的金融負債公允值變動其後不會重新分類至損益中。根據香港會計準則第39號，指定為按公允值計入損益處理的金融負債的整筆公允值變動金額於損益中呈列。
- 就減值評估而言，加入了有關實體對其金融資產及提供延伸信貸承擔的預期信貸虧損的會計減值規定。該等規定消除了香港會計準則第39號就確認信貸虧損的門檻。根據香港財務報告準則第9號(2014年)的減值方法，於確認信貸虧損前毋須已發生信貸事件。反之，實體須一直將預期信貸虧損以及此等預期信貸虧損的變動入賬。於各報告日期對預期信貸虧損的金額進行更新，以反映自初步確認以來信貸風險的變動，並因此提供更適時的預期信貸虧損資料。

## 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 HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”) AND NEW HONG KONG COMPANIES ORDINANCE (continued)

### New and revised HKFRSs issued but not yet effective (continued)

#### HKFRS 9 (2014) Financial Instruments (continued)

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The directors of the Company anticipate that the adoption of HKFRS 9 (2014) in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities.

Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

## 2. 應用香港財務報告準則(「香港財務報告準則」)及新香港公司條例(續)

### 已頒布但尚未生效的新訂及經修訂香港財務報告準則(續)

#### 香港財務報告準則第9號(2014年)財務工具(續)

- 香港財務報告準則第9號(2014年)引入新模式，允許公司在對沖彼等的金融及非金融風險時更好地利用所進行的風險管理活動調整對沖會計。香港財務報告準則第9號(2014年)作為一種以原則為基礎的方法，著眼於風險成分能否識別及計量，並不區分金融項目與非金融項目。新模式亦允許實體利用內部用作風險管理的資料作為對沖會計法的基準。根據香港會計準則第39號，有必要使用僅用作會計用途的指示來展現相對於香港會計準則第39號的合格性及合規性。新模式亦包括合格標準，但該等標準基於就對沖關係強弱進行的經濟評估，此可利用風險管理數據釐定。相較於香港會計準則第39號對沖會計法的成本，此應可降低實行的成本，因其降低了僅就會計將需承擔的分析金額。

香港財務報告準則第9號(2014年)將於2018年1月1日或之後開始的年度期間生效，且可提前應用。

本公司董事預期日後採納香港財務報告準則第9號(2014年)可能對本集團金融資產及金融負債所呈報的金額構成重大影響。

就本集團的金融資產而言，於本集團完成詳細審閱前，對該影響作出合理估計並不可行。

## 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

## 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”) AND NEW HONG KONG COMPANIES ORDINANCE (continued)

### New and revised HKFRSs issued but not yet effective (continued)

#### HKFRS 15 Revenue from Contracts with Customers

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. Thus, HKFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

- i) Identify the contract with the customer;
- ii) Identify the performance obligations in the contract;
- iii) Determine the transaction price;
- iv) Allocate the transaction price to the performance obligations; and
- v) Recognise revenue when (or as) the entity satisfies a performance obligation.

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows 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.

## 2. 應用香港財務報告準則(「香港財務報告準則」)及新香港公司條例(續)

### 已頒布但尚未生效的新訂及經修訂香港財務報告準則(續)

#### 香港財務報告準則第15號來自客戶合約的收益

香港財務報告準則第15號的核心原則為實體所確認描述向客戶轉讓承諾貨品或服務的收益金額，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。故此，香港財務報告準則第15號引入應用於客戶合約的模式，當中載列以合約為基礎的五個步驟分析交易，以釐定是否須要確認收益，及確認收益的金額及時間。該五個步驟載列如下：

- i) 識別與客戶訂立的合約；
- ii) 識別合約中的履約責任；
- iii) 釐定交易價；
- iv) 將交易價分配至履約責任；及
- v) 於(或當)實體完成履約責任時確認收益。

香港財務報告準則第15號亦引入大量定性及定量披露規定，旨在讓財務報表使用者瞭解來自與客戶所訂立合約產生的收益及現金流量的性質、金額、時間及不確定性。

於香港財務報告準則第15號生效後，其將取代現時載於香港會計準則第18號收益、香港會計準則第11號建築合約及相關詮釋的收益確認指引。



## 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 HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”) AND NEW HONG KONG COMPANIES ORDINANCE (continued)

### New and revised HKFRSs issued but not yet effective (continued)

#### HKFRS 15 Revenue from Contracts with Customers (continued)

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2018 with early application permitted. The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

#### HKFRS 16 Leases

HKFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees.

In respect of the lessee accounting, the standard introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases with the lease term of more than 12 months, unless the underlying asset has a low value.

At the commencement date of the lease, the lessee is required to recognise a right-of-use asset at cost, which consists of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. A lease liability is initially recognised at the present value of the lease payments that are not paid at that date.

## 2. 應用香港財務報告準則(「香港財務報告準則」)及新香港公司條例(續)

### 已頒布但尚未生效的新訂及經修訂香港財務報告準則(續)

#### 香港財務報告準則第15號來自客戶合約的收益(續)

香港財務報告準則第15號將於2018年1月1日或之後開始的年度期間生效，且可提前應用。本公司董事預期日後應用香港財務報告準則第15號，可能對本集團綜合財務報表中已呈報金額及已作出的披露資料構成重大影響。然而，於本集團進行詳細審閱前，對香港財務報告準則第15號的影響作出合理估計並不可行。

#### 香港財務報告準則第16號租賃

香港財務報告準則第16號為租賃安排的識別以及其於出租人及承租人財務報表的處理方式提供一個綜合模型。

就承租人會計處理而言，該準則引入單一承租人會計處理模式，規定承租人就租賃期超過12個月的所有租賃確認資產及負債，惟相關資產價值較低則除外。

於租賃開始日期，承租人須按成本確認使用權資產，包括租賃負債的初始計量金額，加上於開始日期或之前向出租人作出的任何租賃付款，扣除任何已收取的租賃優惠、初始估計修復成本及承租人所產生的任何初始直接成本。租賃負債初步按於租賃付款於該日尚未支付的現值確認。



## 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

## 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”) AND NEW HONG KONG COMPANIES ORDINANCE (continued)

### New and revised HKFRSs issued but not yet effective (continued)

#### HKFRS 16 Leases (continued)

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. Depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of HKAS 16 Property, Plant and Equipment, while interest accrual on lease liability will be charged to profit or loss.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

HKFRS 16 will supersede the current lease standards including HKAS 17 Leases and the related Interpretations when it becomes effective.

HKFRS 16 will be effective for annual periods beginning on or after 1 January 2019 with early application permitted provided that the entity has applied HKFRS 15 Revenue from Contracts with Customers at or before the date of initial application of HKFRS 16. The directors of the Company are in the process of assessing their impact on the consolidated financial statements of these requirements. However, it is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed review.

## 2. 應用香港財務報告準則(「香港財務報告準則」)及新香港公司條例(續)

### 已頒布但尚未生效的新訂及經修訂香港財務報告準則(續)

#### 香港財務報告準則第16號租賃(續)

其後，使用權資產按成本減任何累計折舊及任何累計減值虧損計量，並就任何重新計量的租賃負債作出調整。租賃負債的其後計量方式為透過增加賬面值以反映租賃負債的利息，透過削減賬面值以反映所作出的租賃付款，以及透過重新計量賬面值以反映任何重新評估或租賃修訂或反映經修訂的實質固定租賃付款。使用權資產的折舊及減值費用(如有)將按照香港會計準則第16號物業、廠房及設備的規定計入損益，而租賃負債的應計利息將於損益內扣除。

就出租人會計處理而言，香港財務報告準則第16號大致上沿用香港會計準則第17號的出租人會計規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並以不同方式將此兩類租賃入賬。

香港財務報告準則第16號生效後，將取代現有租賃準則，包括香港會計準則第17號租賃及相關詮釋。

香港財務報告準則第16號將於2019年1月1日或之後開始的年度期間生效，並可提早應用，前提是有關實體於首次應用香港財務報告準則第16號當日或之前已應用香港財務報告準則第15號來自客戶合約的收益。本公司董事現正評估該等規定對綜合財務報表的影響。然而，於本集團完成詳盡審閱前，對有關影響作出合理估計並不可行。

## 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

### 3. SIGNIFICANT 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 and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis.

Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

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 in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The principal accounting policies are set out below.

### 3. 主要會計政策

綜合財務報表乃按照香港會計師公會頒布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及香港公司條例規定的適用披露。

綜合財務報表乃按歷史成本基準編製。

歷史成本一般按交換貨品及服務代價的公允值計算。

公允值指於計量日主要市場(或最有利市場)的市場參與者在現行市場情況下，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(即平倉價)，不論該價格是否可直接觀察或使用其他估值方法估計所得。公允值計量的詳情於下文載列的會計政策中詳述。

主要會計政策載列如下。

## 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

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (i.e. its subsidiaries).

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns. When the Group has less than a majority of the voting rights of an investee, power over the investee may be obtained through: (i) a contractual arrangement with other vote holders; (ii) rights arising from other contractual arrangements; (iii) the Group's voting rights and potential voting rights; or (iv) a combination of the above, based on all relevant facts and circumstances.

The Company reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control of the subsidiary and ceases when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss 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 of subsidiaries 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.

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

### 3. 主要會計政策(續)

#### 綜合基準

綜合財務報表載入本公司及由本公司控制的實體(即其附屬公司)的財務報表。

當本集團(i)擁有對被投資者的權力；(ii)可透過參與被投資者事務而承擔或有權取得可變回報；及(iii)可利用對被投資者的權力影響本集團回報的金額，則取得控制權。當本集團擁有被投資者的投票權不足大多數，則可透過(i)與其他投票權持有人訂立合約安排；(ii)產生自其他合約安排的權利；(iii)本集團的投票權及潛在投票權；或(iv)根據所有相關事實及情況，結合上述方法，以取得對被投資者的權力。

倘事實及情況顯示上述其中一項或多項控制要素出現變動，本公司將重新評估是否對被投資者擁有控制權。

對附屬公司的綜合入賬，於本集團獲得該附屬公司的控制權時開始，並於本集團失去該附屬公司的控制權時終止。

附屬公司的收入及開支自本集團獲得控制權當日開始計入綜合損益表，直至本集團不再擁有附屬公司控制權當日止。

附屬公司的損益及其他全面收益各部分歸屬於本公司擁有人及非控股權益。附屬公司的全面收益總額歸屬於本公司擁有人及非控股權益，即使此情況將導致非控股權益產生虧絀結餘。

所有與本集團實體之間交易相關的集團內公司間資產及負債、權益、收入、開支及現金流量於綜合入賬時全數撇銷。

## 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivables for goods sold in the normal course of business, net of discounts 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;
- 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 from a financial asset 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 assets to that asset's net carrying amount on initial recognition.

### 3. 主要會計政策(續)

#### 收益確認

收益按一般業務過程中就銷售貨品已收或應收代價(扣除折扣及銷售相關稅項)的公允值計量。

銷售貨品的收益於貨品付運及所有權轉移時予以確認，屆時已達成以下全部條件：

- 本集團已將貨品擁有權的重大風險及回報轉讓予買方；
- 本集團並無保留任何一般視為與擁有權相關的持續管理權或對已售貨品的有效控制權；
- 收益金額能可靠計量；
- 與交易有關的經濟利益可能將流入本集團；及
- 交易已經或將產生的成本能可靠計量。

金融資產的利息收入於經濟利益可能流入本集團及收入金額能可靠計量時確認。來自金融資產的利息收入按時間累計，並參考未償還的本金以適用實際利率計算。實際利率為於金融資產預期年期準確貼現估計未來現金收入至該資產於初步確認的賬面淨值的利率。

## 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. SIGNIFICANT 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 lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's policy on borrowing costs (see the accounting policy below).

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

#### Leasehold land and building

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

租賃倘租賃條款將絕大部分所有權風險及回報轉移至承租人，則租賃分類為融資租賃。所有其他租賃則分類為經營租賃。

#### 本集團作為承租人

根據融資租賃持有的資產按其於租賃開始時的公允值或(倘金額較低)按最低租賃付款的現值確認為本集團的資產。出租人的相應負債計入綜合財務狀況表作為融資租賃負債項。

租賃付款於融資開支與租賃負債減幅之間分配，以就餘下負債結餘達致固定利率。除非其直接歸屬於合資格資產，否則融資開支即時於損益確認，於此情況下，有關融資開支會根據本集團有關借款成本的政策(見下文會計政策)資本化。

經營租賃款項於租期內按直線法確認為開支。

#### 租賃土地及樓宇

當租賃包括土地及樓宇部分時，本集團根據各部分土地及樓宇擁有權的絕大部分風險與回報是否已撥歸本集團分別評估每部分應分類為融資租賃或經營租賃，除非各部分皆顯然為經營租賃時，則整份租賃視作經營租賃。

具體來說，最低租賃付款(包括任何一筆過預付款項)按土地部分及樓宇部分於租約開始時的租賃權益相對公允值比例於土地及樓宇部分之間分配。

## 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Leasehold land and building (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 payment 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.

#### Foreign currencies

In preparing the financial statements of each individual group entity, 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 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 purpose 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 each reporting period. Income and expenses items 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.

### 3. 主要會計政策(續)

#### 租賃土地及樓宇(續)

倘能可靠地分配租賃付款，作為經營租賃入賬的租賃土地權益應於綜合財務狀況表列作預付租賃付款，並於租期內以直線法攤銷，倘租賃付款無法於土地及樓宇部分之間作可靠分配，則整份租賃通常歸類為融資租賃，並入賬為物業、廠房及設備。

#### 外幣

於編製各個別集團實體的財務報表時，以該實體功能貨幣以外的貨幣(外幣)進行的交易按交易日期適用匯率以相關功能貨幣(即實體營運所在主要經濟環境的貨幣)入賬。於報告期末，以外幣列值的貨幣項目乃按該日現行匯率重新換算。按外幣歷史成本計量的非貨幣項目則不作重新換算。

結算貨幣項目及重新換算貨幣項目所產生的匯兌差額於其產生期間在損益確認。

就呈列綜合財務報表而言，本集團海外業務的資產及負債按各報告期末適用匯率換算為本集團的呈列貨幣(即港元)。收入及開支項目按年內平均匯率換算，所產生匯兌差額(如有)於其他全面收入確認並累計至匯兌儲備項下的權益。



## 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 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.

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 are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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.

#### Retirement benefit costs

Payments to stage-managed retirement benefit schemes and Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered services entitling them to the contributions.

### 3. 主要會計政策(續)

#### 借款成本

收購、興建或生產合資格資產(即需要長時間方可用於其擬定用途或可供出售的資產)直接應佔的借款成本加入該等資產的成本內，直至資產大致上可用於其擬定用途或可供出售時為止。

待特定借款支付合資格資產費用前，由特定借款短暫投資中所賺取的投資收入乃從合資格資本化的借款成本中扣除。

其他借款成本於其產生期間在損益確認。

#### 政府補助

政府補助於可合理確認本集團將遵守補助金附帶的條件及收取補助金時方予確認。

政府補助乃於本集團確認有關補助擬補償的相關成本為開支期間按系統化基準在損益中確認。具體來說，首要條件為本集團應購買、建設或以其他方式收購非流動資產的政府補助於綜合財務狀況表確認為遞延收入，並在有關資產的可用年期內按系統化及合理基準轉撥至損益。

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，乃於其成為可收取的期間在損益中確認。

#### 退休福利成本

向國家管理退休福利計劃及強制性公積金計劃所作的供款於僱員提供服務而有權獲得有關供款時確認為開支。

## 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

#### 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 (loss) before tax as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liabilities for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

### 3. 主要會計政策(續)

#### 短期及其他長期僱員福利

負債乃就相關服務提供期間的工資及薪金、年假及病假按為交換該項服務而預計將支付的福利的未貼現金額對屬於僱員的福利進行確認。

就短期僱員福利確認的負債乃按為交換相關服務而預計將支付的福利的未貼現金額計量。

就其他長期僱員福利確認的負債按本集團就僱員直至報告日期所提供服務預期將作出的估計未來現金流量的現值計量。

#### 稅項

所得稅開支指即期應付稅項與遞延稅項之和。

即期應付稅項根據年內應課稅利潤計算。應課稅利潤與綜合損益表呈報的除稅前利潤(虧損)不同，原因為其不包括其他年度的應課稅或可扣減收入或開支項目，亦不包括毋須課稅或不可扣減項目。本集團的即期稅項負債採用於各報告期末已實施或實質上已實施的稅率計算。

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利潤所採用的相應稅基之間的暫時性差額確認。所有應課稅的暫時性差額一般確認為遞延稅項負債。所有可扣減的暫時性差額一般確認為遞延稅項資產，惟以有應課稅利潤可用作抵銷可扣減暫時性差額為限。倘暫時性差額因商譽或因初步確認既不影響應課稅利潤亦不影響會計利潤的交易(業務合併除外)中其他資產及負債而產生，則不會確認該等遞延稅項資產及負債。

## 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

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax 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 the 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 its assets and liabilities.

Current and deferred tax is recognised in profit or loss.

#### Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services or for administrative purposes other than construction in progress as described below are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

### 3. 主要會計政策(續)

#### 稅項(續)

遞延稅項負債乃就於附屬公司投資產生的應課稅暫時性差額予以確認，惟本集團能夠控制暫時性差額的撥回且暫時性差額於可見未來可能不會撥回則除外。與該等投資相關的可扣減暫時性差額所產生的遞延稅項資產，僅於可能有足夠應課稅利潤可用作抵銷暫時性差額的利益，且暫時性差額預期會於可見未來撥回的情況下，方予以確認。

遞延稅項資產賬面值於各報告期末審閱，並作出扣減，惟以不再可能有足夠應課稅利潤以收回全部或部分資產為限。

遞延稅項資產及負債按預期適用於清償負債或變現資產期間的稅率，根據於報告期末已實施或實質上已實施的稅率(及稅法)計量。

遞延稅項負債及資產的計量反映本集團預期於報告期末收回或結算其資產及負債賬面值的方式產生的稅項結果。

即期及遞延稅項於損益確認。

#### 物業、廠房及設備

物業、廠房及設備(包括持有用作生產或供應貨品或服務或作行政用途的樓宇，不包括下文所述的在建工程)按成本減其後累計折舊及累計減值虧損(如有)於綜合財務狀況表入賬。

## 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Property, plant and equipment (continued)

Depreciation is recognised so as to allocate 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. 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 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.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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 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 carrying amount of the asset and is recognised in profit or loss.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 3. 主要會計政策(續)

#### 物業、廠房及設備(續)

折舊乃採用直線法按物業、廠房及設備項目(在建工程除外)的估計可使用年期分配其成本(減去其剩餘價值)確認。估計可使用年期、剩餘價值及折舊方法於各報告期末予以檢討，並對任何估計變動的影響進行核算。

正在興建作生產、供應或行政用途的物業按成本減任何已確認的減值虧損列賬。成本包括專業費用，以及(就合資格資產而言)根據本集團會計政策資本化的借款成本。該等物業於竣工及可作擬定用途時被分類為適當類別的物業、廠房及設備。該等資產於其可投入擬定用途時按與其他物業資產相同的基準開始計提折舊。

根據融資租賃持有的資產於預期可使用年期按與自有資產同一基準計提折舊。然而，倘未能合理確定將於租賃期結束時獲得所有權，資產將以租賃期或其可使用年期較短者計算折舊。

物業、廠房及設備項目乃於出售時或預期不會因持續使用該資產而產生未來經濟利益時終止確認。出售或報廢物業、廠房及設備項目所產生的任何收益或虧損乃按資產的銷售所得款項與其賬面值的差額計算，並於損益確認。

#### 存貨

存貨按成本與可變現淨值兩者間的較低者列賬。存貨成本採用加權平均法計算。可變現淨值為存貨的估計售價減所有估計完成成本及銷售的必要成本。

## 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

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Cash and cash equivalents

Bank balances and cash in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with original maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of bank balances and cash as defined above.

#### Investment in a subsidiary

Investment in a subsidiary is stated on the statement of financial position of the Company at cost less accumulated impairment loss.

#### Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position 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.

#### Financial assets

The Group's financial assets are classified into loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

### 3. 主要會計政策(續)

#### 現金及現金等價物

綜合財務狀況表的銀行結餘及現金包括銀行及手頭現金以及原到期日為3個月或以下的短期存款。

就綜合現金流量表而言，現金及現金等價物包括上文定義的銀行結餘及現金。

#### 於一間附屬公司的投資

於一間附屬公司的投資乃按成本值減累計減值虧損在本公司的財務狀況表內呈列。

#### 財務工具

當一個集團實體成為工具合約條文的訂約方時，金融資產及金融負債會於綜合財務狀況表確認。

金融資產及金融負債初步按公允值計量。收購或發行金融資產及金融負債直接應佔的交易成本，於初步確認時在金融資產或金融負債(倘適用)公允值中計入或扣除。

#### 金融資產

本集團的金融資產分類為貸款及應收款項。金融資產的分類取決於其性質及用途並在初步確認時予以確定。所有以常規途徑買賣的金融資產乃按交易日期基準確認及終止確認。常規途徑買賣乃要求於市場法規或慣例所確定的時間框架內交付資產的金融資產買賣。

## 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### Financial assets (continued)

###### *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 and points 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 debt instrument, 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 receivables, bills receivables, deposits and other receivables, amount due from a related company, pledged bank deposits, deposits with bank 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 loss on financial assets below).

###### *Impairment loss on financial assets*

Financial assets 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.

### 3. 主要會計政策(續)

#### 財務工具(續)

##### 金融資產(續)

###### *實際利率法*

實際利率法為計算債務工具攤銷成本及於有關期間分配利息收入的方法。實際利率為將估計日後現金收入(包括所付或所收構成實際利率組成部分的所有費用、交易成本及其他溢價或折讓)按債務工具預期年期或較短期間(倘適用)準確貼現至初步確認時賬面淨值的利率。

就債務工具而言，利息收入按實際利率法確認。

###### *貸款及應收款項*

貸款及應收款項為具有固定或可釐定付款的非衍生金融資產，該等資產於活躍市場上並無報價。於初步確認後，貸款及應收款項(包括應收賬款、應收票據、按金及其他應收款項、應收一間關連公司款項、已抵押銀行存款、銀行存款以及銀行結餘及現金)乃使用實際利率法按攤銷成本減任何已識別減值虧損(見下文有關金融資產減值虧損的會計政策)入賬。

###### *金融資產減值虧損*

在各報告期末會評估金融資產是否有任何減值跡象。倘有客觀證據顯示，由於一宗或多宗於初始確認金融資產後發生的事件，金融資產的估計未來現金流受到影響，則金融資產會視為已減值。



## 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

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### Financial assets (continued)

##### *Impairment loss on financial assets (continued)*

For all financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade, bills and other receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. 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 credit period of 30 to 180 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the 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 assets' original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade, bills and other receivables and amount due from a related company, where the carrying amounts are 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, bills or other receivable or amount due from a related company 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)

#### 財務工具(續)

##### 金融資產(續)

##### *金融資產減值虧損(續)*

就所有金融資產而言，減值的客觀證據可能包括：

- 發行人或交易對手方出現嚴重財務困難；或
- 違反合約，例如欠繳或拖欠利息及本金付款；或
- 借款人很有可能將宣告破產或進行財務重組；或
- 該金融資產的活躍市場因財政困難而消失。

就若干類別的金融資產而言(如應收賬款、票據及其他應收款項)，經評估並無個別減值的資產其後會再次整體評估有否減值。應收款項組合減值的客觀證據可包括本集團的過往收款經驗，組合內超過平均信貸期30至180日仍未付款的款項增加以及全國或地方經濟狀況出現與拖欠應收款項有關的明顯變化。

就按攤銷成本入賬的金融資產而言，已確認減值虧損金額為資產賬面值與按金融資產原實際利率貼現的估計未來現金流現值間的差額。

就所有金融資產而言，金融資產的賬面值直接按減值虧損扣減，惟應收賬款、票據及其他應收款項及應收一間關連公司款項的賬面值乃透過使用撥備賬扣減。撥備賬的賬面值變動於損益確認。倘應收賬款、票據或其他應收款項或應收一間關連公司款項被認為不可收回，則於相應的撥備賬撇銷。其後收回的過往撇銷款項計入損益內。

## 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### Financial assets (continued)

###### *Impairment loss on financial assets (continued)*

For financial assets measured at amortised cost, 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 was 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

Debts and equity instruments issued by a group entity 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.

The Group's financial liabilities are classified into other financial liabilities.

###### *Other financial liabilities*

Other financial liabilities including trade payables, bills payables, other payables and accruals, bank borrowings, obligations under finance leases and corporate bond are subsequently measured at amortised cost, using the effective interest method.

###### *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 and points 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.

### 3. 主要會計政策(續)

#### 財務工具(續)

##### 金融資產(續)

###### *金融資產減值虧損(續)*

就按攤銷成本計量的金融資產而言，倘於往後期間，減值虧損金額減少，而該減少可客觀地與確認減值虧損後發生的事件有關，則先前確認的減值虧損透過損益撥回，惟該資產於撥回減值日期的賬面值不得超過在並無確認減值情況下應有的攤銷成本。

##### 金融負債及權益工具

集團實體發行的債務及權益工具按合約安排內容以及金融負債與權益工具的定義分類為金融負債或權益。

本集團的金融負債分類為其他金融負債。

###### *其他金融負債*

其他金融負債(包括應付賬款、應付票據、其他應付款項及應提費用、銀行借款、融資租賃債項及公司債券)其後使用實際利率法按攤銷成本計量。

###### *實際利率法*

實際利率法為計算金融負債攤銷成本及按有關期間分配利息開支的方法。實際利率為將估計日後現金付款(包括已付或已收構成實際利率組成部分的所有費用及點子、交易成本及其他溢價或折讓)按金融負債的預期使用年期或較短期間(倘適用)實際貼現至初步確認時賬面淨值的利率。

利息開支按實際利率基準確認。

## 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### Financial liabilities and equity instruments (continued)

###### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### Derecognition

A financial asset is derecognised 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. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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 and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

A financial liability is derecognised when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### 3. 主要會計政策(續)

#### 財務工具(續)

##### 金融負債及權益工具(續)

###### 權益工具

權益工具為證明實體資產扣除全部負債後剩餘權益的任何合約。本公司發行的權益工具按已收所得款項扣除直接發行成本確認。

購回本公司本身的權益工具直接於權益內確認及扣減。概無就本公司購買、出售、發行或註銷本身的權益工具於損益內確認任何收益或虧損。

##### 終止確認

本集團僅在自資產收取現金流量的合約權利屆滿，或其轉讓金融資產以及該資產所有權的絕大部分風險及回報至另一實體時終止確認金融資產。倘本集團既無轉讓亦無保留所有權的絕大部分風險及回報而繼續控制已轉讓資產，則本集團將確認其於資產的保留權益及可能需要支付的相關負債款項。倘本集團保留已轉讓金融資產所有權的絕大部分風險及回報，則本集團繼續確認金融資產，亦會確認已收所得款項的有抵押借款。

於全面終止確認金融資產時，該資產賬面值與已收及應收代價及已於其他全面收入內確認並於權益累計的累計收益或虧損的總和兩者間的差額於損益內確認。

本集團在且僅在其責任獲解除、註銷或到期時終止確認金融負債。終止確認的金融負債的賬面值與已付及應付代價的差額於損益內確認。

## 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible 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 cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

#### Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

### 3. 主要會計政策(續)

#### 有形資產減值虧損

於報告期末，本集團檢討其有形資產賬面值，以確定是否有任何跡象顯示該等資產已產生減值虧損。倘存在任何有關跡象，則會估計資產的可收回金額以確定減值虧損(如有)程度。如果無法估計單個資產的可收回金額，本集團會估計該資產所屬的現金產出單元的可收回金額。如果可以識別一個合理和一致的分配基準，企業資產亦會分配至單個現金產出單元，否則會按能識別的、合理且一致的基準分配至最小的現金產出單元組合。

可收回金額是指公允值減去出售費用後的餘額與使用價值兩者間的較高者。在評估使用價值時，估計未來現金流會採用稅前貼現率貼現為現值，該稅前貼現率應反映當前市場對貨幣時間價值的評估及該資產特有的風險(未就此調整估計未來現金流者)。

倘估計資產(或現金產出單元)的可收回金額低於其賬面值，則資產(或現金產出單元)的賬面值將調低至其可收回金額。減值虧損即時於損益確認。

倘減值虧損於其後撥回，資產(或現金產出單元)的賬面值將調升至其經修訂的估計可收回金額，惟調升後的賬面值不得超過倘該資產(或現金產出單元)在過往年度並無確認減值虧損時原應確認的賬面值。減值虧損撥回即時確認為收益。

#### 研發開支

研究活動開支於其產生期間確認為開支。

## 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Fair value measurement

When measuring fair value except for the Group's share-based payment transactions, leasing transactions, net realisable value of inventories and value in use of property, plant and equipment for the purpose of impairment assessment, 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.

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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

### 3. 主要會計政策(續)

#### 公允值計量

於計量公允值時(本集團的股份支付交易、租賃交易、存貨可變現淨值及評估減值所用物業、廠房及設備價值除外)，本集團會考慮市場參與者於計量日對資產或負債定價時所考慮的資產或負債特點。

計量非金融資產公允值時，須考慮市場參與者藉資產的最高及最佳用途所得經濟效益、或售予另一以最高及最佳用途使用資產的市場參與者所得經濟效益。

本集團所用的估值方法，務求切合情況，且有充足數據用以計量，盡量使用相關可觀察參數，而盡量避免不可觀察參數。具體而言，本集團按參數特性將公允值計量分成如下三級：

- 第一級 – 就相同資產或負債於活躍市場的市場報價(未經調整)。
- 第二級 – 以對公允值有重大影響，而可直接或間接觀察的最低輸入數據，作為估值技術的基礎。
- 第三級 – 以對公允值有重大影響，而不可觀察的最低層輸入數據，作為估值技術的基礎。

於報告期末，以公允值定期計量的資產及負債，本集團檢視其各自所計得公允值，以釐定其公平值層級間有否劃撥。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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#### 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 estimates and assumptions about the carrying amounts of assets and liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. 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.

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 resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### Deferred tax assets

Deferred tax assets are recognised for certain deductible temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits. As at 31 December 2016, the carrying values of deferred tax assets of the Group were approximately HK\$5,120,000 (2015: approximately HK\$6,216,000). Further details of which are disclosed in note 25.

##### Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The determination of the useful lives involves management's estimation. The Group assesses annually the useful lives of the property, plant and equipment and if the expectation differs from the original estimate, such a difference may impact the depreciation in the year and the estimate will be changed in the future period. As at 31 December 2016, the carrying values of property, plant and equipment of the Group were approximately HK\$231,948,000 (2015: approximately HK\$285,415,000), net of accumulated depreciation of approximately HK\$213,747,000 (2015: approximately HK\$194,260,000).

#### 4. 估計不確定因素的主要來源

應用附註3所述本集團的會計政策時，本公司董事須就綜合財務報表中的資產及負債、收益及開支賬面值呈報金額及披露作出估計及假設。估計及相關假設乃以過往經驗及認為相關的其他因素為基礎。實際結果可能有別於該等估計。

估計及相關假設會持續予以檢討。倘會計估計修訂僅影響修訂估計期間，則修訂只會在該期間確認，或倘修訂同時影響現時及未來期間，則會在修訂期間及未來期間確認。

以下為與未來有關且具重大風險使下個財政年度的資產及負債賬面值出現重大調整的主要假設及於報告期末估計不確定因素的其他主要來源。

##### 遞延稅項資產

會就若干可扣減暫時性差額確認遞延稅項資產。在釐定可確認遞延稅項資產的金額時，需要根據未來應課稅利潤可能發生的時間與金額作出重大管理判斷。於2016年12月31日，本集團遞延稅項資產的賬面值約為5,120,000港元（2015年：約6,216,000港元）。其進一步詳情披露於附註25。

##### 物業、廠房及設備折舊

物業、廠房及設備按直線法於其估計可使用年期計提折舊。可使用年期的釐定涉及管理層的估計。本集團每年評估物業、廠房及設備的可使用年期，假如預期與原有估計有差異，則可能影響該年度的折舊並會更改將來期間的估計。於2016年12月31日，本集團的物業、廠房及設備賬面值約為231,948,000港元（2015年：約285,415,000港元），扣除累計折舊約213,747,000港元（2015年：約194,260,000港元）。



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### 綜合財務報表附註

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#### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

##### Estimated impairment of property, plant and equipment

The Group determines whether the property, plant and equipment are impaired whenever there is indication of impairment presented. The impairment loss for property, plant and equipment are recognised for the amounts by which the carrying amounts exceed their recoverable amounts, in accordance with the Group's accounting policies. The recoverable amounts of property, plant and equipment have been determined based on value-in-use calculations. These calculations require the use of judgements and estimates such as future revenue and discount rates. As at 31 December 2016, the carrying values of property, plant and equipment of the Group were approximately HK\$231,948,000 (2015: approximately HK\$285,415,000), net of accumulated impairment loss of approximately HK\$12,722,000 (2015: HK\$13,583,000).

##### Estimated allowance for inventories

The management of the Group reviews an ageing analysis of inventories at the end of each reporting period and makes allowance for obsolete and slow-moving items identified that are no longer suitable for sale or use. The Group makes allowance for inventories based on the assessment of the net realisable value. The management estimates the net realisable value for inventories based primarily on the latest invoice prices and current market conditions. As at 31 December 2016, the carrying amount of inventories of the Group was approximately HK\$191,838,000 (2015: approximately HK\$222,385,000), net of accumulated allowances for inventories of approximately HK\$63,165,000 (2015: approximately HK\$50,344,000).

#### 4. 估計不確定因素的主要來源 (續)

##### 物業、廠房及設備估計減值

本集團於出現減值跡象時便會釐定物業、廠房及設備是否減值。物業、廠房及設備的減值虧損根據本集團的會計政策，就賬面值超出其可收回金額的數額而確認。物業、廠房及設備的可收回金額按使用價值計算法釐定。該等計算須對未來收益及貼現率作出判斷及估計。於2016年12月31日，本集團的物業、廠房及設備賬面值約為231,948,000港元(2015年：約285,415,000港元)，扣除累計減值虧損約12,722,000港元(2015年：13,583,000港元)。

##### 估計存貨撥備

本集團管理層於各報告期末審閱存貨的賬齡分析，並就已識別並不再適合作銷售或使用的陳舊或滯銷項目作出撥備。本集團按可變現淨值的評估就存貨作出撥備。管理層主要根據最近期發票價格及當時市況而估計存貨的可變現淨值。於2016年12月31日，本集團的存貨賬面值約為191,838,000港元(2015年：約222,385,000港元)，扣除累計存貨撥備約63,165,000港元(2015年：約50,344,000港元)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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#### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

##### Estimated impairment of trade and other receivables

The Group performs ongoing credit evaluations of its customers and adjusts credit limits based on payment history and the customer's current credit-worthiness, as determined by the review of their current credit information. The Group continuously monitors collections and payments from its customers and maintains a provision for estimated credit losses based upon its historical experience. Credit losses have historically been within the Group's expectations and the Group will continue to monitor the collections from customers and maintain an appropriate level of estimated credit losses. As at 31 December 2016, the carrying amounts of trade and other receivables of the Group were approximately HK\$461,472,000 (2015: approximately HK\$369,961,000), net of accumulated allowances of impairment losses of trade and other receivables of approximately HK\$25,236,000 (2015: approximately HK\$25,794,000).

##### Income tax

The Group is subject to income taxes in several jurisdictions. There are certain transactions and calculations for which the ultimate tax determination may be uncertain. The Group recognises liabilities for anticipated tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made. As at 31 December 2016, the carrying amount of income tax payables was approximately HK\$8,115,000 (2015: approximately HK\$10,414,000).

#### 5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the 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.

#### 4. 估計不確定因素的主要來源 (續)

##### 應收賬款及其他應收款項估計減值

本集團對其客戶進行持續信貸評估，並根據客戶的過往付款記錄及目前信譽(經審閱客戶目前信貸資料後確定)而調整信貸限額。本集團持續監察向其客戶收款及客戶付款情況，並根據過往經驗，就估計信貸虧損作出撥備。信貸虧損過往一直在本集團預期範圍內，且本集團將持續監察向客戶收款的情況及將維持適當水平的估計信貸虧損。於2016年12月31日，本集團應收賬款及其他應收款項約為461,472,000港元(2015年：約369,961,000港元)，扣除應收賬款及其他應收款項減值虧損累計撥備約25,236,000港元(2015年：約25,794,000港元)。

##### 所得稅

本集團須在多個司法權區繳納所得稅。若干交易及計算最終釐定的稅項可能並不確定。本集團根據是否應到期繳付額外稅項的估計，就預計稅項負債確認負債。倘該等事宜的最終稅務結果有別於最初記錄金額，此等差額將影響作出有關釐定期間的即期及遞延稅項撥備。於2016年12月31日，應付所得稅的賬面值約為8,115,000港元(2015年：約10,414,000港元)。

#### 5. 資本風險管理

本集團的資本管理旨在確保本集團內所有實體均可持續經營，同時透過優化債務及權益結餘，竭力為股東帶來最大回報。本集團的整體策略與往年相比保持不變。

## 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. CAPITAL RISK MANAGEMENT (continued)

The capital structure of the Group consist of net debt (which includes bank borrowings, obligations under finance leases, corporate bond, net of pledged bank deposits, deposits with bank and bank balances and cash) and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure regularly. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, issuance of new shares as well as the issue of new debt or the redemption of borrowings.

## 6. FINANCIAL INSTRUMENTS

### Categories of financial instruments

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
<b>Financial assets</b>	<b>金融資產</b>		
Loans and receivables (including bank balances and cash)	貸款及應收款項 (包括銀行結餘及現金)	912,741	1,072,065
<b>Financial liabilities</b>	<b>金融負債</b>		
Amortised cost	攤銷成本	816,757	1,015,742

### Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, bills receivables, deposits and other receivables, amount due from a related company, pledged bank deposits, deposits with bank, bank balances and cash, trade payables, bills payables, other payables and accruals, obligations under finance leases, bank borrowings and corporate bond. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. 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.

## 5. 資本風險管理(續)

本集團的資本架構由債務淨額(包括銀行借款、融資租賃債項、公司債券，扣除已抵押銀行存款、銀行存款及銀行結餘及現金)，以及本公司擁有人應佔權益(包括已發行股本及儲備)組成。

本公司董事定期檢討資本結構，當中涉及考慮資本成本及與各類資本相關的風險。本集團將透過派付股息、發行新股，以及發行新債或償還借款以平衡其整體資本結構。

## 6. 財務工具

### 財務工具的類別

### 財務風險管理目標及政策

本集團的主要財務工具包括應收賬款、應收票據、按金及其他應收款項、應收一間關連公司款項、已抵押銀行存款、銀行存款、銀行結餘及現金、應付賬款、應付票據、其他應付款項及預提費用、融資租賃債項、銀行借款及公司債券。該等金融工具的詳情披露於相關附註。與該等金融工具有關的風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。降低該等風險的政策載於下文。管理層管理及監察該等風險，以確保及時及有效地採取適當措施。

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For the year ended 31 December 2016 截至2016年12月31日止年度

## 6. FINANCIAL INSTRUMENTS (continued)

### Financial risk management objectives and policies (continued)

#### Market risk

##### Currency risk

The Group has foreign currency sales and purchases, which expose the Group to foreign currency risk. During the year ended 31 December 2016, approximately 2% (2015: approximately 7%) of the Group's sales are denominated in United States dollars ("US\$") and approximately 30% (2015: approximately 28%) and nil (2015: 1%) of total cost of sales are denominated in US\$ and Japanese Yen ("JPY") respectively which are different from the functional currencies of the group entities carrying out the transactions.

Also, certain trade, bills and other receivables, cash and bank balances, trade, bill and other payables and bank borrowings are denominated in RMB, US\$, HK\$, JPY and other currencies which are currencies other than the functional currency of the relevant group entities. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the 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
RMB	人民幣	1,190	32,241	-	-
US\$	美元	116,890	63,015	96,051	114,708
HK\$	港元	5,548	5,329	769	915
JPY	日圓	-	-	-	5,686

The Group currently does not have a foreign currency hedging policy. However, the directors of the Company continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

## 6. 財務工具(續)

### 財務風險管理目標及政策(續)

#### 市場風險

##### 貨幣風險

本集團有外幣銷售及採購，令本集團面對外幣風險。截至2016年12月31日止年度，本集團約2%(2015年：約7%)的銷售額以美元(「美元」)列值及約30%(2015年：約28%)及零(2015年：1%)的總銷售成本分別以美元及日圓(「日圓」)列值，與集團實體進行交易的功能貨幣不同。

此外，若干應收賬款、應收票據及其他應收款項、現金及銀行結餘、應付賬款、應付票據及其他應付款項以及銀行借款以人民幣、美元、港元、日圓及相關集團實體功能貨幣以外的其他貨幣列值。本集團於報告期末以外幣計值貨幣資產及貨幣負債的賬面值如下：

本集團現時並無外幣對沖政策。然而，本公司董事持續監管有關外幣匯兌風險，並將於需要時考慮對沖重大外幣風險。

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## 6. FINANCIAL INSTRUMENTS (continued)

### Financial risk management objectives and policies (continued)

#### Market risk (continued)

##### Currency risk (continued)

##### Sensitivity analysis

The Group is mainly exposed to RMB, US\$, HK\$ and JPY.

The following table details the Group's sensitivity to a 5% increase or decrease in the functional currencies of the relevant group entities against the relevant foreign currencies. 5% (2015: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase/decrease in post-tax profit/loss where the respective functional currencies strengthen 5% (2015: 5%) against the relevant currency. For a 5% (2015: 5%) weakening of the respective functional currencies against the relevant foreign currency, there would be an equal and opposite impact on the profit/loss and other equity and the balances below would be negative.

## 6. 財務工具(續)

### 財務風險管理目標及政策(續)

#### 市場風險(續)

##### 貨幣風險(續)

##### 敏感度分析

本集團主要面對人民幣、美元、港元及日圓的風險。

下表詳列本集團有關集團實體的功能貨幣兌相關外幣上升或下跌5%的敏感度。5% (2015年：5%)為內部向主要管理人員報告外匯風險所使用的敏感比率，代表管理層對外幣匯率合理可能變動的評估。敏感度分析僅包括尚未處理並以外幣列值的貨幣項目，並就匯率變動5%而對於各報告期末的換算作出調整。下文所列的正數顯示倘各自功能貨幣兌相關外幣升值5%(2015年：5%)時除稅後利潤／虧損的增加／減少。倘各自功能貨幣兌相關外幣貶值5%(2015年：5%)，將對利潤／虧損及其他權益以及結餘構成相等金額的相反影響，而以下款項將為負數。

			2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Impact on profit/loss for the year	對年度利潤／虧損影響			
RMB	人民幣	(i)	(50)	(1,346)
US\$	美元	(ii)	(846)	2,211
HK\$	港元	(iii)	(179)	(166)
JPY	日圓	(iv)	-	237

## 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. FINANCIAL INSTRUMENTS (CONTINUED)

### Financial risk management objectives and policies (continued)

#### Market risk (continued)

##### Currency risk (continued)

##### Sensitivity analysis (Continued)

- (i) This is mainly attributable to the exposure on bank balances and deposits with bank denominated in RMB at the end of the reporting period.
- (ii) This is mainly attributable to exposure on bank balances, pledge bank deposits, trade, bills and other receivables, trade, bills and other payables and bank borrowings denominated in US\$ at the end of the reporting period.
- (iii) This is mainly attributable to exposure on bank balances, trade, bills and other receivables and trade, bills and other payables denominated in HK\$ at the end of the reporting period.
- (iv) This is mainly attributable to exposure on trade, bills and other payables denominated in JPY at the end of the reporting period.

##### Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate pledged bank deposits and bank borrowings (see Note 23) and obligations under finance leases (see Note 24). The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary action when significant interest rate exposure is anticipated.

## 6. 財務工具(續)

### 財務風險管理目標及政策(續)

#### 市場風險(續)

##### 貨幣風險(續)

##### 敏感度分析(續)

- (i) 此乃主要歸因於報告期末以人民幣計值的銀行結餘及銀行存款所面對的風險。
- (ii) 此乃主要歸因於報告期末以美元計值的銀行結餘、已抵押銀行存款、應收賬款、應收票據及其他應收款項、應付賬款、應付票據及其他應付款項以及銀行借款所面對的風險。
- (iii) 此乃主要歸因於報告期末以港元計值的銀行結餘、應收賬款、應收票據及其他應收款項以及應付賬款、應付票據及其他應付款項所面對的風險。
- (iv) 此乃主要歸因於報告期末以日圓計值的應付賬款、應付票據及其他應付款項所面對的風險。

##### 利率風險

本集團承受固定利率已抵押銀行存款及銀行借款(見附註23)及融資租賃債項(見附註24)的公允值利率風險。本集團現時並無利率對沖政策。然而，管理層監管利率風險，並將於預見重大利率風險時，考慮採取其他必要行動。



## 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

## 6. FINANCIAL INSTRUMENTS (continued)

### Financial risk management objectives and policies (continued)

#### Market risk (continued)

##### Interest rate risk (continued)

The Group is exposed to cash flow interest rate risk in relation to variable-rate pledged bank deposits, deposits with bank and bank balances (see Note 20) and variable rate bank borrowings (see Note 23). However, the exposure in bank balances is minimal to the Group as the bank balances are all short-term in nature. It is the Group's policy to keep its borrowings at floating rate of interest so as to minimise the fair value interest rate risk.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR arising from the Group's Hong Kong dollar denominated borrowings and the fluctuation of PBOC rate arising from the Group's Renminbi denominated borrowings.

##### Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of reporting period. The analysis is prepared assuming the amount of assets and liabilities outstanding at the end of reporting period was outstanding for the whole year. A 50 basis point (2015: 50 basis point) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (2015: 50 basis point) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2016 would increase/decrease by approximately HK\$210,000 (2015: post-tax loss decrease/increase by approximately HK\$271,000). This is mainly attributable to the Group's exposure to cash flow interest rate risk on its variable rate bank borrowings.

#### Credit risk

At the end of each reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

## 6. 財務工具(續)

### 財務風險管理目標及政策(續)

#### 市場風險(續)

##### 利率風險(續)

本集團承受與浮動利率已抵押銀行存款、銀行存款及銀行結餘(見附註20)及浮動利率銀行借款(見附註23)有關的現金流量利率風險。然而，由於銀行結餘均屬短期性質，本集團承受的銀行結餘風險影響甚微。本集團的政策為將借款按浮動利率計息以盡量減低公允價值利率風險。

本集團金融負債所承受的利率風險於本附註流動資金風險管理一節詳述。本集團的現金流量利率風險主要集中於由本集團以港元計值的借款產生的香港銀行同業拆息利率波動以及由本集團以人民幣計值的借款產生的中國人民銀行利率波動。

##### 敏感度分析

以下敏感度分析根據於報告期末非衍生工具的利率風險釐定。有關分析假設於報告期末尚未償還的資產及負債金額於整個年度均未償還。在內部報告利率風險時，50個基點(2015年：50個基點)上升或下降為主要管理人員和代表管理層對利率合理可能變動的評估。

倘利率上升/下降50個基點(2015年：50個基點)，而所有其他可變因素均維持不變，本集團截至2016年12月31日止年度的除稅後利潤將增加/減少約210,000港元(2015年：除稅後虧損減少/增加約271,000港元)，主要歸因於本集團就其浮動利率銀行借款面臨現金流量利率風險。

#### 信貸風險

於各報告期末，本集團因交易對手方未能履行責任，而將導致本集團蒙受財務虧損的最高信貸風險，乃因綜合財務狀況表所列有關已確認金融資產的賬面值而產生。

## 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. FINANCIAL INSTRUMENTS (continued)

### Financial risk management objectives and policies (continued)

#### Credit risk (continued)

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group has concentration of credit risk as 17% (2015: 6%) of the total trade and bills receivables at 31 December 2016 was due from the Group's largest customer.

The Group has concentration of credit risk as 55% (2015: 17%) of the total trade and bills receivables at 31 December 2016 was due from the Group's five largest customers.

The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for 83% (2015: 93%) of the total trade and bills receivables as at 31 December 2016.

#### Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the 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.

## 6. 財務工具(續)

### 財務風險管理目標及政策(續)

#### 信貸風險(續)

為盡量降低信貸風險，本集團管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控措施，以確保採取跟進措施收回逾期未付的債項。此外，於各報告期末，本集團會評估每項個別貿易債務的可收回金額，以確保就不可收回金額計提足夠的減值虧損。就此而言，本公司董事認為本集團的信貸風險已大幅降低。

由於交易對手方為獲國際信貸評級機構給予高信貸評級的銀行，故流動資金的信貸風險有限。

由於本集團於2016年12月31日應收本集團最大客戶的款項佔總應收賬款及票據的17%(2015年：6%)，故面對集中的信貸風險。

由於本集團於2016年12月31日應收本集團五大客戶的款項佔總應收賬款及票據的55%(2015年：17%)，故面對集中的信貸風險。

本集團按地區劃分的信貸風險主要集中在中國，佔於2016年12月31日總應收賬款及票據的83%(2015年：93%)。

#### 流動資金風險

就管理流動資金風險而言，本集團監察及維持管理層認為足夠撥付本集團業務的現金及現金等價物水平，以及減低現金流量波動的影響。管理層監控銀行借款的使用情況，以及確保遵守貸款契諾。

## 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. FINANCIAL INSTRUMENTS (continued)

### Financial risk management objectives and policies (continued)

#### Liquidity risk (continued)

The Group relies on bank borrowings as a significant source of liquidity. As at 31 December 2016, the Group has available unutilised trade financing and bank loan facilities of approximately HK\$994,328,000 (2015: approximately HK\$701,912,000). Details of which are set out in note 23.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has 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-derivatives financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of each reporting period.

## 6. 財務工具(續)

### 財務風險管理目標及政策(續)

#### 流動資金風險(續)

本集團依賴銀行借款作為流動資金的主要來源。於2016年12月31日，本集團擁有可用的未動用貿易融資及銀行貸款融資約994,328,000港元(2015年：約701,912,000港元)。有關詳情載於附註23。

下表詳列本集團非衍生金融負債的剩餘合約期。下表根據金融負債的未貼現現金流量編製，並按本集團可能須付款的最早日期分類。尤其是，含有須按要求償還條款的銀行貸款計入最早時間段，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根據協定償還日期編製。下表包括利息及本金現金流量。倘利息流為浮動利率，則非貼現金額以各報告期末的利率曲線計算。

		As at 31 December 2016 於2016年12月31日					
		On demand or within 1 year 應要求 或1年內	More than 1 year but less than 2 years 超過1年 但少於2年	More than 2 years but less than 5 years 超過2 年但少於5年	Over 5 years 超過5年	Total undiscounted cash flows 未貼現 現金流總額	Carrying amount 賬面值
		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
Trade payables	應付賬款	154,167	-	-	-	154,167	154,167
Bills payables	應付票據	351,656	-	-	-	351,656	351,656
Other payables	其他應付款項	28,960	-	-	-	28,960	28,960
Bank borrowings	銀行借款	278,337	435	1,245	1,247	281,264	275,580
Obligations under finance leases	融資租賃債項	3,210	1,164	512	-	4,886	4,658
Corporate bond	公司債券	160	160	480	2,280	3,080	1,736
		816,490	1,759	2,237	3,527	824,031	816,757

## 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. FINANCIAL INSTRUMENTS (continued)

### Financial risk management objectives and policies (continued)

#### Liquidity risk (continued)

## 6. 財務工具(續)

### 財務風險管理目標及政策(續)

#### 流動資金風險(續)

		As at 31 December 2015 於2015年12月31日					
		On demand or within 1 year 應要求 或1年內 HK\$'000 千港元	More than 1 year but less than 2 years 超過1年 但少於2年 HK\$'000 千港元	More than 2 years but less than 5 years 超過2年 但少於5年 HK\$'000 千港元	Over 5 years 超過5年 HK\$'000 千港元	Total undiscounted cash flows 未貼現 現金流總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
Trade payables	應付賬款	183,936	-	-	-	183,936	183,936
Bills payables	應付票據	444,708	-	-	-	444,708	444,708
Other payables	其他應付款項	30,157	-	-	-	30,157	30,157
Bank borrowings	銀行借款	353,828	450	2,091	854	357,223	348,746
Obligations under finance leases	融資租賃債項	4,573	3,042	1,087	-	8,702	8,195
		1,017,202	3,492	3,178	854	1,024,726	1,015,742

Bank borrowings with a repayment on demand clause are included in the "on demand or within 1 year" time band in the above maturity analysis. At 31 December 2016, the aggregate undiscounted principal amounts of these bank borrowings amounted to approximately HK\$11,088,000 (2015: approximately HK\$20,681,000). 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 these bank borrowings 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\$11,423,000 (2015: HK\$21,474,000).

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 from those estimates of interest rates determined at the end of each reporting period.

設有應要求償還條款的銀行借款於上述到期日分析計入「應要求或1年內」的時間組別。於2016年12月31日，該等銀行貸款的未貼現本金總額為約11,088,000港元(2015年：約20,681,000港元)。經考慮本集團的財務狀況後，本公司董事並不認為銀行可能將行使其酌情權要求即時還款。本公司董事認為該等銀行貸款將根據載於貸款協議的協定還款日期償還。屆時，本金及利息現金流出總額達到11,423,000港元(2015年：21,474,000港元)。

倘浮動利率變動有別於各報告期末釐定的估計利率，上述非衍生金融負債浮動利率工具金額或須變更。

## 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. FINANCIAL INSTRUMENTS (continued)

### Financial risk management objectives and policies (continued)

#### Fair value

The directors of the Company consider that the carrying amounts of current financial assets and financial liabilities recorded at amortised cost using the effective interest rate method in the consolidated financial statements approximate their fair values due to their immediate or short-term maturities.

The directors of the Company consider that the carrying amounts of the other non-current financial liabilities recorded at amortised cost using the effective interest rate method in the consolidated financial statements approximate their fair values.

## 7. REVENUE, OTHER INCOME AND OTHER GAINS

Revenue represents the amounts received and receivable for goods sold in the normal course of business, net of discounts and sales related taxes. Analysis of the Group's revenue, other income and other gains is as follows:

## 6. 財務工具(續)

### 財務風險管理目標及政策(續)

#### 公允值

本公司董事認為，由於在綜合財務報表以攤銷成本按實際利率法入賬的流動金融資產及金融負債性質屬即期或短期內到期，故其賬面值與其公允值相若。

本公司董事認為，在綜合財務報表以攤銷成本按實際利率法入賬的其他非流動金融負債的賬面值與其公允值相若。

## 7. 收益、其他收入及其他收益

收益指一般業務過程中出售貨品的已收及應收款項(扣除折扣及銷售相關稅項)。本集團的收益、其他收入及其他收益分析如下：

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
<b>Revenue</b>	<b>收益</b>		
Sales of goods	銷售貨品	1,321,601	1,100,491
<b>Other income and other gains</b>	<b>其他收入及其他收益</b>		
Bank interest income	銀行利息收入	7,298	4,930
Government grants (Note)	政府補助(附註)	12,816	2,952
Net foreign exchange gain	匯兌收益淨額	1,662	-
Reversal of allowance on inventories	存貨撥備撥回	-	407
Reversal of impairment loss recognised in respect of trade and other receivables	就應收賬款及其他應收款項 確認的減值虧損撥回	599	249
Sales of scrapped materials	銷售廢料	16	27
Sundry income	雜項收入	1,510	2,223
		<b>23,901</b>	10,788

## 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. REVENUE, OTHER INCOME AND OTHER GAINS (continued)

Note:

Included in the amount of government grants recognised during the year ended 31 December 2016 of approximately HK\$11,484,000 (2015: approximately HK\$2,775,000) were received from the PRC government in respect of certain research projects and export encourage scheme, the relevant granting criteria for which have been fulfilled and were immediately recognised as other income for the year. For the year ended 31 December 2016, amount of approximately HK\$1,332,000 (2015: approximately HK\$177,000) were government grants recognised as deferred income utilised during the year (see Note 27).

## 8. SEGMENT INFORMATION

Information reported to the Chief Executive Officer of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. In addition, for both Light-Emitting Diode (“LED”) backlight and LED lighting operations and sourcing business of high-tech electronic components and products, the information reported to the chief operating decision maker is further broken down into different type of products and application of products. The directors of the Company have chosen to organise the Group around differences in products. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

For the year ended 31 December 2016, the Group engaged in sourcing business of high-tech electronic components and products with the background of being a seasoned industry player.

Specifically, the Group’s reportable and operating segments under HKFRS 8 are as follows:

- |                      |   |   |
|----------------------|---|---|
| 1. LED backlight     | – | Manufacture and trading of LED backlight products in different sizes and applications |
| 2. LED lighting      | – | Manufacture and trading of LED lighting products for public and commercial use        |
| 3. Sourcing business | – | Provision of sourcing business of high-tech electronic components and products        |

## 7. 收益、其他收入及其他收益 (續)

附註：

截至2016年12月31日止年度確認的政府補助約為11,484,000港元(2015年：約2,775,000港元)，包括就若干研究項目及鼓勵出口計劃於達成相關補助準則後自中國政府收取的款項，已即時確認為年度其他收入。截至2016年12月31日止年度，政府補助約1,332,000港元(2015年：約177,000港元)已確認為年內已動用的遞延收入(見附註27)。

## 8. 分部資料

向本集團行政總裁(即主要營運決策人)呈報的資料，就資源分配及評估分部表現而言，著重於交付或提供貨品或服務的種類。此外，就發光二極體(「LED」)背光及LED照明業務以及高科技電子零部件及產品的採購業務向主要營運決策人呈報的資料，進一步將產品分為不同類別及應用方法。本公司董事選擇以不同產品類別來安排本集團的營運。於設定本集團的可呈報分部時，概無彙合主要營運決策人已識別的營運分部。

截至2016年12月31日止年度，本集團憑藉資深行業參與者優勢從事高科技電子零部件及產品的採購業務。

具體而言，本集團根據香港財務報告準則第8號劃分的可呈報營運分部如下：

- |          |   |                        |
|----------|---|------------------------|
| 1. LED背光 | – | 製造及買賣不同大小及應用方法的LED背光產品 |
| 2. LED照明 | – | 製造及買賣用作公共及商業用途的LED照明產品 |
| 3. 採購業務  | – | 提供高科技電子零部件及產品的採購業務     |



## 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

#### 8. SEGMENT INFORMATION (continued)

##### Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

For the year ended 31 December 2016

		LED backlight LED背光 HK\$'000 千港元	LED lighting LED照明 HK\$'000 千港元	Sourcing business 採購業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>REVENUE</b>	<b>收益</b>				
External sales	外部銷售	762,716	57,319	501,566	1,321,601
Segment profit	分部利潤	65,627	8,081	4,495	78,203
Unallocated income	未分配收入				11,085
Unallocated expenses	未分配開支				(59,640)
Finance costs	財務成本				(22,866)
Profit before tax	除稅前利潤				6,782

#### 8. 分部資料(續)

##### 分部收益及業績

本集團可呈報營運分部的收益及業績分析如下。

截至2016年12月31日止年度

For the year ended 31 December 2015

截至2015年12月31日止年度

		LED backlight LED背光 HK\$'000 千港元	LED lighting LED照明 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>REVENUE</b>	<b>收益</b>			
External sales	外部銷售	1,033,652	66,839	1,100,491
Segment profit (loss)	分部利潤(虧損)	97,268	(1,825)	95,443
Unallocated income	未分配收入			7,153
Unallocated expenses	未分配開支			(109,723)
Finance costs	財務成本			(30,534)
Loss before tax	除稅前虧損			(37,661)

## 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

## 8. SEGMENT INFORMATION (continued)

### Segment revenues and results (continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit/loss represents the profit/loss earned by each segment without allocation of central administration costs, directors' emoluments, investment income and finance costs. This is the measure reported to the Chief Executive Officer for the purposes of resource allocation and performance assessment.

### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

#### Segment assets

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
LED backlight	LED背光	714,976	890,146
LED lighting	LED照明	95,903	211,613
Sourcing business	採購業務	190,654	–
Total segment assets	分部資產總值	1,001,533	1,101,759
Unallocated assets	未分配資產	447,952	546,745
Consolidated total assets	綜合資產總值	1,449,485	1,648,504

## 8. 分部資料(續)

### 分部收益及業績(續)

營運分部的會計政策與附註3所述本集團會計政策一致。分部利潤／虧損乃各分部賺取的利潤／虧損，不包括中央行政費用、董事酬金、投資收入及財務成本的分配。這是向行政總裁所報告作為資源分配及表現評估用途。

### 分部資產及負債

本集團按可呈報營運分部劃分的資產及負債分析如下：

#### 分部資產

## 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

#### 8. SEGMENT INFORMATION (continued)

##### Segment assets and liabilities (continued)

##### Segment liabilities

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
LED backlight	LED背光	478,117	618,115
LED lighting	LED照明	98,435	86,161
Sourcing business	採購業務	–	–
Total segment liabilities	分部負債總額	576,552	704,276
Unallocated liabilities	未分配負債	290,957	367,790
Consolidated total liabilities	綜合負債總額	867,509	1,072,066

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than deferred tax assets, amount due from a related company, pledged bank deposits, deposits with bank, bank balances and cash and certain unallocated head office assets. Assets used jointly by operating segments are allocated on the basis of the revenues earned by individual reportable segments; and
- all liabilities are allocated to operating segments other than income tax payables, bank borrowings, obligations under finance leases and corporate bond. Liabilities for which operating segments are jointly liable are allocated in proportion to segment revenue.

#### 8. 分部資料(續)

##### 分部資產及負債(續)

##### 分部負債

就監察分部表現及分配分部間資源而言：

- 所有資產分配至營運分部，除了遞延稅項資產、應收一間關連公司款項、已抵押銀行存款、銀行存款、銀行結餘及現金及若干未分配總部資產。由營運分部共同使用的資產按個別可呈報分部所得收益分配；及
- 所有負債分配至營運分部，除了應付所得稅、銀行借款、融資租賃債項及公司債券。由營運分部共同承擔的負債按分部收益的比例分配。

## 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

## 8. SEGMENT INFORMATION (continued)

### Segment assets and liabilities (continued)

For the year ended 31 December 2016

## 8. 分部資料(續)

### 分部資產及負債(續)

截至2016年12月31日止年度

		LED backlight LED背光 HK\$'000 千港元	LED lighting LED照明 HK\$'000 千港元	Sourcing business 採購業務 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 合計 HK\$'000 千港元
<b>Amounts included in the measure of segment profit or loss or segment assets:</b>	<b>計入分部損益或分部資產計量的金額：</b>					
Additions to non-current assets <sup>#</sup>	添置非流動資產 <sup>#</sup>	13,566	745	-	-	14,311
Amortisation of prepaid lease payments	預付租賃款項攤銷	446	453	-	-	899
Depreciation of property, plant and equipment	物業、廠房及設備折舊	35,823	3,599	-	-	39,422
Impairment loss recognised in respect of trade and other receivables	就應收賬款及其他應收款項確認的減值虧損	1,096	619	-	-	1,715
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	216	-	-	-	216
Write-off of property, plant and equipment	撇銷物業、廠房及設備	20	4	-	-	24
Reversal of impairment loss recognised in respect of trade receivables	就應收賬款確認的減值虧損撥回	(516)	(83)	-	-	(599)
Write-down of inventories	撇減存貨	12,455	4,284	-	-	16,739
<b>Amounts regularly provided to the Chief Executive Officer but not included in the measure of segment profit or loss or segment assets:</b>	<b>定期向行政總裁提供但不計入分部損益或分部資產計量的金額：</b>					
Interest income	利息收入	-	-	-	(7,298)	(7,298)
Finance costs	財務成本	-	-	-	22,866	22,866
Income tax expense (credit)	所得稅開支(抵免)	84	(34)	333	-	383

<sup>#</sup> Non-current assets excluded deferred tax assets.

<sup>#</sup> 非流動資產不包括遞延稅項資產。

## 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

## 8. SEGMENT INFORMATION (continued)

### Segment assets and liabilities (continued)

For the year ended 31 December 2015

## 8. 分部資料(續)

### 分部資產及負債(續)

截至2015年12月31日止年度

		LED backlight LED背光 HK\$'000 千港元	LED lighting LED照明 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 合計 HK\$'000 千港元
<b>Amounts included in the measure of segment profit or loss or segment assets:</b>	<b>計入分部損益或分部資產計量的金額：</b>				
Additions to non-current assets <sup>#</sup>	添置非流動資產 <sup>#</sup>	55,143	6,622	–	61,765
Amortisation of prepaid lease payments	預付租賃款項攤銷	–	397	561	958
Depreciation of property, plant and equipment	物業、廠房及設備折舊	39,639	8,107	–	47,746
Impairment loss recognised in respect of trade and other receivables	就應收賬款及其他應收款項確認的減值虧損	16,074	5,245	–	21,319
Reversal of impairment loss recognised in respect of other receivables	就其他應收款項確認的減值虧損撥回	(249)	–	–	(249)
Reversal of allowance for inventories	存貨撥備撥回	–	(407)	–	(407)
Write-down of inventories	撇減存貨	37,831	3,999	–	41,830
<b>Amounts regularly provided to the Chief Executive Officer but not included in the measure of segment profit or loss or segment assets:</b>	<b>定期向行政總裁提供但不計入分部損益或分部資產計量的金額：</b>				
Interest income	利息收入	–	–	(4,930)	(4,930)
Finance costs	財務成本	–	–	30,534	30,534
Income tax expense (credit)	所得稅開支(抵免)	1,122	(16)	–	1,106

<sup>#</sup> Non-current assets excluded deferred tax assets.

<sup>#</sup> 非流動資產不包括遞延稅項資產。

## 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

#### 8. SEGMENT INFORMATION (continued)

##### Revenue from major products

##### Analysis by type of products

#### 8. 分部資料(續)

##### 來自主要產品的收益

##### 按產品類別劃分的分析

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
LED backlight	LED背光		
– Small dimension	– 小尺寸	468,148	831,930
– Medium dimension	– 中尺寸	151,092	97,343
– Large dimension	– 大尺寸	143,476	104,379
Sub-total	小計	762,716	1,033,652
LED lighting	LED照明		
– Indoor lighting	– 室內照明	25,728	26,928
– Outdoor lighting	– 室外照明	31,591	39,911
Sub-total	小計	57,319	66,839
Sourcing business	採購業務	501,566	–
Total	合計	1,321,601	1,100,491



## 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

#### 8. SEGMENT INFORMATION (continued)

##### Revenue from major products (continued)

##### Analysis by application of products

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
LED backlight	LED背光		
– Smartphone	– 智能手機	230,508	598,903
– Automobile displays	– 車載顯示	164,922	145,480
– Equipment displays	– 儀器顯示	223,183	183,917
– Televisions	– 電視機	144,103	105,352
Sub-total	小計	762,716	1,033,652
LED lighting	LED照明		
– Public lighting	– 公共照明	33,271	39,921
– Commercial lighting	– 商用照明	24,048	26,918
Sub-total	小計	57,319	66,839
Sourcing business	採購業務	501,566	–
Total	合計	1,321,601	1,100,491

#### 8. 分部資料(續)

##### 來自主要產品的收益(續)

##### 按產品應用劃分的分析

## 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

#### 8. SEGMENT INFORMATION (continued)

##### Geographical information

The Group's operations are located in Hong Kong and the PRC (country of domicile). The Group's customers are mainly located in Hong Kong and the PRC.

An analysis of the Group's revenue from external customers is presented based on the location of customers as below:

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
The PRC	中國	1,241,313	988,282
Hong Kong	香港	19,942	63,954
Others	其他	60,346	48,255
		<b>1,321,601</b>	1,100,491

The Group's information about its non-current assets is presented based on location of the assets as below:

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
The PRC	中國	266,771	324,078
Hong Kong	香港	1,234	701
		<b>268,005</b>	324,779

Non-current assets excluded deferred tax assets.

#### 8. 分部資料(續)

##### 地域資料

本集團的營運業務位於香港及中國(所在國家)。本集團的客戶主要位於香港及中國。

本集團按客戶地理位置劃分來自外部客戶的收益分析如下：

本集團按資產地理位置劃分的非流動資產資料如下：

非流動資產不包括遞延稅項資產。

## 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

#### 8. SEGMENT INFORMATION (continued)

##### Information about major customers

Details of the customers accounting for 10% or more of aggregate revenue of the Group are as follows:

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Customer A*	客戶A*	N/A不適用***	384,353
Customer B**	客戶B**	438,936	N/A不適用***
Customer C*	客戶C*	259,565	N/A不適用***

\* Revenue from LED backlight.

\*\* Revenue from sourcing business.

\*\*\* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

#### 8. 分部資料(續)

##### 主要客戶資料

佔本集團收益總額10%或以上的客戶詳情如下：

\* 來自LED背光的收益。

\*\* 來自採購業務的收益。

\*\*\* 相應收益貢獻並無超過本公司收益總額10%。

#### 9. FINANCE COSTS

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Interest expenses on:	以下各項的利息開支：		
– bank borrowings	– 銀行借款	22,348	30,175
– corporate bond	– 公司債券	163	–
– finance leases	– 融資租賃	355	359
		22,866	30,534

#### 9. 財務成本

## 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. INCOME TAX EXPENSE

## 10. 所得稅開支

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
<b>Current income tax</b>	<b>當期所得稅</b>		
PRC Enterprise Income Tax	中國企業所得稅		
– Current year	– 本年度	3,612	9,265
– Over-provision in respect of prior years	– 過往年度超額撥備	(3,966)	(3,007)
		(354)	6,258
Deferred taxation (Note 25)	遞延稅項(附註25)	737	(5,152)
Total income tax expense for the year	年度所得稅開支總額	383	1,106

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profits subject to Hong Kong Profits Tax for the years ended 31 December 2016 and 2015.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC companies is 25% for the year ended 31 December 2016 (2015: 25%).

Pursuant to the relevant laws and regulation in the PRC, the Group’s subsidiaries, Wai Chi Opto Technology (Shenzhen) Limited\* (偉志光電(深圳)有限公司) and Huizhou Wai Chi Electronics Company Limited\* (惠州偉志電子有限公司), were accredited as high-tech enterprises. They are entitled to the preferential tax rate of 15% for both years.

\* For translation purpose only

根據開曼群島及英屬處女群島(「英屬處女群島」)的規則及法規，本集團毋須繳納開曼群島及英屬處女群島的任何所得稅。

由於本集團於截至2016年及2015年12月31日止年度並無任何須繳納香港利得稅的應課稅利潤，故本集團並無作出香港利得稅撥備。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，於截至2016年12月31日止年度，中國公司的稅率為25%(2015年：25%)。

根據中國相關法律及法規，本集團的附屬公司偉志光電(深圳)有限公司及惠州偉志電子有限公司獲評定為高新技術企業，可於兩個年度內享有優惠稅率15%。

## 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. INCOME TAX EXPENSE (continued)

The income tax expense for the year can be reconciled to the profit (loss) before tax per the consolidated statement of profit or loss as follows:

#### 10. 所得稅開支(續)

年度所得稅開支與綜合損益表所示除稅前利潤(虧損)對賬如下：

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Profit (loss) before tax	除稅前利潤(虧損)	6,782	(37,661)
Tax at domestic income tax rate of 25% (2015: 25%)	按國內所得稅稅率25%計算的稅項(2015年：25%)	1,695	(9,415)
Effect of preferential tax rate in the PRC	中國優惠稅率的影響	(2,082)	(331)
Effect of different tax rate of subsidiaries operating in other jurisdictions	其他司法權區營運的附屬公司不同稅率的影響	809	1,382
Tax effect of expenses not deductible for tax purposes	不可扣稅開支的稅務影響	1,253	2,454
Tax effect of income not taxable for tax purposes	毋須課稅收入的稅務影響	(149)	(57)
Additional tax deduction for research and development	研發的額外稅項減免	(1,185)	(1,836)
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	2,001	3,738
Tax effect of other temporary differences not recognised	未確認其他暫時性差異的稅務影響	2,135	8,178
Utilisation of tax losses previously not recognised	動用過往未確認的稅項虧損	(128)	-
Over-provision in respect of prior years	過往年度超額撥備	(3,966)	(3,007)
Income tax expense for the year	年度所得稅開支	383	1,106

Details of deferred taxation are set out in note 25.

有關遞延稅項的詳情載於附註25。

## 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. PROFIT (LOSS) FOR THE YEAR

#### 11. 年度利潤(虧損)

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Profit (loss) for the year has been arrived at after charging (crediting):	年度利潤(虧損)於扣除(計入)下列各項後達致:		
Directors' emoluments (note 12(a))	董事酬金(附註12(a))	5,380	5,763
Salaries and allowances (excluding directors' emoluments)	薪金及津貼 (不包括董事酬金)	171,470	238,568
Retirement benefit scheme contributions (excluding directors)	退休福利計劃供款 (不包括董事)	10,999	16,478
Total staff costs	員工成本總額	187,849	260,809
Auditor's remuneration	核數師薪酬	935	880
Amortisation of prepaid lease payments	預付租賃款項攤銷	899	958
Amortisation of bond issue expense	債券發行開支攤銷	36	-
Net foreign exchange (gain) loss	匯兌(收益)虧損淨額	(1,662)	8,898
Amounts of inventories recognised as expenses (including in cost of sales)	確認為開支的存貨金額 (計入銷售成本)	1,160,336	854,979
Depreciation of property, plant and equipment	物業、廠房及設備折舊	39,422	47,746
Write-down of inventories (included in other operating expenses) (note)	撇減存貨(計入 其他經營開支)(附註)	16,739	41,830
Reversal of allowance for inventories (included in other income and other gains)	存貨撥備撥回 (計入其他收入及其他收益)	-	(407)
Impairment loss on trade and other receivables (included in other operating expenses)	應收賬款及其他應收款項的 減值虧損(計入 其他經營開支)	1,715	21,319
Impairment loss on construction in progress (included in other operating expenses)	在建工程減值虧損 (計入其他經營開支)	-	14,164
Loss on disposal of property, plant and equipment, net	出售物業、廠房及 設備虧損淨額	216	243
Write-off of property, plant and equipment	撇銷物業、廠房及設備	24	118
Minimum lease payments paid under operating lease on premises	物業經營租賃項下 已支付最低租賃款項	6,445	7,811

Note: During the year ended 31 December 2016, a provision of approximately HK\$16,739,000 (2015: HK\$41,830,000) was made for one-off write-down of obsolete inventories that are no longer suitable for use in production or saleable in the market.

附註: 截至2016年12月31日止年度, 就不再適用於生產或在市場銷售的陳舊存貨作出一次過撇減計提撥備約16,739,000港元(2015年: 41,830,000港元)。



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For the year ended 31 December 2016 截至2016年12月31日止年度

## 12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

### (a) Directors' and chief executive's emoluments

The emoluments paid or payable to each of the nine (2015: nine) directors and the chief executive officer of the Group during the year were as follows:

## 12. 董事、行政總裁及僱員酬金

### (a) 董事及行政總裁酬金

年內分別已付或應付本集團各9名(2015年: 9名)董事及行政總裁的酬金如下:

	Executive directors 執行董事					Independent non-executive directors 獨立非執行董事				Total
	Mr. Yiu Chi To (Chairman)	Mr. Chen Chung Po (CEO)	Ms. Yiu Kwan Yu (Sales and Marketing Manager)	Mr. Chen Wei Wu (Financial Controller)	Ms. Yong Jian Hui (Deputy General Manager)	Mr. Peng Jian (Note i)	Mr. Au Yeung Tin Wah	Mr. Chen Kwok Wang	Mr. Ho Chi Wai	
For the year ended 31 December 2016										
截至2016年12月31日止年度	姚志圖先生 (主席)	陳鐘譜先生 (行政總裁)	姚君瑜女士 (銷售及市場 推廣經理)	陳偉武先生 (財務總監)	雍建輝女士 (副總經理)	彭建先生 (附註i)	歐陽天華 先生	陳國宏先生	何志威先生	合計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking										
Fees	-	-	-	-	-	-	240	144	144	528
Other emoluments										
Salaries and other benefits	2,481	1,200	726	211	168	-	-	-	-	4,786
Contribution to retirement benefits scheme	18	18	18	6	6	-	-	-	-	66
	2,499	1,218	744	217	174	-	240	144	144	5,380

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### 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. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued)

### (a) Directors' and chief executive's emoluments (continued)

	Executive directors 執行董事					Independent non-executive directors 獨立非執行董事				Total
	Mr. Yiu Chi To (Chairman)	Mr. Chen Chung Po (CEO)	Ms. Yiu Kwan Yu (Sales and Marketing Manager) 姚君瑜女士	Mr. Chen Wei Wu (Financial Controller)	Ms. Yong Jian Hui (Deputy General Manager)	Mr. Peng Jian (Note i)	Mr. Au Yeung Tin Wah	Mr. Chen Kwok Wang	Mr. Ho Chi Wai	
<b>For the year ended 31 December 2015</b>										
<b>截至2015年12月31日止年度</b>										
	姚志圖先生 (主席)	陳鐘譜先生 (行政總裁)	Ms. Yiu Kwan Yu (銷售及市場 推廣經理)	陳緯武先生 (財務總監)	雍建輝女士 (副總經理)	彭建先生 (附註i)	歐陽天華 先生	陳國宏先生	何志威先生	合計
	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	HK\$'000 千港元
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking										
Fees	-	-	-	-	-	-	240	144	144	528
Other emoluments										
Salaries and other benefits	2,843	1,200	726	223	177	-	-	-	-	5,169
Contribution to retirement benefits scheme	18	18	18	6	6	-	-	-	-	66
	2,861	1,218	744	229	183	-	240	144	144	5,763

Note i: Appointed on 25 November 2015 and resigned on 16 January 2017

附註i: 於2015年11月25日獲委任並於2017年1月16日辭任

None of the directors waived or agreed to waive any emoluments paid by the Group during the years ended 31 December 2016 and 2015.

於截至2016年及2015年12月31日止年度，概無董事放棄或同意放棄本集團支付的任何酬金。

Mr. Chen Chung Po is also the chief executive officer of the Company and the emoluments disclosed above include those for services rendered by him as the chief executive.

陳鐘譜先生亦為本公司行政總裁，上文披露的酬金包括有關彼擔任行政總裁所提供服務的酬金。

There were no performance related incentive payments to the directors and chief executive officer during the years ended 31 December 2016 and 2015.

於截至2016年及2015年12月31日止年度，並無支付與表現掛鉤獎金予董事及行政總裁。

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### 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. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued)

### (b) Employees' emoluments

Of the five individuals with the highest emoluments in the Group, three (2015: three) were directors or chief executive officer of the Company for the year ended 31 December 2016. The emoluments of these directors are included in the disclosures in note 12(a) above. The emoluments of the remaining two (2015: two) individuals for the year ended 31 December 2016 were as follows:

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Salaries and other allowances	薪金及其他津貼	1,370	1,218
Retirement benefit scheme contributions	退休福利計劃供款	36	28
		<b>1,406</b>	1,246

Their emoluments were within the following bands:

		2016 2016年 No. of employees 僱員數目	2015 2015年 No. of employees 僱員數目
Not more than HK\$1,000,000	不多於1,000,000港元	2	2

There were no performance related incentive payments during the years ended 31 December 2016 and 2015.

No emoluments were paid by the Group to the five highest paid individuals and any of the directors and chief executives officer as an incentive payment to join or upon joining the Group, or as compensation for loss of office during the years ended 31 December 2016 and 2015.

## 12. 董事、行政總裁及僱員酬金 (續)

### (b) 僱員酬金

截至2016年12月31日止年度，本集團五名最高酬金人士中，三名(2015年：三名)為本公司董事或行政總裁。該等董事的酬金已於上文附註12(a)披露。截至2016年12月31日止年度，餘下兩名(2015年：兩名)人士的酬金如下：

該等人士的酬金介乎下列範圍：

於截至2016年及2015年12月31日止年度，並無支付與表現掛鈎的獎金。

於截至2016年及2015年12月31日止年度，本集團並無向五名最高薪人士及任何董事以及行政總裁支付，作為加入本集團或加入本集團時的獎勵或離職補償。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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#### 13. DIVIDENDS

#### 13. 股息

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Dividend recognised as distribution during the year 2016: nil (2015: 2015 Interim – HK\$2 cents) per share	於2016年確認為分派的股息：每股零港仙(2015年：2015年中期－2港仙)	–	4,000

No dividend has been proposed since the end of the reporting period (2015: nil).

自報告期末起概無建議分派股息(2015年：無)。

#### 14. EARNINGS (LOSS) PER SHARE

#### 14. 每股盈利(虧損)

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Earnings (loss) for the purpose of basic earnings per share	作計算每股基本盈利用途的盈利(虧損)	6,399	(38,767)

		2016 2016年	2015 2015年
Weighted average number of ordinary shares for the purpose of basic and diluted earnings (loss) per share	作計算每股基本及攤薄盈利(虧損)用途的普通股加權平均數	211,032,787	200,000,000
Basic and diluted earnings (loss) per share (HK\$ per share)	每股基本及攤薄盈利(虧損)(每股港元)	0.03	(0.19)

The dilutive earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 December 2016 and 2015.

由於截至2016年及2015年12月31日止年度內並無已發行具潛在攤薄效應的普通股，故每股攤薄盈利與每股基本盈利相同。

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### 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

		Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 合計 HK\$'000 千港元
<b>COST</b>	<b>成本</b>							
At 1 January 2015	於2015年1月1日	280,459	5,470	16,964	18,987	135,747	14,425	472,052
Additions	添置	50,460	2,613	2,652	1,216	-	4,824	61,765
Transfer	結轉	201	-	-	4,623	-	(4,824)	-
Disposals	出售	(9,311)	-	(426)	-	-	-	(9,737)
Exchange realignment	匯兌調整	(16,989)	(1,869)	(1,196)	(2,000)	(7,926)	(842)	(30,822)
<b>At 31 December 2015 and 1 January 2016</b>	<b>於2015年12月31日 及2016年1月1日</b>	<b>304,820</b>	<b>6,214</b>	<b>17,994</b>	<b>22,826</b>	<b>127,821</b>	<b>13,583</b>	<b>493,258</b>
Additions	添置	10,817	750	1,917	534	-	293	14,311
Transfer	結轉	-	-	-	235	-	(235)	-
Disposals/write-off	出售/撤銷	(18,053)	(126)	(88)	-	-	-	(18,267)
Exchange realignment	匯兌調整	(19,019)	(253)	(1,206)	(1,437)	(8,106)	(864)	(30,885)
At 31 December 2016	於2016年12月31日	<b>278,565</b>	<b>6,585</b>	<b>18,617</b>	<b>22,158</b>	<b>119,715</b>	<b>12,777</b>	<b>458,417</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSS</b>	<b>累計折舊 及減值虧損</b>							
At 1 January 2015	於2015年1月1日	128,278	2,810	10,657	7,956	10,016	-	159,717
Provided for the year	年度計提	38,116	1,646	2,650	2,637	2,697	-	47,746
Impairment loss recognised in profit or loss	於損益中確認減值虧損	-	-	-	-	-	14,164	14,164
Eliminated on disposals	出售時對銷	(731)	-	(408)	-	-	-	(1,139)
Exchange realignment	匯兌調整	(9,251)	(701)	(714)	(703)	(695)	(581)	(12,645)
At 31 December 2015 and 1 January 2016	於2015年12月31日 及2016年1月1日	<b>156,412</b>	<b>3,755</b>	<b>12,185</b>	<b>9,890</b>	<b>12,018</b>	<b>13,583</b>	<b>207,843</b>
Provided for the year	年度計提	31,339	708	2,508	2,335	2,532	-	39,422
Eliminated on disposals/write-off	出售時對銷/撤銷	(6,141)	(120)	(81)	-	-	-	(6,342)
Exchange realignment	匯兌調整	(11,011)	(147)	(873)	(690)	(872)	(861)	(14,454)
At 31 December 2016	於2016年12月31日	<b>170,599</b>	<b>4,196</b>	<b>13,739</b>	<b>11,535</b>	<b>13,678</b>	<b>12,722</b>	<b>226,469</b>
<b>CARRYING VALUES</b>	<b>賬面值</b>							
At 31 December 2016	於2016年12月31日	<b>107,966</b>	<b>2,389</b>	<b>4,878</b>	<b>10,623</b>	<b>106,037</b>	<b>55</b>	<b>231,948</b>
At 31 December 2015	於2015年12月31日	148,408	2,459	5,809	12,936	115,803	-	285,415

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### 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)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Plant and machinery	10% – 25%
Motor vehicles	10% – 33%
Office equipment	10% – 20%
Leasehold improvements	5% – 25%
Buildings	Over the shorter of term of the lease or 2.5%

As at 31 December 2016, buildings with carrying values of approximately HK\$106,037,000 (2015: approximately HK\$115,803,000) have been pledged to secure banking facilities granted to the Group.

As at 31 December 2016, the net book value of plant and machinery of approximately HK\$107,966,000 (2015: approximately HK\$148,408,000) includes an amount of approximately HK\$7,514,000 (2015: approximately HK\$11,233,000) in respect of assets held under finance leases.

As at 31 December 2016, the net book value of motor vehicles of approximately HK\$2,389,000 (2015: approximately HK\$2,459,000) includes an amount of approximately HK\$1,088,000 (2015: approximately HK\$461,000) in respect of assets held under finance leases.

During the year ended 31 December 2015, the directors of the Company conducted a review of the Group's construction in progress and determined that assets were impaired, due to the construction plan has been suspended indefinitely. Accordingly, fully impairment losses of approximately HK\$14,164,000 have been recognised in respect of the affected construction in progress.

#### 15. 物業、廠房及設備(續)

上述物業、廠房及設備項目以直線法按下列年率計提折舊：

廠房及機器	10%-25%
汽車	10%-33%
辦公室設備	10%-20%
租賃物業裝修	5%-25%
樓宇	按租賃年期或2.5% (以較短者為準)

於2016年12月31日，已質押賬面值約106,037,000港元(2015年：約115,803,000港元)的樓宇，作為授予本集團銀行融資的抵押。

於2016年12月31日，廠房及機器賬面淨值約107,966,000港元(2015年：約148,408,000港元)包括就融資租賃持有的資產金額約7,514,000港元(2015年：約11,233,000港元)。

於2016年12月31日，汽車賬面淨值約2,389,000港元(2015年：約2,459,000港元)包括就融資租賃持有的資產金額約1,088,000港元(2015年：約461,000港元)。

於截至2015年12月31日止年度，本公司董事就本集團在建工程進行審閱，並釐定資產因工程計劃已無限期終止而減值。因此，已就受影響在建工程確認全面減值虧損約14,164,000港元。



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For the year ended 31 December 2016 截至2016年12月31日止年度

#### 16. PREPAID LEASE PAYMENTS

Prepaid lease payments comprise leasehold land held in the PRC and are analysed for reporting purposes as follows:

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Current assets	流動資產	856	967
Non-current assets	非流動資產	36,057	39,364
		<b>36,913</b>	40,331

As at 31 December 2016, leasehold land with carrying values of approximately HK\$20,742,000 (2015: approximately HK\$22,685,000) have been pledged to secure banking facilities granted to the Group.

#### 16. 預付租賃款項

預付租賃款項包括於中國持有的租賃土地，就報告用途分析如下：

於2016年12月31日，已質押賬面值約20,742,000港元(2015年：約22,685,000港元)的租賃土地，作為授予本集團銀行融資的抵押。

#### 17. INVENTORIES

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Raw materials	原材料	25,031	48,046
Work-in-progress	在製品	49,742	64,074
Finished goods	製成品	117,065	110,265
		<b>191,838</b>	222,385

During the year ended 31 December 2015, there was an increase in the net realisable value following a decrease in selling expenses. As a result, a reversal of allowance for inventories of approximately HK\$407,000 (2016: nil) has been recognised and included in other income and other gains in the current year.

#### 17. 存貨

於截至2015年12月31日止年度，可變現淨值隨銷售開支減少而增加。因此，撥回存貨撥備約407,000港元(2016年：零)已於本年度確認並於其他收入及其他收益入賬。

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### 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. TRADE AND BILLS RECEIVABLES

#### 18. 應收賬款及票據

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Trade receivables	應收賬款	460,863	371,831
Less: Impairment	減：減值	(23,600)	(24,600)
		<b>437,263</b>	347,231
Bills receivables	應收票據	60,461	206,399
		<b>497,724</b>	553,630

During the year ended 31 December 2016, the Group generally allows a credit period of 15 to 180 days (2015: 30 to 180 days) to its trade customers. The Group does not hold any collateral over these balances.

At 31 December 2015, trade receivables with carrying amount of approximately HK\$123,832,000 (2016: nil) have been pledged to secure banking facilities granted to the Group.

At 31 December 2016, bills receivables with carrying amount of approximately HK\$11,850,000 (2015: HK\$149,226,000) have been pledged to secure banking facilities granted to the Group.

The following is an aged analysis of trade receivables net of accumulated impairment losses presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates.

於截至2016年12月31日止年度，本集團一般向其貿易客戶授予的信貸期為15至180天（2015年：30至180天）。本集團並無就該等結餘持有任何抵押品。

於2015年12月31日，已質押賬面值約為123,832,000港元（2016年：零）的應收賬款，作為授予本集團銀行融資的抵押。

於2016年12月31日，已質押賬面值約為11,850,000港元（2015年：149,226,000港元）的應收票據，作為授予本集團銀行融資的抵押。

於報告期末，按發票日期（與各自的收益確認日期相若）呈列並扣除累計減值虧損的應收賬款賬齡分析如下。

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
0 to 90 days	0至90天	347,103	253,711
91 to 180 days	91至180天	74,836	47,772
181 to 365 days	181至365天	15,324	43,361
Over 365 days	超過365天	-	2,387
		<b>437,263</b>	347,231

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### 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. TRADE AND BILLS RECEIVABLES (continued)

All the bills receivables are aged within 365 days.

The movements of impairment of trade receivables are as follows:

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
At 1 January	於1月1日	24,600	7,980
Impairment losses recognised on receivables	就應收款項確認的減值虧損	1,174	20,074
Written off	撇銷	-	(2,260)
Reversal of impairment loss recognised in prior years	於過往年度確認的減值虧損撥回	(599)	-
Exchange realignment	匯兌調整	(1,575)	(1,194)
At 31 December	於12月31日	<b>23,600</b>	24,600

The Group has individually assessed all receivables and provided in full for all receivables that are considered not recoverable. Impairment losses of approximately HK\$1,174,000 (2015: approximately HK\$20,074,000) were recognised during the year ended 31 December 2016.

At 31 December 2016, the aged analysis of trade receivables that was neither past due nor impaired and past due but not impaired are as follows:

		Neither past due		Past due but not impaired 已逾期但並未減值			
		Total	nor impaired	Less than 30 days	31 to 60 days	61 to 90 days	Over 90 days
		合計	亦無減值	少於30天	31至60天	61至90天	超過90天
		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 31 December 2016	於2016年12月31日	437,263	329,156	16,501	6,721	2,683	82,202
At 31 December 2015	於2015年12月31日	347,231	229,072	25,636	12,584	3,650	76,289

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

#### 18. 應收賬款及票據(續)

所有應收票據的賬齡均為365天內。

應收賬款的減值變動如下：

本集團已個別評估所有應收款項，並就所有認為不可收回的應收款項悉數計提撥備。於截至2016年12月31日止年度確認的減值虧損約為1,174,000港元(2015年：約20,074,000港元)。

於2016年12月31日，既未逾期亦無減值以及已逾期但並未減值的應收賬款賬齡分析如下：

既未逾期亦無減值的應收賬款乃與並無近期違約記錄的不同類型客戶有關。

## 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. TRADE AND BILLS RECEIVABLES (continued)

In determining the recoverability of a trade receivable, the Group considers any change in credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Based on past experience, management believes that no impairment allowance is necessary in respect of balances past due but not impaired as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

#### 19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Deposits and other receivables	按金及其他應收款項	25,845	23,924
Less: Impairment	減：減值	(1,636)	(1,194)
		<b>24,209</b>	22,730
Value added tax receivables	應收增值稅	17,290	7,021
Prepayments	預付款項		
– Sourcing business	– 採購業務	43,155	–
– Others	– 其他	10,480	15,071
		<b>95,134</b>	44,822

The movements of impairment of other receivables are as follows:

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
At 1 January	於1月1日	1,194	254
Impairment losses recognised on other receivables	就其他應收款項確認的減值虧損	541	1,245
Reversal of impairment loss recognised in prior years	於過往年度確認的減值虧損撥回	–	(249)
Exchange realignment	匯兌調整	(99)	(56)
		<b>1,636</b>	1,194

The Group has individually assessed all other receivables and provided in full for those receivables that are considered not recoverable. The Group does not hold any collateral over these balances.

#### 18. 應收賬款及票據(續)

於釐定應收賬款可否收回時，本集團考慮應收賬款的信貸質素自初次授出信貸日期至報告日期的任何變動。根據過往經驗，由於信貸質素並無重大變動且仍認為可全面收回結餘，故管理層認為並無必要就已逾期但並未減值的結餘進行減值撥備。

#### 19. 預付款項、按金及其他應收款項

其他應收款項的減值變動如下：

本集團已個別評估所有其他應收款項，並就該等認為不可收回的應收款項悉數計提撥備。本集團並無就此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

## 20. PLEDGED BANK DEPOSITS/DEPOSITS WITH BANK/BANK BALANCES AND CASH

### Pledged bank deposits

Pledged bank deposits represented deposits pledged to banks to secure banking facilities granted to the Group. Deposits amounting to approximately HK\$238,467,000 (2015: HK\$225,710,000) as at 31 December 2016 had been pledged to secure bank borrowings and bills falling due within one year and are therefore classified as current assets.

The pledged deposits carried fixed interest rates of 2.1% (2015: 2.6%) per annum at 31 December 2016.

The pledged deposits carried variable interest rates from 0.3% to 0.5% (2015: 0.35% to 0.5%) per annum at 31 December 2016.

### Deposits with bank

As at 31 December 2015, deposits with bank of HK\$29,505,000, with maturity in December 2016, carry interest rates of 0.38% per annum.

### Bank balances and cash

The bank balances and cash comprised cash held by the Group and short-term bank deposits with an original maturity of three months or less. The bank balances at 31 December 2016 carried interest at the prevailing market rate ranging from 0.048% to 0.057% (2015: 0.048% to 0.057%).

The Group's bank balances and cash denominated in RMB amounted to approximately HK\$111,817,000 (2015: approximately HK\$143,276,000) at 31 December 2016. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations.

## 20. 已抵押銀行存款／銀行存款／銀行結餘及現金

### 已抵押銀行存款

已抵押銀行存款指已質押予銀行作為授予本集團銀行融資抵押的存款。於2016年12月31日，已質押存款約238,467,000港元（2015年：225,710,000港元），作為一年內到期的銀行借款及票據的抵押，因此被分類為流動資產。

於2016年12月31日，已抵押存款按固定年息率2.1%（2015年：2.6%）計息。

於2016年12月31日，已抵押存款按浮動年息率0.3%至0.5%（2015年：0.35%至0.5%）計息。

### 銀行存款

於2015年12月31日，銀行存款為29,505,000港元，於2016年12月到期，按年利率0.38%計息。

### 銀行結餘及現金

銀行結餘及現金包括本集團持有的現金及原到期日為三個月或以內的短期銀行存款。於2016年12月31日的銀行結餘按現行市場利率計息，介乎0.048%至0.057%（2015年：0.048%至0.057%）。

於2016年12月31日，本集團以人民幣計值的銀行結餘及現金約為111,817,000港元（2015年：約143,276,000港元）。人民幣兌換成外幣須遵守中國外匯管理條例及結匯、售匯及付匯管理規定。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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#### 21. AMOUNT DUE FROM A RELATED COMPANY

Name of related party	Loan nature	Outstanding/ Aggregate outstanding amount at 01/01/2016 於2016年 1月1日 尚未償還/ 總尚未 償還金額 HK\$'000 千港元	Outstanding/ Aggregate outstanding amount at 31/12/2016 於2016年 12月31日 尚未償還/ 總尚未 償還金額 HK\$'000 千港元	Maximum amount owed to the Group during the year 年內結欠 本集團 最高金額 HK\$'000 千港元	Amount/ Aggregate amount fallen due but not been paid 到期但尚未 償還金額/ 總金額 HK\$'000 千港元	Provisions/ Aggregate provisions for doubtful/bad debts made 就呆賬/ 壞賬作出的 撥備/總撥備 HK\$'000 千港元
樂圖光電(惠州)有限公司 <sup>1</sup>	Quasi-loan 準貸款	477	-	477	-	-

<sup>1</sup> Ms. Yiu Kwan Yu is the common director.

The amount is unsecured, interest-free and repayable on demand.

The Group does not hold any collateral over these balances.

#### 21. 應收一間關連公司款項

<sup>1</sup> 姚君瑜女士為共同董事。

該金額為無抵押、免息且按要求償還。

本集團並無就該等結餘持有任何抵押品。

#### 22. TRADE, BILLS AND OTHER PAYABLES AND ACCRUALS

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Trade payables (Note a)	應付賬款(附註a)	154,167	183,936
Bills payables (Note a)	應付票據(附註a)	351,656	444,708
		<b>505,823</b>	628,644
Receipt in advance (Note b)	預收款項(附註b)	3,082	3,142
Construction cost payables	應付建造成本	1,374	1,467
Other payables	其他應付款項	14,676	10,378
Accrued expenses	預提開支	14,285	19,930
Value added tax payables	應付增值稅	8,684	8,296
		<b>42,101</b>	43,213
		<b>547,924</b>	671,857



## 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. TRADE, BILLS AND OTHER PAYABLES AND ACCRUALS (continued)

Notes:

- a) The aging analysis of trade payables presented based on the invoice date at the end of the reporting period is as follows:

The Group	本集團	2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
0 to 90 days	0至90天	119,988	126,444
91 to 180 days	91至180天	26,796	44,017
181 to 365 days	181至365天	2,756	9,862
Over 365 days	超過365天	4,627	3,613
		<b>154,167</b>	183,936

The average credit period on purchase of goods is from 30 days to 90 days. The Group has financial risk management policies or plans for its payables with respect to the credit timeframe.

The bills payables aged within 365 days.

- b) Receipt in advance represented advance payments from customers pursuant to the respective sales and purchase contracts.

## 22. 應付賬款、應付票據及其他應付款項以及預提費用(續)

附註：

- a) 於報告期末，按發票日期呈列的應付賬款賬齡分析如下：

採購貨品的平均信貸期為30至90天。本集團就應付款項的信貸期限實施金融風險管理政策或計劃。

應付票據的賬齡為365天內。

- b) 預收款項指根據相關買賣合約收取客戶的預付款項。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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## 23. BANK BORROWINGS

## 23. 銀行借款

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Secured:	有抵押：		
Trust receipts loans (Note a)	信託收據貸款(附註a)	9,333	15,693
Other bank loans (Note b)	其他銀行貸款(附註b)	222,646	267,403
		<b>231,979</b>	283,096
Unsecured:	無抵押：		
Other bank loans (Note c)	其他銀行貸款(附註c)	43,601	65,650
		<b>275,580</b>	348,746
Bank borrowings repayable (based on scheduled repayment dates set out in loan agreements):	應付銀行借款(根據載於貸款協議的預定還款日期)：		
On demand or within one year	按要求或於一年內	269,411	334,632
More than one year but not exceeding two years	超過一年但不超過兩年	3,102	7,946
More than two years but not exceeding five years	超過兩年但不超過五年	1,875	4,609
More than five years	超過五年	1,192	1,559
		<b>275,580</b>	348,746
Less: Carrying amount of bank borrowings that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	減：非於由報告期末起一年內償還但包含按要償還條款的銀行借款賬面值(於流動負債項下顯示)	<b>(3,509)</b>	(11,087)
Less: Amounts due within one year shown under current liabilities	減：於流動負債項下顯示的一年內到期款項	<b>(269,411)</b>	(334,632)
Amount shown under current liabilities	於流動負債項下顯示的款項	<b>(272,920)</b>	(345,719)
Amount shown under non-current liabilities	於非流動負債項下顯示的款項	<b>(2,660)</b>	(3,027)

## 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. BANK BORROWINGS (continued)

Notes:

- a) As at 31 December 2016, trust receipts loan with carrying amounts of approximately HK\$9,333,000 (2015: approximately HK\$15,693,000) carried fixed rate of interest of 2.98% (2015: 2.98%) per annum and was due within 3 months.
- b) As at 31 December 2016, other bank loans with carrying amounts of approximately HK\$114,818,000 (2015: approximately HK\$98,883,000) bore interest at floating rate and was due from one to ten years. The floating rate borrowing carried interest rates ranging from Hong Kong Interbank Offered Rate ("**HIBOR**") plus 2.25% to the rate stipulated by the rate offered by the Peoples Bank of China ("**PBOC rate**") plus 0.0894% (2015: HIBOR plus 2.25% to PBOC rate plus 0% – 0.0485%) per annum during the year ended 31 December 2016.

As at 31 December 2016, revolving loans with carrying amounts of approximately HK\$10,100,000 (2015: approximately HK\$20,100,000) bore interest at floating rate and was due within 1 year. The floating rate borrowings carried interest at the Hong Kong dollars best lending rate ("**HKD BLR**") plus 0.5% (2015: HKD BLR plus 0.5%) per annum during the year ended 31 December 2016.

As at 31 December 2016, machinery loans with initial principal amount of approximately HK\$33,700,000 (2015: approximately HK\$33,700,000) carried floating rate ranging from 1-month HIBOR/London Interbank Borrowing Rate ("**LIBOR**") plus 3.25% per annum, repayable ranging from 36 to 60 instalments commenced from the day of draw down. The machinery loans are fully repayable by May 2017 to August 2019. As at 31 December 2016, principal amounts of approximately HK\$11,088,000 (2015: approximately HK\$20,681,000) remain unsettled. The facilities contained a repayment on demand clause.

As at 31 December 2016, other bank loans with carrying amounts of approximately HK\$11,180,000 bore interest at floating rate and was due within 1 year. The floating rate borrowings carried interest at PBOC rate plus 1.15% per annum during the year ended 31 December 2016.

As at 31 December 2016, other bank loans with carrying amounts of approximately HK\$75,460,000 (2015: approximately HK\$64,456,000) bore interest at fixed rate and was due within 1 year. The fixed rate borrowings carried interest ranging from 3.4% to 3.6% (2015: 5.2% to 7.0%) per annum during the year ended 31 December 2015.

As at 31 December 2015, other bank loans with principal amount of approximately HK\$63,283,000 bore interest at floating rate and was due within 1 year. The floating rate borrowings carried interest at LIBOR plus 2.38% per annum during the year ended 31 December 2015. The loan has been fully repaid during the year ended 31 December 2016.

#### 23. 銀行借款(續)

附註：

- a) 於2016年12月31日，賬面值約9,333,000港元(2015年：約15,693,000港元)的信託收據貸款按固定年息率2.98%(2015年：2.98%)計息，並於三個月內到期。
- b) 於2016年12月31日，賬面值約114,818,000港元(2015年：約98,883,000港元)的其他銀行貸款按浮動息率計息，並於一至十年內到期。截至2016年12月31日止年度，浮動息率借款按介乎香港銀行同業拆息利率(「**香港銀行同業拆息利率**」)加2.25%至中國人民銀行所頒布利率(「**中國人民銀行利率**」)加年率0.0894%(2015年：香港銀行同業拆息利率加2.25%至中國人民銀行利率加0%至0.0485%)計息。

於2016年12月31日，賬面值約10,100,000港元(2015年：約20,100,000港元)的循環貸款按浮動息率計息，並於一年內到期。截至2016年12月31日止年度，浮動息率借款按港元最優惠貸款利率(「**港元最優惠貸款利率**」)加年率0.5%(2015年：港元最優惠貸款利率加0.5%)計息。

於2016年12月31日，初始本金額約33,700,000港元(2015年：約33,700,000港元)的機器貸款按浮動息率計息，息率介乎一個月香港銀行同業拆息利率／倫敦銀行同業拆息利率(「**倫敦銀行同業拆息利率**」)加年率3.25%，須自提取日期起分36至60期償還。機器貸款須於2017年5月至2019年8月前悉數償還。於2016年12月31日，約11,088,000港元(2015年：約20,681,000港元)的本金額仍未結清。該融資包含按要求償還條款。

於2016年12月31日，賬面值約11,180,000港元的其他銀行貸款按浮動息率計息，並於一年內到期。截至2016年12月31日止年度，浮動息率借款按中國人民銀行利率加年率1.15%計息。

於2016年12月31日，賬面值約75,460,000港元(2015：約64,456,000港元)的其他銀行貸款按固定息率計息，並於一年內到期。截至2015年12月31日止年度，固定息率借款按年率3.4%至3.6%(2015：5.2%至7.0%)計息。

於2015年12月31日，本金額約63,283,000港元的其他銀行貸款按浮動息率計息，並於一年內到期。截至2015年12月31日止年度，浮動息率借款按倫敦銀行同業拆息利率加年率2.38%計息。貸款於截至2016年12月31日止年度悉數償還。

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For the year ended 31 December 2016 截至2016年12月31日止年度

## 23. BANK BORROWINGS (continued)

Notes: (continued)

- c) As at 31 December 2016, other bank loans with carrying amounts of approximately HK\$22,360,000 (2015: approximately HK\$65,650,000) bore interest at floating rate and was due within 1 year. The floating rate borrowings carried interest ranging from the PBOC rate plus 1.15% (2015: PBOC rate plus 0% to 1.7%) per annum during the year ended 31 December 2016.

As at 31 December 2016, other bank loans with carrying amounts of approximately HK\$21,241,000 bore interest at fixed rate and was due within 1 year. The fixed rate borrowings carried interest ranging from 4.25% to 5.22% per annum during the year ended 31 December 2016.

- d) The Group's bank borrowings at the end of each reporting period were secured or guaranteed by the followings:

- (i) As at 31 December 2016, secured banking facilities of the Group with outstanding balances of approximately HK\$21,187,000 (2015: approximately HK\$56,474,000) were secured by the assignment of life insurance policies covering Mr. Yiu Chi To, the Controlling Shareholder and Mr. Chen Chung Po, the Executive Director and Chief Executive Officer.

The above facilities were also secured by properties held by certain related companies in which either (i) Mr. Yiu Chi To is the common director; or (ii) Ms. Yiu Kwan Yu is the common director.

- (ii) As at 31 December 2016, secured banking facilities of the Group with outstanding balances of approximately HK\$111,792,000 (2015: approximately HK\$158,773,000) were secured by land and properties of a subsidiary as set out in notes 15 and 16.

- (iii) As at 31 December 2016, secured banking facilities of the Group with outstanding balances of approximately HK\$12,360,000 were secured by a property held by a related company, in which Ms. Yiu Kwan Yu is the common director.

- (iv) As at 31 December 2016, a bank loan of the Group with outstanding balance of approximately HK\$86,640,000 was secured by bill receivables of a subsidiary.

- (v) As at 31 December 2015, secured banking facilities of the Group with outstanding balances of approximately HK\$47,745,000 were secured by the shares of a subsidiary.

The above facilities were also guaranteed by Mr. Yiu Chi To.

## 23. 銀行借款(續)

附註：(續)

- c) 於2016年12月31日，賬面值約22,360,000港元(2015年：約65,650,000港元)的其他銀行貸款按浮動息率計息，並於一年內到期。截至2016年12月31日止年度，浮動息率借款按介乎中國人民銀行利率加年利率1.15%(2015年：中國人民銀行利率加0%至1.7%)計息。

於2016年12月31日，賬面值約21,241,000港元的其他銀行貸款按固定息率計息，並於一年內到期。截至2016年12月31日止年度，固定息率借款按年利率4.25%至5.22%計息。

- d) 本集團於各報告期末的銀行借款以下列各項作抵押或擔保：

- (i) 於2016年12月31日，本集團已抵押銀行融資尚未償還結餘約21,187,000港元(2015年：約56,474,000港元)以出讓控股股東姚志圖先生及執行董事兼行政總裁陳鐘譜先生的人壽保險單作抵押。

上述融資亦由(i)姚志圖先生為共同董事；或(ii)姚君瑜女士為共同董事的若干關連公司持有的物業作抵押。

- (ii) 於2016年12月31日，本集團已抵押銀行融資尚未償還結餘約111,792,000港元(2015年：約158,773,000港元)以附註15及16所載一間附屬公司的土地及物業作抵押。

- (iii) 於2016年12月31日，本集團已抵押銀行融資尚未償還結餘約12,360,000港元以一間關連公司(其中姚君瑜女士為共同董事)持有的一項物業作抵押。

- (iv) 於2016年12月31日，本集團銀行貸款尚未償還結餘約86,640,000港元以一間附屬公司的應收票據作抵押。

- (v) 於2015年12月31日，本集團已抵押銀行融資尚未償還結餘約47,745,000港元以一間附屬公司的股份作抵押。

上述融資亦由姚志圖先生擔保。

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For the year ended 31 December 2016 截至2016年12月31日止年度

#### 23. BANK BORROWINGS (continued)

Notes: (continued)

- d) The Group's bank borrowings at the end of each reporting period were secured or guaranteed by the followings: (continued)
- (vi) As at 31 December 2015, secured banking facilities of the Group with outstanding balances of approximately HK\$8,355,000 were secured by the trade receivables of a subsidiary and the land of a related company, in which Mr. Yiu Chi To and Ms. Yiu Kwan Yu are the common directors.
- (vii) As at 31 December 2015, a term loan with outstanding balance of approximately HK\$3,394,000 was secured by land of a related company, in which Ms. Yiu Kwan Yu is the common director.
- (viii) As at 31 December 2015, secured banking facilities of the Group with outstanding balances of approximately HK\$8,355,000 were secured by the Group's bills receivables as set out in note 18.
- (ix) As at 31 December 2015, a bank loan of the Group with outstanding balance of approximately HK\$38,196,000 was guaranteed by Mr. Yiu Chi To.
- e) As at 31 December 2016, the Group has the undrawn trade financing and bank loan facilities of approximately HK\$982,808,000 (2015: approximately HK\$701,912,000).

#### 24. OBLIGATIONS UNDER FINANCE LEASES

It is the Group's policy to lease certain of its motor vehicles and machinery under finance leases. The average lease term of these leases is three years (2015: three years) throughout the years ended 31 December 2016.

#### 23. 銀行借款(續)

附註：(續)

- d) 本集團於各報告期末的銀行借款以下列各項作抵押或擔保：(續)
- (vi) 於2015年12月31日，本集團已抵押銀行融資尚未償還結餘約8,355,000港元以一間附屬公司的應收賬款及一間關連公司(其中姚志圖先生及姚君瑜女士為共同董事)的土地作抵押。
- (vii) 於2015年12月31日，定期貸款尚未償還結餘約3,394,000港元以一間關連公司(其中姚君瑜女士為共同董事)的土地作抵押。
- (viii) 於2015年12月31日，本集團已抵押銀行融資尚未償還結餘約8,355,000港元以附註18所載的本集團應收票據作抵押。
- (ix) 於2015年12月31日，本集團銀行貸款尚未償還結餘約38,196,000港元由姚志圖先生作擔保。
- e) 於2016年12月31日，本集團有未提取貿易融資及銀行貸款融資約982,808,000港元(2015年：約701,912,000港元)。

#### 24. 融資租賃債項

本集團的政策為根據融資租賃租賃若干汽車及機器。於截至2016年12月31日止整個年度，該等租賃的平均租期為三年(2015年：三年)。

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#### 24. OBLIGATIONS UNDER FINANCE LEASES (continued)

At 31 December 2016, the total future minimum lease payments under finance leases and their present values were as follows:

#### 24. 融資租賃債項(續)

於2016年12月31日，融資租賃項下的日後最低租賃付款總額及其現值如下：

		Minimum lease payments 最低租賃付款		Present value of minimum lease payments 最低租賃付款現值	
		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
Amounts payable under finance leases:	根據融資租賃應付的款項：				
Within one year	一年內	3,210	4,573	3,051	4,190
More than one year but not exceeding two years	超過一年但不超過兩年	1,164	3,042	1,120	2,941
More than two years, but not exceeding five years	超過兩年，但不超過五年	512	1,087	487	1,064
		4,886	8,702	4,658	8,195
Less: Future finance charges	減：日後融資費用	(228)	(507)	N/A	N/A
Present value of lease obligations	租賃債項現值	4,658	8,195	4,658	8,195
Less: Amounts due within one year shown under current liabilities	減：於流動負債項下顯示的一年內到期款項			(3,051)	(4,190)
Amounts due after one year	一年後到期的款項			1,607	4,005

All obligations under finance leases of the Group bore fixed interest rates. The underlying interest rates of these obligations under finance leases range from 1.75% to 2.6% (2015: 1.75% to 2.6%) per annum during the year ended 31 December 2016. The Group's obligations under finance leases were secured by the lessor's charge over the leased assets. These leases had purchase options.

As at 31 December 2016 and 2015, certain of the Group's obligations under finance leases were guaranteed by certain related companies, in which Mr. Yiu Chi To, the Controlling Shareholder and the directors of the Company have beneficial interests.

本集團的所有融資租賃債項按固定息率計息。截至2016年12月31日止年度，該等融資租賃債項的相關年息率介乎1.75%至2.6%（2015年：1.75%至2.6%）。本集團的融資租賃債項以出租人對租賃資產的押記作抵押。該等租賃有購買權。

於2016年及2015年12月31日，本集團若干融資租賃債項由若干關連公司擔保，其中控股股東姚志圖先生及本公司董事擁有實益權益。



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## 25. DEFERRED TAXATION

The following are the major deferred tax assets recognised and movements thereof during the current and prior years:

		Difference between depreciation allowance and related depreciation 折舊撥備及 相關折舊的差額 HK\$'000 千港元	Impairment and allowances 減值及撥備 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2015	於2015年1月1日	8	1,341	1,349
Charged to profit or loss (Note 10)	自損益扣除(附註10)	133	5,019	5,152
Exchange realignment	匯兌調整	–	(285)	(285)
At 31 December 2015	於2015年12月31日	141	6,075	6,216
Credited to profit or loss (Note 10)	計入損益(附註10)	(116)	(621)	(737)
Exchange realignment	匯兌調整	–	(359)	(359)
At 31 December 2016	於2016年12月31日	<b>25</b>	<b>5,095</b>	<b>5,120</b>

As at 31 December 2016, certain subsidiaries of the Group had aggregate unused tax losses of approximately HK\$56,171,000 (2015: approximately HK\$54,564,000) available for offset against future profits. No deferred tax asset has been recognised in respect of these unused tax losses due to the unpredictability of future income stream of these subsidiaries. As at 31 December 2016, tax losses of approximately HK\$31,055,000 (2015: approximately HK\$30,818,000) will be expired within 5 years. Other losses may be carried forward indefinitely.

As at 31 December 2016, the Group has temporary differences of approximately HK\$54,066,000 (2015: HK\$42,359,000). No deferred tax asset has been recognised in relation to such temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

## 25. 遞延稅項

本年度及過往年度所確認的主要遞延稅項資產及其變動如下：

於2016年12月31日，本集團若干附屬公司可供抵銷未來利潤的未動用稅項虧損總額約為56,171,000港元(2015年：約54,564,000港元)。由於難以預測該等附屬公司的未來收入流量，故並無就該等未動用稅項虧損確認遞延稅項資產。於2016年12月31日，稅項虧損約31,055,000港元(2015年：約30,818,000港元)將於5年內到期。其他虧損可無限期結轉。

於2016年12月31日，本集團暫時性差額約為54,066,000港元(2015年：42,359,000港元)。由於應課稅利潤將可用作抵銷可扣減暫時性差額的可能性不大，故並無就該等暫時性差額確認遞延稅項資產。

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#### 25. DEFERRED TAXATION (continued)

Under the EIT Law of PRC, withholding tax is imposed on dividends in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards (the "Post-2008 Earnings"). As at 31 December 2016, deferred taxation has not been provided for in the consolidated financial statements in respect of temporary difference attributable to the "Post-2008 Earnings" amounting to approximately HK\$336,000,000 (2015: approximately HK\$312,000,000) 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.

During the year ended 31 December 2015, certain tax losses of approximately HK\$456,000 attributable to certain subsidiaries were disallowed by the Inland Revenue Department in 2015.

#### 26. CORPORATE BOND

During the year ended 31 December 2016, the Group issued a 7.5 year corporate bond with principal amount of HK\$2,000,000 to an independent third party, net of direct expenses of HK\$300,000, which will be due in September 2023. The corporate bond carried interest at a fixed rate of 8% per annum with interest payable annually in arrears. The corporate bond is unsecured. The effective interest rate of the corporate bond is approximately 11.05%.

#### 25. 遞延稅項(續)

根據中國企業所得稅法，自2008年1月1日起，中國附屬公司就其所賺取利潤(「2008後的盈利」)的股息須繳交預扣稅。由於本集團可控制撥回暫時性差額的時間，而有關暫時性差額可能不會於可預見的將來撥回，故此於2016年12月31日，並無於綜合財務報表內就「2008年後的盈利」應佔暫時性差額約336,000,000港元(2015年：約312,000,000港元)的遞延稅項作出撥備。

截至2015年12月31日止年度，就若干附屬公司應佔若干稅項虧損約456,000港元於2015年並無獲稅務局扣稅。

#### 26. 公司債券

於截至2016年12月31日止年度，本集團向獨立第三方發行本金額2,000,000港元的7.5年公司債券，扣除直接開支300,000港元，將於2023年9月到期。公司債券按固定年息率8%計息(每年期末支付利息)。公司債券並無抵押。公司債券的實際利率約為11.05%。

		HK\$'000 千港元
At 1 January 2016	於2016年1月1日	-
Current year issuance	本年度發行	2,000
Direct issuance expense	直接發行開支	(300)
Effective interest expenses	實際利息開支	163
Interest paid during the year	年內已付利息	(127)
At 31 December 2016	於2016年12月31日	<b>1,736</b>

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## 27. GOVERNMENT GRANTS

## 27. 政府補助

		HK\$'000 千港元
At 1 January 2015	於2015年1月1日	33,871
Government grants raised during the year	年內新增政府補助	1,178
Government grants utilised during the year	年內動用政府補助	(177)
Exchange realignment	匯兌調整	(2,018)
At 31 December 2015 and 1 January 2016	於2015年12月31日及2016年1月1日	32,854
Government grants utilised during the year	年內動用政府補助	(1,332)
Exchange realignment	匯兌調整	(2,026)
At 31 December 2016	於2016年12月31日	<b>29,496</b>

As at 31 December 2016, the government grants of approximately HK\$29,496,000 (2015: approximately HK\$32,854,000) which were designated for certain research projects, export incentives, technical innovation, localisation incentives and fiscal refund were granted by the PRC municipal government. The amount is stated as non-current liabilities in the consolidated statement of financial position as the directors of the Company are of the opinion that certain conditions in respect of these grants will not be fulfilled within the next twelve months from the end of the each reporting period.

於2016年12月31日，指定用於若干研究項目、出口獎勵、技術創新、地方獎勵及財政退款的政府補助約29,496,000港元（2015年：約32,854,000港元）乃由中國市政府授予。由於本公司董事認為將不會於各報告期末起未來12個月內達成該等補助的若干條件，故有關金額於綜合財務狀況表列賬為非流動負債。

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## 28.SHARE CAPITAL

The share capital of the Group as at 31 December 2016 and 2015 represented the share capital of the Company.

## 28.股本

本集團於2016年及2015年12月31日的股本為本公司的股本。

		Number of shares		Share capital	
		股份數目		股本	
		2016	2015	2016	2015
		2016年	2015年	2016年	2015年
				HK\$'000	HK\$'000
				千港元	千港元
Ordinary shares of HK\$0.01 each	每股0.01港元的普通股				
Authorised	法定				
At 1 January and 31 December	於1月1日及12月31日	1,000,000,000	1,000,000,000	10,000	10,000
Issued and fully paid	已發行及繳足				
At 1 January	於1月1日	200,000,000	200,000,000	2,000	2,000
Issue of 16,825,000 shares at a price of HK\$2.00 each per placing share by way of placing in May 2016 (Note a)	於2016年5月以配售方式按每股配售股份2.00港元的價格發行16,825,000股股份(附註a)	16,825,000	-	168	-
At 31 December	於12月31日	216,825,000	200,000,000	2,168	2,000

Note:

(a) On 6 May 2016, an aggregate of 16,825,000 new shares were placed and issued to not less than six places at a placing price of HK\$2.00 per share in accordance with the terms and conditions of the placing agreement entered into between the Company and Kingston Securities Limited and Grand Cartel Securities Company Limited, an independent third parties. These shares rank pari passu with the existing shares in all respects. The average closing price in last five trading days immediately prior to the date of placing agreement was HK\$1.84 per share. The net proceeds are intended to be used for financing any potential investment opportunities of the Group that may arise from time to time. The details were set out in the Company's announcement dated 14 April 2016.

附註：

(a) 於2016年5月6日，根據本公司與金利豐證券有限公司及宏大證券有限公司（獨立第三方）所訂立配售協議的條款及條件，按配售價每股2.00港元向不少於六名承配人配售及發行合共16,825,000股新股份。該等股份在所有方面與現有股份享有同等地位。於緊接配售協議日期前最後5個交易日的平均收市價為每股1.84港元。所得款項淨額擬用於為本集團可能不時出現的任何潛在投資機遇撥付資金。詳情載於本公司日期為2016年4月14日的公告。

## 29.MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2016, the Group entered into one finance lease arrangement in respect of acquisition of a motor vehicle with a total capital value at the inception of the lease of approximately HK\$681,000 (2015: approximately HK\$5,261,000).

## 29.主要非現金交易

於截至2016年12月31日止年度，本集團就於租賃開始時購置總資本值約681,000港元（2015年：約5,261,000港元）的汽車訂立一項融資租賃安排。

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### 30. TRANSFER OF FINANCIAL ASSETS

The following table details the Group's trade and bills receivables which were transferred to banks by discounting those receivables on a full recourse basis. As the Group had not transferred the significant risks and rewards relating to these receivables, it continued to recognise the full carrying amount of the receivables and had recognised the cash received on the transfer as a secured borrowing (see Note 23). These financial assets and financial liabilities were carried at amortised cost in the Group's consolidated statement of financial position.

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Carrying amount of transferred assets	轉撥資產賬面值	2,236	8,355
Carrying amount of associated liabilities	相關負債賬面值	(2,213)	(8,290)
		23	65

### 31. OPERATING LEASES COMMITMENTS

#### The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Within one year	一年內	1,690	3,919
In the second to fifth year, inclusive	第二至第五年(包括首尾兩年)	518	1,787
Over five years	超過五年	130	138
		2,338	5,844

The Group leases certain of its factory premises and offices under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to three (2015: one to three) years with fixed rentals as at 31 December 2016.

### 30. 轉撥金融資產

下表詳列本集團轉撥至銀行的應收賬款及票據，該等應收款項按全面追索權的基準貼現。由於本集團並無轉撥有關該等應收款項的重大風險及回報，故其持續確認該等應收款項的全數賬面值，並確認就該轉撥收取的現金為已抵押借款(見附註23)。該等金融資產及金融負債於本集團綜合財務狀況表按攤銷成本入賬。

### 31. 經營租賃承擔

#### 本集團作為承租人

於報告期末，本集團不可撤銷經營租賃項下的日後最低租賃付款承擔到期情況如下：

本集團根據經營租賃安排租賃若干工廠物業及辦公室。於2016年12月31日，物業租期經磋商為介乎一至三年(2015年：一至三年)，租金固定不變。

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## 32. RELATED PARTY TRANSACTIONS AND BALANCES

In addition to the transactions and balances detailed elsewhere in the consolidated financial statements, the Group has entered into the following significant transactions with related parties during the year.

### (a) Compensation of key management personnel

Other than the remuneration paid to the directors and employees of the Group as set out in note 12, who are considered as the key management personnel of the Group, the Group did not have any other significant compensations to key management personnel.

The remuneration of the directors and key management personnel is determined by the board of directors of the Company having regard to the performance of individuals and market trends.

### (b) Banking facilities

As at 31 December 2016 and 2015 certain banking facilities of the Group were guaranteed by Mr. Yiu Chi To, the Controlling Shareholder, to the following extent:

As at 31 December 2016 and 2015 certain banking facility of the Group were secured by a charge over land and properties owned by related companies. Details of the guarantees are set out in note 23.

## 32. 關連人士交易及結餘

除於綜合財務報表其他部分詳列的交易及結餘外，本集團已於年內與關連人士訂立以下重大交易。

### (a) 主要管理人員的補償

除於附註12所載支付予本集團董事及僱員（彼等被視為本集團主要管理人員）的薪酬外，本集團並無向主要管理人員支付任何其他重大補償。

董事及主要管理人員的薪酬由本公司董事會經考慮個別人士表現及市場趨勢釐定。

### (b) 銀行融資

於2016年及2015年12月31日，由控股股東姚志圖先生擔保的本集團若干銀行融資如下：

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Mr. Yiu Chi To	姚志圖先生	67,076	85,941

於2016年及2015年12月31日，本集團若干銀行融資由押記關連公司擁有的土地及物業作抵押。擔保詳情載於附註23。



## 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. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

#### (c) Other related parties transactions

Name of company 公司名稱	Nature of transaction 交易性質	2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Maxtone Electronics Limited ("Maxtone") 萬事通電子有限公司(「萬事通」)	Rental expenses 租金開支	1,020	969

The director of the Company has beneficial interest in Maxtone. The above transactions were at terms determined and agreed by the Company and the relevant parties.

本公司董事擁有萬事通的實益權益。上述交易按本公司及相關人士釐定及協定的條款進行。

### 33. RETIREMENT BENEFIT SCHEMES

The Group participates in a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant costs to the scheme, which contribution is matched by employees. The contributions from each of the employer and employees are subject to a cap of HK\$1,500 per month.

The employees of the Company's subsidiary established in the PRC are members of state-managed retirement benefit schemes operated by the PRC government. The PRC subsidiaries are required to contribute certain percentage of its payroll to the retirement benefits 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 scheme.

The Group made contributions to the retirement benefits schemes of approximately HK\$11,065,000 (2015: approximately HK\$16,544,000) for the year ended 31 December 2016.

### 32. 關連人士交易及結餘(續)

#### (c) 其他關連人士交易

### 33. 退休福利計劃

本集團為所有香港合資格僱員參加強制性公積金計劃。計劃的資產於受托人控制的基金中，與本集團的資產分開持有。本集團按相關成本的5%向計劃作出供款，並由僱員作出配對供款。僱主及僱員各自的供款上限為每月1,500港元。

本公司在中國成立的附屬公司的僱員為由中國政府營運的國家管理退休福利計劃的成員。中國附屬公司須將薪金的若干百分比向退休福利計劃供款，以為福利提供資金。本集團就退休福利計劃的唯一責任是根據計劃作出規定的供款。

截至2016年12月31日止年度，本集團向退休福利計劃作出的供款約為11,065,000港元(2015年：約16,544,000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. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

### 34. 本公司財務狀況表

		Notes 附註	2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
<b>Non-Current Assets</b>	<b>非流動資產</b>			
Investment in a subsidiary	於一間附屬公司投資		135,000	135,000
<b>Current Assets</b>	<b>流動資產</b>			
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		1,690	2
Amounts due from subsidiaries	應收附屬公司款項	(a)	201,326	169,327
Bank balances and cash	銀行結餘及現金		2,514	-
			<b>205,530</b>	169,329
<b>Current Liabilities</b>	<b>流動負債</b>			
Other payables and accruals	其他應付款項及預提費用		15	15
Amount due to a subsidiary	應付一間附屬公司款項		6,988	4,804
			<b>7,003</b>	4,819
<b>Net Current Assets</b>	<b>流動資產淨值</b>		<b>198,527</b>	164,510
<b>Total Assets Less Current Liabilities</b>	<b>總資產減流動負債</b>		<b>333,527</b>	299,510
<b>Non-Current Liability</b>	<b>非流動負債</b>			
Corporate bond	公司債券		1,736	-
			<b>331,791</b>	299,510
<b>Net Assets</b>	<b>資產淨值</b>			
<b>Capital and Reserves</b>	<b>資本及儲備</b>			
Share capital	股本		2,168	2,000
Reserves	儲備	(b)	329,623	297,510
<b>Total Equity</b>	<b>總權益</b>		<b>331,791</b>	299,510

## 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. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Notes:

- (a) The amounts due from/to subsidiaries are unsecured, carry prevailing market interest rate and are repayable on demand.
- (b) Movements in reserves

### 34. 本公司財務狀況表(續)

附註：

- (a) 應收／應付附屬公司款項乃無抵押、按現行市場利率計息以及須按要求償還。
- (b) 儲備變動

		<b>Share premium</b>	<b>Accumulated losses</b>	<b>Total</b>
		股份溢價	累計虧損	合計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
As at 1 January 2015	於2015年1月1日	303,321	(85)	303,236
Loss and total comprehensive expense for the year	年度虧損及 全面開支總額	-	(1,726)	(1,726)
Dividend declared and paid (Note 13)	已宣派及派付股息 (附註13)	(4,000)	-	(4,000)
As at 31 December 2015 and 1 January 2016	於2015年12月31日及 2016年1月1日	299,321	(1,811)	297,510
Loss and total comprehensive expense for the year	年度虧損及全面開支總額	-	(543)	(543)
Issue of shares by way of placing (Note 28)	以配售方式發行股份 (附註28)	33,482	-	33,482
Share issue expense	發行股份開支	(826)	-	(826)
As at 31 December 2016	於2016年12月31日	<b>331,977</b>	<b>(2,354)</b>	<b>329,623</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

### 35.SUBSIDIARIES

Particulars of the Company's subsidiaries are as follows:

### 35.附屬公司

本公司附屬公司的詳情如下：

Name of subsidiaries 附屬公司名稱	Place of incorporation/ establishment 註冊成立/ 設立地點	Place of operation 營運地點	Issued and fully paid share capital/registered capital 已發行及繳足股本/ 註冊資本	Percentage of equity interest/voting power attributable to the Company 本公司應佔股權/ 投票權百分比		Principal activities 主要業務
				Direct 直接	Indirect 間接	
Windrider Technology Company Limited	The BVI 英屬處女群島	Hong Kong 香港	Ordinary shares US\$100 普通股 100美元	100%	–	Investment holding 投資控股
Techwide Management Company Limited	The BVI 英屬處女群島	Hong Kong 香港	Ordinary shares US\$100 普通股 100美元	–	100%	Investment holding 投資控股
Wai Chi Electronic Technology Management Company Limited 偉志電子科技管理有限公司	Hong Kong 香港	Hong Kong 香港	Ordinary shares HK\$100,000 普通股 100,000港元	–	100%	Investment holding 投資控股
Ecosquare Energy Company Limited	The BVI 英屬處女群島	Hong Kong 香港	Ordinary shares US\$100 普通股 100美元	–	100%	Investment holding 投資控股
Wai Chi Energy Services Company Limited 偉志節能服務有限公司	Hong Kong 香港	Hong Kong 香港	Ordinary shares HK\$100,000 普通股 100,000港元	–	100%	Investment holding 投資控股
Allied Solution Company Limited	The BVI 英屬處女群島	Hong Kong 香港	Ordinary shares US\$100 普通股 100美元	–	100%	Investment holding 投資控股
Wai Chi Group (HK) Limited 偉志集團有限公司	Hong Kong 香港	Hong Kong 香港	Ordinary shares HK\$135,100,000 普通股 135,100,000港元	–	100%	Investment holding 投資控股

## 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.SUBSIDIARIES (continued)

### 35.附屬公司(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ establishment 註冊成立/ 設立地點	Place of operation 營運地點	Issued and fully paid share capital/registered capital 已發行及繳足股本/ 註冊資本	Percentage of equity interest/voting power attributable to the Company 本公司應佔股權/ 投票權百分比		Principal activities 主要業務
				Direct 直接	Indirect 間接	
Wai Chi Opto Technology Limited 偉志光電有限公司	Hong Kong 香港	Hong Kong 香港	Ordinary shares HK\$62,380,000 普通股 62,380,000港元	–	100%	Trading of LED backlight and lighting products 買賣LED背光及照明產品
Wai Chi Opto Technology (Shenzhen) Limited* (Note a) 偉志光電(深圳)有限公司(附註a)	The PRC 中國	The PRC 中國	Registered capital RMB97,128,000 註冊資本 人民幣97,128,000元	–	100%	Manufacture and sale of LED backlight and lighting products 製造及銷售LED背光及照明產品
Sanxia Wai Chi Opto Technology (Yichang) Limited* (Note b) 三峽偉志光電(宜昌)有限公司(附註b)	The PRC 中國	The PRC 中國	Registered capital RMB30,000,000 註冊資本 人民幣30,000,000元	–	100%	Provision of LED lights installation services 提供LED照明安裝服務
Shenzhen Wai Chi Lighting Company Limited* (Note b) 深圳市偉志照明有限公司(附註b)	The PRC 中國	The PRC 中國	Registered capital RMB5,000,000 註冊資本 人民幣5,000,000元	–	100%	Manufacture and sale of LED lighting products 製造及銷售LED照明產品
Beijing Senhuan Energy Management Company Limited* (Note b) 北京森洵節能科技有限公司(附註b)	The PRC 中國	The PRC 中國	Registered capital RMB5,800,000 註冊資本 人民幣5,800,000元	–	100%	Energy management business 能源管理業務
Huizhou Wai Chi Electronics Company Limited* (Note b) 惠州偉志電子有限公司(附註b)	The PRC 中國	The PRC 中國	Registered capital RMB144,113,349 註冊資本 人民幣144,113,349元	–	100%	Manufacture and sale of LED backlight and lighting products 製造及銷售LED背光及照明產品

## 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

### 35.SUBSIDIARIES (continued)

### 35.附屬公司(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ establishment 註冊成立/ 設立地點	Place of operation 營運地點	Issued and fully paid share capital/registered capital 已發行及繳足股本/ 註冊資本	Percentage of equity interest/voting power attributable to the Company 本公司應佔股權/ 投票權百分比		Principal activities 主要業務
				Direct 直接	Indirect 間接	
Wai Chi Jingmi Hardware (Huizhou) Company Limited* (Note b) 偉志精密五金塑膠(惠州)有限公司 (附註b)	The PRC 中國	The PRC 中國	Registered capital US\$3,720,000 註冊資本 3,720,000美元	-	100%	Manufacture of moulds 製造模組
惠州樂信光電五金有限公司 (Note b)(附註b)	The PRC 中國	The PRC 中國	Registered capital RMB4,838,290 註冊資本 人民幣4,838,290元	-	100%	Manufacture and sale of LED backlight products 製造及銷售LED 背光產品
深圳市前海偉志科技有限公司 (Note b)(附註b)	The PRC 中國	The PRC 中國	Registered capital RMB5,000,000 註冊資本 人民幣5,000,000元	-	100%	Fund centre 基金中心

None of the subsidiaries had issued any debt securities at the end of the year.

Notes:

- (a) The entity is wholly foreign owned enterprise established in the PRC.
- (b) These entities are limited liability companies established in the PRC.

概無附屬公司於年末發行任何債務證券。

附註：

- (a) 該實體為於中國成立的外商獨資企業。
- (b) 該等實體為於中國成立的有限公司。

\* For translation purpose only



## PARTICULARS OF PROPERTIES

### 物業附表

Property 物業	Percentage interest of the Group 本集團 佔有之百分比	Floor Area 面積 (sq.ft) (平方呎)	Usage as at 31 December 2016 於2016年12月31日時之用途
An Industrial complex located in Sanxu Village and Meihua Village, Luoyang Town, Boluo County, Huizhou, Guangdong Province, the PRC 一個位於中國廣東省惠州市博羅縣羅陽鎮三徐村及梅花村之工業園	100%	1,807,709	Occupied by the Group for industrial use 本集團佔用作工業用途
A Land Parcel located in Yanjiahe Village, Xiaoita, Yiling District, Yichang, Hubei Province, the PRC 一幅位於中國湖北省宜昌市夷陵區小溪塔鄰家河村之地塊	100%	595,595	A bare site and pending future development 空置用地，待日後發展

# FINANCIAL SUMMARY

## 財務概要

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元 (restated) (經重列)	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Revenue	營業額	1,321,601	1,100,491	1,165,579	894,033	753,655
Cost of sales	銷售成本	(1,160,336)	(854,979)	(889,736)	(668,706)	(575,749)
<b>Gross profit</b>	<b>毛利</b>	<b>161,265</b>	245,512	275,843	225,327	177,906
Operating expenses	經營成本	(154,483)	(283,173)	(194,255)	(155,768)	(129,819)
<b>Profit/(loss) before tax</b>	<b>除稅前利潤/(虧損)</b>	<b>6,782</b>	(37,661)	81,588	69,559	48,087
Income tax expenses	所得稅開支	(383)	(1,106)	(20,395)	(14,369)	(7,122)
<b>Profit/(loss) for the year</b>	<b>年度利潤/(虧損)</b>	<b>6,399</b>	(38,767)	61,193	55,190	40,965
<b>Earnings/(loss) per share</b>	<b>每股盈利/(虧損)</b>					
Basic and diluted (HK\$)	基本及攤薄(港元)	0.03	(0.19)	0.39	0.66	N/A
<b>Assets and liabilities</b>	<b>資產及負債</b>					
Non-current assets	非流動資產	273,125	330,995	356,524	340,484	296,081
Current assets	流動資產	1,176,360	1,317,509	1,252,401	842,349	771,259
Current liabilities	流動負債	(832,010)	(1,032,180)	(919,442)	(727,832)	(777,425)
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>	<b>617,475</b>	616,324	689,483	455,001	289,915
Non-current liabilities	非流動負債	(35,499)	(39,886)	(37,252)	(34,548)	(9,407)
<b>Net Assets</b>	<b>資產淨值</b>	<b>581,976</b>	576,438	652,231	420,453	280,508
<b>Capital and reserves</b>	<b>資本及儲備</b>					
Share capital	股本	2,168	2,000	2,000	101	100
Reserves	儲備	579,808	574,438	650,231	420,352	280,408
<b>Total Equity</b>	<b>總權益</b>	<b>581,976</b>	576,438	652,231	420,453	280,508



**Wai Chi Holdings Company Limited**  
**偉志控股有限公司**