



**CARRY**

W E A L T H HOLDINGS LIMITED

恒 富 控 股 有 限 公 司

(Incorporated in Bermuda with limited liability)  
(於百慕達註冊成立之有限公司)

(Stock Code 股份代號: 643)

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年 度 報 告  
Annual Report

*We Carry quality apparel with  
A Wealth of Human Resources*



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## **CARRY WEALTH HOLDINGS LIMITED**

manufactures and trades garment products for internationally renowned brand names and engages in securities investment. The Group has production facilities in Mainland China.

Headquartered in Hong Kong, Carry Wealth Holdings Limited has been listed on the Main Board of the Stock Exchange of Hong Kong Limited since 2000.

The Chinese name of the Company means “enduring prosperity”. The Group is committed to maximizing the return of its shareholders for their ongoing support.

**恒富控股有限公司**為多個國際知名品牌生產及買賣成衣產品並從事證券投資。本集團於中國大陸有生產設施。

恒富控股有限公司的總部設於香港，於二零零零年在香港聯合交易所有限公司主板上市。

本公司取名恒富，喻意「恒久富足」。本集團致力爭取最佳回報，回饋一直鼎力支持本集團的股東們。

## Corporate Information 公司資料

### Executive Directors

Mr. Li Haifeng (*Chairman & Chief Executive Officer*)  
Mr. Wan Ke (*Vice President*)<sup>^</sup>  
Mr. Tang Chak Lam, Charlie\*

### Non-Executive Director

Mr. Lee Sheng Kuang, James

### Independent Non-Executive Directors

Mr. Yau Wing Yiu  
Mr. Zhang Zhenyi  
Ms. Zheng Xianzhi

### Audit Committee

Mr. Yau Wing Yiu (*Committee Chairman*)  
Mr. Zhang Zhenyi  
Ms. Zheng Xianzhi

### Remuneration Committee

Mr. Yau Wing Yiu (*Committee Chairman*)  
Mr. Wang Ke<sup>^</sup>  
Mr. Zhang Zhenyi  
Ms. Zheng Xianzhi  
Mr. Tang Chak Lam, Charlie\*

### Nomination Committee

Mr. Li Haifeng (*Committee Chairman*)  
Mr. Yau Wing Yiu  
Mr. Zhang Zhenyi  
Ms. Zheng Xianzhi

### Investment Committee

Mr. Li Haifeng (*Committee Chairman*)  
Mr. Wang Ke<sup>^</sup>  
Mr. Tang Chak Lam, Charlie\*

### Company Secretary

Ms. Lau Yee Wa

### Auditor

PricewaterhouseCoopers  
22nd Floor, Prince's Building  
Central, Hong Kong

### 執行董事

李海楓先生 (主席及行政總裁)  
王科先生 (副總裁)<sup>^</sup>  
鄧澤霖先生\*

### 非執行董事

李勝光先生

### 獨立非執行董事

邱永耀先生  
張振義先生  
鄭先智女士

### 審核委員會

邱永耀先生 (委員會主席)  
張振義先生  
鄭先智女士

### 薪酬委員會

邱永耀先生 (委員會主席)  
王科先生<sup>^</sup>  
張振義先生  
鄭先智女士  
鄧澤霖先生\*

### 提名委員會

李海楓先生 (委員會主席)  
邱永耀先生  
張振義先生  
鄭先智女士

### 投資委員會

李海楓先生 (委員會主席)  
王科先生<sup>^</sup>  
鄧澤霖先生\*

### 公司秘書

劉綺華女士

### 核數師

羅兵咸永道會計師事務所  
香港中環  
太子大廈22樓

\* Ceased appointment on 1 January 2018

<sup>^</sup> Appointed on 19 March 2018

\* 於二零一八年一月一日終止委任

<sup>^</sup> 於二零一八年三月十九日獲委任

**Principal Bankers**

China CITIC Bank International Limited  
Standard Chartered Bank

**Principal Share Registrar and Transfer Agent**

MUFG Fund Services (Bermuda) Limited  
The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM08, Bermuda

**Branch Share Registrar and Transfer Agent in Hong Kong**

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

**Registered Office**

Clarendon House, 2 Church Street  
Hamilton HM 11, Bermuda

**Head Office and Principal Place of Business in Hong Kong**

Suite 2001, 20/F  
Shui On Centre  
6-8 Harbour Road  
Wanchai, Hong Kong  
Tel: (852) 2310 8180  
Fax: (852) 2310 8797

**Website**

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

**E-mail Address**

[info@carrywealth.com](mailto:info@carrywealth.com)

**Stock Code**

643

**Board Lot Size**

10,000 shares

**主要往來銀行**

中信銀行(國際)有限公司  
渣打銀行

**主要股份登記及過戶處**

MUFG Fund Services (Bermuda) Limited  
The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM08, Bermuda

**香港股份登記及過戶分處**

卓佳雅柏勤有限公司  
香港皇后大道東183號  
合和中心22樓

**註冊辦事處**

Clarendon House, 2 Church Street  
Hamilton HM 11, Bermuda

**總辦事處及香港主要營業地點**

香港灣仔  
港灣道6-8號  
瑞安中心  
20樓2001室  
電話：(852) 2310 8180  
傳真：(852) 2310 8797

**網站**

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

**電子郵箱**

[info@carrywealth.com](mailto:info@carrywealth.com)

**股份代號**

643

**每手買賣單位**

10,000股股份

## Information for Shareholders and Investors 股東及投資者資訊

### Results Announcement Date

#### *Interim results*

21 August 2017 (Monday)

#### *Annual results*

22 March 2018 (Thursday)

### Financial Calendar

#### *Deadline for lodging share transfer documents for entitlement to attend and vote at Annual General Meeting*

10 May 2018 (Thursday)

at 4:30 p.m.

#### *Closure of register of members*

11 May 2018 (Friday) to

16 May 2018 (Wednesday)

#### *Annual General Meeting*

16 May 2018 (Wednesday)

at 10:00 a.m.

### Shareholder Enquiries

Any matters relating to your shareholding, such as transfer of shares, change of address, loss of share certificates, should be addressed to the Branch Share Registrar and Transfer Agent in Hong Kong, contact details of which are set out as follows:

Tricor Abacus Limited  
Level 22, Hopewell Centre  
183 Queen's Road East, Hong Kong  
Tel: (852) 2980 1333  
Fax: (852) 2890 9350

### 業績公布日期

#### *中期業績*

二零一七年八月二十一日 (星期一)

#### *全年業績*

二零一八年三月二十二日 (星期四)

### 財務日誌

#### *如欲有權出席股東週年大會並於會上投票，遞交股份過戶文件之限期*

二零一八年五月十日 (星期四)

下午四時三十分

#### *暫停股份過戶登記*

二零一八年五月十一日 (星期五)至

二零一八年五月十六日 (星期三)

#### *股東週年大會*

二零一八年五月十六日 (星期三)

上午十時正

### 股東查詢

如有任何有關閣下持有股份之事宜，包括股份過戶、更改地址、遺失股票等，敬請聯絡香港股份登記及過戶分處，聯絡資料如下：

卓佳雅柏勤有限公司  
香港皇后大道東183號  
合和中心22樓  
電話：(852) 2980 1333  
傳真：(852) 2890 9350

# Financial Highlights 財務摘要

## FIVE YEAR FINANCIAL SUMMARY Results

## 五年財務摘要 業績

		Year ended 31 December 截至十二月三十一日止年度				
		2017 二零一七年	2016 二零一六年	2015 二零一五年	2014 二零一四年	2013 二零一三年
		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
Revenue	收益	<b>244,590</b>	123,105	120,695	153,176	145,838
Loss attributable to equity holders of the Company	本公司權益持有人應佔虧損	<b>(29,956)</b>	(49,719)	(37,983)	(14,724)	(30,216)

## Assets and liabilities

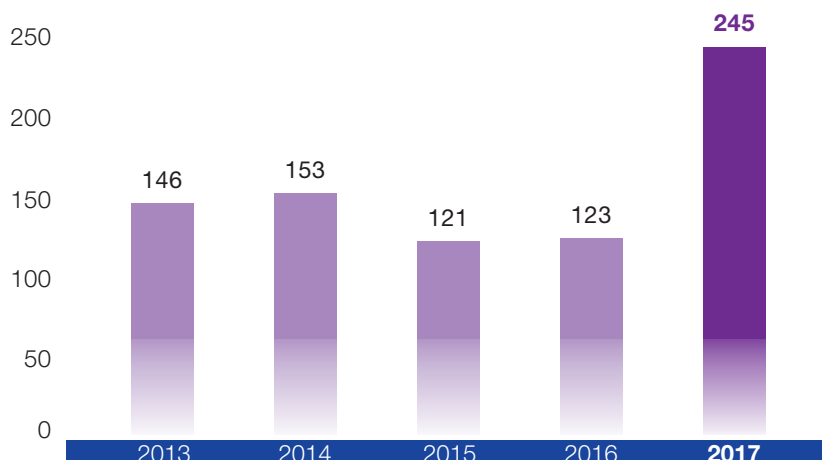
## 資產及負債

		As at 31 December 於十二月三十一日				
		2017 二零一七年	2016 二零一六年	2015 二零一五年	2014 二零一四年	2013 二零一三年
		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
Total assets	總資產	<b>276,553</b>	268,305	315,102	357,103	233,120
Total liabilities	總負債	<b>(74,109)</b>	(40,112)	(34,474)	(43,007)	(39,688)
Total equity	總權益	<b>202,444</b>	228,193	280,628	314,096	193,432



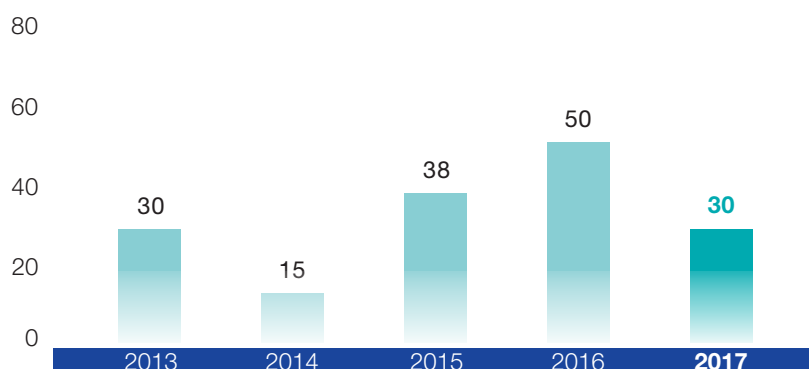
## REVENUE 收益

HK\$ million  
百萬港元



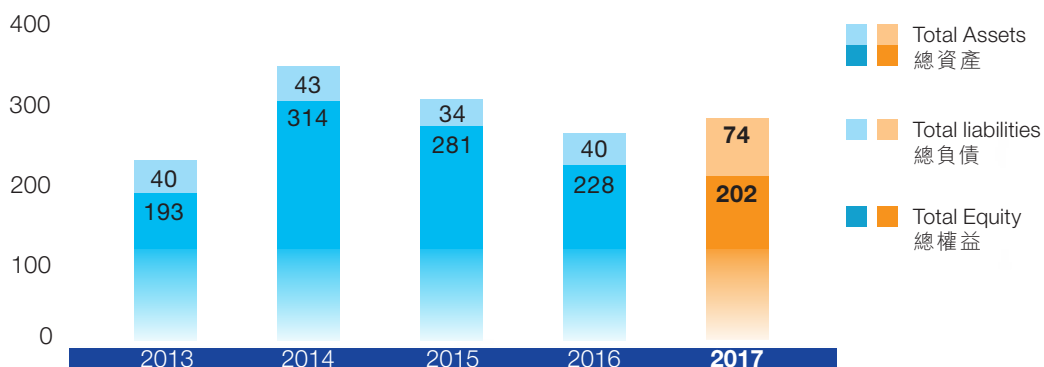
## LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY 本公司權益持有人應佔虧損

HK\$ million  
百萬港元



## TOTAL ASSETS, TOTAL LIABILITIES AND TOTAL EQUITY 總資產、總負債及總權益

HK\$ million  
百萬港元



## Financial Highlights 財務摘要

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	Changes 變化幅度
<b>Operating results</b>	<b>經營業績</b>			
Revenue	收益	244,590	123,105	98.7%
Gross profit/(loss)	毛利/(損)	40,078	(229)	-17,601.3%
Loss attributable to equity holders of the Company	本公司權益持有人應佔虧損	<u>(29,956)</u>	<u>(49,719)</u>	<u>-39.7%</u>
<b>Financial position at year end</b>	<b>於年終之財務狀況</b>			
Properties, plant and equipment	物業、廠房及設備	51,890	50,263	3.2%
Cash and cash equivalents	現金及現金等值項目	67,456	21,534	213.3%
Net current assets	流動資產淨值	107,521	150,742	-28.7%
Total assets	總資產	276,553	268,305	3.1%
Borrowing	貸款	5,952	N/A 不適用	N/A 不適用
Total liabilities	總負債	74,109	40,112	84.8%
Capital and reserves attributable to the Company's equity holders	本公司權益持有人應佔之資本及儲備	202,444	228,193	-11.3%
<b>Per share information</b>	<b>每股資料</b>			
Basic and diluted loss per share (Hong Kong cents)	每股基本及攤薄虧損 (港仙)	(3.66)	(6.08)	-39.8%
Capital and reserves attributable to the Company's equity holders per share (Hong Kong cents)	每股由本公司權益持有人應佔之資本及儲備 (港仙)	<u>24.7</u>	<u>27.9</u>	<u>-11.3%</u>
<b>Ratio analysis</b>	<b>比率分析</b>			
<b>Profitability</b>	<b>盈利水平</b>			
Gross profit/(loss) margin	毛利/(損)率	16.4%	(0.2%)	16.6%
Net loss margin	淨虧損率	(12.2%)	(40.4%)	28.2%
Return on the Company's equity holders	本公司權益持有人資金回報	<u>(14.8%)</u>	<u>(21.8%)</u>	<u>7.0%</u>
<b>Liquidity</b>	<b>流動狀況</b>			
Current ratio	流動比率	2.6	5.6	-53.6%
Gearing ratio*	資本負債比率*	<u>(30.4%)</u>	N/A不適用	N/A不適用
<b>Operating efficiency</b>	<b>經營效益</b>			
Inventory turnover period (days)	存貨周轉(日數)	67	71	-5.6%
Trade receivable turnover (days)	貿易應收款項周轉(日數)	52	46	13.0%
Trade payable turnover (days)	貿易應付款項周轉(日數)	<u>49</u>	<u>39</u>	<u>25.6%</u>

\* As at 31 December 2016, the Group did not have bank borrowing.

\* 於二零一六年十二月三十一日，本集團並無銀行貸款。

## Chairman's Statement 主席報告

On behalf of the Board of Directors (the "Board") of Carry Wealth Holdings Limited, I hereby present the annual report of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2017.

As the new year was ushered in, there were major fears about 2017 including the arrival of a new administration in the US that would trigger a market crash; collapse of the Eurozone resulting from the Italian banking crisis; and a Brexit-induced recession in the UK. All of these fears proved to be unfounded. In fact, the global economy found its post-crisis footing in 2017 as the majority of developing economies were able to make positive gains. The Eurozone, for example, defied naysayers by expanding 2.5% – its biggest increase in a decade – up from 1.8% in 2016. As for the United States, the real GDP growth rate reached 2.3% in 2017, up from 1.5% in 2016, according to estimates by the Bureau of Economic Analysis, while the unemployment rate declined from 4.7% to 4.1% during the same period. What has been most dramatic; however, were the bullish stock markets. With the Dow Jones Industrial Average climbing 25.1% higher in 2017 – hitting 71 record closes during the year, the S&P 500 gaining 19.4% and the Nasdaq Composite Index rising 28.2%, all three achieved their best year since 2013. Such surges reflected a resurgent US economy and jump in corporate profits, as well as tax cuts signed by President Trump that will ultimately result in billions saved by corporate America.

With record gains from the bullish stock markets help raising household wealth, and with home prices increasing during the year, consumer confidence strengthened significantly. This optimism was reflected by the consumer confidence index which hovered near the highest level in 17 years. Given such favourable conditions, we duly intensified our focus on tapping the US market for our garment manufacturing and trading segment. Indicative of our sales team's tremendous and fruitful efforts, revenue from the US market rose by 85.5% to HK\$139.7 million for the year, with total revenue amounting to HK\$229.3 million, representing an exceptional year-on-year increase of 72.2% from HK\$133.1 million in 2016. Segment profit totalled HK\$0.6 million versus a segment loss of HK\$12.1 million.

本人謹代表恒富控股有限公司董事會（「董事會」）提呈本公司及其附屬公司（統稱「本集團」）截至二零一七年十二月三十一日止年度之年度報告。

隨著新一年來臨，二零一七年的主要憂慮包括美國新政府之上任將引發股災；意大利銀行危機將導致歐元區分離；及英國脫歐將導致英國經濟衰退，所有這些憂慮都被證明杞人憂天。實際上，由於大多數發展中經濟體均能取得正面收益，全球經濟繼經濟危機後於二零一七年企穩。例如，歐元區經濟增長達2.5%，較二零一六年之1.8%大幅提高，錄得十年內最大增幅，否定了質疑者。就美國而言，根據經濟分析局之估計，實際國民生產總值增長率從二零一六年之1.5%增至二零一七年之2.3%，而同期之失業率則由4.7%降至4.1%。然而，最戲劇性莫過於股市牛市式上漲。道瓊斯工業平均指數於二零一七年飆升25.1%，於年內創下71項收市紀錄，而標準普爾500指數及納斯達克綜合指數則分別上漲19.4%及28.2%，該三大指數均達致自二零一三年以來之最佳表現。該等指數的飆升反映美國經濟復甦及企業利潤顯著增長，以及特朗普總統簽署的減稅法案將最終為美國企業節省數十億美元。

由於從牛市獲利有助於家庭財富的增加，且房價於年內上漲，令消費者信心大幅提升，從而反映於消費者信心指數在17年內的高位徘徊。鑒於此等有利條件，我們更著力專注於為成衣製造及貿易分部開發美國市場。於本年度，得益於我們銷售團隊之不懈努力，來自美國市場之收益增加85.5%至一億三千九百七十萬港元，總收益達二億二千九百三十萬港元，較二零一六年之一億三千三百一十萬港元同比大幅增長72.2%。該分部溢利合共為六十萬港元，而去年同期則虧損一千二百一十萬港元。

In respect of the securities investment segment, we were able to realise gains from most of our stocks during the first half year. However, in view of rising volatility in the Hong Kong market, the Group elected to dispose most of its listed stocks to realize the fair value gains. The resources that have been collected will be used on our business diversifications, the principal goal is to generate sustainable long-term returns.

Our openness to explore opportunities enabled us to diversify from our traditional business, we are active in exploring and investing in new businesses which show good development potential. In line with our diversification strategy, in June 2017, we subscribed shares of United Security Solutions International Limited ("USS") and now holds 41.45% equity interest in the company. USS is principally engaged in providing security and crisis management services to the public and private sectors.

### GOING FORWARD

In 2018, the US is expected to continue to have a Goldilocks economy where expansion will neither be too hot nor too cold, with GDP growth at between 2% and 3%. As for the Eurozone, GDP growth is also predicted to remain at a similar level as 2017, though the rise in value of the Euro against the US dollar; less stimulus from the European Central Bank; and possible deterioration of Brexit talks, all may create headwinds.

While market conditions are always uncertain, both the US and the Eurozone are expected to fare well in the new year, as most of the world's economies. According to the International Monetary Fund, global growth is forecasted to reach 3.9% for 2018 and 2019, having been revised upward by 0.2 percentage point. The revision is to reflect increasing global growth momentum and the expected impacts of tax policy changes in the US, stated the organisation.

在證券投資分部方面，我們於上半年變現大部分股票收益。然而，鑒於香港股市波動加劇，本集團選擇拋售其大部分上市股票以變現公允值收益。獲得的資源將用於本集團的業務多元化發展，旨在產生長期可持續回報。

我們開放性態度探索機遇令我們得以在傳統業務之外實現多元化發展，積極開發及投資具良好發展潛力之新業務。貫徹本集團的多元化策略，我們於二零一七年六月認購絲路聯合國際風險有限公司（「絲路聯合」）之股份，目前持有該公司41.45%之股權。絲路聯合主要從事向公營及私營企業提供安保及危機管理服務。

### 展望

二零一八年，預期美國將維持「金髮女孩經濟」，既不過熱，亦不過冷，國民生產總值之增長介乎2%至3%。就歐元區而言，預期國民生產總值增長亦將維持與二零一七年之相若水平，然而歐元兌美元升值、歐洲中央銀行刺激政策減少及退歐談判可能惡化等因素，均可造成不利局面。

儘管市場狀況將一直存在不明朗因素，美國及歐元區與全球大多數經濟體一樣在新的年份預期均表現良好。國際貨幣基金組織預計全球增長率於二零一八年及二零一九年達致3.9%，較之前上調0.2個百分點。國際貨幣基金組織表示，此次上調旨在反映全球增長勢頭及美國稅收政策變動之預期影響。

## Chairman's Statement 主席報告

We will therefore continue to focus on tapping the US and European markets in terms of bolstering our garment and manufacturing businesses. At the same time, we will closely explore opportunities, irrespective of regions, that enable us to continue our diversification drive. Regarding the securities investment segment, we will continue to monitor market conditions and replenishing our portfolio when deemed appropriate. Given our strong financial health, dedicated staff and experienced management team, we trust that our pursuit of sustainable long-term development will be realised in the future.

### APPRECIATION

At this time I would like to extend my sincerest appreciation to my fellow directors and the entire Carry Wealth workforce for their commitment, diligence and contributions to the Group during the past year. I wish to also express my gratitude to all of our customers, suppliers, business partners and shareholders for their unwavering support.

**Li Haifeng**  
*Chairman*

22 March 2018

因此，我們將繼續專注於開拓美國及歐洲市場，以增強我們的成衣及製造業務。與此同時，我們將密切尋求各地區多元化經營之良機。就證券投資分部而言，我們將繼續監察市況並適時補充投資組合。憑藉我們雄厚的財務實力、盡心盡力之員工及具豐富經驗之管理團隊，我們相信未來長期持續發展之目標將得以實現。

### 致謝

本人藉此機會衷心感謝董事全人及全體恒富員工在過去一年對本集團的不懈努力、盡忠職守及熱心貢獻。本人亦謹此感謝各客戶、供應商、業務夥伴及股東多年來始終如一的支持。

*主席*  
**李海楓**

二零一八年三月二十二日



## RESULTS AND BUSINESS REVIEW

For the year ended 31 December 2017, the Group's revenue amounted to HK\$244.6 million (2016: HK\$123.1 million) and gross profit was HK\$40.1 million (2016: gross loss HK\$0.2 million). Loss attributable to equity holders was HK\$30.0 million (2016: HK\$49.7 million). The basic and diluted loss per share were both 3.66 HK cents (2016: both 6.08 HK cents).

During the year under review, the US economy continued to strengthen with unemployment rate hitting 17-year low. Corporate earnings in the US were stronger than expected and some companies promised their employees bonus and salary increment. In Mainland China, although the GDP growth rate in 2017 was slightly higher than government projection, issues such as excessive leverage, local government debts, as well as structural problems including an aging population and shrinking labour supply prevailed. While in the Eurozone, stimulated by monetary policy, its 19-country economy was the strongest in close to seven years. Seizing rising business opportunities in the West, the Group's revenue from garment manufacturing and trading business increased by 72.2% to HK\$229.3 million (2016: HK\$133.1 million). Gross profit margin of the business increased by 3.4% to 10.8% (2016: 7.4%) and the gross profit surged to HK\$24.8 million (2016: HK\$9.8 million).

Stimulated by strong corporate earnings, gradual interest rate hikes and the tax reform in the US as well as improved global economic data, leading stock markets rebounded with value hitting record high during the year under review. The Hang Seng Index climbed 7,919 points and closed at 29,919 points in 2017 (2016: 22,000 points). For the year ended 31 December 2017, the Group's securities investment business recorded positive revenue and gross profit of HK\$15.3 million (2016: negative revenue and gross loss of HK\$10.0 million).

## 業績及業務回顧

截至二零一七年十二月三十一日止年度，本集團之收益為二億四千四百六十萬港元（二零一六年：一億二千三百一十萬港元），而毛利為四千零一十萬港元（二零一六年：毛損二十萬港元）。權益持有人應佔虧損為三千萬港元（二零一六年：四千九百七十萬港元），每股基本及攤薄虧損均為3.66港仙（二零一六年：均為6.08港仙）。

於回顧年度內，美國經濟持續增強，失業率達到十七年來最低水平。美國企業盈利高於預期且若干公司向員工承諾發放花紅及加薪。在中國大陸，儘管二零一七年的國內生產總值增長率略高於政府預期，但槓桿水平過高、地方政府債務等問題以及包括人口老齡化及勞動力供應萎縮等結構性問題持續存在，而在歐元區，在貨幣政策的推動下，其十九國的經濟於近七年來屬最為強勁。把握此西方崛起之商機，本集團來自成衣製造及貿易業務之收益增加72.2%至二億二千九百三十萬港元（二零一六年：一億三千三百一十萬港元），此業務之毛利率增加3.4%至10.8%（二零一六年：7.4%）而毛利急升至二千四百八十萬港元（二零一六年：九百八十萬港元）。

受美國強勁企業盈利、逐步加息、稅收改革以及全球經濟數據改善的刺激下，主要股票市場於回顧年度內反彈，估值達到歷史最高。恒生指數於二零一七年攀升7,919點並收市報29,919點（二零一六年：22,000點）。截至二零一七年十二月三十一日止年度，本集團之證券投資業務錄得正收益及毛利一千五百三十萬港元（二零一六年：負收益及毛損一千萬港元）。

## Management Discussion and Analysis 管理層討論及分析

During the year under review, as a result of the Group's effort to trim costs and benefiting from boosted economy of scale in production, the ratio of selling expenses to revenue from garment manufacturing and trading dropped to 2.0% (2016: 2.2%) and administrative expenses slightly increased to HK\$42.3 million (2016: HK\$42.1 million). The Group shared an operating loss of HK\$5.3 million (2016: HK\$3.6 million) from its investment in a joint venture. The joint venture sells and develops smart card application products used for non-cash payments in Mainland China. After similar Applications were launched by WeChat pay and Alipay in major Mainland China cities in the second half of 2017 and the fierce competition from other market participants, the business environment became extremely difficult for the joint venture. As at 31 December 2017, in view of significant decline in operating results compared with budget, deteriorating liquidity condition, continuous net operating cash outflow and the net liabilities of the joint venture, an impairment loss provision of HK\$15.6 million was made by the Group to reduce the Group's investment in the joint venture to the recoverable amount.

### Segmental Analysis

#### a) *Garment manufacturing and trading segment*

In the year under review, the Group's factory in Heshan, Mainland China accounted for its entire garment production.

During the year under review, macroeconomic data in the US were positive. Consumer spending, which accounts for more than two-thirds of US economic activity, increased by 3.8% in the fourth quarter of 2017, the fastest since 2014. Seeing solid signs of continuous economic growth in the US, the Group adjusted its business strategy and actively sought to capture business opportunities from the US market. During the year under review, revenue from US customers increased by 85.5% to HK\$139.7 million (2016: HK\$75.3 million), accounting for 60.9% (2016: 56.6%) of the segment revenue.

於回顧年度內，由於本集團致力削減成本及受益於生產規模效益的提高，銷售開支對成衣製造及貿易之收益比率跌至2.0%（二零一六年：2.2%），行政開支輕微增至四千二百三十萬港元（二零一六年：四千二百一十萬港元）。本集團就其於一間合營企業之投資分佔經營虧損五百三十萬港元（二零一六年：三百六十萬港元）。該合營企業於中國大陸銷售及開發非現金支付所用之智能卡應用產品。繼微信支付及支付寶於二零一七年下半年在中國大陸主要城市推出類似之應用程序及其他市場參與者之激烈競爭下，該合營企業的營商環境極其困難。於二零一七年十二月三十一日，經考慮該合營企業之經營業績遠低於預算、流動資金狀況日益惡化、持續之經營現金淨流出及其淨負債情況，本集團已作出一千五百六十萬港元之減值虧損撥備，將本集團於該合營企業之投資減少至可收回金額。

### 分部分析

#### a) *成衣製造及貿易分部*

於回顧年度內，本集團之成衣生產全部由其位於中國大陸鶴山市之廠房負責。

於回顧年度內，美國的宏觀經濟數據向好。消費性開支（其佔美國經濟活動逾三分之二）於二零一七年第四季度增加3.8%，為自二零一四年以來最快增幅。鑒於美國經濟持續增長跡象呈穩定，本集團已調整其業務策略，積極把握美國市場商機。於回顧年度內，本集團來自美國客戶之收益增加85.5%至一億三千九百七十萬港元（二零一六年：七千五百三十萬港元），佔該分部收益的60.9%（二零一六年：56.6%）。

As for Mainland China, the economy was generally stable in the review year. However, with tight financial policies implemented, customer demands had cool down. With customers highly price sensitive and competition fierce among domestic players, the Group faced challenge in negotiating for reasonable prices with customers so as to maintain its margins. Given the growing opportunities in the West, the Group has shifted its focus and efforts to overseas markets. During the year under review, there was no revenue generated from Mainland China customers (2016: HK\$19.1 million).

In the Euro-zone, the fear of populist leaders winning key elections subsided and economic recovery in the region continued during the year under review. Furthermore, with the European Central Bank extending its asset purchase programme till September 2018 to stimulate the regional economy, both consumption and business sentiments continued to improve. As a result, revenue from European customers increased by HK\$36.3 million to HK\$64.0 million (2016: HK\$27.7 million) which accounted for 27.9% (2016: 20.8%) of the segmental revenue.

Thanks to the prompt response of the Group to market conditions and the concerned efforts of its staff, revenue from the garment manufacturing and trading segment recorded a significant 72.2% increase to HK\$229.3 million (2016: HK\$133.1 million) and the segment profit amounted to HK\$0.6 million (2016: loss of HK\$12.1 million).

於回顧年度內，中國大陸的經濟基本穩定。然而，隨著緊縮財務政策的實施，消費者需求降溫。由於客戶對價格極為敏感及國內從業者間之激烈競爭，本集團在與客戶磋商合理價格以維持其利潤率方面面臨挑戰。有見西方越來越多之機遇，本集團進而集中轉戰海外市場。於回顧年度內，概無來自中國大陸客戶之收益（二零一六年：一千九百一十萬港元）。

於歐元區，對民粹主義領導人贏得選舉之擔憂消退而該區經濟亦於回顧年度內持續復甦。此外，隨著歐洲中央銀行延續其資產購買計劃至二零一八年九月藉以刺激區域經濟，消費及營商氣氛均有所改善。因此，來自歐洲客戶之收益增加三千六百三十萬港元至六千四百萬港元（二零一六年：二千七百七十萬港元），佔分部收益的27.9%（二零一六年：20.8%）。

受惠於本集團對市場狀況之迅速反應及其員工之不懈努力，來自成衣製造及貿易分部之收益大幅增長72.2%至二億二千九百三十萬港元（二零一六年：一億三千三百一十萬港元），分部溢利為六十萬港元（二零一六年：虧損一千二百一十萬港元）。



## Management Discussion and Analysis 管理層討論及分析

### b) Securities investment segment

The Hang Seng Index rose by 36.0% compared with year 2016 and closed at 29,919 points in 2017 (2016: 22,000 points). The significant gain in 2017 was owed to a number of factors. Improved corporate earnings and solid global economic growth saw leading stock markets including that in Hong Kong advanced to higher levels. That plus increasing mainland funds streaming southbound into the Hong Kong stock market via the Stock Connect schemes and the stabilised Mainland China economy, the Hang Seng Index had climbed and briefly reached above 30,000 points in 2017, the first time in a decade. Taking advantage of the better Hong Kong stock market conditions, the Group realised most of its holding in the year under review. The Group's securities investment recorded a fair value gain of HK\$15.0 million (2016: loss of HK\$11.7 million) and a segment profit of HK\$6.8 million (2016: loss of HK\$20.8 million) during the review year.

As at 31 December 2017, the Group's financial assets at fair value through profit or loss amounted to HK\$3.5 million (31 December 2016: HK\$108.2 million) which comprised one (31 December 2016: 23) Hong Kong listed corporation. The details as at 31 December 2017 are as follows:

### b) 證券投資分部

於二零一七年，恒生指數較二零一六年上升36.0%，收市報29,919點（二零一六年：22,000點），此二零一七年之大幅增長乃歸因於眾多因素。企業盈利的改善及全球經濟穩定增長帶動了包括香港股票市場在內之主要股票市場走高，另外加上越來越多的內地資金透過股票互通計劃流入香港股市及中國大陸經濟保持穩定，也令恒生指數於二零一七年攀升並於十年內首次短暫上漲至30,000點以上。藉著香港股票市場利好的狀況，本集團於回顧年度內變現其大部分股票。於回顧年度內，本集團證券投資錄得公允值收益一千五百萬港元（二零一六年：虧損一千一百七十萬港元）及分部溢利六百八十萬港元（二零一六年：虧損二千零八十萬港元）。

於二零一七年十二月三十一日，本集團按公允值計入損益賬之金融資產為三百五十萬港元（二零一六年十二月三十一日：一億零八百二十萬港元），包括一間（二零一六年十二月三十一日：23間）香港上市企業。於二零一七年十二月三十一日，其詳情如下：

Stock Code	Listed Company	Industry classification	Number of shares	Investment cost	Market value	% of the Group's total assets
股票代號	上市公司	行業分類	股份數目 Thousands 千股	投資成本 HK\$'000 千港元	市值 HK\$'000 千港元	佔本集團 總資產之 百分比
01359	China Cinda Asset Management Co., Ltd. 中國信達資產管理股份有限公司	Financials – investment and asset management 金融—投資及資產管理	1,230	3,821	3,518	1.3

## Management Discussion and Analysis 管理層討論及分析

Details of the top five (loss)/gains of listed equity securities held by the Group for the year ended 31 December 2017 are as follows:

截至二零一七年十二月三十一日止年度，本集團持有之上市股本證券之五大（虧損）／收益詳情如下：

Stock code 股票代號	Listed company 上市公司	Industry classification 行業分類	Fair value (loss)/gain 公允值 (虧損)／收益 HK\$'000 千港元	Dividends received 已收股息 HK\$'000 千港元
00940	China Animal Healthcare Ltd. 中國動物保健品有限公司	Consumer goods – pharmaceuticals 消費品－藥品	(4,576)	–
00700	Tencent Holdings Limited 騰訊控股有限公司	Information technology – E-commerce and internet services 資訊科技－電子商務及互聯網服務	3,633	19
01918	Sunac China Holdings Limited 融創中國控股有限公司	Properties and construction – property development 地產及建築－房地產發展	3,607	–
00966	China Taiping Insurance Holdings Company Limited 中國太平保險控股有限公司	Financials – insurance 金融－保險	2,396	–
00570	China Traditional Chinese Medicine Holdings Co. Limited 中國中藥控股有限公司	Consumer goods – pharmaceuticals 消費品－藥品	1,426	–
			<u>6,486</u>	<u>19</u>

## Management Discussion and Analysis 管理層討論及分析

In June 2017, in line with its business diversification strategy, the Group entered into a share subscription agreement to subscribe 6,480,000 new shares of United Security Solutions International Limited (“USS”). USS is a newly established global risk management company that delivers comprehensive, tailored and industry-leading risk management, advisory, crisis management and cyber security services. USS subsequently completed the acquisition of a security and crisis management subsidiary, as such it now has a solid platform to offer security and crisis management services to including customers in Mainland China and the Asia Pacific region. Focusing on security and crisis management business is in favour of USS in this early stage of development when compared with setting up a risk advisory and cyber security platform and providing related services. Heeding this new business focus and related capital requirement, the Group signed a Supplemental Agreement on 12 January 2018 reducing its subscription of new shares from 6,480,000 to 4,101,615 for a consideration of US\$4,101,615 (equivalent to HK\$31,992,597) using internal resources. With the transaction completed, the Group now holds approximately 41.45% interest in its associate USS. As USS was at the initial start-up stage of business development, the Group shared a loss of HK\$5.7 million related to USS’s operation for the year ended 31 December 2017.

### LIQUIDITY AND FINANCIAL RESOURCES

Adopting a conservative financial management approach, the Group continues to maintain a healthy financial position. As at 31 December 2017, the Group’s cash and cash equivalents was HK\$67.5 million (31 December 2016: HK\$21.5 million). Working capital represented by net current assets amounted to HK\$107.5 million (31 December 2016: HK\$150.7 million) of which HK\$3.5 million (31 December 2016: HK\$108.2 million) were Hong Kong listed equity stocks. The Group’s current ratio was 2.6 (31 December 2016: 5.6).

於二零一七年六月，貫徹其業務多元化策略，本集團已訂立股份認購協議，認購絲路聯合國際風險有限公司（「絲路聯合」）6,480,000股新股份。絲路聯合為一家新成立之全球風險管理公司，其提供全面、量身定制及業界領先之風險管理、顧問、危機管理及網絡安全服務。隨後，絲路聯合完成收購安保及危機管理附屬公司，因此目前其擁有穩固的平台，為包括中國大陸及亞太區之客戶提供安保及危機管理服務。相對於成立風險諮詢及網絡安全平台以及提供相關服務，在此發展早期階段而重點專注於安保及危機管理業務更有利於絲路聯合。有見於此業務新重點及相關資本要求，本集團於二零一八年一月十二日簽署補充協議，將由認購6,480,000股新股份減少至4,101,615股新股份，代價為4,101,615美元（相當於31,992,597港元），動用內部資源結付。於交易完成後，本集團現持有其聯營公司絲路聯合約41.45%之權益。由於絲路聯合正處於業務開發的初始階段，本集團分佔與絲路聯合截至二零一七年十二月三十一日止年度之營運有關之虧損五百七十萬港元。

### 流動資金及財務資源

本集團秉持審慎之財務管理方法，得以繼續保持健全之財務狀況。於二零一七年十二月三十一日，本集團之現金及現金等值項目為六千七百五十萬港元（二零一六年十二月三十一日：二千一百五十萬港元）。營運資金（即流動資產淨值）為一億零七百五十萬港元（二零一六年十二月三十一日：一億五千零七十萬港元），其中三百五十萬港元（二零一六年十二月三十一日：一億零八百二十萬港元）為香港上市股本證券。本集團之流動比率為2.6（二零一六年十二月三十一日：5.6）。

Bank borrowing comprised term loans of HK\$6.0 million (31 December 2016: no bank borrowing) which were repayable within one year. The bank loans were denominated in Renminbi. As at 31 December 2017, the gearing ratio of the Group, which is calculated as net debt (total borrowing less cash and cash equivalents) divided by capital and reserves attributable to the Company's equity holders, was -30.4% (31 December 2016: Not applicable).

### CAPITAL EXPENDITURE

For the year under review, the Group incurred a total capital expenditure of HK\$0.6 million (2016: HK\$3.7 million), which was mainly for additions to machinery and office equipment.

### FOREIGN EXCHANGE EXPOSURE

The Group's sales are principally transacted in US dollars. With a factory in Mainland China and offices in Hong Kong and Mainland China, operating expenses of the Group are primarily denominated in Hong Kong dollars and Renminbi with some expenses in US dollars. The Group is mainly exposed to US dollar exchange risk arising from sales transactions of its garments. As the Hong Kong dollar is pegged to the US dollar, exposure of the Group to foreign exchange risk is minimal.

The Group will closely monitor fluctuation of US dollar exchange rates and, if necessary, will enter into forward exchange contracts to reduce currency exchange fluctuation risks.

### CREDIT POLICY

Consistent with prevailing industry practice, the Group's business was transacted on an open account basis with its long-standing customers during the year under review. The credit ratings of customers are constantly reviewed and their respective credit limits will be adjusted, as and when necessary.

銀行貸款包括定期貸款六百萬港元（二零一六年十二月三十一日：無銀行貸款）並須於一年內償還。銀行貸款以人民幣計值。於二零一七年十二月三十一日，本集團之資本負債比率以債務淨額（總貸款減現金及現金等值項目）除以本公司權益持有人應佔之資本及儲備為-30.4%（二零一六年十二月三十一日：不適用）。

### 資本開支

於回顧年度內，本集團產生之資本開支總額為六十萬港元（二零一六年：三百七十萬港元），主要用作添置機器及辦公室設備。

### 外匯風險

本集團之銷售主要以美元交易。本集團於中國大陸設有一間廠房，並於香港及中國大陸設有辦事處，其經營開支主要以港元及人民幣結算，部分開支亦以美元結算。本集團主要面對由銷售成衣之交易所引致之美元匯率風險。由於港元與美元掛鈎，故本集團外匯風險較低。

本集團將會密切監察美元兌換率的波動情況，並於有需要時訂立遠期外匯合約以減低貨幣匯兌波動的風險。

### 信貸政策

與現時行業慣例相符，本集團於回顧年度內與已建立長遠穩定關係之客戶以記賬形式進行業務交易。本集團定期審閱客戶之信貸評級，並於有需要時調整彼等之個別信貸額。

## CHARGES ON ASSETS

As at 31 December 2017, the Group's land use rights of HK\$5.8 million and buildings of HK\$23.4 million in Heshan, Mainland China were pledged as security for the Group's bank borrowing. As at 31 December 2016, the Group had no charges on assets.

## CONTINGENT LIABILITIES

As at 31 December 2017 and 2016, the Group had no contingent liabilities.

## HUMAN RESOURCES AND REMUNERATION POLICIES

The Group provides a harmonious and professional working environment to employees as their commitment and expertise are critical to the long-term success of its business. It also offers employees rewarding careers and provides them with a variety of training programmes aimed at enhancing their professionalism. The Group remunerates employees according to prevailing market practices, individual experience and performance. To attract and retain high calibre employees, it also offers discretionary bonuses and share options to staff members based on performance of the individual as well as the Group.

As at 31 December 2017, the Group had a total of 881 (31 December 2016: 875) full-time employees in Mainland China and Hong Kong.

## 資產抵押

於二零一七年十二月三十一日，本集團位於中國大陸鶴山市之土地使用權五百八十萬港元及樓宇二千三百四十萬港元已抵押作本集團銀行貸款之擔保。於二零一六年十二月三十一日，本集團並無資產被抵押。

## 或然負債

於二零一七年及二零一六年十二月三十一日，本集團並無或然負債。

## 人力資源及薪酬政策

本集團為僱員提供和諧及專業之工作環境，其業務之長期成功全賴僱員之竭誠投入工作及其專業技能。本集團給予僱員具價值之事業及提供旨在加強其專業技能之不同培訓課程。本集團僱員薪酬福利乃根據現行市場慣例及按其個人經驗與表現而釐定。為吸引及挽留高質素僱員，本集團亦按個別僱員之表現及本集團之業績向個別僱員授予酌情花紅及購股權。

於二零一七年十二月三十一日，本集團在中國大陸及香港共僱用881名（二零一六年十二月三十一日：875名）全職僱員。



## ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

As a responsible corporation, the Group is committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. The Board has overall responsibility for the Group's environmental, social and governance ("ESG") strategy. The Board is responsible for ensuring that there are appropriate and effective risk management and internal control systems in place to mitigate ESG-related risks and meet stakeholders' needs and expectations. The Group's ESG management team is assigned key responsibilities including monitoring the implementation of ESG strategic plans, alerting the Board of any potential ESG-related risks, reporting to the Board about ESG system effectiveness and reviewing stakeholders' needs and expectations.

The Group operates two business segments: garment manufacturing and trading, and securities investment. The Group's factory in Heshan city, Guangdong Province, Mainland China accounted for the entire garment manufacturing and trading business with 863 employees as at 31 December 2017 and the Hong Kong office had 18 employees who were mainly responsible for the securities investment business and providing supporting services to the Group. The two business segments as well as the Hong Kong office had complied with all relevant laws and regulations in relation to its business in the environmental and social aspects for the year ended 31 December 2017. The Group understands a better future for the society depends on everyone's participation and contribution. It encourages employees, customers, suppliers and other stakeholders to participate in environmental protection and social activities which can benefit the community as a whole.

The Group maintains strong relationships with its employees, has kept enhancing cooperation with suppliers and providing high quality products and services to customers, which have helped ensure sustainable development of its business.

## 環境、社會及企業管治

作為一間具社會責任的企業，本集團致力維持最高要求之環境及社會標準，以確保其業務可持續發展。董事會對本集團之環境、社會及管治（「環境、社會及管治」）策略承擔整體責任。董事會負責確保設立合適及有效之風險管理及內部監控系統，從而降低環境、社會及管治相關風險，以達致持份者之需求及預期。本集團之環境、社會及管治管理團隊肩負包括監察環境、社會及管治策略計劃之實施、警示董事會任何潛在環境、社會及管治系統風險，向董事會報告有關環境、社會及管治系統成效及審查持份者之需求及預期在內之主要職責。

本集團經營兩個業務分部：成衣製造及貿易以及證券投資。於二零一七年十二月三十一日，本集團位於中國大陸廣東省鶴山市之廠房負責所有成衣製造及貿易業務，有863名僱員，而香港辦事處有18名僱員，其主要負責證券投資業務及為本集團提供支援服務。截至二零一七年十二月三十一日止年度，此兩個業務分部以及香港辦事處已遵守與其業務有關之環境層面及社會層面之所有相關法律及法規。本集團明白，有賴所有人的參與及貢獻才能改善社會成就美好將來，亦因此鼓勵僱員、客戶、供應商及其他持份者參與環境保護及社會活動，惠及整個社區。

本集團與其僱員維持緊密關係，加強與其供應商之間的合作，並為其客戶提供優質產品及服務，有助於確保其業務之可持續發展。

## Management Discussion and Analysis 管理層討論及分析

Having considered stakeholders' major concerns and materiality, the Group decided to include the garment manufacturing and trading business as carried out at its Heshan factory in ESG reporting for year ended 31 December 2017. The Group's Heshan factory needs to undergo stringent environmental audit and continuous monitoring by local government departments. An annual inspection on the Heshan manufacturing plant is performed by Heshan Environmental Protection Bureau. In the reporting year, the Heshan manufacturing plant complied with all relevant environmental laws and regulations. All Heshan factory employees are recruited under employment agreements with terms in compliance with the relevant laws and regulations. It complied with all relevant occupational health and safety laws and regulations imposed by Mainland China authorities. With a safe working environment and regular occupational safety trainings held for all employees, there were no work-related fatalities at the production facilities for the year ended 31 December 2017. A full 2017 ESG report is being prepared with reference to Appendix 27 Environmental, Social and Governance Reporting Guide to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") and will be published on the websites of the Company and the Stock Exchange around the end of May 2018.

### OUTLOOK

2017 was a positive and encouraging year for the economy and capital markets. Global economic confidence, economic growth and stock markets continued to improve. Looking ahead, we expect global economic activities to continue to thrive.

經考慮持份者之關注重點及重要性，本集團決定將其鶴山工廠從事成衣製造及貿易業務載入其截至二零一七年十二月三十一日之環境、社會及管治報告。本集團之鶴山工廠須經地方政府部門進行嚴格環境審核及持續監察。鶴山環保局會對鶴山工廠進行年度審查。於報告年度，鶴山工廠已遵守所有相關環境法律及法規。於鶴山工廠工作之所有僱員已遵照相關法律及法規之條款訂立之僱傭協議而招聘。其已遵守中國大陸政府實施的所有相關職業健康及安全法律及法規。憑藉安全的工作環境及為全體僱員舉行定期職業安全培訓，截至二零一七年十二月三十一日止年度，生產場所並無發生與工作有關的死亡事故。完整之二零一七年環境、社會及管治報告乃參考香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄二十七環境、社會及管治報告指引而編製，並將於二零一八年五月底刊載於本公司及聯交所之網站。

### 前景

二零一七年對經濟及資本市場而言是積極及令人鼓舞的一年。全球經濟信心、經濟增長及股票市場持續改善。展望未來，我們預期全球經濟活動將繼續強勁增長。

Given the encouraging business conditions in overseas markets, the Group will continue to focus on growing the US and European markets for its garment manufacturing and trading business. In the US, multi-national corporations have started repatriating funds following the passing of the tax reform bills on December 2017. With more capital going back into businesses in the US, the US economy is expected to keep improving and create favourable spillover for its trading partners. However, some countries may experience severe capital outflows which in turn may trigger a race to slash taxes to compete for capital. In addition, in view of Trump's "America first" protectionist strategy, black swan events may emerge to change the optimism of economies in 2017 and dampen global growth momentum in 2018, a possible impact that cannot be underestimated.

While in the Euro-zone, as long as there is a smooth Brexit negotiation and the European Central Bank maintains its expansionary monetary policy, economies there are expected to see their growth rates climb further in 2018.

As for the Hong Kong stock market, the Hang Seng Index reached record high since the 2008 financial crisis. As valuations soar with volatility index alongside, the possibility of correction has grown. In addition, such factors as the geopolitical tension on the Korean peninsula and in the Middle East, anti-globalisation initiatives of the US government and concerns about the increase in frequency and magnitude of US interest rate hikes are all adding to stock market volatility. During year 2017, the Group disposed of most of its listed stocks to secure gains and boost its financial resources for, when opportunities arise, investing in businesses that promise long-term stable returns or in Hong Kong listed equities of reasonable fundamental value.

As always, the Group pledges to seek opportunities to broaden its income sources. The subscription of shares in USS has given the Group an opportunity to explore extra income by deploying resources to closely monitor the business development of this rapidly growing company in a fast developing industry. Looking ahead, we will continue to execute set business strategies and at the same time explore diversification into other potentially lucrative areas. It is the intention of the Group to strive for long-term sustainable growth of its business so as to maximise returns to shareholders.

鑒於海外市場之營商狀況令人鼓舞，本集團將繼續專注於發展美國及歐洲市場之成衣製造及貿易業務。在美國，跨國公司因應於二零一七年十二月通過稅改法案後已開始將資金調回國內。隨著更多資本流回至美國業務，預期美國經濟將持續改善並為其貿易夥伴產生溢效應。然而，若干國家可能面臨嚴重資本外流，從而引發為爭奪資本而削減稅收之競賽。此外，鑒於特朗普之「美國優先」之貿易保護主義策略，黑天鵝事件可能出現而改變二零一七年經濟體之樂觀情緒及抑制二零一八年全球增長勢頭，這是一個不能低估之影響。

在歐元區，只要英國脫歐談判順利及歐洲中央銀行維持其寬鬆的貨幣政策，預期於二零一八年其經濟增長率將進一步攀升。

就香港股票市場而言，恒生指數達致自二零零八年金融危機以來的新高。隨著估值與波動指數雙雙飆升，調整之可能性已增加。此外，由於朝鮮半島及中東地緣政治緊張、美國政府反全球化之舉動以及對美國加息頻率及幅度增加的擔憂等因素均增加股市之波動。於二零一七年，本集團已出售其大部分上市股票，以獲取利益及增加其財務資源，從而能夠於合適機會出現時，投資於能保證長期穩定回報之業務或具合理基礎價值的香港上市股票。

一如既往，本集團矢志尋求機會開拓其收入來源。認購絲路聯合之股份為本集團提供一個探索額外收入的機會，透過部署資源密切監控此迅速成長公司於這個高速發展行業之業務進展。展望未來，我們將繼續執行既定之業務策略，與此同時，將探索其他潛在可獲利領域作多元化業務拓展。本集團擬竭盡全力實現其業務之長期可持續增長，以為股東帶來最大回報。



# Corporate Governance Report 企業管治報告

The board of directors of the Company (the “Board”) is committed to maintaining and ensuring high standards of corporate governance as good corporate governance can safeguard the interests of all shareholders and enhance corporate value. The Company continuously reviews and improves the corporate governance practices and standards of the Group from time to time to ensure that business activities and decision making processes are regulated in a proper manner.

## CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the year ended 31 December 2017 except for the Code Provision A.2.1 which requires the split of role of chairman and chief executive and the segregation of responsibilities between chairman and chief executive should be clearly established and set out in writing.

## THE BOARD OF DIRECTORS

### Board Composition

The Board is led by the Chairman and currently comprises two executive directors, one non-executive director and three independent non-executive directors as follows:

#### Executive Directors

Mr. Li Haifeng (*Chairman & Chief Executive Officer*)

Mr. Wang Ke (*Vice President*)

(*Appointed on 19 March 2018*)

Mr. Tang Chak Lam, Charlie

(*Ceased appointment on 1 January 2018*)

#### Non-Executive Director

Mr. Lee Sheng Kuang, James

(*Re-designated from an executive director to a non-executive director on 1 April 2017*)

#### Independent Non-Executive Directors

Mr. Yau Wing Yiu

Mr. Zhang Zhenyi

(*Appointed on 24 March 2017*)

Ms. Zheng Xianzhi

(*Appointed on 30 June 2017*)

本公司董事會（「董事會」）致力維持及確保高水平之企業管治，因良好之企業管治可保障全體股東利益及提高企業價值。本公司持續不時檢討及改善本集團之企業管治常規及標準，以確保業務活動及決策過程受到適當規管。

## 企業管治常規

除守則條文A.2.1，規定主席與行政總裁的角色應有區分，與及主席和行政總裁之間職責的分工應清楚界定並以書面列載並沒有遵守外，於截至二零一七年十二月三十一日止年度內，本公司一直遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載之企業管治守則（「企業管治守則」）之所有守則條文。

## 董事會

### 董事會之組成

董事會由主席領導，現由下列二名執行董事、一名非執行董事及三名獨立非執行董事組成：

#### 執行董事

李海楓先生（*主席及行政總裁*）

王科先生（*副總裁*）

（*於二零一八年三月十九日獲委任*）

鄧澤霖先生

（*於二零一八年一月一日終止委任*）

#### 非執行董事

李勝光先生

（*於二零一七年四月一日*

*由執行董事調任為非執行董事*）

#### 獨立非執行董事

邱永耀先生

張振義先生

（*於二零一七年三月二十四日獲委任*）

鄭先智女士

（*於二零一七年六月三十日獲委任*）

The biographical details of the directors are set out on pages 47 to 50 of this Annual Report. The Board possesses a balance of skill and experience which is appropriate for the requirements of the business of the Group. A balanced composition of executive and non-executive directors also generates a strong independent element on the Board, which can exercise independent judgement effectively and make decision objectively for the best interests of the Company.

Following the appointment of Mr. Li Haifeng as the chief executive officer (“CEO”) of the Company on 1 April 2017, Mr. Li assumes the role of both the chairman and the CEO. The Board considers that such arrangement can facilitate the implementation of business strategies and decisions as well as the daily operation. The Board believes that balance of power and authority is adequately ensured and will not be impaired since its composition and the senior management of the Company are experienced and high calibre individuals. There is no relationship (including financial, business, family or other material or relevant relationship) among members of the Board.

All the independent non-executive directors of the Company have appropriate qualifications and their professional opinions raised in the Board meetings facilitate the maintenance of good corporate governance practices. The Company has received from each of the independent non-executive directors in respect of the annual confirmation of their independence. All the independent non-executive directors meet the guidelines for assessment of independence as set out in Rule 3.13 of the Listing Rules.

董事簡歷載於本年度報告第47頁至第50頁。董事會具備適合本集團業務所需之技能及經驗。執行董事及非執行董事之均衡組成，亦使董事會具備強大之獨立元素，以便有效率地進行獨立判斷及客觀地作出決策，以符合本公司之最佳利益。

繼李海楓先生於二零一七年四月一日獲委任為本公司之行政總裁後，李先生兼任主席及行政總裁之角色。董事會考慮到此等安排有助實踐商業策略及決定與及日常運作，董事會相信由於其組成及本公司高級管理層均為經驗豐富及高質素之人士，故權力和職權之平衡足以確保並不會受到損害。董事會各成員之間概無任何關係（包括財政、業務、家族或其他重大或相關關係。）

本公司全體獨立非執行董事均具備合適之資格，而彼等於董事會會議上提出之專業意見亦有助維持良好之企業管治常規。本公司已接獲各獨立非執行董事之年度獨立確認書。全體獨立非執行董事均符合上市規則第3.13條所載之獨立性評估指引。

### Appointments and Re-election of Directors

The Board is empowered under the Company's Bye-laws to appoint any person as a director either to fill a casual vacancy on or as an additional member of the Board. The selection criteria are mainly based on the professional qualification and experience of the candidate and the recommendations of the Nomination Committee. All directors are engaged on service contracts for a term of three years except for Mr. Lee Sheng Kuang, James whose service contract is a term for two years. A newly appointed director must retire and be re-elected at the first general meeting after his/her appointment.

At each annual general meeting of the Company, one-third of the directors (including non-executive director and independent non-executive directors) for the time being (or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation. Every director shall be subject to retirement by rotation at least once every three years. The directors to retire every year will be those who have been the longest in office since their last re-election or appointment. As such, no director has a term of appointment longer than three years. A retiring director shall be eligible for re-election. During the year, Mr. Zhang Zhenyi and Ms. Zheng Xianzhi were appointed as an independent non-executive directors of the Company. On 19 March 2018, Mr. Wang Ke was appointed as an executive director of the Company.

### Board and Management

To enable all directors to make informed decisions in the Board meetings and to discharge their duties and responsibilities, appropriate, complete and reliable information prepared by the management are provided in a timely manner. All directors are kept informed on a timely basis of major changes that may affect the Group's business, including relevant rules and regulations. To reinforce independence, the Board and each director can have separate and independent access to the management of the Company if additional information is required. To further assist the directors to discharge their duties to the Company, the Board has also established a written procedure to enable directors to seek independent professional advice at the Company's expenses. No request was made by any director for such independent professional advice in 2017.

### 委任及重選董事

董事會獲本公司之章程細則授權委任任何人士為董事，以填補臨時空缺或成為董事會新成員。甄選因素主要以候選人之專業資格及經驗以及提名委員會之建議為基準。除李勝光先生之服務合約為期二年外，全體董事均按服務合約委聘，為期三年。新委任董事須於彼獲委任後首個股東大會上退任及膺選連任。

本公司於每屆股東週年大會上，三分之一在任董事（包括非執行董事及獨立非執行董事），（或倘其數目並非三或三之倍數，則必須為最接近但不少於三分之一之人數）須輪值退任。每名董事須至少每三年輪值退任一次。就此每年退任董事為自上次重選或任職時間最長者。因此，概無董事之委任任期超過三年。退任董事將符合資格膺選連任。於年內，張振義先生及鄭先智女士獲委任為本公司之獨立非執行董事。於二零一八年三月十九日，王科先生獲委任為本公司之執行董事。

### 董事會及管理層

管理層須適時提供由彼等編製之適合、完整及可靠資訊，以確保全體董事於董事會會議上作出知情決定及履行彼等之職務及職責。本公司若有可能影響本集團業務的重大變動（包括相關法例及法規）將會適時知會全體董事。為增強獨立性，董事會及各董事可於需要更多資訊時自行透過獨立途徑接觸本公司之管理層。為進一步協助董事對本公司履行彼等之職務，董事會亦已設立一套書面程序，使董事可尋求獨立專業意見，費用由本公司支付。董事於二零一七年並無要求諮詢上述獨立專業意見。

In order to have a clear principle in relation to the matters specifically reserved to the Board for decisions, functions between the Board and the management are formalized. The Board has established a written guideline determining which issues require a decision of the Board and those delegated to the management. The guideline is reviewed by the Board on a regular basis and has been posted on the intranet of the Company. Matters reserved to the Board for decision include the making of significant financial and legal commitments, mergers and acquisitions, material asset acquisitions or disposals, the change of share capital, the approval of financial reporting, budgeting, management succession and representation to shareholders. The management is responsible for the day-to-day running of the Group. The management is required to submit reports on the operations to the Board on a regular basis and make recommendations to the Board on the development of major projects or business proposals and their respective implementation. The Board is of the view that such division of responsibilities can enhance the corporate governance of the Company.

The Company has arranged appropriate insurance cover in respect of any possible legal action against its directors and officers and the insurance coverage is reviewed on an annual basis.

### Board Meetings

At least four regular Board meetings are held a year with at least fourteen days' notice given to all directors to approve annual and interim results, review the business operation, and risk management and the internal control systems of the Group and the meeting schedule will be fixed at the beginning of each year to facilitate fullest possible attendance. Between regular meetings, other Board meetings are held to approve major issues when necessary. Agendas and accompanying Board papers are sent not less than three days before the date of Board meetings to ensure that the directors are given sufficient review time. Draft minutes of Board meetings and Board committee meetings are circulated to directors for their review and comment while final version of the said minutes, duly signed, are sent to all members for their records. All said minutes are kept by the Company Secretary of the Company and are open for inspection at any reasonable time on reasonable notice by any director.

為就特別須董事會作決定之事項提供明確原則，董事會及管理層之職能已予界定。董事會已訂立一份書面指引，釐定須由董事會決定及授權予管理層之議題。指引定期由董事會審閱，並已於本公司內聯網上登載。須董事會作決定之事項包括重要財務及法律承擔、合併及收購、重大資產收購或出售、更改股本、審批財務報告、編訂預算、管理層繼任及向股東作出陳述等。管理層負責本集團之日常營運。管理層須定期向董事會呈交營運報告，並就發展主要項目或業務計劃書及彼等各自之落實情況向董事會提出建議。董事會認為，如此職責劃分可增強本公司之企業管治。

本公司已就其董事及高級人員任何可能會面對之法律行動作適當之投保安排，投保範圍乃按年檢討。

### 董事會會議

定期召開之董事會會議每年至少舉行四次及每次均向全體董事發出最少十四天通知，以便審批全年及中期業績、檢討本集團之業務運作及風險管理與內部監控系統。為盡可能促使全體董事出席，會議時間表將於每年年初訂定。於各定期召開之會議之間，亦會舉行其他董事會會議以審批重大議題（於需要時）。會議議程及隨附之董事會文件須於董事會會議日期最少三天前送交董事，以確保董事有充分時間進行審閱。董事會會議及董事委員會會議之會議記錄初稿須向董事傳閱，以便審閱及評核，上述會議記錄經正式簽署之最終定稿則會送交全體成員作其存檔之用。上述所有會議記錄由本公司之公司秘書備存，並在任何董事發出合理通知下可於任何合理時間供公開查閱。



## Corporate Governance Report 企業管治報告

During the year, four Board meetings were held and the attendance records of directors are set out on page 34 of this Annual Report.

### Directors' Continuous Professional Development

The Company provides briefings and other training to develop and refresh the directors' knowledge and skills. As part of an ongoing process of directors' training, the Company Secretary continuously updates all directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices. The Company Secretary also circulates details of training courses which may be of interest to directors. All directors are encouraged to attend training courses at the Company's expense. All directors provided the Company their training records for the year ended 31 December 2017 which are summarized as follows:

Directors	董事	Type of Training <sup>Note</sup> 培訓總類 (附註)	
		A	B
<i>Executive Directors</i>	<i>執行董事</i>		
Mr. Li Haifeng	李海楓先生	✓	✓
Mr. Tang Chak Lam, Charlie <sup>^</sup>	鄧澤霖先生 <sup>^</sup>	✓	
<i>Non-Executive Director</i>	<i>非執行董事</i>		
Mr. Lee Sheng Kuang, James	李勝光先生	✓	✓
<i>Independent Non-Executive Directors</i>	<i>獨立非執行董事</i>		
Mr. Yau Wing Yiu	邱永耀先生	✓	
Mr. Zhang Zhenyi	張振義先生	✓	
Ms. Zheng Xianzhi	鄭先智女士	✓	✓

Note:

#### Types of Training

A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

<sup>^</sup> Ceased appointment on 1 January 2018

During the year, the Company organized and funded several training sessions conducted by its legal counsel for the directors and officers of the Company which covered various topics under the relevant laws and regulations such as Companies Ordinance, Listing Rules, Securities and Futures Ordinance and Code on Takeovers and Mergers.

於年內曾舉行四次董事會會議，董事之出席記錄載於本年度報告第34頁。

### 董事之持續專業發展

本公司提供簡介及其他培訓，以提升及更新董事的知識及技能。作為董事培訓持續過程之一部份，公司秘書持續向全體董事提供有關上市規則及其他適用監管規定之最新發展訊息，以確保遵守各規則並提高董事對良好企業管治常規之意識。公司秘書亦會分發可能符合董事興趣之培訓課程詳情，並鼓勵全體董事出席培訓課程，費用由本公司支付。全體董事均向本公司提供彼等截至二零一七年十二月三十一日止年度出席培訓之記錄，並概述如下：

附註：

A: 出席培訓會議，包括但不限於簡介、研討會、會議及工作坊

B: 閱讀有關新聞資訊、報章、期刊、雜誌及相關刊物

<sup>^</sup> 於二零一八年一月一日終止委任

於年內，本公司為本公司董事及高級人員籌辦及資助多個由其法律顧問主講之培訓課程，涵蓋有關法律及規例課題包括公司條例、上市規則、證券及期貨條例及收購和合併守則。

## Securities Transactions of Directors and Relevant Employees

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all directors of the Company, all directors have confirmed that they had complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions during the year.

Details of the directors' interests in the shares of the Company as at 31 December 2017 are set out on pages 51 to 52 of this Annual Report.

In accordance with Code A.6.4 of the CG Code, the Board has also established a written guideline on no less exacting terms than the Model Code for employees of the Company or director or employee of the Company's subsidiaries or holding company who are likely to possess inside information in relation to the Group or securities of the Company. No incident of non-compliance was noted by the Company in 2017.

## BOARD COMMITTEES

### Audit Committee

The Board set up the Audit Committee in 2000 with specific written terms of reference which deals clearly with its authority and duties. The terms of reference were revised in 2015 and maintained on both the websites of the Company and the Stock Exchange. The Audit Committee is to review the Group's financial reporting, the external auditor's independence, risk management, internal controls and corporate governance issues and make recommendations to the Board.

The members of the Audit Committee include:

Mr. Yau Wing Yiu (*Committee Chairman*)  
Mr. Zhang Zhenyi  
Ms. Zheng Xianzhi

## 董事及相關僱員進行之證券交易

本公司已採納一套有關董事進行證券交易之行為守則，其規定標準不低於上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」）。經向本公司全體董事作出特定查詢後，全體董事均已確認，彼等於年內已符合標準守則及本公司有關董事進行證券交易之行為守則所載之規定標準。

有關董事於二零一七年十二月三十一日擁有本公司股份之權益之詳情已載於本年度報告第51頁及52頁。

根據企業管治守則A.6.4條，董事會亦已就可能擁有關於本集團或本公司證券之內幕資料之本公司僱員或本公司之附屬公司或控股公司之董事或僱員訂立一套書面指引，其規定標準不低於標準守則。本公司於二零一七年並不知悉任何不遵守書面指引之事件。

## 董事委員會

### 審核委員會

董事會於二零零零年成立審核委員會，書面職權範圍已闡明其權力與職務。職權範圍已於二零一五年作出修訂，並在本公司及聯交所網站上登載。審核委員會負責審閱本集團之財務報告、外聘核數師之獨立性、風險管理、內部監控及企業管治事宜，並向董事會提出建議。

審核委員會現有成員包括：

邱永耀先生（委員會主席）  
張振義先生  
鄭先智女士

## Corporate Governance Report 企業管治報告

All Audit Committee members are independent non-executive directors. During the year, the Audit Committee held four meetings and the attendance records of members are set out on page 34 of this Annual Report.

The Audit Committee had mainly performed the following work during the year:

- (i) reviewed the effectiveness of the audit process in accordance with the applicable standards;
- (ii) reviewed the draft interim and annual financial statements and the related draft results announcements;
- (iii) reviewed the change in accounting standards and assessment of potential impacts on the Group's financial statements;
- (iv) discussed the risk management and internal control systems with management including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions;
- (v) made recommendation on the appointment or reappointment of the external auditors and approved their terms of engagement;
- (vi) reviewed and monitored the training and continuous professional development of directors;
- (vii) reviewed the Company's policies and practices on corporate governance and made recommendations to the Board; and
- (viii) Oversaw and monitored the operation of Risk Management and Steering Committee such as reviewing the quarterly and annual report or any ad hoc report.

所有審核委員會成員均為獨立非執行董事。於年內，審核委員會曾舉行四次會議，成員之出席記錄載於本年度報告第34頁。

於年內，審核委員會曾主要執行下列工作：

- (i) 按適用基準檢討審計過程之有效性；
- (ii) 審閱中期及全年財務報表草擬稿，以及相關業績公布草擬稿；
- (iii) 審閱會計準則之變動，以及評估對本集團財務報表之潛在影響；
- (iv) 與管理層商討風險管理及內部監控系統，包括本集團在會計、內部審核及財務匯報職能方面之資源、員工資歷及經驗、以及員工培訓課程及有關預算是否足夠；
- (v) 就委任或續聘外聘核數師提出建議，並審批其聘用條款；及
- (vi) 檢討及監察董事之培訓及持續專業發展。
- (vii) 檢討本公司之企業管治政策及常規，並向董事會提出建議；及
- (viii) 監督及監察風險管理及督導委員會之運作，包括審閱季度及年度報告或任何特別的報告。

## Remuneration Committee

The Board set up the Remuneration Committee in 2005 with specific written terms of reference which deal clearly with its authority and duties. The terms of reference are maintained on both the websites of the Company and the Stock Exchange. The Remuneration Committee's role is to make recommendations to the Board on the remuneration policy and structure for directors and senior management and to ensure that they are fairly rewarded for their individual contribution to the Group's overall performance, having regard to the interests of shareholders. The principal duties of the Remuneration Committee include reviewing and making recommendations to the Board on the specific remuneration packages of all directors and senior management as well as performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

The members of the Remuneration Committee include:

Mr. Yau Wing Yiu (*Committee Chairman*)  
Mr. Wang Ke  
(*Appointed on 19 March 2018*)  
Mr. Zhang Zhenyi  
Ms. Zheng Xianzhi

Except for Mr. Wang Ke who is an executive director, all Remuneration Committee members are independent non-executive directors. The remuneration of each of the directors was determined in accordance with the remuneration policy.

The main principles of remuneration policy of the Company are:

- (i) to retain and motivate executive directors and senior management by linking their compensation with performance as measured against corporate objectives;
- (ii) to align executive directors' and senior management's remuneration with shareholders' interests; and
- (iii) to ensure that no director or senior management or any of his/her associate is involved in deciding his/her own remuneration.

## 薪酬委員會

董事會於二零零五年成立薪酬委員會，書面職權範圍已闡明其權力與職務。職權範圍已於本公司及聯交所網站上登載。薪酬委員會之角色為按董事及高級管理人員之薪酬政策及架構向董事會提出建議，以及已考慮到股東利益之情況下，確保彼等已按各自對本集團整體表現之貢獻得到公平回報。薪酬委員會之主要職務包括檢討全體董事及高級管理人員之指定薪酬待遇，以及參考董事會不時議決之企業目標及宗旨，審閱按表現釐定之酬金並向董事會提出建議。

薪酬委員會現有成員包括：

邱永耀先生 (*委員會主席*)  
王科先生  
(*於二零一八年三月十九日獲委任*)  
張振義先生  
鄭先智女士

除王科先生為執行董事外，薪酬委員會全體成員均為獨立非執行董事。每位董事之薪酬根據薪酬政策而釐定。

本公司薪酬政策之主要原則包括：

- (i) 為挽留及激勵執行董事及高級管理人員，將彼等之薪酬與按企業目標之表現掛鉤；
- (ii) 將執行董事及高級管理人員之薪酬與股東利益達成一致；及
- (iii) 確保並無董事或高級管理人員或其任何聯繫人士參與釐定其本人之薪酬。



When fixing the remuneration packages of executive directors, considerations have been given to the qualifications and experience of the executive directors, their duties and responsibilities with and contributions to the Group, the level of directors' remuneration of other comparable listed companies in Hong Kong, the Group's performance and the prevailing market condition. The principal elements of the remuneration packages of executive directors of the Company include salary, director's fee, double pay, discretionary bonus and share options.

Details of the remuneration of each director, on a named basis, are disclosed in Note 13 to the financial statements on pages 115 to 117 of this Annual Report. Reimbursement is provided for out-of-pocket expenses incurred (including traveling and hotel expenses) in connection with the performance of directors' duties.

During the year, the Remuneration Committee held one meeting and had recommended to the Board on the appointment of Mr. Zhang Zhenyi and Ms. Zheng Xianzhi as independent non-executive directors and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee and the approval of their remuneration package. It also recommended the Board on the appointment of Mr. Wang Ke as an executive director, vice president and a member of the Company's Investment Committee and this Committee on 19 March 2018 and the approval of his remuneration package. The attendance records of members are set out on page 34 of this Annual Report.

### Nomination Committee

The Board set up the Nomination Committee in 2012 with specific written terms of reference which deal clearly with its authority and duties. The terms of reference are maintained on both the websites of the Company and the Stock Exchange. The role of the Nomination Committee is to formulate policy and make recommendations to the Board on matters including nomination and appointment of directors, and structure and composition of the Board.

During the year, the Board had maintained a board diversity policy setting out the approach to achieve diversity on the Board.

訂立執行董事之薪酬待遇時，已考慮該等執行董事之資歷及經驗、彼等之職務及職責和對本集團之貢獻、香港其他同類型上市公司之董事薪酬水平、本集團之業績及現行市場情況。本公司執行董事薪酬待遇之主要元素包括薪金、董事袍金、雙糧、酌情花紅及購股權。

有關以記名方式列明每名董事薪酬之詳情，於本年度報告第115頁至第117頁財務報表附註13內披露。彼等亦可獲償付一切於履行董事職務時所產生之實報實銷費用（包括差旅及酒店費用）。

於年內，薪酬委員會曾舉行一次會議，並審閱本公司之薪酬政策及向董事會推薦委任張振義先生及鄭先智女士為獨立非執行董事，以及審核委員會、薪酬委員會和提名委員會各委員會之成員，並且批准其薪酬待遇。薪酬委員會亦向董事會推薦，於二零一八年三月十九日委任王科先生為本公司之執行董事、副總裁及本公司之投資委員會及本委員會之成員，並批准其薪酬待遇。成員之出席記錄載於本年度報告第34頁。

### 提名委員會

董事會於二零一二年成立提名委員會，書面職權範圍已闡明其權力與職務。其職權範圍已於本公司及聯交所網站上登載。提名委員會之角色為制訂政策及就提名及委任董事以及董事會之架構及組成等事項向董事會提出建議。

於年內，董事會維持董事會成員多元化政策，列載為達致成員多元化之方針。

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. 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. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The members of the Nomination Committee include:

Mr. Li Haifeng (*Committee Chairman*)  
Mr. Yau Wing Yiu  
Mr. Zhang Zhenyi  
Ms. Zheng Xianzyi

Except for Mr. Li Haifeng who is an executive director, all Nomination Committee members are independent non-executive directors. During the year, the Nomination Committee held one meeting to review the structure, size and composition and succession planning of the Board and assess the independence of the independent non-executive directors. It also recommended the Board on the appointment of Mr. Zhang Zhengyi and Ms. Zheng Xianzhi as independent non-executive directors and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee. It handled the re-designation of Mr. Lee Sheng Kuang, James from an executive director to non-executive director and his resignation as managing director and member of the Investment Committee of the Company. Apart from that, it recommended the Board on the appointment of Mr. Wang Ke as an executive director, vice president and a member of each of the Remuneration Committee and Investment Committee of the Company on 19 March 2018. The attendance records of members are set out on page 34 of this Annual Report.

為達致持續及平衡之發展，本公司視提升董事會層面之成員多元化方針為達到其策略目標及持續發展為之主要元素。在策劃董事會之組成架構方面，董事會成員多元化會考慮眾多因素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年資。董事會所有委任均以用人唯才為原則，並參照客觀標準及審慎考慮董事會成員多元化的裨益下，以甄別各候選人。

提名委員會現時成員包括：

李海楓先生 (*委員會主席*)  
邱永耀先生  
張振義先生  
鄭先智女士

除李海楓先生為執行董事外，提名委員會全體成員均為獨立非執行董事。於年內，提名委員會曾舉行一次會議，並已檢討董事會架構、人數及組成及繼任計劃，以及評估獨立非執行董事之獨立性。提名委員會並向董事會推薦分別委任張振義先生及鄭先智女士為獨立非執行董事、審核委員會、薪酬委員會及提名委員會各委員會之成員。提名委員會辦理李勝光先生由執行董事調任為非執行董事及辭去董事總經理和投資委員會成員之事宜。除此之外，提名委員會向董事會推薦，於二零一八年三月十九日委任王科先生為本公司之執行董事、副總裁及薪酬委員會和投資委員會成員。成員之出席記錄載於本年度報告第34頁。

### Investment Committee

The Board set up the Investment Committee in 2014 with specific written terms of reference which deal clearly with its authority and duties. The primary role of the Investment Committee is to review and approve the investment policy and monitor the securities investment business as it deems proper to meet the latest development of the Group or changes in the securities market.

The current members of the Investment Committee are:

Mr. Li Haifeng (*Committee Chairman*)  
Mr. Wang Ke  
(*Appointment on 19 March 2018*)

During the year, the Investment Committee held one meeting and the attendance records of members are set out on page 34 of this Annual Report.

The Investment Committee had mainly performed the following work:–

- (i) approved and updated the investment policy including objectives and strategy that direct investment activities;
- (ii) oversaw investment activities of the Group and controlled the associated risk levels to assure adherence to the investment policy;
- (iii) monitored the performance of the investment portfolio and considered the re-appointment of the external investment professionals.

### 投資委員會

董事會於二零一四年成立投資委員會，書面職權範圍已闡明其權力與職務。投資委員會之主要角色為按其認為合適時審閱及批准投資政策及監察證券投資業務，以配合本集團之最新發展及證券市場之變化。

投資委員會現有成員包括：

李海楓先生（*委員會主席*）  
王科先生  
(*於二零一八年三月十九日獲委任*)

於年內，投資委員會曾舉行一次會議而成員之出席紀錄載於本年度報告第34頁。

投資委員會於年內主要完成以下工作：

- (i) 批准及更新投資政策，包括指引投資活動之目的及策略；
- (ii) 監督本集團之投資活動及控制相關風險程度以確保遵循投資政策；及
- (iii) 監察投資組合之表現及考慮重新委任外聘投資專材。

## ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

## 董事及委員會成員之出席記錄

The attendance of individual Board member in Board meetings, Board Committees meetings and general meeting for the year ended 31 December 2017 is set out in the table below:

截至二零一七年十二月三十一日止年度，個別董事會成員於董事會、董事委員會及股東大會之出席記錄載於下表：

	No. of meetings attended/No. of meetings held 出席/舉行會議次數					
	Board Meetings 董事會	Audit Committee Meetings 審核委員會	Remuneration Committee Meeting 薪酬委員會	Nomination Committee Meeting 提名委員會	Investment Committee Meeting 投資委員會	General Meeting 股東大會
<i>Executive Directors</i> 執行董事						
Mr. Li Haifeng 李海楓先生	4/4	N/A 不適用	N/A 不適用	1/1	1/1	1/1
Mr. Tang Chak Lam, Charlie (ceased appointment on 1 January 2018) 鄭澤霖先生(於二零一八年一月一日終止委任)	4/4	N/A 不適用	1/1	N/A 不適用	1/1	1/1
<i>Non-Executive Director</i> 非執行董事						
Mr. Lee Sheng Kuang, James (re-designated from an executive director to a non-executive director on 1 April 2017) 李勝光先生(於二零一七年四月一日由執行董事調任為非執行董事)	3/4	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	1/1
<i>Independent Non-Executive Directors</i> 獨立非執行董事						
Mr. Liu Run (resigned on 30 June 2017) 劉潤先生(於二零一七年六月三十日辭任)	2/2	2/2	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Ms. Su Zhengyu (resigned on 24 March 2017) 蘇征宇女士(於二零一七年三月二十四日辭任)	1/1	2/2	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Yau Wing Yiu 邱永耀先生	4/4	4/4	1/1	1/1	N/A 不適用	1/1
Mr. Zhang Zhenyi (appointed on 24 March 2017) 張振義先生(於二零一七年三月二十四日獲委任)	3/3	2/2	1/1	1/1	N/A 不適用	1/1
Ms. Zheng Xianzhi (appointed on 30 June 2017) 鄭先智女士(於二零一七年六月三十日獲委任)	2/2	2/2	1/1	1/1	N/A 不適用	N/A 不適用

## RESPONSIBILITY FOR PREPARATION AND REPORTING OF FINANCIAL STATEMENTS

The directors of the Company acknowledge their responsibility for preparing the financial statements of the Group in accordance with statutory requirements and applicable accounting standards. The directors will select suitable accounting policies and apply them consistently, make judgements and estimates that are prudent, fair and reasonable and prepare the financial statements on a going concern basis. The Board's responsibility to present a balanced, clear and understandable assessment extends to annual and interim reports, other inside information announcements and other financial disclosures required under the Listing Rules as well as the information required to be disclosed pursuant to statutory requirements.

The statement of the auditor of the Company regarding their reporting responsibilities for the financial statements of the Group is set out on pages 56 to 63 of this Annual Report.

## RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for evaluating and determining the nature and extent of the risks that the Group is willing to take in achieving its strategic objectives, and has the ultimate responsibility to maintain a sound and effective risk management and internal control systems for the Group and review their effectiveness so as to safeguard the shareholders' investment and the Group's assets and ensure strict compliance with relevant laws, rules and regulations. The Audit Committee is also responsible for reviewing the effectiveness of the risk management and internal control systems, ensuring strict compliance with relevant rules and regulations as well and reporting to the Board.

## 編製及呈報財務報表之責任

本公司董事確認彼等編製本集團財務報表之責任，而該等財務報表乃根據法定要求及適用會計準則編製。董事將選用合適會計政策及貫徹運用、作出審慎、公平及合理之判斷及估計，並按持續經營為基準編製財務報表。董事會之責任乃清晰公正及明確地評估年度報告及中期報告、其他內幕消息公布及根據上市規則規定須予披露之其他財務資料，以及根據法例規定須予披露的資料。

本公司核數師就彼等有關本集團之財務報表之呈報責任所作之聲明載於本年度報告第56頁至第63頁內。

## 風險管理及內部監控

董事會有責任評估及確定就達致本集團策略目標而願意承擔風險的性質及程度，並負上維持本集團風險管理及內部監控的穩健制度及審閱其成效之最責任，以保障股東之投資、本集團之資產及確保嚴格遵守有關法律、規則及條例。審核委員會亦有責任審閱風險管理及內部監控之效能，同時確保嚴格遵守相關規則及條例，並向董事會報告。



In line with last year, the Group's risk management and internal control systems are based on the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of Treadway Commission in the US in 2013 ("2013 COSO Framework") and Internal Control and Risk Management — A Basic Framework issued by the Hong Kong Institute of Certified Public Accountants which 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. The Risk Management and Steering Committee (RMSC), with management from different business units, has assisted the Board and Audit Committee in discharging their duties in risk management and internal control functions by drafting an annual internal audit plan, ensuring a smooth audit checking on the Group business operations according to the audit plans designed and reporting to the Board and/or Audit Committee any potential risks facing the Group in a timely manner.

The Group understands that risk management and internal control systems are not merely about policies and manuals, but about people and the actions they take at every level of the Group. To support all employees in ever — changing markets, regular training is provided to strengthen their awareness of risk and capability to manage risks. During the year, the Board together with the Audit Committee, reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions, and were satisfied with the results of the review.

All in all, the Board continues to enhance and oversee the Group's risk management and internal control systems with the support of the Audit Committee and RMSC. Below are the review process and results regarding the Group's risk management and internal control systems for the year ended 31 December 2017.

一如往年，本集團之風險管理及內部監控系統乃參考Committee of Sponsoring Organizations of Treadway Commission於二零一三年在美國發佈之《內部控制整體框架》（「二零一三年 COSO 框架」）及香港會計師公會發佈之《內部控制及風險管理—基本框架》而形成。該等系統旨在管理而非消除未能達成業務目標之風險而設，並只能就重大的失實陳述或損失作出合理而非絕對之保證。風險管理與指導委員會（RMSC）由來自不同部門的管理層組成，通過起草年度內審計劃，協助董事會和審計委員會履行風險管理和內部控制職能，確保對業務營運的內審工作根據內審計劃順利進行，並及時向董事會和／或審計委員會報告本集團面臨的任何潛在風險。

本集團認為風險管理及內部監控系統不僅有關政策及手冊，亦關乎本集團各層級人士及其採取之行動。為支持所有僱員適應不斷變化之市場，本集團向其提供常規培訓以加強其風險意識及風險管理能力。於年內，董事會及審核委員會一同審閱在會計、內部審核及財務匯報職能方面之資源、員工資歷及經驗，以及員工培訓課程及有關預算是否足夠，並對本次審閱結果表示滿意。

總而言之，董事會在審核委員會及風險管理督導委員會之支持下繼續加強及監管本集團之風險管理及內部監控系統。以下為本集團截至二零一七年十二月三十一日止年度之風險管理及內部監控系統之審核過程及結果。

## Review of Risk Management and Internal Control Systems

RMSC designed, implemented and monitored the Group's risk management and internal control systems by considering the five integrated components of 2013 COSO Framework, namely, control environment, risk assessment, control activities, information and communication and monitoring activities.

During the risk assessment process, RMSC identified the significant risks facing the Group. A risk matrix report was prepared which prioritised risks according to the likelihood of their occurrence and the significance of their impact on the business of the Group.

Following the review and endorsement of the risk matrix report by the Audit Committee and the Board, RMSC developed an annual internal audit plan to evaluate the effectiveness of the Group's risk management and internal control systems. RMSC investigated and assessed what internal control procedures were to be executed to ensure the identified significant risks were managed within the acceptable level. These internal control procedures covered material controls designed to provide reasonable assurance as to the achievement of the Group's objectives including financial, operational and compliance controls. A monthly Independent internal audit was performed by RMSC members to test and evaluate whether the selected internal controls were effective. During the year, RMSC members had performed internal audit on the Group's business cycles including compliance, revenue, purchase, fix assets acquisition and information technology management.

In addition, each existing business segment was required to perform assessment on the effectiveness of its risk management and internal control systems on an annual basis. The assessment questionnaire sets out key factors in each of the five integrated components of 2013 COSO Framework.

## 風險管理及內部監控系統審核

經考慮二零一三年COSO框架下之五個互相關連之元素，即監控環境、風險評估、監控活動、信息的溝通與交流以及對活動之監察，風險管理督導委員會設計、執行並監察本集團之風險管理及內部監控系統。

於風險評估過程中，風險管理督導委員會確定本集團面臨之重大風險。風險管理督導委員會編製出一份風險矩陣報告，根據出現風險之可能性及其對本集團業務之影響重大程度列出優先級別。

於審核委員會及董事會審查及認可風險矩陣報告後，風險管理督導委員會制定出一份年度內部審核計劃，以評估本集團風險管理及內部監控系統之有效性。風險管理督導委員會調查及評估實施之內部監控程序，以確保在可予接受之範圍內管理已識別之重大風險。該等內部監控程序已涵蓋設計之重大監控，從而為實現本集團之目標提供合理保證，包括財務、運作及合規之監控。風險管理督導委員會成員每月進行獨立之內部審核，以測試及評估選擇之內部監控是否有效。於年內，風險管理督導委員會成員已對本集團之商業週期進行內部審核，包括合規、收益、採購、人力資源及信息技術管理。

此外，各現有業務分部須每年評估其風險管理及內部監控系統之有效性。評估問卷列出二零一三年COSO框架之五個組成部分各部分之關鍵因素。

With the assessment questionnaires from each business segment, monthly, quarterly and annual reports from RMSC, the Audit Committee closely monitored the effectiveness of the Group's risk management and internal control systems and reported to the Board on an ongoing basis. For the year ended 31 December 2017, both the Audit Committee and the Board were not aware of any material internal control defects and were satisfied that the risk management and internal control systems of the Group have been effective and adequate.

### Procedures and Internal Controls for the Handling and Dissemination of Inside Information

The Company formulated the inside information policy as a guideline to handle and disseminate inside information. The inside information policy contains a strict prohibition on unauthorised use of inside information and sets out, inter alia, establishment of the inside information identification, reporting and disclosure protocol and procedures. For the year ended 31 December 2017, inside information was disseminated in accordance with the inside information policy and the applicable laws and regulations.

### AUDITOR'S REMUNERATION

PricewaterhouseCoopers is the external auditor of the Company. For the year ended 31 December 2017, the external auditor received the following remuneration for audit and non-audit services provided to the Group:

		HK\$'000 千港元
Audit services	審計服務	1,445
Non-audit services	非審計服務	
Agreed upon procedures on interim reporting	就中期報告之約定審閱程序	135
Taxation services	稅務服務	130
		<hr/>
		1,710

The Audit Committee received written confirmation from the external auditor on its independence and objectivity as required by the Hong Kong Institute of Certified Public Accountants.

藉著各業務分部之評估問卷、風險管理指導委員會月度報告、季度報告及年度報告、審核委員會密切監察本集團風險管理及內部監控系統之有效性，並持續向董事會匯報。截至二零一七年十二月三十一日止年度，審核委員會及董事會並不知悉任何重大內部監控缺陷，並信納本集團之風險管理及內部監控系統有效且足夠。

### 處理及發布內幕消息之程序及內部監控

本公司已制定內幕消息政策作為處理及發布內幕消息之指南。內幕消息政策包括嚴格禁止未經授權使用內幕消息，以及載列（其中包括）設置內幕消息識別、報告及披露協議及程序。截至二零一七年十二月三十一日止年度，內幕消息乃根據內幕消息政策及適用法律及法規發布。

### 核數師酬金

羅兵咸永道會計師事務所為本公司之外聘核數師。截至二零一七年十二月三十一日止年度，外聘核數師已就向本集團提供之審計及非審計服務收取下列酬金：

審核委員會已接獲外聘核數師就其獨立性及客觀性發出之書面確認書，表示其已符合香港會計師公會之規定。



## COMPANY SECRETARY

During the year, Ms. Kung Yuk Lan resigned as the company secretary of the Company on 31 August 2017 and she was replaced by Ms. Wang Jue.

The Company has appointed Ms. Lau Yee Wa of Tricor Services Limited, an external service provider, as the Company's company secretary since 5 January 2018. Her primary contact person at the Company is Mr. Bernard Chiu, Deputy Chief Financial Officer of the Company.

All Directors have access to the advice and services of the company secretary on corporate governance and board practices and matters.

## SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS

### Shareholders to Convene a Special General Meeting ("SGM") and Putting Forward Proposals at SGMs

According to the Bye-laws of the Company, shareholders' holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, can by written requisition to the Board or the Company Secretary of the Company to convene a special general meeting for the transaction of any business specified in such requisition and such meeting shall be held within two months after the deposit of such requisition. In compliance with the requirements of the Listing Rules, any annual general meeting, and general meeting at which the passing of a special resolution is to be considered shall be called by at least 20 clear business days' notice, whilst others may be called by at least 10 clear business days' notice.

To further enhance the minority shareholders' right, all resolutions at any general meeting are decided on poll and such practice has been adopted since 2005. The chairman of any general meetings ensures that the shareholders are informed of the detailed procedures for conducting a poll by way of making the explanation at the commencement of the general meetings. The chairman of general meetings also ensures full compliance with the requirements about voting by poll contained in the Listing Rules and the Bye-laws of the Company.

## 公司秘書

於年內，鞏玉蘭女士於二零一七年八月三十一日辭任本公司之公司秘書，並由王珏女士取代。

本公司於二零一八年一月五日起委任卓佳專業商務有限公司（對外服務提供者）之劉綺華女士為本公司之公司秘書。趙之翹先生（本公司之副首席財務官），為彼於本公司之主要聯絡人。

所有董事均可就企業管治、董事會常規及事宜，向公司秘書徵詢意見及尋求服務。

## 股東權利及投資者關係

### 股東召開股東特別大會及於股東大會上提出議案

根據本公司之章程細則，任何於發出要求當日持有有權於本公司股東大會上投票之本公司繳足股本不少於十分之一的股東，可向董事會或本公司公司秘書作出書面要求召開股東特別大會，以處理該等要求列明之任何事項，而有關大會須於發出有關要求後兩個月內舉行。為符合上市規則之規定，任何股東週年大會以及用以考慮通過特別決議案之股東大會須以至少足20個營業日之通知召開，而其他股東大會則須以至少足10個營業日之通知召開。

為進一步提高少數股東之權利，所有股東大會上之一切決議案均以投票方式表決，此常規自二零零五年起已採納。任何股東大會主席須確保已透過於股東大會開始時作出詳細闡釋之方式，使股東知悉以投票方式表決之程序。股東大會主席亦須確保全面符合上市規則及本公司之章程細則中有關以投票方式表決之規定。

### Shareholders to Propose a Person for Election as a Director

The procedures for a shareholder to propose a person for election as a Director can be found on the website of the Company. Shareholders representing not less than one-twentieth of the total voting rights of all shareholders having at the date of the requisition a right to vote at the general meeting or who are no less than 100 shareholders can submit a written requisition to the Board or the Company Secretary to propose a resolution relating to other matters at a general meeting. The written requisition must state the resolution, accompanied by a statement of not more than one thousand words with respect to the matter referred to in the proposed resolution or the business to be dealt with at the general meeting and contain the signatures of all the requisitionists (which may be contained in one document or in several documents in like form). Such requisition must be deposited at the Company's registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda not less than six weeks before the general meeting in the case of a requisition requiring notice of a resolution and not less than one week before the general meeting in the case of any other requisition and be accompanied by a sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement given by the requisitionists to all shareholders in accordance with the requirements under the applicable laws and rules.

### 股東提名人選參選董事

股東提名人選參選董事之程序可於本公司網站上瀏覽。於發出要求當日，擁有於股東大會上投票權利之全體股東總投票權不少於二十分之一之股東或不少於一百名股東，可向董事會或公司秘書提呈書面要求以於股東大會上提呈有關其他事宜之決議案。書面要求須列明決議案，連同一份不多於一千字有關所提呈決議案提述之事宜或將於股東大會上處理之事務並由全體作出要求之人士簽署（可載於一份文件或多份相符格式之文件內）之陳述書。倘作出須發出決議案通知之要求，則有關要求須於股東大會不少於六個星期前送達本公司之註冊辦事處，地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda；倘屬任何其他要求，則須於股東大會不少於一個星期前送達，並須連同一筆用於支付本公司根據適用法例及規則規定而向全體股東送達決議案通知及傳閱作出要求人士提交之陳述書所產生開支之合理且足夠款項。

### Communication with Shareholders

In order to maintain an on-going dialogue with shareholders, shareholders are encouraged to attend annual general meeting of the Company at which the Chairman of the Board and the chairmen of the Board committees are pleased to answer questions related to the Group's business.

Shareholders' comments and suggestions are welcome and such comments can be sent in writing to the Company Secretary at the Company's address in Hong Kong or by e-mail to the Company's website. The Board endeavors to answer all invaluable questions of the shareholders.

As a channel of further promoting effective communication, the corporate website, [www.carrywealth.com](http://www.carrywealth.com), is maintained by the Company to disseminate information on a timely basis and the published information will be maintained at the above website for at least five years. A shareholders communication policy was adopted in March 2012 and has been posted on the Company's website.

### CONSTITUTIONAL DOCUMENTS

There were no changes in the Company's constitutional documents during the year.

### 與股東溝通

為與股東保持持續對話，茲鼓勵股東出席本公司之股東週年大會，而董事會主席及各董事委員會主席均樂意解答與本集團業務有關之提問。

本公司歡迎股東提出意見及提議，而該等意見可以投函至本公司之香港地址予公司秘書，或以電子郵件方式寄往本公司之網站。董事會將盡力解答股東一切寶貴提問。

作為進一步促進有效溝通之渠道，本公司已設有公司網站 [www.carrywealth.com](http://www.carrywealth.com)，以適時發放資料，而已公布之資料將於上述網站保留最少五年。二零一二年三月採納之股東通訊政策，已於本公司網站上登載。

### 憲章文件

於年內，本公司之憲章文件並無變動。

## Report of the Directors 董事會報告

The directors present their report together with the audited financial statements for the year ended 31 December 2017.

### PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in Note 30 to the financial statements.

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

### RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 64.

The directors did not declare any interim dividend for the six months ended 30 June 2017 (2016: Nil).

The directors do not recommend the payment of a final dividend for the year ended 31 December 2017 (2016: Nil).

### DISTRIBUTABLE RESERVES

As at 31 December 2017, the Company had no reserve (31 December 2016: Nil) available for distribution as computed in accordance with the Companies Act 1981 of Bermuda. However, the Company's share premium account in the amount of HK\$217,761,000 as at 31 December 2017 (31 December 2016: HK\$217,761,000) may be distributed in the form of fully paid bonus shares, subject to the shareholders' approval of the Company and compliance with provision of the Companies Act 1981 of Bermuda and the Bye-laws of the Company.

Movements in the reserves of the Group and of the Company during the year are set out in Notes 27 and 32a to the financial statements.

董事會提呈其報告，連同截至二零一七年十二月三十一日止年度之經審核財務報表。

### 主要業務及營運之地域分析

本公司之主要業務為投資控股。附屬公司之業務載於財務報表附註30。

本集團於本年度之業績按營運分部之分析載於財務報表附註5。

### 業績及分派

本集團之本年度業績載於第64頁之綜合收入報表。

董事不宣派截至二零一七年六月三十日止六個月之中期股息（二零一六年：無）。

董事不建議派付截至二零一七年十二月三十一日止年度之末期股息（二零一六年：無）。

### 可分派儲備

本公司於二零一七年十二月三十一日沒有儲備（二零一六年十二月三十一日：無）可根據一九八一年百慕達公司法計算而分派。然而，本公司股本溢價賬於二零一七年十二月三十一日錄得二億一千七百七十六萬一千港元（二零一六年十二月三十一日：二億一千七百七十六萬一千港元），在獲得本公司股東同意及符合一九八一年百慕達公司法條款及本公司章程細則情況下，以繳足紅股的形式進行分配。

於年內，本集團及本公司儲備之變動情況載於財務報表附註27及32a。

## EQUITY-LINKED AGREEMENT

### Share Options granted to directors and selected employees

No share options were granted during the year ended 31 December 2017. (2016: Nil)

## SUBSIDIARIES

Particulars of the Company's principal subsidiaries are set out in Note 30 to the financial statements.

## BANK BORROWING

Particulars of the Group's borrowing and pledged assets are set out in note 25 to the financial statements.

## FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 6 of this Annual Report.

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

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

## SHARE OPTIONS

On 22 May 2012, the shareholders of the Company approved the adoption of a share option scheme (the "Scheme"). A summary of the principal terms of the Scheme, as disclosed in accordance with the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") is as follows:

### (i) Purpose

The purpose of the Scheme is to enable the Company to grant options to participants as incentives or rewards for their contribution or potential contribution to the Company and/or any of the subsidiaries.

## 權益掛鈎協議

### 授予與董事和挑選僱員之購股權

截至二零一七年十二月三十一日止年度，概無購股權獲授出。(2016年：無)

## 附屬公司

本公司主要附屬公司之詳細資料載於財務報表附註30。

## 銀行貸款

本集團之貸款及抵押資產之詳細資料載於財務報表附註25。

## 五年財務摘要

本集團於過去五個財政年度之業績與資產及負債摘要載於本年度報告第6頁。

## 購買、出售或贖回本公司之上市證券

於年內，本公司及其任何附屬公司並無購買、出售或贖回本公司之任何上市證券。

## 購股權

於二零一二年五月二十二日，本公司股東批准採納購股權計劃（「該計劃」）。按照香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）須予披露之該計劃主要條款概要如下：

### (i) 目的

該計劃之目的為使本公司可向參與者授出購股權，以鼓勵或回饋彼等對本公司及／或任何附屬公司作出或可能作出之貢獻。



**(ii) Qualifying participants**

Any person being an employee, director (including executive director, non-executive director or independent non-executive director), consultant, representative, professional adviser, customer, business partner, joint venture partner, strategic partner, landlord or tenant of, or any supplier or provider of goods or services to, the Company or any subsidiary, and any trustee(s) of a discretionary trust of which one or more beneficiaries belong to any of the abovementioned category(ies) of persons.

**(iii) Maximum number of shares**

The total number of shares available for issue under the Scheme is 80,470,023 which is 9.83% of the issued share capital of the Company as at the date of this Annual Report.

**(iv) Maximum entitlement of each qualifying participant**

No qualifying participant shall be granted any options which, if exercised in full, would result in such person's maximum entitlement exceeding 1% of the aggregate number of shares for the time being issued and issuable under the Scheme in the 12-month period up to and including the proposed grant date unless such grant is approved in advance by the shareholders in general meeting.

No qualifying participant who is a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates shall be granted any options, which, if exercised in full, would result in the shares issued and issuable to such person under the Scheme in the 12-month period up to and including the proposed grant date for such options, unless such grant of options is approved in advance by the shareholders of the Company in general meeting:

- (a) representing in aggregate over 0.1% of the number of shares then in issue; and

**(ii) 合資格參與人士**

本公司或任何附屬公司之僱員、董事（包括執行董事、非執行董事或獨立非執行董事）、顧問、代表、專業顧問、客戶、業務夥伴、合營夥伴、策略性夥伴、業主或租客或向本公司或任何附屬公司提供貨品或服務之任何供應商或提供者及任何酌情信託之受託人（該信託之一位或多位受益人須隸屬上述任何一種類別之人士）之任何人士。

**(iii) 最高股份數目**

根據該計劃可予發行之股份總數為80,470,023股股份，相當於本年度報告日期本公司已發行股本之9.83%。

**(iv) 每位合資格參與者可獲授權益上限**

倘若授予合資格參與者之購股權於截至建議授出日期（包括當日）止12個月期間獲全面行使，將導致該人士可獲授權益上限超逾當時根據該計劃已發行股份及可發行股份總數之1%，則該合資格參與者不獲授予購股權，惟獲股東於股東大會上預先批准者除外。

如合資格參與者為本公司之主要股東或獨立非執行董事或任何彼等各自之聯繫人士及符合以下情況，均不得獲授購股權（惟購股權授予已經本公司股東在股東大會上預先批准者除外）：根據該計劃，已經及將會授予該等人士之購股權獲全面行使後將導致已經及將予發行股份之數目於截至及包括預計授出日期止前12個月期間（包括授出日期）：

- (a) 合計超逾已發行股份數目0.1%；及

## Report of the Directors 董事會報告

(b) having an aggregate value, based on the closing price of the shares as stated in the Stock Exchange's daily quotations sheets on each relevant date on which the grant of such options is made to such person under the relevant scheme, in excess of HK\$5 million.

### (v) Option period

In respect of any particular option, such period commencing on the date of grant or such later date as the directors may decide and expiring on such date as the directors may determine, such period not to exceed 10 years from the date of grant.

### (vi) Acceptance of offer

An offer of the grant of an option shall remain open for acceptance for a period of 30 days from the date of the letter containing the grant. An offer of the grant of the option shall be regarded as having been accepted when the duplicate of the grant letter duly signed by the grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company.

### (vii) Subscription price

The subscription price in respect of any particular option shall be such price as the directors may determine at the date of grant of the relevant option but shall be at least the highest of:

- (a) The closing price of the Company's shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a business day;
- (b) The average closing price of the Company's shares as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the date of grant; and
- (c) The nominal value of the Company's shares.

(b) 根據相關購股權計劃，每次授出購股權予該人士之有關日期於聯交所之每日報價表所列之股份收市價計算，總值超逾五百萬港元。

### (v) 購股權有效期

就任何特定之購股權而言，有效期由授出日期或董事決定之較後日期起計，及至董事決定之日期屆滿，惟該有效期由授出購股權日期起計不得超逾十年。

### (vi) 接納建議

接納授出購股權建議之開放期，由發出載有授出購股權之函件之日期起計，為期三十日。本公司一經收到由獲授人正式簽署載有授出函件副本連同付予本公司1.00港元之款項作為授出購股權之代價後，授出購股權建議即被視作已獲接納。

### (vii) 認購價

任何特定購股權之認購價為董事於授出相關購股權日期時所釐定之價格，惟不可少於下列三項之最高者：

- (a) 於購股權授出當日（其須為營業日），本公司股份在聯交所每日報價表所列之收市價；
- (b) 本公司股份在緊接授出購股權日期前五個營業日在聯交所每日報價表所列之平均收市價；及
- (c) 本公司股份之面值。

**(viii) The remaining life of the Scheme**

The directors shall be entitled at any time within 10 years commencing on 22 May 2012 to offer the grant of an option to any qualifying participants.

No share options were outstanding as at 1 January 2017 and 31 December 2017. No share options were granted, exercised, cancelled or lapsed during the year.

**DIRECTORS**

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

Mr. Li Haifeng (*Chairman and Chief Executive Officer*)  
— appointed as Chief Executive Officer on 1 April 2017

Mr. Wang Ke (*Vice President*)  
— Appointed on 19 March 2018

Mr. Lee Sheng Kuang, James\*  
— re-designated from an executive director  
to a non-executive director on 1 April 2017

Mr. Tang Chak Lam, Charlie  
— ceased appointment on 1 January 2018

Mr. Liu Run#  
— resigned on 30 June 2017

Ms. Su Zhengyu#  
— resigned on 24 March 2017

Mr. Yau Wing Yiu#

Mr. Zhang Zhenyi#  
— appointed on 24 March 2017

Ms. Zheng Xianzhi#  
— appointed on 30 June 2017

\* Non-Executive Director

# Independent Non-Executive Director

In accordance with bye-law 86(2) of the Company's By-laws, Mr. Wang Ke and Ms. Zheng Xianzhi shall retire from office at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

**(viii) 該計劃尚餘有效期**

董事有權於二零一二年五月二十二日起計十年內隨時向任何合資格參與者建議授出購股權。

於二零一七年一月一日及二零一七年十二月三十一日，並無尚未行使之購股權。於年內，概無購股權獲授出、行使、註銷或失效。

**董事**

於年內及截至本報告之日期，本公司之董事如下：

李海楓先生 (*主席及行政總裁*)  
— 於二零一七年四月一日獲

委任為行政總裁

王科先生 (*副總裁*)

— 於二零一八年三月十九日獲委任

李勝光先生\*

— 於二零一七年四月一日

由執行董事調任為非執行董事

鄧澤霖先生

— 於二零一八年一月一日終止委任

劉潤先生#

— 於二零一七年六月三十日辭任

蘇征宇女士#

— 於二零一七年三月二十四日辭任

邱永耀先生#

張振義先生#

— 於二零一七年三月二十四日獲委任

鄭先智女士#

— 於二零一七年六月三十日獲委任

\* 非執行董事

# 獨立非執行董事

根據本公司之章程細則第86(2)條，王科先生、鄭先智女士須於應屆股東週年大會退任，並符合資格亦願意膺選連任。

## Report of the Directors 董事會報告

In accordance with bye-law 87 of the Company's Bye-laws, Mr. Li Haifeng and Mr. Zhang Zhenyi shall retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Mr. Tang Chak Lam, Charlie ceased appointment on 1 January 2018 as an executive director and a member of each of the remuneration committee and investment committee of the Company. Mr. Tang Chak Lam, Charlie has confirmed that he has no disagreement with the Board and nothing relating to the cessation of those positions needed to be brought to the attention of the shareholders of the Company.

Mr. Yau Wing Yiu, Mr. Zhang Zhenyi and Ms. Zheng Xianzhi are independent non-executive directors of the Company and all of them were appointed for a three-year term. The board of Directors of the Company has received annual confirmations of independence from each of the independent non-executive directors of the Company pursuant to Rules 3.13 of the Listing Rules and as at the date of this annual report still considers them to be independent.

### DIRECTORS' BIOGRAPHICAL DETAILS

#### Mr. Li Haifeng

*Chairman & Chief Executive Officer*

Mr. Li Haifeng, aged 47, was appointed as the Chairman and an executive director in June 2011 and is the Chairman of both the Nomination Committee and Investment Committee of the Company. He was also appointed as a Chief Executive Officer of the Company in April 2017. Mr. Li is the sole director of Dragon Peace Limited, a substantial shareholder of the Company. He is responsible for overall corporate and business development and strategic direction of the Group, and provides leadership for the board of directors of the Company. Mr. Li has extensive experience in information technology and waste water treatment industries. He is currently an executive director and a vice president of Beijing Enterprises Water Group Limited ("BEWG") (a company listed on the main board of the Stock Exchange; stock code: 371) and the chairman of the Supervisory Committee of BEWG Environmental Group Co., Ltd., a wholly owned subsidiary of BEWG, and is mainly responsible for both the PRC and overseas water markets. Mr. Li holds a Bachelor degree in Law from the Faculty of Law in Peking University in 1992.

根據本公司之章程細則第87條，李海楓先生及張振義先生須輪值退任，並符合資格亦願意於應屆股東週年大會上膺選連任。

於二零一八年一月一日，鄧澤霖先生終止委任為本公司之執行董事及薪酬委員會及投資委員會各委員會之成員。鄧澤霖先生已確認，彼與董事會並無意見分歧，亦無就有關停任該等職位而須請本公司股東垂注之事項。

邱永耀先生、張振義先生及鄭先智女士均為本公司之獨立非執行董事，其委任期皆為三年。本公司董事會已經收到各獨立非執行董事根據上市規則第3.13條就其獨立性作出年度確認，並於本年度報告日期，彼等仍被視作具獨立性。

### 董事簡歷

#### 李海楓先生

*主席及行政總裁*

李海楓先生，47歲，於二零一一年六月獲委任為主席兼執行董事及現為本公司提名委員會及投資委員會之主席。彼亦於二零一七年四月獲委任為本公司之行政總裁。李先生亦為本公司主要股東 Dragon Peace Limited 之唯一董事。彼負責本集團之整體企業及業務發展以及策略方針，並領導本公司之董事會。李先生於資訊科技及污水處理行業擁有豐富經驗。彼現為北控水務集團有限公司（「北控水務」）（一家於聯交所主板上市之公司，股份代號：371）之執行董事兼副總裁，並為北控中科成環保集團有限公司（北控水務之全資附屬公司）之監事會主席，主要負責中國及海外水務市場。李先生於一九九二年獲得北京大學法律學系法學學士學位。

**Mr. Wang Ke**

*Vice President*

Mr. Wang Ke, aged 33, has been appointed as an executive director and vice president since March 2018 and is a member of each of the Remuneration Committee and Investment Committee. He was appointed as a non-executive director of Kong Sun Holdings Limited (stock code: 295), a company listed on the main board of the Stock Exchange on 14 November 2017. Mr. Wang has over seven years of experience in the field of Investment. From August 2010 to August 2011, he was an investment manager in China Kingho Energy Group Co., Ltd. Mr. Wang also held a position as an investment manager in China Gas Holdings Limited (stock code: 384), a company listed on the main board of the Stock Exchange during the period of January 2014 to August 2014. He was a senior vice president at Pohua JT Management Limited from 2014 to 2016. Mr. Wang has been a director of Magic Assets Limited, a company providing investment and finance consultancy services, since February 2015. He holds a Master of Arts in Global Business Management from the City University of Hong Kong.

**Mr. Lee Sheng Kuang, James**

*Non-Executive Director*

Mr. Lee Sheng Kuang, James, aged 71, is a founder of the Group. He was the Managing Director and a member of the Investment Committee of the Company prior to his resignation from an Executive Director to a Non-executive Director in April 2017, and was responsible for all day-to-day corporate management matters and planning and developing the Group's strategy. Mr. Lee has over thirty years of experience in the manufacture and distribution of apparel products.

**王科先生**

*副總裁*

王科先生，33歲，由二零一八年三月起獲委任為本公司之執行董事及副總裁，並分別為薪酬委員會及投資委員會之成員。彼於二零一七年十一月四日獲委任為江山控股有限公司（股份代號：295）一間於聯交所主板上市公司之非執行董事。王先生於投資領域擁有逾七年之經驗。由二零一零年八月至二零一一年八月，彼於中國慶華能源集團有限公司擔任投資經理。王先生亦自二零一四年一月至二零一四年八月期間，於聯交所主板上市公司中國燃氣控股有限公司（股份代號：384）擔任投資經理。彼於二零一四年至二零一六年，為保華嘉泰管理有限公司之高級副總裁。由二零一五年二月起，王先生為Magic Assets Limited之董事，該公司提供投資及財務顧問服務。彼持有香港城市大學環球企業管理文學碩士學位。

**李勝光先生**

*非執行董事*

李勝光先生，71歲，乃本集團之創辦人。彼於二零一七年四月由執行董事調任為非執行董事之前為本公司董事總經理及投資委員會成員並專責一切日常企業管理業務及計劃及發展本集團之策略。李先生在生產及分銷成衣產品方面積逾30年經驗。



**Mr. Yau Wing Yiu**

*Independent Non-Executive Director*

Mr. Yau Wing Yiu, aged 51, was appointed as an independent non-executive director in July 2011 and is the Chairman of both the Audit Committee and Remuneration Committee and a member of the Nomination Committee of the Company. He has extensive experience in financial management, corporate finance and investment. Mr. Yau was the partner and chief financial officer of AID Partners Capital Limited which is a private equity investment fund. Mr. Yau also worked for various listed companies in Hong Kong and overseas and a number of international investment banks. He was an executive director, independent non-executive director and chief financial officer of China Everbright Water Limited (formerly known as HanKore Environment Tech Group Limited), whose shares are listed on the Singapore Exchange Securities Trading Limited (stock code: U9E). Mr. Yau is a member of both American Institute of Certified Public Accountant and Hong Kong Institute of Certified Public Accountant. He holds a Master Degree of Business Administration in Finance from The Hong Kong University of Science and Technology, Graduate School of Business and a BA (Hons) in Business Studies from The City University of Hong Kong.

**Mr. Zhang Zhenyi**

*Independent Non-Executive Director*

Mr. Zhang Zhenyi, aged 37, was appointed as an independent non-executive director of the Company in March 2017 and is a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. He has been appointed as an executive director, chief financial officer, authorized representative and authorized person of Wan Kei Group Holdings Limited (a company listed on the main board of the Stock Exchange; stock code: 1718) with effect from 5 January 2018. He has extensive experience in financial, risk and investment management. From 2012 to end of 2016, Mr. Zhang was the chief financial officer of EACHWAY Fashion Group (Shenzhen) Limited and was responsible for supervising and managing the group's financial, internal control and investment management matters. Prior to that, he served as the finance in charge and project in charge of an automobile group in PRC and a consulting firm listed on the Stock Exchange. Mr. Zhang holds qualifications as a Certified Public Accountant, Senior International Finance Manager and Senior Accountant in the PRC. He obtained a Master Degree of Business Management from University of Science and Technology Beijing in 2011.

**邱永耀先生**

*獨立非執行董事*

邱永耀先生，51歲，於二零一一年七月獲委任為獨立非執行董事，並為本公司審核委員會及薪酬委員會之主席及提名委員會之成員。彼於財務管理、企業融資及投資方面擁有豐富經驗。邱先生曾為私人股本投資基金AID Partners Capital Limited之合夥人兼財務總監。邱先生亦曾於多間香港及海外上市公司及多間國際投資銀行任職。彼曾為中國光大水務有限公司（前稱為HanKore Environment Tech Group Limited，其股份於新加坡證券交易所有限公司上市；股份代號：U9E）之執行董事、獨立非執行董事及財務總監。邱先生均為美國註冊會計師協會及香港會計師公會之會員。彼持有香港科技大學商學院金融專業工商管理碩士學位，以及香港城市大學商業榮譽學士學位。

**張振義先生**

*獨立非執行董事*

張振義先生，37歲，於二零一七年三月獲委任為獨立非執行董事，並分別為本公司審核委員會、薪酬委員會及提名委員會之成員。彼於二零一八年一月五日獲委任為宏基集團控股有限公司（一家於聯交所主版上市之公司；股份代號：1718）之執行董事、首席財務官、授權代表及授權人士。彼在財務、風險及投資管理方面擁有豐富工作經驗。自二零一二年至二零一六年年尾，張先生於藝之卉時尚集團（深圳）有限公司擔任財務總監，負責監督及管理集團之財務、內部監控及投資管理之事宜。在此之時，被曾於中國一個汽車集團及一間於聯交所上市之顧問公司擔任財務負責人及專案負責人。張先生擁有中國註冊會計師、高級國際財務管理師及高級會計師資格。彼於二零一一年於北京科技大學取得工商管理碩士學位。

**Ms. Zheng Xianzhi**

*Independent Non-Executive Director*

Ms. Zheng Xianzhi, aged 34, was appointed as an independent non-executive director of the Company in June 2017 and is a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. She has over ten years of experience in the legal field practicing both as an attorney in New York and a registered foreign lawyer in Hong Kong. Ms. Zheng worked in Commerce & Finance Law Offices in Beijing and was responsible for mergers and acquisitions and initial public offerings. She was also an International Legal Project Manager of Skadden, Arps, Slate, Meagher & Flom LLP and had been in charge of various legal and compliance works for listed companies including Chinese state-owned enterprises and investment banks. She is currently a registered foreign lawyer of an international law firm in Hong Kong and was admitted to The People's Republic of China Bar and New York State Bar Association. Ms. Zheng holds a Bachelor of Law from North China University of Technology in the PRC as well as a Master of Law from both University of International Business and Economics in the PRC and Duke University in the United States of America.

**DIRECTORS' SERVICE CONTRACTS**

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

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

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

**DIRECTORS' INTERESTS IN COMPETING BUSINESS**

None of the directors of the Company has engaged in or were interested in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group during the year.

**鄭先智女士**

*獨立非執行董事*

鄭先智女士，34歲，於二零一七年六月獲委任為獨立非執行董事，並分別為本公司審核委員會、薪酬委員會及提名委員會之成員。彼在法律界具備逾十年之經驗，並於紐約為執業律師及於香港為註冊海外律師。鄭小姐曾於北京通商律師事務所工作，負責處理合併、收購及首次公開招股事宜。彼亦曾為世達國際律師事務所之國際法律項目經理，負責處理上市公司法律及合規之工作，包括中國國營企業及投資銀行。彼現為香港一家國際律師事務所之註冊海外律師及獲得中華人民共和國律師公會及紐約律師公會之資格。鄭女士於中國之北方工業大學持有法律學士學位，並同時於中國之對外經濟貿易大學及美國之杜克大學取得法律碩士學位。

**董事之服務合約**

被提名於應屆股東週年大會上重選之董事，概無與本公司訂立任何本公司不能於一年內免付賠償（法定賠償除外）而予以終止之服務合約。

**董事在對公司業務而言屬於重要的交易、安排及合同中的重大權益**

本公司董事及其關連人士概無與本公司任何附屬公司訂立而與本集團業務有重大關係，且於本年度結束或於年內任何時間仍然有效之交易、安排及合約中直接或間接擁有重大權益。

**董事於競爭業務之權益**

於年內，概無本公司董事直接或間接參與正與或可能與本集團業務構成競爭之任何業務或於該業務中直接或間接擁有權益。

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

董事及最高行政人員於本公司或本公司的任何指明企業或任何其他有聯繫法團之股份、相關股份及債權證之權益及／或淡倉

As at 31 December 2017, the interests of the directors of the Company in the shares of the Company as recorded in the register required to be kept by the Company under section 352 of Part XV of the Securities and Futures Ordinance (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 (the "Model Code") were as follows:

於二零一七年十二月三十一日，根據證券及期貨條例（「證券及期貨條例」）第XV部第352條規定本公司須予備存之登記冊所記錄或根據上市發行人董事進行證券交易的標準守則（「標準守則」）向本公司及聯交所發出之通知，本公司董事擁有本公司股份之權益如下：

**Long positions in the ordinary shares of HK\$0.10 each in the share capital of the Company**

於本公司股本中每股面值0.10港元之普通股之好倉

Name of director 董事姓名	Capacity 身份	Number of shares held 持有股份數目			Percentage of issued share capital 佔已發行股本百分比
		Personal interests 個人權益	Corporate interests 公司權益	Total interests 總權益	
Mr. Li Haifeng 李海楓先生	Interest of a controlled corporation 受控制法團之權益	—	404,944,690 (Note) (附註)	404,944,690	49.50
	Beneficial owner 實益擁有人	9,664,706	—	9,664,706	1.18
Mr. Lee Sheng Kuang, James 李勝光先生	Beneficial owner 實益擁有人	500,000	—	500,000	0.06
Mr. Tang Chak Lam, Charlie 鄧澤霖先生	Beneficial owner 實益擁有人	1,058,824	—	1,058,824	0.12
Mr. Yau Wing Yiu 邱永耀先生	Beneficial owner 實益擁有人	698,235	—	698,235	0.08

Note: The shares were held by Dragon Peace Limited, which was wholly owned by Mr. Li Haifeng.

附註：該等股份由Dragon Peace Limited持有，而該公司則由李海楓先生全資擁有。

All the interests stated above represent long positions. Save as disclosed above, at no time during the year was the Company, its subsidiaries, its fellow subsidiaries, its parent company or its other associated corporations a party to any arrangement to enable the directors and chief executives of the Company (including their spouse and children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its specified undertakings or other associated corporation.

### **SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY**

The register of substantial shareholders required to be kept by the Company under section 336 of Part XV of the SFO shows that as at 31 December 2017, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the directors and chief executives.

#### **Long positions in the ordinary shares of HK\$0.10 each in the share capital of the Company**

<b>Name of shareholder</b>	<b>Capacity</b>	<b>Number of shares</b>	<b>Percentage of issued share capital</b>
<b>股東名稱</b>	<b>身份</b>	<b>普通股股份數目</b>	<b>佔已發行股本百分比</b>
Dragon Peace Limited	Beneficial owner 實益擁有人	404,944,690 (Note) (附註)	49.50

Note: The shares were held by Dragon Peace Limited, which was wholly owned by Mr. Li Haifeng. These interests were duplicated with the interests of Mr. Li Haifeng as disclosed in the section headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION".

上文所述之所有權益均屬好倉。除上文所披露者外，本年度內任何時間，本公司、其子公司、同系子公司、控股公司或其其他有聯繫法團沒有成為某些安排的其中一方，而該等安排使公司的董事及最高行政人員（包括其配偶及18歲以下子女）於本公司、其指明企業或其其他有聯繫法團之股份、相關股份或債權證中擁用任何權益或淡倉。

### **主要股東在本公司股份、相關股份之權益及／或淡倉**

於二零一七年十二月三十一日，根據證券及期貨條例第XV部第336條規定本公司須予備存之主要股東名冊所記錄，本公司已獲以下佔本公司5%或以上已發行股本之主要股東通知其權益及／或淡倉。此等權益乃不包括上述就董事及最高行政人員所披露之權益。

#### **於本公司股本中每股面值0.10港元之普通股之好倉。**

附註：該等股份由Dragon Peace Limited全資持有，而該公司則由李海楓先生全資擁有。此等權益與「董事及最高行政人員於本公司或本公司的任何指明企業或任何其他有聯繫法團之股份、相關股份及債權證之權益及／或淡倉」一節所披露李海楓先生之權益重複。



## Report of the Directors 董事會報告

All the interests stated above represent long positions. Save as disclosed above, as at 31 December 2017, none of the substantial shareholders, other than directors or chief executives, of the Company had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of Part XV of the SFO.

### INTERESTS OF OTHER PERSONS

Save as disclosed in the sections headed “DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION” and “SUBSTANTIAL SHAREHOLDERS’ INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY” above, the register required to be kept under section 336 of Part XV of the SFO shows that as at 31 December 2017, the Company had not been notified of any other person who had an interest or short position in the shares and underlying shares of the Company.

### MANAGEMENT CONTRACTS

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

### CHANGE IN INFORMATION OF DIRECTOR

The change in the information of director of the Company, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, is as follows:

On 5 January 2018, Mr. Zhang Zhenyi, an independent non-executive director of the Company, was appointed as an executive director, chief financial officer, authorized representative and authorized person of Wan Kei Group Holdings Limited (a company listed on the main board of the Stock Exchange; stock code: 1718).

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

上文所述之所有權益均屬好倉。除上文所披露者外，根據證券及期貨條例第XV部第336條規定須予備存之登記冊所記錄，於二零一七年十二月三十一日，本公司之主要股東（除董事或最高行政人員外）於本公司股份或相關股份中概無擁有任何權益或淡倉。

### 其他人士權益

除本上文「董事及最高行政人員於本公司或本公司的任何指明企業或任何其他有聯繫法團之股份、相關股份及債權證之權益及／或淡倉」及「主要股東在本公司股份、相關股份之權益及／或淡倉」兩節所披露者外，根據證券及期貨條例第XV部第336條規定須予備存之登記冊所顯示，於二零一七年十二月三十一日，本公司並無獲通知有任何其他人士擁有本公司股份及相關股份之權益或淡倉。

### 管理合約

年內並無訂立或存有有關本公司整體或任何重大部份業務之管理及行政合約。

### 董事資料之變動

根據上市規則第13.51B(1)條規定，茲披露本公司董事資料之變動如下：

本公司獨立非執行董事張振義先生於二零一八年一月五日獲委任為宏基集團控股有限公司（一間於聯交所主板上市之公司；股份代號：1718）之執行董事，首席財務官，授權代表及授權人士。

除上文所披露者外，概無其他資料須根據上市規則第13.51B(1)條而須予披露。



## MAJOR SUPPLIERS AND CUSTOMERS

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

(i)	Purchases	採購	
	– the largest supplier	– 最大供應商	34.3%
	– five largest suppliers in aggregate	– 五大供應商合計	74.6%
(ii)	Sales	銷售	
	– the largest customer	– 最大客戶	95.9%
	– five largest customers in aggregate	– 五大客戶合計	100%

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

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, as at the date of this Annual Report, it is confirmed that there is sufficient public float of at least 25% of the Company's issued shares.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the Laws of Bermuda.

## ADDITIONAL INFORMATION OF BUSINESS REVIEW

Additional information of business review is set out on pages 12 to 22 under Management Discussion and Analysis of this Annual Report.

## 主要供應商及客戶

本集團主要供應商及客戶於年內所佔之採購及銷售百分比如下：

本公司董事、彼等之聯繫人士或任何股東（據董事所知於本公司股本中擁有5%以上權益者）概無於主要供應商或客戶中擁有權益。

## 足夠公眾持股量

據本公司可公開獲取之資料以及據本公司董事所知，於本年度報告日期，本公司確認已具備至少其已發行股份中25%之公眾持股量。

## 優先認股權

本公司之章程細則或百慕達法例均無優先認股權之規定。

## 業務回顧的其他資料

尚有業務回顧的其他資料載於本年報第12頁至22頁「管理層討論和分析」一節。

## PERMITTED INDEMNITY PROVISIONS

Pursuant to the Company's Bye-laws, Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to the Directors. Such provisions were in force during the year ended 31 December 2017 and remained in force as of the date of this report.

## AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment in the forthcoming Annual General Meeting.

On behalf of the Board

**Wang Ke**

*Executive Director*

Hong Kong, 22 March 2018

## 獲准許的彌償條文

根據本公司的章程細則，董事因執行職務或受託之職責或據稱職責或因就此而作出、贊同作出或沒有作出之任何行動而將會或可能承擔或蒙受之所有訴訟、成本、押記、虧損、損害及開支獲得以本公司之資產及溢利出之彌償保證及免受損害，惟本彌償保證不延伸至任何與董事欺詐或不忠誠有關的事宜。該等條文於截至二零一七年十二月三十一日止年度期間生效，並於本報告日期繼續生效。

## 核數師

本財務報表已經由羅兵咸永道會計師事務所審核，該核數師任滿退任，並表示願意於應屆股東週年大會應聘連任。

代表董事會

執行董事

**王科**

香港，二零一八年三月二十二日



羅兵咸永道

**TO THE SHAREHOLDERS OF  
CARRY WEALTH HOLDINGS LIMITED**  
*(incorporated in Bermuda with limited liability)*

**致恒富控股有限公司股東**  
*(於百慕達註冊成立之有限公司)*

## OPINION

## 意見

### What we have audited

### 我們已審計的內容

The consolidated financial statements of Carry Wealth Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 64 to 144, which comprise:

恒富控股有限公司(以下簡稱「貴公司」及其附屬公司(統稱「貴集團」)列載於第64至144的綜合財務報表,包括:

- the consolidated balance sheet as at 31 December 2017;
  - the consolidated income statement for the year then ended;
  - the consolidated statement of comprehensive income for the year then ended;
  - the consolidated statement of changes in equity for the year then ended;
  - the consolidated cash flow statement for the year then ended; and
  - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
- 於二零一七年十二月三十一日綜合資產負債表;
  - 截至該日止年度的綜合收入報表;
  - 截至該日止年度的綜合全面收入報表;
  - 截至該日止年度的綜合權益變動表;
  - 截至該日止年度的綜合現金流量轉表;及
  - 綜合財務報表附註,包括主要會計政策概要。

### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

### KEY AUDIT MATTERS

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter.

Key audit matter identified in our audit is summarised as follows:

- Impairment review of investment in a joint venture

### 我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零一七年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

### 意見的基礎

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

我們相信，我們所獲得的審計感證能充足及適當地為我們的審計意見提供基礎。

### 獨立性

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

### 關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

- 於一間合營企業之投資的減值檢討

**Key Audit Matter**  
**關鍵審計事項**

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

*Impairment review of investment in a joint venture*  
於一間合營企業之投資的減值檢討

Refer to Note 4 and 16 to the consolidated financial statements  
參閱綜合財務報表附註4及16

As at 31 December 2016, the carrying amount of investment in a joint venture amounted to HK\$20,978,000, of which HK\$16,740,000 represented goodwill. For the year ended 31 December 2017, the Group has shared losses arising from this joint venture amounted to HK\$5,331,000. The primary reasons for the losses incurred for the year ended 31 December 2017 was a deterioration in the operation of the joint venture as well as significant write-off of inventories. With consecutive losses recorded for the past two years, this is considered to be an indicator of impairment.

於二零一六年十二月三十一日，於一間合營企業之投資賬面值為二千零九十七萬八千港元，其中一千六百七十四萬港元為商譽。截至二零一七年十二月三十一日止年度，本集團就合營企業之營運虧損分擔了五百三十三萬一千港元。截至二零一七年十二月三十一日止年度產生虧損的主要原因是合營企業營運狀況惡化以及存貨大幅撥備。由於合營企業連續兩年錄得虧損，這被視為減值跡象。

We have assessed and evaluated the impairment assessment presented to the Board of Directors on 30 November 2017 by validating market development resulting in and the rationale behind the impairment to supporting documents either provided by management or through our own research;

根據管理層提供或自行考證的市場發展資料，我們已評估及分析於二零一七年十一月三十日向董事會呈報的減值評估：

Aside from performing analytical procedures over the results of the joint venture, we have also compared the current year's results to last year's budget to confirm management's determination that the joint venture's business performance was significantly deteriorating;

除了對合營企業之業績進行分析程序外，我們亦將本年之業績與去年的預算進行比較，以確認管理層認為合營企業之業績表現顯著惡化的觀點。

Based on the procedures performed, we found management's impairment assessment to be acceptable based on available evidence.

根據執行的工作程序，我們認為管理層根據現有的證據的減值評估屬可接受。



**Key Audit Matter**  
**關鍵審計事項**

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

*Impairment review of investment in a joint venture*  
於一間合營企業之投資的減值檢討

In light of the above impairment indicator, management applied judgements with reference to the operational and financial information of the joint venture to determine whether an impairment on the investment was required. With a sharp deterioration of the business performance from the joint venture, management of the joint venture was not able to develop a feasible alternative business plan to pursue, resulting in a significant scale down of the joint venture's operations during the year ended 31 December 2017. As a result, the Directors of the Group has made a full impairment against the carrying value of the investment in a joint venture, amounted to HK\$15,647,000

鑒於出現上述減值跡象，管理層參考合營企業的營運及財務資料作出判斷，以釐定是否需要就投資作出減值。隨著合營企業業務表現急劇惡化，合營企業之管理層仍未計劃好一個可行的替補方案，導致截至二零一七年十二月三十一日止年度合營企業業務大幅減少。因此，集團董事已就合營企業之投資的賬面值進行全數減值，總額為一千五百六十四萬七千港元。

This area was of most significance to our audit due to the significance of the investment in a joint venture to the consolidated balance sheet and the impairment charge to the consolidated statement of comprehensive income, as well as the significant judgement involved in determining whether or not the joint venture should be impaired.

上述方面對我們的審計而言最為重要，此乃由於於一間合營企業對綜合資產負債表及減值費用對綜合全面收入報表有巨大影響，以及對一間合營企業應否進行減值涉及重大判斷。

## OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## 其他信息

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

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

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

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

## 董事及管治層就綜合財務報表須承擔的責任

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

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

管治層須負責監督貴集團的財務報告過程。

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 scepticism throughout the audit. We also:

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

## 核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）說明按照相關司法管轄區下的法定審計規定。例如，在百慕達註冊成立的公司：按照百慕達《一九八一年公司法》第90條報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

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

## Independent Auditor's Report 獨立核數師報告

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

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

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

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

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

## Independent Auditor's Report 獨立核數師報告

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Hin Gay Gabriel.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 22 March 2018

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

出具本獨立核數師報告的審計項目合夥人為陳顯基先生。

**羅兵咸永道會計師事務所**  
執業會計師

香港，二零一八年三月二十二日



## Consolidated Income Statement 綜合收入報表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收益	5	<b>244,590</b>	123,105
Cost of sales	銷售成本	7	<b>(204,512)</b>	(123,334)
Gross profit/(loss)	毛利/(損)		<b>40,078</b>	(229)
Other losses – net	其他虧損－淨值	6	<b>(11,960)</b>	(42)
Selling expenses	銷售開支	7	<b>(4,550)</b>	(2,972)
Administrative expenses	行政開支	7	<b>(42,339)</b>	(42,103)
Operating loss	經營虧損		<b>(18,771)</b>	(45,346)
Finance income	融資收入	8	<b>44</b>	108
Finance expense	融資開支	8	<b>(175)</b>	–
Finance (expense)/income – net	融資(開支)/收入－淨值		<b>(131)</b>	108
Share of result of an associate	應佔一間聯營企業之業績	15	<b>(5,723)</b>	–
Share of result of a joint venture	應佔一間合營企業之業績	16	<b>(5,331)</b>	(3,628)
Loss before income tax	除所得稅前虧損		<b>(29,956)</b>	(48,866)
Income tax expenses	所得稅開支	9	<b>–</b>	(853)
Loss for the year attributable to equity holders of the Company	本公司權益持有人應佔年度虧損		<b>(29,956)</b>	(49,719)
Loss per share attributable to the equity holders of the Company for the year	年內由本公司權益持有人應佔之每股虧損			
– basic (HK cents)	– 基本(港仙)	10	<b>(3.66)</b>	(6.08)
– diluted (HK cents)	– 攤薄(港仙)	10	<b>(3.66)</b>	(6.08)

The above consolidated income statement should be read in conjunction with the accompanying notes.

上述綜合收入報表應與附註一併閱覽。

## Consolidated Statement of Comprehensive Income 綜合全面收入報表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss for the year	年度虧損	<b>(29,956)</b>	(49,719)
Other comprehensive income/(loss): <i>Item that will not be reclassified subsequently to profit or loss</i>	其他全面收入／(虧損)： <u>其後不可重新分類至 損益賬之項目</u>		
Fair value gain, net of tax: – properties, plant and equipment	公允值收益，扣除稅項： – 物業、廠房及設備	<b>3,072</b>	502
<i>Item that may be reclassified to profit or loss</i> <u>Currency translation differences</u>	<u>可重新分類至損益賬之項目</u> <u>匯兌差額</u>	<b>1,135</b>	(3,218)
Other comprehensive income/(loss) for the year, net of tax	年度其他全面 收入／(虧損)，扣除稅項	<b>4,207</b>	(2,716)
Total comprehensive loss for the year attributable to equity holders of the Company	本公司權益持有人 應佔年度全面虧損總額	<b>(25,749)</b>	(52,435)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

上述綜合全面收入報表應與附註一併閱覽。

# Consolidated Balance Sheet 綜合資產負債表

As at 31 December 2017 於二零一七年十二月三十一日

		Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>ASSETS</b>	<b>資產</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Properties, plant and equipment	物業、廠房及設備	14	51,890	50,263
Investment in an associate	於一間聯營企業之投資	15	26,065	–
Investment in a joint venture	於一間合營企業之投資	16	–	20,978
Land use rights	土地使用權	17	9,881	12,849
Deposits and other receivable	按金及其他應收款項	20	15,406	655
<b>Total non-current assets</b>	<b>非流動資產總額</b>		<b>103,242</b>	84,745
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	19	50,260	25,127
Trade and other receivables	貿易及其他應收款項	20	52,077	28,657
Financial assets at fair value through profit or loss	按公允值計入損益賬之金融資產	21	3,518	108,242
Cash and cash equivalents	現金及現金等值項目	22	67,456	21,534
<b>Total current assets</b>	<b>流動資產總額</b>		<b>173,311</b>	183,560
<b>Total assets</b>	<b>總資產</b>		<b>276,553</b>	268,305
<b>EQUITY</b>	<b>權益</b>			
Share capital	股本	26	81,804	81,804
Other reserves	其他儲備	27	207,392	203,185
Accumulated losses	累計虧損		(86,752)	(56,796)
<b>Total equity</b>	<b>總權益</b>		<b>202,444</b>	228,193

## Consolidated Balance Sheet 綜合資產負債表

As at 31 December 2017 於二零一七年十二月三十一日

		Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>LIABILITIES</b>	<b>負債</b>			
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Deferred income tax liabilities	遞延所得稅負債	23	8,319	7,294
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	24	59,838	29,450
Borrowing	貸款	25	5,952	–
Income tax payable	應付所得稅		–	3,368
<b>Total current liabilities</b>	<b>流動負債總額</b>		<b>65,790</b>	32,818
<b>Total liabilities</b>	<b>總負債</b>		<b>74,109</b>	40,112
<b>Total equity and liabilities</b>	<b>總權益及負債</b>		<b>276,553</b>	268,305

The consolidated financial statements on pages 64 to 144 were approved by the Board of Director on 22 March 2018 and were signed on its behalf.

第64頁至第144頁的綜合財務報表已由董事會於二零一八年三月二十二日批核，並代表董事會簽署。

**Li Haifeng**  
**李海楓**  
Chairman  
主席

**Wang Ke**  
**王科**  
Executive Director  
執行董事

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

上述綜合資產負債表應與附註一併閱覽。

## Consolidated Statement of Changes in Equity 綜合權益變動表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔			
		Share Capital 股本 HK\$'000 千港元	Other reserves (Note 27) 其他儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Balance at 1 January 2016	於二零一六年 一月一日結餘	81,804	205,901	(7,077)	280,628
Comprehensive loss Loss for the year	全面虧損 年度虧損	-	-	(49,719)	(49,719)
Other comprehensive income/(loss) Fair value gain, net of tax: - properties, plant and equipment Currency translation differences	其他全面收入/(虧損) 公允值收益·扣除稅項: - 物業、廠房及設備 匯兌差額	- - -	502 (3,218)	- -	502 (3,218)
Total other comprehensive loss	其他全面虧損總額	-	(2,716)	-	(2,716)
Total comprehensive loss	全面虧損總額	-	(2,716)	(49,719)	(52,435)
Balance at 31 December 2016	於二零一六年 十二月三十一日結餘	81,804	203,185	(56,796)	228,193

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

上述綜合權益變動表應與附註一併閱覽。



## Consolidated Statement of Changes in Equity 綜合權益變動表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔			
		Share Capital 股本 HK\$'000 千港元	Other reserves (Note 27) 其他儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Balance at 1 January 2017	於二零一七年 一月一日結餘	81,804	203,185	(56,796)	228,193
Comprehensive loss Loss for the year	全面虧損 年度虧損	-	-	(29,956)	(29,956)
Other comprehensive income	其他全面收入				
Fair value gain, net of tax:	公允值收益，扣除稅項：				
– properties, plant and equipment	– 物業、廠房及設備	-	3,072	-	3,072
Currency translation differences	匯兌差額	-	1,135	-	1,135
Total other comprehensive income	其他全面收入總額	-	4,207	-	4,207
Total comprehensive income/(loss)	全面收入／(虧損)總額	-	4,207	(29,956)	(25,749)
Balance at 31 December 2017	於二零一七年 十二月三十一日結餘	81,804	207,392	(86,752)	202,444

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

上述綜合權益變動表應與附註一併閱覽。

# Consolidated Cash Flow Statement 綜合現金流轉表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>Cash flows from operating activities 經營活動之現金流轉</b>			
Net cash generated from/(used in) operations 經營產生/(所用)之現金	28	81,650	(38,744)
Income tax paid 已支付所得稅		(3,368)	–
Interest paid 已支付利息		(175)	–
Net cash generated from/(used in) operating activities 經營活動產生/(所用)之現金淨額		78,107	(38,744)
<b>Cash flows from investing activities 投資活動之現金流轉</b>			
Purchase of properties, plant and equipment 購置物業、廠房及設備		(615)	(3,685)
Proceeds from disposal of properties, plant and equipment 出售物業、廠房及設備所得款項		17	11
Proceed from disposal of land use right 出售土地使用權所得款項		7,069	–
Other loan 其他貸款		(11,423)	–
Investment in an associate 於一間聯營企業之投資		(30,989)	–
Investment in a joint venture 於一間合營企業之投資		–	(25,581)
Interest received 已收利息		44	108
Net cash used in investing activities 投資活動所用之現金淨額		(35,897)	(29,147)
<b>Cash flows from financing activity 融資活動之現金流轉</b>			
Proceed from bank borrowing 銀行貸款所得款項		5,952	–
Net cash generated from financing activity 融資活動產生之現金淨額		5,952	–
<b>Net increase/(decrease) in cash and cash equivalents 現金及現金等值項目之淨增加/(減少)</b>		48,162	(67,891)
Cash and cash equivalents at beginning of the year 年初現金及現金等值項目		21,534	88,378
Exchange (losses)/gains 匯兌(虧損)/收益		(2,240)	1,047
<b>Cash and cash equivalents at end of the year 年終現金及現金等值項目</b>		<b>67,456</b>	<b>21,534</b>

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

上述綜合現金流轉表應與附註一併閱覽。

# Notes to the Financial Statements 財務報表附註

## 1 GENERAL INFORMATION

Carry Wealth Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) manufacture and trade garment products and engage in securities investment. The Group has production facilities in Mainland China.

The Company is a limited liability company incorporated in Bermuda and is listed on The Stock Exchange of Hong Kong Limited. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

These consolidated financial statements are presented in thousands of Hong Kong dollars (“HK\$’000”), unless otherwise stated.

## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basis of preparation and the principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied for all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Carry Wealth Holdings Limited and its subsidiaries.

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) and requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of buildings (Note 2.7 and 14) and financial assets at fair value through profit or loss (Notes 2.10 and 21), which are carried at fair value.

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

## 1 一般資料

恒富控股有限公司（「本公司」）及其附屬公司（統稱為「本集團」）生產及買賣成衣產品以及從事證券投資。本集團於中國大陸有生產設施。

本公司是一間於百慕達註冊成立的有限公司，並於香港聯合交易所有限公司上市。其註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

除另有說明外，此等綜合財務報表均以千港元為呈列單位。

## 2 編製基準及主要會計政策概要

編製此等綜合財務報表所採納之編製基準及主要會計政策載於下文。除另有說明外，此等政策已於所有呈報年度貫徹應用。本財務報表適用於由恒富控股有限公司及其附屬公司組成之集團。

### 2.1 編製基準

本集團之綜合財務報表乃按照所有適用之香港財務報告準則（「香港財務報告準則」）及香港公司條例第622章之要求而編製。有關綜合財務報表乃根據歷史成本法而編製，並就重估之樓宇（附註2.7及14）及按公允值計入損益賬之金融資產（按公允值列賬）（附註2.10及21）而予以修訂。

編製符合香港財務報告準則之財務報表時須作出若干關鍵會計估算。同時，在應用本集團會計政策之過程中，需要管理層行使其判斷。涉及須作出更多判斷或更複雜之範疇，或對綜合財務報表而言屬重大之假設及估計之範疇於附註4中披露。

## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### 2.1.1 Changes in accounting policy and disclosures

##### (a) Amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2017:

- Amendments to HKAS 7, "Statement of cash flows"
- Amendments to HKAS 12, "Income taxes"
- Amendments to HKFRSs, "Annual improvements 2014 – 2016 cycle"

The adoption of these amendments did not have any impact on the current year or any prior period.

##### (b) New and amended standards that have been issued but are not effective for the financial year beginning 1 January 2017 and have not been early adopted

- Amendments to HKAS 28, "Investment in associates and joint ventures"<sup>1</sup>
- Amendments to HKAS 40, "Transfer of investment property"<sup>1</sup>
- Amendments to HKFRS 1, "First adoption of HKFRS"<sup>1</sup>
- Amendments to HKFRS 2, "Classification and measurement of share-based payment transactions"<sup>1</sup>
- Amendments to HKFRS 4, "Insurance contract"<sup>1</sup>
- HKFRS 9, "Financial instruments"<sup>1</sup>

## 2 編製基準及主要會計政策概要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露之變動

##### (a) 本集團已採納之經修訂準則

以下準則之修訂本集團已於二零一七年一月一日開始或之後的財政年度首次採納：

- 香港會計準則第7號「現金流轉報告」之修訂
- 香港會計準則第12號「所得稅」之修訂
- 香港財務報告準則「2014 – 2016週期年度改進」之修訂

採納該等修訂不會對本年度或以前任何期間產生任何影響。

##### (b) 已頒布但於二零一七年一月一日開始之財政年度尚未生效，且並無提前採納之新訂及經修訂準則

- 香港會計準則第28號「於聯營和合營企業之投資」<sup>1</sup>之修訂
- 香港會計準則第40號「投資物業之轉移」<sup>1</sup>之修訂
- 香港財務報告準則第1號「首次採納香港財務報告準則」<sup>1</sup>之修訂
- 香港財務報告準則第2號「分類及計量以股份為基礎的付款交易」<sup>1</sup>之修訂
- 香港財務報告準則第4號「保險合同」<sup>1</sup>之修訂
- 香港財務報告準則第9號「金融工具」<sup>1</sup>

## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### 2.1.1 Changes in accounting policy and disclosures (Continued)

(b) *New and amended standards that have been issued but are not effective for the financial year beginning 1 January 2017 and have not been early adopted (Continued)*

- Amendments to HKFRS 10 and HKAS 28, “Sale or contribution of assets between an investor and its associate or joint venture”<sup>3</sup>
- HKFRS 15, “Revenue from contracts with customers”<sup>1</sup>
- HKFRS 16, “Leases”<sup>2</sup>
- HK (IFRIC) 22, “Foreign currency transactions and advance consideration”<sup>1</sup>
- HK (IFRIC) 23, “Uncertainty over income tax treatments”<sup>2</sup>

<sup>1</sup> effective for annual period beginning on or after 1 January 2018

<sup>2</sup> effective for annual period beginning on or after 1 January 2019

<sup>3</sup> to be determined

(i) HKFRS 9, “Financial instruments”

HKFRS 9, “Financial instruments”, addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income (“FVOCI”) and fair value through profit or loss.

## 2 編製基準及主要會計政策概要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露之變動 (續)

(b) *已頒布但於二零一七年一月一日開始之財政年度尚未生效，且並無提前採納之新訂及經修訂準則 (續)*

- 香港財務報告準則第10號及香港會計準則第28號「關於投資者與其聯營企業或合營企業之資產出售或出資」<sup>3</sup>之修訂
- 香港財務報告準則第15號「與客戶之間的合同產生之收益」<sup>1</sup>
- 香港財務報告準則第16號「租賃」<sup>2</sup>
- 香港財務報告公告詮釋第22號「外幣交易與預收(付)對價」<sup>1</sup>
- 香港財務報告公告詮釋第23號「所得稅處理之不確定性」<sup>2</sup>

<sup>1</sup> 於二零一八年一月一日或之後開始之年度期間生效

<sup>2</sup> 於二零一九年一月一日或之後開始之年度期間生效

<sup>3</sup> 有待確定

(i) 香港財務報告準則第9號「金融工具」

香港財務報告準則第9號「金融工具」涉及金融資產及金融負債的分類、計量及確認。它取代香港會計準則第39號有關金融工具分類及計量的指引。香港財務報告準則第9號保留但簡化混合計量模型並確定金融資產的三個主要計量類別：攤銷成本、透過其他全面收入的公允值(「FVOCI」)及透過損益賬的公允值。



## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### 2.1.1 Changes in accounting policy and disclosures (Continued)

(b) *New and amended standards that have been issued but are not effective for the financial year beginning 1 January 2017 and have not been early adopted (Continued)*

(i) HKFRS 9, “Financial instruments” (Continued)

Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in FVOCI, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss. For financial liabilities there are two classification categories: amortised cost and fair value through profit or loss. Where non-derivative financial liabilities are designated at fair value through profit or loss, the changes in the fair value due to changes in the liability’s own credit risk are recognised in FVOCI, unless such changes in fair value would create an accounting mismatch in profit or loss, in which case, all fair value movements are recognised in profit or loss. There is no subsequent recycling of the amounts in FVOCI to profit or loss. For financial liabilities held for trading (including derivative financial liabilities), all changes in fair value are presented in profit or loss.

Based on an analysis of the Group’s consolidated financial instruments as at 31 December 2017, the directors do not expect the adoption of HKFRS 9 to have a significant impact on the classification and measurement of the Group’s financial assets and financial liabilities.

## 2 編製基準及主要會計政策概要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露之變動 (續)

(b) *已頒布但於二零一七年一月一日開始之財政年度尚未生效，且並無提前採納之新訂及經修訂準則 (續)*

(i) 香港財務報告準則第9號「金融工具」(續)

於權益工具之投資始終以公允值計量。然而，管理層可以作出不可撤銷的選擇公允值變動於FVOCI呈現，前提是該工具不是用於交易。如果權益工具持有作交易，則公允值變動損益呈現。就金融負債而言，有兩類分類：攤銷成本及透過損益賬的公允值。如果非衍生金融負債特定以公允值計入損益，則由於負債本身的信用風險發生變化而導致的公允值變動將於FVOCI確認，除非公允值變動將導致損益會計錯配，在此情況下，所有公允值變動均於損益確認。沒有後續將自FVOCI的金額重新計入損益。就交易性質之金融負債（包括衍生金融負債）而言，所有公允值變動均於損益呈現。

根據本集團於二零一七年十二月三十一日的綜合金融工具之分析，董事預期採納香港財務報告準則第9號不會對本集團的金融資產及金融負債的分類及計量產生重大影響。

## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### 2.1.1 Changes in accounting policy and disclosures (Continued)

(b) *New and amended standards that have been issued but are not effective for the financial year beginning 1 January 2017 and have not been early adopted (Continued)*

(i) HKFRS 9, “Financial instruments” (Continued)

HKFRS 9 also introduces a new model for the recognition of impairment losses — the expected credit losses (“ECL”) model, which constitutes a change from the incurred loss model in HKAS 39. HKFRS 9 contains a ‘three stage approach’, which is based on the change in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate how an entity measures impairment losses and applies the effective interest rate method. The new rules mean that on initial recognition of a non-credit impaired financial asset carried at amortised cost a day-1 loss equal to the 12-month ECL is recognised in profit or loss. In the case of accounts receivables this day-1 loss will be equal to their lifetime ECL.

Where there is a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL.

The new impairment model requires the recognition of impairment provisions based on ECL rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments at FVOCI, contract assets under HKFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. The historical credit losses are immaterial.

## 2 編製基準及主要會計政策概要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露之變動 (續)

(b) *已頒布但於二零一七年一月一日開始之財政年度尚未生效，且並無提前採納之新訂及經修訂準則 (續)*

(i) 香港財務報告準則第9號「金融工具」(續)

香港財務報告準則第9號亦引入一種新模式，作減值虧損確認—預期信貸虧損(「ECL」)模式，該模式構成香港會計準則第39號已產生虧損模式的變動。香港財務報告準則第9號載有「三階段法」，即基於自初始確認後金融資產信用質量的變化。由於信貸質量發生變化，資產分三個階段流動，階段決定了企業如何計量減值損失並應用實際利率法。新規則意味著，在初始確認以攤銷成本計量的非信用減值金融資產時，相當於12個月ECL的第一天損失將在損益中確認。在應收賬款的情況下，1日的損失將等於其終身ECL。

如果信用風險顯著增加，則使用終身ECL而非12個月ECL來衡量減值。

新減值模型要求基於ECL確認減值撥備，而不是根據香港會計準則第39號已發生的信用損失。它適用於按攤銷成本分類的金融資產，於FVOCI之債務工具，根據香港財務報告準則第15號與客戶之間的合同產生之收益，應收租賃款項，貸款承諾及若干財務擔保合約。歷史信貸損失並不重大。

## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### 2.1.1 Changes in accounting policy and disclosures (Continued)

(b) *New and amended standards that have been issued but are not effective for the financial year beginning 1 January 2017 and have not been early adopted (Continued)*

(i) HKFRS 9, “Financial instruments” (Continued)

Based on the historical experience of the Group, the default rates of the outstanding balances with customers are low. Hence, the directors of the Company do not expect that the application of HKFRS 9 would result in a significant impact on the Group’s impairment provisions.

In the opinion of the directors of the Company, the application of HKFRS 9 would not have a material impact on the Group’s financial position and results of operations. The Group does not intend to adopt HKFRS 9 before its mandatory date.

(ii) HKFRS 15, “Revenue from contracts with customers”

HKFRS 15, “Revenue from contracts with customers”, establishes a comprehensive framework for recognising revenue from contracts with customers. HKFRS 15 will replace the existing revenue standards, HKAS 18 “Revenue”, which covers revenue arising from sale of goods and rendering of services, and HKAS 11 “Construction contracts”, which specifies the accounting for revenue from construction contracts. The Group is currently assessing the impacts of adopting HKFRS 15 on its consolidated financial statements. Based on the preliminary assessment, the Group has identified the following area which is likely to be affected:

## 2 編製基準及主要會計政策概要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露之變動 (續)

(b) *已頒布但於二零一七年一月一日開始之財政年度尚未生效，且並無提前採納之新訂及經修訂準則 (續)*

(i) 香港財務報告準則第9號「金融工具」(續)

根據本集團的歷史經驗，客戶違約率較低。因此，本公司董事預期採納香港財務報告準則第9號將不會對本集團減值撥備產生重大影響。

本公司董事認為，採納香港財務報告準則第9號將不會對本集團的財務狀況及經營業績造成重大影響。本集團無意於其強制日期前採納香港財務報告準則第9號。

(ii) 香港財務報告準則第15號「與客戶之間的合同產生之收益」

香港財務報告準則第15號「與客戶之間的合同產生之收益」為確認與客戶合約收益建立全面框架。香港財務報告準則第15號將取代現行收益標準，香港會計準則第18號「收益」（包括銷售貨品及提供服務產生之收益）以及香港會計準則第11號「建築合約」，其中明確建築合約收益的會計處理。本集團現正評估採納香港財務報告準則第15號對其綜合財務報表的影響。根據初步評估，本集團已識別出下列部份可能受到的影響：

## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### 2.1.1 Changes in accounting policy and disclosures (Continued)

(b) *New and amended standards that have been issued but are not effective for the financial year beginning 1 January 2017 and have not been early adopted (Continued)*

- (ii) HKFRS 15, “Revenue from contracts with customers” (Continued)

#### Timing of revenue recognition

The Group’s revenue recognition policy is disclosed in Note 2.23. Currently, revenue arising from the sales of goods is generally recognised when the risks and rewards of ownership have passed to the customers.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised goods or services in the contract. HKFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach: (1) Identify the contract(s) with customer; (2) Identify separate performance obligations in a contract; (3) Determine the transaction price; (4) Allocate transaction price to performance obligations; and (5) Recognise revenue when performance obligation is satisfied. The core principle is that a company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. It moves away from a revenue recognition model based on an “earnings processes” to an “asset liability” approach based on transfer of control. HKFRS 15 provides specific guidance on capitalisation of contract cost, license arrangements and principal versus agent considerations. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

## 2 編製基準及主要會計政策概要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露之變動 (續)

(b) *已頒布但於二零一七年一月一日開始之財政年度尚未生效，且並無提前採納之新訂及經修訂準則 (續)*

- (ii) 香港財務報告準則第15號「與客戶之間的合同產生之收益」(續)

#### 收益確認的時間

本集團的收益確認政策已在附註2.23中披露。目前，當商品所有權的風險和報酬已轉移給客戶時，商品銷售收益一般會予以確認。

根據香港財務報告準則第15號，收益於客戶取得合約承諾商品或服務的控制權時確認。香港財務報告準則第15號建立一個綜合框架，以確定何時通過五步法確認收益及應確認多少收益：(1)確定與客戶的合同；(2)確定合同中的單獨履約義務；(3)確定交易價格；(4)將交易價格分配至履約義務；(5)履行履約義務時確認收益。核心原則是公司向客戶轉移承諾的商品或服務後應確認收益，該數額反映了公司預期有權換取這些商品或服務的對價。它將基於「收益流程」的收益確認模型轉移到基於控制權轉移的「資產負債」方法。香港財務報告準則第15號就合約成本資本化、特許安排及主要與代理考慮事項提供具體指引。它還包括一系列關於該實體與客戶簽訂的合同所產生的收益和現金流量的性質、金額、時間和不確定性的一整套披露要求。

## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### 2.1.1 Changes in accounting policy and disclosures (Continued)

(b) *New and amended standards that have been issued but are not effective for the financial year beginning 1 January 2017 and have not been early adopted (Continued)*

- (ii) HKFRS 15, "Revenue from contracts with customers" (Continued)

Timing of revenue recognition (Continued)

Management has performed a preliminary assessment and expects that the application of HKFRS 15 would not result in significant impact on the Group's financial position and results of operations based on the current business model. Meanwhile, there will be additional disclosure requirement under HKFRS 15 upon its adoption.

- (iii) HKFRS 16, "Leases"

The Group is a lessee of its buildings and motor vehicles which are currently classified as operating leases. The Group's current accounting policy for such leases is set out in Note 2.24. As at 31 December 2017, the Group has aggregate minimum lease payments, which are not reflected in the consolidated balance sheet, under non-cancellable operating lease of approximately HK\$3,519,000 as set out in Note 29.

HKFRS 16 provides new provisions for the accounting treatment of leases and will in the future no longer allow lessees to account for certain leases outside the consolidated balance sheet. Instead, all long-term leases must be recognised in the consolidated balance sheet in the form of assets (for the rights of use) and lease liabilities (for the payment obligations), both of which would carry initially at the discounted present value of the future operating lease commitments. Short-term leases with a lease term of twelve months or less and leases of low-value assets are exempt from such reporting obligations.

## 2 編製基準及主要會計政策概要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露之變動 (續)

(b) *已頒布但於二零一七年一月一日開始之財政年度尚未生效，且並無提前採納之新訂及經修訂準則 (續)*

- (ii) 香港財務報告準則第15號「與客戶之間的合同產生之收益」(續)

收入確認的時間 (續)

管理層已進行初步評估，並預期採納香港財務報告準則第15號將不會對現有業務模式對本集團財務狀況及經營業績造成重大影響。同時，香港財務報告準則第15號於採納後將會有額外披露規定。

- (iii) 香港財務報告準則第16號「租賃」

本集團目前為樓宇及汽車經營租賃的承租人。於二零一七年十二月三十一日，本集團根據不可撤銷經營租約總最低租賃付款額約為3,519,000港元並未反映於綜合資產負債表內。

香港財務報告準則第16號為租賃會計處理提供新條文，並將於日後不再允許承租人的若干租賃於合併資產負債表之外列賬。相反，所有長期租賃必須以資產（用於使用權）和租賃負債（用於支付義務）的形式在合併資產負債表中確認，兩者最初都將以折現價格未來經營租賃承諾。租賃期限為十二個月或以下的短期租賃和低價值資產租賃免除此類報告義務。



## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### 2.1.1 Changes in accounting policy and disclosures (Continued)

(b) *New and amended standards that have been issued but are not effective for the financial year beginning 1 January 2017 and have not been early adopted (Continued)*

(iii) HKFRS 16, "Leases" (Continued)

The new standard will therefore result in an increase in right-to-use asset and an increase in lease liability in the consolidated balance sheet. In the consolidated income statement, rental expenses will be replaced with depreciation and interest expense. Interest expense on the lease liability will be presented separately from depreciation under finance costs. As a result, the rental expenses under otherwise identical circumstances will decrease, while depreciation and the interest expense will increase.

The combination of a straight-line depreciation of the right-to-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to profit or loss in the initial year of the lease, and decreasing expenses during the latter part of the lease term. The new standard is not expected to be applied by the Group until the financial year ending 31 December 2019.

Other than the need to account for the above mentioned operating leases on the consolidated balance sheet, the directors do not anticipate that the application of other new and revised HKFRSs will have material impact in the consolidated balance sheet.

## 2 編製基準及主要會計政策概要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露之變動 (續)

(b) *已頒布但於二零一七年一月一日開始之財政年度尚未生效，且並無提前採納之新訂及經修訂準則 (續)*

(iii) 香港財務報告準則第16號「租賃」(續)

因此新標準將導致合併資產負債表中的使用權資產增加和租賃負債增加。在綜合收入報表中，租賃費用將被折舊和利息費用所取代。租賃負債的利息支出將與融資成本下的折舊分開列報。因此，在其他相同情況下的租金開支將減少，而折舊和利息開支將增加。

將使用權資產之直線折舊與適用於租賃負債的實際利率法相結合，將導致租賃初始年度的租賃費用總額提高，並減少租賃期間後半部分的租賃費用。在截至二零一九年十二月三十一日的財政年度之前，預計新準則不會被應用。

除綜合資產負債表需要考慮上述經營租賃外，董事預期應用其他新訂及經修訂香港財務報告準則將不會對綜合資產負債表產生重大影響。

## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Principles of consolidation and equity accounting

#### 2.2.1 Subsidiaries

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

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 2.3).

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

#### 2.2.2 Associate

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investment in an associate is accounted for using the equity method of accounting (Note 2.2.4), after initially being recognised at cost.

#### 2.2.3 Joint arrangement

Under HKFRS 11, "Joint Arrangements", investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Investment in joint ventures are accounted for using the equity method (Note 2.2.4), after initially being recognised at cost in the consolidated balance sheet.

## 2 編製基準及主要會計政策概要 (續)

### 2.2 綜合賬目之原則及權益會計法

#### 2.2.1 附屬公司

附屬公司指本集團擁有控制權的所有實體(包括結構性實體)。當本集團自參與實體業務而承擔取得其可變回報的風險或享有可變回報的權利，並有能力透過其對實體活動的主導權影響該等回報時，則本集團控制該實體。附屬公司於控制權轉移至本集團當日起全面綜合入賬，並於終止控制權當日起不再綜合入賬。

本集團採用收購會計法將業務合併入賬(參見附註2.3)。

集團內公司間之交易、集團公司之結餘及交易未變現收益均會對銷。未變現虧損亦會對銷，除非該交易提供已轉讓資產減值的證據。附屬公司的會計政策已在需要時作出調整，以確保與本集團所採納會計政策一致。

#### 2.2.2 聯營企業

聯營企業為本集團對其有重大影響但不擁有控制權或共同控制權的所有實體。於一般情況下，本集團擁有介乎20%至50%的投票權。於初步按成本確認後，於聯營企業的投資採用權益會計法(附註2.2.4)入賬。

#### 2.2.3 合營安排

根據香港財務報告準則第11號「合營安排」，在合營安排之投資歸類為合營經營或合營企業。該等分類視乎每名投資者之合約權利及責任而非合營安排之法律結構。

於初步按成本於綜合資產負債表確認後，於合營企業的投資採用權益法(附註2.2.4)入賬。

## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Principles of consolidation and equity accounting (Continued)

#### 2.2.4 Equity accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from an associate and a joint venture are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associate and joint venture are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.9.

### 2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary

## 2 編製基準及主要會計政策概要 (續)

### 2.2 綜合賬目之原則及權益會計法 (續)

#### 2.2.4 權益會計法

根據權益會計法，投資初步按成本確認，其後進行調整以於損益確認本集團應佔被投資方收購後溢利或虧損並於其他全面收入確認本集團應佔被投資方其他全面收入的變動。已收或應收聯營企業及合營企業的股息確認為投資賬面值扣減。

倘本集團應佔以權益入賬投資的虧損等於或超過其於該實體的權益（包括任何其他無抵押長期應收款項），則本集團不會確認進一步虧損，除非已代表另一實體承擔責任或作出付款。

本集團與其聯營公司及合營企業之間交易的未變現收益按本集團於該等實體的權益予以對銷。未變現虧損亦會予以對銷，除非該交易提供已轉讓資產減值的證據。以權益入賬之被投資方的會計政策已在需要時作出調整，以確保與本集團所採納會計政策一致。

權益入賬投資的賬面金額根據附註 2.9 所述政策進行減值測試。

### 2.3 業務合併

本集團採用收購會計法將所有業務合併入賬，不論是否已收購權益工具或其他資產。收購一間附屬公司轉讓的代價包括：

- 所轉讓資產的公允值；
- 被收購業務之前擁有人所產生負債；
- 本集團已發行股本權益；
- 或然代價安排產生之任何資產或負債之公允值；及
- 附屬公司任何先前存在的股本權益的公允值

## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.3 Business combinations (Continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

### 2.4 Separate financial statements

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

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

## 2 編製基準及主要會計政策概要 (續)

### 2.3 業務合併 (續)

在業務合併中所購買的可識別資產以及所承擔的負債及或有負債，首先以其於收購日期的公允值計量（少數例外情況除外）。本集團以逐項收購基準，按公允值或按非控制性權益所佔被收購實體可識別資產淨值的比例確認於被收購實體的任何非控股權益。

購買相關成本於產生時支銷。

所轉讓代價、被收購實體的任何非控制性權益金額，及於被收購實體先前的任何股本權益於收購日期的公允值超出所收購可識別資產淨值的公允值時，其差額以商譽列賬。倘該等款項低於所收購業務的可識別資產淨值的公允值，則差額將直接於損益中確認為議價購買。

或有代價分類為權益或金融負債。分類為金融負債的金額其後將重新按公允值計量，而公允值變動於損益中確認。

倘業務合併分階段進行，則收購方先前的持有的被收購方股本權益於收購日期的賬面值於收購日期重新按公允值計量。任何因該項重新計量產生的收益或虧損於損益中確認。

### 2.4 獨立財務報表

於附屬公司的投資按成本減減值列賬。成本包括直接應佔投資成本。附屬公司的業績由本集團根據已收及應收股息列賬。

當收取於附屬公司投資的股息時，如股息高於該附屬公司於宣派股息期間的全面收入總額，或如該等投資於獨立財務報表內的賬面值高於綜合財務報表內被投資方資產淨值（包括商譽）的賬面值，則須對該等投資進行減值測試。

## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.5 Segment reporting

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

### 2.6 Foreign currency translation

#### (a) Functional and presentation currency

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

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated profit or loss.

All foreign exchange gains and losses are presented in the consolidated income statement within "administrative expenses".

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets are included in other comprehensive income.

## 2 編製基準及主要會計政策概要 (續)

### 2.5 分部報告

營運分部以與提供予主要營運決策者的內部報告相同的方式報告。董事會被識辨為主要營運決策者，負責分配營運分部的資源及評估分部表現，並作出策略性決定。

### 2.6 外幣換算

#### (a) 功能及呈列貨幣

本集團各實體之財務報表所列之項目，乃按該實體經營所在地之主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表以港元呈列，而港元亦為本公司之功能及本集團之呈列貨幣。

#### (b) 交易及結餘

外幣交易按交易或項目重新估值當日之匯率換算為功能貨幣。結算此等交易產生的匯兌盈虧以及將外幣計值的貨幣資產和負債以年終匯率換算產生的匯兌盈虧在綜合損益表確認。

所有匯兌盈虧乃於綜合收入報表之「行政開支」呈列。

非貨幣性金融資產及負債（例如按公允值計入損益賬之權益）之匯兌差額將於損益賬確認為公允值盈虧的一部份。非貨幣性金融資產的換算差額計入其他全面收入。

## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.6 Foreign currency translation (Continued)

#### (c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

## 2 編製基準及主要會計政策概要 (續)

### 2.6 外幣換算 (續)

#### (c) 集團公司

海外業務(當中並無持有高通脹經濟體系之貨幣)之功能貨幣倘有別於呈列貨幣,其業績及財務狀況須按如下方式兌換為呈列貨幣:

- (i) 每份呈報的資產負債表所列資產及負債按其結算日之收市匯率換算;
- (ii) 每份損益表及全面收入表內的收入及開支按平均匯率換算(除非該平均匯率並非在有關交易日期當日通行匯率累積影響之合理估計內,則在該情況下,收支於有關交易日期當日換算);及
- (iii) 所有由此而產生之匯兌差額均於其他全面收入確認。

在編製綜合賬目時,換算任何海外實體投資淨額以及換算被指定為此等投資的對沖項目的借款及其他金融工具而產生的匯兌差額,均於其他全面收入確認。當出售海外業務或償付構成投資淨額之一部分之任何借貸時,相關的匯兌差額於損益賬重新歸類為銷售的部分收益或虧損。

收購海外業務時產生之商譽及公允價值調整乃作為該海外業務之資產及負債處理,並按收市匯率換算。



## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.7 Properties, plant and equipment

Buildings, comprising mainly factories and offices, are shown at fair value, as determined by directors based on valuations by external independent valuers which are performed on an annual basis, less subsequent depreciation for land and buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated income statement during the financial year in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to the fixed asset revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fixed asset revaluation reserve through other comprehensive income and all other decreases are expensed in the consolidated income statement.

Properties, plant and equipment are depreciated at rates sufficient to write off their cost or valuation to their residual values over their estimated useful lives on a straight-line basis. The principal annual rates are as follow:

Buildings	Lower of 5% or estimated useful life
Leasehold improvements	Shorter of lease term or estimated useful life
Plant and machinery	10% to 40%
Furniture, office equipment and motor vehicles	10% to 40%

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

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

## 2 編製基準及主要會計政策概要 (續)

### 2.7 物業、廠房及設備

樓宇主要包括工廠及辦公室，由董事根據外聘獨立估值師之年度估值以公允值列賬減土地及樓宇之其後折舊。於重估日期之任何累計折舊，與資產賬面總值對銷，而淨額則重列至資產的重估金額。所有其他廠房及設備，乃按歷史成本減累計折舊及減值虧損列賬。

歷史成本包括收購該項目直接產生之開支。其後成本只有在與該項目相關之未來經濟利益有可能流入本集團而該項目之成本能可靠計算時，才能包括在資產之賬面值或確認為獨立資產（如合適）。所有其他維修及保養費用，於其產生之財務年度於綜合收入報表扣除。

土地及樓宇重估之賬面值增值部份乃計入權益中之固定資產重估儲備。用以抵銷同一項資產以往增值之減值乃直接扣減其他全面收入中之固定資產重估儲備，所有其餘減值則於綜合收入報表支銷。

物業、廠房及設備折舊率需足以按直線法根據該等資產之估計可使用年期撇銷其成本或估值至其剩餘值。主要年率如下：

樓宇	5%或估計可使用年期（以較低者為準）
租賃裝修	租期或估計可使用年期（以較短者為準）
廠房及機器	10%至40%
傢俬、辦公室設備及汽車	10%至40%

於每個報告期末，本集團會審閱資產餘值及可使用年期，並作出調整（如合適）。

若資產的賬面值大於其估計可收回價值，該資產的賬面值須即時撇減至其可收回價值。

## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.7 Properties, plant and equipment (Continued)

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

When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings through other comprehensive income.

### 2.8 Land use rights

The up-front prepayments made for leasehold land interests recognised as operating leases and land use rights are expensed in the consolidated income statement on a straight-line basis over the periods of the lease or the land use right. When there is impairment, the impairment is expensed in the consolidated income statement.

### 2.9 Impairment of investments in subsidiaries, an associate and a joint venture and other long-term non-financial assets

Assets that have an indefinite useful life, for example, goodwill – are not subject to amortisation and are tested annually for impairment. In addition, all assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffer an impairment are reviewed for possible reversal of the impairment at each subsequent reporting date.

## 2 編製基準及主要會計政策概要 (續)

### 2.7 物業、廠房及設備 (續)

出售盈虧乃透過將所得款項與賬面值比較而釐定，並在綜合收入報表之「其他虧損－淨值」內確認。

倘若出售重估資產，計入其他儲備之金額將透過其他全面收入轉撥至保留盈利。

### 2.8 土地使用權

就確認為經營租賃之租賃土地權益及土地使用權支付之一次性預付款項於租賃或土地使用權期內以直線法在綜合收入報表內列作支出。倘出現減值，則減值於綜合收入報表內列作支出。

### 2.9 於附屬公司、聯營企業、合營企業及其他長期非金融資產之投資減值

沒有確定可使用年期之資產如商譽無需作攤銷，但需進行年度減值測試。此外，所有資產在出現顯示可能不能收回賬面值之情況或變化時，須作減值檢討。倘資產之賬面值超出其可收回款額，超出之款項將作減值虧損確認。可收回款額為資產公允值減出售成本或使用價值之較高者。

就評估減值而言，資產按可分開識別現金流量之最低級別（現金產生單位）分組。倘商譽以外之非金融資產已減值，須於每個隨後的報告日期審查其可能出現之減值撥回。

## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.10 Investments and other financial assets

#### 2.10.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

##### (a) Financial assets at fair value through profit or loss

The Group classifies financial assets at fair value through profit or loss if they are acquired principally for the purpose of selling in the short term, i.e. are held for trading. They are presented as current assets if they are expected to be sold within 12 months after the end of the reporting period; otherwise they are presented as non-current assets. The Group has not elected to designate any financial assets at fair value through profit or loss.

##### (b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. The Group's loans and receivables comprise of trade and other receivables and cash and cash equivalents.

#### 2.10.2 Reclassification

The Group may choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

## 2 編製基準及主要會計政策概要 (續)

### 2.10 投資及其他金融資產

#### 2.10.1 分類

本集團將其金融資產分類為以下類別：按公允值計入損益賬以及貸款及應收款項。分類視乎購入金融資產之目的而定。管理層會於初步確認時釐定其金融資產分類並於每個報告日期重新評估此項分類。

##### (a) 按公允值計入損益賬之金融資產

本集團會將在購入時主要用作在短期內出售，即持作買賣的金融資產分類為按公允值計入損益的金融資產。有關資產如預期於十二個月內或報告期末後出售則呈列為流動資產；否則呈列為非流動資產。本集團尚未決定指定任何按公允值計入損益賬之金融資產。

##### (b) 貸款及應收款項

貸款及應收款項為有固定或可釐定付款額而並非於活躍市場可報價之非衍生金融資產。倘該等款項預計在一年或更短時間內收回，則其分類為流動資產。否則呈列為非流動資產。本集團之貸款及應收款項包括貿易及其他應收款項及現金及現金等值項目。

#### 2.10.2 重新分類

倘金融資產不再持作供近期出售，則本集團可選擇將非衍生交易性金融資產自持作買賣類別中移出並重新分類。貸款及應收款項以外的金融資產僅於發生不尋常且於近期再發生的機會甚微的單一事件所導致的罕見情況下，方可自持作買賣類別中移出並重新分類。此外，倘本集團有意且有能力於可見未來持有該等金融資產或於重新分類日期持有該等金融資產至到期，則本集團可選擇將符合貸款及應收款項定義的金融資產自持作買賣或可供出售類別中移出並重新分類。

## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.10 Investments and other financial assets (Continued)

#### 2.10.2 Reclassification (Continued)

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

#### 2.10.3 Recognition

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

#### 2.10.4 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

### 2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

## 2 編製基準及主要會計政策概要 (續)

### 2.10 投資及其他金融資產 (續)

#### 2.10.2 重新分類 (續)

重新分類乃按重新分類日期的公允值進行。公允值成為新成本或攤銷成本(倘適用)，且於重新分類日前錄得的公允值收益或虧損不得於其後撥回。重新分類至貸款及應收款項及持有至到期類別的金融資產的實際利率在重新分類日確定。估計現金流量的進一步增加會導致須對實際利率作出追溯調整。

#### 2.10.3 確認

常規買賣金融資產乃於交易日(即本集團承諾購買或出售資產的日期)確認。當從投資收取現金流轉之權利屆滿或轉移及本集團大致轉移其擁有權之一切風險及回報時，金融資產即終止確認。

#### 2.10.4 計量

於初始確認時，本集團按金融資產的公允值加上(倘為並非以公允值計入損益的金融資產)直接歸屬於收購該金融資產的交易成本計量。按公允值計入損益賬之金融資產之交易成本於損益內列支。

### 2.11 抵銷金融工具

當具有可合法強制執行之權利將已確認金額對銷，且有意按淨額基準結算或同時變現資產及結算負債時，金融資產及負債予以抵銷，並於資產負債表以淨值報告。本集團未訂立不符合抵銷標準但仍允許相關賬目於若干情況下(如破產或終止合約)抵銷之安排。

## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.12 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

For loans and receivables that were carried at amortised cost, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held- to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument’s fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor’s credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

### 2.13 Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts. Cost is determined using the first-in, first-out (FIFO) method. The cost comprises materials, direct labour, and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## 2 編製基準及主要會計政策概要 (續)

### 2.12 金融資產減值

本集團於每個報告期末評估金融資產或一組金融資產有否任何客觀證據顯示減值跡象。倘有客觀證據，證明因於首次確認資產後發生一項或多項事件（「損失事件」），而該項（或該等）損失事件對金融資產或一組金融資產之估計未來現金流轉產生能可靠估計之影響，則金融資產或一組金融資產方會減值及產生減值虧損。

就按攤銷成本列賬的貸款及應收款項而言，虧損金額以該資產的賬面值與按金融資產原實際利率貼現的估計未來現金流量（不包括未產生的未來信貸虧損）的現值兩者的差額計量。資產賬面值予以削減，而虧損金額則在綜合收入報表確認。倘若貸款或持有至到期投資有浮動利率，計量任何減值虧損之貼現率為按合約釐定之當前實際利率。在實際應用中，本集團可利用可觀察市場價格，按工具之公允值計量減值。

倘若減值虧損數額於往後期間減少，而此減少可客觀地涉及確認減值後發生之事件（例如債務人之信用評級改善），則之前已確認之減值虧損可在綜合收入報表撥回。

### 2.13 存貨

原料、半製成品及製成品以成本值及可變現淨值兩者的較低者入賬。購入存貨之成本扣除回扣及折扣後釐定。成本乃按先入先出（「先入先出」）法釐定。成本包括原材料、直接勞工及適當比率的可變及固定間接費用開支，後者按正常營運能力分配。其不包括貸款成本。可變現淨值是在日常業務過程中的估計售價減估計完成成本及作出銷售的估計所需成本。



## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.14 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are generally due for settlement within 30 to 60 days and therefore are all classified as current. If collection of other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

### 2.15 Cash and cash equivalents

For the purpose of presentation in the consolidated cash flow statement, cash and cash equivalents include cash on hand, deposits held at call with bank and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 2.16 Share capital

Ordinary shares are classified as equity.

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

### 2.17 Trade and other payables

Trade and other payables represented liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities unless payment is not due within 12 months after the reporting period.

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

## 2 編製基準及主要會計政策概要 (續)

### 2.14 貿易及其他應收款項

貿易應收款項指就於日常業務過程中出售貨品或履行服務而應收客戶之款項。貿易應收款項通常應於三十至六十日內結算，因此均分類為即期。預期於一年或以內（或於正常業務經營週期（如較長））收回之其他應收款項分類為流動資產，否則呈列為非流動資產。

貿易及其他應收款項初步按公允值確認，其後以實際利率方法按攤銷成本計算，並扣除減值撥備。

### 2.15 現金及現金等值項目

就於綜合現金流轉表呈列而言，現金及現金等值項目包括手頭現金、活期存款以及其他期限短、流動性強且易於轉換為已知金額現金的投資，該等投資的原始投資期限不超過三個月且價值變動風險不顯著。

### 2.16 股本

普通股被分類為權益。

直接歸屬於發行新股或購股權的新增成本在權益中列為所得款項的減少（扣除稅項）。

### 2.17 貿易及其他應付款項

貿易及其他應付款項指於財務年度末前就提供予本集團之貨品及服務應承擔但尚未償付之負債。除非彼等在報告期後十二個月內尚未到期，否則呈列為流動負債。

貿易及其他應付款項初步按公允值確認，其後以實際利率方法按攤銷成本計算。



## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.18 Borrowing

Borrowing is initially recognised at fair value, net of transaction costs incurred. Borrowing is subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

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

### 2.19 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get 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 expensed in the period in which they are incurred.

### 2.20 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

#### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

## 2 編製基準及主要會計政策概要 (續)

### 2.18 借貸

借貸初步按公允值(扣除已產生的交易成本)確認,其後按攤銷成本列賬。扣除交易成本後之所得款項及贖回金額出現差額,則於貸款期內以實際利率方法在損益內確認。

除非本集團有無條件權利將負債結算日期遞延至報告期末後至少十二個月,否則貸款將被劃分為流動負債。

### 2.19 借貸成本

直接歸屬於收購、興建或生產合資格資產的一般及特定借貸成本,在完成及準備該資產以作其預定用途或銷售所必要的期間內予以資本化。合資格資產指必須經一段長時間準備以作其預定用途或銷售的資產。

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

其他借貸成本在其產生期間支銷。

### 2.20 當期及遞延所得稅

期內所得稅開支或抵免指根據各司法權區的適用所得稅率按即期應課稅收入支付的稅項,而有關所得稅率經暫時差額及未使用稅務虧損所致的遞延稅項資產及負債變動調整。

#### (a) 當期所得稅

當期所得稅開支根據本集團之附屬公司營運及產生應課稅收入之國家於結算日已頒佈或實質頒佈之稅務法例計算。管理層就適用稅務法例詮釋所規限之情況定期評估報稅表之狀況,並在適用情況下根據預期須向稅務機關支付之稅款確定撥備。

## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.20 Current and deferred income tax (Continued)

#### (b) Deferred income tax

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

#### (c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to on a net basis or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## 2 編製基準及主要會計政策概要 (續)

### 2.20 當期及遞延所得稅 (續)

#### (b) 遞延所得稅

遞延所得稅以負債法，就資產及負債之稅基與其於綜合財務報表內之賬面值所產生之暫時差額全部確認。然而，倘遞延所得稅負債來自對商譽的初步確認，則不予確認；若遞延所得稅來自在交易（不包括業務合併）中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅損益，則不作記賬。遞延所得稅乃按結算日已頒佈或實質頒佈，及預期於相關遞延所得稅資產變現或遞延所得稅負債結清時適用之稅率（及法例）釐定。

遞延所得稅資產僅在未來應課稅金額將出現可利用該等暫時差額及虧損時予以確認。

倘本集團能控制撥回暫時差額的時間及該等差額很可能不會於可見將來撥回，則不會就海外業務投資賬面值與稅基之間的暫時差額確認遞延稅項負債及資產。

#### (c) 抵銷

倘若存在可依法強制執行的權利將即期稅項資產與即期稅項負債抵銷，及倘遞延所得稅資產及負債與同一稅務機構徵收之所得稅相關，則可將遞延所得稅資產與負債抵銷。倘實體有可依法強制執行抵銷權利且有意按淨值基準清償或同時變現資產及清償負債時，則即期稅項資產與稅項負債抵銷。

即期及遞延稅項於損益中確認，惟有關於其他全面收入或直接於權益確認的項目除外。於此情況下，稅項亦分別於其他全面收入或直接於權益確認。

## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.21 Employee benefits

#### (i) Short-term obligations

Liabilities for employee entitlements to annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

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

#### (ii) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### (iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

## 2 編製基準及主要會計政策概要 (續)

### 2.21 僱員福利

#### (i) 短期責任

僱員直至報告期末之服務獲確認享有年假(預期在僱員提供相關服務期間結束後12個月內悉數結算),並按結算有關負債之預期金額計量。負債於資產負債表內呈列為即期僱員福利責任。

僱員之病假及產假權益於休假時方予確認。

#### (ii) 退休金責任

定額供款計劃為本集團向一個獨立實體支付固定供款之一個退休金計劃。倘該基金並無持有足夠資產,向所有僱員就其在當期及以往期間之僱用服務支付福利,則本集團亦無法定或推定責任作出進一步供款。

就定額供款計劃而言,本集團可按照強制、合約或自願基準向公共或私人管理退休金計劃繳付供款。支付供款後,本集團再無進一步之支付責任。供款乃於到期時確認為僱員福利開支。預繳供款確認為資產,惟須以可獲現金退款或扣減日後供款為限。

#### (iii) 離職福利

離職福利在本集團於正常退休日期前終止僱用或當僱員接受自願遣散以換取此等福利時應予支付。本集團於以下日期(以較早者為準)確認離職福利:(a)於本集團不能取消提供該等福利時;及(b)實體確認任何有關重組成本(在香港會計準則第37號之範圍內)並涉及支付離職福利款項時。在提出要約以鼓勵自願離職之情況下,離職福利乃根據預期接受要約之僱員人數計量。在報告期末後超過十二個月到期支付之福利應貼現為現值。

## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.22 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for the future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### 2.23 Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable. It is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when shipment is made. Amounts disclosed revenue are net of returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from the sales of goods is the fair value of the consideration received or receivable for the sales of goods in the ordinary course of the Group's activities. It is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when shipment is made. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

## 2 編製基準及主要會計政策概要 (續)

### 2.22 撥備

倘本集團需就過去事件承擔現有法律或推定責任而很可能導致資源流出以抵償責任，而有關金額能可靠地估計時，則確認有關撥備。不用就日後經營虧損確認撥備。

倘出現多項類似責任，解除責任需要資源流出的可能性乃經整體考慮債務類別後釐定。即使同類責任中任何一項需要資源流出的可能性甚低，仍須確認撥備。

撥備乃按於報告期末管理層對清償當前責任所需支出的最佳估計的現值計量。釐定現值使用之貼現率為反映市場當前對貨幣時間價值的評估及該責任特定風險的稅前利率。因時間流逝而增加的撥備確認為利息開支。

### 2.23 收益及其他收入

收益按已收或應收代價之公允值計量。其於擁有權之風險及回報轉移時確認，一般與付運時同時發生。披露為收益之金額已扣除退貨、回佣及折扣並抵銷本集團內部之銷售。

如下所述，本集團於收益金額能可靠計量、未來經濟利益可能將流入實體及本集團的各項活動符合特定標準時確認收益。本集團根據過往業績，並於計及客戶類別、交易類別及各項安排之特性後作出估計。

出售貨品之收益指本集團日常業務活動過程中就出售貨品之已收或應收代價之公允值。其於擁有權之風險及回報轉移時確認，一般與付運時同時發生。收益於扣除增值稅、退貨、回佣及折扣並抵銷本集團內銷售額後列示。

## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.23 Revenue and other income (Continued)

Net gains/(losses) from security trading arise from the disposal and remeasurement of financial instruments at fair value through profit or loss and is included in "Revenue". All transactions related to securities trading are recorded in the consolidated financial statements based on trade dates. Accordingly, only those trade dates falling within the accounting year have been taken into account.

Dividend income is recognised when the rights to receive payment is established.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and using the effective interest method.

### 2.24 Leases (as the lessee)

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are charged to the consolidated income statement on a straight-line basis over the lease period.

### 2.25 Related parties

A related party is a person or entity that is related to the Group.

- (i) A person or a close member of that person's family is related to the Group if that person:
- (1) has control or joint control over the Group;
  - (2) has significant influence over the Group; or
  - (3) is a member of the key management personnel of the Company or its parent.

## 2 編製基準及主要會計政策概要 (續)

### 2.23 收益及其他收入 (續)

證券買賣之收益／(虧損)淨值乃來自按公允值計入損益賬之金融工具出售及重新計量，並計入「收益」中。所有與證券買賣有關之交易按交易日期記錄於綜合財務報表。因此，僅於會計年度內之交易日計入該等交易。

股息收入乃於可收取股息之權利確認時入賬。

利息收入按時間比例確認，並計及未清還本金額及使用實際利率方法計算。

### 2.24 租賃 (作為承租人)

擁有權之大部份風險及回報並無轉至本集團(作為承租人)之租賃，均歸類為經營租賃。根據經營租賃支付之款項在扣除出租人所給予之任何優惠後，於租賃期內以直線法在綜合收入報表中扣除。

### 2.25 關連方

關連方為與本集團有關連之個人或實體。

- (i) 倘屬以下人士，則該人士或該人士之近親與本集團有關連：
- (1) 控制或共同控制本集團；
  - (2) 對本集團有重大影響力；或
  - (3) 為本公司或其母公司之主要管理層成員。

## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.25 Related parties (Continued)

- (ii) An entity is related to the Group if any of the following conditions applies:
- (1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (3) Both entities are joint ventures of the same third party.
  - (4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (5) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - (6) The entity is controlled or jointly controlled by a person identified in (i).
  - (7) A person identified in (i)(1) has significant influence over the entity or is a member of the key management person.

### 2.26 Dividend distribution

Dividend distribution to the Company's equity holders is recognised as a liability in the Group's consolidated financial statements in the year in which the dividends are approved by the Company's shareholders.

### 2.27 Government grant

Grants from the government are recognised at their fair values where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

## 2 編製基準及主要會計政策概要 (續)

### 2.25 關連方 (續)

- (ii) 倘符合下列任何條件，則該實體與本集團有關連：
- (1) 該實體與本集團屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）。
  - (2) 一間實體為另一實體之聯營企業或合營企業（或另一實體為集團旗下成員公司之聯營企業或合營企業之成員公司）。
  - (3) 兩間實體均為同一第三方之合營企業。
  - (4) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
  - (5) 實體為報告實體或與報告實體有關連之實體就僱員利益設立之離職福利計劃。倘報告實體本身屬有關計劃，提供資助之僱主亦與報告實體有關連。
  - (6) 實體受(i)內所識別人士控制或共同控制。
  - (7) (i)(1)內所識別人士對實體有重大影響力或屬該實體之主要管理層成員。

### 2.26 股息分派

分派予本公司權益持有人之股息於本公司股東批准之年度於本集團綜合財務報表中確認為負債。

### 2.27 政府補助

倘能夠合理確定將收到政府的補助及本集團將符合所有附帶條件，則政府補助將按其公允值確認。



### 3 FINANCIAL RISK MANAGEMENT

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

##### (a) Market risk

###### (i) Foreign exchange risk

The Group has factories and offices in Hong Kong and Mainland China. Operating expenses of the Group are primarily denominated in HK\$ and Chinese Renminbi ("RMB") whereas the Group's revenue from sale of goods are principally denominated in United States dollar ("US\$"). Thus, the Group is exposed to foreign exchange risk arising from the translation of RMB to HK\$.

In the opinion of the directors, the HK\$ is reasonably stable against the US\$ under the Linked Exchange Rate System, and accordingly, no sensitivity analysis with respect to the US\$ is performed.

The Group has foreign operations, whose net assets expose the Group to foreign currency translation risks.

For the operations in Mainland China, majority of the transactions were denominated in RMB. The conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange controls promulgated by the Chinese government. The exchange rate of RMB has fluctuated over the years. No financial instrument was used for hedging purposes for the year. The Group is closely monitoring the currencies exchange risk of RMB and is looking for any opportunities to mitigate the currency exchange risk of RMB.

As at 31 December 2017, if HK\$ had strengthened/weakened by 5% (2016: 5%) against RMB with all other variables held constant, the Group's net assets at the year end and loss for the year would have been HK\$3,028,000/HK\$3,028,000 (2016: HK\$3,404,000/HK\$3,404,000) lower/higher, respectively, mainly as a result of foreign currency translation differences on translation of the foreign operations in Mainland China.

### 3 財務風險管理

#### 3.1 財務風險因素

本集團活動面臨各種財務風險：市場風險（包括外匯風險、價格風險及利率風險）、信貸風險及流動資金風險。本集團之整體風險管理計劃集中於金融市場不可預測之特性，並尋求盡量減低對本集團財務表現之潛在不利影響。

##### (a) 市場風險

###### (i) 外匯風險

本集團於香港及中國大陸均有工廠及辦事處。本集團之經營開支主要以港元及人民幣（「人民幣」）列值，而本集團之銷售貨品收益則主要以美元（「美元」）列值。因此，本集團面對人民幣兌港元所產生之外匯風險。

董事認為，根據聯繫匯率制度，港元兌美元相對穩定，因此並無就美元進行敏感度分析。

本集團擁有海外業務，該等業務之資產淨值承受外幣匯兌風險。

在中國大陸的業務，大部分交易以人民幣列值。人民幣兌換為外幣需遵守中國政府頒佈的外匯管制條例。人民幣匯率於一年下來有所波動。於本年度並無採用金融工具作對沖目的。本集團正密切監察人民幣的貨幣兌換風險，並尋求任何機會以減輕的人民幣貨幣兌換風險。

於二零一七年十二月三十一日，若港元兌人民幣升值／貶值5%（二零一六年：5%），而所有其他可變因素保持不變，則本集團於年終之資產淨值及年度虧損將分別減少／增加3,028,000港元／3,028,000港元（二零一六年：3,404,000港元／3,404,000港元），此乃主要由於換算中國大陸海外業務而產生之外匯差額所致。

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk (Continued)

###### (ii) Price risk

The Group is exposed to equity securities price risk arises from equity investments held by the Group and classified on the consolidated balance sheet as financial assets at fair value through profit or loss (Note 21). The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio, in accordance with the limits set by the Group.

The Group's equity investments for trading purpose are publicly traded or quoted in Hong Kong.

As 31 December 2017, if the listed price, quoted price or fair value of each equity investment classified as financial assets at fair value through profit or loss has appreciated/depreciated by 10%, with all other variables held constant, the Group's loss for the year would have been HK\$352,000 lower/higher (2016: HK\$10,824,000 lower/higher), mainly as a result of unrealised gains/losses on equity securities classified as financial assets at fair value through profit or loss.

###### (iii) Interest rate risk

As at 31 December 2017 and 2016, the Group does not has floating rate interest-bearing bank deposits.

##### (b) Credit risk

Credit risk of the Group mainly arises from cash and cash equivalents and security investments with banks and financial institutions, as well as credit exposures to customers such as trade receivables and other counterparty. The carrying amount of these balances in the consolidated balance sheet represents the Group's maximum exposure to credit risk in relation to its financial assets.

The Group's bank deposits are placed with banks and financial institutions which are highly reputable with multinational presences. Investment transactions are executed with financial institutions with sound credit ratings and the Group do not expect any significant counterparty risk. Management does not expect any losses from non-performance by these banks and financial institutions as they have no default history in the past.

### 3 財務風險管理 (續)

#### 3.1 財務風險因素 (續)

##### (a) 市場風險 (續)

###### (ii) 價格風險

本集團面對因持有於綜合資產負債表分類為按公允值計入損益賬之金融資產(附註21)之股本投資而產生之股本證券價格風險。本集團並無商品價格風險。為管理自股本證券投資產生之價格風險,本集團根據本集團所設之限制分散其組合。

本集團作買賣用途之股本投資於香港作公開買賣或報價。

於二零一七年十二月三十一日,倘每隻被分類為按公允值計入損益賬之金融資產之股本投資之牌價、報價或公允值增值/貶值10%,而所有其他變數保持不變,本集團之年度虧損將減少/增加352,000港元(二零一六年:減少/增加10,824,000港元),主要由於分類為按公允值計入損益賬之金融資產之股本證券之未變現收益/虧損。

###### (iii) 利率風險

於二零一七年及二零一六年,本集團並無按浮動利率計息之銀行存款。

##### (b) 信貸風險

本集團之信貸風險主要來自現金及現金等值項目及金融機構之存款及證券投資以及向客戶提供之信貸,包括貿易應收款項及其他應收款項。此等於綜合資產負債表內之款項之賬面值乃本集團有關金融資產之最高信貸風險。

本集團之銀行存款存於知名跨國銀行及金融機構。證券交易乃由信貸評級良好之金融機構執行,本集團不預期有任何重大交易對手風險。管理層並不預期會因該等銀行及金融機構不能履行合約而產生任何虧損,此乃由於彼等於過往並無違約記錄。

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

Debtors of the Group may be affected by the unfavorable economic conditions and the lower liquidity situation, which could in turn impact their ability to repay the amounts owed. Deteriorating operating conditions for debtors may also have an impact on management's cash flow forecasts and assessment of the impairment of receivables. To the extent that information is available, management has properly reflected revised estimate of expected future cash flows in their impairment assessments.

The credit quality of the customers is assessed based on their financial position, past experience and other factors. The Group has policies in place to ensure that sales of products are made to customers with appropriate credit histories.

As at 31 December 2017, the Group had a concentration of credit risk given that the top 5 customers accounted for 100% (2016: 99%) of the Group's total year end trade receivable balance. However, the Group does not consider that the credit risk in relation to these customers is significant because these customers are financially healthy and have no history of default in recent years.

The Group performs periodic credit evaluations of its customer and counterparty. The Group's historical experience in collection of trade and other receivables is good and management is of the opinion that provision for uncollectible receivables is not necessary as at 31 December 2017 and 2016.

##### (c) Liquidity risk

The Group meets its day to day working capital requirements, capital expenditure and financial obligations through cash inflow from operating activities and issue of new shares.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

### 3 財務風險管理 (續)

#### 3.1 財務風險因素 (續)

##### (b) 信貸風險 (續)

本集團之債務人可能因不利經濟狀況及流動資金緊絀而受到影響，繼而影響彼等償還欠款之能力。債務人之經營環境惡化，亦可能影響管理層對現金流轉之預測及對應收款項減值之評估。在管理層能夠掌握資料之情況下，其減值評估已適當反映對預期未來現金流轉之修訂估計。

客戶之信貸質素乃根據彼等之財務狀況、過往經驗及其他因素而作出評估。本集團之政策確保將產品售予具備良好信貸記錄之客戶。

於二零一七年十二月三十一日，本集團之信貸風險集中，此乃由於五名最大客戶佔本集團年結日貿易應收款項結餘總額達100%（二零一六年：99%）。然而，本集團不認為此等客戶存在重大信貸風險，此乃由於此等客戶財政穩健，且近年並無違約記錄。

本集團向其客戶及交易對手進行定期信貸檢討。本集團過往收回貿易及其他應收款項之經驗不俗，而於二零一七年及二零一六年十二月三十一日，管理層認為無須就未收回之應收款項作出撥備。

##### (c) 流動資金風險

本集團透過經營活動之現金流入額及發行新股應付日常營運資金所需、資本開支及財務責任。

下表分析本集團之金融負債，根據由結算日至合約到期日之剩餘期間按照相關之到期組別進行分析。下表披露之金額為合約未貼現現金流轉。由於貼現之影響不大，故此在十二個月內到期之結餘相等於其賬面值。

**3 FINANCIAL RISK MANAGEMENT (Continued)****3.1 Financial risk factors (Continued)***(c) Liquidity risk (Continued)*

		<b>Within 1 year 一年內 HK\$'000 千港元</b>
<b>As at 31 December 2017</b>	<b>於二零一七年十二月三十一日</b>	
Trade and other payables	貿易及其他應付款項	<b>59,838</b>
Borrowing	借貸	<b>5,952</b>
		<b>65,790</b>
As at 31 December 2016	於二零一六年十二月三十一日	
Trade and other payables	貿易及其他應付款項	29,450

**3.2 Capital management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to equity holders, return capital to equity holders, issue new shares or sell assets to reduce debt.

The Group monitors its capital on the basis of the gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity as shown in the consolidated balance sheet.

**3 財務風險管理 (續)****3.1 財務風險因素 (續)***(c) 流動資金風險 (續)*

		<b>Within 1 year 一年內 HK\$'000 千港元</b>
<b>As at 31 December 2017</b>	<b>於二零一七年十二月三十一日</b>	
Trade and other payables	貿易及其他應付款項	<b>59,838</b>
Borrowing	借貸	<b>5,952</b>
		<b>65,790</b>
As at 31 December 2016	於二零一六年十二月三十一日	
Trade and other payables	貿易及其他應付款項	29,450

**3.2 資本管理**

本集團的資金管理政策，是保障本集團能繼續營運，以為股東提供回報和為其他權益持有人提供利益，同時維持最佳的資本結構以減低資金成本。

為了維持或調整資本結構，本集團可能會調整支付予股東之股息數額、向權益持有人分派的資本返還、發行新股或出售資產以減低債務。

本集團根據資本負債比率對資本進行監控。資本負債比率乃按債務淨額除以資本總額計算。債務淨額按借貸總額減現金及現金等值項目。資本總額是以綜合資產負債表所列權益計算。

		<b>2017 二零一七年 HK\$'000 千港元</b>	2016 二零一六年 HK\$'000 千港元
Cash and cash equivalents (Note 22)	現金及現金等值項目 (附註22)	<b>67,456</b>	21,534
Less: borrowing (Note 25)	減：借貸 (附註25)	<b>(5,952)</b>	-
Net cash	現金淨額	<b>61,504</b>	21,534
Total capital	總權益	<b>202,444</b>	228,193
Gearing ratio	資本負債比率	<b>-30.4%</b>	N/A不適用

**3 FINANCIAL RISK MANAGEMENT (Continued)****3.2 Capital management (Continued)**

The group maintained a net cash position as at 31 December 2016 and 2017, hence the gearing ratio is not applicable. There was no changes in the Group's approach to capital management during the year.

**3.3 Fair value estimation**

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2017 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

**3 財務風險管理 (續)****3.2 資本管理 (續)**

本集團於二零一七年及二零一六年十二月三十一日維持現金淨額狀況。年內，本集團之資本管理方法並無任何變動。

**3.3 公允價值之估值**

下表載列按計量公允價值所用估值技術輸入資料等級分析本集團於二零一七年十二月三十一日按公允價值列賬之金融工具。所輸入資料按以下三個公允價值等級分類：

- 相同資產或負債於交投活躍市場之報價（未經調整）（第一級）。
- 除第一級之報價外，可直接（即如價格）或間接（即由價格衍生）觀察的資產或負債的輸入值（第二級）。
- 資產或負債的輸入資料並非依據可觀察的市場數據（即不可觀察輸入資料）（第三級）。

**Level 1**  
**第一級**  
**HK\$'000**  
**千港元**

Assets	資產	
Financial assets at fair value through profit or loss	按公允價值計入損益賬之金融資產	
– Trading securities	– 交易證券	<b>3,518</b>

At 31 December 2016, financial instruments at fair value held by the Group were as follows:

於二零一六年十二月三十一日，本集團所持有按公允價值計算之金融工具如下：

**Level 1**  
**第一級**  
**HK\$'000**  
**千港元**

Assets	資產	
Financial assets at fair value through profit or loss	按公允價值計入損益賬之金融資產	
– Trading securities	– 交易證券	<b>108,242</b>

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation (Continued)

##### *Financial instruments in level 1*

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The carrying values of the Group's other financial assets, which are trade and other receivables and cash and cash equivalents and financial liabilities, which are trade and other payables, approximate to their fair values due to their short maturities.

##### *Financial instruments in level 2*

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

##### *Financial instruments in level 3*

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Group's buildings classified under properties, plant and equipment are carried at fair value at reporting period end. Details of the fair value measurement of these land and buildings are disclosed in Note 14.

### 3 財務風險管理 (續)

#### 3.3 公允值之估值 (續)

##### *於第一級之金融工具*

於交投活躍市場買賣的金融工具公允值乃根據結算日之市場報價列賬。當報價可即時和定期從證券交易所、交易商、經紀、業內人士、定價服務者或監管代理獲得，而該等報價代表按公平交易基準進行之實際和常規市場交易時，該市場被視為交投活躍。本集團持有金融資產之市場報價為當時之買盤價。此等工具包括在第一級。

由於在短期內到期，本集團之其他金融資產（即貿易及其他應收款項及現金及現金等值項目）及金融負債（即貿易及其他應付款項）之賬面值與其公允值相若。

##### *於第二級之金融工具*

沒有於交投活躍市場買賣之金融工具（如場外衍生工具）之公允值乃採用估值技術釐定。此等估值技術儘量利用可觀察市場數據（如有），儘量少依賴實體之特定估算。倘計算金融工具之公允值所需之所有重大輸入資料屬可觀察，則該金融工具列入第二級。

##### *於第三級之金融工具*

倘一項或多項重大輸入資料並非根據可觀察市場數據，則該金融工具列入第三級。

本集團分類為物業、廠房及設備之樓宇乃於報告期末按公允值列賬。該等土地及樓宇之公允值計量之詳情於附註14披露。



#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

##### (a) Income taxes and deferred tax

The Group is subject to income taxes in Hong Kong and Mainland China. Significant judgement is required in determining the provision for income taxes. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences are recognised as the management of the Group considers it is probable that future taxable profits will be available against which temporary differences or tax losses can be utilised. Where the expectations are different from the original estimates, such differences will impact the recognition of deferred tax assets in the period in which such estimates have been changed.

##### (b) Useful lives, residual values and depreciation of property, plant and equipment

The management of the Group determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The management of the Group will increase the depreciation charge where useful lives are less than previously estimated lives, it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives; actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation expense in the future period.

#### 4 關鍵會計估算及判斷

編製財務報表須使用會計估算，根據定義，該等估算很少等於實際結果。管理層亦需對本集團應用會計政策作出判斷。

估算及判斷會被持續評估，其乃以過往經驗及其他因素為基準，包括在目前情況下可能對實體產生財務影響且相信為合理之預期日後事件。

##### (a) 所得稅及遞延稅項

本集團須繳納香港及中國大陸之所得稅。釐定所得稅撥備時需要作出重大判斷。本集團按照會否出現額外到期稅項之估計確認預期稅項審計事宜所產生之負債。倘若該等事宜之最終稅項結果與初始記錄金額不同，則有關差額將會影響作出決定期間之當期及遞延所得稅資產及負債。

有關若干臨時差額之遞延稅項資產，乃於本集團管理層認為日後可能會出現應課稅溢利以用作抵銷臨時差額或稅項虧損時確認。倘若該等預期與原來估計有差異，該等差額將影響期間所確認之遞延稅項資產，因有關估計已更改。

##### (b) 物業、廠房及設備之可使用年期、剩餘價值及折舊

本集團管理層就其物業、廠房及設備決定估計可使用年期、剩餘價值及相關折舊開支。此項估計乃按照性質及用途相似之物業、廠房及設備之實際可使用年期之過往經驗而作出。本集團管理層將於可使用年期少於過往之估計年期時增加折舊開支，撤銷或撤減技術上陳舊或非策略性而已遭廢棄或出售的資產。實際經濟年期或會與估計可使用年期有所不同；實際剩餘價值亦可能會與估計剩餘價值有所不同。定期審閱可導致可予折舊年期及剩餘價值有所更改，從而導致未來期間之折舊開支有所更改。

#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

##### (c) Impairment of property, plant and equipment and land use rights

The Group assesses annually whether property, plant and equipment and land use rights exhibit any indications of impairment. The recoverable amounts, if required, are determined based on value-in-use calculations or market valuations. These calculations require the use of judgment and estimates.

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset value may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to dispose or net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates, could materially affect the net present value used in the impairment test and as a result affect the Group's financial position and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the consolidated income statement.

##### (d) Buildings in properties, plant and equipment carried at valuation

Buildings in properties, plant and equipment, comprise mainly factories and offices, are shown at fair values determined by directors based on valuations performed by external independent valuers on an annual basis. In arriving at the valuations, significant judgement, assumptions and economic estimates have to be made. The key assumptions applied in the fair value measurement of the buildings are disclosed in Note 14.

#### 4 關鍵會計估算及判斷 (續)

##### (c) 物業、廠房及設備及土地使用權之減值

本集團每年評估物業、廠房及設備及土地使用權有否減值跡象。可收回金額(如有規定)乃根據使用價值計算方法或市場估值釐定。該等計算需要作出判斷及估計。

管理層釐定資產減值須運用判斷, 尤其為評定: (i) 是否已出現可能顯示有關資產價值或無法收回之事件; (ii) 可收回金額(即公允值減出售成本或估計繼續在業務中使用資產所帶來之未來現金流轉現值淨額二者之較高者)是否足以支持資產賬面值; 及(iii)編製現金流轉預測所用之主要假設是否恰當, 包括該等現金流轉預測是否以適當利率貼現。管理層於評估減值時選擇之假設(包括貼現率)若有所變化, 或會對減值測試所用之現值淨額帶來重大影響, 從而影響本集團之財務狀況及經營業績。倘預測表現及所得之未來現金流轉預測出現重大不利變動, 則可能須於綜合收入報表中計提減值開支。

##### (d) 物業、廠房及設備中按估值列賬之樓宇

物業、廠房及設備中之樓宇主要包括工廠及辦公室, 並由董事根據外聘獨立估值師之年度估值以公允值列賬。於釐定估值時, 須作出重大判斷、假設及經濟估計。應用於樓宇之公允值計量之主要假設於附註14中披露。

#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

##### (e) Estimates used to assess the impairment of the investments in a joint venture and an associate

At each balance sheet date, the Group reviews internal and external sources of information to identify indications that the interests in a joint venture and an associate which are significant to the Group may be impaired or an impairment loss previously recognised no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the consolidated statement of comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount.

The sources utilised to identify indications of impairment are often subjective in nature and the Group is required to use judgement in applying such information to its business. The Group's interpretation of this information has a direct impact on whether an impairment assessment is performed as at any given reporting date.

If an indication of impairment is identified, such information is further subject to an exercise that requires the Group to estimate the recoverable amount, representing the greater of the asset's fair value less cost to sell or its value in use. Depending on the Group's assessment of the overall materiality of the asset under review and complexity of deriving reasonable estimates of the recoverable amount, the Group may perform such assessment utilising internal resources or the Group may engage external advisors to counsel the Group in making this assessment. Regardless of the resources utilised, the Group is required to make many assumptions to make this assessment, including the utilisation of such asset, the cash flows to be generated, appropriate market discount rates and the projected market and regulatory conditions. Changes in any of these assumptions could result in a material change to future estimates of the recoverable amount of any asset.

#### 5 REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in garment manufacturing and trading and securities investment.

Operating segments are reported in a manner consistent with the internal reporting provided to the board of directors.

#### 4 關鍵會計估算及判斷 (續)

##### (e) 於一間合營企業及一間聯營企業之投資的減值評估所用之估計

於各結算日，本集團會審閱內部及外部資料來源，以識別是否有跡象顯示對本集團而言屬重大的合營企業及聯營企業權益可能出現減值，或先前已確認之減值虧損不再存在或可能已經減少。

倘存在任何上述跡象，則將估算資產的可收回金額。若資產的賬面值超過其可收回金額，則於綜合全面收入報表確認減值虧損。

用以識別減值跡象的有關資料通常具有主觀性質，故本集團就其業務採用有關資料時須作出判斷。本集團對此等資料的詮釋會直接影響是否於任何指定報告日期進行減值評估。

倘確定出現減值跡象，本集團進一步處理有關資料時須估計資產的可收回金額，即有關資產的公允值減出售成本或使用價值兩者的較高值。視乎本集團對檢討資產的整體重要性的評估及合理估算可收回金額的複雜性，本集團可能會利用內部資源進行有關評估或委聘外部顧問以於評估時向本集團提供意見。無論利用何種資源，本集團於評估時均須作出眾多假設，包括有關資產的使用情況、將產生的現金流轉、適當的市場貼現率及預計市場及規管情況。該等假設如出現任何變動，可能會導致日後對任何資產可收回金額的估算出現重大變動。

#### 5 收益及分部資料

本集團主要從事成衣製造及貿易以及證券投資。

營運分部按照與向董事會提供之內部報告一致之方式報告。

## 5 REVENUE AND SEGMENT INFORMATION (Continued)

The chief operating decision-maker has been identified as the board of directors of the Group. Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker that are used to assess performance and allocate resources. The chief operating decision-maker considers the business principally from the operations nature, with two segments identified: garment manufacturing and trading segment and securities investment segment.

The board of directors assesses the performance of the operating segments based on a measure of adjusted operating results. This measurement basis represented operating loss excluding material gain or loss which is capital in nature or of non-recurring nature such as impairment.

Revenue recognised during the year is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Garment manufacturing and trading:	成衣製造及貿易：		
Sale of garment products	銷售成衣產品	229,069	126,371
Processing income	加工收入	-	6,207
Sale of scrap materials	銷售廢棄物料	230	552
		<b>229,299</b>	133,130
Securities investment:	證券投資：		
Fair value gain/(loss) on financial assets at fair value through profit or loss	按公允值計入損益賬之金融資產公允 值收益／(虧損)	15,044	(11,715)
Dividend income from listed equity securities	自上市股本證券之股息收入	247	1,690
		<b>15,291</b>	(10,025)
		<b>244,590</b>	123,105

## 5 收益及分部資料 (續)

主要營運決策者被識辨為本集團董事會。管理層乃根據經主要營運決策者審閱之報告(用於評估表現及分配資源)釐定營運分部。主要營運決策者主要從營運性質考慮業務，並識辨兩個分部：成衣製造及貿易分部以及證券投資分部。

董事會根據經調整經營業績基準評估營運分部之表現。此評估基準代表經營虧損不包括屬資本性質或非經常性質之重大收益或虧損(如減值)。

於年內確認之收益如下：

5 REVENUE AND SEGMENT INFORMATION  
(Continued)

The segment information for the year ended and as at 31 December 2017 by business segment is as follows:

## 5 收益及分部資料 (續)

截至二零一七年十二月三十一日止年度及於二零一七年十二月三十一日，按業務分部劃分之分部資料如下：

		Garment manufacturing and trading segment 成衣製造及 貿易分部 HK\$'000 千港元	Securities investment segment 證券投資分部 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Revenue	收益	229,299	15,291	244,590
Reportable segment results	可報告分部業績	599	6,826	7,425
Other losses – net	其他虧損 – 淨值			(11,960)
Corporate administrative expenses	企業行政開支			(14,236)
Operating loss	經營虧損			(18,771)
Finance income	融資收入			44
Finance expense	融資開支			(175)
Share of result of an associate	應佔一間聯營企業之業績			(5,723)
Share of result of a joint venture	應佔一間合營企業之業績			(5,331)
Loss before income tax	除所得稅前虧損			(29,956)
Income tax expenses	所得稅開支			–
Loss for the year	年度虧損			(29,956)
		Garment manufacturing and trading segment 成衣製造及 貿易分部 HK\$'000 千港元	Securities investment segment 證券投資分部 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Reportable segment assets	可報告分部資產	172,543	8,196	180,739
Unallocated corporate assets	不能分攤之企業資產			95,814
Total assets	總資產			276,553

5 REVENUE AND SEGMENT INFORMATION  
(Continued)

The segment information for the year ended and as at 31 December 2016 by business segment is as follows:

## 5 收益及分部資料 (續)

截至二零一六年十二月三十一日止年度及於二零一六年十二月三十一日，按業務分部劃分之分部資料如下：

		Garment manufacturing and trading segment 成衣製造及 貿易分部 HK\$'000 千港元	Securities investment segment 證券投資分部 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Revenue	收益	133,130	(10,025)	123,105
Reportable segment results	可報告分部業績	(12,107)	(20,847)	(32,954)
Other losses – net Corporate administrative expenses	其他虧損 – 淨值 企業行政開支			(42) (12,350)
Operating loss	經營虧損			(45,346)
Finance income	融資收入			108
Share of result of a joint venture	應佔一間合營企業之業績			(3,628)
Loss before income tax	除所得稅前虧損			(48,866)
Income tax expenses	所得稅開支			(853)
Loss for the year	年度虧損			(49,719)
		Garment manufacturing and trading segment 成衣製造及 貿易分部 HK\$'000 千港元	Securities investment segment 證券投資分部 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Reportable segment assets	可報告分部資產	125,839	112,417	238,256
Unallocated corporate assets	不能分攤之企業資產			30,049
Total assets	總資產			268,305

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment.

分部負債按與財務報表相同的方式計量。此等負債根據分部經營而分配。



**5 REVENUE AND SEGMENT INFORMATION (Continued)**

One (2016: one) external garment manufacturing customer contributed more than 10% revenue of the Group.

**5 收益及分部資料 (續)**

一名(二零一六年:一名)外部成衣製造客戶佔本集團收入逾10%。

		<b>2017</b>	2016
		<b>二零一七年</b>	二零一六年
		<b>HK\$'000</b>	HK\$'000
		<b>千港元</b>	千港元
Customer A	客戶A	<b>219,664</b>	108,307

The following table sets out information about the geographical location of the Group's revenue and non-current assets. In presenting the geographical information, segment revenue is based on the geographical location of external customers and segment non-current assets are based on the geographical location of the assets.

下表載列有關本集團收益及非流動資產之地理位置資料。呈列地域資料時，分部收益乃基於外部客戶之地理位置，而分部非流動資產則基於資產之地理位置。

		<b>Revenue</b>		<b>Non-current assets</b>	
		<b>收益</b>		<b>非流動資產</b>	
		<b>2017</b>	2016	<b>2017</b>	2016
		<b>二零一七年</b>	二零一六年	<b>二零一七年</b>	二零一六年
		<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
		<b>千港元</b>	千港元	<b>千港元</b>	千港元
United States of America	美國	<b>139,688</b>	75,321	-	-
Mainland China	中國大陸	-	19,072	<b>61,013</b>	80,412
Europe	歐洲	<b>63,966</b>	27,652	-	-
Hong Kong	香港	<b>23,813</b>	(6,962)	<b>42,229</b>	4,333
Rest of World	世界其他地區	<b>17,123</b>	8,022	-	-
		<b>244,590</b>	123,105	<b>103,242</b>	84,745

## 6 OTHER LOSSES – NET

## 6 其他虧損－淨值

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Losses on disposal of properties, plant and equipment	出售物業、廠房及設備之虧損	(104)	(42)
Gain on disposal of a land use right	出售土地使用權之收益	3,685	-
Government subsidy	政府補助	111	-
Impairment loss on investment in a joint venture (Note 16)	於一間合營企業之投資 減值虧損(附註16)	(15,647)	-
Other	其他	(5)	-
		<b>(11,960)</b>	<b>(42)</b>

During the year ended 31 December 2017, the Group shared a loss of its joint venture amounted to HK\$5,331,000. Such loss was incurred as a result of an unsuccessful launch of joint venture's new product resulting in significant write-off of inventories in 2017. Management of the joint venture has tried but was not able to develop a feasible alternative business plan to pursue following the unsuccessful product launch, which resulted in a significant reduction in its operations by the end of the year. In light of the above, following a careful operation review considering the joint venture's business prospect and the market expectation conducted by management, the Directors have decided to make a full impairment provision amounted to HK\$15,647,000 against its investment in a joint venture for the year ended 31 December 2017.

截至二零一七年十二月三十一日止年度，本集團就其合營企業之虧損分佔了5,331,000港元。該等虧損產生是由於合營企業新產品於2017年上線不成功而導致存貨大幅撥備。隨著產品不成功上線，合營企業之管理層已嘗試但仍未計劃好一個可行的業務替補方案，導致其經營於年底前的大幅收縮。鑑於上述情況，經管理層就合營企業的業務前景及市場預期進行仔細考慮後，董事決定就截至二零一七年十二月三十一日止年度的合營企業投資總額15,647,000港元作全數減值撥備。

## Notes to the Financial Statements 財務報表附註

### 7 EXPENSES BY NATURE

Operating loss is stated after charging the following:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Raw materials used	已耗用之原材料	105,073	57,732
Changes in inventories of finished goods and work in progress	製成品及半製成品之存貨變動	15,483	2,855
Depreciation of properties, plant and equipment (Note 14)	物業、廠房及設備之折舊 (附註14)	4,815	4,690
Amortisation of land use rights (Note 17)	土地使用權之攤銷 (附註17)	309	330
Employee benefit expense (excluding directors' emoluments) (Note 12)	僱員福利開支 (不包括董事酬金) (附註12)	74,602	60,810
Directors' emoluments (Note 13)	董事酬金	5,357	6,011
Operating lease rentals – land and buildings	經營租賃租金—土地及樓宇	3,046	3,524
Auditors' remuneration	核數師酬金		
– Audit services	— 審計服務	1,473	1,294
– Non-audit services	— 非審計服務	135	135
Securities management and performance fees	證券管理及表現費用	833	1,472
Securities brokerage and transaction fees	證券經紀及交易費用	539	429
Other	其他	39,736	29,127
		<b>251,401</b>	<b>168,409</b>
Total cost of sales, selling expenses and administrative expenses	銷售成本、銷售開支及行政開支總額	<b>251,401</b>	<b>168,409</b>

### 7 按性質分類之開支

經營虧損經已扣除下列各項呈列如下：

### 8 FINANCE (EXPENSE)/INCOME – NET

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Finance income:	融資收入：		
Interest income on short-term bank deposits	短期銀行存款之利息收入	44	108
Finance expense:	融資開支：		
Interest expense on bank borrowing	銀行貸款之利息開支	(175)	–
Finance (expense)/income – net	融資 (開支) / 收入 – 淨值	<b>(131)</b>	<b>108</b>

### 8 融資 (開支) / 收入 – 淨值

## 9 INCOME TAX EXPENSES

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit for the year. The operation in PRC is subject to Mainland China corporate income tax at the rate of 25% for the year ended 31 December 2017 (2016: 25%).

The amount of income tax charged to the consolidated income statement represents:

Underprovision in prior years 以往年度不足之撥備

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to losses of the consolidated entities:

## 9 所得稅開支

香港利得稅乃根據年內估計應課稅溢利，按稅率16.5%（二零一六年：16.5%）計提撥備。截至二零一七年十二月三十一日止年度，中國大陸業務須按25%稅率（二零一六年：25%）繳納中國企業所得稅。

綜合收入報表已扣除之所得稅金額為：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Underprovision in prior years 以往年度不足之撥備	-	853

本集團除所得稅前虧損之稅項有別於採用綜合實體虧損適用之加權平均稅率所產生之理論金額：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss before income tax 除所得稅前虧損	<b>(29,956)</b>	(48,866)
Tax calculated at domestic tax rates applicable to losses in the respective countries 就所在國家之虧損按當地適用稅率計算之稅項	<b>(6,974)</b>	(9,585)
Tax effects of: 稅項影響：		
Share of loss of an associate 分佔一間聯營企業虧損	<b>944</b>	-
Share of loss of a joint venture 分佔一間合營企業虧損	<b>1,333</b>	907
Income not subject to tax 無須課稅之收入	<b>(962)</b>	(2,868)
Expenses not deductible for tax 不可扣稅之開支	<b>10,673</b>	3,122
Underprovision in prior years 以前年度不足之撥備	-	853
Unrecognised tax losses 未確認稅項虧損	-	8,424
Utilisation of previously unrecognised tax losses 利用以前未確認稅項虧損	<b>(5,014)</b>	-
	-	853

## 9 INCOME TAX EXPENSES (Continued)

The tax charge relating to components of other comprehensive income is as following:

		2017 二零一七年			2016 二零一六年		
		Before Tax 除稅前 HK\$'000 千港元	Tax charge 稅項開支 HK\$'000 千港元	After tax 除稅後 HK\$'000 千港元	Before tax 除稅前 HK\$'000 千港元	Tax charge 稅項開支 HK\$'000 千港元	After tax 除稅後 HK\$'000 千港元
Fair value gains on properties, plant and equipment	物業、廠房及設備之 公允值收益	4,097	(1,025)	3,072	669	(167)	502
Other comprehensive income	其他全面收入	4,097	(1,025)	3,072	669	(167)	502
Deferred tax (Note 23)	遞延稅(附註23)		(1,025)			(167)	

## 10 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. Diluted loss per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. As there is no dilutive potential ordinary shares for the year ended 31 December 2017 and 2016, the diluted loss per share equals the basic loss per share.

## 9 所得稅開支(續)

與其他全面收入組成部份有關的稅務開支如下：

## 10 每股虧損

每股基本虧損乃根據本公司權益持有人應佔虧損除以年內已發行普通股股數之加權平均數計算。每股攤薄虧損在假設所有潛在攤薄性普通股已轉換的情況下，經調整普通股加權平均數計算。由於截至二零一七年十二月三十一日及截至二零一六年十二月三十一日止年度，本公司並無攤薄性普通股，故每股攤薄虧損等於每股基本虧損。

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss attributable to equity holders of the Company	本公司權益持有人應佔虧損	(29,956)	(49,719)
Weighted average number of ordinary shares in issue (thousands)	已發行普通股股數之加權平均數 (千股)	818,042	818,042
Basic and diluted loss per share (HK cents per share)	每股基本及攤薄虧損(每股港仙)	(3.66)	(6.08)

**11 DIVIDENDS**

The Company has not declared any dividends for the years ended 31 December 2017 and 2016.

**12 EMPLOYEE BENEFIT EXPENSE (EXCLUDING DIRECTORS' EMOLUMENTS)**

Wages and salaries 薪金及酬金  
Pension costs 退休金成本

No forfeited contributions to the mandatory provident fund scheme (the "MPF Scheme") were utilised during the year (2016: Nil).

There was no contribution payable in relation to the MPF Scheme at the year end (2016: Nil).

The Group operates/participates in the following pension and post retirement plans:

- (i) The MPF Scheme for employees in Hong Kong, under which the Group and its employee each make a monthly contribution to the scheme at 5% of the qualifying earnings of the employee, subject to a monthly cap of HK\$1,500.
- (ii) The Group's subsidiaries in Mainland China contribute approximately 10% of the basic salaries of their employees to retirement schemes operated by municipal governments. Other than the mandatory contributions, the Group has no further obligations for the actual pension payments or any post retirement benefits. The retirement schemes are responsible for the entire pension obligations payable to retired employees. In addition, according to the labor law in Mainland China, the employer is required to pay retirement benefits to the employees when employment is terminated by the employer before the normal retirement date.

**11 股息**

本公司不宣派截至二零一七年及二零一六年十二月三十一日止年度之股息。

**12 僱員福利開支 (不包括董事酬金)**

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
----------------------------------	----------------------------------

	<b>69,753</b>	55,942
	<b>4,849</b>	4,868
	<b>74,602</b>	60,810

年內並無動用已沒收強制性公積金計劃(「強積金計劃」)供款(二零一六年:無)。

於年底並無有關強積金計劃之應付供款(二零一六年:無)。

本集團實行/參與以下退休金及退休後計劃:

- (i) 為香港僱員而設之強積金計劃規定,本集團及其僱員各均須按僱員合資格入息之5%向計劃作每月供款,惟每月供款額上限為1,500港元。
- (ii) 本集團於中國大陸之附屬公司按僱員基本薪金約10%向市政府設立之退休計劃作出之供款。除強制性供款外,本集團並無其他實質退休金或退休後福利之承擔。該等退休計劃負責全部應付予退休僱員之退休金承擔。此外,按照中國大陸之勞動法,僱主若於僱員正常退休日期前終止聘用僱員,則須向僱員支付退休福利。



## 13 BENEFIT AND INTEREST OF THE DIRECTORS

## (a) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive is set out below:

For the year ended 31 December 2017:

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking:

## 13 董事福利及權益

## (a) 董事及最高行政人員酬金

各董事及最高行政人員之酬金列載如下：

截至二零一七年十二月三十一日止年度：

就擔任本公司或其附屬公司董事職務之人士已付或應付之酬金：

Name of Director	董事姓名	Fees	Salary	Housing allowance	Estimated money value of other benefits(i) 其他福利之估計貨幣價值(i)	Employer's contribution to the MPF Scheme 強積金計劃僱主供款	Total
		袍金 HK\$'000 千港元	薪酬 HK\$'000 千港元	房屋津貼 HK\$'000 千港元	價值(i) HK\$'000 千港元	僱主供款 HK\$'000 千港元	總計 HK\$'000 千港元
<i>Chairman</i>							
Mr Li Haifeng (Appointed as chief executive on 1 April 2017)	主席 李海楓先生(於二零一七年四月一日獲委任為最高行政人員)	120	1,620	-	-	18	1,758
<i>Executive directors</i>							
Mr Lee Sheng Kuang, James (Re-designated to non-executive director on 1 April 2017)	執行董事 李勝光先生(於二零一七年四月一日調任為非執行董事)	28	707	540	29	-	1,304
Mr Tang Chak Lam, Charlie (Ceased appointment on 1 January 2018)	鄧澤霖先生(於二零一八年一月一日終止委任)	120	1,444	-	53	18	1,635
<i>Non-executive director</i>							
Mr Lee Sheng Kuang, James (Re-designated on 1 April 2017)	非執行董事 李勝光先生(於二零一七年四月一日調任)	180	-	-	-	-	180
<i>Independent non-executive directors</i>							
Mr Liu Run (Resigned on 30 June 2017)	獨立非執行董事 劉潤先生(於二零一七年六月三十日辭任)	60	-	-	-	-	60
Ms Su Zhengyu (Resigned on 24 March 2017)	蘇征宇女士(於二零一七年三月二十四日辭任)	27	-	-	-	-	27
Mr Yau Wing Yiu	邱永耀先生	240	-	-	-	-	240
Mr Zhang Zhenyi (Appointed on 24 March 2017)	張振義先生(於二零一七年三月二十四日獲委任)	93	-	-	-	-	93
Ms Zheng Xianzhi (Appointed on 30 June 2017)	鄭先智女士(於二零一七年六月三十日獲委任)	60	-	-	-	-	60
		928	3,771	540	82	36	5,357

13 BENEFIT AND INTEREST OF THE DIRECTORS  
(Continued)

## (a) Directors' and chief executive's emoluments (Continued)

For the year ended 31 December 2016:

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking:

Name of Director	董事姓名	Fees	Salary	Housing allowance	Estimated money value of other benefits(i) 其他福利之估計貨幣價值(i)	Employer's contribution to the MPF Scheme 強積金計劃僱主供款	Total
		袍金 HK\$'000 千港元	薪酬 HK\$'000 千港元	房屋津貼 HK\$'000 千港元	價值(i) HK\$'000 千港元	僱主供款 HK\$'000 千港元	總計 HK\$'000 千港元
<i>Chairman</i>	<i>主席</i>						
Mr Li Haifeng	李海楓先生	120	920	-	37	18	1,095
<i>Executive directors</i>	<i>執行董事</i>						
Mr Lee Sheng Kuang, James (Chief executive)	李勝光先生 (最高行政人員)	120	539	2,160	101	-	2,920
Mr Tang Chak Lam, Charlie	鄧澤霖先生	120	1,326	-	52	18	1,516
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>						
Mr Liu Run	劉潤先生	120	-	-	-	-	120
Ms Su Zhengyu (Appointed on 4 July 2016)	蘇征宇女士(於二零一六年七月四日獲委任)	59	-	-	-	-	59
Mr Yau Wing Yiu	邱永耀先生	240	-	-	-	-	240
Mr Tong Tang, Joseph (Ceased appointment on 4 July 2016)	唐登先生(於二零一六年七月四日停止委任)	61	-	-	-	-	61
		840	2,785	2,160	190	36	6,011

(i) Other benefits include leave pay and share option benefits and housing allowances.

During the year, no director has waived any emoluments (2016: Nil).

## 13 董事福利及權益(續)

## (a) 董事及最高行政人員酬金(續)

截至二零一六年十二月三十一日止年度:

就擔任本公司或其附屬公司董事職務之人士已付或應付之酬金:

Name of Director	董事姓名	Fees	Salary	Housing allowance	Estimated money value of other benefits(i) 其他福利之估計貨幣價值(i)	Employer's contribution to the MPF Scheme 強積金計劃僱主供款	Total
		袍金 HK\$'000 千港元	薪酬 HK\$'000 千港元	房屋津貼 HK\$'000 千港元	價值(i) HK\$'000 千港元	僱主供款 HK\$'000 千港元	總計 HK\$'000 千港元
<i>Chairman</i>	<i>主席</i>						
Mr Li Haifeng	李海楓先生	120	920	-	37	18	1,095
<i>Executive directors</i>	<i>執行董事</i>						
Mr Lee Sheng Kuang, James (Chief executive)	李勝光先生 (最高行政人員)	120	539	2,160	101	-	2,920
Mr Tang Chak Lam, Charlie	鄧澤霖先生	120	1,326	-	52	18	1,516
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>						
Mr Liu Run	劉潤先生	120	-	-	-	-	120
Ms Su Zhengyu (Appointed on 4 July 2016)	蘇征宇女士(於二零一六年七月四日獲委任)	59	-	-	-	-	59
Mr Yau Wing Yiu	邱永耀先生	240	-	-	-	-	240
Mr Tong Tang, Joseph (Ceased appointment on 4 July 2016)	唐登先生(於二零一六年七月四日停止委任)	61	-	-	-	-	61
		840	2,785	2,160	190	36	6,011

(i) 其他福利包括有薪假及購股權福利及房屋津貼。

於年內，概無董事放棄任何酬金(二零一六年：無)。

**13 BENEFIT AND INTEREST OF THE DIRECTORS (Continued)****(b) Directors' material interests in transactions, arrangements or contracts**

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

**(c) Five highest paid individuals**

The five individuals whose emoluments were the highest in the Group for the year include three (2016: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2016: two) individuals during the year are as follows:

Basic salaries, housing allowances, other allowances and benefits-in-kind	基本薪金、房屋津貼、其他津貼及實物利益
Contributions to the MPF Scheme	強積金計劃供款

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
----------------------------------	----------------------------------

1,681	1,409
36	36

<b>1,717</b>	<b>1,445</b>
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The emoluments fell within the following bands:

Emolument bands HK\$500,000 – HK\$999,999	酬金範圍 500,000港元–999,999港元
----------------------------------------------	-----------------------------

Number of individuals 人數	
2017 二零一七年	2016 二零一六年

<b>2</b>	<b>2</b>
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**13 董事福利及權益 (續)****(b) 董事於交易、安排或合約之重大權益**

本公司董事概無於本公司或其任何附屬公司訂立而與本集團業務有重大關係，且於本年度結束或於年內任何時間仍然有效之交易、安排及合約中直接或間接擁有重大利益。

**(c) 五名最高薪酬人士**

年內，本集團之五名最高薪酬人士包括三名（二零一六年：三名）董事，彼等之酬金已於上述分析中反映。年內應付予餘下兩名（二零一六年：兩名）人士之酬金如下：

酬金範圍如下：

## 14 PROPERTIES, PLANT AND EQUIPMENT

## 14 物業、廠房及設備

		Buildings	Leasehold improvements	Plant and machinery	Furniture, office equipment and motor vehicles	Total
		樓宇	租賃裝修	廠房及機器	傢俬、辦公室設備及汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2016	於二零一六年一月一日					
Cost or valuation	成本或估值	47,229	26,626	20,881	29,206	123,942
Accumulated depreciation and impairment	累計折舊及減值	-	(23,788)	(20,347)	(27,044)	(71,179)
Net book amount	賬面淨值	47,229	2,838	534	2,162	52,763
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度					
Opening net book amount	期初賬面淨值	47,229	2,838	534	2,162	52,763
Additions	添置	-	1,829	42	1,814	3,685
Disposals	出售	-	-	-	(53)	(53)
Depreciation	折舊	(3,521)	(414)	(1)	(754)	(4,690)
Currency translation difference	匯兌差額	(1,821)	(224)	(43)	(23)	(2,111)
Revaluation surplus	重估盈餘	669	-	-	-	669
Closing net book amount	期末賬面淨值	42,556	4,029	532	3,146	50,263
At 31 December 2016	於二零一六年十二月三十一日					
Cost or valuation	成本或估值	42,556	26,241	19,297	28,457	116,551
Accumulated depreciation and impairment	累計折舊及減值	-	(22,212)	(18,765)	(25,311)	(66,288)
Net book amount	賬面淨值	42,556	4,029	532	3,146	50,263
Year ended 31 December 2017	截至二零一七年十二月三十一日止年度					
Opening net book amount	期初賬面淨值	42,556	4,029	532	3,146	50,263
Additions	添置	-	26	278	311	615
Disposals	出售	-	(45)	-	(76)	(121)
Depreciation	折舊	(3,503)	(508)	(15)	(789)	(4,815)
Currency translation difference	匯兌差額	1,375	198	57	221	1,851
Revaluation surplus	重估盈餘	4,097	-	-	-	4,097
Closing net book amount	期末賬面淨值	44,525	3,700	852	2,813	51,890
At 31 December 2017	於二零一七年十二月三十一日					
Cost or valuation	成本或估值	44,525	27,640	20,973	29,883	123,021
Accumulated depreciation and impairment	累計折舊及減值	-	(23,940)	(20,121)	(27,070)	(71,131)
Net book amount	賬面淨值	44,525	3,700	852	2,813	51,890

## 14 PROPERTIES, PLANT AND EQUIPMENT (Continued)

Depreciation of HK\$51,000 (2016: HK\$55,000) has been expensed to selling expenses and HK\$4,764,000 (2016: HK\$4,635,000) has been expensed to administrative expenses. No depreciation has been expensed to cost of goods sold (2016: same).

If buildings were stated on the historical cost basis, the amounts would be as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cost	成本	38,579	36,007
Accumulated depreciation	累計折舊	(17,949)	(15,134)
Net book amount	賬面淨值	<b>20,630</b>	<b>20,873</b>

The Group's properties were revalued at 31 December 2017 by Vigers Appraisal and Consulting Limited, an independent professionally qualified valuer who holds a recognised relevant professional qualification and has recent experience in the locations and segments of the properties valued. For all buildings, their current use equates to the highest and best use.

The Group's finance department includes a team that review the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the board of directors. Discussions of valuation processes and results are held between the valuation team and valuer annually.

The revaluation surplus net of applicable deferred income taxes was credited to fixed assets revaluation reserve in shareholders' equity.

Valuations were made with reference to depreciated replacement cost approach based on significant unobservable inputs.

## 14 物業、廠房及設備 (續)

折舊已分別於銷售開支支銷51,000港元(二零一六年:55,000港元)及於行政開支支銷4,764,000港元(二零一六年:4,635,000港元)。於銷貨成本並無支銷(二零一六年:相同)。

倘樓宇乃按歷史成本列賬,其金額如下:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cost	成本	38,579	36,007
Accumulated depreciation	累計折舊	(17,949)	(15,134)
Net book amount	賬面淨值	<b>20,630</b>	<b>20,873</b>

本集團之物業已於二零一七年十二月三十一日由獨立專業合資格估值師威格斯資產評估顧問有限公司重新估值,該估值師持有獲認可之相關專業資格,且對所估值物業之地點及領域擁有近期經驗。對於所有樓宇而言,當前之使用等於其最高及最佳使用。

本集團財務部設有一個小組,專責就財務報告目的而對獨立估值師之估值進行檢討。此小組直接向董事會匯報。估值小組與估值師每年討論估值流程和相關結果。

重估盈餘扣除適用遞延所得稅乃計入股東權益中之固定資產重估儲備。

估值乃參考折舊代替成本法,其根據重大不可觀察之輸入資料而作出。

## 14 PROPERTIES, PLANT AND EQUIPMENT (Continued)

The following table analyses the buildings carried at fair value, by valuation method.

## 14 物業、廠房及設備(續)

下表以估值法分析按公允值列賬之樓宇。

		Fair value measurements at 31 December 2017 using 於二零一七年十二月三十一日之 公允值計量所用之資料		
		Quoted prices in active markets for identical assets (Level 1) 相同資產於 交投活躍市場之 報價(第一級) HK\$'000 千港元	Significant other observable inputs (Level 2) 其他重大可觀察 之輸入資料 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大不可觀察 之輸入資料 (第三級) HK\$'000 千港元
Recurring fair value measurements	經常性公允值計量			
- Offices and factory buildings held in Mainland China	- 於中國大陸持有之 辦公室及廠房樓宇	-	-	44,525
		Fair value measurements at 31 December 2016 using 於二零一六年十二月三十一日之 公允值計量所用之資料		
		Quoted prices in active markets for identical assets (Level 1) 相同資產於 交投活躍市場之 報價(第一級) HK\$'000 千港元	Significant other observable inputs (Level 2) 其他重大可觀察 之輸入資料 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大不可觀察 之輸入資料 (第三級) HK\$'000 千港元
Recurring fair value measurements	經常性公允值計量			
- Offices and factory buildings held in Mainland China	- 於中國大陸持有之 辦公室及廠房樓宇	-	-	42,556



## 14 PROPERTIES, PLANT AND EQUIPMENT (Continued)

The recurring fair value measurements for buildings are included in level 3 of the fair value hierarchy. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between Levels 1, 2 and 3 during the year.

The movement of buildings stated at fair value using significant unobservable inputs (level 3) is as follows:

		<b>Buildings</b>	
		<b>樓宇</b>	
		<b>2017</b>	<b>2016</b>
		<b>二零一七年</b>	<b>二零一六年</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>千港元</b>	<b>千港元</b>
At 1 January	於一月一日	<b>42,556</b>	47,229
Depreciation	折舊	<b>(3,503)</b>	(3,521)
Net gains from fair value adjustment	公允價值調整產生之淨收益	<b>4,097</b>	669
Currency translation differences	匯兌差額	<b>1,375</b>	(1,821)
		<hr/>	<hr/>
At 31 December	於十二月三十一日	<b>44,525</b>	42,556

In other comprehensive income, fair value gain of properties, plant and equipment, net of tax comprise:

		<b>2017</b>	<b>2016</b>
		<b>二零一七年</b>	<b>二零一六年</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>千港元</b>	<b>千港元</b>
Net gains from fair value adjustment	公允價值調整產生之淨收益	<b>4,097</b>	669
Deferred tax (Note 23)	遞延所得稅(附註23)	<b>(1,025)</b>	(167)
		<hr/>	<hr/>
Total fair value gains for the year included in other comprehensive income, net of tax	計入其他全面收入之年內公允價值總收益, 扣除稅項	<b>3,072</b>	502

## 14 物業、廠房及設備(續)

樓宇之經常性公允價值計量被包括於公允價值等級第三級之內。本集團政策為於導致轉撥之事件發生或情況變化當日, 確認由公允價值等級之轉入及轉出。年內第一級、第二級及第三級之間並無轉撥。

按使用重大不可觀察之輸入資料(第三級)計量之公允價值呈列之樓宇變動如下:

於其他全面收入內, 物業、廠房及設備之公允價值收益, 扣除稅項包括:

## 14 PROPERTIES, PLANT AND EQUIPMENT (Continued)

## 14 物業、廠房及設備 (續)

The details of significant unobservable inputs are as follows:

重大不可觀察之輸入資料之詳情如下：

Unobservable inputs 不可觀察之輸入資料	Range of unobservable inputs 不可觀察之輸入資料之範圍	Relationship of unobservable inputs to fair value 不可觀察之輸入資料與公允值之關係
Construction costs per square meter – Based on the type of building structure (steel structure/reinforced concrete structure) and taking into account market data on current construction costs for similar properties located in nearby cities 每平方米建築成本 – 根據樓宇結構類型 (鋼結構/鋼筋混凝土結構) 並計及位於鄰近城市之類似物業目前建築成本之市場資料	RMB1,170 per square meter for steel structure and RMB1,350 per square meter for reinforced concrete structure  鋼結構為每平方米人民幣1,170元，鋼筋混凝土結構為每平方米人民幣1,350元	The higher the construction cost per square meter, the higher the fair value  每平方米建築成本越高，公允值越高
Economic life of buildings – Taking into account the estimated useful life of buildings depending on the building structure (steel structure/reinforced concrete structure) 樓宇之經濟壽命 – 計及根據樓宇結構類型 (鋼結構/鋼筋混凝土結構) 之樓宇估計可使用年期	40 for steel structure and 50 years for reinforced concrete structure  鋼結構為40年，鋼筋混凝土結構為50年	The longer the useful life, the higher the fair value  可使用年期越長，公允值越高
There were no changes to the valuation techniques during the year.		年內估值技術概無變動。
Certain buildings with carrying amounts of HK\$23,441,000 (2016: Nil) were used to secure for the Group's bank borrowing as at 31 December 2017 (Note 25).		於二零一七年十二月三十一日，若干賬面值為23,441,000港元 (二零一六年：無) 的樓宇被用作本集團銀行貸款的抵押品 (附註25)。

## 15 INVESTMENT IN AN ASSOCIATE

On 23 June 2017, the Group entered into agreement to subscribe 6,480,000 new shares, approximately 41.48% equity interest in United Security Solutions International Limited ("USS") with a consideration of US\$6,480,000 (approximately HK\$50,544,000). Heading to the new business focus and related requirement, the Group has signed a supplemental share subscription agreement to subscribe 4,101,615 shares, representing 41.45% equity interest in USS at a consideration US\$4,101,615 (approximately HK\$31,992,000). Such acquisition was financed by internal resources.

## 15 於一間聯營企業之投資

於二零一七年六月二十三日，本集團已訂立協議以代價6,480,000美元（約50,544,000港元）認購絲路聯合國際風險管理有限公司（「絲路聯合」）約41.48%股本權益。根據新的業務重點及相關要求，本集團已簽署補充股份協議書，以代價4,101,615美元（約31,992,000港元）認購4,101,615股股份，佔絲路聯合41.45%之股本權益。這收購以內部資源提供資金。

		2017 二零一七年 HK\$'000 千港元
As at 1 January	於一月一日	-
Acquisition	收購	31,993
Share of loss	分攤虧損	(5,723)
Currency translation difference	匯兌差額	(205)
As at 31 December	於十二月三十一日	26,065

Investment in an associate at 31 December 2017 included goodwill of HK\$5,850,000 (2016: Nil).

於二零一七年十二月三十一日於一間聯營企業之投資包括商譽為5,850,000港元（二零一六年：無）。

Details of the Group's investment in an associate is as follows:

本集團於一間聯營企業之投資詳列如下：

Name of entity 企業名稱	Principal activities 主營業務	Country of incorporation 註冊成立地點	% of ownership interest 權益百分比	Measurement method 計量方法
<b>Shares held indirectly:</b> 間接持有之權益：				
United Security Solutions International Limited 絲路聯合國際風險管理有限公司	Provision of global risk management solutions 提供全球風險管理服務	Hong Kong 香港	41.45	Equity 權益法
Prescient Consulting DMCC	Provision of global risk management solutions 提供全球風險管理服務	United Arab Emirates 阿拉伯聯合酋長國	41.45	Equity 權益法
Milcom Resources (Malta) Limited	Investment holding 投資控股	Malta 馬耳他	41.45	Equity 權益法
Unity Resources Group Pte Ltd	Provision of global risk management solutions 提供全球風險管理服務	Singapore 新加坡	33.16	Equity 權益法

As the associate is a private entity, there is no quoted price available.

由於該聯營企業為私營實體，因此並無任何可用的報價。

## 15 INVESTMENT IN AN ASSOCIATE (Continued)

Set out below are the summarised financial information of an associate which is accounted for using equity method.

## Summarised balance sheet

		2017 二零一七年 HK\$'000 千港元
<b>Current</b>	<b>流動</b>	
Cash and cash equivalents	現金及現金等值項目	9,073
Current assets (excluding cash and cash equivalents)	流動資產 (不包括現金及現金等值項目)	31,755
Total current assets	總流動資產	40,828
Current liabilities	流動負債	(42,910)
<b>Non-current</b>	<b>非流動</b>	
Assets	資產	64,993
Liabilities	負債	(5,489)
Total identifiable net assets	可識別淨資產總額	57,422
Non-controlling interests	非控制性權益	(8,652)
		48,770

## Summarised statement of comprehensive income

		2017 二零一七年 HK\$'000 千港元
Revenue	收益	76,146
Depreciation	折舊	(5,471)
Expenses	開支	(84,481)
Loss for the period	期內虧損	(13,806)
Other comprehensive income	其他綜合收入	-
Total loss for the period	總期內虧損	(13,806)
Attributable to:	歸屬於:	
- the Group	- 本集團	(13,367)
- non-controlling interest	- 非控制性權益	(439)
		(13,806)

There were no commitment and contingent liabilities relating to the Group's interest in an associate as at 31 December 2017.

## 15 於一間聯營企業之投資 (續)

按權益法入賬之一間聯營企業之摘要財務資料如下:

## 摘要資產負債表

		2017 二零一七年 HK\$'000 千港元
<b>流動</b>		
現金及現金等值項目		9,073
流動資產 (不包括現金及現金等值項目)		31,755
總流動資產		40,828
流動負債		(42,910)
<b>非流動</b>		
資產		64,993
負債		(5,489)
可識別淨資產總額		57,422
非控制性權益		(8,652)
		48,770

## 摘要綜合收入報表

		2017 二零一七年 HK\$'000 千港元
收益		76,146
折舊		(5,471)
開支		(84,481)
期內虧損		(13,806)
其他綜合收入		-
總期內虧損		(13,806)
歸屬於:		
- 本集團		(13,367)
- 非控制性權益		(439)
		(13,806)

於二零一七年十二月三十一日, 本集團於一間聯營企業之投資並無承擔及或然負債。

**15 INVESTMENT IN AN ASSOCIATE (Continued)**

Set out below are the summarised financial information of an associate which is accounted for using equity method. (Continued)

**Reconciliation of summarised financial information**

**15 於一間聯營企業之投資 (續)**

按權益法入賬之一間聯營企業之摘要財務資料如下：(續)

**摘要財務資料之調節**

		2017 二零一七年 HK\$'000 千港元
Opening net assets as at acquisition date	於收購日之期初淨資產	68,890
Non-controlling interest	非控制性權益	(9,091)
Opening net assets acquired as at acquisition date	於收購日之已收購期初淨資產	59,799
Loss for the period attributable to the Group	歸屬於本集團之期內虧損	(13,367)
Other comprehensive income	其他全面收入	2,338
Closing net assets	期末淨資產	48,770
Interest in an associate @ 41.45%	於一間聯營企業權益 @ 41.45%	20,215
Goodwill	商譽	5,850
Carrying value	賬面值	26,065

## 16 INVESTMENT IN A JOINT VENTURE

On 19 February 2016, the Group entered into an agreement to acquire 27.5% equity interest in Phoenix Cloud (Beijing) Technologies Company Limited ("Phoenix Cloud")\*, a Company established in Mainland China, for a consideration of RMB22,000,000 (approximately HK\$25,581,000) using internal resources. Prior to the completion of the acquisition, Phoenix Cloud raised additional capital from certain investors resulting in the Group's final acquired equity interest decreasing to 24.75% upon completion on 19 May 2016.

## 16 於一間合營企業之投資

於二零一六年二月十九日，本集團已訂立協議以內部資源，代價人民幣22,000,000元（約25,581,000港元）收購成立於中國大陸之鳳凰雲（北京）科技股份有限公司（「鳳凰雲」）之27.5%股本權益。收購事項完成前，鳳凰雲向若干投資者籌集額外資本，本集團於二零一六年五月十九日完成收購時最終收購權益減少至24.75%。

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	20,978	-
Addition	增加	-	25,581
Share of loss	分攤虧損	(5,331)	(3,628)
Impairment	減值	(15,647)	-
Currency translation differences	匯兌差額	-	(975)
At 31 December	於十二月三十一日	-	20,978

Details of the Group's joint venture as at 31 December 2017 are as follows:

於二零一七年十二月三十一日本集團之合營企業詳列如下：

Name of entity 企業名稱	Place of business/ country of incorporation 經營地點 / 註冊成立地點	Principal activities 主營業務	% of ownership interest 權益百分比	Measurement method 計量方法
Shares held indirectly: 間接持有之權益：				
Phoenix Cloud (Beijing) Technologies Company Limited*	People's Republic of China, limited liability by share company	Sale and development of smart card application products in Mainland China	24.75	Equity
鳳凰雲（北京）科技股份有限公司	中華人民共和國，股份有限公司	於中國大陸從事銷售及開發智能卡應用產品		權益法

\* For identification purpose

\* 僅供識別

As the joint venture is a private entity, there is no quoted price available.

由於該合營企業為私營實體，因此沒有可用的報價。



## Notes to the Financial Statements 財務報表附註

### 16 INVESTMENT IN A JOINT VENTURE (Continued)

Set out below are the summarised financial information of a joint venture which is accounted for using equity method.

#### Summarised balance sheet

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>Current</b>	<b>流動</b>		
Cash and cash equivalents	現金及現金等值項目	903	2,128
Current assets (excluding cash and cash equivalents)	流動資產(不包括現金及 現金等值項目)	9,280	26,628
Total current assets	總流動資產	10,183	28,756
Current liabilities	流動負債	(11,488)	(8,998)
<b>Non-current</b>	<b>非流動</b>		
Assets	資產	145	699
Net (liabilities)/assets	淨(負債)/資產	(1,160)	20,457

#### Summarised statement of comprehensive income

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收益	4,053	9,402
Depreciation	折舊	(126)	(171)
Expenses	開支	(25,465)	(32,996)
Loss for the year	年度虧損	(21,538)	(23,765)
Other comprehensive (loss)/income	其他綜合(虧損)/收入	(79)	2,537
Total loss for the year	總年度虧損	(21,617)	(21,228)

### 16 於一間合營企業之投資(續)

按權益法入賬之一間合營企業之摘要財務資料如下：

#### 摘要資產負債表

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>流動</b>		
現金及現金等值項目	903	2,128
流動資產(不包括現金及 現金等值項目)	9,280	26,628
總流動資產	10,183	28,756
流動負債	(11,488)	(8,998)
<b>非流動</b>		
資產	145	699
淨(負債)/資產	(1,160)	20,457

#### 摘要綜合收入報表

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
收益	4,053	9,402
折舊	(126)	(171)
開支	(25,465)	(32,996)
年度虧損	(21,538)	(23,765)
其他綜合(虧損)/收入	(79)	2,537
總年度虧損	(21,617)	(21,228)

## 16 INVESTMENT IN A JOINT VENTURE (Continued)

There were no commitment and contingent liabilities relating to the Group's interests in a joint venture as at 31 December 2017.

## Reconciliation of summarised financial information

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Opening net assets as at acquisition date	於收購日之期初淨資產	20,457	32,578
Loss for the year/period	年度/期內虧損	(21,538)	(14,658)
Other comprehensive (loss)/income	其他全面(虧損)/收入	(79)	2,537
Closing net (liabilities)/assets	期末淨(負債)/資產	(1,160)	20,457
Interest in a joint venture @ 24.75%	於一間合營企業權益 @ 24.75%	(287)	5,063
Goodwill	商譽	17,935	16,740
Currency translation difference	匯兌差額	(2,001)	(825)
Impairment	減值	(15,647)	-
Carrying value	賬面值	-	20,978

## 17 LAND USE RIGHTS

The Group's land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Balance as at 1 January	於一月一日之結餘	12,849	14,358
Amortisation of prepaid operating lease payments	攤銷預付經營租賃款項	(309)	(330)
Disposal of a land use right	出售土地使用權	(3,384)	-
Currency translation differences	匯兌差額	725	(1,179)
Balance as at 31 December	於十二月三十一日之結餘	9,881	12,849

During the year ended 31 December 2017, the Group has disposed a land use right located in Mainland China with a carrying amount of HK\$3,384,000 to the Mainland China government with proceed of HK\$7,069,000, resulting in a gain on disposal of a land use right of HK\$3,685,000 (Note 6).

Certain land use right with carrying amount of HK\$5,799,000 (2016: Nil) was used to secure the Group's bank borrowing as at 31 December 2017 (Note 25).

## 16 於一間合營企業之投資(續)

於二零一七年十二月三十一日，本集團於一間合營企業之投資並無承擔及或然負債。

## 摘要財務資料之調節

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Opening net assets as at acquisition date	於收購日之期初淨資產	20,457	32,578
Loss for the year/period	年度/期內虧損	(21,538)	(14,658)
Other comprehensive (loss)/income	其他全面(虧損)/收入	(79)	2,537
Closing net (liabilities)/assets	期末淨(負債)/資產	(1,160)	20,457
Interest in a joint venture @ 24.75%	於一間合營企業權益 @ 24.75%	(287)	5,063
Goodwill	商譽	17,935	16,740
Currency translation difference	匯兌差額	(2,001)	(825)
Impairment	減值	(15,647)	-
Carrying value	賬面值	-	20,978

## 17 土地使用權

本集團之土地使用權代表預付經營租賃款項，其賬面淨值分析如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Balance as at 1 January	於一月一日之結餘	12,849	14,358
Amortisation of prepaid operating lease payments	攤銷預付經營租賃款項	(309)	(330)
Disposal of a land use right	出售土地使用權	(3,384)	-
Currency translation differences	匯兌差額	725	(1,179)
Balance as at 31 December	於十二月三十一日之結餘	9,881	12,849

截至二零一七年十二月三十一日止年度，本集團以7,069,000港元出售位於中國大陸賬面值為3,384,000港元的土地使用權給中國大陸政府，因而獲得3,685,000港元之出售土地使用權收益(附註6)。

於二零一七年十二月三十一日，部份賬面值為5,799,000港元(二零一六年：無)的土地使用權被用作本集團銀行貸款的抵押品(附註25)。

## 18 FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

## 18 按類別之金融工具

本集團持有以下金融工具：

		Financial asset at amortised cost 按攤銷 成本列賬之 金融資產 HK\$'000 千港元	Financial assets at fair value through profit or loss 按公允值 計入損益賬之 金融資產 HK\$'000 千港元	Total  總計 HK\$'000 千港元
<b>Financial assets</b>	<b>金融資產</b>			
<b>At 31 December 2017</b>	<b>於二零一七年十二月三十一日</b>			
Trade and other receivables excluding prepayments	除預付款項之貿易及其他應收款項	62,180	-	62,180
Financial assets at fair value through profit or loss	按公允值計入損益賬之金融資產	-	3,518	3,518
Cash and cash equivalents	現金及現金等值項目	67,456	-	67,456
		<b>129,636</b>	<b>3,518</b>	<b>133,154</b>
At 31 December 2016	於二零一六年十二月三十一日			
Trade and other receivables excluding prepayments	除預付款項之貿易及其他應收款項	27,866	-	27,866
Financial assets at fair value through profit or loss	按公允值計入損益賬之金融資產	-	108,242	108,242
Cash and cash equivalents	現金及現金等值項目	21,534	-	21,534
		49,400	108,242	157,642

18 FINANCIAL INSTRUMENTS BY CATEGORY  
(Continued)

## 18 按類別之金融工具 (續)

		Financial liabilities at amortised cost 按攤銷成本列賬之金融負債 HK\$'000 千港元
<b>Financial liabilities</b>	<b>金融負債</b>	
<b>At 31 December 2017</b>	<b>於二零一七年十二月三十一日</b>	
Trade and other payables	貿易及其他應付款項	59,838
Borrowing	貸款	5,952
		<b>65,790</b>
At 31 December 2016	於二零一六年十二月三十一日	
Trade and other payables	貿易及其他應付款項	29,450

## 19 INVENTORIES

## 19 存貨

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Raw materials	原材料	12,607	2,957
Work in progress	半製成品	25,706	17,289
Finished goods	製成品	11,947	4,881
		<b>50,260</b>	<b>25,127</b>

The cost of inventories recognised as expenses and included in cost of goods sold amounted approximately HK\$120,556,000 (2016: HK\$60,587,000).

確認為開支及計入銷貨成本之存貨成本約為120,556,000港元(二零一六年: 60,587,000港元)。

## 20 TRADE AND OTHER RECEIVABLES

## 20 貿易及其他應收款項

		2017 二零一七年			2016 二零一六年		
		Current 流動 HK\$'000 千港元	Non-current 非流動 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Current 流動 HK\$'000 千港元	Non-current 非流動 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Trade receivables	貿易應收款項	42,142	–	42,142	22,664	–	22,664
Other receivables	其他應收款項	7,839	–	7,839	4,097	–	4,097
Other loan	其他貸款	–	11,423	11,423	–	–	–
Deposits	按金	121	655	776	450	655	1,105
Financial assets at amortised cost	按攤銷成本列賬 之金融資產	7,960	12,078	20,038	4,547	655	5,202
Prepayments	預付款項	1,975	3,328	5,303	1,446	–	1,446
Total trade and other receivables	貿易及其他應收 款項總額	52,077	15,406	67,483	28,657	655	29,312

Due to the short-term nature of the current receivables, their carrying amounts is considered to be the same as their fair values. For the non-current deposits, the fair values are also not significantly different to their carrying amounts.

流動應收款項因屬短期性質，故其賬面值與公允值相若。非流動按金之公允值與其賬面值之差異不大。

Majority of the Group's trade receivable are with credit terms ranging from 30 to 60 days. The ageing of trade receivables based on invoice date, is as follows:

本集團大部份貿易應收款項之信貸期介乎30至60日。貿易應收款項按發票日期之賬齡分析如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within 30 days	30日內	28,284	21,428
31-60 days	31-60日	10,233	1,214
61-90 days	61-90日	2,848	22
Over 90 days	超過90日	777	–
		42,142	22,664

## 20 TRADE AND OTHER RECEIVABLES (Continued)

The ageing of trade receivables past due but not considered to be impaired is shown below. These past due receivables relate to a number of independent customers for whom there is no recent history of default.

Within 30 days	30日內
31-60 days	31-60日
61-90 days	61-90日

The maximum exposure to credit risk at the reporting date was the carrying amount of trade receivables mentioned above. The Group did not hold any collateral as security.

The other receivables generally arise from transactions outside the usual operating activities of the Group. Collateral is not obtained.

The other loan represented loan to a shareholder of an associate company. The loan is interest bearing at 8% per annum and will be fully repaid in 2019. The carrying amount of the loan was denominated in US\$ and approximated to its fair value. The loan was secured by the charge of equity interest of the associate company amounted approximately US\$2,948,000 (approximately HK\$22,846,000).

The carrying amounts of the trade and other receivables excluding prepayments were denominated in the following currencies:

HK\$	港幣
RMB	人民幣
US\$	美元

## 20 貿易及其他應收款項 (續)

已逾期但被視為無減值之貿易應收款項賬齡如下。此等已逾期應收款項涉及多個獨立客戶，其近期並無欠款記錄。

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	10,048	1,214
	3,338	22
	34	-
	<b>13,420</b>	<b>1,236</b>

於報告日期之最高信貸風險為上述貿易應收款項之賬面值。本集團並無持有任何抵押品作抵押。

其他應收款項一般來自本集團日常經營活動以外之交易。抵押品並未獲得。

其他貸款是對一間聯營企業之股東之貸款。此貸款按年利率8%計息，並將於2019年全額償還。此貸款之賬面值乃以美元列值及相若於其公允值。貸款由聯營企業約2,948,000美元(約22,846,000港元)之股權權益作抵押。

除預付款項之貿易應收及其他應收款項之賬面值乃以下列貨幣列值：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	2,049	1,104
	6,445	3,545
	53,686	22,562
	<b>62,180</b>	<b>27,211</b>



**21 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS****21 按公允值計入損益賬之金融資產**

		<b>2017</b> <b>二零一七年</b> <b>HK\$'000</b> <b>千港元</b>	2016 二零一六年 HK\$'000 千港元
Hong Kong listed equity securities	於香港上市之股本證券	<b>3,518</b>	108,242

Changes in fair values of financial assets at fair value through profit or loss are recorded in "revenue" in the consolidated income statement with gains of HK\$15,044,000 (2016: loss of HK\$11,715,000).

按公允值計入損益賬之金融資產之公允值變動，並計入綜合收入報表之「收益」為15,044,000港元之收益（二零一六年：11,715,000港元之虧損）。

Financial assets at fair value through profit or loss are presented within "operating activities" as part of changes in working capital in the consolidated cash flows statement (Note 28).

按公允值計入損益賬之金融資產於「經營活動」內呈列，作為現金流轉表內營運資金變動之一部份（附註28）。

The fair values of all equity securities are based on their current bid prices in an active market and the Group are exposed to price risk (Note 3).

所有股本證券之公允值均以其現時交投活躍市場之競價為基準，本集團因而面對價格風險（附註3）。

**22 CASH AND CASH EQUIVALENTS****22 現金及現金等值項目**

		<b>2017</b> <b>二零一七年</b> <b>HK\$'000</b> <b>千港元</b>	2016 二零一六年 HK\$'000 千港元
Cash at banks and in hand	銀行及手頭現金	<b>67,456</b>	21,534

The Group's bank balances of HK\$3,598,000 (2016: HK\$3,920,000) were deposited with banks in the Mainland China. The remittance of these funds out of the Mainland China is subject to the exchange control restrictions imposed by the Mainland China government.

本集團之銀行結餘3,598,000港元（二零一六年：3,920,000港元）已存入於中國大陸之銀行。將此等資金匯出中國大陸須受到中國大陸政府實施之外匯監控所限制。

**22 CASH AND CASH EQUIVALENTS (Continued)**

The carrying amount of the cash and cash equivalents were denominated in the following currencies:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
HK\$	港元	49,639	6,119
RMB	人民幣	3,598	3,920
US\$	美元	14,161	11,425
Others	其他	58	70
		<b>67,456</b>	<b>21,534</b>

**23 DEFERRED INCOME TAX**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. As of 31 December 2017 and 2016, no deferred income tax assets and liabilities were offset.

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Deferred income tax liabilities	遞延所得稅負債	<b>8,319</b>	7,294

**22 現金及現金等值項目 (續)**

現金及現金等值項目之賬面值乃以下列貨幣列值：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
HK\$	港元	49,639	6,119
RMB	人民幣	3,598	3,920
US\$	美元	14,161	11,425
Others	其他	58	70
		<b>67,456</b>	<b>21,534</b>

**23 遞延所得稅**

當有法定可執行權利將當期稅項資產與當期稅項負債抵銷，且遞延所得稅涉及同一財政機關，則可將遞延所得稅資產及負債抵銷。於二零一七年及二零一六年十二月三十一日，並無抵銷遞延所得稅資產及負債。

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Deferred income tax liabilities	遞延所得稅負債	<b>8,319</b>	7,294

## 23 DEFERRED INCOME TAX (Continued)

The movement in deferred income tax liabilities during the year is as follows:

		Fair value gains of buildings 樓宇之 公允值收益 HK\$'000 千港元
Balance as at 1 January 2016	於二零一六年一月一日之結餘	7,127
Debited to equity	於權益扣除	167
At 31 December 2016	於二零一六年十二月三十一日	7,294
Balance as at 1 January 2017	於二零一七年一月一日之結餘	7,294
Debited to equity	於權益賬扣除	1,025
At 31 December 2017	於二零一七年十二月三十一日	8,319

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of HK\$26,778,000 (2016: HK\$37,150,000) in respect of losses amounting to HK\$131,371,000 (2016: HK\$182,894,000) that can be carried forward against future taxable income because their utilisation is not considered probable. Cumulative tax losses of HK\$71,348,000 (2016: HK\$100,860,000) can be carried forward indefinitely while tax losses of HK\$60,023,000 (2016: HK\$82,034,000) will expire as follows:

年內之遞延所得稅負債變動如下：

遞延所得稅資產僅會於有關之稅項利益有可能透過未來應課稅溢利變現時，就結轉稅項虧損確認。由於認為不可能動用遞延所得稅資產，本集團並無確認涉及131,371,000港元（二零一六年：182,894,000港元）之虧損之遞延所得稅資產26,778,000港元（二零一六年：37,150,000港元），其可供結轉用以抵銷日後應課稅收入。累計稅項虧損71,348,000港元（二零一六年：100,860,000港元）可無限期結轉，而稅項虧損60,023,000港元（二零一六年：82,034,000港元）將於以下年度內到期：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Expiring in	於以下年度內到期		
2017	二零一七年	-	22,555
2018	二零一八年	7,612	7,908
2019	二零一九年	7,403	7,231
2020	二零二零年	23,469	22,923
2021	二零二一年	21,539	21,417
Total	總計	60,023	82,034

## 24 TRADE AND OTHER PAYABLES

## 24 貿易及其他應付款項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade payables	貿易應付款項	39,550	15,596
Consideration payable for acquisition of an associate	應付收購一間聯營企業之代價	1,004	-
Accruals	應計費用	13,220	5,011
Other payables	其他應付款項	6,064	8,843
		<b>59,838</b>	<b>29,450</b>

Trade payables are unsecured and are usually paid within 30 days of recognition.

貿易應付款項為無抵押，通常於確認後30日內支付。

The ageing of the trade payables, based on invoice date, was as follows:

貿易應付款項按發票日期之賬齡如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within 30 days	30日內	23,063	5,560
31-60 days	31-60日	14,000	9,784
61-90 days	61-90日	1,369	233
Over 90 days	超過90日	1,118	19
		<b>39,550</b>	<b>15,596</b>

Trade and other payables were denominated in the following currencies:

貿易及其他應付款項乃以下列貨幣列值：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
HK\$	港元	2,583	2,539
RMB	人民幣	54,437	26,700
US\$	美元	2,818	211
		<b>59,838</b>	<b>29,450</b>

The carrying amounts of trade and other payables approximated their fair values due to their short term nature.

貿易及其他應付款項因屬短期性質，故其賬面值與公允值相若。

## 25 BORROWING

Current  
Bank loan – secured

流動  
銀行貸款-有抵押

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
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<b>5,952</b>	–
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The bank loan was repayable within one year. The weighted average interest rate during 31 December 2017 was 7.5% (2016: Nil). As at 31 December 2017, the borrowing was secured by the certain buildings and land use right with carrying amounts of HK\$23,441,000 (2016: Nil) (Note 14) and HK\$5,799,000 (2016: Nil) (Note 17) respectively.

As at 31 December 2017, the Group has available unutilised banking facility of approximately HK\$5,952,000 (2016: Nil).

The carrying amount of the borrowing at 31 December 2017 was denominated in RMB and approximated to its fair value.

銀行貸款須於一年內償還。截至二零一七年十二月三十一日止年度，加權平均利率為7.5%（二零一六年：無）。於二零一七年十二月三十一日，貸款分別以賬面值為23,441,000港元（二零一六年：無）（附註14）之部份樓宇及5,799,000港元（二零一六年：無）（附註17）之土地使用權作為抵押。

於二零一七年十二月三十一日，本集團尚有可用的銀行融資額約5,952,000港元（二零一六年：無）。

於二零一七年十二月三十一日，貸款之賬面值乃以人民幣列值及與其公允值相若。

## 26 SHARE CAPITAL

Ordinary shares  
At 1 January and 31 December

普通股  
於一月一日及十二月三十一日

2017 二零一七年 Number of shares 股份數目 (Thousands) (千股)	2016 二零一六年 Number of shares 股份數目 (Thousands) (千股)	2017 二零一七年 Share capital 股本 HK\$'000 千港元	2016 二零一六年 Share capital 股本 HK\$'000 千港元
---------------------------------------------------------------------	---------------------------------------------------------------------	------------------------------------------------------------	------------------------------------------------------------

<b>818,042</b>	818,042	<b>81,804</b>	81,804
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## 27 OTHER RESERVES

## 27 其他儲備

		Share premium	Exchange translation reserve	Fixed assets revaluation reserve	Merger reserve	Total
		股份溢價 HK\$'000 千港元	匯兌儲備 HK\$'000 千港元	固定資產 重估儲備 HK\$'000 千港元	合併儲備 HK\$'000 千港元	總計 HK\$'000 千港元
As at 1 January 2016	於二零一六年一月一日	217,761	(33,042)	21,382	(200)	205,901
Other comprehensive income	其他全面收入					
Fair value changes, net of tax	公允值變動·扣除稅項	-	-	502	-	502
Currency translation differences arising on the translation of the financial statements of overseas subsidiaries	換算海外附屬公司財務報表產生之匯兌差額	-	(3,218)	-	-	(3,218)
Total other comprehensive (loss)/income	其他全面(虧損)/收入總額	-	(3,218)	502	-	(2,716)
At 31 December 2016	於二零一六年十二月三十一日	217,761	(36,260)	21,884	(200)	203,185
As at 1 January 2017	於二零一七年一月一日	<b>217,761</b>	<b>(36,260)</b>	<b>21,884</b>	<b>(200)</b>	<b>203,185</b>
Other comprehensive income	其他全面收入					
Fair value changes, net of tax	公允值變動·扣除稅項	-	-	3,072	-	3,072
Currency translation differences arising on the translation of the financial statements of overseas subsidiaries	換算海外附屬公司財務報表產生之匯兌差額	-	1,135	-	-	1,135
Total other comprehensive income	其他全面收入總額	-	1,135	3,072	-	4,207
At 31 December 2017	於二零一七年十二月三十一日	<b>217,761</b>	<b>(35,125)</b>	<b>24,956</b>	<b>(200)</b>	<b>207,392</b>



## 28 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

## 28 綜合現金流轉表附註

Reconciliation of loss before income tax to net cash generated from/ (used in) operations is as follows:

除所得稅前虧損與經營產生/(所用)之現金淨額之對賬如下:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss before income tax	除所得稅前虧損	(29,956)	(48,866)
Depreciation of properties, plant and equipment	物業、廠房及設備折舊	4,815	4,690
Losses on disposal of properties, plant and equipment	出售物業、廠房及設備之虧損	104	42
Gain on disposal of a land use right	出售土地使用權之收益	(3,685)	-
Amortisation of land use rights	土地使用權攤銷	309	330
Share of result of an associate	分佔一間聯營企業之虧損	5,723	-
Share of result of a joint venture	分佔一間合營企業之虧損	5,331	3,628
Impairment on investment in a joint venture	於一間合營企業之投資減值	15,647	-
Finance income	融資收入	(44)	(108)
Finance expense	融資開支	175	-
		<b>(1,581)</b>	<b>(40,284)</b>
Changes in working capital:	營運資金變動:		
Inventories	存貨	(25,133)	(2,542)
Trade and other receivables	貿易及其他應收款項	(26,748)	(13,933)
Trade and other payables	貿易及其他應付款項	30,388	4,618
Financial assets at fair value through profit or loss	按公允值計入損益賬之金融資產	104,724	13,397
Net cash generated from/(used in) operations	經營產生/(所用)之現金淨額	<b>81,650</b>	<b>(38,744)</b>

In the consolidated cash flow statement, proceeds from sale of properties, plant and equipment comprise:

於綜合現金流轉表內，出售物業、廠房及設備包括:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Net book amount (Note 14)	賬面淨值(附註14)	121	53
Losses on disposal of properties, plant and equipment	出售物業、廠房及設備之虧損	(104)	(42)
Proceeds from disposal of properties, plant and equipment	出售物業、廠房及設備所得款項	17	11

**28 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)**

In the consolidated cash flow statement, proceed from disposal of a land use right comprise:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Net book amount (Note 17)	賬面淨值(附註17)	3,384	-
Gain on disposal of a land use right	出售土地使用權之收益	3,685	-
Proceed from disposal of a land use right	出售土地使用權所得款項	7,069	-

**Net debt reconciliation:**

This section sets out the reconciliation of liability from financing activity for each of the years presented.

		Borrowing 貸款 HK\$'000 千港元
As at 1 January 2016, 31 December 2016 and 1 January 2017	於二零一六年一月一日、二零一六年十二月三十一日及二零一七年一月一日	-
Proceed from bank borrowing	銀行貸款所得款項	5,952
As at 31 December 2017	於二零一七年十二月三十一日	5,952

**29 COMMITMENTS****Capital Commitments**

Capital commitments at the balance sheet date but not yet incurred as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Properties, plant and equipment	物業、廠房及設備	3,491	-

**28 綜合現金流轉表附註(續)**

於綜合現金流轉表內，出售土地使用權所得款項包括：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
賬面淨值(附註17)		3,384	-
出售土地使用權之收益		3,685	-
出售土地使用權所得款項		7,069	-

**淨債務調節：**

本節列出所呈現的每年度融資活動產生之負債調節情況。

		Borrowing 貸款 HK\$'000 千港元
於二零一六年一月一日、二零一六年十二月三十一日及二零一七年一月一日		-
銀行貸款所得款項		5,952
於二零一七年十二月三十一日		5,952

**29 承擔****資本承擔**

於結算日但尚未產生之資本承擔如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
物業、廠房及設備		3,491	-

## Notes to the Financial Statements 財務報表附註

### 29 COMMITMENTS (Continued)

#### Commitments under operating leases

The Group had future aggregate minimum lease payments for buildings and motor vehicles under non-cancellable operating leases as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Not later than one year	一年內	2,779	3,749
Later than one year and not later than five years	一年後但不遲於五年	740	3,347
		<b>3,519</b>	<b>7,096</b>

### 30 SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2017:

Name of entity 企業名稱	Place of incorporation and kind of legal entity 註冊成立地點及法律實體類型	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital 已發行股本資料	Percentage of interest held 所持權益百分比
<b>Shares held directly:</b> 直接持有股份：				
Topwell Group Development Ltd.	British Virgin Islands, limited liability company 英屬處女群島·有限公司	Investment holding in Hong Kong 於香港進行投資控股	1,000 ordinary shares of US\$1 each 1,000股每股面值1美元之普通股	100
<b>Shares held indirectly:</b> 間接持有股份：				
Carry Wealth Limited 近旺有限公司	Hong Kong, limited liability company 香港·有限公司	Provision of management services and investment holding in Hong Kong 於香港提供管理服務及投資控股	4,000,000 ordinary shares 4,000,000股之普通股	100
Dragon Insight Investments Limited 穎揚投資有限公司	Hong Kong, limited liability company 香港·有限公司	Securities trading in Hong Kong 於香港進行證券交易	1 ordinary share 1股之普通股	100
Hillwealth International Limited 領溢國際有限公司	Hong Kong, limited liability company 香港·有限公司	Garment trading and marketing in Hong Kong 於香港進行成衣貿易及市場推廣	1 ordinary share 1股之普通股	100
Mass Wealth Investments Limited 尚豪投資有限公司	Hong Kong, limited liability company 香港·有限公司	Investment holding in Hong Kong 於香港進行投資控股	1 ordinary share 1股之普通股	100

### 29 承擔 (續)

#### 經營租賃承擔

本集團根據不可撤銷經營租賃而須於未來就樓宇及汽車支付之最低租賃款項總額如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Not later than one year	一年內	2,779	3,749
Later than one year and not later than five years	一年後但不遲於五年	740	3,347
		<b>3,519</b>	<b>7,096</b>

### 30. 附屬公司

本公司於二零一七年十二月三十一日之主要附屬公司如下：

## 30 SUBSIDIARIES (Continued)

## 30 附屬公司 (續)

Name of entity 企業名稱	Place of incorporation and kind of legal entity 註冊成立地點及法律實體類型	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital 已發行股本資料	Percentage of interest held 所持權益百分比
鶴山恒富製衣有限公司 (Heshan Carry Wealth Garment Limited)	People's Republic of China, limited liability company 中華人民共和國·有限公司	Manufacture of knit products in Mainland China 於中國大陸生產針織服裝	US\$14,700,000 14,700,000美元	100
恆豐(深圳)投資諮詢有限公司 (Heng Feng (Shenzhen) Investment Consulting Company Limited*)	People's Republic of China, limited liability company 中華人民共和國·有限公司	Provision of consultation service in Mainland China 於中國大陸提供顧問服務	RMB5,000,000 5,000,000人民幣	100

\* For identification purpose

\* 僅供識別

Cash and short-term deposits held in Asian countries (including China) are subject to local exchange control regulations. These regulations provide for restrictions on exporting capital from those countries, other than through normal dividends.

亞洲國家(包括中國)持有之現金及短期存款受當地外匯管制規定所限制。這些規定限制了從那些國家輸出資本，而不是通過正常股息。

## 31 RELATED PARTY TRANSACTIONS

## 31 關連方交易

(a) As at 31 December 2017 and 2016, 404,944,690 shares and 404,944,690 shares (2017: 49.50%; 2016: 49.50%) of the Company were held by Dragon Peace Limited, which is ultimately owned by Mr. Li Haifeng, a director of the Company. The directors consider Dragon Peace Limited, a company incorporated in the British Virgin Islands, to be the Company's ultimate holding company.

(a) 於二零一七年及二零一六年十二月三十一日，本公司404,944,690股股份及404,944,690股股份(二零一七年：49.50%；二零一六年：49.50%)由Dragon Peace Limited持有，本公司董事李海楓先生最終擁有該公司。董事認為，Dragon Peace Limited(於英屬處女群島註冊成立之有限公司)為本公司之最終控股公司。

(b) Key management compensation

(b) 主要管理人員酬金

Key management of the Group comprises the executive directors of the Group.

本集團主要管理人員由本集團執行董事組成。

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries and other short-term employee benefits	薪酬及其他短期僱員福利	4,661	5,495
Contributions to the MPF Scheme	強積金計劃供款	36	36
		<b>4,697</b>	<b>5,531</b>

## 32 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

## 32 本公司資產負債表及儲備變動

	Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment		99	294
Amount due from a subsidiary		200,345	226,625
		<b>200,444</b>	226,919
<b>Current assets</b>			
Other receivables		1,614	1,147
Cash and cash equivalents		1,252	1,137
		<b>2,866</b>	2,284
<b>Total assets</b>		<b>203,310</b>	229,203
<b>EQUITY</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Share capital		81,804	81,804
Other reserves	a	365,455	365,455
Accumulated losses		(244,815)	(219,066)
<b>Total equity</b>		<b>202,444</b>	228,193
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables and accruals		866	1,010
<b>Total liabilities</b>		<b>866</b>	1,010
<b>Total equity and liabilities</b>		<b>203,310</b>	229,203

Li Haifeng  
李海楓  
Chairman  
主席

Wang Ke  
王科  
Executive Director  
執行董事

## 32 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

## (a) Reserve movement of the Company

	Share premium 股份溢價 HK\$'000 千港元	Contributed surplus (i) 繳入盈餘 (i) HK\$'000 千港元	Total 總計 HK\$'000 千港元	
At 1 January 2016, 31 December 2016, 1 January 2017 and 31 December 2017	於二零一六年一月一日、 二零一六年十二月 三十一日、二零一七年 一月一日及二零一七年 十二月三十一日	<b>217,761</b>	<b>147,694</b>	<b>365,455</b>

Note:

- (i) The contributed surplus of the Company represents the difference between the consolidated shareholders' funds of a subsidiary acquired and the nominal value of the Company's shares issued in exchange therefor.

附註:

- (i) 本公司之繳入盈餘乃指所購入該附屬公司之綜合股東資金與本公司用作交換而發行股份之面值之差額。



締造**恒**優品質

源於**豐**富人材



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