



IDT INTERNATIONAL LIMITED 萬威國際有限公司

(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: 167)

# EMBRACING Innovations

that enhance the quality of life 創新點亮生活



2017 ANNUAL REPORT 年報

## CONTENTS 目錄

Corporate Information	公司資料	2
Chairman's Statement	主席報告書	8
Directors and Senior Management of the Group	本集團董事及高級管理層	14
Management Discussion and Analysis	管理層討論及分析	22
Corporate Governance Report	企業管治報告書	30
Environmental, Social and Governance Report	環境、社會及管治報告	56
Directors' Report	董事會報告書	83
Independent Auditor's Report	獨立核數師報告	96
Consolidated Statement of Profit or Loss and Other Comprehensive Income	綜合損益及其他全面收益表	104
Consolidated Statement of Financial Position	綜合財務狀況表	105
Consolidated Statement of Changes in Equity	綜合權益變動表	107
Consolidated Statement of Cash Flows	綜合現金流量表	108
Notes to the Consolidated Financial Statements	綜合財務報表附註	110
Group Financial Summary	集團財務概要	183

## CORPORATE INFORMATION 公司資料

### BOARD OF DIRECTORS

#### Executive directors:

Foo Piau Phang (*Chairman*)

Qi Miao (re-designated from Non-executive Director to Executive Director on September 11, 2017)

Hou Kaai Wern (resigned on March 1, 2017)

#### Non-Executive directors:

Song Rongrong

Wu Gang (appointed on March 2, 2018)

Yan Keya (appointed on March 2, 2018)

Han Hongtu (appointed on March 2, 2018)

Xin Kexia (resigned on March 2, 2018)

Jing Tian (resigned on March 2, 2018)

Shi Changyun (resigned on March 2, 2018)

#### Independent Non-Executive directors:

Yang Xiongsheng

Zhao Yuhong

Li Quan

Duh Jia-Bin

### EXECUTIVE COMMITTEE

Foo Piau Phang (*Chairman*)

Qi Miao (appointed on September 11, 2017)

Hou Kaai Wern (resigned on March 1, 2017)

### 董事會

#### 執行董事：

符標榜(*主席*)

祁淼(於二零一七年九月十一日  
由非執行董事調任為執行董事)

侯凱文(於二零一七年三月一日辭任)

#### 非執行董事：

宋榮榮

吳剛(於二零一八年三月二日獲委任)

鄢克亞(於二零一八年三月二日獲委任)

韓宏圖(於二零一八年三月二日獲委任)

辛克俠(於二零一八年三月二日辭任)

荊天(於二零一八年三月二日辭任)

施長雲(於二零一八年三月二日辭任)

#### 獨立非執行董事：

楊雄勝

趙宇紅

李權

杜家濱

### 執行委員會

符標榜(*主席*)

祁淼(於二零一七年九月十一日獲委任)

侯凱文(於二零一七年三月一日辭任)

**AUDIT COMMITTEE**

Yang Xiongsheng (*Chairman*)  
Zhao Yuhong  
Li Quan

**NOMINATION AND CORPORATE GOVERNANCE COMMITTEE**

Foo Piau Phang (*Chairman*)  
Li Quan  
Duh Jia-Bin

**REMUNERATION COMMITTEE**

Zhao Yuhong (*Chairman*)  
Song Rongrong  
Duh Jia-Bin

**COMPANY SECRETARY**

Gao Keying (appointed on April 8, 2017)  
Suen To Wai (appointed on January 1, 2017 and resigned on April 8, 2017)

**AUTHORISED REPRESENTATIVES**

Foo Piau Phang  
Gao Keying (appointed on April 8, 2017)  
Suen To Wai (appointed on January 1, 2017 and resigned on April 8, 2017)

**PRINCIPAL BANKERS**

The Hongkong and Shanghai Banking Corporation Limited  
Hang Seng Bank Limited

**審核委員會**

楊雄勝(主席)  
趙宇紅  
李權

**提名及企業管治委員會**

符標榜(主席)  
李權  
杜家濱

**薪酬委員會**

趙宇紅(主席)  
宋榮榮  
杜家濱

**公司秘書**

高克穎(於二零一七四月八日獲委任)  
孫多偉(於二零一七年一月一日獲委任並  
於二零一七年四月八日辭任)

**授權代表**

符標榜  
高克穎(於二零一七年四月八日獲委任)  
孫多偉(於二零一七年一月一日獲委任並  
於二零一七年四月八日辭任)

**主要往來銀行**

香港上海滙豐銀行有限公司  
恒生銀行有限公司



## CORPORATE INFORMATION 公司資料

### AUDITOR

Deloitte Touche Tohmatsu

### SOLICITOR

#### Bermuda:

Conyers Dill & Pearman

### SHARE REGISTRARS

#### Bermuda:

Conyers Corporate Services (Bermuda) Limited  
Clarendon House  
2 Church Street  
Hamilton, HM 11 Bermuda

#### Hong Kong:

Union Registrars Limited  
Suites 3301-04, 33/F.  
Two Chinachem Exchange Square  
338 King's Road  
North Point  
Hong Kong

### BERMUDA REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### 核數師

德勤 • 關黃陳方會計師行

### 律師

#### 百慕達：

Conyers Dill & Pearman

### 股份過戶登記處

#### 百慕達：

Conyers Corporate Services (Bermuda) Limited  
Clarendon House  
2 Church Street  
Hamilton, HM 11 Bermuda

#### 香港：

聯合證券登記有限公司  
香港  
北角  
英皇道338號  
華懋交易廣場2期  
33樓3301-04室

### 百慕達註冊辦事處

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

## CORPORATE INFORMATION 公司資料

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Block C, 9th Floor, Kaiser Estate  
41 Man Yue Street  
Hung Hom  
Kowloon  
Hong Kong

### STOCK CODE

167

### WEBSITES

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

### 香港主要營業地點

香港  
九龍  
紅磡  
民裕街41號  
凱旋工商中心9樓C座

### 股份代號

167

### 網址

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

智能家居

# CONNECTED HOME & COMMUNICATION

## Ahead of Time

洞悉先機





## CHAIRMAN'S STATEMENT 主席報告書



### DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present the Group's annual results for the year ended December 31, 2017.

### NO MAJOR SHAREHOLDERS CHANGED

On December 31, 2017, Jiangsu Hongtu High Technology Co., Ltd. ("Jiangsu Hongtu"), a joint stock company incorporated in the PRC whose shares are listed on the Shanghai Stock Exchange (Stock code: 600122), through its indirect wholly owned subsidiary Hongtu High Technology Int'l Inc. ("Hongtu (Seychelles)"), holds 1,310,896,765 shares of the Company, representing approximately 50.42% of the entire issued shares of the Company. There had been no major shareholders change in the year ended December 31, 2017.

Jiangsu Hongtu has a large and comprehensive business portfolio. Its main businesses are: (1) information technology (IT) retailing, supported by chain retail stores, selling computers, digital products, communications products, network and server devices, office automation equipment, as well as software and IT related books; (2) industrial manufacturing, which covers such products as optical cables, electric cables, printers and

## CHAIRMAN'S STATEMENT 主席報告書

### 致各股東：

本人謹代表董事會欣然提呈本集團截至二零一七年十二月三十一日止年度之年度業績。

### 並無主要股東變更

於二零一七年十二月三十一日，江蘇宏圖高科技股份有限公司（「江蘇宏圖」），於中國註冊成立之股份有限公司，其股份於上海證券交易所上市（股份代號：600122），通過其間接全資附屬公司 Hongtu High Technology Int'l Inc.（「Hongtu (Seychelles)」）持有本公司 1,310,896,765 股股份，相當於本公司全部已發行股份約 50.42%。於截至二零一七年十二月三十一日止年度並無主要股東變更。

江蘇宏圖擁有大型及多元化業務組合。其主要業務為 (1) 資訊科技產品零售，由連鎖零售店經營，涉及銷售電腦、數碼產品、通訊產品、網絡及伺服器設備、辦公自動化設備以及軟件及資訊科技相關書籍；(2) 工業製造，涵蓋（其中



communications equipment, among others, (3) real estate, which entails development and operation of high-end residential properties, and (4) the Internet finance, and (5) art auction.

## FINANCIAL RESULTS

The Group's total revenue for the year ended December 31, 2017 was amounted to HK\$516.6 million (FY2016: HK\$565.0 million), which was primarily due to the difficult retail market conditions in America and Europe.

Gross profit totalled HK\$107.1 million (FY2016: HK\$99.0 million). Gross profit margin increased to 20.7% in the year ended December 31, 2017, mainly due to improvement in manufacturing efficiency.

The Group continued to execute stringent cost controls and streamline organisational structure and operational procedures. Total operating expenses of the Group, including research and development costs, distribution and selling expenses, general administrative expenses and finance cost, amounted to HK\$184.8 million (FY2016 (restated): HK\$176.3 million). The increment was mainly due to the less reversal of provision for customer claims and bonus accrued for about HKD16.8 million in FY2017 comparing to FY2016.

Other gains and losses during the year were recorded as losses of HK\$13.1 million, mainly due to the allowance for doubtful debts of 9.2 million, (FY2016: gain of HK\$6.0 million).

No taxation was provided for the year (FY2016: HK\$2.0 million).

Loss for the year ended December 31, 2017 was HK\$85.7 million (FY2016: loss of HK\$64.0 million).

## OUTLOOK

Despite the uncertain global economic will continue to have a considerable impact on the growth of the Group, nonetheless there are still opportunities and the Group remains

包括)光纜、電纜、打印機及通訊設備等產品；(3)房地產業務，其涉及發展及經營高端住宅物業；(4)互聯網金融；及(5)藝術品拍賣。

## 財務業績

截至二零一七年十二月三十一日止年度，本集團錄得總收益為港幣516.6百萬元(二零一六年度：港幣565.0百萬元)。這主要是由於歐美艱難的零售市場環境所致。

毛利總額為港幣107.1百萬元(二零一六年度：港幣99.0百萬元)。由於生產效率改善，截至二零一七年十二月三十一日止年度毛利率上升至20.7%。

本集團繼續實施嚴格的成本控制、精簡組織架構和運營程序。本集團總營運開支為港幣184.8百萬元(二零一六年度(經重列)：港幣176.3百萬元)。該等開支包括研究及開發費用、分銷及銷售開支、一般行政開支及融資成本。該增加主要是由於二零一七年度較二零一六年度的客戶申索撥備及累計花紅的撥回減少約港幣16.8百萬元所致。

本年度的其他所得及虧損錄得虧損港幣13.1百萬元，主要由於壞賬撥備港幣9.2百萬元(二零一六年度：收益港幣6.0百萬元)。

於本年度並無就稅項作出撥備(二零一六年度：港幣2.0百萬元)。

截至二零一七年十二月三十一日止年度之虧損為港幣85.7百萬元(二零一六年度：虧損港幣64.0百萬元)。

## 前景

雖然全球經濟仍不明朗對本集團產生巨大影響，但機會仍然存在，本集團於二零一八年仍

## CHAIRMAN'S STATEMENT 主席報告書

confident in its strategy in 2018. With the support of our dedicated regional general manager and experienced e-commerce team, we have expanded our global coverage to capture the share of online business. The Group continues to cooperate with Sanpower's subsidiaries, thereby exerting greater synergies in sales, maximizing customer coverage from offline and online channels, and exploring opportunities in the Asian market.

### OREGON SCIENTIFIC (“OS”)

The SLIT category will continue to be the main product category of the OS. A series of new smart learning products with richer, scalable content, features and functions will be launched. There will be more versions of smart globe products, and AR technology will continue to enhance the customer's product experience. In 2018, we will use more advanced technologies to enhance our customers' higher level of smart consumer experience.

Regarding the smart home category, we will focus on improving our competitiveness. In 2018, we will launch a series of new cross-domain feature connection time and weather products. In addition, OS will focus on key revenue and sales drivers, simplifying the rest of the product portfolio. An experienced product marketing team has also been established to strengthen the launch of new products, increase existing customer participation, and explore more opportunities in existing markets and new markets.

From the perspective of channel development, we have established an experienced Amazon platform team to further promote the development of e-commerce business. At the same time, OS will continue to implement the strategy of “all-channel partnership” and selected retailers, while promoting OS brand sales through offline retail channels and online websites and portals.

對自身策略充滿信心。在專責的區域總經理及經驗豐富的電子商務團隊提供的支援下，我們已擴大全球業務覆蓋範圍，以搶佔線上業務的份額。本集團繼續與三胞附屬公司合作，從而發揮更大的銷售協同效應，最大限度地從線下以及線上渠道提升客戶覆蓋範圍，挖掘亞洲市場的機遇。

### OREGON SCIENTIFIC (「OS」)

智能教育及學習類別將繼續為OS的主要產品類別。一系列新的具備更豐富、可升級的內容、特色及功能的智能學習產品，將陸續推出。智能地球儀產品將會有更多版本推出，AR技術將持續提高客戶的產品體驗。二零一八年，我們會運用更先進的技術，提升客戶更高水準的智能消費體驗。

有關智能家居類別，我們會專注於提升競爭力，將在2018年推出一系列新的具有跨域功能的連線時間和天氣產品。除此之外，OS將專注於關鍵收入、銷量驅動，簡化其餘的產品組合。經驗豐富的產品行銷和行銷團隊也已成立，以加強新產品的推出，提高現有的客戶參與，並在現有市場和新市場挖掘出更多的機會，

從渠道發展的角度來看，我們已經建立了一個經驗豐富的亞馬遜平台團隊，以進一步推動電子商務業務的發展。同時，OS將繼續實施「全渠道夥伴關係」和選定零售商的策略，同時通過線下零售渠道及線上網站和門戶來推動OS品牌的銷售。

The Group will also continue to expand channel coverage and effectively reach target consumers' sites. OS also helps expand sales capacity by expanding its presence, such as new airport retail channels, bookstore channels, and hotel channels, and will continue to use Sanpower Group's The global, especially the United States and China retail channels.

### VALUE MANUFACTURING SERVICES ("VMS")

Viewing from the product & market segment that walkie-talkie is brought back due to the increase in demand from the security market with serial and on-going threat of terrorist attack, walkie-talkie will be another key area to strengthen our research & development capabilities to meet the needs of current customers, focusing on their needs and exploring additional opportunities to co-operate with them.

H&W will combine wearable with health technologies like Blood Pressure, HRV and Atrial Fibrillation measurements to help users to monitor their health in a convenient and comfort setting. Personal health data can be available in the cloud so that their health status can be remotely monitored.

Besides connectivity, the new features such as artificial intelligence and voice control can help improve the competitiveness of our products. In combination with our Time & Weather strength, we are developing smart demo, which will show the remote control and surveillance advantages with IoT smart sensor network. As such, we will work with business development teams to help more new customers in addition to our major customers like Somfy, Phillips.

Though traditional product lines have supported the development of the Company for so many years, our VMS teams are working with our customers to make changes according to the market demands. We are entering the product and service markets of high growth rate, which include digital health and smart life style. As such, we have been further optimizing our product development teams and invited new technology leaders to help us enter these markets. Accordingly, we will not only help our customer develop more new products but also more new product categories.

本集團還將繼續擴展渠道的覆蓋及有效到達目標消費者的網站，OS也通過擴展其存在而助力銷售，比如在新機場零售渠道、書店渠道、酒店渠道，並將繼續利用三胞集團在全球尤其是美國和中國的零售渠道。

### 價值製造服務

從連串持續恐怖襲擊的威脅令來自安全市場的需求增加，從而提升了對講機產品及市場的需求。因此，公司會繼續提升對講機研發能力，以配合現有客戶的需求、專注其需求及探索與其合作的其他機會。

H&W會利用穿戴設備和健康技術，比如血壓測量，心率測量和心房纖顫監測去幫助用戶來更方便地監管他們的健康。個人健康資料可以存儲在雲端，其健康狀態也可以被遠端監測。

IoT產品的研發除了在外物互聯的基礎上，更加入了人工智能語音控制的功能，增強了產品的競爭力。此外，結合傳統CoH的強項，製作了Smart Demo的演示沙盤，詮釋了IoT智能感測器網路監控的優勢。借此，配合市場部，在原有Somfy，Phillips等大客戶的基礎上開發更多客戶。

儘管現有的傳統產品線說明公司經歷了很多年的發展，我們的VMS團隊也在順應客戶的需求和他們一起經歷市場需求的轉變。我們正在和我們的客戶一起進入目前高增長的產品和服務領域中。這些包括數字化健康和智能家居等。為此我們相應地繼續優化了研發團隊，更新了技術帶頭人以幫助本集團順利地進入這些新產值增長領域。我們期望不但可以幫助客戶開發出新一代產品，而且可以開發出新產品類別。

## CHAIRMAN'S STATEMENT 主席報告書

Our VMS business and customers both focus on digital health products, including activity tracking, blood glucose monitoring, heart rate monitoring, blood pressure monitoring etc. All these products are related to the big data concept too. As such, our customer and strategy partners will work with us together to analyze and utilize these data to more efficiently improve life styles and manage health. For example, in China there is a great demand for senior care. We are developing a new senior care platform with artificial intelligence and speech processing technologies. This platform can connect to the health data management network of our customers and strategy partners. As such, it enables our customers and partners to more efficiently deliver their services to the users.

Smart lifestyle is also one of the key themes of our product lines. We are perfecting a smart home and lifestyle platform and developing related products for our customers. With this platform, we can monitor and record the users home and lifestyle data and provide the data to our customers. Accordingly, our customers can utilize these valuable data and provide personalized services, which include home safety, climate control, sleep management and entertainment. In this way, we believe we can speed up the product development for our customers and maximize the values for them.

While we swiftly enter the digital health and smart lifestyle markets, we never give up our traditional product lines. We are continuing to optimize and improve them, reduce the cost, improve functions and quality. We will outsource some of our low-value products and further upgrade existing popular products. Further, we are working closely with our customers to meet the ever changing market demands.

我們的VMS業務會和我們的客戶一起把重點放在數字化健康產品上，包括活動監控、血糖計量，心率監測，血壓監測。這些產品均與大數據概念有關。這樣我們就可以和我們客戶以及戰略夥伴一起分析和利用這些資料來有效地提高使用者的生活品質和健康管理。比如考慮到中國非常龐大的老人護理需求，我們正在構建一個以人工智能和語言處理的老人護理平台。這個平台可以把老年護理和我們客戶和戰略夥伴的健康資料管理業務聯網，從而使客戶和戰略夥伴們更加有效的向用戶傳送他們的服務。

同樣的智能生活也是我們的產品線的核心之一。為此我們正在完善一個智能家居和生活的平台，並且為客戶開發相應的產品。利用這個平台來，我們可以監測和記錄使用者的每一個重要家居和生活參數為客戶提供大量的資料。根據這些非常有價值的資料，我們的客戶可以針對每一個使用者特別地輸送他或她所真正需要的家居和生活的服務，包括家居安全，溫度控制，睡眠管理和休閒娛樂等。我們相信這樣可以為客戶加速開發產品及最大化其價值。

在迅速進入新的數字化健康和智能生活領域的同時，我們並沒有放棄傳統的產品線。我們在不斷優化和提升相關的產品線，降低成本，增加功能和提高品質。比如有些大眾化的產品，我們會外包到其它公司生產。對一些暢銷產品會進行進一步成本控制和功能優化。尤其我們會進一步和我們的客戶緊密工作來滿足不斷變化的市場需求。

Besides working the existing customers and developing new ones, our focus includes continuously improving the efficiency of product developments. We continue to innovate with our VMS customers and achieve the largest results at the lowest cost. As such, our customers may have more resources to be invested into new products and make us more competitive. As such, we are standardizing the technologies shared in our product development, improving the development efficiency and reducing the cost. In addition, we can use new technologies with our customers to develop the next generation products. Besides the maturing activity tracking and heart rate monitoring technologies and demands, we are investing into the new technologies for digital health, which include blood pressure monitoring and long distance charging.

### APPRECIATION

On behalf of the Board of Directors, I wish to express my gratitude to all shareholders and business associates for the continuous support. Our deep appreciation also goes to the management team and staff members for their hard work and dedication in the past financial period.

**Foo Piau Phang**  
*Chairman*

March 22, 2018  
Hong Kong

除了維持現有客戶及吸納新客戶，我們的工作重點包括持續不斷努力提高產品開發效能。本集團將繼續加強與VMS客戶的創新，儘量以非常少的成本取得較大的成就，從而使客戶有更多的資源進行新投資，增強我們的競爭力。為此我們正在使得產品開發技術標準化。這樣可以提升產品開發效率，而且減低成本。此外，新技術將可供本集團現有客戶及希望與我們共同開發及測試下一代產品的新客戶使用。鑒於簡單計步器及心率測量設備的需求已達到頂峰，本集團將投資於健康及保健領域的下一代技術，包括血壓測量和遠距離無線充電技術。

### 致謝

本人謹代表董事會感謝各股東及業務夥伴一直對本集團之支持，亦感謝管理團隊及全體員工於上個財政期間內的辛勤工作及盡心服務。

**符標榜**  
*主席*

二零一八年三月二十二日  
香港



## DIRECTORS AND SENIOR MANAGEMENT OF THE GROUP

### 本集團董事及高級管理層

#### EXECUTIVE DIRECTOR

##### FOO PIAU PHANG

Chairman and Executive Director, the Chairman of Nomination and Corporate Governance Committee, a member of the Executive Committee of the Board, aged 56. Mr. Foo is the Senior Vice President of Sanpower Group. Prior to joining Sanpower Group, Mr. Foo served at Hewlett-Packard as the Senior Vice President and Regional Managing Director for Asia Pacific & Japan. Before that, Mr. Foo had experience in a variety of roles, such as President and Chief Executive Officer at Hasee Group Ltd., President at Dell Inc. (China), Managing Director at Gateway Inc. (China) and Production Engineer at General Motors (Singapore).

##### Qi Miao

Chief Executive Officer and Executive Director, a member of the Executive Committee of the board, aged 39. Before joining the Company, Mr. Qi was the Senior Director of Sanpower Group and was mainly responsible for strategy planning and execution. Formerly, Mr. Qi was an associate partner at Inventive Strategy Consulting and director at Huawei Technology Co., Ltd. Prior to that, he worked at Ernst & Young (China) Advisory Limited and advised on strategy and business transformation projects in the PRC. Mr. Qi has received a master degree in Electrical Engineering from Dresden University of Technology and a master degree in Business Administration from Peking University.

#### 執行董事

##### 符標榜

主席兼執行董事，提名及企業管治委員會主席及執行委員會委員，五十六歲。符先生為三胞集團之高級副總裁。於加入三胞集團之前，符先生在惠普擔任亞太地區及日本之高級副總裁及區域董事總經理。此前，符先生曾擔任各種職務，如在Hasee Group Ltd.擔任總裁及行政總裁、在戴爾公司(中國)擔任總裁、在Gateway Inc. (China)擔任董事總經理以及在通用汽車(新加坡)擔任生產工程師。

##### 祁淼

行政總裁兼執行董事，執行委員會委員，三十九歲。加入公司之前，祁先生曾任三胞集團高級總監，主要負責戰略規劃與執行；Inventive Strategy Consulting聯合合夥人及華為技術有限公司總監。此前，彼於安永(中國)企業諮詢有限公司任職，負責為中國的企業客戶提供企業戰略及業務轉型諮詢服務。祁先生獲德累斯頓工業大學電子與電氣工程碩士學位及北京大學工商管理學碩士學位。

## DIRECTORS AND SENIOR MANAGEMENT OF THE GROUP

### 本集團董事及高級管理層

#### NON-EXECUTIVE DIRECTOR

##### SONG RONGRONG

Non-executive Director, aged 40. Mr. Song is the Chief Financial Officer of Jiangsu Hongtu and the Vice President of HISAP. Formerly, Mr. Song served as the regional general ledger accountant and regional chief financial officer of HISAP. Mr. Song received a Bachelor degree in accounting from the China University of Mining and Technology and master degree in Business Administration from Nanjing University.

##### Wu Gang

Non-Executive Director, aged 41, Mr. Wu is the Senior Vice President of Sanpower Group and is the Chairman of the new consumption industrial group and the Chairman of the new retail industrial group. From February 2008 to March 2013, Mr. Wu served as the Chairman of Australia-China Education and Migration Service Company, specialized in global education and VIP immigration consultation services. Mr. Wu has many years of experience in cross-border investments, M&A, investor relations and corporate governance. Mr. Wu holds a master degree in Public Administration from the University of North Carolina.

#### 非執行董事

##### 宋榮榮

非執行董事，四十歲。宋先生為江蘇宏圖之財務總監及宏圖三胞之副總裁。宋先生先前曾擔任宏圖三胞之區域總賬會計及區域財務總監。宋先生持有中國礦業大學之會計學士學位及南京大學工商管理碩士學位。

##### 吳剛

非執行董事，四十一歲，吳先生現任三胞集團高級副總裁，三胞新消費產業集團董事長、新零售產業集團董事長。由二零零八年二月至二零一三年三月，吳先生擔任澳中國際教育及留學移民集團董事長，負責國際教育及VIP移民諮詢服務等工作。吳先生在跨境投資、兼併收購、市值管理、公司治理等業務方面具有豐富的經驗。吳先生擁有美國北卡羅來納大學公共管理碩士學位。

## DIRECTORS AND SENIOR MANAGEMENT OF THE GROUP

### 本集團董事及高級管理層

#### Yan Keya

Non-executive Director, aged 42, Mr. Yan is the Chief Operating Officer of the new retail industrial group of Sanpower Group and is mainly responsible for operational management and M&A for the retail business. From November 2005 to May 2013, Mr. Yan served as the head of strategy and investment division for Li Ning Company Limited, a company whose shares are listed on the Stock Exchange (stock code: 2331), responsible for strategic management and investment. Prior to joining Sanpower Group, from June 2013 to July 2014, he served as the senior strategic investment director for Fosun International Limited, a company whose shares are listed on the Stock Exchange (stock code: 656), responsible for strategy planning at group level and direct investment in big consumption area. Mr. Yan has many years of experience in strategic management, cross-border investments, M&A, investor relations, corporate governance, post-merger integration, etc. Mr. Yan holds a Master of Science degree in Finance from the University of Strathclyde in the United Kingdom.

#### Han Hongtu

Non-executive Director, Mr. Han, aged 46, is the Vice President and the Secretary of the board of directors of Jiangsu Hongtu, and is mainly responsible for capital planning, information disclosure and assets management. Mr. Han is also assigned to take charge of the President Office, the Human Resources Department and the Enterprise Management Center of Jiangsu Hongtu. From January 2000 to February 2003, Mr. Han served in state-owned provincial enterprises, and was responsible for project investment and company listing as an investment counselor in Jiangsu D&T Consulting Co., Ltd, a wholly owned subsidiary of Jiangsu Skyrun Corporation. From April 2003 to March 2010, Mr. Han worked for Sanpower Group and he was in charge of investments, M&A, assets operations and capital planning. Mr. Han has many years of experience in M&A, equity investments and regulations of the governance structure of listed company. Mr. Han holds a master degree in Business Administration from Maastricht University in Holland.

#### 鄢克亞

非執行董事，四十二歲，鄢先生現任三胞集團新零售產業集團首席運營官，主要負責零售業務的日常運營管理工作和收購合併工作。由二零零五年十一月至二零一三年五月，鄢先生於李寧有限公司(其股份於聯交所上市，股份代號：2331)擔任戰略發展部總監，負責集團戰略管理和投資併購工作。在加入三胞集團之前，鄢先生於二零一三年六月至二零一四年七月就職於復星國際有限公司(其股份於聯交所上市，股份代號：656)，擔任高級戰略投資總監，負責集團戰略規劃及大消費領域的直接投資。鄢先生在戰略規劃、跨境投資、兼併收購、市值管理、公司治理、投後管理等領域具有多年豐富經驗。鄢先生擁有英國斯特拉思克萊德大學頒發的金融學碩士學位。

#### 韓宏圖

非執行董事，四十六歲，韓先生現任江蘇宏圖副總裁兼董事會秘書，主要負責資本規劃、信息披露及市值管理工作，同時分管總裁辦公室、人力資源與企業管理中心的工作。由二零零零年一月至二零零三年二月，韓先生曾在省屬國資企業任職，曾擔任江蘇開元國際集團全資子公司鼎信諮詢有限公司的投資顧問，負責集團專案投資和企業上市工作。韓先生於二零零三年四月至二零一零年三月，任職於三胞集團投資管理中心，負責投資併購、上市公司資本規劃等工作。韓先生具多年上市公司兼併收購、股權投資及公司治理的工作經驗。韓先生擁有荷蘭馬特斯裡赫特學院的工商管理碩士學位。

## DIRECTORS AND SENIOR MANAGEMENT OF THE GROUP

### 本集團董事及高級管理層

#### INDEPENDENT NON-EXECUTIVE DIRECTOR

##### YANG XIONGSHENG

Independent non-executive Director and the chairman of the Audit Committee, aged 58. Mr. Yang is the chair Professor of the accounting and Finance Institute of Nanjing University, professor, doctoral tutor. He had worked for Lianyungang Finance School and Lianyungang audit bureau. From 1995, he has worked at the accounting department of Nanjing University. Presently, he is the chair Professor of the accounting and Finance Institute of Nanjing University, the managing director of Accounting Society of China and officer of internal control committee, vice President of Accounting Society of Jiangsu Province, member of internal control standard committee under the Ministry of Finance, advisory expert of management accounting; adjunct doctoral tutor at Nanjing University of Science and Technology, adjunct professor at Anhui University of Finance and Economics. The main research areas of Mr. Yang: internal control, basic theory of accounting, financial management and management accounting. Presently, he has published more than 200 papers, monographs and more than 20 textbooks. He directly involved in the research of specific control criterion and drafting work of the Internal Accounting Control Standards-Basic Standards by the Ministry of Finance, and he undertook a number of key scientific researches for the Ministry of Finance. Mr. Yang was graduated at Xuzhou Normal University in 1981, and he has doctorate of accounting at Dongbei University of Finance and Economics.

On 5 February 2018, the China Securities Regulatory Committee (CSRC) has issued a formal decision of administrative penalties (“Decision of Administrative Penalties”) against Shenji Group Kunming Machine Tool Company Limited (“Shenji”), a joint stock limited company incorporated in the People’s Republic of China with its H shares listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 300) and its A shares listed on the Shanghai Stock Exchange (Stock Code: 600806), and its directors and senior management, including Mr. Yang, an independent non-executive Director and the chairman of the audit committee of the Company, regarding information disclosure irregularities and breach of securities laws and regulations (“Relevant Matters”). Mr. Yang was at the material time an independent non-executive Director and Chairman of the audit committee of Shenji. An announcement of the same was issued and published on the website of the Stock Exchange of Hong Kong Limited on 23 February 2018.

Mr. Yang has applied for administrative reconsideration to the CSRC after he received the Decision of Administrative Penalties.

#### 獨立非執行董事

##### 楊雄勝

獨立非執行董事兼審核委員會主席，五十八歲。楊先生為南京大學會計與財務研究院院長、教授、博士生導師。彼曾在連雲港財經學校、連雲港審計局工作。一九九五年至今在南京大學會計系任教。現任南京大學會計與財務研究院院長、中國會計學會副常務理事兼內部控制專業委員會主任、江蘇省會計學會副會長、財政部內部控制標準委員會委員、管理會計諮詢專家。南京理工大學兼職博士生導師、安徽財經大學兼職教授。楊先生的主要研究領域：內部控制、會計基本理論、財務管理、管理會計。至今，已發表論文200多篇、專著及教材20餘部。彼曾直接參與與財政部《內部會計控制規範—基本規範》及有關具體控制規範的研究、起草工作，並承擔財政部多項重點科研課題研究。楊先生於一九八一年畢業於徐州師範學院，獲東北財經大學會計學博士學位。

於二零一八年二月五日，中國證券監督管理委員會（「中國證監會」）就信息披露違法行為及違反證券法律及法規（「相關事宜」）向沈機集團昆明機床股份有限公司（「沈機」，一家於中華人民共和國註冊成立的股份有限公司，其H股在聯交所主板上市（股份代號：300）及其A股在上海證券交易所上市（股份代號：600806））及其董事及高級管理層（包括本公司獨立非執行董事兼審核委員會主席楊先生發出一份正式行政處罰決定書（「行政處罰決定書」）。楊先生於關鍵時間為沈機的獨立非執行董事兼審核委員會主席。相關公告已於二零一八年二月二十三日刊憲於香港聯合交易所有限公司網頁。

收到行政處罰決定書後，楊先生已經向中國證監會申請了行政複議。

## DIRECTORS AND SENIOR MANAGEMENT OF THE GROUP

### 本集團董事及高級管理層

#### ZHAO YUHONG

Independent non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee, aged 50. Ms. Zhao is a Managing Partner at Bohai Harvest RST (Shanghai) Equity Investment Fund Management Co., Ltd. Ms. Zhao has spent her career working for a number of international and Chinese investment banks. Her previous positions include Managing Director in Investment Banking at BOC International, Managing Director in Investment Banking at CLSA Asia Pacific Markets, Executive Director in China Investment Banking at JPMorgan Securities, Director in China Investment Banking at Credit Suisse. Ms. Zhao obtained an MBA degree from York University (Canada), a Master of Arts degree from University of Western Ontario (Canada) and a Bachelor of Arts degree from Dalian University of Technology (China).

#### LI QUAN

Independent non-executive Director, a member of the Audit Committee and the Nomination and Corporate Governance Committee, aged 53. Mr. Li is a seasoned international banker across commercial and investment banking in London, Hong Kong and mainland China. He served as the Chief Executive Officer of Australia and New Zealand Bank (China) Ltd. till August 2014. From 1998 to 2014, as the Country Executive, Dr. Li was responsible for establishing and managing all The Royal Bank of Scotland ("RBS") business in China. He played a significant role in many strategic projects. Over his time in China, he also served as Non-executive Directors on the Boards of Suzhou Trust Ltd. and Galaxy Futures Brokerage Ltd., Chairman of RBS Leasing (China) Ltd., and a member of Advisory Board of China European International Business School. Dr. Li was educated both in China and the United Kingdom, holding a Ph.D. in Strategic Management from Aston Business School, a Master of Science degree in Industrial Management from Birmingham University and a Bachelor of Engineering degree from Beijing Institute of Technology. Dr. Li also serves as an independent non-executive director on the House of Fraser Group board.

#### 趙宇紅

獨立非執行董事、薪酬委員會主席兼審核委員會成員，五十歲。趙女士為渤海華美(上海)股權投資基金管理有限公司的管理合夥人。趙女士在其職業生涯中曾就職於若干國際及中國投資銀行。彼之先前職位包括中銀國際投資銀行部董事總經理、里昂證券有限公司投資銀行部董事總經理、JPMorgan Securities中國投資銀行部執行董事、瑞信中國投資銀行部董事。趙女士從約克大學(加拿大)取得工商管理碩士學位、從西安大略大學(加拿大)取得文學碩士學位並從大連理工大學(中國)取得文學學士學位。

#### 李權

獨立非執行董事兼審核委員會、提名及企業管治委員會成員，五十三歲。李博士為倫敦、香港及中國內地的商業及投資銀行業的資深國際銀行家。彼曾任澳新銀行中國有限公司(Australia and New Zealand Bank (China) Ltd.)首席執行官，直到二零一四年八月。一九九八年至二零一四年，李博士作為區域行政總裁負責建立及管理蘇格蘭皇家銀行(「蘇格蘭皇家銀行」)的全部中國業務。彼在眾多戰略性項目中具有重要作用。在中國期間，彼亦擔任蘇州信託有限公司及銀河期貨經紀有限公司的董事會非執行董事、蘇皇租賃(中國)有限公司主席及中歐國際工商學院顧問委員會成員。李博士在中國及英國接受教育，持有阿斯頓商學院策略管理哲學博士學位、伯明翰大學工業管理理學碩士學位及北京理工大學工程學學士學位。李博士亦擔任House of Fraser Group董事會的獨立非執行董事。



## DIRECTORS AND SENIOR MANAGEMENT OF THE GROUP

### 本集團董事及高級管理層

#### DUH JIA-BIN

Independent non-executive Director and a member of the Remuneration Committee and the Nomination and Corporate Governance Committee, aged 60. Mr. Duh is an angel investor in technology and telecom related start-ups, and has active participation in several companies and funds in US, Asia and China. From 1998-2006, Mr. Duh served as Vice President of Cisco Inc. and President of Cisco China. Mr. Duh was the President of Microsoft China during the period from 1993 to 1998. He also served at Hewlett-Packard for over 10 years and held a variety of managerial positions in sales, marketing and engineering. Mr. Duh is a graduate of the National Chiao Tung University with a bachelor's degree in engineering and holds an Executive MBA jointly offered by Kellogg School of Management of Northwestern University and Hong Kong University of Science and Technology (Kellogg-HKUST). He is the Chairman of the advisory board of New York University and Nanjing University's joint institute.

#### 杜家濱

獨立非執行董事兼薪酬委員會、提名及企業管治委員會成員，六十歲。杜先生為科技及電信類初創公司的天使投資者，並積極參與美國、亞洲及中國的數家公司及基金。一九九八年至二零零六年，杜先生擔任思科公司(Cisco Inc.)副總裁兼思科中國總裁。一九九三年至一九九八年，杜先生擔任微軟中國總裁。彼亦在惠普公司任職逾10年並擔任銷售、營銷及工程方面的多個管理職位。杜先生畢業於國立交通大學，取得工程學學士學位並持有美國西北大學凱洛格管理學院與香港科技大學聯合頒發的高級行政人員工商管理碩士學位。彼現為紐約大學及南京大學聯合研究所顧問委員會主席。


智能教育與學習

# SMART LEARNING & IMMERSIVE TECHNOLOGY

## Connecting Exploration with Fun 樂於探索





The background features a large, light green circle on the right side, partially cut off by the edge. Two smaller, solid green circles are positioned on the left and top-right, each with a soft, glowing shadow. Thin, light gray curved lines sweep across the page, intersecting the green circles and creating a sense of motion and depth.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論 及分析

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### BUSINESS REVIEW

In 2017, due to the unclear global trade prospects and the weak performance of the global economy, especially the consumer electronics market, the Group's value-added manufacturing business declined, but the revenue of the Group's self owned brand, Oregon Scientific, increased compared to the last year due to the influence upon strengthening new product development and channel expansion by the Company. Overall, the Group recorded a decrease in total revenue and a net loss in 2017.

At the same time, we implement the following strategies to ensure growth: 1) Set up the Augmented Reality ("AR") team, a software development team to enhance our ability to grasp the explosive growth opportunity of the AR market and strengthen our cooperation with customers. 2) Establish a China business team to develop the world's largest market with growth and strong demand, while customizing and launching products suitable for this market. In early June, we cooperated with the channels of the Sanpower Group to distribute products to different cities through offline stores and online channels. 3) Start to strengthen the cross-border e-commerce team to keep up with development trends to increase online sales.

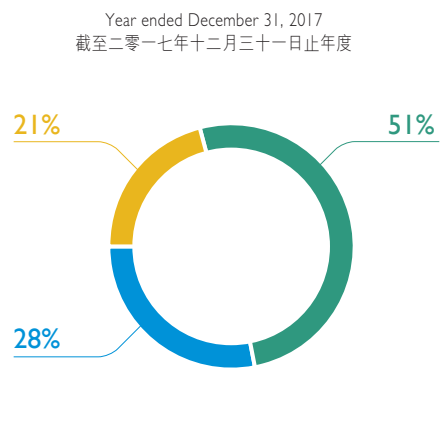
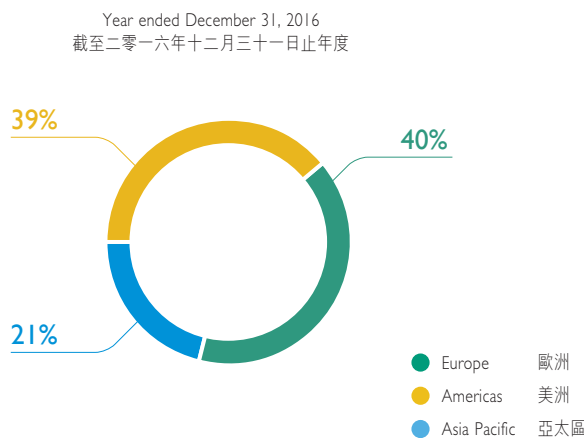
During the year, the Group restructured its business based on unique products targeting different customer segments. The new reporting and operating segments are Connected Home and Communications ("CoH"), Smart Learning, and Immersive Technology ("SLIT"), Health and Wellness ("H&W") and other electronic products. Our business still remains divided into two overarching categories: 1) Value-added Manufacturing Services, which focuses on providing design, development, and manufacturing services to business clients. 2) Oregon Scientific with its own brand, design, development, manufacturing and selling of smart living products worldwide.

### 業務回顧

二零一七年，由於全球貿易前景不明朗，全球經濟尤其是電子消費品市場表現疲弱，導致本集團的增值製造業務下滑，但公司自有品牌 Oregon Scientific 則在公司加強新產品開發和渠道拓展的影響下，收入較去年有所增長。整體上，二零一七年本集團總收益下降及錄得淨虧損。

與此同時，我們實行下列策略以確保增長：1) 建立開發軟體的增強現實(AR)團隊，以增加我們捕捉AR市場爆發式增長的機會及加強與客戶合作的能力。2) 建立中國業務團隊，以發展不斷增長及有強勁需求的世界最大市場，同時定制及推出適合該市場的產品。於六月初，我們與三胞集團有關管道展開合作，並透過線下店鋪及線上渠道向不同城市分銷產品。3) 開始加強跨境電子商務團隊，以緊跟發展趨勢提高線上銷售額。

本年度，本集團根據針對不同客戶群的獨特產品重組業務。新的報告及營運分部分別為智能家居(「CoH」)、智能教育與學習(「SLIT」)、健康及保健(「H&W」)及其他電子產品。我們的業務仍然劃分為兩個主要類別：1) 增值製造服務，專注於向業務客戶提供設計、開發及製造服務。2) Oregon Scientific 自有品牌業務，在全球設計及開發，製造及銷售智能家居產品。





## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### OREGON SCIENTIFIC (“OS”)

In 2017, sales revenue of OS business totaled HK\$211.8 million (FY2016: HK\$209.6 million), a slight increase from last year, accounting for 41.0% of the Group's total sales revenue. CoH and SLIT were the main product categories, accounting for 88.9% of OS sales.

As stated above, the Group's strategy of investing in the development of AR functions in the category of SLIT (especially the iconic smart earth line) has improved the playability and learning value of the product and ultimately improved the competitive advantage of the product. A series of new globe products were launched in 2017, including the world's first openable globe “Smart Globe Explorer”, the “Starry Globe” with a luminous night sky effect, and a built-in 7-inch LCD screen with video and image functions. The revenue of SLIT in 2017 increased by 104.0% compared with that in 2016, of which 72.0% came from the contribution of these new products.

Compared with the same period of last year, the experienced cross-border e-commerce team established by OS accelerated the conversion of distribution channels. Its sales revenue reached HK\$55.0 million in 2017, increased by 72.0% compared with that in 2016. At the same time, the distribution channel conversion strategy will continue to be implemented. In the foreseeable future, aparting from simplifying the organization in accordance with the established corporate strategy to reduce fixed costs, the OS division will continue to strengthen the growth of e-commerce and make full use of core online platforms including Amazon and key countries' major platforms to reach terminal consumer directly. At the same time, we will continue to cultivate partners with high-margin channel.

#### OREGON SCIENTIFIC(「OS」)

二零一七年，OS業務的銷售收入總計為港幣211.8百萬元(二零一六年：港幣209.6百萬元)，較去年略有增長，佔本集團總銷售收入的41.0%。智能家居及智能教育與學習產品為主要產品類別，佔OS銷售的88.9%。

如上所述，本集團投資開發在智能教育及學習產品類別(特別是標誌性智能地球線)中應用AR功能提升了產品的可玩性及學習價值，最終提升了產品的競爭優勢。一系列新的地球儀產品在2017年相繼推出，包括世界上首個可以打開的地球儀(「Smart Globe Explorer」，具有夜光星空效果的「星空地球」，以及內置7寸LCD螢幕、有視頻及圖像功能的「Smart Globe Elite」)。2017年智能教育及學習產品的收益較2016年增長104.0%，其中72.0%來自這些新產品的貢獻。

與去年同期相比，OS設立的經驗豐富的跨境電子商務團隊加速了分銷渠道的轉換。線上業務2017年收入達到港幣55.0百萬元，較去年增長72.0%。同時分銷渠道轉換策略將繼續實施。於可預見的未來，除按既定企業策略簡化組織以降低固定成本外，OS分部將繼續加強電子商務的增長，充分利用核心線上平台包括亞馬遜及關鍵國家的主要平台以直接到達終端消費者。同時，我們會繼續培育高毛利的渠道合作夥伴。

## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

In terms of regional distribution, Europe was the largest market, accounting for 48.3% of total OS revenue, whilst the America decreased to 16.1% and Asia Pacific increased to 35.7% as we allocated more resources and formed several strategic partnerships with the key channel partners in the Asia market, which were reflected in the revenue growth in China. In 2017, OS's revenue in China increased by 43.0% over the same period of last year. OS continued to work hard with Sanpower Group's subsidiaries to make full use of Sanpower Group's extensive retail channels to expand sales.

### Value Manufacturing Services ("VMS")

In 2017, the Group strengthened its service to VMS customers and made progress in customer retention, and some old customers increased the number of orders. At the same time, the Group actively expanded the market of foreign original equipment manufacturers ("Chuangke"), and participation in multiple international exhibitions. to attract lots of customers such as Nora, the world's first non-intrusive intelligent snag device, and Father IO, the world's first AR. First-person shooter games, Tapplock - the world's first intelligent fingerprint padlock, Bonjour-AI alarm clock, and Intuition Robotic - senior partner robots, etc., jointly develop advanced technology and more innovative new products to enhance competition advantages, of which Tapplock and Intuition Robotics both won the CES 2018 Innovation Award in January. Based on the above efforts, the Company's revenue from Chuangke reached HK\$26.0 million in 2017, a 10 fold increase from last year.

Due to the trendily weak performance of the global consumer electronics industry, the sales revenue of the Company's VMS business in 2017 was HK\$304.8 million (FY2016: HK\$355.4 million), which accounted for 59.0% of the Group's total revenue. In terms of product categories, CoH is a major product category, with a 39.2% increase in revenue from FY2016, which accounted for 39.6% of VMS sales, and contributing HK\$120.8 million in sale revenue. However, the sales revenue of the H&W products declined sharply due to weak market conditions.

在地區分佈方面，歐洲為最大市場，佔OS總收益的48.3%，而美國降至16.1%，同時受益於我們向亞洲市場部署更多資源並與主要渠道合作夥伴形成若干戰略夥伴關係，亞太地區升至35.7%，公司在中國、日本及俄羅斯錄得客觀收益增長。2017年OS在中國區的收入較去年同期增長43.0%，OS持續努力與三胞集團子公司合作，充分利用三胞集團廣泛的零售渠道來拓展銷售。

### 價值製造服務(「VMS」)

2017年，本集團加強VMS客戶服務，在客戶維繫方面取得進展，部分老客戶加大了訂單數量。同時，本集團積極拓展國外原始設備製造商(「創客」)市場，通過參加多個國際性展會，吸引了包括Nora—全球首款非入侵式智能止鼾器、Father IO—全球首款AR第一人稱射擊遊戲、Tapplock—全球首款智能指紋掛鎖、Bonjour-AI鬧鐘、Intuition Robotic—老年伴侶機器人等在內的眾多創客客戶，共同開發具先進技術及更具創意的新產品，提升了競爭優勢，其中Tapplock和Intuition Robotics在一月雙雙獲得了CES 2018創新大獎。基於上述努力，2017年公司來自創客的收入達到26.0百萬元港幣，較去年增長了10倍。

由於全球消費電子大勢疲弱，二零一七年，公司VMS業務的銷售收益為港幣304.8百萬元(二零一六年：港幣355.4百萬元)，佔本集團收益總額的59.0%。產品類別方面，智能家居是主要產品類別，較二零一六年收益增長39.2%，佔VMS銷售額的39.6%，貢獻銷售收益港幣120.8百萬元，而健康類產品收益因市場疲弱而急劇下降。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

The Telecom team completed the establishment of a handheld full-function technology platform for marine products during the year, and reaching out to a number of overseas customers in private network communications industries to obtain orders for handheld marine machines signed by Japanese customers. This product is currently the most advanced handheld marine in the world, with the most complete and advanced functions of the highest class. At the same time, it won the development orders for two maritime shipboard walkie-talkie projects.

Our H&W team has received contract from a customer developing a wearable devices that integrated with image sensors and connect to Apple Watch. Customer for a wearable device with blood pressure measurement is also in the final stage of negotiation.

Similarly, CoH team had discussions with customers developing an AI voice-interactive smart speaker and connect to Amazon Alexa. The team is also in the final stage negotiation with a home automation control customer.

#### WORKING CAPITAL

The inventory balance at December 31, 2017 was HK\$130.4 million, increased by 27.6% compared to the HK\$102.2 million at December 31, 2016. The inventory turnover days increased to 104 days (FY 2016: 80 days).

Trade debtor balances at December 31, 2017 was HK\$117.1 million, increased by 9.8% compared to the HK\$106.6 million shown at December 31, 2016. Trade debtor's turnover days increased to 80 days (FY2016: 69 days).

#### LIQUIDITY AND TREASURY MANAGEMENT

At December 31, 2017, bank balances and cash of the Group, including short term bank deposits, were HK\$37.2 million (December 31, 2016: HK\$80.7 million).

Telecom團隊於年內完成手持Marine產品全功能技術平台的搭建，接觸多家海外專網通信行業客戶，獲得日本客戶簽訂的手持海事機訂單，該產品為當前世界上最先進，功能最新最齊全，檔次最高的手持海事對講機。同時贏得兩個海事船載對講機專案的開發訂單。

我們的健康團隊已經與客戶簽訂合同，為其開發穿戴設備。這些穿戴設備會集成圖形感測器並且能夠連接到蘋果手錶。為其他客戶開發具有血壓測量功能的穿戴設備。項目也在最後商討中。

同樣的，我們的智能家居和生活團隊也在和客戶討論開發具有人工智能和語音互動功能，且可以連接到的亞馬遜Alexa的智能音箱。目前這個團隊也在和家居自動化領域的客戶進行討論。

#### 營運資金

於二零一七年十二月三十一日，存貨結餘為港幣130.4百萬元，較於二零一六年十二月三十一日之港幣102.2百萬元上升27.6%。存貨周轉日數增加至104日(二零一六年年度：80日)。

於二零一七年十二月三十一日，應收賬款結餘為港幣117.1百萬元，較二零一六年十二月三十一日之港幣106.6百萬元上升9.8%。應收賬款周轉日數增加至80日(二零一六年年度：69日)。

#### 流動資金及財務管理

於二零一七年十二月三十一日，本集團之銀行結餘及現金包括短期銀行存款為港幣37.2百萬元(二零一六年十二月三十一日：港幣80.7百萬元)。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

During the year, the Group generated its funds mainly from operating activities. The net cash position (bank balances and cash) at December 31, 2017 amounted to HK\$37.2 million (December 31, 2016: HK\$80.7 million). The Group maintained sufficient financial resources to meet all working capital requirements and finances of its commitments.

#### CHARGES ON GROUP ASSETS

At December 31, 2017, there were no finance charges on the Group's assets.

#### CAPITAL EXPENDITURE

Capital expenditure on property, plant and equipment for the year ended December 31, 2017 amounted to HK\$24.8 million (FY2016: HK\$7.5 million) which was all used for business operations and product development. Source of funds were financed by internal resources and borrowings.

There were no material acquisitions or disposals of subsidiaries and associated Companies in the course of the year ended December 31, 2017.

#### DIVIDEND

The Board does not recommend distribution of a final dividend to shareholders of the Company for the year ended December 31, 2017.

#### CONTINGENT LIABILITIES

An indirect wholly-owned subsidiary of the Company, Oregon Scientific Brasil Ltda, was involved in a tax dispute with the State of Sao Paulo, the Federative Republic of Brazil, which may cause a maximum tax payment including penalty and interest of approximately Brazilian Real 3.5 million (equivalent to approximately HK\$8.4 million). After seeking the independent legal advice, the directors of the Company consider that the outcome and the amount of final payment, if any, are uncertain, and no provision has been made in the consolidated financial statements.

於本年度，本集團之資金主要來源經營活動。於二零一七年十二月三十一日，現金淨額(銀行結餘及現金)為港幣37.2百萬元(二零一六年十二月三十一日：港幣80.7百萬元)。本集團維持充裕財務資源，足以應付所有營運資金所需及為其承擔撥付資金。

#### 本集團資產抵押

於二零一七年十二月三十一日，本集團概無任何用作財務抵押之資產。

#### 資本開支

截至二零一七年十二月三十一日止年度，物業、機器及設備之資本開支為港幣24.8百萬元(二零一六年度：港幣7.5百萬元)，主要用於業務運作及產品發展。資金來源主要是內部資源撥付及借貸。

截至二零一七年十二月三十一日止年度，本集團並無進行有關附屬公司及聯營公司之重大收購或出售。

#### 股息

董事會議決不派發截至二零一七年十二月三十一日止年度之末期股息。

#### 或然負債

本公司的間接全資附屬公司Oregon Scientific Brasil Ltda與巴西聯邦共和國聖保羅州發生稅務糾紛，可能導致繳納最高稅款(包括罰金及利息約為3.5百萬巴西雷亞爾(相當於約8.4百萬港元)。在徵詢獨立法律意見後，本公司董事認為結果及最終付款金額(如有)並不確定，且並無於綜合財務報表作出撥備。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### HUMAN RESOURCES AND REMUNERATION POLICY

As at December 31, 2017, the Group had 1,087 employees. The Group fully recognizes the importance of its employees who contribute significantly to its success and continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training.

The Group's remuneration policy is to provide compensation packages at market rates which reward individual's performance and attract, retain and motivate high quality employees. The compensation packages offered by the Group are comparable with other organizations of similar size and business nature and are reviewed annually. The components of employee's remuneration package consist of base salary, double pay, fringe benefits including pension scheme, medical insurance, life and personal accident insurance, employee compensation and business travel insurance as well as incentives like discretionary cash bonus.

In Xixiang, Shenzhen, China where the Xixiang facilities are located, staff welfare rates are set with reference to the prevailing labour laws in China. Accommodation and leisure facilities are also provided to local staff at Xixiang facilities.

The Group's remuneration philosophy for senior executives is based upon creating a strong link between performance and reward in accordance with the following principles:

- I. Fixed salaries and benefits are set at median-market level against comparator groups of companies selected on the basis of similar size and business nature and benchmarked with the prevailing market conditions; and

#### 人力資源及薪酬政策

於二零一七年十二月三十一日，本集團合共聘有1,087名僱員。本集團深明僱員對本集團取得今日成就實在功不可沒，並為員工提供充足及定期培訓，藉以保持及不斷提升員工之工作表現。

本集團之薪酬政策旨在提供符合市場水平的薪津組合，以回報僱員之個人表現，並且吸引、挽留並激勵能幹員工。本集團之薪津組合可與其他規模和業務性質相若之機構提供薪津組合媲美，而本集團亦會每年對此進行檢討。僱員之薪津組合包括基本薪金、雙糧、額外福利(包括退休保障計劃、醫療保險、人壽及個人意外保險、僱員補償及公幹保險)，以及酌情現金花紅等獎勵。

於西鄉設施之所在地，中國深圳西鄉，員工福利水平乃參考中國現行之勞工法而制定。駐西鄉設施之本地員工均獲提供住宿及消閒設施。

本集團釐定高級行政人員之理念為使其表現與回報緊密掛鉤，箇中所根據之原則如下：

- I. 本集團先選出一系列規模及業務性質相若之公司作比較指標，使固定薪金及福利定於市場水平的中位數，並以現行市況作基準；及



## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

2. Performance-related bonus is linked to the achievement of pre-defined performance targets including financial targets, performance index and pre-agreed management objectives.

The emolument of the directors is recommended by the remuneration committee with reference to companies of comparable business type or scale, and the nature and quantity of work at both Board and Board Committee levels (including frequency of meetings and nature of agenda items) in order to compensate directors reasonably for their time and efforts spent. The directors' emolument is approved by the Board pursuant to the mandate granted by the shareholders at annual general meetings. Remuneration are paid to a director for appointment as a member of a particular committee. Non-executive directors receive no base pay, benefits, bonus or pension except reimbursement for expenses incurred in connection with their directorship of the Company. No individual director is allowed to participate in the procedures for deciding his/her individual remuneration package. Full details of the remuneration of and fees paid to the directors for the year ended December 31, 2017 are set out in note 9 to the consolidated financial statements from page 150 to page 152.

2. 績效花紅與能否達到既定表現目標(包括財務目標、表現指數及預先協定之管理目標)掛鈎。

董事酬金由薪酬委員會參考業務種類或規模相若之公司，以及董事會與董事委員會之工作性質和工作量(包括會議次數及議題性質)後提出建議，務求董事可就所付出之時間及貢獻得到合理報酬。董事酬金由董事會根據股東於股東週年大會上授予之授權而批准。如董事獲委任為個別委員會之成員，其將獲發袍金。除出任本公司董事而獲得之可報銷開支外，非執行董事並不獲發基本薪金、福利、花紅或退休保障。各董事不得參與釐定本身薪酬福利之程序。截至二零一七年十二月三十一日止年度支給予董事之薪酬及袍金的詳情載於第150頁至第152頁之綜合財務報表附註第9項。

## CORPORATE GOVERNANCE REPORT 企業管治報告書

The Group is committed to achieving a up to stipulated standard of corporate governance to safeguard the interests of all shareholders and to enhance corporate value and accountability. Throughout the year ended December 31, 2017 under review, the Company has applied the principles and complied with all code provisions and where applicable, the recommended best practices prescribed in the Corporate Governance Code ("CG Code") in Appendix I4 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), except for Code Provision A.2.1 (Chairman and Chief Executive Officer) and Code Provision A.6.7, this Code provision stipulates, inter alia, Independent Non-executive Directors and other Non-executive Directors, as equal Board members, should attend general meetings and develop a balanced understanding of the views of shareholders, which would be explained in the relevant paragraphs of this report. This report describes its corporate governance practices, explains the applications of the principles of the CG Code and deviations during the year ended December 31, 2017 under review.

### BOARD OF DIRECTORS

#### Board

During the period between January 1, 2017 and February 28, 2017, the Board comprised eleven directors of whom two are executive directors (separately serve as the chairman and the chief executive officer) and five are non-executive directors and four are independent non-executive directors. For the period between March 1, 2017 and September 10, 2017, the Board comprised of ten directors of whom one is executive director (serves as the chairman and temporarily assume the role of the chief executive officer), five are non-executive directors and four are independent non-executive directors. For the period between September 11, 2017 and December 31, 2017, the Board comprised ten directors of whom two are executive directors (separately serve as the chairman and the chief executive officer) and four are non-executive Directors and four are independent non-executive directors. Brief biographical details of the directors appear in the Directors and Senior Management of the Group section on pages 14 to 19. An updated list of directors of the Company and their respective roles and functions are posted on the Stock Exchange's website and the Company's website.

為保障全體股東權益及提升企業價值和問責性，本集團一向承諾恪守奉行合乎規定水平之企業管治。回顧截至二零一七年十二月三十一日止年度，本公司已應用並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」）的所有原則及守則條文，以及建議最佳常規（如適用），惟其中守則條文第A .2.1條（主席及行政總裁角色）及第A .6.7條（該守則條文規定（其中包括）獨立非執行董事及其他非執行董事作為與其他董事擁有同等地位的董事會成員，應出席股東大會，對公司股東的意見有公正的了解）除外；有關偏離之內容將於本報告書內文詳述。本報告書詳述本集團於回顧截至二零一七年十二月三十一日止年度之企業管治常規，並闡釋企業管治守則之原則應用及偏離行為。

#### 董事會

#### 董事會

於二零一七年一月一日至二零一七年二月二十八日期間，董事會由十一名董事組成，其中兩名為執行董事（分別出任主席及行政總裁）、五名為非執行董事及四名為獨立非執行董事。於二零一七年三月一日至二零一七年九月十日期間，董事會由十名董事組成，其中一名為執行董事（出任主席並暫兼行政總裁職務）、五名為非執行董事及四名為獨立非執行董事。於二零一七年九月十一日至二零一七年十二月三十一日期間，董事會由十名董事組成，其中兩名為執行董事（分別出任主席及行政總裁）、四名為非執行董事及四名為獨立非執行董事。董事之履歷簡表載列於第14至19頁之本集團董事及高級管理層部分。本公司董事最新的名單及各董事之職責及職能載於聯交所網站及本公司網站。

### Appointment, Re-election and Retirement of Directors

The Nomination and Corporate Governance Committee (“NCGC”) reviews the profiles of the candidates and makes recommendations to the Board on the appointment, re-election and retirement of directors.

The Company recognises the importance of having the appropriate board composition. In deciding the board composition, the attributes, skills and expertise among the directors are considered appropriate to effectively lead and control the Group, taking into account the scope and nature of its operations. The directors have a mix of core competencies in areas such as accounting and finance, business and management, industry knowledge and marketing strategies. The size of the Board is conducive to effective discussion and decision-making and has an appropriate balance of independent directors to exercise independent judgment.

The Company also recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance and has adopted a Board Diversity Policy (the “Policy”) in 2013. Board diversity will be considered by the Company from a number of aspects, including but not limited to cultural and educational background, experience, skills, knowledge, length of service, age and gender. The Board composition is reviewed, considered and discussed by the NCGC on an annual basis and it will make recommendations to the Board after the review. The Company’s business needs will also be taken into account in determining the optimum composition of the Board. In reviewing and assessing the composition of the Board as well as selecting candidate(s), the NCGC will consider all diversity elements according to the Policy and also devised guidelines for ideal board size, optimum number of executive and non-executive directors and board membership criteria. The Policy and those guidelines shall be reviewed and revised periodically to meet business needs of the Group.

### 董事之委任、重選及告退

提名及企業管治委員會(「提名及企業管治委員會」)負責考慮審閱候選人之履歷及就董事委任、重選及退任之事宜向董事會作出建議。

本公司深明具備恰當的董事會組合之重要。在考慮董事會組合的事宜上，就本集團之業務範疇及性質而言，董事所具備之特質、技能及專業知識足以令彼等能有效地引領及監控本集團。董事具有各方面如會計及財務、商業及管理、業界知識及市場策略等專才。董事會之規模能促使有效之討論及決策；同時，董事會亦包含獨立董事作為恰當的平衡，以使其能作出獨立判斷。

本公司亦深明並重視擁有多元化董事會成員能提高董事會表現質素之裨益，並於二零一三年採納董事會多元化政策(「該政策」)。本公司會從多個方面衡量董事會之多元化，包括但不限於文化及教育背景、經驗、專長、知識、服務年期、年齡及性別。董事會之組成每年由提名及企業管治委員會作出檢討、考慮及商討，其於檢討後會向董事會作出建議。本公司之業務需要亦會被考慮在內，以釐定董事會之最佳組合。在考慮及評估董事會組合及挑選候任董事時，提名及企業管治委員會將考慮該政策以及就董事會之適當成員數目、適當之執行董事及非執行董事人數，以及擔任董事會成員之先決條件制定之指引，該政策及該等指引將會定期予以檢討及修訂以合乎本集團的業務需要。

## CORPORATE GOVERNANCE REPORT 企業管治報告書

In accordance with the Company's Bye-Laws, at each annual general meeting, one-third of the directors shall retire from office. The directors to retire in every year shall be those who have been longest in office since their last election or re-election. Further, any director appointed by the Board as an additional Board member or fill in a casual vacancy shall hold office until the following annual general meeting ("AGM") and shall then be eligible for re-election at the AGM immediately following their appointments. The new directors shall not be taken into account in determining the number of directors who are to retire by rotation at that annual general meeting. Election and re-election of directors will be done by separate resolution.

The names and biographical details of the directors who will offer themselves for re-election at the forthcoming AGM are set out in the circular accompanying the notice of AGM.

### Induction and Continuous Professional Development

Newly appointed directors of the Company will receive induction and reference materials to enable him/her to familiarise himself/herself with the Group's history, mission, business operations and board and company policies. Each director is briefed and updated from time to time to ensure that he/she has a proper understanding of the operations and business of the Group and that he/she is fully aware of his/her responsibilities under statute and common law, the Listing Rules, applicable legal and other regulatory requirements and the governance policies of the Company.

Directors are encouraged to participate in continuous professional development so as to refresh their knowledge and skills for discharging their duties and responsibilities. For the year ended December 31, 2017, relevant reading materials including regulatory update and seminar handouts, etc. have been provided to the Directors for their reference and studying.

根據本公司章程細則，於每屆股東週年大會上，三分之一董事必須退任。每年之退任董事須為彼等自上次獲選或重選以來任期為最長者。再者，獲董事會委任作為新增董事會成員或填補董事空缺之新董事將一直留任，直至本公司下屆股東週年大會（「股東週年大會」）為止，並須於緊隨彼等獲委任後之股東週年大會上膺選連任。於釐定股東週年大會上須輪值告退之董事人數時，毋須計及該新任董事。選舉及重選董事將以獨立決議案來完成。

將於應屆股東週年大會上膺選連任董事之姓名及履歷載於致股東之通函隨附股東週年大會通告內。

### 入職及持續專業發展

本公司新委任董事將獲發指引及參考資料，以便其熟識本集團歷史、使命、業務運作與董事會及公司政策。各董事不時獲簡要提示最新資料，確保其妥為了解本集團運作及業務，並完全知悉其根據憲法及普通法、上市規則、適用法例及其他監管規定與本公司管治政策須承擔之各項責任。

本集團鼓勵董事參與持續專業發展，以更新彼等之知識及技能，以便履行其作為本公司董事的職責。於截至二零一七年十二月三十一日止年度，董事已獲提供相關閱讀資料（包括監管更新資料及研討會講義等），以供彼等參考及學習。

A summary of training taken by the Directors since January 1, 2017 up to December 31, 2017 is set out as follows:

以下列表概述自二零一七年一月一日至二零一七年十二月三十一日董事所接受之培訓：

Training activities including in-house activities/briefings, seminars/talks held by professional organisations and/or reading materials on relevant topics  
培訓活動（包括公司內部活動／會議、專業組織舉辦之研討會／講座及／閱讀相關課題之材料

Directors

董事

Executive Directors:

Foo Piau Phang

Qi Miao (re-designated from non-executive director to executive director on September 11, 2017)

Hou Kaai Wern (resigned on March 1, 2017)

Non-Executive Directors:

Song Rongrong

Wu Gang (appointed on March 2, 2018)

Yan Keya (appointed on March 2, 2018)

Han Hongtu (appointed on March 2, 2018)

Xin Kexia (resigned on March 2, 2018)

Jing Tian (resigned on March 2, 2018)

Shi Changyun (resigned on March 2, 2018)

Independent Non-Executive Directors:

Yang Xiongsheng

Zhao Yuhong

Li Quan

Duh Jia-Bin

執行董事：

符標榜

祁淼（於二零一七年九月十一日  
由非執行董事調任為執行董事）

侯凱文（於二零一七年三月一日辭任）

非執行董事：

宋榮榮

吳剛（於二零一八年三月二日獲委任）

鄒克亞（於二零一八年三月二日獲委任）

韓宏圖（於二零一八年三月二日獲委任）

辛克俠（於二零一八年三月二日辭任）

荆天（於二零一八年三月二日辭任）

施長雲（於二零一八年三月二日辭任）

獨立非執行董事：

楊雄勝

趙宇紅

李權

杜家濱

√

√

√

√

\*

\*

\*

√

√

√

√

√

√

√

\*Note: Induction training was given when Wu Gang, Yan Keya and Han Hongtu were appointed.

\*附註：吳剛、鄒克亞及韓宏圖於委任時已獲入職培訓。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告書

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

During the period between January 1, 2017 and December 31, 2017, Mr. Foo Piau Phang is the chairman of the Company. During the period between January 1, 2017 and February 28, 2017, Mr. Hou Kaai Wern is the chief executive officer of the Company. During the period between March 1, 2017 and September 10, 2017, Mr. Foo Piau Phang is the chief executive officer. During the period between September 11, 2017 and December 31, 2017, Mr. Qi Miao is the chief executive officer of the Company.

Code provision A.6.7: This Code Provision stipulates, inter alia, Independent Non-executive Directors and Non-executive Directors, as equal Board members, should attend general meetings and develop a balanced understanding of the views of shareholders of the Company. Details of directors' attendances at the general meeting appear on page 39.

### Responsibilities of the Board and delegations to management

The Board is responsible to the shareholders for leadership and control of the Company and is collectively responsible for promoting the success of the Company and its businesses by directing and supervising the Company's affairs.

The Board focuses on overall strategies and policies with particular attention paid to the growth and financial performance of the Group. The principal functions of the Board are to:

- establish the strategic direction and development of the Group;
- determine the broad policies, strategic plans and performance objectives of the Group;
- monitor management performance;
- approve financial plans and annual budgets, major funding proposals, key funding and investment proposals;
- oversee the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- approve the nominations of directors and appointment of key personnel; and
- assume responsibility for corporate governance.

### 主席及行政總裁

於二零一七年一月一日至二零一七年十二月三十一日期內，符標榜先生為本公司主席。於二零一七年一月一日至二零一七年二月二十八日期內，侯凱文先生為本公司行政總裁。於二零一七年三月一日至二零一七年九月十日期間，符標榜先生兼任行政總裁。於二零一七年九月十一日至二零一七年十二月三十一日期內，祁淼先生為本公司行政總裁。

守則條文第A.6.7條：該守則條文規定(其中包括)獨立非執行董事及非執行董事作為與其他董事擁有同等地位的董事會成員，應出席股東大會，對公司股東的意見有公正的了解。董事出席股東大會的詳情載於第39頁。

### 董事會職責及管理層指派

董事會就領導及監控本公司向股東負責，並且透過帶領及監管本公司之事務，共同負責促進本公司及其業務之成功。

董事會專注於整體策略及政策，尤其關注本集團之增長及財務表現。董事會之主要功能如下：

- 制訂本集團之策略性方向及發展；
- 決定本集團主要政策、策略計劃及績效目標；
- 監察管理層之表現；
- 批准財政計劃及年度預算、重大撥款建議、主要融資及投資建議；
- 監察內部監控是否足夠的評估過程、風險管理、財務匯報及守規之程序；
- 批准提名董事及委任主要人員；及
- 就企業管治承擔責任。

The Board delegates daily operations of the Group to executive directors and senior executives, while reserving certain key matters for its approval. Decisions of the Board are communicated to the management through executive directors who have attended at Board meetings and circulation of minutes of Board meetings to the management.

The Board has adopted a set of guidelines to clearly divide the responsibilities of the Board and the management. Matters reserved for decision and consideration of the Board include, among others, all matters of strategic importance, corporate governance practices, legal and regulatory compliance, internal control and risk management, corporate strategy, operating and capital budgets, statutory financial reports, changes in Board members, major transactions and investment commitments and remuneration policy of directors and senior management, financial authorization and approval limits for operating and capital expenditure, the procurement of goods and services, and the acquisition and disposal of investments.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Coming from diverse business and professional backgrounds, the independent non-executive directors of the Company have shared their valuable experience with the Board in the interests of promoting the best interests of the Company and its shareholders. The independent non-executive directors of the Company have made significant contribution of their skills and expertise to the Board committees. All independent non-executive directors are appointed for a fixed term of three years and are subject to retirement by rotation and re-election by shareholders at the annual general meetings of the Company in accordance with the Company's Bye-Laws.

All independent non-executive directors are expressly identified in all corporate communications that disclose the names of the directors of the Company. The functions of independent non-executive directors include, but not limited to:

- participating in Board meetings to bring in independent judgment to bear on issues of corporate strategy, corporate performance, accountability, resources, key appointments and standard of conducts;
- taking the lead where potential conflicts of interests arise;
- serving on board committees, if invited; and

董事會委派執行董事及高級行政人員處理日常營運事宜，惟保留批准若干重要事項之權利。董事會之決定透過出席董事會會議之執行董事，及給予管理層傳閱董事會會議之會議記錄而下達至管理層。

董事會對須獲其批准之事宜採納一系列指引，以明確界定董事會及管理層之職責。須獲董事會決定及考慮之事宜其中包括所有重大策略性事宜、企業管治常規、法例及規管的遵守、內部監控、風險管理、企業策略、營運及資金預算、法定財務報告、董事會成員變動、主要交易及投資承諾以及董事及高級管理人員之薪酬政策，營運及資本開支、貨物與服務之採用及投資項目之收購與出售之財務授權與批准限額。

### 獨立非執行董事

為了提高本公司及股東之最佳利益，本公司來自不同業務及專業背景的獨立非執行董事都向董事會分享其寶貴經驗。本公司獨立非執行董事以其專業及技能向董事委員會作出重要的貢獻。獨立非執行董事以三年固定任期委任，並須根據本公司章程細則於本公司股東週年大會上輪值告退並由股東重選連任。

所有獨立非執行董事均在披露本公司董事姓名之所有企業通訊中明確識別。獨立非執行董事之職能包括，但不限於：

- 參加董事會會議，就公司策略、公司績效、問責性、資源、委任要員及操守準則作出獨立判斷；
- 在出現潛在利益衝突時引領董事會；
- 應邀出任董事會屬下委員會職務(如獲邀請)；及

## CORPORATE GOVERNANCE REPORT 企業管治報告書

- scrutinising the Group's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance.

During the year ended December 31, 2017, the Company has complied with Rules 3.10(1) and 3.10(2) of the Listing Rules regarding the appointment of at least three independent non-executive directors including at least one independent non-executive director with appropriate professional qualifications or accounting or relating financial management expertise. In assessing the independence of the directors, the Board has examined the different relationships identified under the Listing Rules that might impair the directors' independence and objectivity. The Board considers that all of the independent non-executive directors are independent and are satisfied with the directors' ability to act with independent judgment. Furthermore, each of the independent non-executive directors has provided to the Company an annual confirmation of independence required by Rule 3.13 of the Listing Rules. The Company considers all its independent non-executive directors to be independent. Each director is subject to retirement by rotation at least once every three years. Any further re-appointment of an independent non-executive director, who has served the Board for more than nine years, will be subject to separate resolution to be approved by the shareholders of the Company.

The Company has also complied with Rule 3.10A of the Listing Rules that the independent non-executive directors are representing at least one-third of the Board.

### RELATIONSHIP

There is no financial, business, family and other material relationship among other members of the Board.

There has been an effective and balanced Board collectively responsible for the Company's activities and affairs. The Board members are free to discuss issues properly put to the Board meetings and express their views and concerns. No individual or small group can dominate the Board's decision-making process.

- 詳查集團績效是否達到既定的企業目標和目的，並監察公司匯報表情況。

截至二零一七年十二月三十一日止年度，本公司遵守上市規則第3.10(1)及3.10(2)條有關委任最少三名獨立非執行董事，其中包括最少一名獨立非執行董事必須具有恰宜之專業資格或會計或有關財務管理專業知識之規定。於評估董事之獨立性時，董事會已檢查訂明於上市規則內有可能損害董事獨立性及客觀性不同的關係。董事會認為所有獨立非執行董事皆為獨立並滿意彼等之能力可作出獨立之判斷。再者，每位獨立非執行董事均按上市規則第3.13條之規定向本公司提供年度獨立確認書。本公司視所有獨立非執行董事皆具獨立性。每位董事皆需最少每三年依章告退。如再委任任何已服務本公司逾九年之獨立非執行董事，將須根據本公司股東以獨立議案予以批准。

本公司亦遵守上市規則第3.10A條有關董事會須有至少三分之一成員為獨立非執行董事之規定。

### 關係

董事會其他成員之間概無任何財務、業務、家族及其他重要關係。

董事會維持高效率及平衡之架構，並集體負責本公司業務及事務。董事會成員可自由討論於董事會會議上適當提出之事宜，並表達其意見及關注。概無個別人士或小組可主導董事會之決策過程。

If a substantial shareholder or a director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by a physical Board meeting rather than a written resolution of the Board. The Board will take into account the exceptions to the general voting prohibition, as set out in the Listing Rules when considering whether a director shall vote on any board resolution approving any matters in which he has material interests or shall he be counted in the quorum present at the meeting.

### MEETINGS

The Board meets regularly at least 4 times a year and holds additional meetings as and when the Board thinks appropriate. Board committees also hold regular scheduled meetings to discharge their duties. Meetings via telephone or video-conference are permitted under the Bye-Laws of the Company. Attendance record of the Board and Board Committees meetings during the year ended December 31, 2017 is set out on page 42, 43 and 46.

All Directors have access to the company secretary who is responsible for ensuring that Board/Board committees meeting procedures are observed and advising the Board/Board committees on compliance matters.

In an attempt to accommodate the competing time commitments of directors who sit on multiple boards, Board/Board committees meetings dates are scheduled well in advance at the beginning of every calendar year. The Company has given at least 14 days' notice for regular Board and Board Committees meetings. For all other Board/Board committees meetings, reasonable notices are given. Draft agendas for Board and Board Committee meetings are prepared by the company secretary and are circulated to all directors for comment before the meetings. The directors were given the opportunities to include matters to be discussed in the agenda for all Board and Board Committees meetings. The company secretary is delegated with the responsibility to prepare these agendas and, where appropriate, take into account any matters proposed by each director/committee member for inclusion in the agenda.

倘董事會認為主要股東或董事在董事會將予考慮的事項中存有董事會認為屬重大的利益衝突，該事項將以舉行一次董事會會議而非以董事會書面決議進行議決。董事會在考慮該董事應否放棄於董事會上表決有關批准其擁用重大利益等事宜時或應否計入出席會議之法定人數內時，將會考慮上市規則所載一般禁制表決例外情況。

### 會議

董事會每年定期舉行最少四次會議及按情況需要召開額外會議。董事委員會亦定期舉行會議以履行其職務。本公司章程細則批准透過電話或視像方式舉行會議。於截至二零一七年十二月三十一日止年度，董事出席董事會及委員會會議次數之紀錄載列於第42、43及46頁。

全體董事均可聯絡公司秘書；公司秘書負責確保遵守董事會／董事委員會會議程序並向董事會／董事委員會就守規事宜作出建議。

為確保身兼多個董事會職務之董事能抽空出席會議，董事會／董事委員會會議日期於每年年初先行擬定。定期董事會及董事委員會會議通告最少於會議日期前十四天發出。所有其他董事會及董事委員會會議均給予合理之通知時間。公司秘書會草擬董事會及董事委員會會議議程並於會議舉行前給各董事審議。全體董事均有機會提出將予商討事項，以供列入董事會及董事委員會會議之議程內。公司秘書有責任編製會議議程，並(如適合)考慮將各董事／委員會成員建議之任何事項，載入議程內。

## CORPORATE GOVERNANCE REPORT 企業管治報告書

The agenda accompanied by detailed board papers (prepared in such form and manner as will enable the Board to make an informed decision on matters placed before it, including but not limited to, background or explanatory information relating to matters to be brought before the Board and internal financial information such as quarterly management accounts, forecasts and budgets with material variance between projections and actual results explained) are circulated to all directors in a timely manner and at least three days before the date of scheduled meeting.

Minutes of Board/Board committees meetings are recorded in detail regarding the matters considered and decisions reached, including concerns raised by directors or dissenting views expressed. Draft minutes are circulated to relevant directors/committee members within a reasonable time after the meetings for comments and will then be approved by the Board/Board committees at the following meeting. Minutes of Board and Board Committees meetings are kept by the company secretary and are open for inspection at any reasonable time on reasonable notice by any director.

Directors are provided in a timely manner with complete, adequate explanation and information about the Company and its subsidiaries, its activities, performances and its projects particularly including any significant variances from a planned course of actions to enable them to make an informed decision or assessment of the Group's performance, position and prospects and to discharge their duties and responsibilities. In case when the directors have queries, they are provided with the names and contact details of the Group's senior executives for separate and independent access to them and they are able to obtain more information than is volunteered by the management. Senior executives are from time to time brought into formal and informal contact with the Board at Board meetings and other events.

The Board and Board committees are provided with sufficient resources to properly discharge their duties including access to independent professional advisers under agreed procedures, upon reasonable request, at the expense of the Company.

董事會議程連同隨附之文件(編製之形式及方式須能致使董事會就提呈事項作出知情決定,包括但不限於有關向董事會提呈之事項背景或說明資料以及內部財務資料,例如季度管理賬目、預測及預算(包括預期與實際業績分歧闡釋)將適時傳遞予全體董事傳閱,期限為擬舉行會議日期前最少三日。

董事會/董事委員會會議之會議記錄均詳盡記錄會議所考慮之事項及達成之決定,包括董事所關注之事宜或發表之反對意見。會議記錄草稿於會議後一段合理時間內傳遞予有關董事/委員會成員審閱並於下一次董事/董事委員會會議予以批准。該等記錄由公司秘書存置,並於任何董事發出合理通知後於任何合理時間內供查閱。

董事適時獲提供有關本公司及其附屬公司、其業務、績效及其項目(尤其包括與一系列已計劃之行動有重大差異者)之完整且足夠的闡釋及資料,以便彼等就本集團績效、狀況及前景作出知情決定或評估,並履行彼等之職務及責任。倘董事有任何疑問,彼等可獲取本集團高級行政人員之姓名及聯絡資料,以分別獨立聯絡有關人士,並可要求管理層提供(主動提供以外)其他額外資料。高級行政人員不時與董事會於董事會會議及其他活動作正式及非正式的接觸。

董事會及董事委員會獲得足夠之資源以妥善履行彼等之職責,其中包括於既定的程序下,在合理要求,諮詢獨立專業顧問,有關費用由本公司支付。



The Board held a full board meeting each quarter.

Details of the attendance of the meetings of the members of the Board during the year under review are as follows:

董事會每季均會舉行全體成員列席會議。

董事會成員在回顧年內出席董事會會議之記錄詳情如下：

Directors 董事		2017		
		BOARD MEETING 二零一七年 董事會會議	2017 AGM 二零一七年 股東週年大會	2017 SGM 二零一七年 特別股東大會
		Attendance 出席次數		
<b>Executive Directors:</b>	<b>執行董事</b>			
Foo Piau Phang	符標榜	6/7	1/1	1/1
Qi Miao (re-designated from non-executive director to executive director on September 11, 2017)	祁淼 (於二零一七年九月十一日由非執行董事調任為執行董事)	6/7	1/1	1/1
Hou Kaai Wern (resigned on March 1, 2017)	侯凱文 (於二零一七年三月一日辭任)	—	—	—
<b>Non-Executive Directors:</b>	<b>非執行董事：</b>			
Song Rongrong	宋榮榮	5/7	1/1	1/1
Wu Gang (appointed on March 2, 2018)	吳剛 (於二零一八年三月二日獲委任)	—	—	—
Yan Keya (appointed on March 2, 2018)	鄒克亞 (於二零一八年三月二日獲委任)	—	—	—
Han Hongtu (appointed on March 2, 2018)	韓宏圖 (於二零一八年三月二日獲委任)	—	—	—
Xin Kexia (resigned on March 2, 2018)	辛克俠 (於二零一八年三月二日辭任)	5/7	1/1	1/1
Shi Changyun (resigned on March 2, 2018)	施長雲 (於二零一八年三月二日辭任)	6/7	1/1	1/1
Jing Tian (resigned on March 2, 2018)	荆天 (於二零一八年三月二日辭任)	6/7	1/1	1/1
<b>Independent Non-Executive Directors:</b>	<b>獨立非執行董事：</b>			
Yang Xiongsheng	楊雄勝	5/7	0/1	0/1
Zhao Yuhong	趙宇紅	5/7	1/1	0/1
Li Quan	李權	6/7	1/1	0/1
Duh Jia-Bin	杜家濱	6/7	1/1	1/1

In addition to the above regular board meetings during the year, the members of the Board of Directors followed the principles of good corporate governance and the best practices of the relevant code provisions and recommendations of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules and maintained a continuous dialogue with shareholders, especially It is through the annual general meeting or other plenary meetings to communicate with the shareholders. During the year under review, the chairman of the board of directors attended the annual general meeting and invited the chairman of the relevant committee to attend. If the chairman of the relevant committee fails to attend the meeting, the chairman of the board invites another member or the chairman of the committee concerned to properly appoint another member to attend.

除上述年內定期董事會會議外，董事會成員遵循《上市規則》附錄十四的《企業管治守則》關於良好企業管治的原則與有關守則條文及建議最佳常規，與股東保持持續對話，尤其是藉股東周年大會或其他全體會議與股東溝通。於回顧年內，董事會主席出席股東周年大會，並邀請有關委員會的主席出席。若有關委員會主席未能出席，董事會主席另行邀請另一名委員，或由有關委員會主席適當委任另一名委員代表出席。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告書

### BOARD COMMITTEES

To maximise the effectiveness of the Board and to encourage active participation and contribution from Board members, the Board has established four Board committees, namely the executive committee, audit committee, nomination and corporate governance committee and remuneration committee with specific written terms of reference that clearly deal with their authority and duties, to oversee particular aspects of the Company's affairs, assist in the execution of the Board's responsibilities enable the Board committees to perform their functions properly. Board committees report to the Board on their work and findings. They adopt as far as practicable, the principles, procedures and arrangements of the Board in relation to scheduling and conduct of meetings, notice of meetings and inclusion of agenda items, recording and availability of minutes. The written terms of reference of the audit committee, nomination and corporate governance committee and remuneration committee, which are in line with the CG Code, are available on the website of the Company and the Stock Exchange and will be reviewed from time to time. The quorum necessary for transaction of business of each Board committee is two.

#### Executive Committee ("EC")

During the year ended December 31, 2017, the EC comprised of all executive directors.

The EC meets as and when required to oversee the day- to-day management of the Group and has all the general powers of the Board except those matters specifically reserved for the Board.

The principal duties of EC include:

- managing the business and investments by overseeing the Group's operations, projects, assets and liabilities, budgets, compliance obligations and financial performance in accordance with the policies and directives of the Board;
- making recommendations to the Board as to the Group's overall policies, strategies and financial objectives in the development of its business and ensuring their implementation and execution; and
- providing leadership to staff and management and nominating key personnel and ensuring appropriate levels of authority are delegated to them.

### 董事委員會

為提高董事會效能以及鼓勵董事會成員積極參與及作出貢獻，董事會已成立四個董事委員會分別為執行委員會、審核委員會、提名及企業管治委員會及薪酬委員會，並列明特定職權範圍以協助各委員會執行職務。該職權範圍清晰列明該等委員會之職權及職責，以監督本公司特定方面之事務，並協助執行董事會之職責。董事委員會向董事會報告其工作及調查結果。彼等按實際可行情況採納董事會有關擬定會議時間表及會議進行方式、會議通告及載入議程項目、保存及提供會議記錄等之原則、程序及安排。審核委員會、提名及企業管治委員會及薪酬委員會包含列明符合企業管治守則之職權範圍，均上載於本公司網頁及聯交所網站；並不時作出檢討。每個董事委員會處理事務之法定人數為兩人。

#### 執行委員會(「執行委員會」)

截至二零一七年十二月三十一日止年度，執行委員會由全體執行董事組成。

執行委員會於需要時舉行會議以便監察本集團日常管理事務，除需要董事會作出決定之特別事宜外。

執行委員會之主要職責包括：

- 透過監察本集團之營運、項目、資產與負債、預算、守規責任及財務表現，依照董事會之政策及指示以管理業務及投資；
- 就本集團業務發展而制定之整體政策、策略及財務目標向董事會作出建議，以及確保該等建議得以實施及執行；及
- 領導員工及管理層、提名要員及確保授予彼等適當之權力。

### Nomination and Corporate Governance Committee (“NCGC”)

During the period between January 1, 2017 and December 31, 2017, the NCGC is chaired by Mr. Foo Piau Phang (the Chairman of the Board) and comprised two other members, namely, Dr. Li Quan and Mr. Duh Jia-Bin. The NCGC meets at least once a year. All NCGC members, except Mr. Foo Piau Phang, are independent non-executive directors.

The principal functions of the NCGC include:

- making recommendations to the Board on all new appointments or re-appointments of directors, the establishment of a succession plan for directors, in particular the chairman and chief executive officer and the composition of the Board;
- identifying and nominating qualified individuals, subject to the approval of the Board, to be additional directors or to fill vacancy in the Board as and when they arise;
- reviewing on an annual basis the Board structure, size and composition and the independent element of the Board;
- developing the criteria for selection of directors;
- assessing the independence of independent non-executive directors;
- developing and reviewing the Company's policies and practices on corporate governance and make recommendations to the Board;
- reviewing and monitoring the training and continuous professional development of directors and senior management;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and directors; and
- reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

### 提名及企業管治委員會(「提名及企業管治委員會」)

於二零一七年一月一日至二零一七年十二月三十一日，提名及企業管治委員會由符標榜先生(董事會主席)擔任主席，且包括兩位其他成員：李權博士及杜家濱先生；該委員會每年最少舉行一次會議，除符標榜先生外，全體提名及企業管治委員會成員均為獨立非執行董事。

提名及企業管治委員會之主要職責包括：

- 就新委任或續聘董事、制定董事繼任計劃(尤其是主席及行政總裁)及董事會之組合向董事會作出建議；
- 物色及提名合資格之人選(須待董事會批准)為新增董事或於董事會出現空缺時填補人選；
- 每年審閱董事會架構、規模及組合以及董事會之獨立元素；
- 制定挑選董事之標準；
- 評估獨立非執行董事之獨立性；
- 擬定及檢討本公司的企業管治政策及實務守則，並向董事會作出建議；
- 檢討及監察董事及高級管理層的培訓及持續專業發展；
- 檢討及監察本公司的政策及實務守則，確保符合法律及監管規定；
- 制定、檢討及監察僱員及董事的操守準則及合規手冊(如有)；及
- 檢討本公司是否遵守企業管治守則及企業管治報告披露的資料。

## CORPORATE GOVERNANCE REPORT 企業管治報告書

The chairman of the NCGC will report to the Board on its proceedings and recommendations after each meeting.

During the year under review, two meetings were held by the Nomination and Corporate Governance Committee. Details of the attendance of the nomination committee meeting are as follows:

Directors 董事		Attendance 出席次數
Foo Piau Phang ( <i>Chairman</i> )	符標榜 (主席)	2/2
Li Quan	李權	2/2
Duh Jia-Bin	杜家濱	2/2

The main works performed by NCGC during the year ended December 31, 2017 included reviewing the structure and composition of the Board; assessing independence of existing independent non-executive directors and putting forward recommendations to the Board on re-election of retiring directors as well as reviewing Board Diversity Policy and recommending the same to the Board for approval.

### Remuneration Committee ("RC")

During the period between January 1, 2017 and December 31, 2017, the RC is chaired by Ms. Zhao Yuhong (an independent non-executive director) and comprised two other members, namely, Mr. Song Rongrong and Mr. Duh Jia-Bin. All RC members, except Mr. Song Rongrong, are independent non-executive directors.

The RC consults the chairman and chief executive officer about its proposals relating to the remuneration of other executive directors and has access to professional advice if considered necessary. The principal functions of the RC include:

- recommending to the Board on the Company's policies and structure for the remuneration of the directors and senior management of the Group;
- recommending to the Board the remuneration packages of all executive directors and senior management; and
- reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives.

The chairman of the RC will report to the Board on its proceedings and recommendations, where appropriate, for the Board's consideration and/or approval.

提名及企業管治委員會之主席須於每次會議後向董事會匯報會議進程及向其作出建議。

於回顧年內，提名及企業管治委員會共舉行兩次會議。董事出席提名委員會會議之記錄詳情如下：

提名及企業管治委員會於截至二零一七年十二月三十一日止年度履行之主要工作包括檢討董事會的結構和組成；評估現任獨立非執行董事的獨立性及向董事會建議重選退任董事與檢討及向董事會建議批准董事會多元化政策。

### 薪酬委員會(「薪酬委員會」)

於二零一七年一月一日至二零一七年十二月三十一日期內，薪酬委員會由趙宇紅女士(獨立非執行董事)擔任主席，並包括兩位其他成員：宋榮榮先生及杜家濱先生。除宋榮榮先生外，全體薪酬委員會成員均為獨立非執行董事。

薪酬委員會就其建議其他執行董事之薪酬事宜徵詢主席及行政總裁之意見，並可於有需要時諮詢專業意見。其主要職能包括：

- 就本集團董事及高級管理層薪酬之本公司政策及架構向董事會作出建議；
- 就所有執行董事及高級管理層之薪酬計劃向董事會作出建議；及
- 根據董事會的企業目的和目標檢討及批准管理層的薪酬建議。

薪酬委員會之主席須向董事會匯報會議進程及，如適當，向董事會要求對其建議作出考慮及／或接納。

During the year under review, three meetings were held by the remuneration committee. Details of the attendance of the remuneration committee meeting are as follows:

於回顧年內，薪酬委員會共舉行三次會議。董事出席薪酬委員會會議之記錄詳情如下：

Directors 董事		Attendance 出席次數
Zhao Yuhong ( <i>Chairman</i> )	趙宇紅 (主席)	3/3
Song Rongrong	宋榮榮	3/3
Duh Jia-Bin	杜家濱	3/3

The main works performed by RC during the year ended December 31, 2017 included reviewing and approving the employees' annual salary increment commencing from January 1, 2017 and recommending the proposed directors' fees paid for the year ended December 31, 2017.

薪酬委員會於截至二零一七年十二月三十一日止年度履行之主要工作包括檢討及批准僱員自二零一七年一月一日起生效之年薪增幅，建議支付截至二零一七年十二月三十一日止年度之董事酬金。

A general description of the Group's emolument policy and long-term incentive schemes as well as the basis of determining the emolument payable to each directors for the year ended December 31, 2017 are disclosed on pages 28 to 29 of this annual report.

有關本集團之薪酬政策及長期獎勵計劃以及釐訂各董事於截至二零一七年十二月三十一日止年度應收薪酬標準的概括說明載於本年報第28至29頁內。

### Audit Committee ("AC")

During the period between January 1, 2017 and December 31, 2017, the AC consisted of three members, namely, Mr. Yang Xiongsheng (chairman), Ms. Zhao Yuhong and Dr. Li Quan, all of whom are independent non-executive directors. The Board is of the opinion that the majority of the members of the AC possess accounting and financial management expertise or experience required to discharge their duties.

### 審核委員會(「審核委員會」)

於二零一七年一月一日至二零一七年十二月三十一日期內，審核委員會由三位成員組成；包括楊雄勝先生(主席)、趙宇紅女士及李權博士，全體成員均為獨立非執行董事。董事會認為，大部份審核委員會成員均擁有會計及財務管理專業知識或經驗，以履行彼等之職務。

The major duties of AC include:

- considering and recommending the appointment, re- appointment and removal of external auditor;
- approving the remuneration and terms of engagement of external auditor, any questions of resignation or dismissal of that auditor;
- reviewing and monitoring external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;

審核委員會主要職責包括：

- 考慮及建議委任、續聘及罷免外聘核數師；
- 批准外聘核數師之薪酬、聘用條款及該核數師辭任或辭退之任何問題；
- 根據適用標準審閱及監察外聘核數師之獨立性及客觀性，以及核數程序之有效性；



## CORPORATE GOVERNANCE REPORT 企業管治報告書

- discussing with external auditor the nature and scope of the audit and reporting obligations before the audit commences;
  - developing and implementing policy on the engagement of an external auditor to supply non-audit services and making recommendation of any measures for improvements to be taken;
  - monitoring integrity of financial statements, annual and interim reports and reviewing significant financial reporting judgment contained in them. In this regard, in reviewing the quarterly, interim and annual financial statements and the annual and the interim reports before submission to the Board, focusing particularly on:
    - (i) any changes in accounting policies and practices;
    - (ii) major judgmental areas;
    - (iii) significant adjustments resulting from audit;
    - (iv) the going concern assumptions and any qualifications;
    - (v) compliance with accounting standards;
    - (vi) compliance with the Listing Rules and other legal requirements in relation to financial reporting; and
    - (vii) any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function or auditors;
  - reviewing the Group's financial controls, internal control and risk management systems;
  - discussing with the management the system of internal control and ensuring that the management has discharged its duty to have an effective internal control system including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget;
- 於開始進行核數前與外聘核數師討論有關核數之性質及範疇和申報責任；
  - 就聘用外聘核數師提供非審核服務制定及落實政策，並就需要改善之事宜提出建議措施；
  - 監察財務報表、年度及中期報告的完整性，並審閱其所載有關財務申報之重大判斷。因此，於遞交董事會前先行審閱季度、中期及年度財務報表與年度及中期報告時，尤其集中於以下各項：
    - (i) 任何會計政策及慣例變動；
    - (ii) 涉及重要判斷的地方；
    - (iii) 因核數所產生之重大調整；
    - (iv) 企業持續經營假設及任何保留意見；
    - (v) 是否遵守會計準則；
    - (vi) 是否遵照上市規則及其他有關財務申報之法例規定；及
    - (vii) 由本公司負責會計及財務申報工作之員工或核數師所提出之任何事宜；
  - 檢討本集團之財務監控、內部監控及風險管理制度；
  - 與管理層討論內部監控系統，並確保管理層履行其職責，以維持有效之內部監控制度，包括提供足夠資源、聘請具備足夠資歷之員工負責本公司之會計及財務申報工作以及確保有足夠預算用作該等員工之培訓計劃；

- considering major investigations of findings on internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
  - reviewing the internal audit programme, ensuring co-ordination between the internal and external auditors, and ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company and reviewing and monitoring the effectiveness of the internal audit function;
  - reviewing the external auditor's management letter, any material queries raised by the auditor to management in respect of the accounting records, financial accounts or systems of control and management's response and ensuring that the Board will provide a timely response to the issues raised;
  - reviewing the Group's financial and accounting policies and practices;
  - reviewing the arrangements the Group's employees can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action; and
  - reporting to the Board on matters set out above and to consider other topics, as defined by the Board.
- 主動或應董事會的委派，就有關內部監控事宜的重要調查結果及管理層對調查結果的回應進行研究；
  - 檢討內部審核規劃，確保內部審計部及外聘核數師通力合作，並確保內部審計功能有足夠資源運作，且於本公司內有適當的地位，以及檢討及監控內部審計職能之有效性；
  - 檢討外聘核數師呈交予管理層的《審核情況說明函件》，以及核數師就會計記錄、財務賬目或監控系統向管理層提出任何重大疑問及管理層之回應，以確保董事會對提出之事宜及時作出回應；
  - 檢討本集團之財務及會計政策與慣例；
  - 檢討為本集團僱員所設的保密安排，讓他們表達關乎財務匯報、內部管控或其他事宜的關注疑慮。委員會應確保現有的安排公平並有獨立調查上述事宜的機制，以及採取適當的跟進行動；及
  - 就上述各項所載的事宜向董事會匯報，及研究其他由董事會界定的課題。

The AC has explicit authority to investigate any matter under the scope of its duties and the authority to obtain independent professional advice. It is given full access to and cooperation of the management. It has been provided with reasonable resources to discharge its duties properly. In the course of reviewing the Group's financial information, the AC members liaise closely with the Board and the chief financial officer to gather relevant information.

審核委員會具有明確權力，按其職責範圍調查任何事宜及有權獲取獨立專業意見，並獲管理層提供全面的支援及通力合作。審核委員會並獲提供合理的資源，以妥為履行其職務。在審閱本集團之財務資料的過程中，審核委員會與董事會及財務總監緊密聯繫以取得有關資料。

## CORPORATE GOVERNANCE REPORT 企業管治報告書

During the year under review, 3 meetings were held by the audit committee. Details of the attendance of the audit committee meetings are as follows:

Directors 董事		Attendance 出席次數
Yang Xiongsheng ( <i>Chairman</i> )	楊雄勝 (主席)	3/3
Zhao Yuhong	趙宇紅	2/3
Li Quan	李權	3/3

The major works performed by the AC during the year ended December 31, 2017 included the review and consideration of the announcements relating to the Group's interim and annual results; interim and annual reports; significant accounting and audit issues arising from annual audit of the Group's financial statements; budget, periodic reports from internal audit department; internal audit plan, external auditor's audit and non-audit fees as well as the assessment and recommendation of re-appointment of auditor for the coming year.

Full minutes of the AC are kept by the company secretary of the Company. Draft and finalised minutes of the AC meetings are circulated to all members of the AC for their comment and records respectively, in both cases within reasonable time after the conclusion of the meetings.

### Securities Transactions by Directors and Officers

The Company has adopted a code of conduct by Directors and Officers of the Group on terms no less favorable than the standards set out by the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in Appendix 10 to the Listing Rules.

審核委員會於回顧年內舉行三次會議。審核委員會會議之出席記錄詳情如下：

於截至二零一七年十二月三十一日止年度，審核委員會履行之主要工作包括審閱及考慮有關本集團中期及全年業績之公佈；中期及年度報告；每年審核本集團財務報表所產生之重大會計及審核事宜；預算；內部審計部之定期報告；內部審核計劃及外部核數師之審核及非審核費用；以及評估及建議續聘來年公司核數師。

審核委員會之詳盡會議記錄由本公司公司秘書存置，審核委員會會議記錄之草稿及最終稿，於會議結束後一段合理時間內傳遞予全體審核委員會成員，以供彼等提出意見及存檔。

### 董事及高級職員進行證券交易

本公司已採納本集團董事及高級職員進行證券交易的守則，其條款並不較上市規則附錄 10 所載上市公司董事進行證券交易的標準守則（「標準守則」）之條款寬鬆。

Having made specific enquiries to all Directors, save as disclosed above, all Directors confirmed that they had complied with the required standards set out in the Model Code and the Code of Conduct for Securities Transactions throughout the year ended December 31, 2017.

The Board members have been reminded of their obligation to comply with the Model Code.

Directors and Officers as defined in the Code who are in possession of unpublished inside information in relation to the Company or its shares are prohibited from dealing in shares of the Company and are also prohibited from dealing in shares during the black-out period.

### Insurance

The Group has appropriate insurance cover in place in respect of any legal actions against its directors and officers.

## ACCOUNTABILITY AND AUDIT

### Financial reporting

The directors acknowledge their responsibility for preparing the financial statements which give a true and fair view of the state of affairs and results of the Company and of the Group. Their responsibilities have also been stated in the section headed "Independent Auditor's Report" on pages 96 to 103 of this annual report. In preparing the financial statements for the year ended December 31, 2017, the directors have selected suitable accounting policies and applied them consistently and made accounting judgments and estimates that are prudent and reasonable in the circumstances. With the assistance of the Finance Department, the directors ensure that the financial statements of the Group are prepared in accordance with statutory requirements and appropriate financial reporting standards.

Management recognises the importance of providing the Board with appropriate and relevant information on an accurate and timely basis. Quarterly business review and financial reports comparing the Group's actual performance with budget and highlighting major relevant issues are provided to the Board to enable it to make an informed assessment on the Group's performance, position and prospects. Under the CG Code, monthly updates are required to be provided to all directors.

向全體董事作出特定查詢後，除上文所披露者外，全體董事確認彼等已於截至二零一七年十二月三十一日止整個年度遵守標準守則及證券交易之行為守則所載之標準。

董事會成員獲提醒其有義務遵守標準守則。

被視為知悉有關本公司或其股份未經公佈內幕消息資料之董事及高級職員(定義見守則)禁止於限制期間及禁售期間買賣本公司股份。

### 保險

本集團已為董事及高級職員因法律訴訟引起之責任購買恰當之保險。

### 問責及審核

#### 財務匯報

董事會知悉其責任乃編製反映本公司及本集團真實公平事務狀況及業績之財務報表。彼等之責任於本年報第96至103頁之「獨立核數師報告」一節內提及。於編製截至二零一七年十二月三十一日止年度之財務報表時，董事已挑選適合之會計政策及貫徹應用，並作出審慎合理之判斷及估計。在財務部協助下，董事確保本集團之財務報表乃根據法例規定及適當財務報告準則而編製。

管理層認同在準確與及時的基準上向董事會提供適當及相關之資料的重要性。董事會獲提供季度業務回顧及財務報告(載有本集團實際表現與預算案之比較及主要相關事項摘要)，使其對本集團之績效、情況及前景能作出知情評估。根據企業管治守則，每月需向所有董事提供更新資料。

## CORPORATE GOVERNANCE REPORT 企業管治報告書

The Board endeavours to ensure a balanced, clear and understandable assessment of the Group's position and prospects to extend to the Group's financial reporting including annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to regulators as well as information required to be disclosed pursuant to statutory requirements.

The Company publishes its interim and annual financial results and reports in accordance with the requirements under the Listing Rules.

### External Auditor and Auditor's Remuneration

The external auditor of the Company is Deloitte Touche Tohmatsu. The Audit Committee is responsible for considering the selection, appointment, resignation or dismissal of external auditors. The Board has no disagreement with the Audit Committee's view on the re-appointment of external auditor.

The statement of Deloitte Touch Tohmatsu, the independent auditor of the Company, regarding their reporting responsibility on the financial statements of the Group for the year ended December 31, 2017 is set out in the section headed "Independent Auditor's Report" on pages 96 to 103 of this annual report. Representatives from Deloitte Touche Tohmatsu met up with the Audit Committee meeting to answer questions.

During the year ended December 31, 2017, the fees paid to Deloitte Touche Tohmatsu, the Company's external auditor, for audit services of the Company and its subsidiaries amounted to HK\$ 2.3 million (For the year ended December 31, 2016: HK\$ 2.7 million). The fee paid for non-audit related services, representing mainly taxation services, amounted to HK\$ 0.1 million for the year ended December 31, 2017 (2016: 0.1).

董事會致力確保對本集團之狀況及前景作出客觀、明確及可理解之評估，並將範圍擴大至本集團之年度及中期報告財務申報、其他涉及股價敏感資料的公佈、其他根據上市規則須予披露之財務資料、致監管機構之報告書以及法定須予披露之其他資料。

本公司遵照上市規則之規定刊發中期及全年財務業績及報告。

### 外聘核數師及核數師酬金

本公司之外聘核數師為德勤•關黃陳方會計師行。審核委員會負責考慮甄選、委任、離任及罷免外聘核數師等事宜。董事會於續聘外聘核數師一事並無與審核委員會持不同意見。

本公司獨立核數師德勤•關黃陳方會計師行，對其就本集團截至二零一七年十二月三十一日止年度財務報表承擔之報告責任所作聲明載於本年報第96至103頁之「獨立核數師報告」一節內。德勤•關黃陳方會計師行之代表與審核委員會成員會面以回答問題。

於截至二零一七年十二月三十一日止年度，支付予本公司外聘核數師德勤•關黃陳方會計師行為本公司及其附屬公司提供核數服務之金額為港幣2.3百萬元(截至二零一六年十二月三十一日止年度：港幣2.7百萬元)。於截至二零一七年十二月三十一日止年度，就非核數相關服務(主要為稅務服務)支付的費用為港幣0.1百萬元(二零一六年：0.1)。



### Risk Management and Internal Controls

The Board is responsible for maintaining a sound and effective risk management and internal control systems of the Group, and for reviewing their design, operational adequacy and effectiveness.

The Group's risk management and internal control systems encompass their policies, processes, tasks, and other aspects of the Group that taken together:

- facilitate their effective and efficient operation by allowing it to respond appropriately to significant business, operational, financial, compliance and other risks with a view to achieving business objectives. This includes the safeguarding of assets from inappropriate use or from loss and fraud and ensuring that liabilities are identified and managed;
- help ensure maintenance of proper accounting records for the provision of reliable financial information for internal or external reporting; and
- help ensure compliance with relevant legislation and regulations, and also with internal policies with respect to the conduct of business.

The risk management and internal control systems are designed to provide reasonable, but not absolute, assurance of no material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievement of the Group's objectives.

The key procedures that the Board established to provide effective risk management and internal controls are as follows:

- A distinct organisation structure exists with defined lines of authority and responsibilities. Division/department heads are involved in preparing the strategic plan which lays down the corporate strategies to be pursued in the coming year for achieving the annual operating plan and the annual operational and financial targets. Both the strategic plan and the annual operating plan lay down the foundation for the preparation of the annual budget by which resources are allocated in accordance with identified and prioritised business opportunities. The annual operating plan is submitted for approval by the Executive Committee subject to regular review. The strategic plan is presented to the Board by management subject to regular review and the annual budget is approved by the Board yearly;

### 風險管理及內部監控

董事會負責維護本集團健全及有效的風險管理及內部監控制度，並審查有關設計、操作的充分性和有效性。

本集團之風險管理及內部監控系統包含其政策、程序、工作連同本集團其他範疇，旨在：

- 容許其適當地於重大業務、營運上、財務上、合規上及其他風險上作出意見，促進營運之效率及成效以達到業務目標。此包括保障投資，免受不適當的使用或損失及詐騙，並且保證責任得以確定及處理；
- 確保保存妥當的會計記錄以提供可靠之財務資料供內部使用或對外匯報；及
- 確保遵守相關法例及規定，以及有關工作方式遵守內部政策。

風險管理及內部監控制度乃為合理但非絕對地確保防範重大錯誤陳述或損失，以及旨在管理而非消除營運制度失當之風險，以達致本集團之目標。

董事會為提供有效風險管理及內部監控而制定之主要程序如下：

- 訂定一個權力範圍與責任界定清楚的企業架構。分部／部門主管參予準備策略性計劃，當中列出來年須跟隨之企業策略以達成年度營運計劃及年度營運與財務目標。策略性計劃及年度營運計劃均為準備年度預算案之基礎，並按既定及優先的商業契機分配資源。該年度營運計劃已經由執行委員會批准並須定期進行檢討。策略性計劃已經由管理層向董事會匯報並須定期進行檢討；而年度預算案則由董事會每年批准；

## CORPORATE GOVERNANCE REPORT 企業管治報告書

- A comprehensive monthly management reporting system is in place providing financial and operational performance indicators to the management, and the relevant financial information for reporting and disclosure purposes. Variances against budgets are analysed, and explained, and appropriate actions are taken, if necessary, to rectify deficiencies noted; and
- System and procedures are in place to identify, measure, manage and control risks including legal, credit, market, operational, environmental, behavioral and system risks that may have an impact on the Group.

The Group's Internal Audit Department ("IA") performs audit reviews of the risks and key controls of the Group. IA plays an important role in monitoring the Group's internal governance, evaluating the quality of the risk management and internal control systems and informing the Board whether sound risk management and internal control systems are maintained and operated by the management in compliance with agreed processes and standards. To preserve the independence of the internal audit function, the Head of IA reports directly to the AC on audit matters and to the chief executive officer on administrative matters.

Using a risk management-based approach audit, IA plans its internal audit projects annually in consultation with, but independent of, management. The audit methodology and process adopted by IA include understanding and analysing the business, determining risk areas within key processes; analysing and evaluating the process control effectiveness and communicating results and follow up. Independent reviews of different financial, business and functional operations and activities will be conducted with audit resources being focused on higher risk areas. Ad-hoc reviews will also be conducted on areas of concern identified by the AC and the management.

The Company has established written policies and procedures on daily operations, covering process flow, methodology adopted, reviewing process and reporting system. Division/Department Heads will be notified of the control deficiencies noted for rectification, and IA will follow up with the implementation of audit recommendations. Significant internal control weaknesses are brought to the attention of the AC and if necessary to the Board, and to the senior management for remedial actions.

- 訂立每月詳細的管理匯報制度，以向管理層提供財務及營運表現指標，並提供財務資料，供有關匯報及披露用途。對預算差異作出分析及闡釋，並於有需要時採取適當之行動以彌補所知之不足；及
- 訂立制度及程序以識別、衡量、管理及監控可能影響本集團之法律、信貸、市場、營運、環境、行為及制度等風險。

本集團內部審計部（「內部審計部」）就本集團之風險及主要監控進行審核檢討。內部審計部於監察本集團內部管治上、評估風險管理及內部監控系統質素及向董事會匯報管理層是否已遵照協定之程序及標準以及實施妥善之風險管理及內部監控制度上擔當重要角色。為保留內部審計功能之獨立性，內部審計部主管直接向審核委員會匯報有關審核事宜及向行政總裁匯報行政事宜。

內部審計部採用風險管理為本之審核方法，規劃其年度內部審核規劃（會諮詢但獨立於管理層）。內部審計部所採納之一般方法及程序包括理解及分析業務、在主要程序上決定風險範圍、分析及評估程序監控之有效性及傳達結果與跟進。不同之財政、業務、功能運作及活動之獨立檢討將配合審核資源進行，並集中於高風險之範圍。倘審核委員會及管理層識別出值得關注之事宜，亦會以專責方式進行檢討。

本公司已為日常經營、流程、採用方法、評核流程及上報制度制定列明的政策及程序。分部／部門主管將獲通知監控不足之處以進行修正，而內部審計部將跟進落實審核建議之事宜。重要之內部監控不足將提呈審核委員會請予注意（及如有需要提呈予董事會），及高級管理層以作出補救行動。

During the period under review, the Board, through the AC, has conducted reviews on a regular basis, of the effectiveness of the Group's risk management and internal control systems covering all material controls, including financial, operational and compliance controls, and risk management functions and gave due deliberation/consideration to the adequacy of resources, staff qualifications and experience of the accounting and financial reporting function.

Furthermore, the whistleblowing policy has been adopted by the Board for the Group's employees, customers and suppliers to raise concerns, in confidence, about possible improprieties in any matters related to the Group.

### COMMUNICATION WITH SHAREHOLDERS AND SHAREHOLDERS' RIGHT

#### Shareholders Communication

The Company strives to convey to shareholders pertinent information in a clear, detailed, timely manner and on a regular basis and to take into consideration their views and inputs, and address shareholders' concerns. Their views are communicated to the Board as a whole.

The Company communicates with its shareholders through the publication of annual and interim reports, results announcements, other announcements and documents required to be published pursuant to the Listing Rules, and press releases. All shareholders' communications are also available on the Stock Exchange's website at [www.hkex.com.hk](http://www.hkex.com.hk) or the Company's website at [www.idthk.com](http://www.idthk.com).

The annual general meeting of the Company provides a useful forum for shareholders to exchange views with the Board. The chairman of the Board as well as chairmen of AC, NCGC and/or RC, or in their absence, members of the Board committees are generally available to answer shareholders' questions.

Separate resolutions are proposed at general meetings on each substantially separate issue, including the election of individual directors. Votes cast on each resolution at the general meetings are properly counted and recorded.

回顧期間，董事會已通過審核委員會定期對本集團風險管理及內部監控系統的有效性(涵蓋所有重大監控、包括財務、營運及合規監控，以及風險管理程序)進行檢討；並對資源、員工在會計及財務匯報的經驗及合適性作謹慎考慮。

再者，董事會採納了舉報政策以讓本集團之員工、顧客及供應商對本集團任何可能處理不當之事宜提出保密舉報。

### 與股東之溝通及股東權益

#### 股東溝通

本公司致力向股東傳達明確、詳盡、適時及定期之相關資料，並考慮彼等之意見及建議以及處理股東關注之事宜。彼等之意見會整體向董事會傳達。

本公司透過刊發年報、中期報告、業績公佈、根據上市規則須刊發的公佈及文件，及新聞稿與股東溝通。所有與股東之通訊亦載於聯交所網站 [www.hkex.com.hk](http://www.hkex.com.hk) 或本公司網站 [www.idthk.com](http://www.idthk.com)。

本公司股東週年大會為股東與董事會交換意見之有用論壇。董事會主席以及審核委員會、提名及企業管治委員會及/或薪酬委員會之主席(如彼等缺席，則委員會成員)通常將出席回答股東之問題。

每一個實質上無關連之個別事項(包括選舉個別董事)，以獨立決議案提呈於股東大會上。所有股東大會上對每項決議案的票數均獲適當地點算及記錄在案。

## CORPORATE GOVERNANCE REPORT 企業管治報告書

At each general meeting, the shareholders will be informed the detailed procedures for conducting a poll and answers will be provided if there are any questions from the shareholders. The poll results are posted on the Stock Exchange's website and the Company's website.

### PROCEDURES FOR SHAREHOLDERS TO CONVENE A SPECIAL GENERAL MEETING ("SGM")

The directors of the Company, notwithstanding anything in its Bye-Laws shall, on the requisition of shareholders of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company, forthwith proceed duly to convene a SGM of the Company.

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and addressed to the company secretary and deposited at the Company's principal place of business in Hong Kong.

The request will be verified with the Company's share registrars and upon their confirmation that the request is proper and in order, the company secretary will ask the Board to include the resolution in the agenda for the SGM.

If the directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

#### Procedures for shareholders to put forward proposals at general meetings

Shareholders who want to put forward proposals at an AGM or SGM should submit a written notice of those proposals with their detailed contact information to the company secretary at the Company's principal place of business in Hong Kong. The request will be verified with the Company's share registrars and upon their confirmation that the request is proper and in order, the company secretary will ask the Board to include the resolution in the agenda for the general meeting.

在每一個股東大會，若決議案以投票方式進行表決，股東將獲通知有關投票表決之詳細程序。股東如有任何提問亦將獲得解答。以投票方式表決之結果於聯交所網站及本公司網站公佈。

### 股東召開股東特別大會(「股東特別大會」)之程序

即使本公司章程細則另有任何規定，本公司董事須於收到本公司股東(該等股東於送達要求日期之日持有本公司截至該日附帶本公司股東大會投票權的實繳股本不少於十分之一)要求時，立即著手正式召開本公司之股東特別大會。

該要求須述明有關會議之目的，並須由要求人簽署及送達本公司之香港主要營業地點交予公司秘書。

本公司會向本公司之股份過戶登記處核實該要求，於獲得股份過戶登記處確認該要求為恰當及適當後，公司秘書將要求董事會在股東特別大會的議程內加入有關決議案。

倘董事於上述要求之送達日期二十一日內並無正式召開會議，要求人(或代表要求人總投票權超過一半以上之任何要求人)可自行召開會議，惟所召開之任何會議不得於上述日期起計三個月屆滿後舉行。

#### 股東於股東大會作出提案之程序

股東若要在股東週年大會或股東特別大會上提出提案，股東須書面提交該等提案，並連同詳細聯絡資料，送達本公司之香港主要營業地點交予公司秘書。本公司會向本公司之股份過戶登記處核實該要求，於獲得股份過戶登記處確認該要求為恰當及適當後，公司秘書將要求董事會在股東大會的議程內加入有關決議案。



### Procedures for Shareholders to Send Enquiries to the Board

Shareholders' enquiries must be in writing setting out their contact information and addressed to the company secretary and deposited at the Company's principal place of business in Hong Kong at Block C, 9th Floor, Kaiser Estate, 41 Man Yue Street, Hung Hom, Kowloon, Hong Kong.

### COMPANY SECRETARY

The company secretary is responsible to the Board for ensuring that the Board procedures and policies are followed and also responsible for ensuring that the Board is fully apprised of the relevant regulatory and corporate governance developments relating to the Group and facilitating the induction and professional development of directors. Ms. Gao Keying, the company secretary of the Company during the year ended December 31, 2017, had attended relevant professional seminars to update his knowledge and skills. She had complied with the Listing Rules and taken no less than 15 hours of relevant professional training.

### INVESTOR RELATIONS

The Board recognised that effective communication to investors is the key to establish investor confidence and attracting new investors.

#### Measures taken by the Group include:

- Annual and interim reports are prepared and issued to all shareholders within the prescribed period stipulated by the Stock Exchange. All results announcements and reports are posted on the Stock Exchange's website and the Company's website.
- The Group regularly releases corporate information such as awards received, product launches and the latest news of the Group's developments on the Company's website. The public are welcome to give their comments and make their enquiries through the Company's website and the management will provide their prompt response.
- The constitutional documents of the Company can be found on the websites of the Company and the Stock Exchange and there is no change in the Company's constitutional documents during the period.

### 股東向董事會查詢之程序

有關查詢，股東須以書面方式連同查詢人之聯絡資料送達本公司之香港主要營業地點交予公司秘書，地址為香港九龍紅磡民裕街41號凱旋工商中心9樓C座。

### 公司秘書

公司秘書向董事會負責，旨在確保董事會程序及政策獲得遵循。彼亦負責確保董事會就有關本集團在規管及企業管治發展等方面獲得全面報告，並支援及協助董事的培訓及專業發展。於截至二零一七年十二月三十一日止年度，本公司之公司秘書高克穎女士已出席多個相關的專業講座，以更新其知識及技能，她已遵守上市規則之規定及接受了不少於15小時的相關專業培訓。

### 投資者關係

董事會深知與投資者之有效溝通，乃建立投資者信心及吸引新投資者之關鍵。

#### 有關舉措包括：

- 本集團於聯交所規定期間內編製年度及中期報告，並刊發予全體股東。所有業績公佈及報告均載於聯交所網站及本公司網站。
- 本集團定期於本公司網站公佈公司資料，例如其所獲得獎項、產品推出情況及本集團發展之最新消息等。本集團歡迎公眾人士透過本公司網站提出意見及查詢，管理層將會迅速跟進。
- 本公司之章程文件可於本公司及聯交所網站查閱，期內，該文件並無任何變動。



健康及保健

# HEALTH & WELLNESS

## **The Path to a Healthier You**

你的健康之道





## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

The Group complies with the requirements of the Rules Governing the Listing of Securities (the “Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). During the year under review, it is committed to rising the environmental, social and governance of the Group (“Environmental Social and Governance”) up to a higher level, and hereby to present its Environmental, Social and Governance Report for the year ended 31 December 2017 which is prepared in accordance with the “Environmental, Social and Governance Reporting Guide” contained in Appendix 27 to the Listing Rules on the Stock Exchange.

#### I. SCOPE

This report focusingly reports on the performance of the Group in promoting corporate social responsibility (“**Corporate Social Responsibility**”) during the period from January 1, 2017 to December 31, 2017, mainly including the disclosure of the policies and regulations as well as the key performance indicators which are important and closely related to the stakeholders, covering the Brands Sales and OEM/ODM Sales business segments owned by the company and its subsidiaries (the “**Group**”), and the daily operations of the Group’s Hong Kong office and Shenzhen factory.

本集團遵守香港聯合交易所有限公司(「香港聯交所」)證券上市規則(「上市規則」)之要求，於回顧年度內，致力於將本集團的環境、社會及管治(「環境、社會及管治」)提升至更高水準，並按照遵照上市規則附錄二十七《環境、社會及管治報告指引》刊發本集團截至二零一七年十二月三十一日止年度之環境、社會及管治報告。

#### I. 範圍

本報告重點匯報本集團於二零一七年一月一日至二零一七年十二月三十一日期間在推行企業社會責任(「**企業社會責任**」)方面之表現，主要囊括與主要權益人重要相關的環境與社會範疇之政策常規及關鍵績效指標披露，其中涵蓋本公司及其附屬公司(「**本集團**」)所擁有的品牌銷售與原設備製造／原設計製造銷售之業務分部，與本集團旗下香港辦公室及深圳工廠之日常營運。

### 2. COMMUNICATION WITH STAKEHOLDERS

The Group has established a variety of channels to allow related institutions and individuals in the society (the “stakeholders”), to participate in the Group’s operations so as to understand and oversee the Group’s operating performance. The group is committed to forgo a harmonious community with various co-existing interests, promote the harmony and co-prosperity of the Group and its stakeholders, and maximize the comprehensive benefits of the society, including maximizing corporate profits. Stakeholders can participate in the operation of the Company through the following means:

### 2. 權益人的參與

本集團為投資者、員工、客戶、政府、供應商、承包商、社區及公眾等在內的社會攸關組織和個體(簡稱「權益人」)開放多種管道參與到公司運營中，了解和監督公司的運營狀況，意在營造一個和諧共榮的利益共同體，促進本集團與權益人的和諧共榮，實現包括企業收益最大化在內的社會綜合效益最大化。權益人可從以下途徑參與本公司的運營：

Stakeholders 權益人	Key targets and interests 主要目標及關注點	Channels and means of communication and participation 溝通參與方式和管道	Company measures 公司措施
Shareholders and investors 股東及投資者	Protection of shareholders' interest, truthfulness, accuracy and timeliness of information disclosure. 穩健運營，收益回報，股東權益保護，資訊披露真實、準確、及時。	Shareholders' meetings, investors' conferences and site visits, disclosure of information (including financial statement) and contact information of the Company. 股東大會，投資者諮詢和考察，資訊披露(含財務報表)，公司聯繫方式。	Publication of notifications and resolutions of the shareholders' meetings and disclosure of information of the Company in accordance with rules; organization of various investor activities; publication of the Company's contact information on the Company's website and reports, and assuring all communication channels are smooth and unobstructed. 按規定發佈股東大會通知和議案，披露公司資訊。開展多種形式的投資者活動，提高投資者的認可度。在網站和報告中公開公司聯繫方式，並確保各種溝通管道暢通。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

Stakeholders 權益人	Key targets and interests 主要目標及關注點	Channels and means of communication and participation 溝通參與方式和管道	Company measures 公司措施
Employees 員工	Protection of basic rights, compensation and benefits, work environment, development and promotion and occupational health and safety. 基本權益保障，福利薪酬待遇，工作環境，發展空間，職業健康與安全，自我價值實現。	Workers union, communication channels between employees and management, opinion boxes, staff activities, training and education. 工會，員工與管理層溝通管道，意見箱，員工活動，培訓與學習。	Establishment of workers union to provide workers with a platform to communicate; payment of salaries and benefits in full and on time; payment of social security insurance in accordance with law; provision of a healthy and safe work environment; establishment of a fair promotion mechanism; cared about our employees, organization of employee activities, trainings and learning activities. 成立工會組織，提供員工交流平台；及時足額發放薪酬福利，依法繳納社會保險；提供健康、安全的工作環境；建立公平的晉升機制；關愛員工，說明困難職工，組織員工活動，培訓與學習。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

Stakeholders 權益人	Key targets and interests 主要目標及關注點	Channels and means of communication and participation 溝通參與方式和管道	Company measures 公司措施
Customers	Guarantee of the product quality and delivery, long-term stable co-operation.	Regular visits and maintain regular communication. Strengthening of quality control, assurance of steady production and smooth logistic process; provision of adequate products; entering into long term sales agreements with customers	<p>To enhance the effectiveness of communication with customers, monthly meetings are set up with the customer service representatives in each country to improve customer service standards. The Group has set up a central customer service hotline in Hong Kong and added the role of customer service manager to enhance customer service performance, including hold customer service manager responsible for centralizing refunds to enhance the transparency of the refund process. In the same month, The Group has set up a customer service center to establish face to face customer service.</p> <p>All of the Group's locations have put in use Red-Mine, a central email system, to improve email communication and follow-up efficiency; moreover, customer service email system is planned with automatic reply function for service enhancement while this technology is currently under study.</p>
客戶	產品品質和供貨保證，長期穩定合作。	定期拜訪，保持日常溝通。加強品質管制，保證生產穩定和運輸通暢，提供足量產品，簽訂長期戰略合作協定。	<p>與每個國家客戶服務代表設立月會，提升相關客戶服務水準；在香港區成立中央客戶服務熱線，增設客戶服務經理負責統一退款，加強退款流程透明度，並成立客戶服務中心，設立面對面的客戶服務。</p> <p>集團各地已統一使用中央電郵系統Red-Mine以提升電郵溝通及跟進效率，並正進行在顧客電郵信箱加入自動回覆之智慧服務方面的技術研究。</p>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

Stakeholders 權益人	Key targets and interests 主要目標及關注點	Channels and means of communication and participation 溝通參與方式和管道	Company measures 公司措施
Government	Lawful operations, payment of tax in accordance with the law, production safety, fulfillment of social responsibility.	Site visits, inspections, work conference and discussion, work reports, submissions and approvals	Conduction of operation in accordance with the law; compliance management, payment of tax in accordance with the law; strengthening of the Company's safety management; acceptance of government supervision, inspection and examination in accordance with regulations, active assumption of social responsibilities.
政府	合法經營，依法納稅，安全生產，履行社會責任。	現場視察、檢查，工作會議研討，工作報告、報送、審批。	合法經營，合規管理、依法納稅，加強公司安全管理；按規定接受政府監督、檢查及現場考察，積極承擔社會責任。
Suppliers and contractors	Fair bidding, long-term stable cooperation and timely payment.	Public bidding meetings and business meetings, regular communications	Fair bidding, select by merit, performance of contractual obligations, strengthening of regular communications, maintenance of long-term cooperation with quality suppliers and contractors.
供應商、承包商	公平招標，長期穩定合作，按時付款。	招投標會議，洽談會，日常溝通。	公平招標，擇優選擇，按約履行合同，加強日常交流，與優質供應商和承包商長期合作。
Community and the public	Job opportunities, community development, ecological environment, compensation and assistance.	Co-hosting of community activities, charity, volunteer service and co-construction of the community	Promotion of community building and development, provision of volunteer service, establishment of communication channels for the community and the community members; hosting of community activities, promotion of the building of harmonious community.
社區與公眾	就業機會，社區發展，生態環境，補償與援助。	共辦社區活動，慈善援助，志願者服務，社區共建活動。	促進社區建設和發展，提供志願者服務，開放與社區和社區成員的溝通管道；共辦社區活動，促進建設和諧社區。

### 1. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE

#### 3.1 Environment

##### 3.1.1 Emissions

The Group is actively responding to the global trend of emission reduction and is committed to minimising release of greenhouse gases, wastewater, solid wastes and other pollutants in its daily operations. Therefore, a series of environmental policies have been developed to strengthen the control of emissions, including:

##### *Waste reduction*

Most of the electronic wastes generated in the manufacturing process, including the scrapped circuit boards, scrapped parts and malfunctioned components, are returned or handled directly by recycling companies. At the same time, the Group continues to seek and improve the manufacturing process and technology in order to increase productivity and reduce scrapped electronic products and parts during the production process.

For reduction of the waste generated, factory operation increases the application of re-use boxes to avoid wastes generated from logistics tools made of materials easily damaged such as paper, plastic.

The Group categorizes different kinds of wastes for proper disposal, identifies recyclable wastes, and establishes classified bins. The Group also arranged waste classification trainings to encourage employees to actively participate in waste recycling.

Electronic products involve application of batteries and the Group understands the far-reaching impact of batteries on the environment, therefore has designated disposed battery collection locations for promoting the appropriate handling and recycling of disposed batteries.

### 3. 環境、社會及管治表現

#### 3.1 環境

##### 3.1.1 排放物

集團積極響應全球關注的減排趨勢，在日常營運中致力避免產生溫室氣體、廢水、固體廢物等污染物，故制定了一系列的環保政策加強控制，其中包括：

##### *減少廢棄物*

集團在製造業務上產生的電子廢品，包括報廢的電路板，零部件，壞掉的部件，大部分都會安排退貨或者直接由回收商回收，同時不斷尋求完善製造過程及技術，以提高生產效益，減少在生產過程中報廢的電子產品及部件。

為了減少在工廠物流中所產生的廢棄物，增加周轉箱的應用，減少因採用紙質或塑膠等容易損毀的搬運工具而產生的廢棄物。

集團會對不同的廢棄物分類作合適的處理，確認可回收的廢物，並設立分類垃圾桶，舉辦垃圾分類培訓活動以鼓勵員工積極參與回收廢棄物。

電子產品涉及不少電池的應用，集團了解電池對環境的深遠影響，因此設立廢舊電池回收處，且宣導廢舊電池回收處理。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

In addition to disposed batteries, the Group also focuses on carton wastes. Therefore, recycling bins have been set up to collect waste papers and arrange recycling companies to handle.

The Group regularly evaluates the production process to find out the sources of hazardous wastes, and defines action plans to reduce these wastes. The Group also put labels to differentiate hazardous and non-hazardous wastes to facilitate hazardous wastes being handled properly by the qualified service providers.

Currently, the hazardous wastes produced by the Group include disposed batteries, sewage sludge, oil rags and contaminated gloves; whereas non-hazardous wastes mainly include disposed capsules and carton wastes.

The Group has demonstrated the following results in the reporting period through the implementation of the aforesaid policies and measures for waste reduction:

除了廢電池，集團亦關注紙箱的廢棄，故增設回收箱收集廢紙，並安排回收商前來處理。

集團定期評估生產流程，找出有害廢棄物產生的源頭，制定減少有害廢棄物的行動計劃；並且將有害廢棄物及無害廢棄物作不同標識，以便安排有害廢棄物交由合資格的服務商適當地處置。

目前集團業務所產生的有害廢棄物包括廢電池、廢水處理後的污泥、油抹布、用後受污染的手套等，而一般的無害廢棄物主要為廢膠囊、廢棄包裝箱等。

透過落實以上政策及措施，集團於報告期間在廢物排放的表現如下：

Types of Wastes	廢棄物種類	Total	Intensity per
		Annual Weight (tons)	production unit (gram/piece)
		全年總量(噸)	每生產 單位的排放 密度(克/件)
Hazardous waste	有害廢棄物	4.24	2.47
Non-hazardous waste	無害廢棄物	9.50	5.54

*Reduction of wastewater discharge*

The Group's factory in Shenzhen discharges both industrial and domestic wastewater. The factory has installed sewage treatment facilities to reduce the pollutants in the wastewater, and has additional facility for re-use of the treated wastewater. This approach not only reduces wastewater discharge but also helps the Group to use less fresh water.

*Reduction of greenhouse gas (GHG) emission*

The Group seeks to adopt renewable or other clean energy in replacement of coal combustion facilities in order to reduce the generation and emission of sulphur and nitrogen oxides. In addition, the Group actively implements other administrative means to reduce GHG emissions, including:

– Reduction of business trips

The Group has a thorough understanding that business trips increase energy consumption and lead to an increase in GHG emissions; therefore, the Group actively decreases the number of business trips to reduce GHG emissions, and switches to other effective communication methods, including avoidance of long-distance personal meetings, replacement with telephone and/or video conferences, as well as adoption of bundled courier to reduce GHG emissions from additional traffics caused by separate own delivery.

減少廢水排放

集團在深圳的工廠業務會產生工業廢水及生活廢水，工廠已建設污水處理設備以減少廢水內的污染物，還增加設備把經處理後的廢水再循環使用，在減少廢水排放的同時為集團節省用水量。

減少溫室氣體

集團尋求採用可再生或其他潔淨能源，代替燃煤設備，減少硫化物、氮氧化物的產生和排放。此外，更積極以其他行政手段減少溫室氣體的排放，包括：

— 減少商務出差

集團深切理解商務出差會增加能源消耗，導致溫室氣體排放的增加，故積極減少公幹次數，降低因公幹而導致的溫室氣體排放，改用其他有效的溝通方法，包括避免舉行長途的親身見面會議，以電話及／或視像會議取代，並且以速遞集體寄送物料以取代自行送貨，致力減少由額外交通造成的溫室氣體排放。



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

### – Sourcing from local suppliers

Sourcing with non-local suppliers requires additional transportation; the situation is similar to business trips which increases energy consumption and GHG emissions. As long as the Group's requirements are fulfilled, preferences are given to local suppliers. In each procurement process, the Group will firstly consider and invite local suppliers to make quotations and provide product information, then leverage the factors such as raw material quality, cost and environmental protection. Non-local procurement will be considered only when the local suppliers fail to meet the relevant conditions.

### – Environmental education

The Group understands the long-term impact of the electronics industry on the environment, therefore plays an active role in the supply chain to promote the importance of emission reduction and establishes environmental management measures for suppliers to follow, including: for all vehicles that enter the Group's premises, they must be kept idle, the engines are not allowed to be running and emitting exhaust within the factory's premises; the exhaust emissions need to comply with the environmental requirements; all persons within the factory's premises shall abide by the requirements such as waste classification, no littering and no smoking. In addition, the Group requires chemical suppliers and transporters to ensure that chemicals are protected against leakage before arrival and the packaging, containers and labels of chemicals must comply with the relevant regulatory requirements; and the supply of materials, semi-finished products and finished products shall not contain any intentional or unintentional addition of flammable and explosive substances.

### – 支持本地供應商採購

採用非本地供應商須要額外的運輸過程，情況如同商務出差，對應增加能源消耗及溫室氣體的排放，故在符合集團要求的條件下，優先選用本地供應商。在每次的採購過程，集團會先考慮及邀請本地供應商作報價及提供產品資料，集團會平衡地考慮原材料質量、成本、環境保護等因素，只有在本地供應商供貨不符合相關條件時，才考慮非本地採購。

### – 環保教育

集團明白電子產業對環境的長遠影響，故在供應鏈中擔當積極的角色，致力推廣減排的重要性，制定了環境管理措施要求供應商遵守，包括：凡進入集團內的車輛，停車後必須熄匙，不得保持引擎轉動並在廠區內排放廢氣；尾氣的排放量須符合環保要求；進入廠區所有人員必須遵守垃圾不落地、垃圾分類及禁止吸煙等要求。此外，集團要求化學品供應及運輸商確保化學品在運抵前做好防洩漏措施，而化學品的包裝、容器及標識等必須符合相關法例要求；及供應的物料、半成品和成品亦不得包含任何有意或非故意添加的易燃易爆物質。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

The Group also incorporates the concept of environmental protection into employee's annual training program to enhance their environmental awareness. Environmental training topics include RoHS, ISO14001 environmental awareness, waste classification, chemical safety and so on. For key positions such as manufacturing and cleaning, trainings are provided to new employees of each month to ensure that they can classify and identify hazardous and non-hazardous wastes as well as arrange the qualified recycling companies for handling.

During the reporting period, the Group did not have any violation of environmental legislations. The sources and emission volumes of GHG are as follows:

集團亦將環境保護概念納入員工的年度培訓計劃中，提升他們的環保意識。環保培訓課題包括RoHS、ISO14001環保意識、廢棄物分類、化學品安全等。針對製造及清潔等關鍵崗位，更為每月新入職的員工提供培訓，確保他們能分類及標識有害廢棄物與無害廢棄物，並安排合資格的回收商處理。

在報告期間，集團沒有任何違反環境法例的個案發生，而報告期內所產生的溫室氣體的源頭及排放量如下：

GHG Emission Sources	溫室氣體的排放源	GHG Emission Volumes (kg carbon dioxide equivalent)	
		Total consumption volumes 總耗量	溫室氣體排放量(公斤二氧化碳當量)
Diesel oil consumption from stationary sources (litres)	固定源的柴油耗量(公升)	350	921
Diesel oil consumption from mobile sources (litres)	流動源的柴油耗量	240	641
Gasoline consumption from mobile sources (litres)	流動源的汽油耗量	33,427	75,991
Natural gas consumption (cubic meters)	天然氣耗量(立方米)	85,212	186,792
Power consumption of facilities (kWh)	設施耗電量(千瓦時)	5,152,310	4,336,280
Total GHG emissions	溫室氣體的排放總量		4,600,625
Production volume (piece)	生產量(件)		1,716,021
GHG Emission Intensity	溫室氣體排放密度		2.68
			(kg carbon dioxide equivalent/piece) (公斤二氧化碳當量/件)

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 3.1.2 Use of Resources

The Group understands that the resources on the planet are limited, therefore appropriate measures are implemented to enhance the efficiency of resources used, including:

#### *Energy saving*

In order to reduce energy consumption, the Group uses energy-efficient products and equipment as much as possible, and actively plans to replace equipment with high energy consumption, such as gradually replacing the factory's traditional electric lights with LED lights. There were 1,000 pieces of LED lights replaced in 2017, which have saved up 300,000 kWh compared with that in 2016. The air conditioning system uses a central control to effectively manage the temperature of each department and automatic shutdown is scheduled at a specified time to reduce additional energy consumption caused by uncontrolled temperature adjustments. In addition, employee's code of conduct for energy saving was established and requires employees to turn off electrical devices in office and production when off work, in order to ensure all machinery are shut down when out of working hours. It aims to develop employee a habit of shutting down machinery when leaving workplace.

#### *Water conservation*

In addition to re-use of the treated wastewater, the Group has adopted multiple administrative measures to enhance water consumption efficiency. In the daily operation, wastewater is collected and used for non-production purposes, such as toilet flushing or floor cleaning. Water equipment in the production workshops and offices are inspected and repaired timely for any leakage to avoid water wastage. Also, water conservation slogans are posted on bulletin boards to enhance employees' awareness of water conservation, and remind employees and visitors of water saving. During meetings, bottled water is replaced by reusable water containers to change the unfavourable employees' habit of using bottled water at meetings.

### 3.1.2 資源使用

集團明白地球上的資源有限，故推行適當措施以提升資源使用的效率，包括：

#### *節約能源*

為了減少能源的消耗，集團盡量使用能源效益較高的產品及設備，積極計劃更換高能耗的設備，如把工廠內的傳統電燈逐步更換成LED燈，2017年新換節能燈的數量約為1,000個，相較於2016年節省30萬千瓦時。空調系統採用中央控制，有效管理各部門的溫度，並設定在指定時間後自動關閉中央空調，以減少非受控的溫度調整而導致額外的能源消耗。此外，制定員工節約用電守則，要求員工每天下班離開工作位置時必須關閉辦公及生產用電設備，確保所有機器在下班時都關掉，目標是養成員工「人走關機」的習慣。

#### *節約用水*

除了循環使用經處理後的廢水，集團亦採用多重的行政手段以提升用水效益。在日常營運中會收集廢棄水，用作一般非生產的用途，如沖廁或沖洗地板等。對在生產車間及辦公室的用水設備，進行檢查並及時改善設備滴漏的狀況，防止滴漏浪費水資源。此外，在宣傳欄張貼節約用水標語，加強員工節約用水的意識，提醒員工及訪客節約用水。在舉辦會議時，以可重用的盛水器皿取代瓶裝水，改變員工在會議時使用瓶裝水的壞習慣。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

The Group's production site in Shenzhen has demonstrated the following achievements in the reporting period through the implementation of the aforesaid policies and measures for water conservation:

### Sources/types of water used

#### 用水種類／源頭

Re-use of treated production wastewater

循環使用處理後的生產廢水

Wastewater used for flushing toilets and cleaning floors

廢棄水用作沖廁或沖洗地板

Bottled water replaced by reusable water container in meeting

可重用的盛水器皿取代瓶裝水

### *Saving of office resources*

Electronic documentation is promoted in the daily operation; hardcopies are replaced by electronic files in computer and whenever possible paperless office operation is implemented to reduce the use of paper consumables. The Group set targets on amounts of paper to be used as well as expectations to all departments on paper saving. Employees are required to print on both sides of the paper. When copying or printing files, paper with only one side used should be collected for re-use for saving of new papers. Average weights of cartons and plasticised papers being reused are 2.5 tons per month, increased by 0.75 ton compared with that in last year.

透過落實以上節約用水措施，集團的深圳生產基地在報告期間已取得以下成效：

### Volume of water saved

#### 節省用水量

20 cubic meters per month

20 立方米／月

3-5 cubic meters per month

3-5 立方米／月

10 bottles per meeting

10 瓶水／會議

### *節約辦公室資源*

在日常營運中提倡加強文件電子化的要求，使用電腦存檔代替紙質文件，盡量實行無紙化辦公，以減少紙質辦公用品的使用；並設定紙用量的目標指標，對集團各部門定下節約用紙的期望；要求員工紙張採用雙面列印。在複印或列印檔案時，將單面用過的紙張回收再利用，節約用紙。每月平均回收的紙箱與膠類紙為2.5噸，相對於去年增加0.75噸。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

During the reporting period, the main resources consumed by the Group during operation are summarized as follows:

在報告期內，集團在運作期間所消耗的各種主要資源概列如下：

Resources	資源	Annual consumption (tons)		Intensity per production unit	
		全年總量(噸)		每生產單位的排放密度	
		Hong Kong	Shenzhen	Hong Kong	Shenzhen
		香港	深圳	香港	深圳
Electricity (KWh)	電力(千瓦時)	408,620	4,743,690	0.238	2.764
Water (cubic meters)	水(立方米)	123	183,868	0	0.107
Packaging materials (paper)	包裝物料(紙材)	NA		NA	
(piece)	(以個計算)	不適用	15,955,961	不適用	9.298
Packaging materials (plastic)	包裝物料(膠材)	NA		NA	
(piece)	(以個計算)	不適用	5,243,556	不適用	3.056

#### 3.1.3 The Environment and Natural Resources

The Group understands the environmental concerns from both community and customers, and promote policy on green manufacturing and green procurement policy:

##### *Green procurement policy*

When compliance with the Group's operating and pricing requirements, preference is given to suppliers who are competent to provide environmentally friendly products and/or services, including environmentally certified materials or services (such as RoHS and REACH compliant materials), use of products made of natural materials, products free of toxic and hazardous substances, and other products/devices compliant with the relevant environmental regulations. The Group is actively promoting the proportion of environmental suppliers (the proportion of suppliers providing environmentally friendly materials to the total suppliers), with the goal that the materials provided by suppliers are 100% RoHS compliant.

#### 3.1.3 環境及自然資源

集團了解社會及客戶對環保議題的關注，公司提倡綠色製造及綠色採購政策：

##### *綠色採購政策*

在符合集團營運要求及價格因素的情況下，優先選擇能提供環保產品及／或服務的供應商，覆蓋有環保認證的物料或服務(如RoHS、REACH的合規物料)，採用天然材料製造的產品，不含有毒、有害物質的產品及其他符合環境相關法例要求的產品／設備等。集團積極提升環保供應商的比重(提供環保物料的供應商佔全部供應商的比例)，目標是供應商提供的物料皆為100% RoHS符合的產品。



### *Green manufacturing policy*

Since the Group's business is the manufacturing of electronic products, the main environmental impacts are electronic waste generation and resource consumption during the production process. Therefore, the green manufacturing policy is implemented along with the green procurement policy to provide customers with environmental compliant products, including compliance with the local environmental laws in the importing countries, such as RoHS, REACH.

The Group is committed to the use of energy-efficient and water-efficient equipment in the manufacturing process. Resource recycling process is established to collect the reusable packaging materials for proper handling, in order to reduce waste generation and wastage of various production resources. A sewage treatment plant was set up to process wastewater for compliance with the environmental standards, and then the treated wastewater is recycled to be used for production or other purposes. This not only reduces wastewater discharge but also decreases the total water consumption.

The Group has defined day-to-day management measures to reduce and control the emissions of hazardous wastes. Annual environmental trainings are provided to employees to enhance their environmental awareness and to implement environmental management measures.

In addition, the Group regularly monitors the significant environmental impacts to ensure compliance with local regulations of where the Group's businesses locate. Regular environmental audits are conducted to identify nonconformities timely, and implement the appropriate corrective and preventive actions.

### *綠色製造政策*

因應集團業務為電子產品的製造，主要的環境影響在電子廢物的產生及生產過程中的資源耗用，故奉行綠色製造政策，配合綠色採購，向客戶提供符合環保要求的產品，包括符合入口國當地的環保法例如 RoHS、REACH 等。

在製造的過程上，致力採用節能節水的設備。設立資源回收過程，對可回收的包材進行回收處理，降低各種生產資源的浪費，減少產生廢棄物，並設有污水處理池，將生產廢水處理並當達到環保標準後，再循環使用作生產或其他用途，減少廢水排放的同時又可節省總用水量。

集團制定日常管理措施以減少及控制有害廢棄物的排放。每年提供環保培訓予員工，提升他們的環保意識及落實環保管理措施。

此外，集團定期對重大環境影響的因素進行監測，確保遵守業務當地的法例要求。定期進行環境審核，及時發現不符合事項並且採取糾正與預防措施。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 3.2 Society

#### 3.2.1 Employment

In addition to complying with local employment regulations, the Group has also formulated a series of employment policies to ensure that employees are treated in a fair and reasonable manner.

##### *Recruitment and promotion*

The Group recruits employees through the company's website, email, advertisements, etc., and gives equal opportunity to every job applicant. The Group shall not reject any applicant because of gender, age, race, and other physical conditions. Employment decisions are solely based on fulfilment of the job requirements, and shall not discriminate against physically disabled applicants. Besides local applicants, applicants of other ethnicities and nationalities are also considered at the time of recruitment, including ethnic minorities and expatriates.

Regarding the mechanism for employee's promotion, the Group only refers to the employee's performance, experience and competence, and does not consider other irrelevant attributes such as marital status, physical condition and gender, etc.

### 3.2 社會

#### 3.2.1 僱傭

集團除了遵守業務當地的僱傭條例要求，亦制定了一系列的僱傭政策，保障僱員獲得公平合理的對待。

##### *招聘及晉升*

集團通過公司網站、電郵、廣告等招聘員工，對每位工作應徵者都給予平等的權利，絕不會因性別、年齡、種族及其他身體狀況拒絕應徵者。聘請的決定都是從符合工作要求的角度去考慮，不會歧視身體有障礙的應徵者。在招聘時，除了本地人的申請，還會考慮其他種族及國家的人，包括少數族裔和外籍人士。

對於員工的晉升機制，集團只會參考員工的工作表現、經驗及個人能力，不會考慮其他無關係的因素如婚姻、身體狀況及性別等。

### Wages and Benefits

The Group signs a contract of employment with its employees in accordance with local laws to ensure employees' legal rights in the employment relationship, including the payment of legal minimum wage, and employees' entitlement to paid holidays, vacation, sick leave and leave for work-related injury. In addition to the purchase of social insurance for employees according to local employment regulations, the Group also purchases commercial insurance beyond the local regulations in order to reduce employee's cost of seeking for medical services. In case of work-related injuries and accidents, the Group will arrange reasonable compensation for its employees and their families in accordance with laws.

During the reporting period, the Group did not discover or receive any violations or complaints regarding discrimination or recruitment.

As of 31 December, 2017, the total number and distribution of employees within the Group are as follows:

		Number of Employees	
		員工人數	
Gender	性別	Hong Kong 香港	Shenzhen 深圳
Male	男性	28	333
Female	女性	22	661
		Hong Kong	Shenzhen
Job type	工作類別	香港	深圳
Full-time	全職	48	994
Part-time	兼職	2	—
		Hong Kong	Shenzhen
Age	員工年齡	香港	深圳
18 - 30	18 - 30	6	314
31 - 45	31 - 45	26	596
46 - 60	46 - 60	18	84
> 60	> 60	—	—
<b>Total</b>	<b>總數</b>	<b>50</b>	<b>994</b>

### 薪酬與福利

集團按業務當地的法例與員工簽定僱傭合約，保障員工在僱傭關係上的法定權益，包括確保最低工資的支付，員工依法享有帶薪節日期，病假和工傷假等。除了按當地的僱傭條例為員工購買社會保險，更為員工購買法例要求以外的商業保險，降低員工使用醫療服務的成本。遇到工傷事故及意外時，集團會依法對員工及其家屬安排合理賠償。

在報告期內，集團沒有發現或收到有關於歧視或招聘的違規事件或投訴個案。

截至2017年12月31日，集團內的員工總數及分佈概述如下：

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### Average Monthly Employee Turnover Rate (%)

### 每月平均僱員流失率 (%)

Gender	員工性別	Hong Kong	Shenzhen
		香港	深圳
Male	男性	7.14	2.58
Female	女性	7.58	2.24
Age	員工年齡	Hong Kong	Shenzhen
		香港	深圳
18 - 30	18 - 30	12.5	4.03
31 - 45	31 - 45	7.05	1.92
46 - 60	46 - 60	6.02	2.08
> 60	> 60	—	—
<b>Total average</b>	<b>總平均率</b>	<b>7.33</b>	<b>2.38</b>

### 3.2.2 Health and Safety

The Group is committed to achieving the goal of zero work accidents through different measures to prevent the occurrence of occupational diseases and work-related injuries and fatalities.

#### Workplace Safety Management

The Group conducts annual safety monitoring to identify potential safety hazards, and implement corrective and preventive actions in a timely manner. The Group installed protective devices for the production equipment and machinery in the workplace to ensure that employees are not exposed to dangerous parts. The compliance of the workplace is monitored, including the provision of adequate fire equipment and regular safety inspection. In addition, suppliers are requested to follow safety practice within the Group's premises. All vehicles within the premises must be limited to the speed of 10 km/hour with no honking is allowed. Their driving routes shall follow the instructions from the security team.

### 3.2.2 健康與安全

集團致力達致零工作意外的目標，以不同方面的措施防範員工職業病與工業傷亡的發生。

#### 工作場所之安全管理

集團進行年度安全監測工作，找出安全隱患，及時執行糾正及預防措施。對工作場所的生產設備及機器，安裝防護裝置，確保員工接觸不到危險的部份。監控工作場所的合規狀況，包括配備足夠的消防器材，並定期進行安全檢查。此外，要求供應商在集團範圍內進行安全操作，凡進入公司的車輛一律限速每小時10公里以內，嚴禁鳴按喇叭，行駛路線須按值班保安調度。

### *Employee Safety Training*

The Group provides personal protective equipment to employees where necessary, and arranges appropriate occupational health and safety trainings, including the proper usage of protective equipment, awareness of safety risks in the work place, content in the material safety data sheet (MSDS) and the use, storage and emergency response to leakage of chemicals. The Group also arranges fire and emergency drills regularly to train employees on the evacuation routes at dangerous situations.

### *Work and Life Balance*

The Group shall not force employees to work overtime, and regularly organizes recreational activities, psychological counselling and trainings to help employees relax from the working pressure, including psychological health seminars, family days, tug-of-wars, Kara-OK, and explores various sport activities amongst employees, such as the establishment of sport teams like basketball teams, football teams, table tennis teams. The Group also arranges book clubs in which books are recommended and insights are shared by participants.

In addition, the Group is very concerned about how employees view the company, therefore employee communication channels and suggestion boxes have been set up. The suggestions collected from the employees are followed up on a regular basis. Employee representatives are selected from each department with the Group and they shall meet regularly for discussion and sharing.

### *員工安全培訓*

集團提供個人防護裝備給相關員工，並安排適當的職業健康及安全培訓，包括正確使用防護裝備的方法，認識工作處所中的安全風險，物質安全資料表(MSDS)的內容，化學品安全使用、儲存、洩漏應急等方面的培訓。集團亦安排員工定期進行消防及應急演習，培訓員工在危急時的逃生路線。

### *工作與生活的平衡*

集團絕不會強迫員工超時工作，並會定期舉辦娛樂活動、心理轉導、培訓等幫助員工減壓，包括曾提供心理健康講座、舉辦家庭親子日、拔河比賽、卡拉OK等員工娛樂活動、開展各式各樣的員工業餘體育活動，設立籃球隊、足球隊、乒乓球隊等各種體育競技團隊、安排讀書分享會，推薦相關書籍，由參與人員分享閱讀心得。

除此之外，集團非常關注員工對公司的意見，故制定員工溝通管道，設立員工意見收集箱，定期對收集的員工意見跟進。在集團各部門選出員工代表，定期組織員工代表開會、討論與交流。



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

During the reporting period, the Group did not discover any violations against the local occupational health and safety regulations. Within the reporting period, no work-related fatality and lost day due to work-related injury was found.

#### 3.2.3 Development and Training

The Group established a comprehensive training system. Apart from the general classroom trainings, the Group emphasises on-the-job exercises and a mentor is assigned to every new employee. Through this apprenticeship programme, the mentor gives the hands-on guidance and supervises the new employee in accomplishing his/her work, this approaches enhances the training efficiency and the new employee's performance. Adjustments could be made to the apprenticeship program according to the new employee's competence and experience. At the same time, based on the Group's strategies for product and business development, career development plan is formulated for employees to support the sustainable development of the Group's business.

During the reporting period, the monthly average proportions of employees who have received training within the Group and the monthly average number of trained hours received by each employee are as follows:

在報告期間，集團沒有發現違反業務當地職業健康及安全相關的法例。在報告期內，沒有發現僱員因工作關係而死亡，及因僱員工傷而損失的工作時數。

#### 3.2.3 發展及培訓

集團建立完善的培訓體系，除了一般的課堂培訓外，集團強調工作實踐，故安排指導工給每位新員工，以「師帶徒」的方式親身指導及監督新員工完成工作，提升培訓效益及新員工的績效。「師帶徒」培訓可以按新員工的不同能力及經驗水平作出彈性調整，同時因應產品開發與業務拓展策略，對員工制定職業發展計劃，及推動集團業務的持續發展。

在報告期間，集團內部接受培訓僱員的百分比及每名僱員的平均培訓時數如下：

Gender	性別	Monthly Average Proportion of trained employees (%) 接受培訓的僱員的 每月平均百分比 (%)		Monthly Average Number of Trained Hours per employee 每名僱員的每月 平均培訓時數(小時)	
		Hong Kong 香港	Shenzhen 深圳	Hong Kong 香港	Shenzhen 深圳
Male	男性	4.17	23.97	0.54	0.54
Female	女性	0.38	31.23	0.01	0.62
Employee level	僱員級別	Hong Kong 香港		Shenzhen 深圳	
		Hong Kong 香港	Shenzhen 深圳	Hong Kong 香港	Shenzhen 深圳
Senior management	高級管理層	3.70	4.17	0.13	0.71
Middle management	中級管理層	3.16	20.75	0.44	0.55
Junior employee	初級員工	0	25.92	0	0.42

### 3.2.4 Labour Standards

The Group strictly prohibits the employment of child labour and will only employ employees aged 18 or above. The Group follows the principle of voluntary overtime to ensure that employees are willing to work and employee's personal freedom is protected. The Group is committed not to force employees to work overtime nor to work in any form of forced labour, including not using any bonded labours such as prison workers.

For effective prevention of child labour, the applicant's identity document shall be carefully examined at the time of recruitment to confirm the age of the applicant, and the application from an applicant less than 18 years of age shall be excluded. In addition, the Group's personnel management system set up an alert function to signal any applicant under the age of 18. With this double gate-keeping mechanism, the risk of misusing child labour could be avoided. Under the daily management, child labour will be terminated immediately when he/she is discovered within the Group.

The Group has also set up measures to prevent forced labour. Employees are required to submit working hours to their immediate supervisors. HR shall review employees' working hours, investigate immediately and stop the relevant work assignment in case of involuntarily overtime identified.

During the reporting period, the Group did not discover any employment of child labour nor any violation against the laws and regulations related to forced labour.

### 3.2.4 勞工準則

集團嚴格禁止聘用童工，只會聘請年滿18歲或以上的員工，及奉行自願加班原則，確保員工自願工作，保障員工人身自由，承諾不強迫員工超時工作及不以任何形式強迫僱員工作，包括不使用強迫勞動工如囚工等。

為了有效的防止童工，在招聘時會仔細查看應徵者的身份證明文件以確認應徵者的年齡，會剔除未滿18歲應徵者的申請。此外，集團的人事管理系統設置了年齡未滿18歲的提醒功能，在此雙重查核的機制下避免誤聘童工的風險。在日常管理下如發現童工在集團內工作，將會立刻停止僱用。

集團亦制定防止強制勞工的措施，員工需每天呈交工作時數予其直屬上司，人力資源部查看員工的工時記錄，當發現不自願超時情況，會立刻調查，並制止不自願的超時工作。

在報告期間，集團未有發現聘用童工及違反強制性勞動相關的法例。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 3.2.5 Supply Chain Management

The Group has developed supplier management policy for communication to the suppliers the expectations of the Group and the requirements that they need to abide by. The policy covers quality, environmental management, health and safety, social responsibility, and anti-terrorism management, etc. and these aspects are also the criteria for supplier selection. The Group has established a supplier selection and evaluation procedure, which conducted an initial review of new suppliers and an annual evaluation of key suppliers in the form of on-site audits or questionnaires. The contents of the evaluation include product quality, delivery time, environment, use of environmental friendly materials, and management of hazardous substances. After the evaluation, results shall be recorded as the monitoring evidence for the subsequent long-term partnership.

Based on the aforesaid evaluation scope, procurement preference will be given to local suppliers over their non-local counterparts who demonstrated the same performance level from evaluation. Non-local suppliers shall be considered only when no qualified local supplier available, currently local suppliers account for about 96%. As of 31 December 2017, the geographical distribution of the Group's suppliers is as follows:

Geographical locations	地理區域	Number of suppliers 供應商數量
China	中國	189
Hong Kong	香港	84
USA	美國	7
Korea	韓國	1
Japan	日本	1
Other	其他	2

### 3.2.5 供應鏈管理

集團制定供應商管理政策，向供應商溝通集團的期望並要求他們及其人員遵守的事項。這些管理政策覆蓋的範圍包括質量、環境管理、健康安全、社會責任、反恐管理等多方面，而這些方面亦是挑選供應商的準則。集團建立了供應商選擇及評審程序，對新供應商進行首次評審及對關鍵供應商進行年度評審，形式以現場審核或調查表執行。評審內容包括產品質量、交貨期、環境、環保物質使用、有害物質管理，評審後將結果形成記錄作為日後長期合作夥伴的監控依據。

在考慮上述評審範圍的同時，會優先考慮有相同條件的本地供應商，在沒有合適的本地供應商時才會向外採購。目前本地供應商佔大約96%，截2017年12月31日，集團供應商的地理分佈如下：

### 3.2.6 Product Responsibility

All products of the Group are subject to strict quality inspection/testing before shipping out of the factory, including the sampling and monitoring of hazardous substances in incoming materials such as 2011/65/EU the management procedure for the Restriction of the Use of Hazardous Substances in Electrical and Electronic Products, in-process quality control, and safety verification of the final products.

For product promotion and selling, the Group shall ensure the product information provided to the customer is true and accurate to avoid any misleading at the time of purchase. The Group also has designated customer service personnel responsible for responding customer inquiries and initiating product recall when necessary.

The Group has formulated a complaint handling mechanism to analyse with Quality Department on the complaint received from customer, and shall report the results of analysis and follow-up actions to the customer within the specified time frame.

During the reporting period, the Group did not discover any customer complaint or violation against regulations related to product responsibility; and no item among all products sold was recalled due to product safety and health reasons.

### 3.2.6 產品責任

集團所有產品在出廠前均須接受嚴格的质量檢測，包括來料抽樣監測有害物質如2011/65/EU電器電子產品有害物質限制使用管理辦法，過程中的質檢控制，及最終產品須接受的安全驗證。

所有產品在銷售時，集團確保提供給客戶的產品資訊必須是真實及準確，避免客戶在購買時被誤導。集團亦設有售後客戶服務專員，負責跟進客戶的查詢及必要時啟動產品回收程序。

集團制定了投訴處理機制，在收到客戶投訴後會與品質部一同分析個案，在指定期限內把分析結果及跟進工作向客戶反映。

在報告期間，集團未有發現違反產品責任相關的法例或顧客投訴；並且在已售產品總數中未有發現有產品因安全與健康理由而需要回收。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

### *Quality Assurance Process*

The Group starts the quality control of products at the source. Material from supplier is verified for the quality acceptable before production, alternatively the supplier is requested to provide an acceptable verification report for raw materials. At the manufacturing process, production lines are inspected and semi-finished products are sampled for verification to assure the process meets the specified technical requirements. Final verification shall be executed by Quality Department at the end of production; only finished products which pass the verification could be delivered and sold.

Upon identification of abnormal products through either external or internal findings, the Group shall discuss amongst the relevant departments about the need for identification, segregation and recall of the abnormal products when necessary. Whenever product recall is necessary, the Group shall collect the relevant batches of products from the customer, and implement the procedure of nonconforming products for analysis and disposal.

### *Product Recall/Return Procedure*

The Group has established product recall/return channel that allow customers to report the product defects through phone or email. Internal staff in the Group shall then evaluate the decision on product return upon receipt of customer's report. Whenever product return is deemed necessary, the Marketing Department shall inform the customer to return the relevant product. Warehouse shall record and track the returned products, and notify the Quality Department to conduct cause analysis in order to identify the solutions and the subsequent preventive measures.

### *質量檢定過程*

集團對產品的質量控制由源頭開始。供應商提供的物料在使用前會驗收其質量，或要求供應商提供原材料的合格驗收報告。在製造過程中，巡查生產線和抽檢半成品以確認過程符合相關的技術要求。製造完成後由品質部進行成品檢驗，只有檢驗合格後方可出售貨品。

不管通過外部或內部的發現，當集團確認異常產品，會與相關部門討論對異常產品的標識、隔離及回收的必要性。如有回收的必要性，集團將會向客戶回收相關批次的產品，並按不良品的程序分析及處理。

### *產品回收／顧客退貨程序*

集團制定了回收／退貨渠道，可讓顧客致電或電郵闡述產品問題，集團內部相關人員在收到意見後會評估產品退回的決定。若須退貨，市場部會通知顧客以退回確認的相關產品。貨倉部會將所有退回的產品進行記錄跟蹤，並通知品質部對產品進行原因分析，尋找解決方案及日後的預防措施。



### *Intellectual Property Protection*

All products sold by the Group are newly designed by own brand. For assurance of own brand's intellectual property, product design is sampled and checked regularly for the ownership of the brand. Products will be arranged to put off the shelf immediately upon any infringement of property right is found.

The Group shall only adopt the product output from its own design centre, and the design centre shall not plagiarize the design of other institutions. In the employment contracts for employees in design centre, plagiarism is not allowed and they committed that all their designs belong to company's assets and they shall be held responsible for the confidentiality of their own design products.

Up to now the Group has 5 product patents registered in the United States, and 8 product patents registered in PRC. For management of information security, the Group established KMS system through which information of the Group's own design and product specifications from customer is encrypted to prevent data leakage.

The Group promises not to purchase any pirated office software, and such software shall only be purchased from suppliers who have the appropriate copyright; In addition, the IT Department shall conduct internal audits to monitor any download of pirated software by employees. When employees discovered using pirated software, he/she shall be instructed to delete the pirated software immediately and be issued a warning letter for prevention of recurrence.

### *知識產權的維護*

集團出售的產品都是全新自家設計。為了確認知識產權，會定期抽查產品的設計是否由自家公司擁有。當發現有違權的設計，會立刻安排產品下架。

集團只會採用由自家設計中心的產物，設計中心不會抄襲其他機構的設計。在僱傭合約中，亦要求設計部員工不容許有任何抄襲行為，承諾所有設計產物都屬公司資產及須對自己設計的產物承擔保密責任。

到目前為止，集團有5個產品專利在美國註冊，有8個在中國註冊。在資訊安全管理方面，集團建立KMS系統，自家設計與客戶提供的產品規格等資訊均透過此系統加密保護以防資料外洩。

在辦公室應用的軟件，集團承諾不會購買任何盜版軟件，只從持有版權的供應商採購；另外，資訊科技部會進行內審，監察員工有否下載盜版軟件的狀況。如發現員工使用盜版軟件，會立即通知員工移除，並向其發出警告信防止再犯。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

#### *Privacy Protection of Consumer Information*

The Group has developed a policy for protection of consumer information and privacy. Consumer information will not be used for publicity or promotion without consumer's permission. At the operation stage where consumer information is processed by the Group's subcontractor, the Group shall enter into a confidentiality agreement with the subcontractor and request the subcontractor to have a robust information security management system for preventing leakage and theft of customer information.

#### **3.2.7 Anti-Corruption**

The Group has established corporate governance policies in accordance with the Code of Corporate Governance from the Hong Kong Stock Exchange. Also, the Group has formulated a policy of anti-corruption and prohibited company directors, managers, employees and other representatives from giving or accepting bribes.

#### *Internal Audit of Corporate Governance*

The Group has established an Audit Committee which is responsible to develop internal audit control procedures and annual audit plans for the Group. This Committee conducts audits in an ongoing and systematic manner in accordance with the annual audit plan and the additional task announcement from the top management. Audit report is regularly communicated with the management and disclosed to the Audit Committee. Corrective actions and subsequent follow-ups shall be implemented in accordance with the time frame specified in the audit report.

Moreover, the Group hired an independent third party to conduct audit on the Group's financial accounts. It aims to assure the company's accounts are clear and accurate for enhancement of internal financial control and supervision so that the interests of shareholders are protected.

#### *消費者資料的私隱保障*

集團制定了消費者資料的私隱及保障政策，未經客戶允許一概不會將客戶資料用於公開宣傳。如在業務的運營上有需要將消費者資料交由承包商處理，集團會與相關的承包商簽定保密協議，並要求承包商有完善的資訊安全管理系統，以防客戶資料外洩及被盜。

#### **3.2.7 反貪污**

集團按照香港聯交所企業管理守則，制定企業管治政策；並制定防止貪污政策，禁止公司董事、經理、員工及其他代表贈送或收授賄賂。

#### *企業管治內部審核*

集團設有審計委員會，制定內部審計管制程序及企業內部審計年度計劃，根據年度審計計劃及領導層額外公佈的工作任務，持續有序開展審計項目。審計報告定期與管理層進行溝通並向審計委員會披露，根據審計報告規定的時間整改及進行後續跟進。

此外，集團聘用獨立第三方機構核算集團的財務帳目，確保公司的帳目分明準確，加強內部財務控制制度與監督，以保障股東的權益。

### *Anti-Corruption Awareness Training*

The Group announces its internal code of integrity at least once a year with an emphasis on the awareness of corporate integrity; this includes the principle that the Group never owes compensation, benefits and bonuses to its employees and never owes payments to its suppliers. Also, additional effort is paid to strengthen the awareness of anti-corruption to key departments and positions. The Group communicates anti-corruption and integrity through hotline, website and posters, and establishes investigation channel for employees to report suspected fraud or corruption and other illegal incidents such as extortion and money laundering.

### *Whistle-blowing Procedure*

The Group has a whistle-blowing mechanism and communication channel for employees, customers and suppliers to freely report any on fraud, corruption and other illegal incidents. The reporting person is allowed to send a written message to the mailbox of Internal Audit Department in confidential and anonymous manner. Upon receipt, the Internal Audit Department shall conduct investigation with other relevant departments such as human resources, legal, logistics and career development, and then return the investigation results to the reporting person.

### *Anti-Corruption Measures*

In addition, the Group has established anti-corruption measures for various aspects, including the declaration of personal interests by new employee when report duty; also, directors are required to declare according to the law their own interests including those in the competition business; regarding procurement, evaluation from at least three suppliers is required to obtain fair and reliable quotes for making procurement decision; for approval of service contracts, different levels of personnel are authorized corresponding to different levels of contract amount in order to ensure adequate review.

During the reporting period, the Group did not discover any legal cases or complaints related to corruption.

### *反貪意識培訓*

集團每年至少一次宣布企業內部誠信準則，強調企業誠信意識，包括從不拖欠員工薪酬、福利、獎金；不拖欠供應商貨款，並特別對關鍵部門與崗位加強反貪意識。在集團內通過熱線、網站、海報等溝通企業反貪誠信，並設置調查渠道供員工舉報疑似舞弊、貪污或其他違法事件如勒索、洗黑錢等。

### *舉報程序*

集團設有告密機制及溝通渠道，供員工、客戶及供應商自由舉報關於舞弊、貪污或其他違法事件，舉報人士可以保密及匿名的書面方式送至內審部郵箱，收到後內審部與其他相關部門如人力、法務、物流、事業發展部門進行調查，把調查結果反饋給舉報人士。

### *反貪措施*

除此以外，集團制定不同範疇的反貪措施；包括新員工在入職時需申報個人利益。另外，董事也按法律規定申報其董事權益及在競爭業務中擁有的權益。對於採購管控，要求收集三家供應商或以上的評估資料才作出採購決定，確保公平公正的採購報價。對於服務合約的審批，針對不同的合約金額授權不同級別的審批人，以確保足夠的查核。

在報告期間，集團未有發現與貪污相關的違例案件或投訴。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

### 3.2.8 *Community Investment*

Each year the Group has actively liaison with community groups of similar concept in corporate responsibility to seek for suggestions, and defines the number of cooperation plans with community groups as the performance indicator in this aspect. Reasons will be explored for the cooperation plans that could not be concluded in the year. The Group has designated department responsible for collecting suggestions from community groups and responding within the prescribed time frame. The suggestions collected will be reviewed for translating into performance indicators for future evaluations. The performance of the channel for collecting these suggestions will be assessed, improved, and reported to the community and relevant stakeholders as needed on annual basis.

The Group has been involved in a variety of community activities, support for environmental protection and education. These include cleaning of roads and marine wastes, education support of poor and left-behind children, and fundraising to support education of children in rural areas.

### 3.2.8 社區投資

集團每年主動與企業責任概念相似的社區團體聯絡，搜集意見；並確認與社區團體合作計劃的數目為這層面的績效指標。對未有合作計劃落實，會致力探討原因。集團設有指定部門負責收取社區團體意見，並在規定期限內回覆。收集到的團體意見會研究轉化為績效指標作日後的評估。對於社區團體意見收集管道的績效，每年會作出評估、改善、及在需要時向社區及相關的持份者反映。

集團曾參與多方面的社區活動，支持環保及教育，種類包括清潔道路及海洋垃圾、支援貧困留守兒童教育、設立基金、支援貧苦山區孩子學習等。

The directors (the "Directors") of IDT International Limited (the "Company") are pleased to present to the shareholders their annual report and audited financial statements of the Company and its subsidiaries (the "Group") during the year ended December 31, 2017.

### PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Its principal subsidiaries are engaged in investment holdings, design, development, manufacturing, marketing and distribution of lifestyle electronic products. Details of the principal activities of the Group are set out in note 1 to the Consolidated Financial Statements.

### SEGMENT INFORMATION

Details of segment information are set out in note 6 to the Consolidated Financial Statements.

### RESULTS

The results of the Group for the year ended December 31, 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on page 104 and further analysis is given in the accompanying notes to the financial statements.

### DIVIDENDS

No interim dividend was paid for the year ended December 31, 2017 (for the year ended December 31, 2016: nil).

The Directors have resolved not to recommend the payment of a final dividend for the year ended December 31, 2017 (for the year ended December 31, 2016: nil).

萬威國際有限公司(「本公司」)董事會(「董事會」)欣然向各股東呈覽本公司及其附屬公司(「本集團」)截至二零一七年十二月三十一日止年度之報告書及經審核財務報表。

### 主要業務

本公司乃一間投資控股公司。各主要附屬公司從事投資控股、設計、開發、製造、市場推廣及分銷時尚生活電子產品。本集團主要業務之詳情載於綜合財務報表附註第1項。

### 分部資料

分部資料詳情載於綜合財務報表附註第6項。

### 業績

本集團截至二零一七年十二月三十一日止年度之業績載於第104頁之綜合損益及其他全面收益表，進一步分析則載於隨附之財務報表附註。

### 股息

本公司並無於截至二零一七年十二月三十一日止年度派付中期股息(截至二零一六年十二月三十一日止年度：無)。

董事會議決不建議派發截至二零一七年十二月三十一日止年度末期股息(截至二零一六年十二月三十一日止年度：無)。



## DIRECTORS' REPORT 董事會報告書

### GROUP 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 183 to 184.

### SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended December 31, 2017 are set out in note 23 to the Consolidated Financial Statements.

### RESERVES

Details of movements in reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on page 107, and the financial information of the Company on page 182, respectively.

### DISTRIBUTABLE RESERVES

At December 31, 2017, the Company did not have reserves available for distribution as calculated in accordance with the provisions of the laws of Bermuda.

### PROPERTY, PLANT AND EQUIPMENT

During the year ended December 31, 2017, the Group spent an aggregate amount of approximately HK\$24.8 million (for the year ended December 31, 2016: HK\$7.5 million) on the acquisition of property, plant and equipment for the purpose of business expansion.

Details of movements in property, plant and equipment of the Group during the year are set out in note 13 to the Consolidated Financial Statements.

### 集團財務概要

本集團過去五個財政年度之業績及資產與負債概要載於第 183 頁至第 184 頁。

### 股本

本公司於截至二零一七年十二月三十一日止年度股本之變動詳情載於綜合財務報表附註第 23 項。

### 儲備

本集團及本公司於本年度內儲備之變動詳情分別載於第 107 頁之綜合權益變動表及第 182 頁之本公司的財務資料內。

### 可供分派儲備

於二零一七年十二月三十一日，根據百慕達法律條文計算本公司並無可供分派儲備。

### 物業、機器及設備

本集團於截至二零一七年十二月三十一日止年度就業務擴充購置物業、機器及設備之支出合共約港幣 24.8 百萬元(截至二零一六年十二月三十一日止年度：港幣 7.5 百萬元)。

本集團於本年度內物業、機器及設備之變動詳情載於綜合財務報表附註第 13 項。

### MAJOR CUSTOMERS AND SUPPLIERS

During the year ended December 31, 2017, the aggregate percentage of purchases attributable to the Group's five largest suppliers in the year accounted for approximately 27.4% of the Group's purchases and the purchases attributable to the largest supplier accounted for approximately 12.2% of the Group's purchases.

During the year ended December 31, 2017, the aggregate percentage of turnover attributable to the Group's five largest customers was approximately 30.7% of the Group's turnover and the percentage of turnover attributable to the Group's largest customer was approximately 16.8% of the Group's turnover.

None of the directors, their associates or shareholders, who to the knowledge of the Directors own more than 5% of the Company's share capital, had any interest in any of the five largest customers.

### 主要客戶及供應商

於截至二零一七年十二月三十一日止年度，向本集團五大供應商之採購貨額合共佔本集團之採購額約27.4%，而向最大供應商之採購額則佔本集團之採購額約12.2%。

於截至二零一七年十二月三十一日止年度，本集團五大客戶之營業額合共佔本集團之營業額約30.7%，而來自本集團最大客戶之營業額則佔本集團之營業額約16.8%。

各董事、彼等之聯繫人士或據董事所知擁有本公司5%以上股本之股東，概無在任何五大客戶中擁有任何權益。

## DIRECTORS' REPORT 董事會報告書

### DIRECTORS

The Directors who held office during the year ended December 31, 2017 are:

#### Executive directors:

Foo Piau Phang (*Chairman*)

Qi Miao (*re-designated from Non-executive Director to Executive Director on March 2, 2018*)

Hou Kaai Wern (*resigned on March 1, 2017*)

#### Non-Executive directors:

Song Rongrong

Wu Gang (*appointed on March 2, 2018*)

Yan Keya (*appointed on March 2, 2018*)

Han Hongtu (*appointed on March 2, 2018*)

Xin Kexia (*resigned on March 2, 2018*)

Jing Tian (*resigned on March 2, 2018*)

Shi Changyun (*resigned on March 2, 2018*)

#### Independent Non-Executive directors:

Yang Xiongsheng

Zhao Yuhong

Li Quan

Duh Jia-Bin

### 董事

截至二零一七年十二月三十一日止年度之本公司在任董事如下：

#### 執行董事：

符標榜(主席)

祁淼(於二零一八年三月二日由非執行董事調任為執行董事)

侯凱文(於二零一七年三月一日辭任)

#### 非執行董事：

宋榮榮

吳剛(於二零一八年三月二日獲委任)

鄢克亞(於二零一八年三月二日獲委任)

韓宏圖(於二零一八年三月二日獲委任)

辛克俠(於二零一八年三月二日辭任)

荆天(於二零一八年三月二日辭任)

施長雲(於二零一八年三月二日辭任)

#### 獨立非執行董事：

楊雄勝

趙宇紅

李權

杜家濱

In accordance with Bye-Law 89 of the Company's Bye-Laws, any Director appointed as an additional Director or to fill a casual vacancy shall hold office only until the next following annual general meeting of the Company and shall be eligible for re-election but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting. On March 2, 2018, Mr. Wu Gang, Mr. Yan Keya and Mr. Han Hongtu were appointed as non-executive Directors. They are eligible and, will offer themselves for re-election at the next annual general meeting of the Company.

In accordance with Bye-Law 97 of the Company's Bye-Laws, Mr. QiMiao, Mr. Yang Xiaonsheng, Dr. Li Quan will retire from office by rotation as Directors at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

The Company has received an annual confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). The Company considers all the independent non-executive Directors as independent.

### DIRECTORS BIOGRAPHY

Biographical details of the existing Directors are set out on pages 14 to 19 of this Annual Report.

### DIRECTORS' SERVICE CONTRACTS

Each of the independent non-executive Directors has entered into a service contract with the Company for a term of three years which can be terminated by either party giving a three month's written notice to the other party. Under such service contract, each of the independent non-executive directors is subject to retirement by rotation at the annual general meeting of the Company in accordance with the Company's Bye-Laws, and is entitled to a fee of HK\$200,000 per annum subject to such adjustments as the Board of the Company considers appropriate and the approval of the shareholders at annual general meeting of the Company. Remuneration shall be paid to a director for appointment as a member of a particular committee.

None of the Directors has a service contract which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

根據本公司章程細則第89條，額外獲委任加入董事會或填補臨時空缺之任何董事將僅任期直至本公司下屆股東週年大會，屆時將合資格在會上獲重選連任，惟於釐定應於該股東大會輪值告退的董事人選或董事數目時不應被計入在內。於二零一八年三月二日，吳剛先生、鄒克亞先生及韓宏圖先生獲委任為非執行董事。他們符合資格並將於本公司下屆股東週年大會上尋求重選連任。

根據本公司章程細則第97條，祁淼先生、楊雄勝先生、李權博士將於本公司應屆股東週年大會輪值退任董事，且符合資格膺選連任。

本公司已接獲各獨立非執行董事根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)第3.13條之規定每年作出之獨立確認書。本公司視所有獨立非執行董事屬獨立。

### 董事之履歷

現任董事之履歷詳情載於本年報第14至19頁。

### 董事服務合約

各獨立非執行董事亦已與本公司訂立服務合約，任期三年，可由其中一方向另一方發出三個月之書面通知予以終止。根據該服務合約，各獨立非執行董事須遵照本公司章程細則於本公司股東週年大會上輪值告退。各獨立非執行董事有權收取每年港幣200,000元之袍金，此袍金可由本公司董事會認為適當時予以調整，惟調整需於本公司股東週年大會上經股東批准。如董事獲委任為個別委員會之成員，其將獲發袍金。

董事概無訂立任何於一年內若無賠償(法定賠償除外)則不可由本集團終止之服務合約。

## DIRECTORS' REPORT

### 董事會報告書

#### DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

There were no contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, which subsisted at the end of the year or at any time during the year ended December 31, 2017.

#### 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 in existence during the year ended December 31, 2017.

#### DIRECTORS' INTERESTS IN SECURITIES

None of the directors or chief executives of the Company or any of their associates had, as at December 31, 2017, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under the provisions of the SFO) or which were recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

#### 董事於重要合約之權益

本公司或其任何附屬公司在年終或於截至二零一七年十二月三十一日止年度任何時間概無訂立任何董事於其中直接或間接擁有重大權益之重要合約。

#### 管理合約

於截至二零一七年十二月三十一日止年度概無簽訂或存在任何有關本公司全部或重要部份業務之管理及行政合約。

#### 董事之證券權益

於二零一七年十二月三十一日，本公司董事及行政總裁以及彼等之任何聯繫人士，概無於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯合交易所有限公司(「聯交所」)(包括根據該等證券及期貨條例條文被當作或視作擁有之權益或淡倉)或本公司根據證券及期貨條例第352條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須知會本公司及聯交所之任何權益及淡倉。



### SHARE OPTION SCHEME

The effective share option scheme (the "2012 Share Option Scheme") was adopted by the Company on August 29, 2012. During the period under review, no share was granted, exercised, lapsed or cancelled under the 2012 Share Option Scheme. As at December 31, 2017, there was no outstanding share option of the Company.

### DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

No share options were granted to or exercised by the Directors during year ended December 31, 2017 and there is no outstanding balance at December 31, 2017.

Save as disclosed above, at no time during the year ended December 31, 2017 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors or their respective spouse or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### 購股權計劃

本公司現時有效的購股權(「二零一二年購股權計劃」)於二零一二年八月二十九日採納。於回顧期內，根據二零一二年購股權計劃，概無任何購股權被授予，獲行使，失效或被取消。於二零一七年十二月三十一日，本公司並無已經授出但尚未行使的購股權。

### 董事購買股份或債權證之權利

於截至二零一七年十二月三十一日止年度董事並無獲授或行使購股權及於二零一七年十二月三十一日並無尚未行使之購股權。

除上文所披露者外，於截至二零一七年十二月三十一日止年度，本公司或其任何附屬公司概無參與任何安排，使董事或其個別之配偶或十八歲以下之子女可藉購買本公司或任何其他法人團體之股份或債權證而獲得利益。

## DIRECTORS' REPORT 董事會報告書

### SUBSTANTIAL SHAREHOLDERS

As at December 31, 2017, the following persons (other than the Directors or the chief executives of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO or as otherwise notified to the Company:

Name	名稱	No. of shares held 所持股份數目	% of the issued share capital 佔已發行股本百分比
Jiangsu Hongtu High Technology Co., Ltd ( <i>note 1</i> )	江蘇宏圖高科技股份有限公司 (附註1)	1,310,896,765 (L)	50.42%
Jiangsu Hongtu High Technology (Hong Kong) Co. Limited ( <i>note 2</i> )	江蘇宏圖高科技(香港)股份有限公司(附註2)	1,310,896,765 (L)	50.42%
Hongtu High Technology Int'l Inc.	Hongtu High Technology Int'l Inc.	1,310,896,765 (L)	50.42%
Chan Pau Shiu Yeng Shirley ( <i>note 3</i> )	陳鮑雪瑩(附註3)	130,412,067 (L)	5.02%
Raymond Chan ( <i>note 3</i> )	陳煒文(附註3)	130,412,067 (L)	5.02%

Notes:

- (1) Jiangsu Hongtu High Technology Co., Ltd. holds 100% of the equity interests of Jiangsu Hongtu High Technology (Hong Kong) Co. Limited ("Hongtu (HK)"). Therefore, it is deemed to be interested in the interest in the shares of the Company held by Hongtu (HK) through its subsidiary (see note 2 below).
- (2) Hongtu (HK) holds 100% of the issued share of Hongtu High Technology Int'l Inc. ("Hongtu (Seychelles)"). Therefore, Hongtu (HK) is deemed to be interested in the 1,310,896,765 shares of the Company beneficially owned by Hongtu (Seychelles) by virtue of its shareholding of Hongtu (Seychelles).
- (3) Mrs. Chan Pau Shiu Yeng, Shirley ("Mrs. Chan") is the wife of Dr. Raymond Chan ("Dr. Chan"). She is therefore deemed to be interested in the 130,412,067 shares of the Company held by Dr. Chan.

The letter "L" denotes the shareholder's long position in the shares.

### 主要股東

於二零一七年十二月三十一日，除本公司董事或行政總裁外，下列人士於本公司之股份及相關股份中，擁有本公司根據證券及期貨條例第336條須予備存之登記冊所記錄或須知會本公司之權益或淡倉：

No. of shares held 所持股份數目	% of the issued share capital 佔已發行股本百分比
1,310,896,765 (L)	50.42%
1,310,896,765 (L)	50.42%
1,310,896,765 (L)	50.42%
130,412,067 (L)	5.02%
130,412,067 (L)	5.02%

附註：

- (1) 江蘇宏圖高科技股份有限公司持有江蘇宏圖高科技(香港)股份有限公司(「江蘇宏圖香港」)100%股本權益，因而被視為通過其附屬公司(見下文附註2)擁有江蘇宏圖香港所持本公司股份的權益。
- (2) 江蘇宏圖香港持有Hongtu High Technology Int'l Inc. (「Hongtu (Seychelles)」)之已發行股份100%。因此，江蘇宏圖香港因持有Hongtu(Seychelles)之股權而被視為擁有Hongtu (Seychelles)實益擁有的本公司1,310,896,765股股份之權益。
- (3) 陳鮑雪瑩女士(「陳女士」)為陳煒文博士(「陳博士」)之妻子。因此其被視為擁有陳博士持有的本公司130,412,067股股份的權益。

[L]代表股東在此等股份中所持之好倉。

Save as disclosed above, the Company had not been notified by any person (other than the Directors or chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company as at December 31, 2017 which were required to be disclosed to the Company under Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

### CONTINUING CONNECTED TRANSACTIONS

On June 9, 2017, 歐西亞貿易(上海)有限公司(Oregon Scientific Enterprise (Shanghai) Limited\*) ("Oregon Shanghai"), an indirect wholly-owned subsidiary of the Company, as the consignor entered into:

- (i) the product consignment agreement and the related supplemental agreement with 北京樂語通訊連鎖瀋陽採購中心有限公司(Beijing Funtalk Communication Chain Shuyang Procurement Centre Ltd.\*) ("Funtalk"), a company established in the PRC and controlled by 三胞集團有限公司(Sanpower Group Co., Ltd.\*) ("Sanpower Group"), a conglomerate established in the PRC, as consignee in respect of the consignment of the products of Oregon Shanghai, such as consumer electronic products developed and manufactured by Oregon Shanghai ("Products") through the sales and marketing network of Funtalk in the PRC during the period from 9 June 2017 to 31 December 2019;
- (ii) the supplemental agreement of the product procurement agreement and the product procurement (consignment) agreement dated 20 April 2017 with 宏圖三胞高科技技術有限公司(High Tech Sanpower Co. Ltd.\*) ("HISAP"), a company established in the PRC and controlled by Sanpower Group, as consignee in respect of the consignment of the Products through the sales and marketing network of HISAP in the PRC during the period from 20 April 2017 to 31 December 2019; and

除上文所披露者外，於二零一七年十二月三十一日，本公司並無接獲任何人士(本公司董事或行政總裁除外)知會，彼於本公司之股份及相關股份中，擁有根據證券及期貨條例第XV部須向本公司披露或本公司根據證券及期貨條例第336條須予備存之登記冊所記錄之權益或淡倉。

### 持續關聯交易

於二零一七年六月九日，本公司間接全資附屬公司歐西亞貿易(上海)有限公司(「歐西亞(上海)」)(作為寄銷人)：

- (i) 與北京樂語通訊連鎖瀋陽採購中心有限公司(「樂語」，一間於中國成立及由三胞集團有限公司(「三胞集團」，在中國成立之集團)控制之公司)(作為承銷人)，就於二零一七年六月九日至二零一九年十二月三十一日期間透過樂語於中國之銷售及行銷網絡代銷歐西亞(上海)之產品(如歐西亞(上海)所開發及生產之電子消費產品)(「該等產品」)而訂立之產品代銷協定及相關補充協定；
- (ii) 與宏圖三胞高科技技術有限公司(「宏圖三胞」，一間於中國成立及由三胞集團控制之公司)(作為承銷人)就於二零一七年四月二十日至二零一九年十二月三十一日期間透過宏圖三胞於中國之銷售及行銷網絡代銷該等產品而於二零一七年四月二十日訂立之產品採購協定及產品採購(代銷)協定之補充協定；及

## DIRECTORS' REPORT

### 董事會報告書

- (iii) the supplemental agreement of the non-exclusive marketplace services agreement dated 20 April 2017 with 上海美昔貿易有限公司 (Shanghai Meici Trading Limited\*) ("Meici"), a company established in the PRC and controlled by Sanpower Group, as consignee in respect of the consignment of the Products through the sales and marketing network of Meici in the PRC during the period from 20 April 2017 to 31 December 2019.

As at the date of the consignment agreements (as supplemented and amended by the supplemental agreements) ("Consignment Agreements"), as 江蘇宏圖高科技股份有限公司 (Jiangsu Hongtu High Technology Co., Ltd.\*), a controlling shareholder of the Company, is accounted for and consolidated in the audited consolidated accounts of Sanpower Group, Sanpower Group is a connected person of the Company for the purpose of the Listing Rules. Each of HISAP, Meici and Funtalk is controlled by Sanpower Group, and thus each of HISAP, Meici and Funtalk is a connected person of the Company. Accordingly, the transactions contemplated under the Consignment Agreements constitute continuing connected transactions of the Company under the Listing Rules.

Details of the terms and conditions of the Consignment Agreements can be referred to the Company's announcement issued and published on the website of the Stock Exchange of Hong Kong Limited on June 9, 2017.

During the year ended December 31, 2017, the aggregate commission amount paid to consignee amounted to approximately HK\$591,000.

- (iii) 與上海美昔貿易有限公司(「美昔」，一間於中國成立及由三胞集團控制之公司) (作為承銷人)就於二零一七年四月二十日至二零一九年十二月三十一日期間透過美昔於中國之銷售及行銷網絡代銷該等產品而於二零一七年四月二十日訂立之非獨家市場服務協定之補充協定。

於代銷協定(經補充協定所補充及修訂)(「代銷協議」)訂立日期，由於本公司之控股股東江蘇宏圖高科技股份有限公司綜合計入宏圖三胞集團之經審核綜合帳目內，因此，根據上市規則，三胞集團為本公司之關連人士。宏圖三胞、美昔及樂語各自自由三胞集團控制，故此宏圖三胞、美昔及樂語各自為本公司之關連人士。因此，根據上市規則，代銷協定項下擬進行之交易構成本公司之關連交易。

有關代銷協議之條款及條件之詳情，請參閱本公司日期為二零一七年六月九日刊憲於香港聯合交易所有限公司網頁之公告。

截至二零一七十二月三十一日止年度，向承銷人合計支付的佣金金額約為港幣591,000元。

#### CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

The Company had no outstanding convertible securities, options, warrants or similar rights at December 31, 2017.

There was no issue or exercise of any convertible securities, options, warrants or similar rights of the Company during the year ended December 31, 2017.

#### REMUNERATION POLICY

Details of the Group's remuneration policy are set out in the section of "Management Discussion and Analysis" from pages 28 to 29 of this annual report.

#### 可轉換證券、購股權、認股權證或類似權利

本公司於二零一七年十二月三十一日概無任何尚未行使之可轉換證券、購股權、認股權證或類似權利。

截至二零一七年十二月三十一日止年度，本公司並無任何可轉換證券、購股權、認股權證或類似權利獲發行或行使。

#### 薪酬政策

本集團之薪酬政策詳情載於本年報第28至29頁之「管理層討論及分析」一節。



## DIRECTORS' REPORT

### 董事會報告書

#### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own Code of Conduct for Securities Transactions by Directors (the "Code of Conduct for Securities Transactions"). This is on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules, and has been updated from time to time.

Having made specific enquiries to all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code and the Code of Conduct for Securities Transactions throughout the year ended December 31, 2017.

The board members have been reminded of their obligation to comply with the Model Code.

#### CORPORATE GOVERNANCE

The Group's corporate governance principles and practices are set out in the Corporate Governance Report on pages 30 to 53 of this annual report.

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

During the year ended December 31, 2017, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

#### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

#### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained sufficient public float throughout the year ended December 31, 2017 as required under the Listing Rules.

#### 證券交易之標準守則

本公司已採納一項董事證券交易之行為守則（「證券交易之行為守則」），其條款與上市規則附錄十所載之上市發行人董事進行證券交易之標準守則（「標準守則」）所規定之交易標準同樣嚴謹。

向全體董事作出特定查詢後，全體董事確認彼等已於截至二零一七年十二月三十一日止整個年度遵守標準守則及證券交易之行為守則所載之標準。

董事會成員獲提醒其有義務遵守標準守則。

#### 企業管治

有關本集團所採納之企業管治原則及常規已列載於本年報第30頁至第53頁之企業管治報告書內。

#### 購買、出售或贖回本公司之上市證券

截至二零一七年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

#### 優先購買權

本公司章程細則或百慕達法例並無有關本公司須按比例向現有股東發售新股份之優先購買權之規定。

#### 足夠公眾持股量

於本報告書之日期，根據本公司獲得之公開資料及就董事所知悉，本公司於截至二零一七年十二月三十一日止年度內已維持上市規則所規定之公眾持股量。

## AUDITOR

The financial statements have been audited by Messrs. Deloitte Touche Tohmatsu, who retire and, being eligible, offer themselves for re-appointment. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor.

## PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Bye-laws, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director.

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

On behalf of the Board

**Foo Piau Phang**

*Executive Director (Chairman)*

**Qi Miao**

*Executive Director (Chief Executive Officer)*

March 22, 2018

Hong Kong

## 核數師

本公司之財務報表經由德勤•關黃陳方會計師行審核，彼將退任，惟符合資格且願重獲委聘。一項有關續聘德勤•關黃陳方會計師行為核數師之決議案將於本公司應屆股東週年大會上予以提呈。

## 獲批准的彌償條文

根據本公司的細則，全體董事均有權因其作為董事而就其產生或蒙受的一切虧損或負債自本公司資產中獲得彌償。

本公司已於整個年度為本集團董事及高級管理人員安排適當保險保障。

代表董事會

**符標榜**

*執行董事(主席)*

**祁焱**

*執行董事(行政總裁)*

二零一八年三月二十二日

香港



TO THE MEMBERS OF IDT INTERNATIONAL LIMITED  
(incorporated in Bermuda with limited liability)

致：萬威國際有限公司全體股東  
(於百慕達註冊成立之有限公司)

## OPINION

We have audited the consolidated financial statements of IDT International Limited 萬威國際有限公司 (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 104 to 182, which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 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 ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## KEY AUDIT MATTERS

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

## 意見

本核數師(以下簡稱「我們」)已審計列載於第104至182頁的萬威國際有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此財務報表包括於二零一七年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而中肯地反映了 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》的披露要求妥為擬備。

## 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》(「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。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。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

## 關鍵審核事項

關鍵審核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。

<p>Key audit matter 關鍵審計事項</p>	<p>How our audit addressed the key audit matter 我們的審計如何對關鍵審計事項進行處理</p>
<p><i>Impairment of goodwill</i> 商譽減值</p> <p>We identified the impairment of goodwill as a key audit matter due to i) the significant management judgements and assumptions involved in the discounted future cash flow calculation which was used for considering the impairment of goodwill, and ii) the significance of the goodwill of HK\$33.8 million recognised in the consolidated financial statements of the group.</p> <p>我們認定商譽減值屬關鍵審計事項，乃由於i)於折現未來現金流計算時涉及的主要管理層判斷及假設，以用於考慮商譽減值；及ii)於 貴集團綜合財務報表中確認商譽港幣33.8百萬元的重要性。</p> <p>Goodwill has been allocated to the respective cash-generating units. Impairment of goodwill should be assessed by the management of the Group through comparing the recoverable amount of cash-generating units to which goodwill has been allocated with the carrying amount of that cash-generating unit at the end of the reporting period. Significant judgement and assumptions were required by the management of the Group in assessing the impairment recoverable the amounts of cash- generating units. The recoverable amounts are determined with reference to the value in use of the relevant cash-generating units, which required significant assumptions about suitable discount rates, annual growth rates and expected gross margin in order to calculate the present value of the estimated future cash flows.</p> <p>商譽已獲分配至各自創現單位。商譽減值應由 貴集團管理層通過比較已獲分配商譽創現單位的可收回金額及報告期末該創現單位的賬面值進行評估。貴集團管理層於評估創現單位的減值可收回金額時要求重大判斷及假設。經參考有關創現單位的使用價值釐定可收回金額，這要求就折現率、年增長率及預期毛利率作出重大假設，以計算估計未來現金流量的現值。</p>	<p>Our procedures in relation to the management's evaluation of impairment assessment of goodwill included:</p> <p>我們有關管理層評估商譽減值的程序包括：</p> <ul style="list-style-type: none"> <li>• Obtaining the value in use calculations prepared by the management.</li> <li>• 取得管理層編製的使用價值計量。</li> <li>• Assessing, evaluating and challenging the reasonableness of the key assumptions made by the management, including annual growth rates, discount rates and gross profit margin based on our knowledge of the business and industry.</li> <li>• 根據我們對業務及行業的了解，評核、評估及質疑管理層作出的主要假設的合理性，包括每年增長率、折現率及毛利率。</li> <li>• Testing the accuracy and evaluating the relevance of key inputs used in the cash flow forecasts against historical performance, including revenues, cost of sales and operating expenses, and in comparison to the future strategic plans of the Group in respect of each cash- generating unit.</li> <li>• 測試對過往表現的現金流量預測所採納的相關主要輸入數據的準確性，包括收益、銷售成本及經營開支，並與貴集團有關各創現單位的未來策略計劃進行比較。</li> <li>• Reviewing the sensitivity analysis performed by the management on the growth rates and discount rates to evaluate the extent of impact on the value in use.</li> <li>• 檢討管理層對增長率及折現率所進行的敏感度分析，以評估對使用價值影響的程度。</li> </ul>

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何對關鍵審計事項進行處理
<p><i>Valuation of inventories</i> 存貨估值</p> <p>We identified the valuation of inventories as a key audit matter due to (i) the significance of the inventories of HK\$130.4 million (net of allowance for inventories of HK\$31.3 million) recognised in the consolidated financial statements, and (ii) management judgement is required in making an assessment of the adequacy of the impairment provision for those inventories obsolete or/and slow-moving identified as no longer suitable for use in production nor saleable in the market as a result of change in the market conditions and technology.</p> <p>我們認定存貨估值屬關鍵審計事項，乃由於(i)於綜合財務報表中確認存貨港幣130.4百萬元（經扣除存貨撥備港幣31.3百萬元）的重要性；及(ii)管理層於評估該等因市場狀況及技術變化而不再適合用於生產亦不可於市場上出售而被認為陳舊或／及滯銷的存貨減值撥備的充足性須作出判斷。</p> <p>As disclosed in the note 5 to the consolidated financial statement, the management of the Group reviews the aging of the inventories at the end of the reporting period and estimates the net realisable value of obsolete and slow-moving inventories items based on their conditions and usefulness.</p> <p>按綜合財務報表附註5，本集團的管理層於報告期末檢視存貨的老化及按相關情況及有效程度，估算陳舊及滯銷存貨的可變現淨值。</p>	<p>Our procedures in relation to valuation of inventories included: 我們有關存貨估值的程序包括：</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of how inventory provision is estimated by the management;</li> <li>• 了解管理層估計存貨撥備的方式；</li> <li>• Understanding and testing the entity's key control in relation to the identification of aged and obsolete inventories and preparation of aging analysis of inventories;</li> <li>• 了解及測試與識別老舊及過時存貨以及編製存貨賬齡分析有關的實體主要控制；</li> <li>• Testing the aging analysis of the inventories, on a sample basis, to the source documents;</li> <li>• 抽樣測試存貨賬齡分析的原始文件；</li> <li>• Discussing with the management and evaluating their assessment on the estimation of the net realisable value of items of inventory for those inventories obsolete or/and slow-moving without/with little utilisation or movement during the year or subsequent to the end of the reporting period; and</li> <li>• 與管理層討論及評估彼等對於年內或報告期末後該等無／有微小利用或變動的過時或／及滯銷存貨的存貨項目的可變現淨值作出的估計；及</li> <li>• Assessing the reasonableness of the estimation of the net realisable value of items of inventory with reference to the selling price movements and usefulness of items of inventory, subsequent usage and aging analysis of each individual part of inventories.</li> <li>• 參考存貨項目的銷售價格變動及有用性、存貨各部分後續用途及賬齡分析後評估存貨項目估計可變現淨值的合理性。</li> </ul>



<p>Key audit matter 關鍵審計事項</p>	<p>How our audit addressed the key audit matter 我們的審計如何對關鍵審計事項進行處理</p>
<p><i>Valuation of trade receivables</i> <b>應收賬款之估值</b></p> <p>We identified the valuation of trade receivables as a key audit matter due to the use of judgment and estimates in assessing the recoverability of trade receivables. 我們認定應收賬款之估值屬關鍵審計事項，乃由於評估應收賬款是否可收回時使用的判斷及估計。</p> <p>In determining the allowance for trade receivables, the management considers the credit history including default or delay in payments, settlement records, subsequent settlements and aging analysis of the trade receivables. 於釐定應收賬款的撥備時，管理層會考慮應收賬款信貸記錄，包括拖欠或延期付款、結算記錄、其後結算及賬齡分析。</p> <p>At December 31, 2017, the carrying amount of trade receivables is HK\$117.1 million (net of allowance for doubtful debts of HK\$23.1 million). 於二零一七年十二月三十一日，應收賬款之賬面值為港幣117.1百萬元（經扣除呆賬撥備港幣23.1百萬元）。</p> <p>Details of the trade receivables are set out in note 19 to the consolidated financial statements. 有關應收賬款的詳情載於綜合財務報表附註19。</p>	<p>Our procedures in relation to the valuation of trade receivables included: 我們有關應收賬款估值的程序包括：</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of how allowance for doubtful debts is estimated by the management and testing the key controls of the Group relating to the preparation of the aging analysis of trade receivables.</li> <li>• 了解管理層如何估計呆賬撥備及測試 貴集團對編製應收賬款的賬齡分析有關的主要控制。</li> <li>• Reviewing the aging analysis of the trade receivables throughout the year to understand the settlement patterns by the customers.</li> <li>• 檢討全年應收賬款的賬齡分析以了解客戶的結算模式。</li> <li>• Testing the aging analysis of the trade receivables, on a sample basis, to the source documents.</li> <li>• 抽樣檢測應收賬款賬齡分析的原始文件。</li> <li>• Assessing the reasonableness of recoverability of trade receivables with reference to the credit history including default or delay in payments, settlement records, subsequent settlements and aging analysis of each individual customer.</li> <li>• 參考各個別客戶的信貸記錄（包括拖欠或延期付款、結算記錄、其後結算及賬齡分析），以評估應收賬款可收回程度之合理性。</li> </ul>

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

#### OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

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

#### 其他資訊

貴公司董事需對其他資訊負責。其他資訊包括刊載於年報內的資訊，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資訊，我們亦不對該等其他資訊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資訊，在此過程中，考慮其他資訊是否與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，如果我們認為其他資訊存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

#### 董事及治理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》的披露要求擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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。

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

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

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

## 核數師就審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，並按照我們商定的業務約定之百慕達公司法第90條款僅向全體成員出具包括我們意見的核數師報告。除此以外，我們的報告不可用作其他用途。我們並不就此報告之內容對任何其他人士承擔任何責任或接受任何義務。合理保證是高水準的保證，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匯總起來可能影響綜合財務報表使用者依賴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。

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

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

## INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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.

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

The engagement partner on the audit resulting in the independent auditor's report is Wong Shun Yu.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong

March 22, 2018

除其他事項外，我們與治理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。

我們還向治理層提交聲明，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。

從與治理層溝通的事項中，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合夥人為王惇瑀。

**德勤 • 關黃陳方會計師行**  
執業會計師  
香港

二零一八年三月二十二日



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 綜合損益及其他全面收益表

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

		NOTES 附註	2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元 (restated) (經重列)
<b>Revenue</b>	<b>收益</b>	6	<b>516.6</b>	565.0
Cost of goods sold	銷售成本		<b>(409.5)</b>	(466.0)
Gross profit	毛利		<b>107.1</b>	99.0
Other income	其他收入	7	<b>5.1</b>	9.3
Other gains and losses	其他所得及虧損	7	<b>(13.1)</b>	6.0
Research and development costs	研究及開發費用		<b>(41.6)</b>	(30.5)
Distribution and selling expenses	分銷及銷售開支		<b>(75.5)</b>	(77.4)
General administrative expenses	一般行政開支		<b>(67.5)</b>	(68.4)
Finance costs	融資成本		<b>(0.2)</b>	—
Loss before taxation	除稅前虧損	8	<b>(85.7)</b>	(62.0)
Taxation	稅項	11	<b>—</b>	(2.0)
Loss for the year	本年度虧損		<b>(85.7)</b>	(64.0)
Other comprehensive (expense) income:	其他全面(開支)收益:			
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可能會重新分類至損益賬的項目:</i>			
Exchange differences arising on translation of foreign operations	換算海外業務產生的匯兌差額		<b>(4.0)</b>	1.9
Total comprehensive expenses for the year	本年度全面開支總額		<b>(89.7)</b>	(62.1)
Loss and total comprehensive expenses for the year attributable to:	以下各項應佔本年度虧損及全面開支總額:			
– Owners of the Company	– 本公司擁有人		<b>(89.7)</b>	(62.1)
– Non-controlling interests	– 非控股權益		<b>—</b>	—
			<b>(89.7)</b>	(62.1)
Loss per share	每股虧損			
– Basic	– 基本	12	<b>(3.30) HK cents</b> <b>(3.30) 港幣仙</b>	(2.46) HK cents (2.46) 港幣仙

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At December 31, 2017  
於二零一七年十二月三十一日

		NOTES 附註	2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元 (restated) (經重列)
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、機器及設備	13	32.5	20.9
Intangible assets	無形資產	14	3.3	3.7
Goodwill	商譽	15	33.8	33.8
Rental deposits	租金按金		6.7	5.6
Prepaid rental	預付租金		1.6	2.7
Available-for-sale investments	可供出售投資	16	—	0.9
			<b>77.9</b>	<b>67.6</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	18	130.4	102.2
Trade and other receivables	應收賬款及其他應收款項	19	162.5	163.5
Tax recoverable	可收回稅項		0.1	0.5
Bank balances and cash	銀行結餘及現金	20	37.2	80.7
			<b>330.2</b>	<b>346.9</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At December 31, 2017

於二零一七年十二月三十一日

		NOTES 附註	2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元 (restated) (經重列)
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	應付賬款及其他應付款項	21	192.9	145.1
Borrowing	借款	22	35.5	—
			228.4	145.1
<b>Net current assets</b>	<b>流動資產淨值</b>		101.8	201.8
<b>Net assets</b>	<b>資產淨值</b>		179.7	269.4
<b>Capital and reserves</b>	<b>股本及儲備</b>			
Share capital	股本	23	260.0	260.0
Reserves	儲備		(80.4)	9.3
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>		179.6	269.3
<b>Non-controlling interests</b>	<b>非控股權益</b>		0.1	0.1
<b>Total equity</b>	<b>權益總額</b>		179.7	269.4

The consolidated financial statements on pages 104 to 182 were approved and authorised for issue by the Board of Directors on March 22, 2018 and are signed on its behalf by:

第104頁至第182頁之綜合財務報表已於二零一八年三月二十二日獲董事會批准及授權發行，並由下列人士代表簽署：

FOO PIAU PHANG  
CHAIRMAN

QI MIAO  
DIRECTOR

符標榜  
主席

祁焱  
董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人所佔					Non- controlling			
		Share capital	Share premium	Other reserve	Translation reserve 貨幣換算	Accumulated losses	Sub- Total	interests 非控股	Total	
		股本 HK\$'M 港幣百萬元	股份溢價 HK\$'M 港幣百萬元	其他儲備 HK\$'M 港幣百萬元	儲備 HK\$'M 港幣百萬元	累計虧損 HK\$'M 港幣百萬元	小計 HK\$'M 港幣百萬元	權益 HK\$'M 港幣百萬元	總計 HK\$'M 港幣百萬元	
		(Note) (附註)								
At January 1, 2016	於二零一六年一月一日	260.0	165.0	32.5	(94.8)	(31.3)	331.4	0.1	331.5	
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	1.9	—	1.9	—	1.9	
Loss for the year	本年度虧損	—	—	—	—	(64.0)	(64.0)	—	(64.0)	
Total comprehensive income (expenses) for the year	本年度全面收益(開支)總額	—	—	—	1.9	(64.0)	(62.1)	—	(62.1)	
At December 31, 2016	於二零一六年十二月三十一日	260.0	165.0	32.5	(92.9)	(95.3)	269.3	0.1	269.4	
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	(4.0)	—	(4.0)	—	(4.0)	
Loss for the year	本年度虧損	—	—	—	—	(85.7)	(85.7)	—	(85.7)	
Total comprehensive expenses for the year	本年度全面開支總額	—	—	—	(4.0)	(85.7)	(89.7)	—	(89.7)	
At December 31, 2017	於二零一七年十二月三十一日	260.0	165.0	32.5	(96.9)	(181.0)	179.6	0.1	179.7	

Note:

In 2012, the Group acquired the additional interests of its subsidiary and the amount represented the difference between the amount by which the non-controlling interests were adjusted and the fair value of the consideration paid.

附註：

於二零一二年，本集團收購其附屬公司的額外權益，該款項指非控股權益調整金額與已付代價公平值之間的差額。

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended December 31, 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\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元 (restated) (經重列)
Cash flows from operating activities	經營活動產生之現金流量		
Loss before taxation	除稅前之虧損	(85.7)	(62.0)
Adjustments for:	調整：		
Interest income	利息收入	(0.4)	(0.3)
Finance costs	融資成本	0.2	—
Depreciation of property, plant and equipment	物業、機器及設備之折舊	12.7	15.3
Allowance for doubtful debts	呆賬撥備	9.2	—
Amortisation of intangible assets	無形資產之攤銷	0.7	1.9
Amortisation of prepaid rental	預付租金之攤銷	1.1	1.1
Impairment of available-for-sale investment	可供出售投資之減值	0.9	—
Loss (gain) on disposals of property, plant and equipment	出售物業、機器及設備之虧損(收益)	0.4	(8.0)
Reversal of write-down of inventories	存貨撇減撥回	(3.3)	(25.1)
Exchange (gain) loss	匯兌(收益)虧損	(4.1)	1.0
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(68.3)	(76.1)
Increase in rental deposit	租金按金增加	(1.1)	—
(Increase) decrease in inventories	存貨(增加)減少	(24.9)	63.3
Increase in trade and other receivables	應收賬款及其他應收款項增加	(8.2)	(33.9)
Increase (decrease) in trade and other payables	應付賬款及其他應付款項增加(減少)	47.8	(41.4)
Decrease in forward contracts	遠期合約減少	—	0.1
Cash used in operations	經營活動所用現金	(54.7)	(88.0)
Tax refund (paid)	退稅(已付)	0.4	(1.5)
Net cash used in operating activities	經營活動所用現金淨額	(54.3)	(89.5)



# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

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

		2017	2016
		二零一七年	二零一六年
		HK\$'M	HK\$'M
		港幣百萬元	港幣百萬元
			(restated)
			(經重列)
Investing activities	投資活動		
Proceeds from disposals of property, plant and equipment	出售物業、機器及設備所得款項	0.1	8.3
Interest received	已收利息	0.4	0.3
Purchase of property, plant and equipment	購置物業、機器及設備	(24.8)	(7.5)
Payment for patents and trademarks	專利及商標之付款	(0.3)	(0.3)
<b>Net cash (used in) from investing activities</b>	<b>投資活動(所用)所得現金淨額</b>	<b>(24.6)</b>	0.8
Financing activities	融資活動		
Proceeds from borrowing	借款所得款項	35.5	—
Interest paid	已付利息	(0.2)	—
<b>Net cash from financing activities</b>	<b>融資活動所用現金淨額</b>	<b>35.3</b>	—
<b>Net decrease in cash and cash equivalents</b>	<b>現金及等同現金項目之減少淨額</b>	<b>(43.6)</b>	(88.7)
Cash and cash equivalents at beginning of the year	年初之現金及等同現金項目	80.7	169.4
Effects of foreign exchange rate changes	外匯匯率變動影響	0.1	—
<b>Cash and cash equivalents at end of the year, representing cash and bank balances</b>	<b>年終之現金及等同現金項目，為現金及銀行結餘</b>	<b>37.2</b>	80.7

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section to the annual report.

The immediate holding company of the Company is Hongtu High Technology Int'l Inc. ("Hongtu Seychelles") which holds 50.42% of the entire issued shares of the Company. In the opinion of directors of the Company, Sanpower Group Co., Ltd. is the ultimate controlling shareholder of Jiangsu Hongtu High Technology Co., Ltd. ("Jiangsu Hongtu") which is the parent company of Hongtu Seychelles. The shares of Jiangsu Hongtu are listed on the Shanghai Stock Exchange (Stock code: 600122).

The Company acts as an investment holding company while its subsidiaries are engaged in the design, development, manufacture, sales and marketing of various consumer electronic products.

The consolidated financial statements are presented in Hong Kong dollars which is the same as the functional currency of the Company.

### 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Taking into account the Group's operating performance and business prospects, internal resources, financial support from Sanpower Group Co., Ltd., the ultimate controlling shareholder of the Company, the directors of the Company are of the opinion that the Group expects to have sufficient working capital to finance its operations and to meet its financial obligations in the next twelve months from the date of this consolidated financial statements. Accordingly, the directors consider that the Group will be in a position to continue as a going concern and have prepared the consolidated financial statements on a going concern basis.

### 1. 一般事項

本公司乃於百慕達註冊成立之獲豁免有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。本公司註冊辦事處及主要營業地點之地址於年報之公司資料內披露。

Hongtu High Technology Int'l Inc.（「Hongtu (Seychelles)」）為本公司之直接控股公司及持有相當於本公司全部已發行股份50.42%。本公司董事認為三胞集團有限公司為江蘇宏圖高科技股份有限公司（「江蘇宏圖」）（為Hongtu (Seychelles)的母公司）之最終控股股東。江蘇宏圖的股份於上海證券交易所上市（股份代號：600122）。

本公司乃一間投資控股公司。各附屬公司之主要業務為設計、開發、製造、銷售及推廣多種電子消費產品。

綜合財務報表以本公司之功能貨幣港幣呈列。

### 2. 綜合財務報表之編製基準

經考慮本集團的營運表現及業務前景、內部資源及本公司的最終控股股東三胞集團有限公司的財務支持，本公司董事認為，預期本集團有足夠的營運資金為其運營撥付資金及滿足其自本綜合財務報表日期起未來12個月的財務責任。因此，董事認為本集團將能夠繼續以持續經營基準經營，並已按持續經營基準編製綜合財務報表。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

In the current year, the directors of the Company changed the classification of certain line items in the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position and the consolidated statement of cash flows to better reflect the financial information of the Group's activities. Prior year figures have been represented to align with the current year presentation. The reclassification has had no net effect on the results of the Group for the years ended December 31, 2017 and 2016.

The effect of changes in presentation for the preceding year by line items presented in the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position and the consolidated statement of cash flows are as follows:

### 2. 綜合財務報表之編製基準(續)

於本年度，本公司董事變更綜合損益及其他全面收益表、綜合財務狀況表及綜合現金流量表內若干項目的分類，以更好地反映本集團活動的財務資料。上年數字已重列以符合本年度的呈列方式。重新分類對本集團截至二零一七年及二零一六年十二月三十一日止年度的業績概無任何影響。

上一年度呈列方式變動對綜合損益及其他全面收益表、綜合財務狀況表及綜合現金流量表內各項目的影響如下：

		Original stated 原先呈列 HK\$'M 港幣百萬元	Adjustments 調整 HK\$'M 港幣百萬元	Restated 經重列 HK\$'M 港幣百萬元
Consolidated statement of profit or loss and other comprehensive income:	綜合損益及其他全面收益表：			
Other income	其他收入	12.0	(2.7)	9.3
General administrative expenses	一般行政開支	(71.1)	2.7	(68.4)
		N/A不適用	—	N/A不適用
Consolidated statement of financial position:	綜合財務狀況表：			
Trade and other receivables	應收賬款及其他應收款項	171.8	(8.3)	163.5
Rental deposits	租金按金	—	5.6	5.6
Prepaid rental	預付租金	—	2.7	2.7
		N/A不適用	—	N/A不適用
Consolidated statement of cash flows:	綜合現金流量表：			
Increase in trade and other receivables	應收賬款及其他應收款項增加	(32.8)	(1.1)	(33.9)
Amortisation of prepaid rental	預付租金攤銷	—	1.1	1.1
Decrease in inventories	存貨減少	11.2	52.1	63.3
Reversal of allowance for inventories	存貨撥備撥回	25.1	(50.2)	(25.1)
Exchange loss	匯兌虧損	2.9	(1.9)	1.0
		N/A不適用	—	N/A不適用

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

#### Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year.

Amendments to Hong Kong Accounting Standard (“HKAS”) 7	<i>Disclosure Initiative</i>
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to HKFRS 12	<i>As part of the Annual Improvements to HKFRSs 2014-2016 Cycle</i>

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### **Amendments to HKAS 7 Disclosure Initiative**

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

### 3. 新訂及經修訂香港財務報告準則(「香港財務報告準則」)之應用

#### 本年度強制生效之香港財務報告準則修訂本

於本年度，本集團首次採用由香港會計師公會(「香港會計師公會」)頒佈的下列香港財務報告準則修訂本：

香港會計準則	<i>披露計劃</i>
(「香港會計準則」)	
第7號之修訂	
香港會計準則	<i>就未變現虧損確認</i>
第12號之修訂	<i>遞延稅項資產</i>
香港財務報告	<i>作為香港財務報告</i>
準則第12號	<i>準則二零一四年至</i>
之修訂	<i>二零一六年週期之</i>
	<i>年度改進之一部分</i>

除下文所述者外，於本年度採用以上香港財務報告準則修訂本，對本集團本年度及過往年度之財務表現及狀況及／或此等綜合財務報表所載之披露並無重大影響。

#### **香港會計準則第7號之修訂「披露計劃」**

於本年度，本集團首次採用該等修訂本。該等修訂本規定實體提供披露事項以使財務報表使用者可評估因融資活動而產生之負債變動，包括現金及非現金之變動。此外，該等修訂本亦規定，倘該等金融資產產生之現金流或日後現金流將包括於融資活動產生之現金流，則須披露金融資產之變動。

具體而言，該等修訂本規定披露以下項目：(i) 融資現金流量產生之變動；(ii) 取得或失去附屬公司或其他業務控制權產生之變動；(iii) 外幣匯率變動之影響；(iv) 公平值變動；及(v) 其他變動。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

Amendments to HKFRSs that are mandatorily effective for the current year (continued)

*Amendments to HKAS 7 Disclosure Initiative (continued)*

A reconciliation between the opening and closing balances of these items is provided in note 27. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 27, the application of these amendments has had no impact on the Group's consolidated financial statements.

### 3. 新訂及經修訂香港財務報告準則(「香港財務報告準則」)之應用(續)

本年度強制生效之香港財務報告準則修訂本(續)

*香港會計準則第7號之修訂「披露計劃」(續)*

該等項目之期初及期末結餘之對賬載於附註27。與修訂之過渡條文相符，本集團尚未披露上年之可比較資料。除附註27的額外披露外，應用該等修訂對本集團的綜合財務報表並無產生任何影響。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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

#### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

##### New and revised HKFRSs in issue but not yet effective

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

HKFRS 9	<i>Financial Instruments</i> <sup>1</sup>
HKFRS 15	<i>Revenue from Contracts with Customers and the related Amendments</i> <sup>1</sup>
HKFRS 16	<i>Leases</i> <sup>2</sup>
HKFRS 17	<i>Insurance Contracts</i> <sup>4</sup>
HK(IFRIC)-Int 22	<i>Foreign Currency Transactions and Advance Consideration</i> <sup>1</sup>
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i> <sup>2</sup>
Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i> <sup>1</sup>
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i> <sup>1</sup>
Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i> <sup>2</sup>

#### 3. 新訂及經修訂香港財務報告準則(「香港財務報告準則」)之應用(續)

##### 已頒佈但尚未生效之新訂及經修訂之香港財務報告準則

本集團並無提早採納下列已頒佈但尚未生效之新訂及經修訂之香港財務報告準則：

香港財務報告準則第9號	金融工具 <sup>1</sup>
香港財務報告準則第15號	客戶合約收益及相關修訂 <sup>1</sup>
香港財務報告準則第16號	租賃 <sup>2</sup>
香港財務報告準則第17號	保險合同 <sup>4</sup>
香港(國際財務報告詮釋委員會)詮釋22	外幣交易及墊付代價 <sup>1</sup>
香港(國際財務報告詮釋委員會)詮釋23	所得稅處理之不確定性 <sup>2</sup>
香港財務報告準則第2號之修訂	以股份為基礎的付款交易的分類及計量 <sup>1</sup>
香港財務報告準則第4號之修訂	應用香港財務報告準則第9號「金融工具」及香港財務報告準則第4號「保險合同」 <sup>1</sup>
香港財務報告準則第9號之修訂	具有負補償之提前還款特性 <sup>2</sup>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

New and revised HKFRSs in issue but not yet effective (continued)

Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> <sup>2</sup>
Amendments to HKAS 28	<i>As part of the Annual Improvements to HKFRSs 2014-2016 cycle</i> <sup>1</sup>
Amendments to HKAS 40	<i>Transfers of Investment Property</i> <sup>1</sup>
Amendments to HKFRSs	<i>Annual Improvements to IFRSs Standards 2015-2017 Cycle</i> <sup>2</sup>

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

<sup>2</sup> Effective for annual periods beginning on or after January 1, 2019

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

<sup>4</sup> Effective for annual periods beginning on or after January 1, 2021

### 3. 新訂及經修訂香港財務報告準則(「香港財務報告準則」)之應用(續)

已頒佈但尚未生效之新訂及經修訂之香港財務報告準則(續)

香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間的資產出售或注資 <sup>3</sup>
香港會計準則第28號之修訂	於聯營公司及合營企業之長期權益 <sup>2</sup>
香港會計準則第28號之修訂	作為香港財務報告準則二零一四年至二零一六年週期之年度改進之一部分 <sup>1</sup>
香港會計準則第40號之修訂	轉讓投資物業 <sup>1</sup>
香港財務報告準則之修訂	作為香港財務報告準則二零一五年至二零一七年週期之年度改進之一部分 <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> 於待釐定日期或之後開始之年度期間生效。

<sup>4</sup> 於二零二一年一月一日或之後開始之年度期間生效。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 3. APPLICATION OF NEW AND REVISED TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

New and revised HKFRSs in issue but not yet effective (continued)

#### HKFRS 9 “Financial instruments”

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are:

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

### 3. 新訂及經修訂香港財務報告準則(「香港財務報告準則」)之應用(續)

已頒佈但尚未生效之新訂及經修訂之香港財務報告準則(續)

#### 香港財務報告準則第9號「金融工具」

香港財務報告準則第9號引入就金融資產、金融負債、一般會計對沖及金融資產減值要求之分類及計量的新規定。

與本集團有關的香港財務報告準則第9號之主要規定：

- 在香港財務報告準則第9號範圍內確認的所有金融資產其後應按攤銷成本或公平值計量。特別針對根據業務模式以收取合約現金流量為目的所持有的債務投資及純粹為支付本金及未償還本金利息而擁有合約現金流量的債務投資，一般於其後會計期末按攤銷成本計量。債務工具以達到收回合約性現金流量及出售金融資產為目的的業務模式下持有及純粹為支付本金及尚未償還本金的利息的現金流量(由金融資產的合約性條款於特定日期產生)按公平值計入其他全面收益計量。所有其他金融資產於其後報告期間末均按其公平值計量。此外，根據香港財務報告準則第9號，實體可以不可撤回的方式選擇於其他全面收益內呈列股本投資(非持作買賣用途)公平值的其後變動，只有股息收入於損益賬內確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

New and revised HKFRSs in issue but not yet effective (continued)

#### HKFRS 9 “Financial instruments” (continued)

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group’s financial instruments and risk management policies as at December 31, 2017, the directors of the Company anticipate the following potential impact on initial application of HKFRS 9:

#### Classification and measurement:

Debt instruments classified as loan and receivables carried at amortised cost as disclosed in note 19: these are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon the application of HKFRS 9;

All other financial assets and financial liabilities will continue to be measured on the same bases as are currently measured under HKAS 39.

### 3. 新訂及經修訂香港財務報告準則(「香港財務報告準則」)之應用(續)

已頒佈但尚未生效之新訂及經修訂之香港財務報告準則(續)

#### 香港財務報告準則第9號「金融工具」(續)

- 就金融資產的減值而言，與香港會計準則第39號規定按已產生信貸虧損模式計算不同，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體須於各報告日期將預期信貸虧損及該等預期信貸虧損的變動入賬，以反映信貸風險自初步確認以來的變動。換言之，毋須待發生信貸事件後方確認信貸虧損。

根據本集團截至二零一七年十二月三十一日的金融工具及風險管理政策，本公司董事預計對首次應用香港財務報告準則第9號會產生下列潛在影響：

#### 分類及計量

附註19所披露按攤銷成本計入並獲分類為貸款及應收款項的債務工具：該等債務工具於目的為收回純粹為支付本金及未償還本金的利息而擁有合約現金流量的業務模式下持有。因此，該等金融資產於應用香港財務報告準則第9號後繼續按攤銷成本計量。

所有其他金融資產及金融負債將繼續按與目前根據香港會計準則第39號計量的相同基準計量。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

New and revised HKFRSs in issue but not yet effective (continued)

*HKFRS 9 “Financial instruments” (continued)*

*Impairment*

In general, the directors of the Company anticipate that the application of the expected credit loss model of HKFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised costs and other items that subject to the impairment provisions upon application of HKFRS 9 by the Group.

Based on the assessment by the directors of the Company, if the expected credit loss model were to be applied by the Group, the accumulated amount of impairment loss to be recognised by the Group as at January 1, 2018 would be slightly increased as compared to the accumulated amount recognised under HKAS 39 mainly attributable to expected credit losses provision on trade and other receivables. Such further impairment recognised under expected credit loss model would increase the opening accumulated losses at January 1, 2018.

### 3. 新訂及經修訂香港財務報告準則(「香港財務報告準則」)之應用(續)

已頒佈但尚未生效之新訂及經修訂之香港財務報告準則(續)

*香港財務報告準則第9號「金融工具」(續)*

*減值*

一般而言，本公司董事預期應用香港財務報告準則第9號的預期信貸虧損模式將導致本集團於應用香港財務報告準則第9號後，就本集團按攤銷成本計量之金融資產以及其他須作出減值撥備的項目之尚未產生的信貸虧損提前撥備。

根據本公司董事的評估，倘若本集團須應用預期信貸虧損模式，則本集團於二零一八年一月一日將予確認的累計減值虧損金額將較根據香港會計準則第39號確認的累計金額略有增加，主要是由於應收及其他賬款的預期信貸虧損撥備。按預期信貸虧損模式確認的進一步減值將增加於二零一八年一月一日的期初應計虧損。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

New and revised HKFRSs in issue but not yet effective (continued)

#### HKFRS 16 “Leases”

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, operating lease payments are currently presented as operating cash flows. Under the HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing and operating cash flows respectively by the Group.

### 3. 新訂及經修訂香港財務報告準則(「香港財務報告準則」)之應用(續)

已頒佈但尚未生效之新訂及經修訂之香港財務報告準則(續)

#### 香港財務報告準則第16號「租賃」

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。當香港財務報告準則第16號生效時，將取代香港會計準則第17號租賃及相關的詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。除短期租賃及低值資產租賃外，經營及融資租賃的差異自承租人會計處理中移除，並由承租人須就所有租賃確認使用權資產及相應負債的模式替代。

使用權資產初步按成本計量，隨後以成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債的任何重新計量而作出調整。租賃負債初步按租賃款項(非當日支付)之現值計量。隨後，租賃負債會就(其中包括)利息及租賃款項以及租賃修訂的影響作出調整。就現金流量分類而言，經營租賃付款現時呈列為經營現金流量，根據香港財務報告準則第16號，有關租賃負債的租賃款項將分配至本金及利息部分，並分別由本集團以融資及經營現金流量呈列。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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

#### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

New and revised HKFRSs in issue but not yet effective (continued)

##### HKFRS 16 “Leases” (continued)

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at December 31, 2017, the Group has non-cancellable operating lease commitments of HK\$42.3 million as disclosed in note 28. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of HK\$6.7 million as rights under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be included in the carrying amount of right-of-use assets.

Furthermore, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

Other than disclosed above, the directors of the Company anticipate that the application of the other new and amendments to HKFRSs will have no material impact on the consolidated financial statements of the Group.

#### 3. 新訂及經修訂香港財務報告準則(「香港財務報告準則」)之應用(續)

已頒佈但尚未生效之新訂及經修訂之香港財務報告準則(續)

##### 香港財務報告準則第16號「租賃」(續)

與承租人會計處理方法相反，香港財務報告準則第16號大致保留香港會計準則第17號內出租人的會計要求，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號需要更廣泛的披露。

本集團於二零一七年十二月三十一日擁有不可撤銷經營租賃承擔港幣42.3百萬元(於附註28披露)。初步評估顯示，此等安排將符合租賃的定義。於應用香港財務報告準則第16號時，本集團將確認使用權資產，以及與所有此等租賃有關的相應負債，除非有關項目符合低值或短期租賃的資格。

此外，本集團目前將已支付的可退還租金按金港幣6.7百萬元，視為香港會計準則第17號適用的租賃下的權利。根據香港財務報告準則第16號下租賃款項的定義，有關按金並非與相關資產使用權有關的款項，因此，該等按金的賬面值可能會調整為攤銷成本，有關調整被視為額外租賃款項。對已支付的可退還租金按金作出的調整將計入使用權資產的賬面值中。

此外，應用新規定可能導致計量、呈列及披露會出現上述變動。

除上文所披露者外，本公司董事預計應用其他新訂及經修訂香港財務報告準則將不會對本集團綜合財務報表產生重大影響。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are within the scope of HKAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of assets.

#### 4. 主要會計政策

本綜合財務報表乃根據香港會計師公會所頒佈的香港財務報告準則編製。此外，綜合財務報表載列香港聯合交易所有限公司證券上市規則（「上市規則」）及香港公司條例（「公司條例」）規定適用之披露。

本綜合財務報表乃根據歷史成本方法於各報告期末編製，詳見下文所載的會計政策。

歷史成本一般按商品交換的代價公平值計算。

公平值為市場參與者於計量日期在有序交易中出售資產可收取或轉讓負債須支付之價格，不論該價格是否直接觀察可得或使用另一種估值方法估計。估計資產或負債之公平值時，本集團考慮市場參與者於計量日期為該資產或負債進行定價時將會考慮的有關特徵。在綜合財務報表中計量及／或披露的公平值均在此基礎上予以確定，惟香港財務報告準則第2號以股份為基礎的付款範圍內以股份為基礎支付的交易、香港會計準則第17號租賃範圍內之租賃交易，以及與公平值類似但並非公平值的計量（例如，香港會計準則第2號「存貨」中的可變現淨值或香港會計準則第36號「資產減值」中的使用價值）除外。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

##### Basis of consolidation

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

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

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

#### 4. 主要會計政策(續)

此外，就財務報告而言，公平值計量根據公平值計量之輸入數據可觀察程度及輸入數據對公平值計量之整體重要性分類為第一級、第二級或第三級，並載述如下：

- 第一級輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場之報價(未經調整)；
- 第二級輸入數據是就資產或負債可直接或間接地觀察之輸入數據(第一級內計入的報價除外)；及
- 第三級輸入數據是資產或負債的不可觀察輸入數據。

主要會計政策列載如下：

##### 綜合基準

本綜合財務報表包括本公司及本公司所控制的實體及其附屬公司的財務報表。當本公司具有以下能力，即具有控制權：

- 對被投資者行使權力；
- 從參與被投資者活動而面對或有權享有不同形式的回報；及
- 能夠運用其權力影響投資者回報。

倘事實及情況反映上文所列三項控制因素其中一項或多項改變，則本集團會重估其是否對被投資者擁有控制權。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Basis of consolidation (continued)

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

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

##### Goodwill

Goodwill arising on an acquisition of a business is carried at cost less any accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

#### 4. 主要會計政策(續)

##### 綜合基準(續)

當本集團取得附屬公司之控制權時，開始將該附屬公司綜合入賬；當本集團失去附屬公司之控制權時，則停止將該附屬公司綜合入賬。具體而言，於本期間購入或出售的附屬公司的收支已計入綜合損益及其他全面收益表。本集團取得控制權，直至本集團對該附屬公司之控制權終止當日為止。

損益及各其他全面收入項目歸屬予本公司擁有人及非控股權益。附屬公司全面收入總額歸屬予本公司擁有人及非控股權益，即使其導致非控股權益出現虧絀。

本集團於需要時會對附屬公司的財務報表作出調整，使其會計政策與本集團會計政策相符。

本集團內公司間一切交易、有關本集團成員間交易的結餘、收入及支出已於綜合賬目時悉數對銷。

##### 商譽

因收購業務產生之商譽按成本減除任何累積減值虧損(如有)，並於綜合財務狀況表中另行列賬。

為了減值測試的目的，商譽乃被分配到預期可受惠於收購協同效應之各有關本集團的創現單位或創現單位之組別(即監察商譽作內部管理目的之最低水平且不大於經營分部)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Goodwill (continued)

A cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit (or groups of cash-generating units).

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal (or any of the cash-generating unit within group of cash-generating units in which the Group monitors goodwill).

##### Revenue recognition

Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Interest income is accrued on a time apportionment basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### 4. 主要會計政策(續)

##### 商譽(續)

已獲分配商譽之創現單位或創現單位之組別會每年或凡有跡象顯示單位可能出現減值時會更頻繁地進行減值測試。就於報告期間內收購產生之商譽而言，所獲分配商譽之創現單位於報告期間結束前進行減值測試。當創現單位的可收回金額少於其賬面值，減值虧損會首先分配以削減任何分配至該單位的商譽的賬面值，然後按該單位(或創現單位之組別)內其他資產賬面值比例削減該單位其他資產的賬面值。

出售相關創現單位時，商譽之應佔金額會包括在確定出售(或本集團監督商譽的創現單位之組別的任何創現單位)之溢利或虧損中。

##### 收入確認

收入以日常業務過程中銷售貨品之已收或應收代價之公平值，扣除折扣及銷售相關的稅項計算。

收入在收入金額能夠可靠計量；未來經濟利益很可能流入本集團，而本集團每項活動均符合下文所述之指定條件時予以確認。

利息收入按時間分配基準，參照未償還本金金額及適用之實際利率計算。實際利率乃金融資產於預期可用年期內估計可取得之日後現金收益，貼現至該資產初始確認的賬面淨值之利率。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Property, plant and equipment

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

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### 4. 主要會計政策(續)

##### 物業、機器及設備

物業、機器及設備包括持有以用作貨品生產或供應或服務或行政用途的樓宇乃按成本值減除其後累積折舊以及累積減值虧損(如有)於綜合財務狀況表列賬。

物業、機器及設備均以直線法，按估計可用年期減去剩餘值計提折舊撥備，以攤銷成本。估計可使用年期、剩餘值及折舊方法乃於各報告期末予以檢討，而任何估計變動的影響均以前瞻性為基礎入賬。

物業、機器及設備之項目於出售時或當預期持續使用該資產不再帶來未來經濟利益時取消確認。因物業、機器及設備出售或報廢而產生之任何收益或虧損(按出售所得款項淨額與資產賬面值之差額計算)乃列入損益。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Leasing

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lease. All other leases are classified as operating leases.

#### *The Group as lessor*

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset.

#### *The Group as lessee*

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### 4. 主要會計政策(續)

#### 租賃

租賃條款列明將所有權之絕大部分風險及回報轉移予承租人之租約，均列為融資租約。而所有其他租賃則被分類為經營租約。

#### *本集團作為出租人*

經營租賃的租金收入以直線法按租賃年期於損益內確認。在協商及安排經營租賃所產生初步直接成本加於租賃資產之賬面值。

#### *本集團作為承租人*

經營租約付款(包括收購根據經營租約持有之土地成本)以直線法按租賃年期確認為開支，惟如另有系統性基準更能反映租賃資產之經濟利益被消耗之時間模式，則另作別論。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Leasing (continued)

###### *The Group as lessee (continued)*

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

##### Borrowing costs

All borrowing costs not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss in the year which they are incurred.

##### Research expenditure

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

##### Patents and trademarks

Patents and trademarks are stated at cost less subsequent accumulated amortisation and any accumulated impairment loss. Amortisation is calculated on a straight-line basis over the estimated useful economic life of the relevant patents and trademarks.

#### 4. 主要會計政策(續)

##### 租賃(續)

###### *本集團作為承租人(續)*

倘訂立經營租約可以獲得租賃優惠，該等優惠確認為負債。優惠整體利益以直線法確認為租金開支沖減。惟如另有系統性基準更能反映租賃資產之經濟利益被消耗之時間模式，則另作別論。

##### 借貸成本

並非直接源自收購、建造或生產合資格資產的所有借貸成本於產生年度確認為損益中。

##### 研究開支

研究活動的支出乃於產生年度確認為開支。

##### 專利及商標

專利及商標乃按成本值減其後累積攤銷及任何累積減值虧損列值。攤銷乃按相關專利及商標估計可使用經濟年期以直線法計算。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Impairment loss on tangible and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

#### 4. 主要會計政策(續)

##### 有形及無形資產之減值(不包括商譽)

於報告期末，本集團審閱其擁有有限使用年期的有形及無形資產之賬面值，以確定是否有任可跡象顯示該等資產蒙受減值虧損。如出現任何有關跡象，則會估計相關資產之可收回金額，以決定減值虧損(如有)之程度。

若未能估計個別資產的可收回金額，本集團則估計該資產所屬之創現單位的可收回金額。倘能確定合理及一致的分配基礎，集團資產則分配至單一創現單位，否則分配至能確定合理及一致分配基礎的創現單位之最小組別。

可收回金額為公平值減去銷售所需成本及可使用價值之較高者。於評估可使用價值時，將日後現金流之估值以一個能反映現時市場評估金錢時間價值及該資產(或創現單位)之特有風險(而該風險並未日後現金流之估值中作調整)的稅前折扣率折現至其現值。

倘一項資產(或一創現單位)之可收回金額估計少於其賬面值，則該項資產(或一創現單位)之賬面值將撇減至其可收回金額。於分配減值虧損時，減值虧損將首先分配至削減任何商譽(如有)之賬面值，其後以該單位各項資產之賬面值為基準按比例分配到其他資產。資產賬面值不會降至低於其公平值減去出售成本(倘可計算)、其使用價值(倘可確定)及零之最高者。分配至資產的減值虧損數額則按單位的其他資產比例分配。減值虧損會即時於損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Impairment loss on tangible and intangible assets other than goodwill (continued)

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

##### Inventories

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

##### Retirement benefit costs

Payments to defined contribution retirement benefit plans, Mandatory Provident Fund Scheme and state-managed retirement benefits scheme are recognised as expenses when employees have rendered service entitling them to the contributions.

##### Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

#### 4. 主要會計政策(續)

##### 有形及無形資產之減值(不包括商譽)(續)

倘某項減值虧損其後撥回，則該項資產(或創現單位)之賬面值須增至其可回收金額經修訂後的估值，惟增加後之賬面值不得超過假設該項資產(或一創現單位)於過往年度未有出現減值虧損所釐定的賬面值。減值虧損撥回即時確認在損益中。

##### 存貨

存貨乃根據成本值或可變現淨值兩者之較低者入賬。存貨成本值按加權平均法計算。可變現淨值即存貨的估計售價減去所有估計完工成本及銷售所需成本。

##### 退休福利費用

向界定供款退休金計劃、強制性公積金計劃及國家管理退休福利計劃之供款乃當僱員提供相關可獲得該供款之服務時確認為支出。

##### 短期僱員福利

短期僱員福利乃按僱員提供服務時預期將予支付之未貼現福利金額確認。所有短期僱員福利均確認為開支，除非香港財務報告準則要求或允許將福利計入資產的成本。

僱員之應計福利(例如工資及薪金、年假及病假)乃於扣減任何已付金額後確認負債。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "loss before taxation" as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax liabilities are recognised for taxable temporary difference associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

### 4. 主要會計政策(續)

#### 稅項

入息稅開支指現行應繳稅項及遞延稅項之總和。

現行應繳稅項乃按本年度應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表中所報的除稅前虧損不同，乃由於前者不包括其他年度之應課稅或可扣稅的收入或開支，並且不包括毋須課稅或不能扣稅之項目。本集團之即期稅項負債乃採用於報告期末已實施或實質上已實施之稅率計算。

遞延稅項乃按綜合財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基之差額而確認。遞延稅項負債一般會就所有應課稅暫時差額確認，而遞延稅項資產一般會就所有可扣稅暫時差額在很大機會出現應課稅溢利而可用以抵銷可扣減暫時差額時確認。倘暫時差額自不影響應課稅溢利或會計溢利之交易的資產及負債之初步確認(業務合併除外)而產生，則不會確認該等遞延稅項資產及負債。此外，若暫時差額是源自商譽之首次確認，則不確認遞延稅項負債。

遞延稅項負債就附屬公司的投資所產生之應課稅暫時差額確認入賬，惟本集團可控制暫時差額之撥回而暫時差額不大可能於可預見將來撥回則除外。與該等投資相關之可扣稅暫時差額所產生之遞延稅項資產僅於很大機會有足夠應課稅溢利可以使用暫時差額之利益且預計於可見將來可予撥回時確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Taxation (continued)

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

##### Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### 4. 主要會計政策(續)

##### 稅項(續)

遞延稅項資產之賬面值於報告期末檢討，並於不大可能再有足夠應課稅溢利去扣減該項資產之全部或部分之情況作出調減。

遞延稅項資產及負債按預期於償還負債或資產變現期間適用之稅率計算，而有關稅率之基準為於報告期末已實施或實質上已實施之稅率(及稅法)。

遞延稅項負債及資產之計量反映本集團預期於報告期末收回或償還資產及負債賬面值所產生之稅務後果。

本期間及遞延稅項需於損益確認，惟當與於其他全面收益或直接於權益確認之項目有關之情況下，當期及遞延稅項則同樣分別於其他全面收益或直接於權益中確認。

##### 金融工具

金融資產及金融負債乃當某集團實體成為該工具合同條文的訂約方時確認。

金融資產及金融負債按公平值初步計量。收購或發行金融資產及金融負債(除公平值計入損益的金融資產或金融負債)直接應佔之交易成本乃於初步確認時加入金融資產或金融負債之公平值或自其中扣除(如適用)。收購按公平值計入損益的金融資產或金融負債直接應佔的交易成本即時於損益確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### Financial assets

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

##### *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instruments, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

### 4. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產

金融資產分為貸款及應收款項及可供出售金融資產。分類取決於金融資產的性質及用途，並於初步確認的時候確定。所有日常購買或銷售之金融資產，按交易日之基準確認及停止確認。定期購買或出售為購買或出售金融資產，並要求在市場規則或慣例所設定的時間框架內付運資產。

##### *實際利率法*

實際利率法乃計算債務工具之攤銷成本及按有關期間攤分利息收入之方法。實際利率乃於初步確認時將估計日後現金收入(包括所有支付或收取構成整體實際利率之費用、交易成本及其他溢價或折扣)按負債工具之預期使用年期或較短期間(倘適用)實際折現至賬面淨值之利率。

債務工具之利息收入乃按實際利率基準確認。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Financial instruments (continued)

##### Financial assets (continued)

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

##### Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting.

#### 4. 主要會計政策(續)

##### 金融工具(續)

##### 金融資產(續)

##### 貸款及應收款項

貸款及應收款項乃具備固定或可釐定付款，並無活躍市場報價之非衍生金融資產。於初步確認後，貸款及應收款項(包括貿易及其他應收款項及銀行結餘及現金)乃使用實際利率法按攤銷成本減任何減值列賬。

利息收入透過應用實際利率確認，惟確認利息影響不大的短期應收賬款除外。

##### 可供出售金融資產

可供出售金融資產為非衍生工具，其須指定可供出售或非分類為按公平值計入損益之金融資產、貸款及應收款項或持至到期投資。

在活躍市場上並無報價而其公平值未能可靠計量之可供出售股本投資，則按成本減任何已識別減值虧損於各報告期末計算。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been affected.

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

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of trade receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period granted, observable changes in national or local economic conditions that correlate with default on trade receivables.

### 4. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產之減值

金融資產會於每個報告期末評定是否有減值跡象。經初步確認後，當有客觀證據顯示金融資產之預期未來現金流將受一項或多項事件影響時，其減值即被立即確認。

就所有金融資產而言，減值之客觀證據包括：

- 發行人或交易對手出現重大財政困難；或
- 違反合約，如逾期或拖欠利息或本金付款；或
- 借款人很大機會面臨破產或財務重組。

對於若干金融資產類別，例如應收賬款，即使個別評估為不用減值的資產，仍需再以匯集方式評估需否減值。應收賬款組合之客觀減值證據可包括本集團之過往收款經驗、組合內延遲還款至超逾平均信貸期之次數增加，以及與應收賬款逾期有關之全國或地方經濟狀況明顯改變。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Financial instruments (continued)

##### Impairment of financial assets (continued)

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When trade receivables are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, 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 losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

#### 4. 主要會計政策(續)

##### 金融工具(續)

##### 金融資產之減值(續)

就攤銷後成本計量的金融資產，其減值虧損乃按資產賬面值及估計未來現金流並按初始實際利率折讓之現值之差額確認。

就按成本列賬之金融資產而言，減值虧損金額乃按資產賬面值與按類似金融資產之現時市場回報率折現之估計未來現金流量之現值間之差額計量。有關減值虧損將不可於其後期間撥回。

與所有金融資產有關的減值虧損會直接於金融資產的賬面值中作出扣減，惟貿易應收賬款除外，其賬面值會透過撥備賬作出扣減。撥備賬內的賬面值變動會於損益中確認。當應收賬款及其他應收款項被視為不可收回時，其將於撥備賬內撤銷。倘其後收回之前已撤賬的款項，將計入損益。

就以攤銷後成本計算的金融資產而言，倘於隨後期間減值虧損的數額減少，而此項減少可客觀地與確認減值虧損後的某一事件聯繫，則先前確認的減值虧損於損益中予以撥回，惟於撥回減值當日的投資賬面值不得超逾假設未確認減值時的攤銷後成本。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Financial instruments (continued)

##### Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### Equity instruments

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

##### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

#### 4. 主要會計政策(續)

##### 金融工具(續)

##### 金融負債及股本工具

集團實體發行之債務及股本工具乃根據合同安排的內容，以及金融負債及股本工具之定義分類為金融負債或股本工具。

##### 股本工具

股本工具乃代表本集團於扣減所有負債後之資產中擁有剩餘權益的任何合同。集團實體發行之股本工具乃按已收所得款項扣除直接發行成本記賬。

##### 實際利益法

實際利率法乃計算金融負債之攤銷後成本及按有關期間攤分利息支出之方法。實際利率乃於初步確認時將估計日後現金付款(包括所有支付或收取構成整體實際利率之費用、交易成本及其他溢價或折扣)按金融負債之預期年限或較短期間(倘合適)實際折現至賬面淨值之利率。

利息支出按實際利率基準確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

*Financial liabilities at amortised cost*

Financial liabilities including trade and other payables and borrowing are subsequently measured at amortised cost, using the effective interest method.

##### Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and any cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

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

#### 4. 主要會計政策(續)

金融工具(續)

金融負債及股本工具(續)

*按攤銷成本計算的金融負債*

金融負債(包括應付賬款及其他應付款項及借款)乃隨後採用實際利率法按攤銷後成本計量。

##### 停止確認

本集團僅當從資產收取現金流量之合約權利已到期或把金融資產轉讓，並實質上將其於資產擁有權之絕大部份風險及回報轉至另一實體時，才終止確認金融資產。

於停止確認金融資產時，該項資產賬面值，與已收及應收代價及已於其他全面收益確認及累積於權益中之累計收益及虧損之總數間的差額會直接於損益確認。

本集團僅會在訂明責任解除、註銷或屆滿時，停止確認金融負債。停止確認之金融負債的賬面值與已付或應付代價之間的差額於損益確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the year in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rate prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributable to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

#### 4. 主要會計政策(續)

##### 外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行的交易均按交易日期所適用匯率換算為功能貨幣記賬。於各報告期末，以外幣定值之貨幣項目均按報告期末所適用匯率重新換算。按外幣過往成本計量之非貨幣項目毋須重新換算。

結算貨幣項目及重新換算貨幣項目所產生的匯兌差額均於產生年度在損益確認。

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃按各報告期末所適用匯率換算為本公司之列賬貨幣(即港幣)，其收支項目乃按該期間之平均匯率換算，惟在該期間的匯率大幅波動的情形下，則按交易當日的現行匯率換算。所產生之匯兌差額(如有)乃確認於其他全面收益及累計至貨幣換算儲備(屬於非控股權益(如適用))標題下之權益。

出售境外業務時(即出售本集團於境外業務之全部權益、或出售涉及失去包括境外業務之附屬公司之控制權、或出售包括境外業務之合營安排或聯營公司之部份權益(其保留權益成為一項財務資產))，所有就有關本公司擁有人應佔業務於權益累計之匯兌差額重新分類至損益賬。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 5. KEY SOURCES OF ESTIMATION UNCERTAINTIES

In the application of the Group's accounting policies, which are described in note 4, the management of the Company are required to make various estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences, and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the key assumptions concerning the future, and key sources of estimation uncertainties at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units to which goodwill has been allocated. The recoverable amount are determined with reference to the value in use of the relevant cash-generating units, which required significant assumptions about suitable discount rates, annual growth rates and expected gross profit margin in order to calculate the present value of the estimated future cash flows. Where there is a downward revision of estimated cash flows or when the actual cash flows are less than expected, there will be a change of recoverable amount, a material impairment loss may arise. At December 31, 2017, the carrying amount of goodwill is HK\$33.8 million (as at December 31, 2016: HK\$33.8 million). Details of the recoverable amount calculation are disclosed in note 15.

### 5. 估計涉及不確定性的主要來源

在應用附註4所述本集團會計政策時，本公司管理層須就不容易從其他來源中明顯辨別出的資產及負債的賬面值作出多項估計及假設。多項估計及相關假設乃基於歷史經驗及其他相關因素而作出。實際結果可能與該等估計不同。

估計及相關假設乃按持續基準作檢討。倘會計估計的修訂僅影響估計作出修訂的期間，則修訂於該期間內確認，或倘修訂影響本期間或未來期間，則修訂於作出修訂期間及未來期間內確認。

以下是有關將來的主要假設與其他於報告期末不確定性的估計的主要來源，可能導致下一個財政年度有重大風險需就資產及負債賬面值作出重大調整。

#### 商譽的估計減值

釐定商譽是否減值須估計獲分配商譽之創現單位的可收回金額。可收回金額取決於自創現單位之現用價值，此需要相關合適的折現率、年度增長率及預期毛利率的重要假設，以計算預計將來現金流的現值。倘估計現金流量已作出向下修訂或當實際現金流少於預期，可收回金額或會變更，或會產生重大減值。於二零一七年十二月三十一日，商譽之賬面值為港幣33.8百萬元(於二零一六年十二月三十一日：港幣33.8百萬元)。可收回金額計算方法之詳情於附註15披露。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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

#### 5. KEY SOURCES OF ESTIMATION UNCERTAINTIES (continued)

##### Allowance for inventories

The management of the Group reviews the aging of the inventories at the end of the reporting period and estimates the net realisable value of obsolete and slow-moving inventory items. Estimation of net realisable value of the inventory involves judgment on the conditions and usefulness of items of inventories. Where the expectation on the net realisable value is lower than the cost for certain items, a write-off or write-down of inventories may arise. As at December 31, 2017, the carrying amount of inventories is HK\$130.4 million (net of allowance of HK\$31.3 million) (as at December 31, 2016: HK\$102.2 million (net of allowance of HK\$60.7 million)).

##### Estimated allowance for doubtful debts

The Group makes allowance for doubtful debts based on an assessment of the recoverability of trade receivables. Allowance is applied to trade receivables where events or changes in circumstances indicate that the balances may not be collectible. In determining whether an allowance for doubtful debts is required, the Group takes into consideration of the credit history of the trade receivables including default or delay in payments, settlement records, subsequent settlements and aging analysis of trade receivables. Where the expectation of the recoverability of trade receivables is different from the original estimate, such difference will impact the carrying value of trade receivables and allowance for doubtful debts in the period in which such estimate has changed. As at December 31, 2017, the carrying amount of trade receivables is HK\$117.1 million (net of allowance for doubtful debts of HK\$23.1 million) (as at December 31, 2016: HK\$106.6 million (net of allowance for doubtful debts of HK\$13.6 million)).

#### 5. 估計涉及不確定性的主要來源(續)

##### 存貨撥備

本集團管理層於報告期末檢討存貨賬齡及估算陳舊及滯銷存貨項目的可變現淨值。存貨可變現淨值的估算涉及對存貨項目的狀況及有用情況的判斷。倘可變現淨值預計低於若干項目的成本時，可能會產生存貨撇銷或撇減。截至二零一七年十二月三十一日，存貨的賬面值為港幣130.4百萬元(經扣除撥備港幣31.3百萬元)(於二零一六年十二月三十一日：港幣102.2百萬元(經扣除撥備港幣60.7百萬元))。

##### 呆賬估計撥備

本集團根據評估應收賬款的可收回性對呆賬作出撥備。倘事件或情況顯示結餘可能無法收回，則須對應收賬款作出撥備。於釐定是否需要對呆賬作出撥備時，本集團已考慮應收賬款的信貸記錄，包括應收賬款之拖欠或延遲付款、付款記錄、其後結算及賬齡分析。倘預期應收賬款的可收回性有別於初始估計，該差額將影響應收賬款的賬面值及於該估計已變動期間的呆賬撥備。於二零一七年十二月三十一日，應收賬款的賬面值為港幣117.1百萬元(經扣除呆賬撥備港幣23.1百萬元)(於二零一六年十二月三十一日：港幣106.6百萬元(經扣除呆賬撥備港幣13.6百萬元))。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 6. SEGMENT INFORMATION

Revenue represents the amounts received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes. Revenue represents mainly Oregon Scientific branded sales ("Branded Sales") and Original Equipment Manufacturer and Original Design Manufacturer sales ("OEM/ODM Sales").

HKFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the executive directors and chief executive officer, being the chief operating decision maker (the "CODM"), in order to allocate resources to the segments and to assess their performance. In previous years, the Group operates in six operating and reportable segments, namely sports, fitness and healthcare, smart learning products, time and weather, telecommunication, wellness and beauty as well as energy and other electronic products. During the year, the CODM has determined to change the structure of the internal organisation to enhance efficiency and effectiveness on the performance review and resources allocation and in a manner that revises the composition of its operating segments to:

Smart learning and immersive technology	- design, development, manufacture, and sales and marketing of smart learning and immersive;
Connected home and communications	- design, development, manufacture, and sales and marketing of home connected and communications products;

### 6. 分部資料

收益代表本集團向外部客戶出售產品而已收及應收款項，乃扣除折扣及相關銷售稅。收益主要代表Oregon Scientific品牌銷售（「品牌銷售」）及原設備製造及原設計製造銷售（「原設備製造／原設計製造銷售」）。

香港財務報告準則第8號「經營分部」規定以本集團之執行董事及行政總裁，即主要營運決策人（「主要營運決策人」）在對分部作資源分配及評估其表現上所定期審閱的有關本集團不同部門之內部報告作為確定經營分部之基準。於過往年度，本集團經營六個經營及可報告分部，分別為運動、健體及健康、智能教學產品、時間及天氣、電訊、保健及美容以及能源及其他電子產品。於年內，主要營運決策人銳意改變內部組織架構以提升表現評估及資源分配的效能及效益，經營分部的組成更改如下：

智能教育與學習	— 設計、開發、製造，以及銷售及推廣智能教學及融入科技產品
智能家居	— 設計、開發、製造，以及銷售及推廣智能家居產品

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 6. SEGMENT INFORMATION (continued)

Health and wellness	- design, development, manufacture, and sales and marketing of health and wellness products;
Others	- design, development, manufacture, and sales and marketing of energy and other electronic products.

The corresponding information for the prior year has been restated.

#### Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

		Smart learning, and immersive technology 智能教育 與學習 HK\$'M 港幣百萬元	Connected home and communications 智能家居 HK\$'M 港幣百萬元	Health and wellness 健康及保健 HK\$'M 港幣百萬元	Others 其他 HK\$'M 港幣百萬元	Total 總額 HK\$'M 港幣百萬元
Year ended December 31, 2017	截至二零一七年 十二月三十一日止年度					
Segment revenue	分部收益					
Branded sales	品牌銷售	82.0	106.3	14.4	9.1	211.8
OEM/ODM sales	原設備製造/ 原設計製造銷售	—	120.8	63.7	120.3	304.8
Total segment revenue	分部收益總額	82.0	227.1	78.1	129.4	516.6
Segment loss	分部虧損	(1.5)	(23.6)	(7.6)	(15.9)	(48.6)
Unallocated income	未經分配之收入					1.9
Unallocated expense	未經分配之開支					(38.8)
Finance costs	融資成本					(0.2)
Loss before taxation	除稅前虧損					(85.7)

### 6. 分部資料(續)

健康及保健	— 設計、開發、製造， 以及銷售及推廣健康及 保健產品
其他	— 設計、開發、製造， 以及銷售及推廣能源及 其他電子產品

過往年度的相應資料經已重列。

#### 分部收益及業績

本集團按營運及可報告分部之收益及業績分析如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 6. SEGMENT INFORMATION (continued)

#### Segment revenue and results (continued)

### 6. 分部資料(續)

#### 分部收益及業績(續)

		Smart learning, and immersive technology 智能教育 與學習 HK\$'M 港幣百萬元	Connected home and communications 智能家居 HK\$'M 港幣百萬元	Health and wellness 健康及保健 HK\$'M 港幣百萬元	Others 其他 HK\$'M 港幣百萬元	Total 總額 HK\$'M 港幣百萬元
Year ended December 31, 2016	截至二零一六年 十二月三十一日止年度					
Segment revenue	分部收益					
Branded sales (restated)	品牌銷售 (經重列)	40.2	132.9	21.5	15.0	209.6
OEM/ODM sales (restated)	原設備製造/原設計 製造銷售 (經重列)	—	86.8	160.9	107.7	355.4
Total segment revenue (restated)	分部收益總額 (經重列)	40.2	219.7	182.4	122.7	565.0
Segment profit (loss) (restated)	分部溢利 (虧損) (經重列)	1.9	(15.6)	(16.5)	(13.9)	(44.1)
Unallocated income (restated)	未經分配之收入 (經重列)					5.6
Unallocated expense (restated)	未經分配之開支 (經重列)					(23.5)
Loss before taxation	除稅前虧損					(62.0)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 6. SEGMENT INFORMATION (continued)

#### Segment revenue and results (continued)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for both years.

Segment (loss) profit represents the (loss) profit earned by each segment without allocation of interest income, rental income, government grant, insurance compensation, unallocated expense such as central administrative cost, and finance costs. This is the measure reported to the Group's CODM, for the purposes of resource allocation and performance assessment.

No segment assets and segment liabilities are presented as such amounts are not reviewed by the Group's CODM for the purpose of resource allocation and performance assessment or otherwise regularly provided to the Group's CODM.

### 6. 分部資料(續)

#### 分部收入及業績(續)

上文所報告之分部收益代表向外部客戶銷售的收益。兩個年度分部間沒有內部往來銷售。

分部(虧損)溢利指各分部所賺取之(虧損)溢利，不包括利息收入、租金收入、政府資助、保險賠償、未經分配之開支，如總部行政成本及融資成本作出的分配。此為向本集團主要營運決策人就資源分配及表現評估作報告之計量方式。

由於本集團之分部資產及分部負債並未由本集團之主要營運決策人審閱以分配資源及評估表現或以其他方式定期呈交本集團之主要營運決策人，故並無呈列該等資料。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 6. SEGMENT INFORMATION (continued)

#### Other segment information

### 6. 分部資料(續)

#### 其他分部資料

		Smart learning, and immersive technology 智能教育 與學習 HK\$'M 港幣百萬元	Connected home and communications 智能家居 HK\$'M 港幣百萬元	Health and wellness 健康及保健 HK\$'M 港幣百萬元	Others 其他 HK\$'M 港幣百萬元	Total 總額 HK\$'M 港幣百萬元
<b>Year ended December 31, 2017</b>	<b>截至二零一七年 十二月三十一日止年度</b>					
Amounts included in the measure of segment profit or loss:	分部溢利或虧損計入 下列款額：					
Depreciation and amortisation	折舊及攤銷					
– property, plant and equipment	– 物業、機器及設備	5.7	4.5	1.0	1.5	12.7
– intangible assets	– 無形資產	—	—	—	0.7	0.7
Reversal of write-down of inventories	存貨撇減撥回	2.1	1.2	—	—	3.3
Loss on disposals of property, plant and equipment	出售物業、機器及設備 之虧損	0.4	—	—	—	0.4
<b>Year ended December 31, 2016</b>	<b>截至二零一六年 十二月三十一日止年度</b>					
Amounts included in the measure of segment profit or loss:	分部溢利或虧損計入 下列款額：					
Depreciation and amortisation	折舊及攤銷					
– property, plant and equipment (restated)	– 物業、機器及 設備 (經重列)	2.1	8.4	2.0	2.8	15.3
– intangible assets (restated)	– 無形資產 (經重列)	0.2	0.8	0.1	0.8	1.9
Reversal of write-down of inventories (restated)	存貨撇減撥回 (經重列)	2.5	6.1	8.5	8.0	25.1
Gain on disposals of property, plant and equipment (restated)	出售物業、機器及 設備之收益 (經重列)	(1.5)	(5.1)	(0.8)	(0.6)	(8.0)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 6. SEGMENT INFORMATION (continued)

#### Geographical information

The Group's operations are located in Asia Pacific, Europe and Americas (representing the United States of America and Latin America). The Group carries out its manufacturing and trading operations in Hong Kong and other parts of the People's Republic of China (the "PRC"). The Group also operates marketing offices in Europe, the United States of America, Latin America and other Asia Pacific countries.

Information about the Group's revenue from external customers is presented based on the location of customers are detailed below:

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
Americas	美洲	108.8	217.1
Europe	歐洲	261.9	225.3
Asia Pacific	亞太區	145.9	122.6
		<b>516.6</b>	<b>565.0</b>

Over 95% non-current assets and financial instruments of the Group are substantially located in the PRC.

### 6. 分部資料(續)

#### 地區資料

本集團之業務位於亞太區、歐洲及美洲(指美國及拉丁美洲)。本集團於香港及中華人民共和國(「中國」)其他地區進行製造及進行貿易業務。本集團亦在歐洲、美國、拉丁美洲及其他亞太區國家設有市場推廣辦事處。

本集團來自外界客戶之收益乃根據客戶所在地劃分，詳情如下：

本集團之逾95%非流動資產及金融工具主要位於中國。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 6. SEGMENT INFORMATION (continued)

#### Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total sales of the Group are as follows:

		Year ended December 31, 2017 截至 二零一七年 十二月三十一日 止年度 HK\$'M 港幣百萬元	Year ended December 31, 2016 截至 二零一六年 十二月三十一日 止年度 HK\$'M 港幣百萬元
Customer "A" <sup>1</sup>	客戶 A <sup>1</sup>	17%	n/a <sup>3</sup>
Customer "B" <sup>2</sup>	客戶 B <sup>2</sup>	n/a <sup>3</sup>	16%

<sup>1</sup> Revenue from OEM/ODM sales in connected home and communications segment.

<sup>2</sup> Revenue from OEM/ODM sales in health and wellness segment.

<sup>3</sup> The corresponding amount is less than 10% of the total sales for the respective years.

### 6. 分部資料(續)

#### 主要客戶資料

於相應年度為本集團貢獻逾 10% 總銷售額之客戶之收益如下：

		Year ended December 31, 2017 截至 二零一七年 十二月三十一日 止年度 HK\$'M 港幣百萬元	Year ended December 31, 2016 截至 二零一六年 十二月三十一日 止年度 HK\$'M 港幣百萬元
Customer "A" <sup>1</sup>	客戶 A <sup>1</sup>	17%	n/a <sup>3</sup>
Customer "B" <sup>2</sup>	客戶 B <sup>2</sup>	n/a <sup>3</sup>	16%

<sup>1</sup> 來自智能家居分部原設備製造／原設計製造銷售的收益。

<sup>2</sup> 來自健康及保健分部原設備製造／原設計製造銷售的收益。

<sup>3</sup> 相應金額少於相關年度總銷售額的 10%。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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

#### 7. OTHER INCOME, OTHER GAINS AND LOSSES

#### 7. 其他收入、其他所得及虧損

		2017	2016
		二零一七年	二零一六年
		HK\$'M	HK\$'M
		港幣百萬元	港幣百萬元
			(restated)
			(經重列)
<b>Other income</b>	<b>其他收入</b>		
Interest income	利息收入	0.4	0.3
Rental income	租金收入	0.9	0.3
Sales of scraps	廢料銷售	3.2	3.7
Government grant	政府補貼	—	1.1
Insurance compensation	保險賠償	—	0.7
Others	其他	0.6	3.2
		5.1	9.3
<b>Other gains and losses</b>	<b>其他所得及虧損</b>		
Allowance for doubtful debts	呆賬撥備	(9.2)	—
(Loss) gain on disposals of property, plant and equipment	出售物業、機器及設備(虧損)收益	(0.4)	8.0
Net exchange loss	匯兌虧損淨額	(2.6)	(2.0)
Impairment of available-for-sale investments	可供出售投資之減值	(0.9)	—
		(13.1)	6.0

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 8. LOSS BEFORE TAXATION

### 8. 除稅前虧損

		2017	2016
		二零一七年	二零一六年
		HK\$'M	HK\$'M
		港幣百萬元	港幣百萬元
			(restated)
			(經重列)
Loss before taxation has been arrived at after charging (crediting):	除稅前虧損已扣除(計入)下列各項：		
Directors' emolument (note 9)	董事酬金(附註9)	1.1	4.1
Retirement benefits scheme contributions for other staff	其他員工退休保障計劃供款	12.0	16.1
Salaries and other benefits for other staff	其他員工之工資及其他福利	172.6	183.2
Other staff costs	其他員工成本	184.6	199.3
Total staff costs	員工成本總額	185.8	203.4
Less: Amount capitalised to inventories	減：資本化於存貨中的金額	(61.1)	(72.0)
		124.7	131.4
Amortisation of intangible assets	無形資產攤銷	0.7	1.9
Auditors' remuneration	核數師酬金	2.3	2.7
Cost of inventories recognised as expense	已確認為開支之存貨成本	409.5	466.0
Reversal of write-down of inventories	存貨撇減撥回	(3.3)	(25.1)
Depreciation of property, plant and equipment	物業、機器及設備之折舊	12.7	15.3
Less: Amount capitalised to inventories	減：資本化於存貨中的金額	(0.8)	(0.5)
		11.9	14.8
Allowance for doubtful debts	呆賬撥備	9.2	—
Operating lease rentals in respect of	經營租約租金		
– office equipment and motor vehicles	– 辦公室設備及汽車	0.1	0.1
– rented premises	– 租賃物業	22.8	24.0

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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

#### 9. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS

The emoluments paid or payable to each of 11 (2016: 12) directors and the chief executives of the Company were as follows:

#### 9. 董事及主要行政人員酬金

已付或應付予 11 名(二零一六年：12 名)董事及主要行政人員各人之酬金如下：

		Fees	Salaries and allowances	Retirement benefits scheme contributions	Total
		袍金	薪金及津貼	退休福利計劃供款	總額
		HK\$'M	HK\$'M	HK\$'M	HK\$'M
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Year ended December 31, 2017	截至二零一七年十二月三十一日止年度				
<i>Executive directors:</i>	<i>執行董事：</i>				
Mr. Foo Piau Phang (note 1)	符標榜先生(附註1)	—	—	—	—
Mr. Qi Miao (note 2)	祁淼先生(附註2)	—	—	—	—
Mr. Hou Kaai Wem (note 3)	侯凱文先生(附註3)	—	—	—	—
<i>Non-executive directors:</i>	<i>非執行董事：</i>				
Mr. Xin Kexia (note 6)	辛克俠先生(附註6)	—	—	—	—
Mr. Song Rongrong	宋榮榮先生	—	—	—	—
Mr. Shi Changyun (note 6)	施長雲先生(附註6)	—	—	—	—
Mr. Jing Tian (note 4)	荆天先生(附註4)	—	—	—	—
<i>Independent non-executive directors:</i>	<i>獨立非執行董事：</i>				
Mr. Yang Xiongsheng	楊雄勝先生	0.3	—	—	0.3
Ms. Zhao Yuhong	趙宇紅女士	0.3	—	—	0.3
Dr. Li Quan	李權博士	0.3	—	—	0.3
Mr. Duh Jia-Bin	杜家濱先生	0.2	—	—	0.2
		1.1	—	—	1.1



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 9. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS (continued)

### 9. 董事及主要行政人員酬金(續)

Year ended December 31, 2016	截至二零一六年 十二月三十一日止年度	Fees 袍金 HK\$'M 港幣百萬元	Salaries and allowances 薪金及津貼 HK\$'M 港幣百萬元	Retirement benefits scheme contributions 退休福利 計劃供款 HK\$'M 港幣百萬元	Total 總額 HK\$'M 港幣百萬元
<i>Executive directors:</i>		<i>執行董事：</i>			
Mr. Foo Piau Phang (note 1)	符標榜先生(附註1)	—	—	—	—
Mr. Hou Kaai Wem (note 3)	侯凱文先生(附註3)	—	3.0	—	3.0
<i>Non-executive directors:</i>		<i>非執行董事：</i>			
Mr. Xin Kexia (note 6)	辛克俠先生(附註6)	—	—	—	—
Mr. Song Rongrong	宋榮榮先生	—	—	—	—
Mr. Shi Changyun (note 6)	施長雲先生(附註6)	—	—	—	—
Mr. Qi Miao (note 2)	祁淼先生(附註2)	—	—	—	—
Mr. Jing Tian (note 4)	荆天先生(附註4)	—	—	—	—
Ms. Wang Yang (note 5)	王揚女士(附註5)	—	—	—	—
<i>Independent non-executive directors:</i>		<i>獨立非執行董事：</i>			
Mr. Yang Xiongsheng	楊雄勝先生	0.3	—	—	0.3
Ms. Zhao Yuhong	趙宇紅女士	0.3	—	—	0.3
Dr. Li Quan	李權博士	0.3	—	—	0.3
Mr. Duh Jia-Bin	杜家濱先生	0.2	—	—	0.2
		1.1	3.0	—	4.1

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 9. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS (continued)

Note 1: Mr. Foo Piau Phang resigned as the chief executive officer of the Company on September 11, 2017.

Note 2: Mr. Qi Miao was re-designated from non-executive director to executive director of the Company and was appointed as the chief executive officer of the Company on September 11, 2017.

Note 3: Mr. Hou Kaai Wern resigned as a director of the Company on March 1, 2017.

Note 4: Mr. Jing Tian was appointed as the non-executive director of the Company on December 6, 2016 and resigned as the non-executive director of the Company on March 2, 2018.

Note 5: Ms. Wang Yang resigned as the non-executive director of the Company on December 6, 2016.

Note 6: Mr. Xin Kexia and Mr. Shi Changyun resigned as the non-executive director of the Company on March 2, 2018.

Note 7: Mr. Wu Gang, Mr. Yan Keya and Mr. Han Hongtu were appointed as the non-executive director of the Company on March 2, 2018.

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

The emoluments of the non-executive directors and independent non-executive directors shown above were mainly for their services as directors of the Company.

### 9. 董事及主要行政人員酬金(續)

附註1：符標榜先生於二零一七年九月十一日辭任本公司行政總裁。

附註2：祁淼先生於二零一七年九月十一日由本公司的非執行董事調任執行董事，並獲委任為本公司行政總裁。

附註3：侯凱文先生於二零一七年三月一日辭任本公司董事。

附註4：荆天先生於二零一六年十二月六日獲委任為本公司非執行董事，並於二零一八年三月二日辭任本公司非執行董事。

附註5：王揚女士於二零一六年十二月六日辭任本公司非執行董事。

附註6：辛克俠先生及施長雲先生於二零一八年三月二日辭任本公司非執行董事。

附註7：吳剛先生、鄒克亞先生及韓宏圖先生於二零一八年三月二日獲委任為本公司非執行董事。

上文所示執行董事的酬金主要就彼等有關管理本公司及本集團事務的服務而言。

非執行董事及獨立非執行董事之薪酬主要包括彼等作為本公司董事提供服務的酬金。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 10. FIVE HIGHEST PAID EMPLOYEES

In 2017, no director is included in the aggregate emoluments of the five highest paid individuals. In 2016, the aggregate emoluments of the five highest paid individual included one director of the Company.

The emoluments of the remaining five (2016: four) highest paid individuals are as follows:

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
Salaries and allowances	薪金及津貼	7.0	8.0
Retirement benefits schemes contributions	退休福利計劃供款	0.4	0.4
		7.4	8.4

The emoluments of the remaining five (2016: four) highest paid individuals are within the following bands:

		Number of employees 僱員數目	
		2017 二零一七年	2016 二零一六年
HK\$1,000,001 to HK\$1,500,000	港幣 1,000,001 元至港幣 1,500,000 元	3	3
HK\$1,500,001 to HK\$2,000,000	港幣 1,500,001 元至港幣 2,000,000 元	2	1

During the year, no emoluments were paid by the Group to the five highest paid individuals and directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors and chief executive has waived any emoluments during the year.

### 10. 五名最高薪酬僱員

於二零一七年，概無董事計入五名最高薪酬僱員酬金總額。於二零一六年，五名最高薪酬僱員薪酬總額包括一名本公司董事。

其餘五名(二零一六年：四名)最高薪酬人士之酬金介乎以下幅度：

其餘五名(二零一六年：四名)最高薪酬人士之酬金介乎以下幅度：

在年內，本集團概無支付酬金予五名最高薪酬個人及董事作為彼等加入本集團或加入後之酬金或離職補償金。概無董事及最高行政人員於年內放棄任何酬金。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### II. TAXATION

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
Deferred taxation (note 17)	遞延稅項(附註17)	—	2.0

The tax charge for the year is reconciled to the loss before taxation as follows:

本年度稅項支出與除稅前之虧損對賬如下：

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
Loss before taxation	除稅前虧損	(85.7)	(62.0)
Tax credit at the domestic income tax rate of 16.5%	按本地所得稅率16.5%計算的稅項抵免	(14.1)	(10.2)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅項影響	—	1.7
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅項影響	(0.2)	(1.5)
Tax effect of tax losses not recognised	未獲確認稅項虧損之稅項影響	26.6	23.5
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營附屬公司所採用稅率不同之影響	(5.9)	(7.6)
Utilisation of tax losses previously not recognised	動用早前未獲確認之稅項虧損	(6.4)	(4.9)
Others	其他	—	1.0
Tax charge for the year	本年度稅項支出	—	2.0

Hong Kong Profits Tax is calculated at 16.5% of estimated assessable profits for both years.

於上述兩個年度，香港利得稅乃就估計應課稅溢利按16.5%計算。

Under the Law of the PRC on Enterprise Income Tax ("EIT Law") and Implementation Regulation of the EIT Law, the tax rate for the PRC subsidiaries is 25%.

按照《中華人民共和國企業所得稅法》(「企業所得稅法」)及實施條例，適用於本公司的中國附屬公司之企業所得稅稅率為25%。

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

其他司法權區之稅項乃按照有關司法權區現行之稅率計算。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 12. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company for the year is based on the following data:

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
Loss:	虧損：		
Loss for the year attributable to owners of the Company and loss for the purposes of basic loss per share	用以計算每股基本虧損之本公司擁有人應佔之本年度虧損	(85.7)	(64.0)

		2017 二零一七年	2016 二零一六年
Number of ordinary shares:	普通股份數目：		
Weighted average number of ordinary shares for the purposes of basic loss per share	用於計算每股基本虧損之普通股加權平均數	2,599,993,088	2,599,993,088

No dilutive earnings per share is presented for the years ended December 31, 2017 and 2016 as there was no potential ordinary share in issue for both years.

### 12. 每股虧損

本年度本公司擁有人所佔每股基本虧損乃按下列數據計算：

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
Loss:	虧損：		
Loss for the year attributable to owners of the Company and loss for the purposes of basic loss per share	用以計算每股基本虧損之本公司擁有人應佔之本年度虧損	(85.7)	(64.0)

		2017 二零一七年	2016 二零一六年
Number of ordinary shares:	普通股份數目：		
Weighted average number of ordinary shares for the purposes of basic loss per share	用於計算每股基本虧損之普通股加權平均數	2,599,993,088	2,599,993,088

截至二零一七年及二零一六年十二月三十一日止年度，概無呈列每股攤薄盈利，因為兩個年度並無已發行潛在普通股。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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

#### 13. PROPERTY, PLANT AND EQUIPMENT

#### 13. 物業、機器及設備

		Buildings	Furniture, fixtures and equipment	Motor vehicles	Plant and machinery	Total
		樓宇	傢俬、裝置 及設備	汽車	廠房設備 及機器	總額
		HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>COST</b>	<b>成本值</b>					
At January 1, 2016	於二零一六年一月一日	0.6	279.0	2.0	278.7	560.3
Currency realignment	匯兌調整	—	(0.5)	0.1	—	(0.4)
Additions	添置	—	2.4	—	5.1	7.5
Disposals	出售	(0.6)	(10.3)	(0.2)	(2.7)	(13.8)
At December 31, 2016	於二零一六年 十二月三十一日	—	270.6	1.9	281.1	553.6
Currency realignment	匯兌調整	—	2.3	—	—	2.3
Additions	添置	—	4.6	0.2	20.0	24.8
Disposals	出售	—	(10.9)	—	(15.6)	(26.5)
At December 31, 2017	於二零一七年 十二月三十一日	—	266.6	2.1	285.5	554.2



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 13. PROPERTY, PLANT AND EQUIPMENT (continued)

### 13. 物業、機器及設備 (續)

		Buildings	Furniture, fixtures and equipment	Motor vehicles	Plant and machinery	Total
		樓宇	傢俬、裝置 及設備	汽車	廠房設備 及機器	總額
		HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>DEPRECIATION</b>	<b>折舊</b>					
At January 1, 2016	於二零一六年一月一日	0.3	270.4	1.5	259.1	531.3
Currency realignment	匯兌調整	—	(0.5)	0.1	—	(0.4)
Provided for the year	本年度計提	—	3.8	0.2	11.3	15.3
Eliminated on disposals	出售時抵銷	(0.3)	(10.3)	(0.2)	(2.7)	(13.5)
At December 31, 2016	於二零一六年 十二月三十一日	—	263.4	1.6	267.7	532.7
Currency realignment	匯兌調整	—	2.3	—	—	2.3
Provided for the year	本年度計提	—	3.2	0.1	9.4	12.7
Eliminated on disposals	出售時抵銷	—	(10.8)	—	(15.2)	(26.0)
At December 31, 2017	於二零一七年 十二月三十一日	—	258.1	1.7	261.9	521.7
<b>CARRYING VALUES</b>	<b>賬面值</b>					
At December 31, 2017	於二零一七年 十二月三十一日	—	8.5	0.4	23.6	32.5
At December 31, 2016	於二零一六年 十二月三十一日	—	7.2	0.3	13.4	20.9

Depreciation is provided to write off the cost of property, plant and equipment, less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

物業、機器及設備均以直線法，按估計可用年期減其剩餘價值計提折舊，以撇銷成本，每年之折舊率如下：

Buildings	Over the shorter of the term the lease, or 25 years	樓宇	租賃期或 25 年， 以較短者為準
Furniture, fixtures and equipment	10% - 25%	傢俬、裝置及設備	10% - 25%
Motor vehicles	10% - 20%	汽車	10% - 20%
Plant and machinery	10% - 20%	廠房設備及機器	10% - 20%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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

#### 14. INTANGIBLE ASSETS

#### 14. 無形資產

		Product development costs 產品開發成本 HK\$'M 港幣百萬元	Patents and trademarks 專利及商標 HK\$'M 港幣百萬元	Total 總額 HK\$'M 港幣百萬元
<b>COST</b>	<b>成本值</b>			
At January 1, 2016	於二零一六年一月一日	24.3	19.6	43.9
Additions	添置	—	0.3	0.3
At December 31, 2016	於二零一六年十二月三十一日	24.3	19.9	44.2
Additions	添置	—	0.3	0.3
At December 31, 2017	於二零一七年十二月三十一日	24.3	20.2	44.5
<b>AMORTISATION AND IMPAIRMENT</b>	<b>攤銷及減值</b>			
At January 1, 2016	於二零一六年一月一日	23.4	15.2	38.6
Amortised for the year	本年度攤銷	0.9	1.0	1.9
At December 31, 2016	於二零一六年十二月三十一日	24.3	16.2	40.5
Amortised for the year	本年度攤銷	—	0.7	0.7
At December 31, 2017	於二零一七年十二月三十一日	24.3	16.9	41.2
<b>CARRYING VALUES</b>	<b>賬面值</b>			
At December 31, 2017	於二零一七年十二月三十一日	—	3.3	3.3
At December 31, 2016	於二零一六年十二月三十一日	—	3.7	3.7

The above intangible assets, which have finite useful lives, are amortised on a straight-line basis over the following periods:

以上無形資產的可用年期有限，乃按以下期間以直線法攤銷：

Product development costs	2 years
Patents and trademarks	5 - 10 years

產品開發成本	2年
專利及商標	5至10年

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 15. GOODWILL

### 15. 商譽

		HK\$'M
		港幣百萬元
At January 1, 2016, December 31, 2016 and December 31, 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十二月三十一日	33.8

The carrying amount of goodwill allocated to the units are as follows:

商譽之賬面值分配予該等單位之情況如下：

		2017	2016
		二零一七年	二零一六年
		HK\$'M	HK\$'M
		港幣百萬元	港幣百萬元
Time and weather consumer electronic products unit in health and wellness segment ("CGU A")	健康及保健分部內時間及天氣電子消費產品單位(「創現單位A」)	17.5	17.5
Telecommunications consumer electronic products unit in connected home and communications segment ("CGU B")	智能家居分部內電訊電子消費產品單位(「創現單位B」)	16.3	16.3
		33.8	33.8

The management of the Group determined that there was no impairment of any of its CGUs containing goodwill for both years.

本集團之管理層認定其包含商譽之創現單位於兩個年度概無出現減值。

The recoverable amounts of the CGU A and CGU B have been determined based on a value in use calculation. The calculation used cash flow projections based on financial budgets approved by management for the next year. Cash flows beyond the next year are extrapolated using zero growth rate. Management estimated discount rate of 12% (2016: 12%) for both CGU A and CGU B using a risk-free rate, the market return and CGU specific risk factors. The key assumptions are annual growth rates and expected gross margin which were estimated based on past experience and expectations of future changes in the market. Management considered that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of both CGUs to exceed the aggregate recoverable amount of respective CGUs.

創現單位A與創現單位B之可收回金額已根據使用價值計算法而釐定。該計算法使用根據管理層批核之來年財務預算編製的現金流量預測。來年後之現金流量則以零增長推算。管理層以無風險利率、市場回報及創現單位之具體風險因素來估計創現單位A及創現單位B之合適之折現率為12%(二零一六年：12%)。主要假設乃年增長率及預期毛利率，此乃根據過往經驗及預計市場上的未來變動估計管理層認為任何於假設上之合理可能的改變，都不會造成兩個創現單位之賬面總值超過其創現單位之可收回總金額。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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

#### 16. AVAILABLE-FOR-SALE INVESTMENTS

In 2016, the amount represented 2.92% unlisted equity investments in a private entity that was established in Korea. They were measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates was so significant that the directors of the Company were of the opinion that their fair values cannot be measured reliably.

In the opinion of director, the investment may not be able to generate the future economic benefit to the Group and is fully impaired in profit or loss in 2017.

#### 17. DEFERRED TAXATION

The followings are the major deferred tax (liabilities) assets recognised and movements thereon during the current and prior year:

		Product development costs 產品 開發成本 HK\$'M 港幣百萬元	Tax losses 稅項虧損 HK\$'M 港幣百萬元	Total Total 總額 HK\$'M 港幣百萬元
At January 1, 2016	於二零一六年一月一日	(0.5)	2.5	2.0
Credit/(charge) to profit or loss for the year	本年度內計入(扣除)損益	0.5	(2.5)	(2.0)
At December 31, 2016 and 2017	於二零一六年及二零一七年 十二月三十一日	—	—	—

At the end of the reporting period, the Group has unutilised tax losses of HK\$1,230.3 million (2016: HK\$1,113.4 million) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams in 2016 and 2017. Included in the unrecognised tax losses were losses of HK\$58.7 million (2016: HK\$57.9 million that would expire in the years of 2017 to 2021) that will expire in the years of 2018 to 2022. Other losses may be carried forward indefinitely.

#### 16. 可供出售投資

於二零一六年，款項為非上市股本投資指於韓國成立之私人實體之2.92%股本投資。該等投資以成本減去於報告期末之減值計量，乃由於估計合理公平值之範圍太廣闊以致本公司董事認為公平值無法可靠地計量。

董事認為，投資於二零一七年未必能為本集團產生未來經濟利益，並於損益內全面減值。

#### 17. 遞延稅項

下表載列於本年度及過往年度已確認之主要遞延稅項(負債)資產及其變動：

於報告期末，本集團有尚未動用稅項虧損港幣1,230.3百萬元(二零一六年：港幣1,113.4百萬元)可供抵銷日後溢利。由於二零一六年及二零一七年難以預測未來溢利流，故並無就該等虧損確認遞延稅項資產。未確認稅項虧損包括將於二零一八至二零二二年期間到期之虧損港幣58.7百萬元(二零一六年：港幣57.9百萬元將於二零一七年至二零二一年期間到期)。其他虧損可無限期結轉。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 18. INVENTORIES

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
Raw materials	原料	51.3	46.7
Work in progress	在製品	10.3	13.2
Finished goods	製成品	68.8	42.3
		<b>130.4</b>	102.2

During the year, there was an increase in the net realisable value of certain finished goods due to market price rise. As a result, a reversal of write-down of HK\$3.3 million (2016:HK\$25.1 million) has been recognised and included in cost of goods sold.

### 19. TRADE AND OTHER RECEIVABLES

The following is an aged analysis of trade receivables (net of allowance for doubtful debts) presented based on the invoice date which approximate the respective revenue recognition date at the reporting date.

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元 (restated) (經重列)
0 to 30 days	0至30日	48.8	58.9
31 to 90 days	31日至90日	64.2	32.9
Over 90 days	90日以上	4.1	14.8
Trade receivables	應收賬款	117.1	106.6
Other receivables	其他應收款項	45.4	56.9
Total trade and other receivables	應收賬款及其他應收款項總額	<b>162.5</b>	163.5

### 18. 存貨

年內，由於市價上漲，若干製成品之可變現淨值有所增加。因此，撇減撥回港幣3.3百萬元(二零一六年：港幣25.1百萬元)已確認及計入所出售貨品成本。

### 19. 應收賬款及其他應收款項

於報告日期，應收賬款扣除呆賬撥備後，按發票日期(該日期與相關收益確認日期相若)呈列之賬齡分析如下：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 19. TRADE AND OTHER RECEIVABLES (continued)

The Group normally allows credit period of 30 to 90 days to its customers. Before accepting any new customers, the management of the Group will base on the credit quality of the potential customers to define credit limits. Credit limits to customers are reviewed annually.

The trade receivable balances of HK\$113.0 million (2016: HK\$91.8million) are neither past due nor impaired at the end of the reporting period for which the Group has not provided for impairment loss since they are mainly the customers with good quality.

Included in the Group's trade receivable balances are debtors with aggregate carrying amount of HK\$4.1 million (2016: HK\$14.8 million) which are past due at the end of the reporting period for which the Group has not provided for impairment loss, as there has not been a significant change in credit quality and the Group believes that the amounts are still recoverable as there are continuing subsequent settlement.

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK\$23.1 million (2016: HK\$13.6 million) which have either been placed under liquidation or in financial difficulties. The Group does not hold any collateral over these balances.

Aging of trade receivables which are past due but not impaired:

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
Overdue less than 90 days	逾期不到90日	2.2	13.7
Overdue 90 to 360 days	90日至360日	1.9	1.1
		<b>4.1</b>	<b>14.8</b>

### 19. 應收賬款及其他應收款項(續)

本集團一般給予客戶30日至90日的信貸期。接納任何新客戶之前，本集團管理層將根據潛在客戶的信貸質素界定信貸限額。向客戶授出的信貸限額會每年進行檢討。

於報告期末，本集團並無計提減值撥備的應收賬款結餘港幣113.0百萬元(二零一六年：港幣91.8百萬元)概無逾期或減值，原因是彼等均為良好客戶。

計入本集團之應收賬款結餘為於報告期末已逾期而本集團並無計提呆賬撥備之應收賬款賬面值合共港幣4.1百萬元(二零一六年：港幣14.8百萬元)，乃由於信貸質素並無重大變動，且因其後一直償付而本集團相信該等金額仍可收回。

呆賬撥備包括已個別減值但並未被清盤或處於財困總結餘為港幣23.1百萬元(二零一六年：港幣13.6百萬元)的應收賬款。本集團並無就該等結餘持有任何抵押品。

已逾期但未減值之應收賬款之賬齡：



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 19. TRADE AND OTHER RECEIVABLES (continued)

Movement in the allowance for doubtful debts on trade receivables:

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
Balance at beginning of the year	年初結餘	13.6	13.2
Currency realignment	匯兌調整	0.3	0.4
Impairment loss for the year	年內減值虧損	9.2	—
Balance at end of the year	年終結餘	23.1	13.6

Other receivables

其他應收款項

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元 (restated) (經重列)
Advances to suppliers	向供應商墊款	32.8	44.6
Other taxes recoverable	其他可收回稅款	7.2	5.7
Others	其他	5.4	6.6
		45.4	56.9

Included in trade and other receivables are the following amounts denominated in currency other than the functional currency of the group entities to which they relate:

應收賬款及其他應收款項包括下列以相關集團實體之功能貨幣以外之貨幣定值之款項：

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
Renminbi ("RMB")	人民幣	2.3	2.9

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 20. BANK BALANCES AND CASH

Bank balances and cash comprised cash held by the Group and bank deposits with an original maturity of three months or less are at prevailing market interest rates in the range of 0.50% to 1.75% (2016: 0.38% to 4.50%) per annum.

Included in bank balances and cash are the following amounts denominated in currency other than the functional currency of the group entities to which they relate:

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
USD	美元	8.2	10.5
RMB	人民幣	8.0	16.2
		<b>16.2</b>	<b>26.7</b>

### 21. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元 (restated) (經重列)
0 to 30 days	0至30日	25.2	10.0
31 to 90 days	31日至90日	47.7	28.2
Over 90 days	90日以上	37.6	18.1
Trade payables	應付賬款	<b>110.5</b>	56.3
Other payables	其他應付款項	<b>82.4</b>	88.8
Trade and other payables	應付賬款及其他應付款項	<b>192.9</b>	145.1

### 20. 銀行結餘及現金

銀行結餘及現金包括本集團持有之現金及銀行存款，有關存款之原到期日為三個月或以下，按通行市場利率計息，年利率介乎0.50厘至1.75厘(二零一六年：0.38厘至4.50厘)。

銀行結餘及現金包括下列以相關集團實體之功能貨幣以外之貨幣計值之款項：

### 21. 應付賬款及其他應付款項

於報告期末，應付賬款按發票日期呈列之賬齡分析如下：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 21. TRADE AND OTHER PAYABLES (continued)

#### Other payables

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
Advance from customers	預付客戶款項	42.6	35.6
Payable for staff costs	應付員工成本	29.0	42.3
Payable for audit service	審計服務應付款項	2.7	3.2
Other tax payables	其他應付稅項	2.8	0.6
Others	其他	5.3	7.1
<b>Total other payables</b>	<b>其他應付稅項總額</b>	<b>82.4</b>	<b>88.8</b>

Included in trade and other payables are the following amounts denominated in currency other than the functional currency of the group entities to which they relate:

### 21. 應付賬款及其他應付款項(續) 其他應付款項

應付賬款及其他應付款項包括下列以相關集團實體之功能貨幣以外之貨幣計值之款項：

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
RMB	人民幣	32.0	18.6

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 22. BORROWING

### 22. 借款

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
Secured, repayable within 1 year and shown under current liability	有抵押，於一年內償還及 於流動負債項下顯示	35.5	—

On December 8, 2017, a subsidiary of the Group, 萬威電子(深圳)有限公司, entered into a loan agreement with a financial institution to borrow RMB30,000,000 (equivalent to HK\$35,500,000) at a fixed interest rate of 8% per annum. The borrowing was pledged by the trade debts with the other inter-group companies and the borrowing will mature within one year.

於二零一七年十二月八日，本集團的附屬公司萬威電子(深圳)有限公司與一家金融機構訂立貸款協議，以按固定利率每年8厘借款人民幣30,000,000元(相當於港幣35,500,000元)。借款由與其他集團內部公司間貿易賬款質押，於一年內到期。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 23. SHARE CAPITAL

### 23. 股本

		Number of shares 股份數目	Amount HK\$'M 金額
<b>Authorised:</b>	<b>法定股本：</b>		
Ordinary shares of HK\$0.10 each	每股面值港幣0.10元的普通股份		
At January 1, 2016 and December 31, 2016	於二零一六年一月一日及 二零一六年十二月三十一日	3,500,000,000	350.0
Increase in authorised share capital	法定股本增加	16,500,000,000	1,650.0
At December 31, 2017	於二零一七年十二月三十一日	20,000,000,000	2,000.0
Ordinary shares of US\$0.10 each	每股面值0.10美元的普通股份		
At January 1, 2016 and December 31, 2016 and December 31, 2017	於二零一六年一月一日以及 二零一六年十二月三十一日及 二零一七年十二月三十一日	10,000	—
<b>Issued and fully paid:</b>	<b>已發行及繳足：</b>		
Ordinary shares of HK\$0.10 each	每股面值港幣0.10元的普通股份		
At January 1, 2016 and December 31, 2016 and December 31, 2017	於二零一六年一月一日以及 二零一六年十二月三十一日及 二零一七年十二月三十一日	2,599,993,088	260.0

Pursuant to the Company's announcement dated on March 15, 2017, the authorised share capital of the Company was increased from HK\$350,000,000 and US\$1,000 divided into 3,500,000,000 ordinary shares of HK\$0.10 each and 10,000 ordinary shares of US\$0.10 each respectively to HK\$2,000,000,000 and US\$1,000 divided into 20,000,000,000 ordinary shares of HK\$0.10 each and 10,000 ordinary shares of US\$0.10 each respectively by creation of 16,500,000,000 additional ordinary shares of HK\$0.10 each, which is rank pari passu in all respects with the existing shares of the Company in issue.

根據本公司日期為二零一七年三月十五日之公告，透過增設16,500,000,000股每股面值港幣0.10元的普通股，將本公司的法定股本由港幣350,000,000元及1,000美元(分為3,500,000,000股每股面值港幣0.10元的普通股及10,000股每股面值0.10美元的普通股)，增加至港幣2,000,000,000元及1,000美元(分為20,000,000,000股每股面值港幣0.10元普通股及10,000股每股面值0.10美元普通股)，該等股份將與本公司所有現有已發行股份於各方面享有同等權益。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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

#### 24. DIVIDEND

No dividend was paid or proposed for the years ended December 31, 2017 and 2016, nor has any dividend been proposed since the end of the reporting periods.

#### 25. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debts and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued share capital, reserves and borrowing.

The management of the Group reviews the capital structure on a regular basis. As part of this review, the management of the Group considers the cost of capital and the risks associates with the capital, and takes appropriate actions through raising debts to adjust the Group's capital structure.

#### 24. 股息

截至二零一七年及二零一六年十二月三十一日止年度，概無派付或建議派付股息，及自報告期末起並無建議派付股息。

#### 25. 資本風險管理

本集團之資本管理旨在確保本集團內之所有實體均可持續經營，同時透過優化債務及股本結構為股東謀求最大回報。本集團之策略與過往年度相同。

本集團之資本架構包括本公司擁有人應佔權益(包含已發行股本、儲備及借款)。

本集團管理層定期審核資本結構。作為該審核之一部分，本集團管理層考慮資本之成本及資本之風險，並會獲得債務採取適當措施調整本集團之資本架構。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 26. FINANCIAL INSTRUMENTS

#### Categories of financial instruments

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元 (restated) (經重列)
Financial assets	金融資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及等同現金項目)	159.7	193.9
Available-for-sale investment	可供出售投資	—	0.9
		159.7	194.8
Financial liabilities	金融負債		
Amortised cost	攤銷後成本	154.0	66.6

#### Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, available-for-sale investments, bank balances and cash, trade and other payables and borrowing. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Company manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

### 26. 金融工具

#### 金融工具類別

#### 財務風險管理目標及政策

本集團之主要金融工具包括應收賬款及其他應收款項、可供出售投資、銀行結餘及現金、應付賬款及其他應付款項及借款。該等金融工具詳情於各有關附註披露。與該等金融工具有關之風險包括市場風險(貨幣風險)、信貸風險及流動資金風險。有關如何降低該等風險的政策載列如下。本公司管理層管理及監察該等風險，以確保及時和有效地採取適當的措施。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 26. FINANCIAL INSTRUMENTS (continued)

#### Financial risk management objectives and policies (continued)

##### Market risk

##### Currency risk

Certain of the Group's bank balances and cash, trade and other receivables and trade and other payables are denominated in RMB and USD which expose the Group to foreign currency risk attributable to the fluctuations in the exchange rates of RMB and USD against HK\$, the functional currency of the respective group entities.

The Group currently has not entered into any contracts to hedge its foreign currency risk exposure. The management monitors foreign exchange risk exposure and will consider hedging significant foreign currency exposure should the need arises.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

		Liabilities		Assets	
		負債		資產	
		2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年
		HK\$'M	HK\$'M	HK\$'M	HK\$'M
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
USD	美元	—	—	8.2	10.5
RMB	人民幣	67.5	18.6	10.3	19.1

### 26. 金融工具(續)

#### 財務風險管理目標及政策(續)

##### 市場風險

##### 貨幣風險

本集團若干銀行結餘及現金、應收賬款及其他應收款項以及應付賬款及其他應付款項以人民幣及美元計值，以致本集團須承受因人民幣及美元兌港元(各自集團實體的功能貨幣)之匯率波動引起之外幣風險。

本集團目前並無訂立任何合約以對沖外幣風險。管理層會監察外幣風險及在需要時考慮對沖重大外幣風險。

本集團以外幣定值之貨幣資產及負債於報告日期之賬面值如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 26. FINANCIAL INSTRUMENTS (continued)

#### Financial risk management objectives and policies (continued)

##### Market risk (continued)

##### Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2016: 5%) increase and decrease in the functional currency of the respective group entities against the relevant foreign currencies. 5% (2016: 5%) sensitivity rate represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% (2016: 5%) change in foreign currency rates. The analysis has excluded USD denominated monetary items as HKD, the functional currency of the group entity holding these monetary items, is pegged to USD. The directors consider that the currency risk in this regard is minimal. A positive number below indicates an increase in post-tax loss for the year where functional currency strengthens 5% against the relevant foreign currencies. For a 5% weakening of functional currency of the respective group entities against the relevant foreign currencies, there would be an equal and opposite impact on the post-tax loss and the balances below would be negative.

### 26. 金融工具(續)

#### 財務風險管理目標及政策(續)

##### 市場風險(續)

##### 敏感度分析

下表詳列因應本集團對各有關集團實體之功能貨幣兌有關外幣升值及減值5% (二零一六年：5%)之敏感度。5%(二零一六年：5%)的敏感度代表管理層對外幣匯率合理可能變動之評估。敏感度分析僅包括現有以外匯定值的貨幣性項目，並於年末按5%(二零一六年：5%)的外匯變動調整彼等的換算率。該分析並不包括美元定值之貨幣項目，原因是持有此等貨幣性項目之集團實體之功能貨幣港元乃與美元掛鈎。董事認為與此有關之貨幣風險屬微不足道。下列正數表示倘功能貨幣兌有關外幣升值5%導致該年度出現除稅後虧損的增加。倘各有關集團實體之功能貨幣兌有關外幣貶值5%，將會對除稅後虧損造成相等及相反之影響，而下列結餘將為負數。

#### Effect on post-tax result for the year 對本年度除稅後業績之影響

	2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
RMB 人民幣	2.4	—

In management's opinion, the analysis is used for reference purpose and is unrepresentative of the inherent currency risk as the year end exposure does not reflect the exposure during the year.

管理層認為此分析只用作參考用途，由於年終之風險並不反映年內之風險，因此敏感度分析對本身之貨幣風險並無代表性。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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

#### 26. FINANCIAL INSTRUMENTS (continued)

##### Financial risk management objectives and policies (continued)

###### *Credit risk*

As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of Group entities to perform their obligations in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade receivable regularly to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk on trade receivables, with exposure spread over a number of counterparties and customers spread across diverse industries and geographical areas.

The credit risk for bank deposits is considered minimal as such amounts are placed in banks with high credit ratings.

###### *Liquidity risk*

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings and ensures compliance with loan covenants.

#### 26. 金融工具(續)

##### 財務風險管理目標及政策(續)

###### *信貸風險*

於報告期末，本集團就本集團實體未能就各類別已確認金融資產履行其責任而將令本集團蒙受財務損失之最高信貸風險，為綜合財務狀況表所載該等資產之賬面值。為減輕信貸風險，本集團之管理層已指派一個小組負責釐定客戶信貸限額、信貸批核，以及其他監控程序以確保採取跟進措施以收回逾期債項。此外，本集團定期檢討各個別應收賬款之可收回款項以確保對不可收回款項作出足額減值虧損。就此而言，本公司董事認為本集團之信貸風險已大為減輕。

本集團應收賬款並無高度集中之信貸風險，有關風險乃分散至不同行業及地區之多個交易對手及客戶。

銀行定期存款方面之信貸風險被視為極低，因該等款項乃存放於高信貸評級之銀行。

###### *流動資金風險*

於管理流動資金風險方面，管理層認為本集團已監控及維持足夠之現金及等同現金項目水平，以提供本集團經營業務所需之資金及減低現金流量波動之影響。管理層監控借貸之運用情況及確保遵從貸款契約。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 26. FINANCIAL INSTRUMENTS (continued)

#### Financial risk management objectives and policies (continued)

##### Liquidity risk (continued)

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on agreed repayment dates. The table includes both interest and principal cash flows.

##### Liquidity and interest risk tables

		Weighted average effective interest rate	On demand or within 3 months	3 months to 1 year	Total undiscounted cash flows 或未貼現 現金流量 總額	Carrying amount at year end 年未 賬面值
		%	HK\$'M	HK\$'M	HK\$'M	HK\$'M
		%	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
2017	二零一七年					
Non-derivative financial liabilities	非衍生金融負債					
Trade and other payables	應付賬款及其他應付款項	—	118.5	—	118.5	118.5
Borrowing	借款	8%	—	36.9	36.9	35.5
			118.5	36.9	155.4	154.0
2016	二零一六年					
Non-derivative financial liabilities	非衍生金融負債					
Trade and other payables (restated)	應付賬款 及其他應付款項(重列)	—	66.6	—	66.6	66.6

### 26. 金融工具(續)

#### 財務風險管理目標及政策(續)

##### 流動資金風險(續)

下表詳列按照同意的還款條款，本集團金融負債之餘下合約到期日。就非衍生金融負債而言，該表乃根據按本集團可償還之最早日期計算之金融負債之未貼現現金流量編製。其他非衍生金融負債之到期日則為其同意之還款日。該表包括利率及本金的現金流量。

##### 流動資金及利率風險表

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 26. FINANCIAL INSTRUMENTS (continued)

#### Fair value

The fair values of financial assets and financial liabilities at amortised cost are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors consider that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximates to their fair values.

### 27. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liability arising from financing activity, including both cash and non-cash changes. Liability arising from financing activity is that for which cash flow was, or future cash flow will be, classified in the Group's consolidated statement of cash flows as cash flow from financing activity.

### 26. 金融工具(續)

#### 公平值

按攤銷成本計算之金融資產及金融負債之公平值乃根據以貼現現金流量分析為基礎的公認定價模型釐定。

董事認為於綜合財務報表中以攤銷成本記錄之金融資產及金融負債之賬面值與其公平值相若。

### 27. 融資活動所產生負債對賬

下表載列本集團自融資活動所產生負債之變動(包括現金及非現金變動)詳情。自融資活動所產生的負債為本集團於綜合現金流量表分類為融資活動所得現金流量的現金流量或未來現金流量。

		Borrowing 借款 HK\$'M 港幣百萬元
At January 1, 2017	於二零一七年一月一日	—
Financing cash flow	融資現金流量	35.3
Finance cost	融資成本	0.2
At December 31, 2017	於二零一七年十二月三十一日	35.5

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 28. OPERATING LEASE COMMITMENTS/ ARRANGEMENT

#### The Group as lessee

At the end of the reporting period, the Group was committed to make the following future minimum lease payments under non-cancellable operating leases, the terms of which is three to five years, fall due as follows:

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
<b>Rented premises</b>	<b>租賃物業</b>		
Within one year	一年內	19.3	28.8
In the second to fifth year inclusive	二至五年內(包括首尾兩年)	23.0	40.4
		<b>42.3</b>	<b>69.2</b>

#### The Group as lessor

At the end of the reporting period, the Group had contracted with tenants which are negotiated for terms of three to five years for the following future minimum lease payments in respect of factory premises:

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
<b>Rented premises</b>	<b>租賃物業</b>		
Within one year	一年內	7.9	8.5
In the second to fifth year inclusive	二至五年內(包括首尾兩年)	16.8	25.6
		<b>24.7</b>	<b>34.1</b>

### 28. 經營租賃承擔／安排

#### 本集團作為承租人

於報告期末，本集團根據不可撤銷之經營租約(其租期為三至五年到期)的未來最低租約付款承擔如下：

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
<b>Rented premises</b>	<b>租賃物業</b>		
Within one year	一年內	19.3	28.8
In the second to fifth year inclusive	二至五年內(包括首尾兩年)	23.0	40.4
		<b>42.3</b>	<b>69.2</b>

#### 本集團作為出租人

於報告期末，本集團與租戶就廠房物業訂約，租期按三至五年協商，未來最低租約付款如下：

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
<b>Rented premises</b>	<b>租賃物業</b>		
Within one year	一年內	7.9	8.5
In the second to fifth year inclusive	二至五年內(包括首尾兩年)	16.8	25.6
		<b>24.7</b>	<b>34.1</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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

#### 29. RELATED PARTY TRANSACTIONS

Apart from the transactions and the balances with related parties disclosed elsewhere in these consolidated financial statements, the Group also entered into the following significant transaction with related parties during the year:

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
Consignment commission fee to certain fellow subsidiaries	向若干同系附屬公司支付的代售佣金	0.6	—
Sales of goods to certain fellow subsidiaries	向若干聯屬公司銷售產品	—	0.4

The remuneration of directors and other members of key management during the year was as follows:

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
– Salary, allowance and other benefits	– 薪金、津貼及其他福利	18.1	11.0
– Retirement benefits scheme contributions	– 退休福利計劃供款	0.7	0.6
		<b>18.8</b>	<b>11.6</b>

The remuneration of directors and other members of key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

#### 29. 關連人士交易

除此等綜合財務報表其他章節詳述的該等交易及結餘外，本集團於年內曾與關連方進行以下重大交易：

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
Consignment commission fee to certain fellow subsidiaries	向若干同系附屬公司支付的代售佣金	0.6	—
Sales of goods to certain fellow subsidiaries	向若干聯屬公司銷售產品	—	0.4

董事及其他主要管理層成員年內的薪酬如下：

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
– Salary, allowance and other benefits	– 薪金、津貼及其他福利	18.1	11.0
– Retirement benefits scheme contributions	– 退休福利計劃供款	0.7	0.6
		<b>18.8</b>	<b>11.6</b>

董事及其他主要管理人員之酬金由薪酬委員會按個別人士之表現及市場薪酬水平釐定。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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

#### 30. PRINCIPAL SUBSIDIARIES

As at December 31, 2017 and 2016, the Company's principal subsidiaries, are all indirectly wholly owned by the Company except Huger Electronics GmbH which is 99.83% indirectly owned by the Company. Details of the Company's principal subsidiaries at December 31, 2017 and 2016 are as follows:

#### 30. 主要附屬公司

於二零一七年及二零一六年十二月三十一日本公司各主要附屬公司均為本公司間接全資擁有，惟Huger Electronics GmbH(本公司間接擁有99.83%)除外。本公司主要附屬公司於二零一七年及二零一六年十二月三十一日之詳情如下：

Name of subsidiary	Place of incorporation/ establishment	Nominal value of issued ordinary share/ registered capital	Principal activities
附屬公司名稱	註冊成立/ 成立地點	已發行普通 股份面值/ 註冊資本	主要業務
Cheer Win Electronics (Shenzhen) Co., Ltd. (Note) 展科電子(深圳)有限公司(附註)	the PRC 中國	US\$4,440,000 4,440,000 美元	Manufacture and sales of consumer electronic products 製造及銷售電子消費產品
IDT Technology Limited 萬威科研有限公司	Hong Kong 香港	HK\$2 港幣 2 元	Trading of consumer electronic products 經銷電子消費產品
萬威電子(深圳)有限公司 (Note) 萬威電子(深圳)有限公司(附註)	the PRC 中國	HK\$35,000,000 港幣 35,000,000 元	Manufacture of consumer electronic products and plastic parts and provision of surface mount technology assembly services 製造電子消費產品及塑膠部件及提供表面接合技術
Oregon Scientific France S.A.R.L. Oregon Scientific France S.A.R.L.	France 法國	EUR1,000,000 1,000,000 歐元	Marketing and distribution of consumer electronic products 推廣及分銷電子消費產品

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 30. PRINCIPAL SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation/ establishment	Nominal value of issued ordinary share/ registered capital	Principal activities
附屬公司名稱	註冊成立/ 成立地點	已發行普通 股份面值/ 註冊資本	主要業務
Oregon Scientific Global Distribution Limited 歐西亞環球有限公司	Hong Kong 香港	HK\$2 港幣2元	Marketing and distribution of consumer electronic products 推廣及分銷電子消費產品
Oregon Scientific Hong Kong Limited 歐西亞香港有限公司	Hong Kong 香港	HK\$500,000 港幣500,000元	Marketing and distribution of consumer electronic products 推廣及分銷電子消費產品
Oregon Scientific Italia S.p.A. Oregon Scientific Italia S.p.A.	Italy 意大利	EUR2,156,000 2,156,000歐羅	Marketing and distribution of consumer electronic products 推廣及分銷電子消費產品
Oregon Scientific Smartliving Limited 歐西亞智慧生活有限公司	Hong Kong 香港	HK\$2 港幣2元	Marketing and distribution of consumer electronic products 推廣及分銷電子消費產品

Note: These are wholly foreign owned enterprises established in the PRC.

All of the above subsidiaries operate principally in their respective place of incorporation/ establishment.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities outstanding at the end of the year.

### 30. 主要附屬公司(續)

附註：於中國成立之全外資企業。

上述各主要附屬公司均主要在其註冊成立/成立地點經營。

上表只列出董事認為對本集團業績或資產值有重要影響之附屬公司。董事認為詳細列明其他附屬公司之資料將過於冗長。

於本年度末，各附屬公司均無任何尚未償還之債務證券。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 30. PRINCIPAL SUBSIDIARIES (continued)

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. Details of these subsidiaries are summarised as follows:

### 30. 主要附屬公司(續)

於報告期末，本公司擁有其他對本集團並不重大的附屬公司。該等附屬公司的詳情概述如下：

Principal activities 主要活動	Principal place of business 業務的主要地點	Number of subsidiaries 附屬公司數目	
		2017	2016
		二零一七年	二零一六年
Marketing and distribution of consumer electronic products: 推廣及分銷電子消費產品：	Germany 德國	2	2
	Brazil 巴西	1	1
	Spain 西班牙	1	1
	United Kingdom 英國	1	1
	United States Of America 美國	1	1
	PRC 中國	3	3
Marketing and distribution of Wellness and beauty products: 推廣及分銷健康及美容產品	Hong Kong 香港	1	1
Trading of consumer electronic products: 買賣電子消費產品：	Hong Kong 香港	1	1
	Japan 日本	1	1

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 30. PRINCIPAL SUBSIDIARIES (continued)

Principal activities 主要活動	Principal place of business 業務的主要地點	Number of subsidiaries 附屬公司數目	
		2017	2016
		二零一七年	二零一六年
Trading of telecommunication products: 買賣通訊產品：	Hong Kong 香港	1	1
Investment holding: 投資控股：	Singapore 新加坡	1	1
Provision of group administrative services: 提供集團行政服務：	Hong Kong 香港	1	1

### 31. CONTINGENT LIABILITIES

An indirect wholly-owned subsidiary of the Company, Oregon Scientific Brasil Ltda., was involved in a tax dispute with the State of Sao Paulo, the Federative Republic of Brazil, which may cause a maximum tax payment including penalty and interest of approximately Brazilian Real 3.5 million (equivalent to approximately HK\$8.4 million). After seeking the independent legal advice, the directors of the Company consider that the outcome and the amount of final payment, if any, are uncertain, and no provision has been made in the consolidated financial statements.

### 30. 主要附屬公司(續)

### 31. 或然負債

本公司的間接全資附屬公司Oregon Scientific Brasil Ltda與巴西聯邦共和國聖保羅州發生稅務糾紛，可能導致繳納最高稅款(包括罰金及利息約為3.5百萬巴西雷亞爾(相當於約8.4百萬港元))。在徵詢獨立法律意見後，本公司董事認為結果及最終付款金額(如有)並不確定，且並無於綜合財務報表作出撥備。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

### 32. FINANCIAL INFORMATION OF THE COMPANY

Financial information of the Company at the end of the reporting period includes:

### 32. 本公司的財務資料

於報告期末，本公司的財務資料包括：

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元
<b>ASSETS</b>	<b>資產</b>		
Interests in subsidiaries	於附屬公司的權益	174.4	284.4
Other receivables	其他應收款項	0.5	0.4
Bank balances and cash	銀行結餘及現金	0.2	0.1
		175.1	284.9
<b>LIABILITY</b>	<b>負債</b>		
Other payables	其他應付款項	3.4	1.2
<b>NET ASSETS</b>	<b>資產淨值</b>	171.7	283.7
<b>CAPITAL AND RESERVES</b>	<b>股本及儲備</b>		
Share capital	股本	260.0	260.0
Reserves	儲備	(88.3)	23.7
<b>TOTAL EQUITY</b>	<b>權益總額</b>	171.7	283.7

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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

#### 32. FINANCIAL INFORMATION OF THE COMPANY (continued)

##### Reserves of the Company

		Share premium 股份溢價 HK\$'M 港幣百萬元	Accumulated losses 累計虧損 HK\$'M 港幣百萬元	Total 總額 HK\$'M 港幣百萬元
At January 1, 2016	於二零一六年一月一日	165.0	(138.2)	26.8
Loss and total comprehensive expenses for the year	本年度虧損及全面開支總額	—	(3.1)	(3.1)
At December 31, 2016	於二零一六年十二月三十一日	165.0	(141.3)	23.7
Loss and total comprehensive expenses for the year	本年度虧損及全面開支總額	—	(112.0)	(112.0)
<b>At December 31, 2017</b>	<b>於二零一七年十二月三十一日</b>	<b>165.0</b>	<b>(253.3)</b>	<b>(88.3)</b>

#### 32. 本公司的財務資料(續)

##### 本公司儲備

	Share premium 股份溢價 HK\$'M 港幣百萬元	Accumulated losses 累計虧損 HK\$'M 港幣百萬元	Total 總額 HK\$'M 港幣百萬元
--	---	--	--------------------------------

At January 1, 2016	於二零一六年一月一日	165.0	(138.2)	26.8
Loss and total comprehensive expenses for the year	本年度虧損及全面開支總額	—	(3.1)	(3.1)
At December 31, 2016	於二零一六年十二月三十一日	165.0	(141.3)	23.7
Loss and total comprehensive expenses for the year	本年度虧損及全面開支總額	—	(112.0)	(112.0)
<b>At December 31, 2017</b>	<b>於二零一七年十二月三十一日</b>	<b>165.0</b>	<b>(253.3)</b>	<b>(88.3)</b>



# GROUP FINANCIAL SUMMARY

## 集團財務概要

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

		Year ended December 31,		Nine-month	Year ended March 31,	
		十二月三十一日止年度	十二月三十一日止年度	period ended December 31,	截至三月三十一日止年度	截至三月三十一日止年度
		2017	2016	2015	2015	2014
		二零一七年	二零一六年	二零一五年	二零一五年	二零一四年
		HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>RESULTS</b>	<b>業績</b>					
Revenue	營業額	516.6	565.0	536.6	1,100.4	1,352.4
Loss before taxation	除稅前虧損	(85.7)	(62.0)	(86.1)	(57.2)	(52.1)
Taxation	稅項	—	(2.0)	(0.1)	(9.8)	(16.7)
Loss for the year/period	本年度/期間虧損	(85.7)	(64.0)	(86.2)	(67.0)	(68.8)
Attributable to :	以下人士應佔 :					
Owners of the Company	本公司擁有人	(85.7)	(64.0)	(86.2)	(67.0)	(68.8)
Non-controlling interests	非控股權益	—	—	—	—	—
		(85.7)	(64.0)	(86.2)	(67.0)	(68.8)
Loss per share	每股虧損					
— Basic	— 基本	(3.30) HK cents	(2.46) HK cents	(3.32) HK cents	(2.59) HK cents	(2.75) HK cents
		港幣仙	港幣仙	港幣仙	港幣仙	港幣仙

## GROUP FINANCIAL SUMMARY 集團財務概要

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

		As at December 31, 於十二月三十一日			As at March 31, 於三月三十一日	
		2017	2016	2015	2015	2014
		二零一七年	二零一六年	二零一五年	二零一五年	二零一四年
		HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>					
Total assets	總資產	408.1	414.5	519.5	655.7	828.2
Total liabilities	總負債	(228.4)	(145.1)	(188.0)	(245.7)	(348.4)
		179.7	269.4	331.5	410.0	479.8
Equity attributable to owners of the Company	本公司擁有人 應佔權益	179.6	269.3	331.4	409.9	479.7
Non-controlling interests	非控股權益	0.1	0.1	0.1	0.1	0.1
		179.7	269.4	331.5	410.0	479.8



IDT INTERNATIONAL LIMITED 萬威國際有限公司

