

# SPI 2017 ANNUAL REPORT 年報



冠力國際有限公司  
Softpower International Limited

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

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# Corporate Information 公司資料

## BOARD OF DIRECTORS

### Executive Directors

Mr. Lai Guanglin (Chairman)  
(Resigned on 30 March 2018)  
Mr. Lai Fulin (Appointed as Chairman on 30 March 2018)  
Mr. Yu Ben Ansheng (Chief Executive Officer)

### Non-executive Director

Mr. U Kean Seng (Resigned on 30 March 2018)

### Independent Non-executive Directors

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

## AUDIT COMMITTEE

Mr. Wong Yee Shuen, Wilson (Chairman)  
Mr. Chen Wei Wen  
Mr. U Kean Seng (Resigned on 30 March 2018)  
Mr. Guan Zhiqiang (Appointed on 30 March 2018)

## REMUNERATION COMMITTEE

Mr. Guan Zhiqiang (Chairman)  
Mr. Lai Guanglin (Resigned on 30 March 2018)  
Mr. Chen Wei Wen  
Mr. Lai Fulin (Appointed on 30 March 2018)

## NOMINATION COMMITTEE

Mr. Lai Guanglin (Chairman)  
(Resigned on 30 March 2018)  
Mr. Lai Fulin (Chairman) (Appointed on 30 March 2018)  
Mr. Chen Wei Wen  
Mr. Guan Zhiqiang

## COMPANY SECRETARY

Mr. Cheng Siu Kwan

## 董事會

### 執行董事

Lai Guanglin 先生(主席)  
(於二零一八年三月三十日辭任)  
賴福麟先生(於二零一八年三月三十日獲委任為主席)  
俞安生先生(首席執行官)

### 非執行董事

余建成先生(於二零一八年三月三十日辭任)

### 獨立非執行董事

黃以信先生  
陳偉文先生  
管志強先生

## 審核委員會

黃以信先生(主席)  
陳偉文先生  
余建成先生(於二零一八年三月三十日辭任)  
管志強先生(於二零一八年三月三十日獲委任)

## 薪酬委員會

管志強先生(主席)  
Lai Guanglin 先生(於二零一八年三月三十日辭任)  
陳偉文先生  
賴福麟先生(於二零一八年三月三十日獲委任)

## 提名委員會

Lai Guanglin 先生(主席)  
(於二零一八年三月三十日辭任)  
賴福麟先生(主席)(於二零一八年三月三十日獲委任)  
陳偉文先生  
管志強先生

## 公司秘書

鄭少群先生

## INDEPENDENT AUDITOR

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

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

## PRINCIPAL BANKERS

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

## REGISTERED OFFICE

Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

## 獨立核數師

羅兵咸永道會計師事務所  
香港中環  
太子大廈二十二樓

## 主要股份過戶登記處

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

## 香港股份過戶登記分處

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

## 主要往來銀行

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

## 註冊辦事處

Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

# Corporate Information

## 公司資料

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

### OTHER PLACES OF BUSINESS

#### HONG KONG AND MACAU

##### *Retail shops*

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

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

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

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

##### *Warehouse*

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

### WEBSITE

<http://www.softpower.hk>

### 總辦事處及主要營業地點

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

### 其他營業地點

#### 香港及澳門

##### *門市*

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

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

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

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

##### *貨倉*

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

### 網址

<http://www.softpower.hk>

Dear Shareholders,

I am pleased to present to our shareholders the annual report of Softpower International Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2017.

## FINANCIAL RESULTS

The revenue of the Group for the year ended 31 December 2017 slightly increased by 5.0% to HK\$650.5 million (2016: HK\$619.2 million). The gross profit margin was approximately 32.2% for the year ended 31 December 2017 (2016: 29.8%). The profit attributable to equity shareholders was HK\$74.9 million for the year under review (2016: HK\$50.6 million), representing an increase of approximately 48.0% over last year. Basic earnings per share was HK 5.62 cents (2016: HK3.79 cents).

## FINAL DIVIDEND

The Board of Directors of the Company does not recommend a final dividend for the year ended 31 December 2017 (2016: Nil).

## BUSINESS REVIEW

This was another year of strong performance with outstanding bottom line results. Our hard work last year laid a strong foundation for our strong results in 2017.

For the year under review, the demand for the construction materials in the Hong Kong construction industry remained strong. The Group recorded a revenue of approximately HK\$650.5 million (2016: HK\$619.2 million), representing an increase of approximately 5.0% as compared to that of 2016. The increase was attributable to the increase in construction works in Hong Kong but partly offset by the decrease in Macau projects. 2017 saw the Group maintained a stable growth in revenue and performed well in profit. With a solid foundation in Hong Kong and Macau, the Group further strengthened its market position in 2017. Riding on our experiences and market-leading position in pipes and fittings business, we continued to achieve commendable growth in the year under review.

各位股東：

本人欣然向股東提呈冠力國際有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零一七年十二月三十一日止年度之年報。

## 財務業績

本集團截至二零一七年十二月三十一日止年度之收入，輕微增加5.0%至650,500,000港元(二零一六年：619,200,000港元)。截至二零一七年十二月三十一日止年度毛利率為32.2%(二零一六年：29.8%)。回顧期內股東應佔溢利為74,900,000港元(二零一六年：50,600,000港元)，較去年增加約為48.0%。每股基本盈利約為5.62港仙(二零一六年：3.79港仙)。

## 末期股息

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

## 業務回顧

這是一年強勁的表現。在利潤上有出色的成績。在我們去年的辛勤努力下，為我們在二零一七年的豐碩成果奠定了堅實的基礎。

在回顧年度內，香港建築行業對建築材料的需求依然強勁。本集團錄得收入為650,500,000港元(二零一六年：619,200,000港元)，較二零一六年增加約5.0%。增幅乃由於香港建築工程增加，但有部分則被澳門項目減少所抵銷。於二零一七年，本集團保持收入穩定增長及利潤表現良好。在香港及澳門穩健的基礎上，本集團於二零一七年進一步鞏固了市場地位。憑藉我們在管道和管件業務方面的經驗和市場領先的地位，在回顧年度，我們繼續取得值得稱讚的增長。

# Chairman's Statement

## 主席報告

The Group benefited from the sizeable infrastructure projects in Hong Kong in recent years. During the year, the Group completed the delivery of 23-metre long stainless steel structural pipes for the project of Passenger Clearance Building of the Hong Kong-Zhuhai-Macao Bridge Hong Kong Boundary Crossing Facilities. The Group also completed the delivery of pipes and fittings to several prestigious projects such as Hong Kong Airport Midfield Apron Development Works and Lisboa Palace in Macau.

The growing public awareness of health issues has raised demand for a stricter statutory standard for plumbing products since 2015. The Water Supplies Department implemented a General Acceptance system in place to pre-approve plumbing products used in plumbing projects. We strived with our suppliers to obtain the international quality mark such as BSI Kitemark or Water Regulations Advisory Scheme (WRAS). The Group's key products have fulfilled this standard. This will further reinforce our market position as one of the leading players in the market.

### FUTURE PROSPECTS

Rising overhead costs, increasing material costs and maintaining high-quality products will be the challenges to the Group in the coming year. We will remain vigilant and monitor closely in response to market volatility and to grasp the right business opportunities.

Looking forward to 2018, the Group has a strong market position with a clear strategy and a highly capable and committed management team. As always, the Group will continue to deepen and strengthen its market position in supplying of pipes and fittings. The Hong Kong Government will continue to increase the land supply for private and public housings. This will underpin the growth of construction industry in Hong Kong. The Group is confident about the construction market outlook and the prospects of pipes and fittings. By taking full advantages of sound financial position and our experience, we will explore any investment and business opportunities.

本集團近年來受惠於香港大型的基建項目。於年內，本集團完成了交付23米長的不銹鋼結構管予港珠澳大橋香港口岸的旅檢大樓項目，並完成了交付管道和管件予數個著名項目如香港機場中場停機坪工程和澳門上葡京娛樂場。

自二零一五年起，公眾對健康議題的意識已不斷提高，對水喉產品的法定標準提出了更高的要求。水務署已實施一套一般認可系統，預先批核用於水喉工程的水喉產品。我們與供應商一起努力獲得由英國標準協會註冊證明商標 (BSI Kitemark) 或英國水務法規諮詢計劃 (WRAS) 等國際質量標誌。本集團的主要產品已符合此標準。這將進一步鞏固我們作為市場領先者之一的市場地位。

### 未來前景

隨著管理費用的不斷上漲，材料成本的增加以及維持高質量的產品，將是來年集團所面臨的挑戰。我們將保持警惕，密切監察以應對市場的波動，並抓住合適的商機。

展望二零一八年，本集團本著其穩固的市場地位，明確的策略和高效及堅定的管理團隊。一如以往，本集團將繼續深化和加強其在供應管道和管件方面的市場地位。香港政府將繼續增加私人和公共房屋的土地供應。這將支持香港建築業的發展。本集團對建築市場的前景及管道和管件前景充滿信心。充分利用穩健的財務狀況和我們在市場上的經驗，我們將會抓住任何投資及商機。

## APPRECIATION

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

**Lai Guanglin**  
*Chairman*

Hong Kong, 29 March 2018

## 致謝

本人謹藉此機會向各位股東、客戶、供應商、銀行及其他持份者一直以來的支持，表達真摯的謝意。本人亦要感謝董事、管理團隊和員工對本集團多年來作出值得讚揚的努力及寶貴的貢獻。你們忠誠的支持是我們成果背後的推動力。

*主席*  
**Lai Guanglin**

香港，二零一八年三月二十九日



## Mission and Strategy 使命及策略

The business of the Group was commenced in 1949 as a pipe's retail shop. Since then the Group has developed into a sizeable company and become a listed company in the main board of The Stock Exchange of Hong Kong Limited on 21 December 2000. We root in Hong Kong over 69 years and are the mainstay of the industry.

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

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

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

Whenever you think pipes and fittings, think Bun Kee.

本集團於一九四九年以管材零售店開始其業務。本集團現已發展成為一間具規模企業，並於二零零零年十二月二十一日成為香港聯合交易所有限公司的主板上市公司。我們紮根香港超過六十九年，為業界的中流砥柱。

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

本集團的使命是為客戶提供高品質的產品，提供具增值和優質的客戶服務。

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

無論何時您想起管道及管件，就想到彬記。

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

## BUSINESS OVERVIEW AND FINANCIAL PERFORMANCE

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

The Group's core business mainly operated through our flagship subsidiary, Bun Kee (International) Limited, a well-established company with a long history. Starting from a small retail shop, we grew up to a company listed in Hong Kong. We have become one-stop supplier of a comprehensive range of pipes and fittings. The Group has built a good reputation for the pipes and fittings business in Hong Kong and Macau. We have established a stable major customer base and suppliers over the years.

The Group posted solid results for the year ended 31 December 2017. In 2017, the Group recorded an increase in both revenue and profit as compared to the same period of last year. The Group's revenue amounted to HK\$650.5 million (2016: HK\$619.2 million), representing an increase of 5.0%. The profit attributable to equity shareholders was HK\$74.9 million for the year ended 31 December 2017 (2016: HK\$50.6 million), representing an increase of 48.0%. The increase in revenue and profit was primarily driven by the demand of numerous infrastructure projects and public and private construction works in Hong Kong.

Sales in Macau were slow in 2017 as expected. However, the construction market in Hong Kong continued to maintain strong which drove demand for pipes and fittings. In order to cater for customers' needs and different market segments including public and private housings, commercial buildings and civil works, we provided a comprehensive range of pipes and fittings for different usage.

The Group's selling and distribution costs amounted to approximately HK\$23.5 million in 2017 (2016: HK\$20.8 million), an increase of about 13.0% year-on-year. The increase was mainly attributable to the increase in logistic and warehouse staff costs, sales commission and promotion, overseas travelling and transportation costs. The Group's general and administrative expenses amounted to approximately HK\$112.2 million in 2017 (2016: HK\$105.2 million), representing an increase of about 6.7% year-on-year. Such increase was primarily attributable to the general increase in staff costs, rental, depreciation and professional fees.

## 業務回顧及財務表現

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

本集團核心業務主要透過我們的旗艦子公司彬記(國際)有限公司(一間歷史悠久的知名公司)經營。從一家零售小店開始，我們已發展為一間在香港上市的公司。我們已經成為全方位的管道和管件的一站式供應商。本集團在香港及澳門於管道及管件已建立了良好的信譽。多年來我們建立了穩定的主要客戶群和供應商。

本集團截至二零一七年十二月三十一日止年度錄得穩健的業績。於二零一七年，本集團收入及利潤均較去年同期錄得升幅。本集團的收入為650,500,000港元(二零一六年：619,200,000港元)，增幅為5.0%。截至二零一七年十二月三十一日止年度，股東應佔溢利為74,900,000港元(二零一六年：50,600,000港元)，增加48.0%。收入和利潤的增加主要是由於多項基建項目和香港公營及私人建築工程的需求所推動。

儘管二零一七年澳門的銷售如預期般放緩，但香港建築市場繼續保持強勁，這推動了對管道和管件的需求。為了滿足客戶的需求和不同的市場包括公營和私人房屋、商業大廈及土木工程，我們提供了各種不同用途的管道和管件。

本集團的銷售及分銷成本於二零一七年為23,500,000港元(二零一六年：20,800,000港元)，較去年增加13.0%，其增加主要是由於物流及倉庫員工成本、銷售佣金及推廣費、差旅費及運輸費的增加所致。本集團的一般及行政費用於二零一七年為112,200,000港元(二零一六年：105,200,000港元)，較去年增加6.7%。這主要是因員工成本、租金、折舊及專業費用增加。

# Management Discussion and Analysis

## 管理層討論及分析

In 2017, other net gains were about HK\$2.6 million (2016: losses of HK\$4.1 million). It was mainly attributable to the increase of exchange gains during the year. Finance income increased significantly due to the interest income from a loan to a related party. Finance costs also increased mainly attributed to the increase in effective interest rate per annum. However, as finance income outpaced costs, we recorded net finance income of HK\$8.1 million (2016: HK\$3.4 million).

### OUTLOOK

While the Group achieved strong results in 2017, there is still room for us to build a better business. It is not an easy job. With our experienced staff, the foundation built and the numerous opportunities ahead of us, we are well prepared to strive for a stable growth. We continue to hold a positive outlook for the business of the Group in 2019 and beyond.

### LIQUIDITY AND CAPITAL RESOURCES ANALYSIS

As at 31 December 2017, the cash and bank balances of the Group were approximately HK\$183.6 million (2016: HK\$186.4 million) including pledged bank deposits of HK\$37.0 million (2016: HK\$37.0 million). Basically the Group's working capital requirement has been financed by its internal resources. The funds generated from operations and the available banking facilities will enable the Group to meet its future working capital requirements.

As at 31 December 2017, the Group had aggregate banking facilities for trade finance of approximately HK\$289.2 million (2016: HK\$254.2 million), approximately HK\$88.3 million (2016: HK\$88.9 million) was utilised. The Group's total borrowings stood at approximately HK\$70.5 million (2016: HK\$74.0 million), the entire amount of borrowings for both years end will mature within one year.

The entire amount of borrowings outstanding as at 31 December 2017 was approximately HK\$70.5 million (2016: HK\$74.0 million). 26% (2016: 33%) and 74% (2016: 67%) of borrowings were subject to floating and fixed rates respectively.

The gearing ratio as measured by total bank borrowings to total equity was approximately 13.8% as at 31 December 2017 (2016: 17.0%).

As at 31 December 2016 and 2017, the entire amount of the Group's borrowings was denominated in Hong Kong dollars.

於二零一七年，其他淨收益約為2,600,000港元(二零一六年：淨虧損4,100,000港元)。主要是由於年內匯兌收益增加所致。財務收入大幅增加是由於向一關聯方提供貸款的利息收入所致。財務費用也增加，主要是由於實際年利率的增加。然而，由於財務收入高於費用，我們錄得淨財務收入為8,100,000港元(二零一六年：3,400,000港元)。

### 前景

雖然本集團於二零一七年取得良好的業績，然而我們仍有可建立更佳業務的地方。這不是一件容易的工作。憑藉我們經驗豐富的員工，已建立好的根基和在我們前面有眾多的機會，我們已做好了準備為實現穩定的增長而努力。我們繼續對本集團於二零一九年及以後的業務持樂觀的態度。

### 流動資金及財務資源分析

於二零一七年十二月三十一日，本集團之現金及銀行結餘約為183,600,000港元(二零一六年：186,400,000港元)包括抵押銀行之存款約為37,000,000港元(二零一六年：37,000,000港元)。基本上，本集團所需之營運資金來自內部資源。本集團相信由營運產生之資金及可用之銀行融資額度，足以應付本集團日後之流動資金需求。

於二零一七年十二月三十一日，本集團之貿易融資的銀行額度合共約289,200,000港元(二零一六年：254,200,000港元)，已動用之銀行融資額度約為88,300,000港元(二零一六年：88,900,000港元)。本集團的借貸總額約為70,500,000港元(二零一六年：74,000,000港元)，兩個年末之借貸全數將於一年內到期。

於二零一七年十二月三十一日，未償還借貸全數約為70,500,000港元(二零一六年：74,000,000港元)。26%(二零一六年：33%)及74%(二零一六年：67%)的借貸分別以浮動及固定利率計息。

於二零一七年十二月三十一日，按銀行借貸總額相對於總權益計算的資產負債比率約為13.8%(二零一六年：17.0%)。

於二零一六年及二零一七年十二月三十一日，本集團借貸總額全數以港元結算。

# Management Discussion and Analysis

## 管理層討論及分析

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

### CHARGE ON ASSETS

As at 31 December 2017, certain bank deposits and certificate of deposit held by subsidiaries of the Group with aggregate carrying amounts of approximately HK\$37.0 million (2016: HK\$37.0 million) and HK\$10.0 million (2016: HK\$10.0 million) respectively were pledged to banks for banking facilities.

### CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2016 and 2017.

### COMMITMENTS

As at 31 December 2017, the Group had outstanding commitments in respect of future minimum lease payments under non-cancellable lease of approximately HK\$213.1 million (2016: HK\$199.3 million).

As at 31 December 2017, the Group had outstanding commitments in respect of acquisition of motor vehicles of approximately HK\$1.2 million (2016: HK\$1.3 million).

### STAFF AND REMUNERATION POLICY

As at 31 December 2017, the Group employed a total of 177 employees (2016: 173). Total employee benefit expenses for the year ended 31 December 2017 was approximately HK\$80.2 million (2016: HK\$74.3 million).

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

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

### 資產押記

於二零一七年十二月三十一日，由本集團之附屬公司持有之若干銀行存款及存款證分別賬面總值約為37,000,000港元(二零一六年：37,000,000港元)及約為10,000,000港元(二零一六年：10,000,000港元)已抵押予銀行以取得銀行融資額度。

### 或然負債

於二零一六年及二零一七年十二月三十一日，本集團並無任何重大或然負債。

### 承擔

於二零一七年十二月三十一日，本集團於不可撤銷經營租賃項下未來最低租賃付款的未償還承擔約為213,100,000港元(二零一六年：199,300,000港元)。

於二零一七年十二月三十一日，本集團就購置汽車的未償還承擔約1,200,000港元(二零一六年：1,300,000港元)。

### 員工及薪酬政策

於二零一七年十二月三十一日，本集團共僱用177名員工(二零一六年：173名)，截至二零一七年十二月三十一日止年度，員工福利開支共約80,200,000港元(二零一六年：74,300,000港元)。

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

# Biographical Details of Directors and Senior Management

## 董事及高級管理人員之履歷

### EXECUTIVE DIRECTORS

**Mr. Lai Guanglin**, aged 54, was appointed as a director and the Chairman of the board of the directors of the Company in February 2009. He is also the Chairman of the Nomination Committee and a member of the Remuneration Committee of the Company. The Company is a leading provider to the construction sector offering a wide range of pipe related products, fittings, comprehensive services and solutions to the contractors, designers, consultants and government agencies in Hong Kong and Macau. Mr. Lai's wholly owned investment vehicle, Singapore Zhongxin Investment Company Limited, is the controlling shareholder of the Company.

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

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

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

### 執行董事

**Lai Guanglin** 先生，54歲，於二零零九年二月獲委任為本公司董事兼董事會主席。彼亦為本公司的提名委員會主席及薪酬委員會成員。本公司主要為香港及澳門之承建商、設計師、顧問及政府機構提供各類型管道相關產品、配件、全面的服務和解決方案，於建築行業處於領導地位。Lai先生全資擁有的投資公司 Singapore Zhongxin Investment Company Limited 是本公司之控股股東。

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

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

Lai先生現任中國深圳市商業聯合會副會長及新西蘭中國商會副會長。

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

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

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

*Note:* Mr. Lai Guanglin has resigned as an Executive Director and the Chairman of the Board with effect from 30 March 2018.

**Mr. Yu Ben Ansheng**, aged 53 was appointed as Executive Director and Chief Executive Officer of the Company in May 2009. Mr. Yu is responsible for managing overall daily operations of the Group and the implementation of the Group's development strategies.

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

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

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

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

*附註：* Lai Guanglin 先生已辭任執行董事和董事會主席職務，並於二零一八年三月三十日起生效。

俞安生先生，53歲，於二零零九年五月獲委任為本公司執行董事兼首席執行官。俞先生負責管理本集團整體日常運作及執行本集團的發展策略。

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

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

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

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

**Mr. Lai Fulin**, aged 52, acted as an Executive Director of the Company from October 2009 to May 2017 and continued to sit on the senior management team of the Group thereafter. Mr. Lai has rejoined the Board as an Executive Director of the Company with effect from 27 November 2017. Mr. Lai is also the Head of Production & Purchasing of the Group and holds directorships in certain subsidiaries of the Company. Mr. Lai has over 20 years of experience in the banking sector, investment management and general management of companies in China. Mr. Lai worked in the Bank of China in Shenzhen from 1986 to 2001. From 1995 to 2001, he was the deputy general manager of a subsidiary of Bank of China dealing with businesses in the securities industry. During the period from 2002 to 2008, Mr. Lai was the general manager of 深圳市華奧冠力科技實業有限公司 (Shenzhen Huaao Guanli Technologies Company Limited\*). Mr. Lai holds a certificate of graduation in Chinese Language from 深圳教育學院 (Shenzhen Institute of Education\*).

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

\* For identification purpose only

*Note:* Mr. Lai Fulin has been appointed as the Chairman of the Board, the Chairman of the Nomination Committee and a member of the Remuneration Committee with effect from 30 March 2018.

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

賴福麟先生，52歲，於二零零九年十月至二零一七年五月期間曾出任本公司之執行董事，並於其後繼續留任於本集團之高級管理人員團隊。賴先生於二零一七年十一月二十七日再次加入董事會為本公司執行董事。賴先生也是本集團生產及採購部總監及擔任本公司若干附屬公司之董事。賴先生在國內的銀行業、投資管理及企業管理方面累積逾二十年經驗。賴先生於一九八六年至二零零一年期間任職於中國銀行深圳市分行。於一九九五年至二零零一年期間，彼曾出任中國銀行屬下之證券公司副總經理一職。於二零零二年至二零零八年期間，賴先生出任深圳市華奧冠力科技實業有限公司總經理一職。賴先生持有深圳教育學院中文科大專畢業證書。

賴先生乃本公司之控股股東、董事會主席兼執行董事 Lai Guanglin 先生之胞弟。

*附註：* 賴福麟先生已獲委任為董事會主席、提名委員會主席及薪酬委員會成員，並於二零一八年三月三十日起生效。

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

## NON-EXECUTIVE DIRECTOR

**Mr. U Kean Seng**, aged 51, was appointed as Non-executive Director of the Company in February 2009. He is also a member of the Audit Committee of the Company. Mr. U has more than 20 years of experience in legal practice. Mr. U specialises in the area of corporate law and corporate finance. Mr. U was admitted to the Supreme Court of Victoria, Australia in 1991, the Singapore Bar in 1993 and the Roll of Solicitors for England and Wales in 2009. Mr. U holds a bachelor's degree in economics and a bachelor's degree in laws (Honours) from Monash University, Australia. Mr. U currently acts as the Head of Corporate and Legal Affairs of Agria Corporation. Mr. U was appointed as a director of PGG Wrightson Limited, a company listed on the New Zealand Stock Exchange, on 4 December 2012.

*Note:* Mr. U Kean Seng has resigned as a non-executive Director with effect from 30 March 2018.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Wong Yee Shuen, Wilson**, aged 50, was appointed as Independent Non-executive Director of the Company in February 2009. He is also the Chairman of the Audit Committee of the Company. Mr. Wong is a fellow member of the Hong Kong Institute of Certified Public Accountants and member of Australia CPA and Australian Institute of Banking and Finance. He holds a master of commerce degree, specializing in banking and finance from the University of New South Wales. With more than 20 years of experience in PricewaterhouseCoopers and Ernst and Young, Mr. Wong specializes in the area of auditing banks and listed companies. Mr. Wong is currently the chief financial officer of China Animation Characters Company Limited (Stock code: 1566, a company listed on The Stock Exchange of Hong Kong Limited "HKSE"). He served as independent non-executive director of Ping An Securities Group (Holdings) Limited (Stock code: 231, a company listed on HKSE) from 17 November 2015 to 1 December 2017. Mr. Wong has been appointed as an independent non-executive director of PT International Development Corporation Limited (Stock code: 372, a company listed on HKSE) on 6 November 2017.

## 非執行董事

余建成先生，51歲，於二零零九年二月獲委任為本公司之非執行董事。彼亦為本公司審核委員會成員。余先生擁有逾20年之法律執業經驗。余先生擅於處理公司法及企業融資事務。余先生於一九九一年取得澳洲維多利亞州最高法院認可資格，於一九九三年取得新加坡大律師公會認可資格，並於二零零九年取得英格蘭與威爾斯律師登記冊認可資格。余先生持有澳洲 Monash University 之經濟學學士學位及法學學士學位（榮譽）。余先生目前於 Agria Corporation 擔任企業及法律事務總監一職。於二零一二年十二月四日，余先生獲委任為 PGG Wrightson Limited（一家在新西蘭證券交易所上市的公司）之董事。

*附註：* 余建成先生已辭任非執行董事職務，並於二零一八年三月三十日起生效。

## 獨立非執行董事

黃以信先生，50歲，於二零零九年二月獲委任為本公司之獨立非執行董事。彼亦為本公司審核委員會主席。黃先生為香港會計師公會資深成員，以及澳洲會計師公會及澳洲銀行及金融學會成員。彼持有新南威爾士大學之商學碩士學位，專業為銀行及金融學。彼曾於羅兵咸永道會計師事務所及安永會計師事務所任職逾20年，擅於處理銀行及上市公司審核事務。黃先生現時為有華夏動漫形象有限公司（股份代號：1566，一間於香港聯合交易所有限公司（「港交所」）上市之公司）之財務總監。彼曾於二零一五年十一月十七日至二零一七年十二月一日期間，擔任平安證券集團（控股）有限公司（股份代號：231，一間於港交所上市之公司）之獨立非執行董事。於二零一七年十一月六日，黃先生獲保德國際發展企業有限公司（股份代號：372，一間於港交所上市之公司）委任為獨立非執行董事。



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

**Mr. Chen Wei Wen**, aged 49, was appointed as Independent Non-executive Director of the Company in April 2010. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. Mr. Chen holds a Bachelor of Business (Accounting) from Monash University, Australia. Mr. Chen worked as a general manager of Guangzhou Futian Trading Company Ltd (廣州市富添貿易有限公司) from 1997 to 2005. Since November 2004, Mr. Chen was appointed as chief operating officer of Guangzhou Kanxin Polymer Technology Co., Ltd (廣州市康心高分子科技有限公司) which is an affiliated company of Guangzhou Futian Trading Company Ltd (廣州市富添貿易有限公司). Mr. Chen was also appointed as director and general manager of Fuda Enterprises Limited (富而達企業有限公司) since February 1998.

**Mr. Guan Zhiqiang**, aged 55, was appointed as Independent Non-executive Director of the Company in September 2016. He is also the Chairman of Remuneration Committee and a member of Nomination Committee of the Company. Mr. Guan holds a bachelor of Agronomy from Huazhong Agricultural University and a master degree in business administration from Southwestern University of Finance. During the period from 1984 to 1996, Mr. Guan had successively worked in the Ministry of Agriculture of the People's Republic of China and the State Planning Commission. He subsequently joined the Agricultural Development Bank of China and held various senior management positions and was granted a qualification of senior economist from the bank. From February 2002 to March 2003, Mr. Guan served as the general manager in New China Life Insurance Company Ltd, Jinan branch. From March 2003 to November 2005, he worked in Yeland Group Co. Ltd. (now known as Hna Investment Group Co., Ltd), a company listed on Shenzhen Stock Exchange, and was appointed as the chairman of its group's real estate company. Since 2005, Mr. Guan has established

陳偉文先生，49歲，於二零一零年四月獲委任為本公司之獨立非執行董事。彼亦為本公司審核委員會、提名委員會及薪酬委員會成員。陳先生持澳洲 Monash University 的工商(會計)學士學位。由一九九七年至二零零五年，陳先生曾於廣州市富添貿易有限公司擔任總經理。自二零零四年十一月起，陳先生被委任為廣州市康心高分子科技有限公司(為廣州市富添貿易有限公司之聯屬公司)的首席營運官。自一九九八年二月起，陳先生亦被委任為富而達企業有限公司的董事及總經理。

管志強先生，55歲，於二零一六年九月獲委任為本公司之獨立非執行董事。彼亦為本公司薪酬委員會主席及提名委員會成員。管先生持有華中農業大學農學學士學位及西南財經大學工商管理碩士學位。於一九八四年至一九九六年期間，管先生先後任職於中華人民共和國農業部及國家計劃委員會，隨後加入中國農業發展銀行並擔任多個高級管理人員職務和獲該銀行授予高級經濟師資格。於二零零二年二月至二零零三年三月，管先生擔任新華人壽保險股份有限公司濟南分公司總經理。於二零零三年三月至二零零五年十一月，彼在億城集團股份有限公司(現稱海航投資集團股份有限公司)(一家於深圳證券交易所上市的公司)工作並獲該集團委任為旗下房地產公司的董事長。自二零零五年起，管先生設立一家投資諮詢公司

# Biographical Details of Directors and Senior Management

## 董事及高級管理人員之履歷

an investment advisory firm and invested in a number of enterprises which engaged in various fields including mining, energy and biotechnology, etc., and acted as a director in those enterprises. Mr. Guan is currently the vice chairman of 浙江宜葆生物科技有限公司 (Zhejiang Ecopro Biotech Company, Ltd.\*) and a director of 霍爾果斯聚視互娛文化產業有限公司 (Huoerguosi Poly Entertainment Culture Industry Co., Ltd\*). He has extensive experience in finance, investment and corporate management.

\* For identification purpose only

Note: Mr. Guan Zhiqiang has been appointed as a member of the Audit Committee of the Company with effect from 30 March 2018.

### SENIOR MANAGEMENT

**Mr. Chow Wai Koon, Timothy**, aged 48, was appointed as Chief Operating Officer of the Company in January 2015. Mr. Chow is responsible for directing, administering and co-ordinating the operational activities of the Group. He is also responsible for recommending and developing strategies, goals and policies of the Group.

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

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

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

並參股投資多家企業，行業種類包括礦業、能源及生物科技等等，並出任該些企業的董事職務。管先生現時為浙江宜葆生物科技有限公司的副董事長及霍爾果斯聚視互娛文化產業有限公司的董事。彼在金融、投資、企業管理等方面擁有豐富的經驗。

附註：管志強先生已獲委任為本公司審核委員會成員，並於二零一八年三月三十日起生效。

### 高級管理人員

**招偉權先生**，48歲，於二零一五年一月獲委任為本公司的首席運營官。招先生負責指導、管理和協調本集團的營運工作。彼亦負責建議及發展本集團戰略、目標和政策。

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

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

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

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

**Mr. Cheng Siu Kwan**, aged 48, joined the Company as the Financial Controller in December 2012 and has been appointed as the Company Secretary of the Company in February 2013. Mr. Cheng is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Company, Mr. Cheng held various finance positions at a number of companies listed on The Stock Exchange of Hong Kong Limited and has over 23 years of experience in auditing, finance and accounting.

**Ms. Chan Yuk Fan**, aged 54, joined the Group in 1982 and has held a number of leadership roles in the Group's retail, project sales and procurement division. Ms. Chan currently is the Deputy Managing Director of Bun Kee (International) Limited, the pipe trading subsidiary of the Group and is mainly responsible for the leadership, control and long-term business development of the Company. She has extensive experience and knowledge in managing a successful piping distribution operation. She is a member of Lions Club.

**Mr. Lai Kui Chung**, aged 60, joined the Group in 1979 and is the Warehouse Director of the pipe trading subsidiary, Bun Kee (International) Limited. Mr. Lai is responsible for the warehouse and transportation activities of the Group. He has over 38 years of experience in supervising warehouse and transportation operations. Mr. Lai holds a Certificate in Store Supervision from a technical institute.

**Mr. Ku Chun Ming**, aged 52, joined the Group in 1993 and is the Sales Director of the pipe trading subsidiary, Bun Kee (International) Limited. Mr. Ku is responsible for the Group's sales operations, new product development and promotion activities including the exhibitions and seminars. He has over 31 years of experience in sales and marketing activities.

**鄭少群先生**，48歲，於二零一二年十二月加入本公司擔任財務總監，並於二零一三年二月獲委任為本公司之公司秘書。鄭先生為英國特許公認會計師公會資深會員及香港會計師公會會員。加入本公司之前，鄭先生曾於多家香港聯合交易所有限公司上市公司出任不同的財務職務，彼於審計、融資及會計方面擁有逾23年經驗。

**陳玉芬女士**，54歲，於一九八二年加入本集團，並曾於本集團的零售、項目銷售及採購部門先後擔任領導角色。陳女士現時為本集團管道貿易附屬公司彬記(國際)有限公司之副董事總經理，主要負責領導、監控及公司業務的長遠發展。彼於管理成功的管道分銷營運上具有相當豐富的經驗及知識。彼為獅子會會員。

**黎居忠先生**，60歲，於一九七九年加入本集團，現時為管道貿易附屬公司彬記(國際)有限公司之倉務董事，負責本集團之倉儲及運輸業務。彼在管理倉庫及運輸營運方面積逾38年經驗，持有工業學院之倉庫管理證書。

**古俊明先生**，52歲，於一九九三年加入本集團，現時為管道貿易附屬公司彬記(國際)有限公司之銷售董事。古先生負責本集團銷售業務及新產品業務發展，以及市場推廣活動，包括展覽及研討會。彼在銷售及市場推廣業務積逾31年經驗。

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

## CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions set out in the Corporate Governance Code (the “Code”) as stated in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31 December 2017.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rule (the “Model Code”). Having made specific enquiry with the directors of the Company (“Directors”), all Directors confirmed that they have fully complied with the required standard as set out in the Model Code during the year ended 31 December 2017.

## BOARD OF DIRECTORS

### Composition

As at the date of this report, the Board comprises seven Directors, including three executive Directors, Mr. Lai Guanglin\* (the Chairman of the Board), Mr. Yu Ben Ansheng (the Chief Executive Officer) and Mr. Lai Fulin; a non-executive Director, Mr. U Kean Seng\*\*; and three independent non-executive Directors, Mr. Wong Yee Shuen, Wilson, Mr. Chen Wei Wen and Mr. Guan Zhiqiang, one of whom namely, Mr. Wong Yee Shuen, Wilson has appropriate professional

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

## 企業管治守則

截至二零一七年十二月三十一日止年度，本公司已遵守聯交所證券上市規則(「上市規則」)附錄十四《企業管治守則》(「守則」)所載之守則條文規定。

## 董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載有關上市發行人董事進行證券交易的標準守則(「標準守則」)。經向本公司董事(「董事」)作出特別查詢後，所有董事已確認，彼等於截至二零一七年十二月三十一日止年內均全面遵守標準守則所載列之所須準則。

## 董事會

### 組成人員

於本報告日期，董事會由七名董事組成，包括三名執行董事：Lai Guanglin 先生\*(董事會主席)、俞安生先生(首席執行官)及賴福麟先生；一名非執行董事余建成先生\*\*；以及三名獨立非執行董事：黃以信先生、陳偉文先生及管志強先生，其中黃以信先生擁有適當

# Corporate Governance Report

## 企業管治報告

accounting experience and expertise. Biographical details of the Directors are set out in the section headed “BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT” of this Annual Report.

\* *Mr. Lai Guanglin has resigned as an executive Director and the Chairman of the Board with effect from 30 March 2018.*

\*\* *Mr. U Kean Seng has resigned as a non-executive Director with effect from 30 March 2018.*

Mr. Lai Fulin retired on 25 May 2017 and then rejoined the Board on 27 November 2017. He has been appointed as the Chairman of the Board with effect from 30 March 2018.

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

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

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

Mr Wong Yee Shuen Wilson, an independent non-executive Director, has served the Company in this capacity for more than nine years. Notwithstanding his long term service, given his extensive business experience and not connected with any director or substantial shareholder of the Company, the Board is of the opinion that he continues to bring independent and objective perspectives to the Company's affairs.

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

的專業會計經驗及專門知識。每位董事的個人履歷已詳載於本年報之「董事及高級管理人員之履歷」內。

\* *Lai Guanglin 先生已辭任執行董事和董事會主席職務，於二零一八年三月三十日起生效。*

\*\* *余建成先生已辭任非執行董事職務，於二零一八年三月三十日起生效。*

賴福麟先生曾於二零一七年五月二十五日退任及於二零一七年十一月二十七日再次加入董事會。彼已獲委任為董事會主席，於二零一八年三月三十日起生效。

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

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

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

獨立非執行董事黃以信先生已就此職位服務本公司逾九年。儘管彼長期擔任該職位，但鑒於彼具備廣泛業務經驗及與本公司董事或主要股東並無關連，董事會認為，彼可繼續就本公司事務提供獨立及客觀的觀點。

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

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

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

## CONTINUOUS PROFESSIONAL DEVELOPMENT

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

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

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

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

## 持續專業發展

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

董事定期獲知會相關法例、規則及規例之修訂或最新版本。

# Corporate Governance Report

## 企業管治報告

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

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

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

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

Name of Directors	董事姓名	Topics on training covered (Note) 所涵蓋之培訓主題(附註)
Mr. Lai Guanglin	Lai Guanglin 先生	C、F、L、R
Mr. Yu Ben Ansheng	俞安生先生	C、L、R
Mr. Lai Fulin	賴福麟先生	C、L、R
Mr. U Kean Seng	余建成先生	C、L、R
Mr. Wong Yee Shuen, Wilson	黃以信先生	C、F、L、R
Mr. Chen Wei Wen	陳偉文先生	C、L、R
Mr. Guan Zhiqiang	管志強先生	C、L、R

*Note:*

C: Corporate Governance

F: Finance and Accounting

L: Listing Rules Updates

R: Other Relevant Regulatory Updates

*附註：*

C: 企業管治

F: 財務及會計

L: 上市規則的更新

R: 其他相關法規的更新

### ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Mr. Lai Guanglin was appointed as the Chairman of the Board on 23 February 2009 and up to the date of this report. Mr. Lai Fulin has been appointed as the Chairman of the Board with effect from 30 March 2018.

### 主席和首席執行官的角色

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

Lai Guanglin 先生於二零零九年二月二十三日獲委任為董事會主席，直至本報告日期止。賴福麟先生已獲委任為董事會主席，並於二零一八年三月三十日起生效。

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

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

### BOARD MEETING

The Board meets regularly, and at least four times a year, additional meetings are convened when deemed necessary by the Board. Board members are provided with complete, adequate and timely information to allow the Directors to fulfill their duties properly. In addition, Directors have full access to information on the Group and independent professional advice whenever deemed necessary by the Directors. In addition, the Chairman and non-executive Directors (including the independent non-executive Directors) meet at least once every year without the presence of executive Directors.

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

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

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

### 董事會會議

董事會定期舉行會議，而每年最少舉行四次會議，及於其認為有需要時召開額外會議。董事會成員獲提供完整、充份及適時資料，以便董事可妥善履行彼等之職責。此外，董事可於其認為需要時取得集團資料及獨立的專業意見。此外，主席每年與非執行董事(包括獨立非執行董事)舉行至少一次沒有執行董事出席的會議。

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



# Corporate Governance Report

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### Meetings held in 2017

Details of the Directors' attendance at Board meetings, Board committee meetings and general meetings (including the annual general meeting) respectively held in 2017 are set out as below:

### 於二零一七年舉行的會議

各位董事於二零一七年分別於董事會會議、董事會轄下委員會會議及股東大會(包括股東週年大會)的出席記錄詳情如下：

		Attended/Eligible to attend 出席次數/合資格出席次數				
		Board Meeting 董事會會議	Audit Committee Meeting 審核委員會會議	Nomination Committee Meeting 提名委員會會議	Remuneration Committee Meeting 薪酬委員會會議	General Meeting 股東大會
<b>Number of Meetings Held</b>	<b>會議舉行次數</b>	7	3	2	2	1
<b>Executive Directors</b>	<b>執行董事</b>					
Mr. Lai Guanglin	Lai Guanglin 先生	7/7	–	2/2	2/2	1/1
Mr. Yu Ben Ansheng	俞安生先生	7/7	–	–	–	1/1
Mr. Lai Fulin <i>(Note)</i>	賴福麟先生 <i>(附註)</i>	3/3	–	–	–	–
<b>Non-executive Director</b>	<b>非執行董事</b>					
Mr. U Kean Seng	余建成先生	7/7	3/3	–	–	1/1
<b>Independent Non-executive Directors</b>	<b>獨立非執行董事</b>					
Mr. Wong Yee Shuen, Wilson	黃以信先生	7/7	3/3	–	–	1/1
Mr. Chen Wei Wen	陳偉文先生	7/7	3/3	2/2	2/2	1/1
Mr. Guan Zhiqiang	管志強先生	7/7	–	2/2	2/2	1/1

**Note:**

Mr. Lai Fulin retired on 25 May 2017 and then rejoined the Board on 27 November 2017.

**附註：**

賴福麟先生曾於二零一七年五月二十五日退任及於二零一七年十一月二十七日再次加入董事會。

### BOARD COMMITTEES

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

### 董事會轄下委員會

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

### Remuneration Committee

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

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

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

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

### 薪酬委員會

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

薪酬委員會的主要角色及職能如下：

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

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

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

The Remuneration Committee held two meetings during 2017, the following major matters were reviewed and discussed in the meetings and recommended to the Board for approval:

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

Pursuant to the code provision B.1.5 of the Code, the details remuneration of the senior management of the Company by band for the year ended 31 December 2017 was set out in Note 8 to the consolidated financial statements of this Annual Report.

### Nomination Committee

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

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

薪酬委員會於二零一七年內召開了兩次會議，審議及討論以下主要事項，並向董事會提出建議：

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

根據守則條文第B.1.5條，本公司高級管理人員於截至二零一七年十二月三十一日止年度的酬金按範圍分析的詳情載於本年報之綜合財務報表附註8。

### 提名委員會

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

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

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

- (a) To review the structure, size and composition (board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (b) To identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board;
- (c) To review the Board Diversity Policy, as appropriate, and disclose the Board Diversity Policy or its summary in the corporate governance report of the Company including the measurable objectives set for implementing the Board Diversity Policy and progress made towards achieving these measurable objectives;

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

提名委員會的主要角色及職能如下：

- (a) 至少每年檢討董事會的架構、人數及組成(會從多個方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務任期)，並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議；
- (b) 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益；
- (c) 在適當時候檢討董事會成員多元化政策，於本公司的企業管治報告內披露董事會成員多元化政策或政策摘要、包括為執行董事會成員多元化政策而定的可計量目標及達標的進度；

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- (d) To assess the independence of independent non-executive directors; and
- (e) To make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors in particular the chairman and the chief executive.

The Nomination Committee held two meetings during 2017, the following major issues were reviewed and discussed in the meeting:

- To review the structure, size and composition (including the skills, knowledge and experience) of the Board;
- To review the Board Diversity Policy;
- To make recommendation to the Board for the appointment a Director of the Company; and
- To evaluate and make recommendation as to the qualification and experience of the directors who were subject to retirement by rotation and re-election at the 2017 annual general meeting.

### Audit Committee

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

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

- (a) To make recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- (b) To monitor integrity of the Company's financial statements and to review significant financial reporting judgements contained in them;

- (d) 評核獨立非執行董事的獨立性；及
- (e) 就董事委任或重新委任以及董事(尤其是主席及行政總裁)繼任計劃向董事會提出建議。

提名委員會於二零一七年內召開了兩次會議，審議及討論以下主要事項：

- 檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)；
- 檢討董事會多元化政策；
- 向董事會建議批准一名董事之委任事宜；及
- 對於二零一七年股東週年大會上輪值告退並重選連任的董事的資格和經驗作出評估及建議。

### 審核委員會

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

審核委員會的主要角色及職能如下：

- (a) 主要負責就外聘核數師的委任、重新委任及罷免向董事會提供建議、批准外聘核數師的薪酬及聘用條款，及處理任何有關該核數師辭職或辭退該核數師的問題；
- (b) 監察本公司的財務報表並審閱報表及報告所載有關財務申報的重大意見；

- (c) To review the Company's financial controls, risk management and internal control systems; and
- (d) To discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems.

The Audit Committee held three meetings during 2017 and the following major matters were reviewed and discussed in the meetings:

- To review the annual results of 2016 and the interim results of 2017 and making recommendation to the Board for approval;
- To make recommendation on the reappointment of the auditor;
- To review the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function and their training programme and related budget;
- To review the risk management and internal control systems;
- To approve the auditor's fees for audit of 2017 financial statements; and
- To discuss the audit service plan of 2017.

### Corporate Governance Functions

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

- (a) To develop and review the Company's policies and practices on corporate governance;
- (b) To review and monitor the training and continuous professional development of Directors and senior management;

- (c) 檢討本公司的財務監控、風險管理及內部監控制度；及
- (d) 與管理層討論風險管理及內部監控系統，確保管理層已履行職責建立有效的系統。

審核委員會於二零一七年內召開了三次會議，審議及討論以下主要事項：

- 審閱二零一六年年度全年業績及二零一七年度中期業績，並建議董事會通過；
- 建議續聘核數師；
- 對本集團在會計及財務匯報職能方面的資源、員工資歷及經驗及員工所接受的培訓課程及有關預算是否充足進行檢討；
- 檢討風險管理及內部監控系統；
- 審批核數師二零一七年年報財務報告的審計酬金；及
- 討論二零一七年年報審計服務計劃。

### 企業管治職能

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

- (a) 制定及檢討本公司企業管治政策及常規；
- (b) 檢討及監察董事及高級管理人員的培訓及持續專業發展；

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

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

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

### AUDITOR'S REMUNERATION

The fees charged by the auditor generally depends on the scope and volume of the auditor's work. For the year ended 31 December 2017, the remuneration to the auditor of the Company in respect of audit services was HK\$1,250,000 and fees related to taxation services and other non-audit services amount to HK\$91,000 and HK\$100,000 respectively.

### DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR FINANCIAL REPORTING

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

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

為履行企業管治職責，董事會已審閱本企業管治報告。

### 核數師薪酬

核數師收取的費用一般視乎範圍及其工作量而定。截至二零一七年十二月三十一日止年度，就本公司核數師所提供的審核服務費用為1,250,000港元，以及稅務和其他非審核服務費用分別為91,000港元及100,000港元。

### 董事及核數師之財務申報責任

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

The Directors acknowledge the responsibilities for preparing the accounts of the Company. The responsibilities of the auditor of the Company with respect to the financial statements of the Group is set out in the Independent Auditor's Report on pages 79 to 87.

## GOING CONCERN

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

## RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

董事知悉其有編製本公司賬目的責任。本公司核數師就有關本集團財務報表之責任列載於第79至87頁的獨立核數師報告。

## 持續經營

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

## 風險管理及內部監控

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

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

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



# Corporate Governance Report

## 企業管治報告

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

At the meeting of the Audit Committee held on 26 March 2018, the independent professional advisor reported their review work for the year ended 31 December 2017 performed in accordance with the detailed risk-based internal control review plan which was approved by the Audit Committee and the risk management report was also circulated to the Audit Committee for review. The Board, through the Audit Committee, has conducted a review of the effectiveness of the Group's risk management system and internal control system for the year ended 31 December 2017. The Audit Committee members, together with the senior management, have also reviewed, considered and discussed the risk management system, all findings relating to the internal control system and recommendations for improvement. The Board considers the risk management system and internal control system of the Group were effective and adequate during the year.

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

### COMPANY SECRETARY

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

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

就審核委員會於二零一八年三月二十六日舉行之審核委員會會議，該獨立專業顧問根據一份以風險為基礎所編制的詳盡內部控制評核計劃（經審核委員會批准），進行截至二零一七年十二月三十一日止年度的評核工作，並向審核委員會匯報，風險管理報告亦已提供予審核委員會審閱。董事會已透過審核委員會檢討截至二零一七年十二月三十一日止年度的集團風險管理系統及內部監控系統的有效性。審核委員會成員以及高級管理層並已檢閱、考慮及討論對有關於風險管理系統和內部監控系統之調查結果及改善之建議。董事會認為本集團的風險管理系統及內部監控系統於本年度是有效且適當。

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

### 公司秘書

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

The Company Secretary is responsible for providing secretarial services to the Board and ensuring the operation of the Company is properly complied with Hong Kong listed companies' regulatory requirements as well as enhancing its corporate governance standards. All Directors have access to the advice and services of the Company Secretary with a view to ensuring that board procedures and all applicable rules and regulations are followed. Company Secretary is also the secretary of each of Board committees. Minutes of Board meetings and meetings of all Board committees are kept by the Company Secretary and are available for inspection by the Directors at all times.

### SHAREHOLDERS' RIGHTS

#### Right to convene special general meeting

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

#### Right to put enquiries to the Board

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

公司秘書負責為公司董事會提供秘書服務，保障公司運作符合香港上市公司的相關規範，提升公司管治水平。所有董事均可獲得公司秘書的意見和服務，確保董事會程序及所有適用規則及規例均獲得遵守。公司秘書同時兼任董事會轄下各委員會的秘書。董事會及董事會轄下各委員會的會議記錄由公司秘書備存，並隨時供董事查閱。

### 股東權利

#### 召開股東特別大會之權利

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

#### 向董事會作出查詢之權利

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

# Corporate Governance Report

## 企業管治報告

### Right to put forward proposals at general meetings

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

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

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

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

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

### 於股東大會提出議案之權利

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

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

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

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

本公司將核證有關請求書，一旦確認請求適合及妥當，董事會將着手進行必要程序。

## COMMUNICATIONS WITH SHAREHOLDERS

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

### Disclosure of Information

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

### General Meeting

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

## 與股東之溝通

董事會有義務經常與本公司股東及投資者進行公平而有效之溝通，並及時向本公司股東及投資者傳達最新資料。本公司於二零一二年三月已採納一份股東溝通政策（「該政策」）。該政策所載條文旨在確保本公司可及時向股東及投資者傳達本公司的最新資料。本公司會使用各種溝通工具，以確保其股東及投資者充分瞭解關鍵業務需要。

### 信息披露

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

### 股東大會

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

# Corporate Governance Report

## 企業管治報告

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

### Voting by Poll

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

## INVESTOR RELATIONS

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

## CONSTITUTIONAL DOCUMENTS

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

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

### 以投票方式進行表決

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

## 投資者關係

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

## 憲章文件

於年內，本公司之憲章文件並無重大變動。

# Environmental, Social and Governance Report 環境、社會及管治報告

## ABOUT US

The flagship subsidiary of Softpower International Limited (“Softpower International” or the “Group”), Bun Kee (International) Limited (“Bun Kee”), was established in 1949 and has developed from a pipe’s retail shop into an integrated enterprise. It is principally engaged in trading of construction materials, mainly pipes and fittings in Hong Kong and Macau. Widely known as the leading pipe company in Hong Kong and Macau, Softpower International was listed on the main board of the Hong Kong Stock Exchange in 2000.

Owing to a high reputation in Hong Kong and Macau, Softpower International mainly provides services for local contractors, designers, consultants and government agencies. As a leading enterprise in construction materials, mainly pipes and fittings industry, the Group provides a wide range of pipes, fittings and comprehensive pipeline project solutions that cater to different market segments covering civil engineering, fire control, air conditioning, plumbing and maintenance services. In addition, the Group also offers goods storage and logistics services for local main contractors and landlords.

## ABOUT THIS REPORT

This report is the second Environmental, Social and Governance Report published by Softpower International. Through reporting the Group’s policy, measure and performance in the environment, social and governance aspects, its aims to let stakeholders enhance understanding of the Group’s progress and direction in sustainable development. This report has been prepared in both Chinese and English, and it has been uploaded on the Stock Exchange of Hong Kong Limited (“HKSE”) and our official website at [www.softpower.hk](http://www.softpower.hk).

### Scope of report

This report mainly focuses on principal places of business of Softpower International in 2017 (the “year”). The principal places of business include:

- Two offices, one warehouse and three retail shops in Hong Kong;
- One retail shop in Macau; and
- One office in Shenzhen.

Compared with the report in 2016, this report extended the scope to cover the office in Shenzhen.

## 關於我們

冠力國際有限公司(統稱「冠力國際」或「本集團」)之旗艦附屬公司彬記(國際)有限公司(「彬記」)於一九四九年成立，從一家管道零售店發展成綜合企業。其主要於香港及澳門從事建築材料(主要是管道及管件)貿易。憑著本集團於港澳區的管業龍頭地位，冠力國際於2000年在香港聯交所主板上市。

冠力國際在香港及澳門建立良好的信譽，主要為當地的承建商、設計師、顧問及政府機構提供服務。作為建築材料，主要為管道及管件行業的領導企業，本集團為客戶提供各類型管道相關產品、配件及全面的管道工程解決方案，涵概土木工程、消防、空調、水喉及保養服務，以滿足不同的市場分部。此外，針對本地主要承建商及業主的需要，本集團亦提供儲貨備運服務。

## 關於本報告

本報告為本公司發表的第二份《環境、社會及管治報告》。報告透過匯報本集團在環境、社會及管治方面的政策、措施和績效，讓各持份者更瞭解本集團於可持續發展議題的進程和發展方向。本報告以中、英文編寫，並已上載至香港聯合交易所有限公司(「聯交所」)及本公司網站 [www.softpower.hk](http://www.softpower.hk)。

### 報告範圍

本《環境、社會及管治報告》以冠力國際於二零一七年(「本年度」)在主要營運點之業務為焦點。本集團主要營運點包括：

- 位於香港的兩個辦公室、一個貨倉及三個零售門市；
- 位於澳門的一個零售門市；以及
- 位於深圳的一個辦公室。

本報告與二零一六年《環境、社會及管治報告》相比，範圍擴大至涵蓋深圳的辦公室。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Reporting standard

This report has been prepared in accordance with the “comply or explain” principle stipulated in Environmental, Social and Governance Reporting Guide (the “Guideline”) issued by HKSE. It is compiled according to four reporting principles, namely materiality, quantification, balance and consistency. In addition, this report based on actual conditions and adopted certain key performance indicators in “recommended disclosure” of the Guideline to make it more complete. On this basis, the Group is actively considering the future reference of national and international reporting standards for sustainability development.

To ensure accuracy of environmental key performance indicators, the Group engaged Carbon Care Asia, a professional consultancy, to conduct carbon evaluation according to “Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong” published by the Environmental Protection Department and the Electrical and Mechanical Services Department, “Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Public Building Operating Enterprises (Trial)” promulgated by the National Development and Reform Commission, and reference to the International Standard ISO 14064-1 and the GHG Protocol.

### Confirmation and approval

All the information cited in this report comes from official documents and statistical data of Softpower International, and the management and operation data collected according to regulations of the Group. The report has been approved by the board of directors of the Company in March 2018.

### Feedback

Softpower International attaches much importance to stakeholders’ opinion. If you have any queries or comment on the content or form of this report, please contact the Group by email at [ir@softpower.hk](mailto:ir@softpower.hk).

### 報告準則

本報告遵守聯交所頒佈的《環境、社會及管治報告指引》(《指引》)中有關「不遵守就解釋」的規定，並以其載列的四項匯報原則——重要性、量化、平衡及一致性，作為編寫報告的基礎。此外，報告亦因應實質情況，選用《指引》中「建議披露」的部份關鍵績效指標，令匯報內容更完整。在此基礎上，本集團正積極考慮日後參考國家和國際可持續發展報告標準進行匯報。

為確保環境關鍵績效指標資料的準確性，本集團委託專業顧問公司低碳亞洲根據由香港環保署和機電工程署編製的《香港建築物(商業、住宅或公共用途)的溫室氣體排放及減除的核算和報告指引》、國家發展改革委公佈的《公共建築運營企業溫室氣體排放核算方法和報告指南(試行)》，以及參考國際標準 ISO14064-1 和溫室氣體盤查議定書進行碳評估。

### 確認及批准

本報告引用的所有資料均來自冠力國際的正式文件、統計數據，以及其根據本集團制度收集的管理和營運資料。報告已於二零一八年三月獲本公司董事會批准。

### 意見反饋

冠力國際非常重視持份者的意見。如閣下對本報告的內容或匯報形式有任何疑問或建議，歡迎透過電郵 ([ir@softpower.hk](mailto:ir@softpower.hk)) 聯絡本集團。

# Environmental, Social and Governance Report 環境、社會及管治報告

## MESSAGE FROM CHIEF EXECUTIVE OFFICER

**“Deepen interaction with internal and external stakeholders to timely address environmental and social risks. Seize opportunities to make steady progress.”**

Since it was founded in 1949, the Group has been committed to becoming a comprehensive pipe solution provider. As Hong Kong Government tightened test requirements on pipe products because of the lead-in-drinking-water incident several years ago, we are all the more aware of the far-reaching impact of environmental and social risk management on corporate sustainable operation. As the market leader, we are determined to include environmental and social consideration in operation decision, and make business development plan consistent with the sustainability goal.

Over the years, the Group attaches much importance to product safety through investing resource in product inspection and certification on one hand, and establishing strict supplier management system on the other hand. The lead-in-drinking-water incident highlights the importance of risk management; it is because of our insistence on quality that we can seize new business opportunities from the crisis and consolidate our leading status in the industry.

In the course of operations, the Group is also committed to minimizing environmental pressure. Through yearly capital investment, we gradually phase out outdated diesel-powered trucks and forklifts and strive to build a more environment-friendly transport fleet. To be more resource-saving, we are exploring new directions with high cost effectiveness and high resource utilization efficiency.

Thanks to employees' trust and support over the past seven decades, the Group has scored remarkable development, so it is the basic operation requirement to safeguard the safety and health of employees. In addition, we pay a close attention to high-risk positions in warehouse operation, and strive to improve occupational safety management, including research of the possibility of mechanization.

## 首席執行官寄語

「繼續加深與其他內外持份者的互動，確保適時應對在環境及社會範疇的風險，把握機會，不斷進步」

自一九四九年創立至今，本集團一直以成為一家全方位管道方案提供者為目標。隨著數年前的食水含鉛事件，香港政府對管道產品收緊檢驗要求，我們愈意識到環境及社會風險管理對於企業的持續經營之深遠影響。作為市場領導企業，我們決意將環境及社會的考慮納入企業的經營決策之中，制定和與可持續發展目標一致的與業務發展計劃。

多年來，本集團一直重視產品安全，一方面投入資源進行產品檢驗和認證，另一方面，設有嚴格的供應商管理制度。鉛水事件正好突顯風險管理之重要性。本著對品質的堅持，本集團得以在行內突圍而出，從危機中獲得新商機，進一步穩固行業地位。

在營運的過程中，本集團亦致力減輕對環境造成的壓力。我們每年撥出預算，逐步取締舊型號柴油貨車及叉車，建立更環保的運輸車隊。針對節約資源，我們正探索更多具成本效益且提升資源使用效益的新方向。

本集團近七十年來的發展全賴員工對我們的信任和支持，而確保員工的安全和健康是我們營運的基本要求。我們密切關注於倉庫營運的高風險崗位，並致力進一步提升職業安全管理，包括研究採納機械化流程的可能性。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

Looking ahead, the Group will continue to take the lead and cooperate with real estate developers, engineering consultants and other partners to constantly improve quality of products and provide customers with more suitable pipes for different construction works solutions. Meanwhile, the Group will deepen communication with other internal and external stakeholders through various interaction methods, and timely identify and address risks in environmental and social aspects. In this way, we will seize opportunities and make steady progress.

**Yu Ben Ansheng**  
*Chief Executive Officer*

展望將來，本集團將繼續發揮行業領導者的角色，與地產開發商及工程顧問等合作夥伴緊密合作，除了在產品的層面上精益求精，亦為客戶提供不同工程方案的合適管道。與此同時，我們將繼續加深與其他內部和外部持份者的溝通，包括透過不同的互動方式，確保適時識別和應對在環境及社會範疇的風險，把握機會，不斷進步。

首席執行官  
俞安生

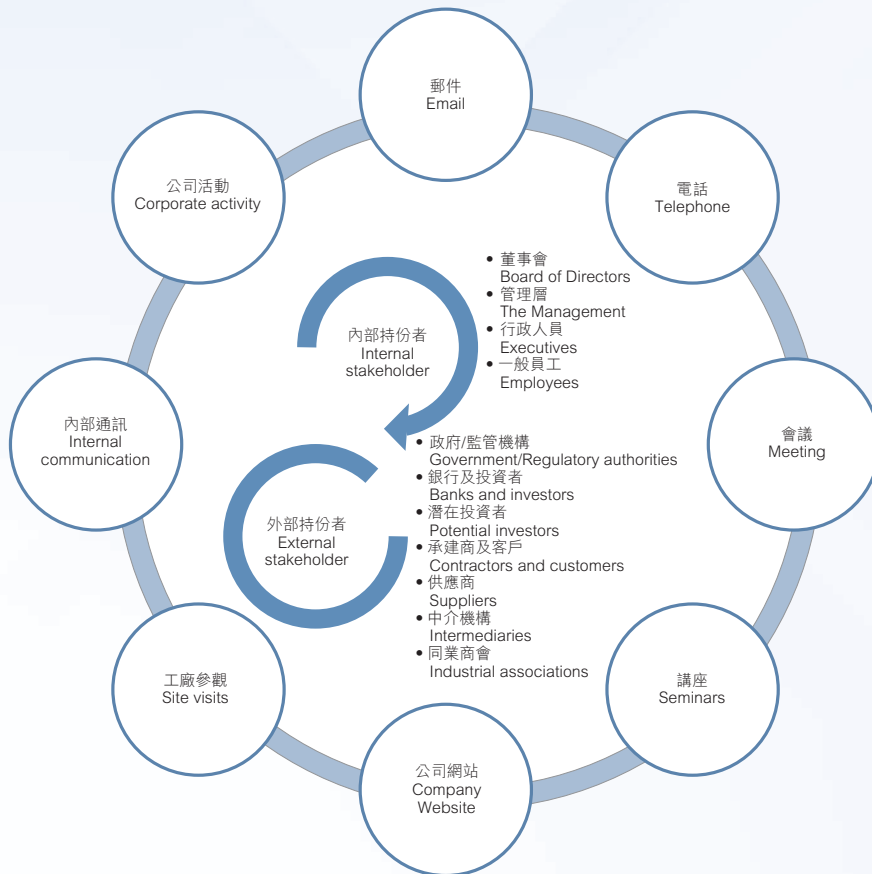
# Environmental, Social and Governance Report 環境、社會及管治報告

## STAKEHOLDER COMMUNICATION

## 持份者溝通

Communication with key stakeholders in the year

本年內的主要持份者溝通方式



Stakeholders<sup>1</sup> participation is vital to the Group to review risks and business opportunities in the business potential management. The communication with stakeholders helps Softpower International know better about their opinions and enable the business operations to cater for their needs and expectations.

在冠力國際的業務管理中，持份者<sup>1</sup>的參與是其中一個重要部分，有助本集團審視潛在的風險與商機。與持份者交流，冠力國際能更深入瞭解他們的看法，確保業務常規更貼近不同持份者的需要和期望。

1 “Stakeholders”, also called “interested parties” or “beneficiaries”, refer to groups and individuals that may significantly affect, or be affected by the business of the Group. Stakeholders of the Group not only include internal parties such as the directors, the management and employees but also external parties such as customers, business partners, investors, regulatory authorities and various social communities.

1 「持份者」，又稱「利益相關方」或「權益人」，指對本集團的業務有重大影響，或會受業務影響的群體和個人，包括內部的董事、管理層、員工，外部的客戶、業務夥伴、投資者、監管機構及各類型的社區團體等。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Through various constant communication channels, the Group can timely share information about its development and operation strategy with internal and external key stakeholders. In addition, the Group can listen to their opinions to prioritize different issues and make corresponding policies and management measures.

透過各個恆常溝通渠道，本集團能夠適時與內部和外部關鍵持份者分享有關本集團發展和營運方針的資訊，同時可以聽取他們的意見，以便辨識不同議題的優先順序，並制訂相應政策和管理措施。

### Major sustainability issues during the reporting period

### 報告期內的重大的可持續發展議題



As it did last year, Softpower International engaged independent professional consultancy to communicate with the Management to recognize vital environmental and social issues for the Group and stakeholders, and discuss long-term sustainability strategy and direction. Based on interviews and the suggestions of consultants, the Group selects four environmental and social areas from the Guideline as the key issues discussed in this report.

一如去年，冠力國際委託了獨立顧問公司進行管理層訪談，識別本集團業務和持份者至為重要的環境和社會議題，並就討論長遠企業可持續發展策略和方向。結合訪談所得及顧問的意見，本集團從《指引》的中選出四項環境及社會範疇，作為是次匯報重點探討的議題。

To ensure effective communication with stakeholders, the Group establishes transparent, honest and accurate communication mechanism and provides timely reply. In future, the Group will strengthen interactions with stakeholders, diversify channels, increase communication opportunities and create mutually beneficial and win-win relations with them.

為確保持份者溝通的成效，本集團致力建立透明、誠信、準確的溝通，並提供適時回覆。未來，本集團會加強與持份者互動，開拓更多元化的渠道，增加與他們接觸的機會，創造互惠共贏的關係。

# Environmental, Social and Governance Report 環境、社會及管治報告

## ENVIRONMENTAL PROTECTION

Softpower International has set up Environmental Protection Policy, and it also establishes environmental management principle, and takes specific measures for managing emission, improving resource utilization, and reducing influence of operation on environment to ensure environmental management is included in decision-making process of operation. The Group conducted comprehensive assessment during the year to understand the environmental protection measures and performance of various business units; the assessment also helped the Group quantify and report the effectiveness of the measures in the future.

### Emissions

#### 1. Greenhouse gas and air emissions

Softpower International engaged a professional consultancy to conduct carbon assessment, and measures greenhouse gas emissions (or “carbon emissions”) to further examine effectiveness of measures and make improvement plan. The assessment result shows that over 65% of carbon emissions are from burning of moving source fossil fuel in Scope 1, 85% of which is from the diesel consumed by trucks and forklifts in warehouse; the second largest carbon emissions of the Group are from the externally purchased electricity power which is mainly used in air-conditioners and lighting of all places of business.

Greenhouse gas emission 溫室氣體排放	
Scope 範圍	Emissions (tonnes of carbon CO <sub>2</sub> ) 排放量(噸 二氧化碳當量)
Scope 1: Direct greenhouse gas emission 範圍一：直接溫室氣體排放	520
Scope 2: Energy indirect greenhouse gas emission 範圍二：能源間接溫室氣體排放	213
Scope 3: Other indirect greenhouse gas emission 範圍三：其他間接溫室氣體排放	22
<b>Total greenhouse gas emission</b> 溫室氣體排放總量	<b>755</b>
<b>Intensity of greenhouse gas (tonnes of CO<sub>2</sub> equivalent/ m<sup>2</sup>)</b> 溫室氣體密度(以「噸二氧化碳當量/平方米面積」計算)	<b>0.030</b>

## 環境保護

冠力國際已制定《環保政策》，透過建立本集團的環境管理方針，以及針對管理排放物、提升資源使用效益和減少營運對環境造成影響的具體措施，確保環境管理得以融入營運決策過程之中。本集團於本年度實施全面評估，以了解各個業務單位的環境保護措施和表現；評估亦有助本集團將來量化和匯報措施之成效。

### 排放物

#### 1. 溫室氣體及廢氣排放

冠力國際於本年度委託專業顧問公司進行碳評估，量化營運產生的溫室氣體排放(或稱「碳排放」)，以便進一步檢討措施的成效及制訂改善方案。評估結果顯示，超過百分之六十五的碳排放來自範圍一的移動源化石燃料燃燒，當中八成半為貨倉的貨車和叉車所消耗的柴油；本集團第二大的碳排放來自範圍二的外購電力，主要用於各營運點的空調和照明。

#### Plan of 2018

Review the effectiveness of the existing measures to formulate and improve more targeted measures

#### 二零一八年的計劃

檢討現行措施的成效，以制訂改善更具針對性的措施

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In addition, the directly-emitted air pollutants are mainly from air emissions caused by engines of diesel-powered trucks for warehouse operation, including sulfur oxide, nitric oxide and particulate matter. To further reduce greenhouse gas and air emissions, Softpower International has implemented vehicle renewal plan, and prepared to phase out outdated trucks and diesel-powered forklifts with trucks and petroleum gas forklifts with Euro V Standard. During the year, the Group has replaced three trucks and two forklifts according to the plan; as of now, 80% of trucks and 35% of forklifts have been replaced respectively.

此外，直接排放的空氣污染物主要來自倉儲營運的柴油車輛引擎所造成的廢氣排放，包括硫氧化物、氮氧化物及顆粒物。為了進一步減少溫室氣體和廢氣排放，冠力國際已制定更換車輛計劃，逐步購入歐盟五期貨車及石油氣叉車取代淘汰舊型號貨車及柴油叉車。本年度，本集團按計劃更換了三部貨車及兩部叉車；直至今目前，本集團已分別更換了八成和三成半的貨車和叉車。

Air emissions 廢氣排放	
Type 類別	Emissions (kg) 排放量(千克)
Sulphur oxides (SOx) 硫氧化物	2618
Nitrogen oxides (NOx) 氮氧化物	13
Particulate matter (PM) 顆粒物	207

### Plan of 2018

Replace three trucks, and the greenhouse gas and air emissions will be further reduced.

### 二零一八年的計劃

更換三部貨車，預計可以進一步減少溫室氣體和廢氣排放

## 2. Waste and sewage

The Group conducts comprehensive evaluation on measures and performance of waste management in all business departments. The waste of the Group mainly includes harmless waste, such as office paper, newspaper, magazines and other household waste. In every office, the Group has recycling bins, so waste paper can be regularly collected and disposed by recyclers. As for the few damaged electric lamp bulbs and light tube produced in operation, the Group disposes them according to laws and regulations. In future, the Group will classify waste, place other types of waste recycling bins, and provide employees with clear sorting and recycling instructions, and encourage employees to reduce waste at source.

## 2. 廢棄物及污水

本集團於本年度實施全面評估，以瞭解各個業務單位在廢棄物管理的措施和表現。本集團的主要廢棄物為無害廢棄物，包括辦公室用紙、報紙、雜誌及其他生活垃圾。辦公室設有廢紙回收箱，廢紙定期由回收商收集和處理。針對營運所產生的少量已損壞電燈膽及光管，本集團已按法規規定處理。未來，本集團計劃實行廢棄物分類，設立其他類別的廢物回收箱，並為員工提供更清晰的分類回收指引和鼓勵員工從除源頭減廢。

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Type 類別	Waste 廢棄物	Produced amount (tonnes) 產生量(噸)
Total hazardous waste produced (light bulbs and light tube) 所產生有害廢棄物總量(電燈膽及光管)		0.03
Intensity of hazardous waste produced (in tonnes/square meter area) 有害廢棄物密度(以「噸/平方米面積」計算)		0.000001
Total non-hazardous waste produced (municipal solid waste) 所產生無害廢棄物總量(都市固體廢物)		148
Intensity of non-hazardous waste produced (in tonnes/square meter area) 無害廢棄物密度(以「噸/平方米面積」計算)		0.006

The sewage of Softpower International is mainly produced from daily operational needs. The sewage produced by all offices and shops has been discharged through local pipe network and disposed at Sewage Treatment Works.

冠力國際的污水排放主要來自日常營運需要。所有辦公室及門市產生的污水均經當地管網排放至污水處理廠處理。

### Use of resources

As the Group focuses on trade business, our offices use a lot of documents in office daily operations. Softpower International is working hard to minimize the use of paper through various methods. For instance, employees are encouraged to adopt electronic filing instead of paper filing. In respect of the operation in warehouses and retail shops, the Group generally uses the packaging materials such as plastic bags, nylon bags and carton boxes to ensure product quality and unbreakable throughout the of goods in transit. The Group has consumed nearly 18 tonnes of packaging materials in the year (Packaging material intensity: 0.028, calculated in tonnes/HKD million revenue). Besides the plan of replacing vehicles, Softpower International always encourages employees to keep the good habit of saving electricity and water.

### 資源使用

由於本集團業務性質以貿易為主，辦公室日常營運涉及大量文件往來。冠力國際正積極透過不同方式減少用紙，包括鼓勵員工以電子存檔方式代替紙本記錄。針對貨倉及門市的營運需要，產品一般以塑料袋、尼龍袋及紙箱等作為包裝材料，確保整個運輸過程之產品品質和完整性。本年度，本集團消耗接近十八公噸包裝材料(包裝材料密度：0.028，以噸/百萬港元收入計算)。除了上述更換車輛計劃外，冠力國際一直鼓勵員工養成節約用電和用水的良好習慣。

# Environmental, Social and Governance Report

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Use of energy 能源使用			
	Type 類別	Consumption (megawatt hour) 耗量(兆瓦時)	
Direct energy 直接能源	Gasoline 汽油	263	1982
	Diesel 柴油	1,568	
	Liquefied petroleum gas 液化石油氣	151	
Indirect energy 間接能源	Electric power 電力	380	
Total energy consumption 能源總耗量		2,362	
Energy intensity (megawatt hour/m <sup>2</sup> ) 能源密度(以「兆瓦時/平方米面積」計算)		0.095	

Use of water resource <sup>2</sup> 水資源使用 <sup>2</sup>	
Total water consumption (cubic meter) 總耗水量 (以「立方米」計算)	1,542
Water intensity (cubic meter/m <sup>2</sup> ) 水量密度 (以「立方米/平方米面積」計算)	0.06

### Environment and natural resources

Softpower International attaches much importance to protection of natural environment. The Management of the Group always reviews the implementation progress of environmental protection measures, and prudently evaluates and manages possible adverse influence of operation on the environment. As the business involves no industrial production, the Group has not identified any major influence on environment and natural resources besides the above-mentioned emissions and use of resources.

Softpower International will continue to evaluate, record and disclose the data related to greenhouse emission and other environment issues annually, and use this year's data as a benchmark for future review of the effectiveness of the measures. In the year, the Group has not identified any cases that violated the laws related to emissions or environment.

### EMPLOYMENT AND LABOUR PRACTICE

Softpower International cares for every employee and strives to provide pleasant working conditions for them.

### 環境及天然資源

冠力國際重視自然環境保護，本集團管理層定期檢討各項環保措施的實施進度，並以審慎態度評估和管理營運對環境可能造成的負面影響。目前，由於業務不涉及工業生產，除上述的排放物及資源使用外，本集團尚未識別出報告範圍內對環境及天然資源的重大影響。

冠力國際將繼續評估、紀錄及每年披露溫室氣體排放及其他重要環境數據，並以本年度的數據作基準，以便日後檢討措施成效。本年度，本集團並無發現與排放物或其他環境相關法律的違規個案。

### 僱傭及勞工常規

冠力國際重視每一名員工，致力為他們提供一個優質工作環境。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Health and safety

The Employee Handbook of the Group lists detailed measures related to occupational safety. Due to high risks of warehouse operation, the Group has set up Warehouse Safety Regulations which lists all necessary safety equipment for employees to wear, and provides safety guidelines for different posts (such as operators of forklifts, drivers, outdoor workers and delivery assistant), covering operation of mobile machinery, handling and operation by physical strength, and outdoor work. During the year, the Ten Important Points of Safety Regulations has been made for warehouse operation, and it sets out the key safety points for warehouse employees in goods handling and forklift operation.

### Safety Regulations

Check water tank and petroleum gas pipe before turning on the forklift

開動剷車前，檢查水箱和石油氣喉

Pay attention of cargo weight and avoid overloading before turning on the forklift

開動叉車前，留意運載物重量，避免因超載而失衡翻側

Temporarily suspend work outdoor during bad weather, and shelter indoor

在惡劣天氣時，即時暫停露天工作，並於室內地方暫避

Use the trolley to carry heavy cargos

搬運重物時，使用手推車輔助

In the year, the Group has not identified any work-related fatal accident or illegal cases violating health and safety laws. However, the Group had 13 accidents at work. After investigation, most employees were sprained when they carried the cargo in the warehouse in Yuen Long. As at the end of the year, the injured employees have been treated properly, and they have entitled applicable sick leave, due payment and compensation for work injuries according to Employees' Compensation Regulations.

To enhance employees' safety awareness, the Group has authorised two experienced employees as safety supervisors. Besides follow-up the injury cases, the supervisors are responsible for introducing the Warehouse Safety Handbook to new employees, regularly reporting safety precautions to members of the Employee Safety Committee, and offering improvement plan for warehouse's safety management. The supervisors also through quarterly safety meeting to introduce and update the latest occupational safety regulations to warehouse staff.

### 健康與安全

本集團之《員工手冊》載列有關職業安全的具體措施。針對貨倉營運牽涉相對較高安全風險的工作，本集團已制定《貨倉安全守則》，列明員工須要配戴的安全裝備，並提供針對不同工作崗位(如剷車操作員、司機、戶外工作員工和跟車人員等)的安全指引，內容涵蓋移動機械操作、體力處理操作及戶外工作。本年度，貨倉制定了《安全守則十項重點》，列載從事貨物搬運及叉車操作的貨倉員工需要特別注意之安全要點。

### 安全守則

本年度，本集團並沒有發現因工死亡個案，或與健康與安全相關的違法個案。然而，本集團發生了十三宗工傷事件。經調查後，大部份事故源於員工在元朗倉庫搬運貨物時意外扭傷。截止本年底，受傷員工已得到適當的治療，並按照《僱員補償條例》享有適用的工傷病假、獲發工傷病假按期付款，以及工傷補償。

為提升員工的安全意識，本集團已於倉庫委派兩名較資深的員工擔任安全督導員。除跟進工傷個案，督導員負責向新入職員工逐項講解《貨倉安全守則》，定期向員工安全會成員通報安全事項，以及就貨倉安全管理提供改善方案。督導員亦透過季度安全會議，向全體貨倉員工講解及更新最新職業安全規例。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

Work injury and absence from duty 工傷及缺勤	
Number of work injuries 工傷人數	13
Injury rate (number of injuries per 1,000 staff) 工傷率(即每一千名員工出現的工傷數字)	73
Lost days due to work injury 因工傷損失工作的日數	710
Rate of lost days due to work injury 因工傷損失工作的日數比率	1.1%
Number of absence days 缺勤日數	1,587
Absentee rate 缺勤率	2.5%

### Employment

Through formulating the Employment Contract and Employee Handbook, Softpower International ensures all employees fully understand the information related to recruitment, promotion, remuneration, welfare, working hours and holidays, includes medical insurance and benefits for staff at all levels. In addition, Softpower International is committed to promoting equal opportunities and anti-discrimination and establishing a harmonious and mutually-respecting work environment. To this end, the Employee Handbook sets out the following specific management measures:

- Job seekers and on-job employees will be equally treated in different employment scopes, regardless of gender, pregnancy, disability, marriage status or family status
- Clarify the definition and legal responsibility of discrimination and sexual harassment
- Provide guidance and assistance for employees who need help
- Establish complaint mechanism and handling procedure

### 僱傭

冠力國際透過制定《僱傭合約》及《員工手冊》，確保員工知悉有關招聘晉升、薪酬福利、工時及假期等僱傭安排，包括各職級員工可享的醫療保險和福利。此外，冠力國際致力推動平等機會和反歧視，建立和諧和互助尊重的工作環境。為此，《員工手冊》列明以下具體管理措施：

- 求職者及在職員工在不同的僱傭範疇中均應該得到平等機會，不因性別、懷孕、殘疾、婚姻狀況或家庭崗位等而蒙受不公平對待
- 闡明歧視及性騷擾行為的定義和法律責任
- 為有需要員工提供指導和協助
- 建立申訴機制和處理程序

## Environmental, Social and Governance Report 環境、社會及管治報告

Softpower International takes an open policy towards employee communication. In addition to employees who can express their views by e-mail or interview at any time to the department manager or human resources department, the human resources department will also conduct exit interviews with the resigned employees to know about the work conditions of different departments. During the year, the Group held quarterly staff gathering and annual dinner to encourage employees at various levels to establish good relationships.

冠力國際對員工溝通採取開放態度。除了員工可以隨時通過電子郵件或面談向部門經理或人力資源部發表意見，人力資源部亦會與即將離任的員工進行離職面談，以了解不同部門的工作情況。年內，本集團舉辦季度員工聚餐和週年晚宴，鼓勵不同層級的員工建立良好關係。



Through adopting Board Diversification Policy, Softpower International regularly examines the composition of the Board of Directors, and tries to recruit high calibre individual with different genders, ages and cultural and educational backgrounds. In future, the Group will make the diversification policy suitable to all-grade employees.

目前，冠力國際採納《董事會成員多元化政策》，定期檢討董事會的人員組成，盡量廣納不同性別、年齡、文化及教育背景等的人才。未來，本集團將會制定適用於所有職級員工的多元化政策。

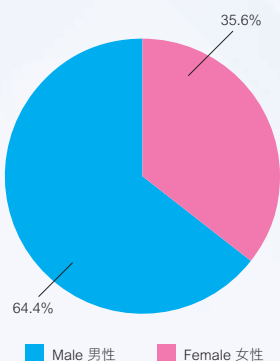
The Group has a total of 177 employees (Hong Kong: 168, Macao and Mainland China: 9), with the ratio of male to female employees being 1.8:1, and the average female-to-male salary ratio being 0.89:1.

本集團的員工人數合共177人(香港：168人，澳門及中國內地：9人)，男女員工比例為1.8:1，女性對男性的平均薪酬比例為0.89:1。

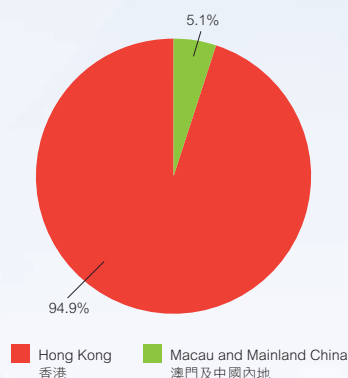
# Environmental, Social and Governance Report

## 環境、社會及管治報告

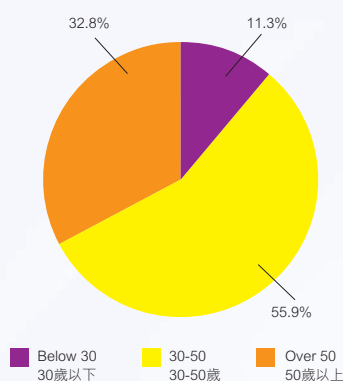
By Gender 按性別劃分



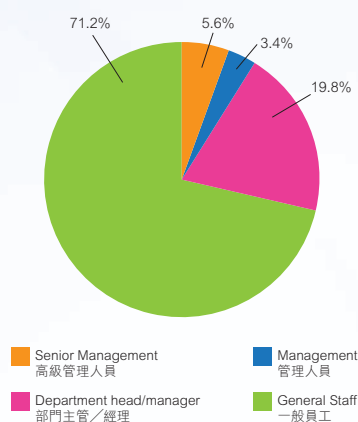
By Geographical Region 按地區劃分



By Age 按年齡劃分



By Job Grade 按職級劃分



	Geographical Region 地區		Age 年齡			Gender 性別		Overall 整體
	Hong Kong 香港	Macau and Mainland China 澳門及中國內地	Below 30 30歲以下	30-50 30-50歲	Over 50 50歲以上	Male 男性	Female 女性	
Employee Turnover Rate 僱員流失比率	38%	29%	76%	37%	21%	46%	19%	37%

The Management of Softpower International has noted that the turnover rate of employees in certain regions is high. To solve the turnover problem of warehouse staff in Hong Kong, the Management has increased employees benefits since October 2017, including raising meal allowance and work attendance bonus. In addition, the Group will distribute discretionary bonus to the outstanding employees in the Mainland China to retain talent.

冠力國際管理層意識到部份地區的僱員流失率偏高。針對香港倉庫的員工流失情況，管理層於二零一七年十月起增加倉庫員工的福利，包括調整員工膳食津貼和勤工獎金。對於中國內地員工，本集團亦會發放酌情花紅予表現優秀之員工，以挽留人才。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Development and training

Based on functions of different departments, Softpower International arranges the training to meet their needs and provide development opportunities.

During the year, the Group provides financial support as well as professional associations fees and assistance for the relevant courses to the employees in accounting department, company secretarial department, human resources and administration department in order to update their understanding of work-related knowledge and compliance rules. For the needs of sales department and purchasing department, the Group provides on-job training for them and occasionally arranges employees to attend symposiums and training course held by chambers of commerce in the industry to know about the application of mechanical and engineering installation system and the latest products informations.

The Group also establishes the annual performance appraisal system. Employees can discuss objectives, difficulties and improvement methods with heads of departments to score a better career development.

### Labour standards

Softpower International's Prohibition of Child Labour Policy sets out to prohibit employment of the persons below working age and the human resources department should take effective procedures to verify the age of candidates. The relevant policy also ensures the right of everyone to freely choose a job, and all employment are voluntary. In case of changing the employment category (for instance, change from full-time to part-time or contract form), the Group should obtain employees' written consent. In case of emergency, if employees agree to work on rest days, they may submit the records to human resources department to take compensatory time off after approval by the supervisor.

During the year, no internal whistle-blowing or illegal cases related to recruitment or labour practices (including child labour and forced labour) were received by the Group.

### 發展及培訓

冠力國際針對不同部門職能需要，規劃培訓安排，並提供發展機會。

本集團年內為會計部、公司秘書部及人力資源及行政部等行政部門的員工提供相關的課程費用支援及專業學會會費資助等，以不斷更新各部門在工作方面的知識和合規守則等。針對銷售部及採購部的需要，本集團提供在職培訓，並不時安排員工參與業界商會舉辦的研討會和培訓課程，認識機電安裝系統的應用和最新產品資訊。

本集團設立年度表現評估制度，員工可與其部門主管共同討論工作上的目標、困難及改善方法，員工可藉此拓展事業發展空間。

### 勞工準則

冠力國際的《禁止使用童工政策》列明禁止僱用低於就業年齡之人士，並要求人力資源部門採取有效程序核實應聘者年齡。有關政策亦保障所有人自由擇業的權利，確保所有僱傭關係均屬自願性質。若需更改僱聘類別(例如由全職轉為兼職或合約制)，本集團定必須獲員工以書面形式同意。在緊急情況下，若員工同意於休息日工作，並由主管經批核記錄後遞交人力資源部，以安排補假。

本年度，本集團並無收到任何與僱傭或勞工常規相關(包括童工和強制勞工)的內部舉報或違規個案。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### OPERATION MANAGEMENT

### 營運管理

#### Supply chain management

#### 供應鏈管理

Products of Softpower International mainly come from 35 suppliers across the world.

冠力國際的產品主要來自世界各地三十五個供應商。

Number of suppliers 供應商數目	
Mainland China 中國內地	14
Hong Kong 香港	9
Britain 英國	4
South Korea 韓國	3
Thailand 泰國	2
Japan 日本	1
United States of America 美國	1
Australia 澳洲	1

#### Product liability

#### 產品責任

Softpower International pays much attention to product quality assurance and strives to continuously improve product quality and ensure all pipe products provided by suppliers satisfy customers' specifications and comply with the laws and regulations where the Group operates. For instance, the products shall be healthy and safe to humans and environment and managed by labeling. At each of the following major procurement decision stages, the Group also takes into account the environmental and social performance of suppliers to make a more comprehensive decision.

冠力國際重視產品品質保證，致力持續提高產品質量，確保供應商提供之管道產品符合客戶要求之規格和本集團營運地區之法例規定，包括產品對人及環境的健康與安全以及標籤管理。在下列各個主要採購決策階段，均加入供應商的環境和社會表現，以作更全面的考慮。

Recognition	Recognize and prioritize the products with excellent environmental performance to ensure they are free of substances harmful to humans or environment
Review	Evaluate and select suppliers from various aspects such as quality, environmental protection and labour human rights
Encouragement	Encourage suppliers to obtain certificates of non-use of hazardous substances and other product validation marks
Supervision	Conduct sampling inspection of suppliers' products to ensure compliance with the requirements

識別	識別且優先採購環境表現優秀的產品，確保不含對人體或環境有害的物質
審核	針對品質、環保、勞動人權等各方面評選供應商
鼓勵	鼓勵供應商獲取不使用有害物質證明書及其他產品驗證標誌
監管	抽樣檢驗供應商的產品，確保符合要求

# Environmental, Social and Governance Report

## 環境、社會及管治報告

For the safety of products, the Group conducts tests on reliability, compatibility and safety specifications of the products provided by suppliers. The Group has been promoting suppliers to obtain and provide internationally recognized quality and safety marks. As early in 2015, all products of the Group had obtained the general acceptance letter (commonly known as acceptance letter) from the Water Supplies Department of Hong Kong (“WSD”) in accordance with the newly promulgated Waterworks Regulations.

### WSD — “General Acceptance” Pre-approval System for plumbing products

At present, the WSD implements “General Acceptance” (“GA”) pre-approval system for plumbing products during the approval of plumbing projects. Qualified plumbing products must be provided with a sample test report issued by a local laboratory accredited by Hong Kong Laboratory Accreditation Scheme (HOKLAS), or a certificate issued by the British Standards Institution Kitemark (BSI Kitemark) or Water Regulations Advisory Scheme (WRAS) to prove conformity of the product to the statutory standards.

In October 2017, WSD formally implemented GA surveillance program for plumbing products, and started spot tests on plumbing products that obtained GA to monitor whether the products continue to meet the requirements for accreditation, including the metal elements contained in the parts that come into contact with drinking water. During the year, all of the Group’s products subject to spot check had passed the test results, with the related test results having been published on the website of WSD.

The Group establishes Internal Product Acceptance Guideline according to different types of pipes and fittings. Warehouse workers must conduct sampling inspection on every batch of products according to required technical standards stipulated in the guideline. If the products cannot conform to customers’ requirements, warehouse workers will record the damaged conditions and inspection data and report to the purchasing department for follow-up. In case of receiving customers’ complaints, the sales department of the Group will,

針對產品的安全性，本集團對供應商提供的產品進行可靠度、相容性及安全規格測試。本集團一直推動供應商取得及提供國際認可的品質與安全標誌；早於二零一五年，本集團旗下產品已按新頒佈之《水務設施規例》，取得香港水務署要求之一般認可信(俗稱水紙)認證。

### 水務署 — 《一般認可》 水喉產品預先批核制度

現時，水務署在水喉工程審批時實行《一般認可》水喉產品預先批核制度。獲《一般認可》資格的水喉產品必須備有香港實驗所認可計劃(HOKLAS)轄下機構發出的樣本測試報告，或由英國標準協會註冊證明商標(BSI Kitemark)或英國水務法規諮詢計劃(WRAS)發出的證明書，確認產品符合法定標準。

於二零一七年十月，水務署正式實行《一般認可》水喉產品監察計劃，抽取市面上獲《一般認可》之水喉產品進行測試，以監察產品是否繼續符合認可資格所要求的標準，包括接觸飲用水的部件所含之金屬元素。本年度，本集團旗下曾接受抽查的產品中，全數測試結果合格，相關測試結果已於水務署的網頁公佈。

本集團就不同種類的管道及管件，設有內部核驗程序指引。倉庫員工須按指引內訂明的技術標準，對每批貨物進行抽樣檢驗。如貨物未符合戶要求，倉庫員工會將貨物損壞情況及驗收數據記錄在案，反饋採購部跟進。若接到客戶投訴，本集團的銷售部會視乎情況，前往客戶的工程現場進一步調查。本年度，本集

# Environmental, Social and Governance Report

## 環境、社會及管治報告

based on actual conditions, conduct further investigation on the sites of customers. In the year, the Group received 13 complaint cases related to product quality, and all unqualified products had been replaced and the Group shared the economic loss of customers. Customers expressed their satisfaction on our follow-up measures. In addition, the Group valued the opinions of customers. The sales team visited the customers regularly to deeply know about their needs and provide appropriate services. The Group also regularly organizes social activities with the trade associations in the industry, such as golf tournaments, inviting customers' participation to foster better relationships.

The Group attaches much importance to protecting customers' privacy and intellectual property right. All employees should not directly or indirectly use the materials of customers or suppliers, including confidential information such as trade secrets, business transactions and technologies, and disclose them to the third parties. The relevant requirements are stipulated in Employee Handbook. In the year, no illegal cases related to product liability occurred in the Group.

### ANTI-CORRUPTION

The Group works hard to promote corporate culture of integrity and honesty. According to Gift and Entertainment Policy of the Group, all employees have to declare the gift and entertainment from outsiders. Based on value, form and purpose of the gift or entertainment, the Group has formulated handling principles and methods in relevant policies. If employees would like to provide customers and government officials with gifts and entertainment, they should fill in the Entertainment Fee Application Form and provide details, and submit it to the Management for special approval according to local laws and regulations. The Group also establishes the communication channel for employees to consult with the Management, human resource department, or their own department head and manager in case of any doubt.

團接獲共十三宗有關產品品質的投訴個案，並於年內為有關客戶更換產品和分擔其經濟損失。客戶對於跟進措施大致表示滿意。此外，本集團重視客戶的意見，銷售團隊定期到訪客戶，以便深入了解其需要並提供合適服務。本集團亦會定期與業界商會舉辦一些聯誼活動，如高爾夫球比賽，邀請客戶參與，以增進關係。



本集團重視對客戶私隱及知識產權的保障。員工於受僱期間獲得任何有關客戶或供應商的資料，包括行業秘密、交易往來、技術等均為機密資訊，均不可直接或間接使用和向第三方透露；相關要求亦以載列於《員工手冊》。本年度，本集團並無發現與產品責任相關的違規個案。

### 反貪污

本集團全力推動廉潔誠信的企業文化。本集團的《餽贈與招待政策》規定，員工必須對於外界提供的餽贈和招待作出申報。視乎餽贈或招待之價值、形式和目的，有關政策已訂明各種情況下的處理原則和處理方法。若員工有意向客戶以至政府官員提供餽贈及招待，員工必須事先填寫應酬費用申請表及提供詳細說明，並交由管理層按照當地法律法規作出特別審批。本集團亦建立溝通渠道，員工如有任何疑問，可諮詢集團的管理層、人力資源部或其部門主管和經理。

# Environmental, Social and Governance Report 環境、社會及管治報告

During the year, no corruption litigations against the Group or employees or relevant illegal cases happened in the Group.

## COMMUNITY INVESTMENT

Softpower International is committed to becoming a caring company for "Take from society, Give back to society". The Group's Community Policy starts from the two directions of volunteer work and the donor community. It encourages employees to organize and participate in voluntary activities, and assists institutions in need through donations at the same time. Softpower International also actively explores and seeks opportunities to work with customers and partners to help the disadvantaged groups and expects to give back to the society in innovative ways.

During the year, the Group participated in the projects of several communities, donated over HK\$20,000, and contributed voluntary works for over 100 hours.

### October 2017

Bun Kee participated in voluntary activities yearly organized by The Hong Kong Air Conditioning and Refrigeration Association Ltd. In the year, Bun Kee participated in the voluntary service "Caring Event — Happy Rice Delivery 2017", visited low-income elderly and presented them with rice.

本年度，本集團並沒有發生貪污訴訟案件，亦無相關違規個案。

## 社區投資

冠力國際致力成為「取之社會，用之社會」的關懷企業。本集團的《社區政策》從義務工作及捐助社群兩大方向出發，鼓勵員工舉辦及參與義務活動，同時透過捐助方式協助有需要的機構。冠力國際亦積極探討和尋找與客戶和合作夥伴攜手幫助弱勢社群的機會，期望以創新方式回饋社會。

本年度，本集團參與多項社區項目，捐獻款項逾二萬港元，貢獻超過一百義工小時。

### 二零一七年十月

彬記每年均參加由香港空調及冷凍商會有限公司舉辦的義工活動，本年度參加了「關懷社區行動2017 — 粒粒開心贈長者」義工服務，探訪低收入長者家庭並送贈白米。





# Environmental, Social and Governance Report

## 環境、社會及管治報告

### November 2017

The Group participated in the “25th Anniversary Celebration and Walking Carnival 2017” organized by The Hong Kong Liver Foundation; several employees took their children to participate in the walking charity to support education and research of liver diseases, and care for liver disease patients.

### 二零一七年十一月

本集團參加由香港肝壽基金舉辦的「25週年誌慶暨慈善步行嘉年華2017」；多位員工攜同子女參與步行籌款，以支援肝病教育、研究及患者支援工作。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### KPI SUMMARY AND REPORT CONTENT INDEX

### 關鍵績效指標總覽及報告內容索引

Material Aspect 主要範疇	Content 內容	Section 章節
<b>A. Environmental 環境</b>		
<b>A1 Emissions 排放物</b>		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的 (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料	
A1.1	The types of emissions and respective emissions data (from warehouse truck and forklift; in tonnes) 排放物種類及相關排放數據(來自貨倉的貨車和叉車；以千克計算) Sulphur oxides (SOx) 硫氧化物 Nitrogen oxides (NOx) 氮氧化物 Particulate matter (PM) 顆粒物	
A1.2	Greenhouse gas emissions in total (in tonnes CO2-e) 溫室氣體總排放量(噸二氧化碳當量) Intensity of greenhouse gas emissions (in tonnes CO2-e / square meter area) 溫室氣體密度(以「噸二氧化碳當量/平方米面積」計算)	Emissions 排放物
A1.3	Total hazardous waste produced (light bulbs and light tube; in tonnes) 所產生有害廢棄物總量(電燈膽及光管；以噸計算) Intensity of hazardous waste produced (in tonnes / square meter area) 有害廢棄物密度(以「噸/平方米面積」計算)	
A1.4	Total non-hazardous waste produced (municipal solid waste; in tonnes) 所產生無害廢棄物總量(都市固體廢物；以噸計算) Intensity of non-hazardous waste produced (in tonnes / square meter area) 無害廢棄物密度(以「噸/平方米面積」計算)	
A1.5	Description of measures to mitigate emissions and results achieved 描述減低排放量的措施及所得成果	
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果	
<b>A2 Use of Resources 資源使用</b>		
General Disclosure 一般披露	Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策	
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (in megawatt hour). 按類型劃分的直接及/或間接能源(如電、氣或油)總耗量 Direct energy 直接能源 Indirect energy 間接能源 Energy intensity (in megawatt hour / square meter area) 能源密度(以「兆瓦時/平方米面積」計算)	
A2.2	Water consumption in total (in Cubic meter) 總耗水量(以立方米計算) Water intensity (in tonnes / square meter area) 耗水密度(以「立方米/平方米面積」計算)	Use of resources 資源使用
A2.3	Description of energy use efficiency initiatives and results achieved 描述能源使用效益計劃及所得成果	
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果	
A2.5	Total packaging material used for finished products (in tonnes) 製成品所用包裝材料的總量(以噸計算) Packaging material intensity (in tonnes / HK\$ million revenue) 包裝密度(以「噸/百萬港元收入」計算)	

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Material Aspect 主要範疇	Content 內容	Section 章節
<b>A3 The Environment and Natural Resources 環境及天然資源</b>		
General Disclosure 一般披露	Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策	Environment and natural resources 使用環境及天然資源
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動	
<b>B. Social 社會</b>		
<b>B1 Employment 僱傭</b>		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的 (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Employment 僱傭
B1.1	Total workforce 僱員總數 Total workforce by gender, employment type, age group and geographical region 按性別、僱傭類型、年齡組別及地區劃分的僱員總數	
B1.2	Employee turnover rate 僱員流失比率 Employee turnover rate by gender, age group and geographical region 按性別、年齡組別及地區劃分的僱員流失比率	
<b>B2 Health and Safety 健康與安全</b>		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料	Health and safety 健康與安全
B2.1	Number and rate of work-related fatalities 因工作關係而死亡的人數及比率	
B2.2	Lost days due to work injury 因工傷損失工作的日數 Rate of Lost days due to work injury 工傷損失工作的日數比率	
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored 描述所採納的職業健康與安全措施，以及相關執行及監察方法	
GRI 403-2	Injury rate (number of injuries per 1,000 staff) 工傷率(即每一千名員工中出現的工傷數字) Absentee rate (number of absence days per number of working days) 缺勤率(員工缺勤日數與原定工作日數之比例)	
<b>B3 Development and Training 發展及培訓</b>		
General Disclosure 一般披露	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策；描述培訓活動	Development and training 發展及培訓
<b>B4 Labour Standards 勞工準則</b>		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 有關防止童工或強制勞工的 (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料	Labour standard 勞工準則
<b>B5 Supply Chain Management 供應鏈管理</b>		
General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策	Supply Chain management 供應鏈管理
B5.1	Number of suppliers by geographical region 按地區劃分的供應商數目	

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Material Aspect 主要範疇	Content 內容	Section 章節
<b>B6 Product Responsibility 產品責任</b>		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的 (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料	Product responsibility 產品責任
B6.2	Number of products and service related complaints received and how they are dealt with 接獲關於產品及服務的投訴數目以及應對方法。	
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored 描述對消費者資料保障及私隱政策，以及相關執行及監察方法	
<b>B7 Anti-corruption 反貪污</b>		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 有關防止賄賂、勒索、欺詐及洗黑錢的 (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料	Anti- corruption 反貪污
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果	
<b>B8 Community Investment 社區投資</b>		
General Disclosure 一般披露	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來瞭解營運所在社區需要和確保其業務活動會考慮社區利益的政策	Community investment 社區投資
B8.2	Resources contributed to the focus area 在專注範疇所動用的資源	

# Report of the Directors

## 董事會報告

The directors of the Company (the “Directors”) have pleasure in presenting their report together with the audited financial statements for the year ended 31 December 2017.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in Note 33 to the financial statements.

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

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2017 are set out in the consolidated income statement on page 88.

The board of directors of the Company (the “Board”) does not recommend the payment of a final dividend for the year ended 31 December 2017.

### BUSINESS REVIEW

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

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

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

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

本公司董事(「董事」)欣然提呈其報告連同截至二零一七年十二月三十一日止年度之經審核財務報表。

### 主要業務

本公司之主要業務為投資控股，而其附屬公司之主要業務則載於財務報表附註33。

按營運分類之本集團表現之分析載於財務報表附註5。

### 業績及分派

本集團截至二零一七年十二月三十一日止年度之業績載於第88頁之綜合收益表。

本公司董事會(「董事會」)不建議派付截至二零一七年十二月三十一日止年度之末期股息。

### 業務回顧

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

本集團之財務風險管理詳請載於財務報表附註3。

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

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

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

### DISTRIBUTABLE RESERVES

Details of the distributable reserves of the Company as at 31 December 2017 are set out in Note 29 to the financial statements.

### PROPERTY, PLANT AND EQUIPMENT

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

### SHARE CAPITAL

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

### BORROWINGS

Particulars of borrowings of the Group as at 31 December 2017 are set out in Note 23 to the financial statements.

### PURCHASE, SALE OR REDEMPTION OF SHARES

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

### PRE-EMPTIVE RIGHTS

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

### PRINCIPAL SUBSIDIARIES

Details of the Company’s principal subsidiaries as at 31 December 2017 are set out in Note 33 to the financial statements.

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

### 可供分派儲備

於二零一七年十二月三十一日本公司之可供分派儲備之詳情載於財務報表附註29。

### 物業、廠房及設備

本集團之物業、廠房及設備之變動詳情載於財務報表附註13。

### 股本

本公司之股本變動詳情載於財務報表附註21。

### 借貸

本集團於二零一七年十二月三十一日之借貸詳情載於財務報表附註23。

### 購回、出售或贖回股份

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

### 優先認購權

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

### 主要附屬公司

本公司於二零一七年十二月三十一日之主要附屬公司詳情載於財務報表附註33。

# Report of the Directors

## 董事會報告

### DIRECTORS

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

#### Executive Directors

Mr. Lai Guanglin (*Chairman*) (*Note 1*)

Mr. Yu Ben Ansheng (*Chief Executive Officer*)

Mr. Lai Fulin (*Note 2*)

#### Non-Executive Director

Mr. U Kean Seng (*Note 3*)

#### Independent Non-Executive Directors

Mr. Wong Yee Shuen, Wilson

Mr. Chen Wei Wen

Mr. Guan Zhiqiang

#### Notes:

1. Mr. Lai Guanglin has resigned as an executive Director and the Chairman of the Board with effect from 30 March 2018.
2. Mr. Lai Fulin retired on 25 May 2017 and then rejoined the Board on 27 November 2017. He has been appointed as the Chairman of the Board with effect from 30 March 2018.
3. Mr. U Kean Seng has resigned as a non-executive Director with effect from 30 March 2018.

In accordance with bye-law 99 of the Bye-laws of the Company, Mr. Wong Yee Shuen Wilson and Mr. Chen Wei Wen will retire from office by rotation and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

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

### 董事

年內及直至本報告日期之本公司董事為：

#### 執行董事

Lai Guanglin 先生(主席)(附註1)

俞安生先生(首席執行官)

賴福麟先生(附註2)

#### 非執行董事

余建成先生(附註3)

#### 獨立非執行董事

黃以信先生

陳偉文先生

管志強先生

#### 附註：

1. Lai Guanglin 先生已辭任執行董事和董事會主席職務，並於二零一八年三月三十日起生效。
2. 賴福麟先生曾於二零一七年五月二十五日退任及於二零一七年十一月二十七日再次加入董事會。彼已獲委任為董事會主席，並於二零一八年三月三十日起生效。
3. 余建成先生已辭任非執行董事職務，並於二零一八年三月三十日起生效。

根據本公司的公司細則第99條，黃以信先生及陳偉文先生將輪值退任，惟有資格並願意於應屆股東週年大會上膺選連任。

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

## CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

Mr Wong Yee Shuen Wilson, an independent non-executive Director of the Company, has served the Company in this capacity for more than nine years. Notwithstanding his long term service, given his extensive business experience and not connected with any director or substantial shareholder of the Company, the Board is of the opinion that he continues to bring independent and objective perspectives to the Company's affairs.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

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

## DIRECTORS' SERVICE CONTRACT

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

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

## 獨立非執行董事之獨立確認

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

黃以信先生(為本公司獨立非執行董事)已就此職位服務本公司逾九年。儘管彼長期擔任該職位，但鑒於彼具備廣泛業務經驗及與本公司董事或主要股東並無關連，董事會認為，彼可繼續就本公司事務提供獨立及客觀的觀點。

## 董事及高級管理人員之履歷

董事及高級管理人員之履歷載於本年報的「董事及高級管理人員之履歷」內披露。

## 董事服務合約

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

## 董事於競爭性業務之權益

董事及彼等各自之聯繫人概無擁有與本集團構成或可能構成競爭之任何業務權益。



# Report of the Directors

## 董事會報告

### SHARE OPTION SCHEME

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

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

#### 1. The 2004 Scheme

The details of 2004 Scheme are as follows:

##### (a) Purpose

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

##### (b) Participants of the Scheme

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

### 購股權計劃

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

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

#### 1. 二零零四年計劃

有關二零零四年計劃詳情如下：

##### (a) 目的

二零零四年計劃旨在為本公司提供一個靈活方法，藉以獎勵及／或回報予參與者。

##### (b) 計劃之參與者

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

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

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

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

**(d) Maximum entitlement of each participant**

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

**(e) Minimum period for options to be held**

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

**(c) 根據計劃可供發行之股份數目**

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

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

**(d) 根據計劃每位參與者之最高股份限額**

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

**(e) 持有購股權之最短期限**

除非任何有關要約之條款另有指明外，否則購股權毋須持有最短期限亦可行使。

# Report of the Directors

## 董事會報告

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

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

### **(g) *Basis determining the subscription price***

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

### **(h) *Life of the Scheme***

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

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

### **(f) 接納購股權之期間及付款**

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

### **(g) 釐定認購價之基準**

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

### **(h) 計劃之有效期**

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

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

# Report of the Directors

## 董事會報告

Name of Directors 董事姓名	Date of grant 授出日期	Exercise Price HK\$ 行使價 港元	Movement during the year 年內變動					Held as at 31 December 2017 於二零一七年 十二月三十一日 持有
			Held as at 1 January 2017 於二零一七年 一月一日 持有	Granted and accepted 已授出 並接納	Exercised 已行使	Lapsed 已失效	Cancelled 已註銷	
Lai Fulin (Note 1) 賴福麟(附註1)	3/12/2009	0.71	5,000,000	—	—	—	—	5,000,000
U Kean Seng (Note 1) 余建成(附註1)	3/12/2009	0.71	3,000,000	—	—	—	—	3,000,000
Wong Yee Shuen, Wilson (Note 1) 黃以信(附註1)	3/12/2009	0.71	1,000,000	—	—	—	—	1,000,000
Chen Wei Wen (Note 2) 陳偉文(附註2)	5/5/2010	0.83	1,000,000	—	—	—	—	1,000,000
			10,000,000	—	—	—	—	10,000,000
Employees (Notes 1 & 3) 僱員(附註1及3)	3/12/2009	0.71	9,300,000	—	—	—	—	9,300,000
			<u>19,300,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>19,300,000</u>

**Notes:**

**附註：**

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

1. 授予該等承授人的購股權將分階段歸屬，並按下列方式行使：

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

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

20%  
20%  
20%  
20%  
20%

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

# Report of the Directors

## 董事會報告

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

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

20%  
20%  
20%  
20%  
20%

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

Details of the fair value of options granted under the Scheme during the year ended 31 December 2017 and the accounting policy adopted for the options are set out in Note 21 and Note 2 to the financial statements respectively

### 2. The 2015 Scheme

The details of 2015 Scheme are as follows:

#### (a) Purpose

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

2. 授予該等承授人的購股權將分階段歸屬，並按以下方式行使：

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

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

3. 授予若干僱員之購股權須達到溢利目標方可歸屬予有關僱員。

有關截至二零一七年十二月三十一日止年度根據計劃授出購股權的公允值及有關購股權的會計政策的詳情分別載於財務報表附註21及附註2。

### 2. 二零一五年計劃

有關二零一五年計劃詳情如下：

#### (a) 目的

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

### **(b) Participants**

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

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

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

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

### **(b) 參與者**

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

### **(c) 根據計劃可供發行之股份數目**

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

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

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## 董事會報告

**(d) Maximum entitlement of each participant**

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

**(e) Minimum period for options to be held**

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

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

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

**(g) Basis determining the subscription price**

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

**(d) 根據計劃每位參與者之最高股份限額**

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

**(e) 持有購股權之最短期限**

除非任何有關要約之條款另有指明外，否則購股權毋須持有最短期限亦可行使。

**(f) 接納購股權之期間及付款**

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

**(g) 釐定認購價之基準**

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

## (h) Life of the Scheme

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

As at 31 December 2017, no share option was granted by the Company under the 2015 Scheme.

## (h) 計劃之有效期

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

截至二零一七年十二月三十一日，本公司並沒有根據二零一五年計劃授出購股權。

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

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

As at 31 December 2017, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were set out below:

### Long positions in the shares and underlying share of the Company

## 董事於股份、相關股份或債券之權益及淡倉

董事所持本公司購股權的權益於上文「購股權計劃」一節中另行披露。

於二零一七年十二月三十一日，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中，擁有須登記於本公司根據證券及期貨條例第352條備存之登記冊之權益或淡倉，或須根據上市公司董事進行證券交易的標準守則（「標準守則」）知會本公司及香港聯交所之權益或淡倉如下：

### 於本公司股份及相關股份之好倉

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



# Report of the Directors

## 董事會報告

### Notes:

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

Save as disclosed above and in the section headed "SHARE OPTION SCHEME" above, as at 31 December 2017, none of the Directors or chief executive or their respective associates had any interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

### SUBSTANTIAL SHAREHOLDERS

As at 31 December 2017, the interests or short positions of the following persons or corporations, other than the Directors or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

#### Long position in share and underlying share of the Company

Name of shareholders 股東名稱	Capacity 身份	Number of shares/ underlying shares held 所持股份/ 相關股份數目	Approximate percentage of shares in issue 佔已發行 股份概約百分比
Singapore Zhongxin Investment Company Limited <i>(Note 1 附註 1)</i>	Beneficial owner 實益擁有人	770,552,120	57.79%
Li Juan <i>(Note 2)</i> 李娟 <i>(附註 2)</i>	Interest of spouse 配偶權益	770,552,120	57.79%
King Jade Holdings Limited <i>(Note 3 附註 3)</i>	Beneficial owner 實益擁有人	146,000,000	10.95%

### 附註:

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

除上文及另一節「購股權計劃」所披露者外，於二零一七年十二月三十一日，概無董事或最高行政人員或彼等各自之聯繫人士於本公司或其任何相聯法團(定義見證券及期貨條例第 XV 部)的股份、相關股份及債權證中，擁有須登記於本公司根據證券及期貨條例第 352 條存置之登記冊之權益或淡倉，或須根據標準守則知會本公司及香港聯交所之權益或淡倉。

### 主要股東

於二零一七年十二月三十一日，以下人士或法團(上文所披露之本公司董事或最高行政人員除外)於本公司股份及相關股份擁有須登記於本公司根據證券及期貨條例第 336 條存置之登記冊之權益或淡倉如下：

#### 於本公司股份及相關股份之好倉

## Notes:

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

Save as disclosed above, as at 31 December 2017, the Company had not been notified by any persons or corporations, other than the Directors or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

## MANAGEMENT CONTRACTS

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

## DONATIONS

Donations for charitable made by the Group during the year amounted to HK\$28,120.

## SHARES ISSUED

The Company has not issued any share during the year ended 31 December 2017.

## DEBENTURE ISSUED

The Company has not issued any debenture during the year ended 31 December 2017.

## 附註：

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

除上文披露者外，於二零一七年十二月三十一日，本公司並無獲通知有任何其他人士或法團(不包括本公司董事或主要行政人員)持有本公司股份或相關股份的權益或淡倉而須登記於根據證券及期貨條例第336條規定本公司須備存之登記冊內。

## 管理合約

年內並無訂立或存在涉及本集團全部或任何重大部分業務之任何管理及行政合約。

## 捐款

於年內，本集團之慈善捐款合共為28,120港元。

## 已發行股份

截至二零一七年十二月三十一日止年度，本公司並無發行任何股份。

## 已發行債權證

截至二零一七年十二月三十一日止年度，本公司並無發行任何債權證。

# Report of the Directors

## 董事會報告

### EQUITY-LINKED AGREEMENTS

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

### PERMITTED INDEMNITY PROVISION

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

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

### MATERIAL INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

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

### CONTROLLING SHAREHOLDER’S INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

### 股票掛鈎協議

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

### 獲准許的彌償條文

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

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

### 於重要交易、安排或合約之重大權益

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

### 控股股東於重大合約之權益

於年結時或年內任何時間本集團任何成員公司與本公司控股股東並無重大合約。

## ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

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

## CONTINUING CONNECTED TRANSACTION

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

As at the date of the Loan Agreement, Mr. Lai Guanglin, an executive Director, the Chairman and a controlling shareholder, held approximately 57.79% of the issued share capital of the Company and is also the controlling shareholder of Agria Corporation. The Borrower is an associate of Mr. Lai Guanglin and therefore a connected person of the Company under Chapter 14A of the Listing Rules. As such, the transactions contemplated under the Loan Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

## 購買股份或債券的安排

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

## 持續關連交易

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

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

# Report of the Directors

## 董事會報告

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

On 15 December 2017, the Lender has entered into a deed of novation (the “Deed of Novation”) with the Borrower and Agria Group Limited (the “New Borrower”), pursuant to which the Borrower agreed to novate and the New Borrower agreed to assume, from the date of the Deed of Novation, all the Borrower’s rights and obligations in and under the Loan Agreement, upon and subject to the terms and conditions set out therein. Accordingly, the Borrower is released from any obligation under the Loan Agreement to be performed on or after the date of the Deed of Novation. The Deed of Novation was approved by the shareholders of the Company at the Company’s special general meeting held on 23 February 2018.

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

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

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

於二零一七年十二月十五日，貸款人已與借款人及 Agria Group Limited（「新借款人」）簽訂了約務更替契約（「約務更替契約」），據此，借款人同意更替，而新借款人同意承擔，自約務更替契約日期起所有借款人在貸款協議內及其之下的權利及義務，並受其中所載的條款及條件所規限。因此，借款人在貸款協議項下的任何義務將於約務更替契約日期或之後解除。本公司股東已於二零一八年二月二十三日舉行的股東特別大會上批准約務更替契約。

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

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

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

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

## MAJOR CUSTOMERS AND SUPPLIERS

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

### Purchases

- the largest supplier 21.75%
- five largest suppliers combined 57.98%

### Sales

- the largest customer 3.97%
- five largest customers combined 16.16%

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

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

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

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

## 主要客戶及供應商

本集團主要供應商及客戶年內分別所佔之採購及銷售百分比如下：

### 採購

- 最大供應商21.75%
- 五大供應商合計57.98%

### 銷售

- 最大客戶3.97%
- 五大客戶合計16.16%

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

## 遵守企業管治守則

有關本公司遵守企業管治守則的詳情載於本年報之「企業管治報告」內。

# Report of the Directors 董事會報告

## AUDIT COMMITTEE

As at the date of this report, the audit committee consists of two independent non-executive Directors, namely Mr. Wong Yee Shuen, Wilson and Mr. Chen Wei Wen, and a non-executive Director, namely Mr. U Kean Seng.

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

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

## SUFFICIENCY OF PUBLIC FLOAT

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

## AUDITORS

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

By Order of the Board

**Lai Guanglin**  
*Chairman*

Hong Kong, 29 March 2018

## 審核委員會

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

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

本公司之審核委員會已審閱全年業績。

## 足夠公眾持股量

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

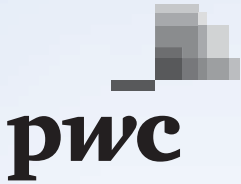
## 核數師

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

承董事會命

*主席*  
**Lai Guanglin**

香港，二零一八年三月二十九日



羅兵咸永道

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

致冠力國際有限公司股東  
(於百慕達註冊成立的有限公司)

## OPINION

## 意見

### What we have audited

### 我們已審計的內容

The consolidated financial statements of Softpower International Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 88 to 175, which comprise:

冠力國際有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第88至175頁的綜合財務報表，包括：

- the consolidated statement of financial position as at 31 December 2017;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

- 於二零一七年十二月三十一日的綜合財務狀況表；
- 截至該日止年度的綜合收益表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括主要會計政策概要。

### Our opinion

### 我們的意見

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

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



# Independent Auditor's Report

## 獨立核數師報告

### BASIS FOR OPINION

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

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

#### Independence

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

### KEY AUDIT MATTERS

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

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

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

### 意見的基礎

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

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

#### 獨立性

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

### 關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

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

### KEY AUDIT MATTER 關鍵審計事項

#### **Net realisable value of inventories**

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

As at 31 December 2017, inventories of the Group amounted to approximately HK\$204 million. As described in the Basis of preparation and accounting policies in note 2(h) to the consolidated financial statements, inventories are carried at the lower of cost and net realisable value.

Management applied judgment in determining the appropriate provisions for obsolete inventories and inventories with net realisable value below cost. Net realisable value is determined based upon a detailed analysis of the aging of inventories on a product-by-product basis, and with reference to their latest invoice prices and current market conditions. An impairment provision of approximately HK\$19 million has been recorded to reduce the carrying value of certain inventories to their estimated net realisable value.

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

#### **存貨的可變現淨值**

請參閱綜合財務報表附註4及附註16。

於二零一七年十二月三十一日，貴集團的存貨總值約為204,000,000港元。如綜合財務報表附註2(h)編製基準及會計政策所述，存貨乃按成本與可變現淨值兩者之較低者列賬。

管理層運用判斷以為過時存貨以及可變現淨值低於成本的存貨釐定適當撥備。可變現淨值是根據對個別產品的庫齡的詳細分析，並參照其最近的發票價格和當前的市場狀況而釐定。存貨已記賬的減值撥備約為19,000,000港元，以將若干存貨的賬面價值減少至其估計可變現淨值。

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

### HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER 我們的審計如何處理關鍵審計事項

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

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

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

我們對管理層評估存貨可變現淨值所執行的審核程序包括：

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

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

# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTER

#### 關鍵審計事項

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

As at 31 December 2017, the Group held gross trade receivables of approximately HK\$121 million with provision for impairment of trade receivables of approximately HK\$2 million.

Management applied judgement in determining the appropriate provision for impairment of trade receivables. Provisions are determined based upon a detailed analysis of trade receivables aging on a customer-by-customer basis, with reference to their credit history, settlement subsequent to the year end, and market economics and financial condition of the respective customers. A provision of approximately HK\$2 million has been recorded to reduce the carrying values of certain trade receivables to their estimated recoverable amounts as at 31 December 2017.

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

#### 貿易應收賬款減值撥備

請參閱綜合財務報表附註4及附註17。

於二零一七年十二月三十一日，貴集團的貿易應收賬款總額約為121,000,000港元，而減值撥備約為2,000,000港元。

管理層運用判斷以釐定貿易應收賬款的適當減值撥備。撥備是根據個別客戶的貿易應收賬款賬齡的詳細分析，並參考信用記錄及年末結算日後的償付情況、市場經濟以及有關客戶的財務狀況而確定。已入賬的撥備約為2,000,000港元，以將若干應收賬款的賬面價值減少至二零一七年十二月三十一日的估計可收回金額。

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

### HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

#### 我們的審計如何處理關鍵審計事項

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

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

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

我們對管理層評估貿易應收賬款的減值撥備所執行的審核程序包括：

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

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

## KEY AUDIT MATTER 關鍵審計事項

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

As at 31 December 2017, the Group held a loan to a related company of approximately HK\$78 million.

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

Management reviewed the financial conditions of the related company and the Guarantor, taking into account the settlement history of the related interest elements, and concluded that no provision for impairment is required for such loan as at 31 December 2017.

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

**給予一間關連公司的貸款減值**  
*請參閱綜合財務報表附註4、17及28(e)。*

於二零一七年十二月三十一日，貴集團持有提供予一間關連公司的貸款約為78,000,000港元。

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

管理層考慮了過往相關利息的償付情況，檢討了該關連公司和擔保人的財務狀況，並總結認為該貸款於二零一七年十二月三十一日無須作減值撥備。

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

## HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER 我們的審計如何處理關鍵審計事項

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

- We reviewed the loan agreement and obtained direct confirmation from the related company on the balance and terms of the loan as at 31 December 2017 with no exception.
- Checked, on a sample basis, the accuracy of interest payment received and whether they are in accordance with the terms of the loan.
- We challenged management as to the recoverability of the loan, corroborating explanations with the latest financial information of the related company and the Guarantor and correspondence with the relevant parties.

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

我們對管理層評估該應收貸款的減值所執行的審核程序包括：

- 我們審閱了貸款協議，並直接向該關連公司獲取了於二零一七年十二月三十一日貸款餘額和條款的沒有異議的確認。
- 以抽樣方式，檢查所收到的利息付款的準確性，以及其是否按照貸款的條款支付。
- 我們已向管理層就該貸款的可收回性提出質疑，並透過該關連公司和擔保人的最新財務資料以及與有關人士的往來信函佐證其解釋。

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

# Independent Auditor's Report

## 獨立核數師報告

### OTHER INFORMATION

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

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

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

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

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

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

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

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

### 其他信息

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

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

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

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

### 董事及審核委員會就綜合財務報表須承擔的責任

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

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

審核委員會須負責監督貴集團的財務報告過程。

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

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

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

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

## 核數師就審計綜合財務報表承擔的責任

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

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

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

(Continued)

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

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

### 核數師就審計綜合財務報表承擔的責任(續)

- 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信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

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

(Continued)

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

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

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

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 29 March 2018

## 核數師就審計綜合財務報表承擔的責任(續)

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

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

出具本獨立核數師報告的審計項目合夥人是麥子良。

**羅兵咸永道會計師事務所**  
*執業會計師*

香港，二零一八年三月二十九日



# Consolidated Income Statement

## 綜合收益表

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

		Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收入	5	650,461	619,203
Cost of sales	銷售成本	7	(441,328)	(434,588)
Gross profit	毛利		209,133	184,615
Other gains/(losses), net	其他收益/(虧損)淨額	6	2,623	(4,113)
Selling and distribution costs	銷售及分銷成本	7	(23,542)	(20,833)
General and administrative expenses	一般及行政費用	7	(112,180)	(105,172)
Operating profit	經營溢利		76,034	54,497
Finance income	財務收入	9	10,359	5,239
Finance costs	財務費用	9	(2,219)	(1,876)
Finance income, net	財務收入淨額	9	8,140	3,363
Profit before income tax	稅前溢利		84,174	57,860
Tax expense	稅項支出	10	(9,386)	(7,297)
Profit for the year	本年度溢利		74,788	50,563
Profit attributable to:	溢利歸屬於：			
Equity holders of the Company	本公司權益持有人		74,945	50,572
Non-controlling interests	非控股權益		(157)	(9)
			74,788	50,563
			HK cents 港仙	HK cents 港仙
Earnings per share	每股盈利			
Basic and diluted	基本及攤薄	11	5.62	3.79

The notes on pages 95 to 175 are an integral part of these consolidated financial statements.

第95至175頁之附註為此等綜合財務報表之整體部份。

# Consolidated Statement of Comprehensive Income

## 綜合全面收益表

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

		Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profit for the year	本年度溢利		<b>74,788</b>	50,563
Other comprehensive income:	其他全面收益：			
<i>Item that will not be reclassified subsequently to profit or loss</i>	<i>其後將不會重新歸類到溢利或虧損之項目</i>			
Actuarial gain on post-employment benefit obligations, net of tax	離職後福利債務的精算收益，扣除稅項後	22	<b>935</b>	91
<i>Item that may be subsequently reclassified to profit or loss</i>	<i>其後可能重新歸類到溢利或虧損之項目</i>			
Currency translation differences	貨幣換算差額	22	<b>(4)</b>	404
Other comprehensive income for the year, net of tax	本年度其他全面收益，扣除稅項後		<b>931</b>	495
Total comprehensive income for the year	本年度全面收益總額		<b>75,719</b>	51,058
Total comprehensive income attributable to:	全面收益總額歸屬於：			
Equity holders of the Company	本公司權益持有人		<b>75,876</b>	51,067
Non-controlling interests	非控股權益		<b>(157)</b>	(9)
			<b>75,719</b>	51,058

The notes on pages 95 to 175 are an integral part of these consolidated financial statements.

第95至175頁之附註為此等綜合財務報表之整體部份。

# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2017  
於二零一七年十二月三十一日

		Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>ASSETS</b>	<b>資產</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	13	5,317	5,409
Loan to a related company	貸款予一間關連公司	17	78,357	77,746
Pledged certificate of deposit	已抵押存款證	19	—	10,000
Rental deposits and other assets	租賃按金及其他資產	17	7,327	6,732
			<u>91,001</u>	<u>99,887</u>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	16	204,341	159,439
Trade receivables	貿易應收款項	17	119,390	127,180
Deposits, prepayments and other receivables	按金、預付款及其他應收款項	17	60,906	23,625
Financial assets at fair value through profit or loss	按公允價值計入損益之金融資產	18	2,744	1,651
Tax recoverable	可收回稅項		—	17
Pledged certificate of deposit	已抵押存款證	19	10,000	—
Pledged bank deposits	已抵押銀行存款	19	37,000	37,000
Cash and bank balances	現金及銀行結餘	20	146,571	149,374
			<u>580,952</u>	<u>498,286</u>
<b>Total assets</b>	<b>總資產</b>		<u>671,953</u>	<u>598,173</u>

The notes on pages 95 to 175 are an integral part of these consolidated financial statements.

第95至175頁之附註為此等綜合財務報表之整體部份。

# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2017  
於二零一七年十二月三十一日

		Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>EQUITY</b>	<b>權益</b>			
<b>Equity holders</b>	<b>權益持有人</b>			
Share capital	股本	21	26,665	26,665
Reserves	儲備	22	485,377	409,611
			<u>512,042</u>	<u>436,276</u>
Non-controlling interests	非控股權益		—	(8)
<b>Total equity</b>	<b>總權益</b>		<u>512,042</u>	<u>436,268</u>
<b>LIABILITIES</b>	<b>負債</b>			
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Deferred tax liabilities	遞延稅項負債	24	436	181
Other non-current liabilities	其他非流動負債		2,572	3,457
			<u>3,008</u>	<u>3,638</u>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	25	82,436	80,546
Taxation payable	應付稅項		3,990	3,730
Borrowings	借貸	23	70,477	73,991
			<u>156,903</u>	<u>158,267</u>
<b>Total liabilities</b>	<b>總負債</b>		<u>159,911</u>	<u>161,905</u>
<b>Total equity and liabilities</b>	<b>總權益及負債</b>		<u>671,953</u>	<u>598,173</u>
<b>Net current assets</b>	<b>流動資產淨額</b>		<u>424,049</u>	<u>340,019</u>
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<u>515,050</u>	<u>439,906</u>

The financial statements on pages 88 to 175 were approved by the board of Directors on 29 March 2018 and were signed on its behalf:

第88至175頁的財務報表已由董事會於二零一八年三月二十九日批核，並代表董事會簽署：

**Lai Guanglin**  
Director 董事

**Yu Ben Ansheng 俞安生**  
Director 董事

The notes on pages 95 to 175 are an integral part of these consolidated financial statements.

第95至175頁之附註為此等綜合財務報表之整體部份。

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

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

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

The notes on pages 95 to 175 are an integral part of these consolidated financial statements.

第95至175頁之附註為此等綜合財務報表之整體部份。

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

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

		Attributable to equity holders of the Company 本公司權益持有人應佔部份										
		Share capital	Share premium	Capital reserve	Merger reserve	Statutory reserve	Other reserve	Exchange reserve	Share based payment reserve	Retained earnings	Non-controlling interests	Total
		股本	股份溢價	資本儲備	合併儲備	法定儲備	其他儲備	匯兌儲備	以股份為基礎的 付款儲備	保留溢利	非控股權益	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2017	於二零一七年一月一日	26,665	126,618	34,115	3,700	24	270	1,107	5,197	238,580	(8)	436,268
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	74,945	(157)	74,788
Other comprehensive income:	其他全面收益：											
Actuarial gain on post-employment benefit obligations, net of tax	離職後福利債務的精算收益，扣除稅項後	-	-	-	-	-	935	-	-	-	-	935
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	(4)	-	-	-	(4)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	935	(4)	-	74,945	(157)	75,719
Transactions with owners:	與擁有人之交易：											
Share based payment	以股份為基礎的付款	-	-	-	-	-	-	-	55	-	-	55
Changes in ownership interests in subsidiaries without changes of control	不導致失去控制權的子公司權益變動	-	-	-	-	-	-	-	-	(165)	165	-
At 31 December 2017	於二零一七年十二月三十一日	26,665	126,618	34,115	3,700	24	1,205	1,103	5,252	313,360	-	512,042

The notes on pages 95 to 175 are an integral part of these consolidated financial statements.

第95至175頁之附註為此等綜合財務報表之整體部份。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

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

		Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>Cash flows from operating activities</b>	<b>經營業務之現金流量</b>			
Cash generated from operations	經營業務產生之現金	27	3,946	64,538
Interest paid	已付利息		(2,240)	(1,753)
Interest received	已收利息		10,341	3,785
Income tax paid	已付所得稅		(9,038)	(6,208)
Net cash generated from operating activities	經營活動產生現金淨額		<u>3,009</u>	<u>60,362</u>
<b>Cash flows from investing activities</b>	<b>投資業務之現金流量</b>			
Purchase of property, plant and equipment	購入物業、廠房及設備		(3,312)	(2,500)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	27	125	106
Dividend income from financial assets at fair value through profit or loss	按公允價值計入損益之金融資產之股息收入		78	113
Loan to a related party	貸款予一間關連公司		—	(77,746)
Net cash used in investing activities	投資活動所用現金淨額		<u>(3,109)</u>	<u>(80,027)</u>
<b>Cash flows from financing activities</b>	<b>融資活動之現金流量</b>			
Drawdown of borrowings	提用借貸		470,445	376,480
Repayment of borrowings	償還借貸		(473,959)	(374,368)
Purchase of pledged certificate of deposit	購入已抵押存款證		—	(10,000)
Decrease in pledged bank deposits	抵押銀行存款減少		—	24,000
Capital from non-controlling interests	非控股權益資金		—	1
Net cash (used in)/generated from financing activities	融資活動(所用)/產生現金淨額		<u>(3,514)</u>	<u>16,113</u>
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額		(3,614)	(3,552)
Exchange differences	匯兌差額		811	(270)
Cash and cash equivalents at beginning of the year	年初之現金及現金等價物	20	<u>149,374</u>	<u>153,196</u>
<b>Cash and cash equivalents at end of the year</b>	<b>年終之現金及現金等價物</b>	20	<u>146,571</u>	<u>149,374</u>

The notes on pages 95 to 175 are an integral part of these consolidated financial statements.

第95至175頁之附註為此等綜合財務報表之整體部份。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 1. GENERAL INFORMATION

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

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

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 29 March 2018.

### 1. 一般資料

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

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

除非另有所指，本綜合財務報表以港元(「港元」)呈列。本綜合財務報表已經由董事會在二零一八年三月二十九日批准刊發。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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

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

The following amendments to standards are mandatory for the Group’s financial year beginning 1 January 2017. The adoption of these amendments to standards does not have any significant impact to the results and financial position of the Group. The amendments to HKAS 7 require disclosure of changes in liabilities arising from financing activities.

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle

### 2. 編製基準及會計政策

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

綜合財務報表乃根據香港財務報告準則（「香港財務報告準則」）及香港公司條例（第622章）披露要求按照歷史成本法編製，及以公允價值計量且其變動計入損益的金融資產而作出修訂。

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

本集團已於二零一七年一月一日或之後開始的財政年度首次採納下列修訂之準則，但並沒對集團業績及財務狀況有重大影響。香港會計準則第7號（修訂本）要求披露融資活動產生的負債變動。

香港會計準則第7號（修訂本）	披露主動性
香港會計準則第12號（修訂本）	就未變現虧損確認遞延稅項資產
香港財務報告準則第12號（修訂本）	作為二零一四年至二零一六年週期之香港財務報告準則年度改進的一部份

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2017 and have not been early adopted by the Group.

HKFRS 9	Financial Instruments <sup>1</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>1</sup>
HKFRS 16	Leases <sup>2</sup>
HKFRS 17	Insurance contracts <sup>3</sup>
Amendments to HKFRS 1	First time Adoption of HKFRS <sup>1</sup>
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transaction <sup>1</sup>
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts <sup>1</sup>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>2</sup>
Amendments to HKFRS 10 HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to HKFRS 15	Clarifications to HKFRS 15 <sup>1</sup>
Amendments to HKAS 28	Investments in associates and Joint ventures <sup>1</sup>
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle <sup>1</sup>
Amendments to HKAS 40	Transfers of investment property <sup>1</sup>
HK (IFRIC) 22	Foreign currency transactions and advance consideration <sup>1</sup>
HK (IFRIC) 23	Uncertainty over income tax treatments <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle <sup>2</sup>

- <sup>1</sup> effective for annual periods beginning on or after 1 January 2018
- <sup>2</sup> effective for annual periods beginning on or after 1 January 2019
- <sup>3</sup> effective for annual periods beginning on or after 1 January 2021
- <sup>4</sup> effective date to be determined

### 2. 編製基準及會計政策(續)

以下為已頒布但在二零一七年一月一日開始的財政年度未生效亦未被本集團提早採納的新訂準則、修訂的準則及詮釋。

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 <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	保險合約 <sup>3</sup>
香港財務報告準則第1號 (修訂本)	首次採納香港財務報告準則 <sup>1</sup>
香港財務報告準則第2號 (修訂本)	以股份為基礎付款交易的分類及計量 <sup>1</sup>
香港財務報告準則第4號 (修訂本)	與香港財務報告準則第9號金融工具一併應用的香港財務報告準則第4號保險合約 <sup>1</sup>
香港財務報告準則第9號 (修訂本)	具不賠償條款的預付款 <sup>2</sup>
香港財務報告準則第10號 及香港會計準則第28號 (修訂本)	投資者與其聯營或合營企業之間的資產出售或注資 <sup>4</sup>
香港財務報告準則第15號 (修訂本)	對香港財務報告準則第15號作出的澄清 <sup>1</sup>
香港會計準則第28號 (修訂本)	聯營企業及合資企業投資 <sup>1</sup>
香港會計準則第28號 (修訂本)	作為二零一四年至二零一六年週期之香港財務報告準則年度改進的一部份 <sup>1</sup>
香港會計準則第40號 (修訂本)	投資物業之轉移 <sup>1</sup>
香港(國際財務報告詮釋委員會)詮釋第22號	外幣交易及預付代價 <sup>1</sup>
香港(國際財務報告詮釋委員會)詮釋第23號	所得稅不確定性之處理 <sup>2</sup>
香港財務報告準則 (修訂本)	二零一五年至二零一七年週期香港財務報告準則年度改進的一部份 <sup>2</sup>

- <sup>1</sup> 於二零一八年一月一日或之後開始的年度期間生效
- <sup>2</sup> 於二零一九年一月一日或之後開始的年度期間生效
- <sup>3</sup> 於二零二一年一月一日或之後開始的年度期間生效
- <sup>4</sup> 有效日期有待釐定

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

The Group's assessment of the impact of these new standards, amendments to standards and interpretations is set out below:

#### HKFRS 9, 'Financial instruments'

HKFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The Group has reviewed its financial assets and liabilities. The Group does not expect the new guidance to affect the classification and measurement of the financial assets.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 'Financial Instruments: Recognition and Measurement' and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets under HKFRS 15 'Revenue from Contracts with Customers', lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments undertaken to date, the Group does not expect significant increase or decrease in the loss allowance for trade debtors.

### 2. 編製基準及會計政策(續)

本集團對這些新訂準則、修訂的準則及詮釋的影響評估如下：

#### 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號闡述金融資產及金融負債之分類、計量及終止確認，為對沖會計法引進新條則，及為金融資產引進全新之減值模式。

本集團已審閱其金融資產及負債，本集團預期該新指引並不會對其金融資產之分類及計量造成影響。

由於新規定僅影響指定按公允值計入損益之金融負債會計方法，而本集團並無任何該等負債，故對本集團金融負債之會計方法並無影響。終止確認之規則已自香港會計準則第39號「金融工具：確認及計量」轉移且並無變動。

新減值模式要求根據預期信貸虧損確認減值撥備，而非如根據香港會計準則第39號之情況般僅產生信貸虧損。該模式適用於按攤銷成本分類之金融資產、按公允值計入其他全面收益計量之債務工具、根據香港財務報告準則第15號「客戶合約收入」之合約資產、租賃應收款項、貸款承擔及若干金融擔保合約。基於截至目前所作評估，本集團預期貿易應收賬款的損失準備不會大幅增加或減少。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

HKFRS 9 must be applied for financial years commencing on or after 1 January 2018. The Group will apply the new rules retrospectively from 1 January 2018, with the practical expedients permitted under the standard. Comparatives for 2017 will not be restated.

#### HKFRS 15, 'Revenue from contracts with customers'

The HKICPA has issued a new standard for the recognition of revenue. This will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts and the related literature.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Management is currently assessing the effects of applying the new standards on the Group's consolidated financial statements. Based on the assessment undertaken up to date, it is considered that the new standard does not have a significant impact on the Group's revenue recognition.

HKFRS 15 is mandatory for financial years commencing on or after 1 January 2018. The Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2018 and that comparatives will not be restated.

### 2. 編製基準及會計政策(續)

該新訂準則亦引進擴大披露之規定及更改其呈報方式。此等影響預期將更改本集團有關其金融工具作出披露之性質及程度(特別是於採納新訂準則之年度內)。

香港財務報告準則第9號必須應用於二零一八年一月一日或之後開始之財政年度。受該準則可行權宜方法所允許，本集團將自二零一八年一月一日起追溯應用該新訂準則。二零一七年比較數字將不作重列。

#### 香港財務報告準則第15號「客戶合約收益」

香港會計師公會(「香港會計師公會」)已頒佈確認收入之新訂準則。此將取代涵蓋貨品及服務之香港會計準則第18號及涵蓋建築合約之香港會計準則第11號及相關文獻。

該新訂準則乃根據當貨品或服務之控制權轉讓予客戶時才確認收入之原則下作出。

此準則允許對是次採納採用全面追溯法或經修訂追溯法。

管理層現正評估應用新訂準則對本集團綜合財務報表的影響，基於截至目前所作評估，新訂準則對本集團的收入確認並無重大影響。

香港財務報告準則第15號將於二零一八年一月一日或之後開始之財政年度強制生效。本集團擬使用經修訂追溯法採納該準則，意味著採納的累計影響將於截至二零一八年一月一日的保留溢利內確認及比較數字將不作重列。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

#### HKFRS 16, 'Leases'

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK\$213,091,000.

The Group has not yet assessed the adjustments, if any, are necessary for example because of the change in the definition of the lease term and the different treatment of variable lease payments and of extension and termination options. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the Group's profit or loss and classification of cash flows going forward.

HKFRS 16 is mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

There are no other standards and interpretations that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### 2. 編製基準及會計政策(續)

#### 香港財務報告準則第16號「租賃」

香港財務報告準則第16號於二零一六年一月發佈。由於取消區分為經營租約及融資租約，其將導致於資產負債表確認絕大部分租約，在新訂準則下，須確認資產(使用租賃項目之權利)及支付租金之金融負債。唯一例外情況為短期低價值之租約。

對於出租人之會計處理將不會出現重大變動。

此準則將主要影響本集團經營租約之會計處理。於呈報日期，本集團有213,091,000港元之不可撤銷經營租約承擔。

本集團尚未評估是否需調整(如有)，例如由於租期定義之變更及可變租賃付款及延長及終止選擇權的不同處理。因此，尚無法估計使用權資產及租賃負債於採納新訂準則時將須確認之金額以及上述將對本集團日後之損益及現金流量分類產生何種影響。

香港財務報告準則第16號將於二零一九年一月一日或之後開始之財政年度強制生效。於此階段，本集團不擬於生效日期前採納此準則。本集團擬應用簡單轉換法並不會重列首次採納前一年的比較金額。

並無其他準則及詮釋尚未生效而預期將於本期間或未來報告期間及可預見的未來交易對實體產生重大影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

#### (a) Consolidation

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

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

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

### 2. 編製基準及會計政策(續)

#### (a) 綜合賬目

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

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

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

#### (a) Consolidation (Continued)

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

#### *Disposal of subsidiaries*

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

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

### 2. 編製基準及會計政策(續)

#### (a) 綜合賬目(續)

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

#### *出售附屬公司*

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

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

#### (b) Segment reporting

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

#### (c) Foreign currency translation

##### (i) *Functional and presentation currency*

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

##### (ii) *Transactions and balances*

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

### 2. 編製基準及會計政策(續)

#### (b) 分部報告

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

#### (c) 外幣換算

##### (i) 功能及呈列貨幣

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

##### (ii) 交易及結餘

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



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

#### (c) Foreign currency translation (Continued)

##### (iii) Group companies

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

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

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

### 2. 編製基準及會計政策(續)

#### (c) 外幣換算(續)

##### (iii) 集團公司

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

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

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

#### (c) Foreign currency translation (Continued)

##### (iii) Group companies (Continued)

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

##### Disposal of foreign operation

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

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

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

### 2. 編製基準及會計政策(續)

#### (c) 外幣換算(續)

##### (iii) 集團公司(續)

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

##### 境外經營的處置

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

#### (d) 物業、廠房及設備

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

#### (d) Property, plant and equipment (Continued)

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

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

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

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

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

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

### 2. 編製基準及會計政策(續)

#### (d) 物業、廠房及設備(續)

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

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

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

資產的剩餘價值及可使用年期在每個呈報期結束時進行檢討，及在適當時調整。

倘若資產的賬面值高於其估計可收回值，其賬面值即時撇減至可收回值。

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

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

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

#### (f) Financial assets

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

### 2. 編製基準及會計政策(續)

#### (e) 於附屬公司之投資及非金融資產的減值

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

#### (f) 金融資產

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

#### (f) Financial assets (Continued)

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months of the balance sheet date; otherwise, they are classified as non-current.

##### (ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables include "trade receivables", "cash and bank balances", "bank deposits", and "other loans, receivables and deposits" in the consolidated statement of financial position.

### 2. 編製基準及會計政策(續)

#### (f) 金融資產(續)

##### (i) 按公允價值計入損益之金融資產

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

##### (ii) 貸款及應收款

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

#### (f) Financial assets (Continued)

##### (iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period.

Regular way purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the consolidated income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method, less any provision for impairment.

### 2. 編製基準及會計政策(續)

#### (f) 金融資產(續)

##### (iii) 可供出售金融資產

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

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

#### (f) Financial assets (Continued)

##### (iii) Available-for-sale financial assets (Continued)

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

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

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

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

### 2. 編製基準及會計政策(續)

#### (f) 金融資產(續)

##### (iii) 可供出售金融資產(續)

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

分類為可供出售之貨幣證券及非貨幣證券公允價值之變動均於其他全面收益中確認。

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

可供出售股本工具之股息於本集團確立收取款項之權利時，在收益表確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

#### (f) Financial assets (Continued)

##### (iii) Available-for-sale financial assets (Continued)

For financial assets at fair value through profit or loss, the fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

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

#### (g) Leases

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

### 2. 編製基準及會計政策(續)

#### (f) 金融資產(續)

##### (iii) 可供出售金融資產(續)

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

本集團於每個報告期末評估是否有客觀證據顯示一項或一組金融資產出現減值。

#### (g) 租賃

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



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

#### (h) Inventories

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

#### (i) Trade and other receivables

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

#### (j) Cash and cash equivalents

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

### 2. 編製基準及會計政策(續)

#### (h) 存貨

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

#### (i) 貿易及其他應收款項

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

#### (j) 現金及現金等價物

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

#### (k) Share capital

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

#### (l) Trade payables

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

#### (m) Borrowings

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

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

#### (n) Borrowings costs

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

### 2. 編製基準及會計政策(續)

#### (k) 股本

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

#### (l) 貿易應付款項

貿易應付款項以公允價值初步確認，隨後以實際利率法按攤銷成本列賬。

#### (m) 借貸

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

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

#### (n) 借貸成本

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

#### (n) Borrowings costs (Continued)

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

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

#### (o) Employee benefits

##### (i) Employee leaves

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

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

##### (ii) Bonus plans

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

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

### 2. 編製基準及會計政策(續)

#### (n) 借貸成本(續)

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

所有其他借貸成本在產生期內的損益中確認。

#### (o) 僱員福利

##### (i) 僱員假期

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

僱員可享有之病假及產假僅會於休假時確認。

##### (ii) 花紅計劃

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

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

#### (o) Employee benefits (Continued)

##### (iii) Pension obligations (Continued)

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

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

### 2. 編製基準及會計政策(續)

#### (o) 僱員福利(續)

##### (iii) 退休金責任(續)

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

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

#### (o) Employee benefits (Continued)

##### (iii) Pension obligations (Continued)

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

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

### 2. 編製基準及會計政策(續)

#### (o) 僱員福利(續)

##### (iii) 退休金責任(續)

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

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

#### (o) Employee benefits (Continued)

##### (iv) Share-based payment

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

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

### 2. 編製基準及會計政策(續)

#### (o) 僱員福利(續)

##### (iv) 以股份為基礎之付款

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

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

#### (o) Employee benefits (Continued)

##### (iv) Share-based payment (Continued)

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

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

#### (p) Current and deferred income tax

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

### 2. 編製基準及會計政策(續)

#### (o) 僱員福利(續)

##### (iv) 以股份為基礎之付款(續)

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

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

#### (p) 即期及遞延稅項

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

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

##### (i) Current income tax

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

##### (ii) Deferred income tax

###### *Inside basis differences*

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

### 2. 編製基準及會計政策(續)

#### (p) 即期及遞延稅項(續)

##### (i) 即期所得稅

當期所得稅支出根據本公司及其附屬公司營運所在及產生應課稅收入的地方於財務狀況表日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

##### (ii) 遞延所得稅

###### *內在差異*

遞延稅項的確認採用負債法就資產負債之稅基與它們在綜合財務報表之賬面值兩者之暫時差異作全數撥備。然而，若遞延稅項來自在交易(不包括企業合併)中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅盈虧，則不作記賬。遞延稅項採用在財務狀況表日前已頒佈或實質頒佈，並在有關之遞延稅項資產實現或遞延稅項負債結算時預期將會應用之稅率及法例而釐定。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

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

##### (ii) *Deferred income tax* (Continued)

###### *Inside basis differences* (Continued)

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

###### *Outside basis differences*

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

### 2. 編製基準及會計政策(續)

#### (p) 即期及遞延稅項(續)

##### (ii) *遞延所得稅*(續)

###### *內在差異*(續)

遞延稅項資產乃就有可能將未來應課稅溢利與可動用的暫時差異抵銷而確認。

###### *外在差異*

就附屬公司投資產生的應課稅暫時性差異確認遞延所得稅負債，但不包括本集團可以控制暫時性差異的轉回時間以及暫時性差異在可預見將來很可能不會轉回的遞延所得稅負債。

就附屬公司投資產生的可扣減暫時性差異確認遞延所得稅資產，但只限於暫時性差異很可能在將來轉回，並有充足的應課稅利潤抵銷可用的暫時性差異。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

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

##### (iii) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### (q) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### 2. 編製基準及會計政策(續)

#### (p) 即期及遞延稅項(續)

##### (iii) 抵銷

當有法定權利可將即期稅項資產與即期稅項負債抵銷，而遞延稅項資產及遞延稅項負債涉及同一稅務機關徵收，一家應課稅公司或不同的應課稅公司有意將餘額以淨額結算，則可將遞延稅項資產與遞延稅項負債互相抵銷。

#### (q) 撥備

撥備於本集團由於過往事件而產生現有的法定或推定責任，可能須就解決有關負債而導致資源流出及能夠可靠地作出金額估計時確認。

撥備以有義務支付有關負債所預計需要產生之支出之現值計量，計算此等現值使用之稅前折現率能夠反映當前市場之貨幣時間價值及該負債特有之風險。時間流逝導致撥備金額之增加，確認為利息支出。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

#### (r) Revenue and income recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods and services supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

- (i) Sale of goods are recognised when goods are delivered to customers, the customer has accepted the products and collectibility of the related receivables is reasonably assured.
- (ii) Interest income is recognised on a time-proportion basis using the effective interest method.

#### (s) Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

### 2. 編製基準及會計政策(續)

#### (r) 收入及收益確認

收入按已收或應收對價的公允價值計量，並相當於供應貨品及服務的應收款項，扣除折扣、退貨和增值稅後列帳。當收入的金額能夠可靠計量；當未來經濟利益很可能流入有關主體；及當本集團每項活動均符合具體條件時(如下文所述)，本集團便會將收入確認。本集團會根據退貨往績並考慮客戶類別、交易種類和每項安排的特點作出估計。

- (i) 出售貨品之收入乃於貨品運送予客戶、客戶已接納產品及有關應收款項可合理確定收回時確認。
- (ii) 利息收入採用實際利息法按時間比例基準確認。

#### (s) 股息分派

向本公司股東分配的股息，在股息獲本公司股東或董事(按適當)批准的期間內於本集團及本公司的財務報表內列為負債。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. FINANCIAL RISK MANAGEMENT

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit and counterparty risk and liquidity risk. The Group's financial risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance by actively managing debt level and cash flow in order to maintain a strong financial position and minimising refinancing and liquidity risks by attaining healthy debt repayment capacity, appropriate maturity profile and availability of banking facilities.

##### (a) Market risk

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

The Group operates principally in Hong Kong and in Macau and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollars ("USD"), Macau Pataca ("MOP") and Renminbi ("RMB"). Foreign exchange risk mainly arises from future commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the group entities. In order to mitigate the foreign currency risk, the Group has been closely monitoring its foreign currency exposure and requirements and will arrange for any hedging facilities if necessary.

### 3. 財務風險管理

#### 3.1 財務風險因素

本集團的業務承受各種財務風險：市場風險（包括外幣風險及利率風險）、信貸及交易方風險及流動資金風險。本集團的整體財務風險管理集中於金融市場的不可預測性，及通過積極管理債務水準及現金流量以維持穩健之財務狀況，及透過穩健的償債能力、適當的還款期限及銀行信貸融資額度而使再融資及流動資金風險減至最低，從而儘量減低對本集團財務表現的潛在不利影響。

##### (a) 市場風險

###### (i) 外匯風險

本集團主要於香港及澳門經營業務並因營運涉及多種貨幣而面臨外匯風險（主要涉及美元（「美元」）、澳門幣（「澳門幣」）及人民幣（「人民幣」））。外匯風險主要來自日後的商業交易，本集團各實體的已確認資產及負債，其貨幣以非功能貨幣換算而產生外匯風險。為降低外幣風險，本集團一直密切監控其外幣風險及規定，及將於必要時作出對沖安排。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

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

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

As HK\$ is pegged against USD and MOP is pegged against HK\$, the Group is exposed to limited exchange rate fluctuation. As a result, the exchange rate risk exposure in respect of USD and MOP are not significant. While for RMB, the exchange rate fluctuation is relatively volatile. At 31 December 2017, if RMB had strengthened/weakened by 5% (2016: 5%) against HK\$ with all other variables held constant, post-tax profit would have been HK\$638,000 higher/lower (2016: post-tax profit of HK\$345,000 higher /lower) respectively mainly as a result of foreign exchange gains/losses on translation of RMB-denominated financial assets and liabilities.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險(續)

##### (i) 外匯風險(續)

由於港元與美元的掛鈎系統及澳門幣與港元的掛鈎系統，本集團承受有限的匯率波動。因此，關於美元及澳門幣的外匯風險不顯著。相對而言，人民幣的匯率比較波動。於二零一七年十二月三十一日，倘人民幣兌港元於所有其他變量保持不變之情況下，升值／貶值5%（二零一六年：5%），則除稅後溢利將分別增加／減少638,000港元（二零一六年：除稅後溢利增加／減少345,000港元），主要是由於換算人民幣計值之金融資產及負債產生外匯收益／虧損所致。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

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

##### (ii) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing assets mainly include loan to a related company and bank balances and deposits, details of which have been disclosed in Notes 17, 19 and 20. The Group's exposure to changes in interest rates is also attributable to its borrowings, details of which have been disclosed in Note 23. Borrowings carry at floating rates expose the Group to cash flow interest-rate risk whereas those carry at fixed rates expose the Group to fair value interest-rate risk. As at 31 December 2017, approximately 26% (2016: 33%) of the Group's borrowings were carried at floating rates and expose the Group to cash flow interest-rate risk. The Group has not used any interest rate swaps to hedge its exposure against cash flow interest-rate risks.

As at 31 December 2017, if interest rate has increased/decreased by 25 basis points with all other variables held constant, profit for the year ended 31 December 2017 would have been HK\$38,000 (2016: HK\$51,000) lower/higher, mainly as a result of increase/decrease in interest expense on borrowings.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險(續)

##### (ii) 利率風險

由於本集團的計息資產包括貸款予一間關連公司及銀行結餘及存款，而有關詳情在附註17、19及20披露。本集團的收入及經營現金流量大致上不受市場利率變動的影響。本集團所涉及的利率變動風險亦來自借貸，有關詳情在附註23披露。按浮動利率計息的借貸使本集團面對現金流量利率風險，而按固定利率計息的借貸則使本集團面對公允值現金利率風險。於二零一七年，按浮動利率計息的大約26%（二零一六年：33%）借貸，使本集團面對現金流量利率風險。本集團並無利用任何利率掉期安排對沖利率風險。

於二零一七年十二月三十一日，倘若利率增加／減少25基點，而所有其他變數維持不變，截至二零一七年十二月三十一日止年度溢利將減少／增加38,000港元（二零一六年：51,000港元），主要由於借貸利息支出增加／減少所致。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit and counterparty risk

Credit risk mainly arises from loan to a related company, bank deposits, trade and other receivables, and other deposits. The carrying amounts of these balances substantially represent the Group's maximum exposure to credit and counterparty risk in relation to financial assets.

In respect of the loan to a related company, as detailed in Note 28(e), the Group obtained share mortgage executed by the mortgagor and guarantees executed by the guarantor in favour of the Group as a continuing security and continuing obligation for performance by the borrower of its obligations to minimize the credit risk.

As at 31 December 2016 and 2017 all the bank deposits are deposited in high quality financial institutions without significant credit risk. The credit risk on bank deposits is limited because over 61% of the Group's bank balances are placed with subsidiaries of state-owned banks and others are placed with reputable financial institutions. Management does not expect any loss from non-performance of these banks.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信貸及交易方風險

信貸風險主要產生自貸款予一間關連公司、銀行存款、貿易及其他應收款項，及其他按金。此等結餘的賬面值大體上相當於本集團關於金融資產所須承受的最高信貸及交易方風險。

關於貸款予一間關連公司，詳情見附註28(e)，本集團獲得由抵押人簽立的股份抵押和由擔保人以貸款人為受益人簽立的擔保作抵押，以作為借款人履行貸款協議內其責任之持續抵押及持續責任，以減少對一間關連公司的貸款的信貸風險。

於二零一六年及二零一七年十二月三十一日，所有銀行存款存放於信譽良好之金融機構，故並無重大信貸風險。有限的銀行存款信貸風險乃由於超過61%之本集團銀行餘額存放於國有銀行之附屬公司，其他存款存放於信譽良好之金融機構。管理層認為不會因該等銀行表現不良而帶來損失。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit and counterparty risk (Continued)

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue trade and other receivables. In addition, the Group reviews regularly the recoverable amount of each individual trade and other receivables to ensure that adequate impairment losses are made for irrecoverable amounts. Rental deposits made to landlords are also considered to be of low risk. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. Other than the loan to a related company as mentioned above, the Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

##### (c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and availability of funding from an adequate amount of committed credit facilities. Management maintains rolling forecast of the Group's liquidity reserves which comprises undrawn banking facilities and cash and cash equivalents, on the basis of expected cash flows.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信貸及交易方風險(續)

為將信貸風險降至最低，本集團管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控措施，以確保採取跟進措施收回逾期未收回之貿易及其他應收款項。此外，本集團定期評估每項個別貿易及其他應收款項之可收回金額，以確保就不可收回金額作出足夠減值虧損。已付業主的租金按金，亦被認為是低風險的。就此而言，本公司董事認為本集團之信貸風險已大幅降低。除上述對一間關連公司的貸款外，本集團並無顯著集中之信貸風險，有關風險已分散至多個對手方及客戶。

##### (c) 流動資金風險

審慎的流動資金風險管理包括保持充裕現金及從承諾融資金額取得足夠的可用資金。管理層維持對本集團滾動的流動資金儲備作預測，包括基於未提取貸款額度及現金及現金等價物的預計現金流。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Liquidity risk (Continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the date of financial reporting to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

#### At 31 December 2017

Trade and other payables  
Borrowings  
Interest payment on borrowings

#### At 31 December 2016

Trade and other payables  
Borrowings  
Interest payment on borrowings

#### 3.2 Capital risk management

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

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (c) 流動資金風險(續)

下表按於財務報告日至合約到期日餘下期間將本集團的金融負債分為不同的到期組合。表格所披露的數額為合約未折現現金流。

Less than 1 year  
一年以內  
HK\$'000  
千港元

#### 於二零一七年十二月三十一日

貿易及其他應付款項	65,567
借貸	70,477
借貸之利息支付	523
	<u>136,567</u>

#### 於二零一六年十二月三十一日

貿易及其他應付款項	76,852
借貸	73,991
借貸之利息支付	510
	<u>151,353</u>

#### 3.2 資本風險管理

本集團管理資本的目的為保障本集團能持續經營，以為股東提供回報並為其他利益相關人士提供利益，以及維持良好的資本架構以減低資本成本。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.2 Capital risk management (Continued)

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

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total bank borrowings divided by total equity.

The Group's strategy was to maintain a solid capital base to support the operations and development of its business in the long term. Given its existing principal business, management considers a gearing ratio as measured by total bank borrowings to total equity of not more than 50% as solid and reasonable. The table below analyses the Group's capital structure at 31 December 2016 and 2017 as follows:

Total borrowings	總借貸
Total equity	總權益
Gearing ratio	資產負債比率

*Note:*

Decrease in gearing ratio during the year is a result of the increase in total equity.

### 3. 財務風險管理(續)

#### 3.2 資本風險管理(續)

為維持或調整資本架構，本集團可調整向股東派付的股息、向股東退回資本、發行新股或出售資產以減少債務。

和其他同業一樣，本集團以資產負債比率作為監控資本的基準。資產負債比率按銀行借貸總額除以總權益。

本集團之策略是維持穩健的資金基礎，以長期支持本集團的業務營運及發展。鑑於現時之主要業務，管理層認為按銀行借貸總額相對於總權益計算之資產負債比率處於50%以下均屬穩健及合理。下表為本集團於二零一六年及二零一七年十二月三十一日資本架構之分析：

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>70,477</b>	73,991
<b>512,042</b>	436,268
<b>14%</b>	17%

*附註：*

資產負債比率的減少是由於總權益的增加。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation

The carrying value of trade receivables, other loans and receivables, bank balances and deposits, trade and other payables and borrowings are a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

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

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

### 3. 財務風險管理(續)

#### 3.3 公允價值估計

貿易應收款、其他貸款及應收款項、銀行結餘及存款、貿易及其他應付款項及借貸之賬面值與彼等之公允值相若。就披露而言，金融負債之公允值透過按本集團同類金融工具之現行市場利率對未來合約現金流量貼現而估算。

下表根據在評估公允價值的估值技術中所運用到的輸入的層級，分析本集團於二零一七年十二月三十一日按公允價值入賬的金融工具。這些輸入按照公允價值層級歸類為如下三層：

- 相同資產或負債在活躍市場之報價(未經調整)(第一層)
- 除了第一層所包括之報價外，該資產或負債之可觀察之其他輸入，可為直接(即價格)或間接(即源自價格)(第二層)
- 資產及負債並非依據可觀察市場數據之輸入(即非可觀察輸入)(第三層)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation (Continued)

Financial assets  
— Investment funds

金融資產  
— 投資基金

Level 2  
第二級

Fair value as at  
31 December  
2017  
於二零一七年  
十二月三十一日  
的公允價值  
HK\$'000  
千港元

Fair value as at  
31 December  
2016  
於二零一六年  
十二月三十一日  
的公允價值  
HK\$'000  
千港元

**2,744**

**1,651**

There were no transfers between levels 1 and 2 during the year.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. It includes quoted market price or dealer quotes for similar instruments. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

### 3. 財務風險管理(續)

#### 3.3 公允價值估計(續)

年內第1與第2層之間並無轉撥。

並無於活躍市場買賣之金融工具(如場外衍生工具)，其公允值乃使用估值方法釐定。該等估值方法儘量利用於可觀測市場取得之數據，並儘量減少依賴實體獨有估計，包括類似金融工具的市場報價或經銷商報價。倘一金融工具的公允值所需之所有重大輸入數據均可觀測，則該金融工具歸入第二層。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Group are discussed below.

#### (a) Provision for impairment of loan to a related company and trade and other receivables

The policy for provision for impairment of loan to a related company and trade and other receivables of the Group is based on the evaluation of collectability and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each counterparty. If the financial conditions of the counterparties were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

#### (b) Provision for impairment of inventories

The management of the Group reviews the marketability of inventory items at the end of each reporting period, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The management estimates the net realisable value for inventories based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at the end of each reporting period and makes provision for obsolete items.

### 4. 關鍵會計估計及判斷

本公司按過往經驗及其他因素(包括對日後事件作出之合理估計)不時評估現正採納的估計及判斷。以下為有重大風險導致本集團資產及負債之賬面值須作出重大調整之估計及假設之討論。

#### (a) 對一間關連公司的貸款及貿易及其他應收款項之減值撥備

本集團對一間關連公司的貸款及貿易及其他應收款項之減值撥備政策以可收回性評估及管理層判斷為基礎。評估該等應收款項之最終變現能力需要進行大量判斷，包括每名交易方之現時信譽及過往收款記錄。倘交易方財務狀況日趨惡化，削弱其付款能力，則須計提額外撥備。

#### (b) 存貨減值撥備

本集團管理層於各呈報期末審核存貨項目之銷售前景並對確認為不再適合銷售之過時及滯銷庫存品進行撥備。管理層主要根據最近期之發票價格及目前市況估計存貨之可變現淨值。本集團於各呈報期末對每種產品進行存貨審核，並對過時品種作出撥備。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### (c) Provision for bonus and customer claims

Management reviews the provision for bonus and customer claims at the end of each reporting period to determine whether the provision is adequate based on historical experience and most reliable estimates. Significant judgement is required in determining the provision for bonus and customer claims.

#### (d) Current and deferred income tax

The Group is subject to income taxes in various jurisdictions. Judgment is required in determining the provision for income taxes in each of these jurisdictions. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognized when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilized. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

### 4. 關鍵會計估計及判斷(續)

#### (c) 花紅及客戶補償撥備

管理層於各呈報期末審核花紅及客戶補償撥備，按過往經驗及可靠的估算決定撥備是否足夠。於決定花紅及客戶補償撥備時，需要重大的判斷。

#### (d) 即期及遞延所得稅

本集團須繳納不同司法權區的所得稅。釐定各司法權區的所得稅撥備時，需作出判斷。在日常業務中有若干未能確定最終稅項的交易及計算。倘該等事宜的最終稅務結果有異於最初記錄的數額，則有關差額會影響釐定有關數額期間的所得稅及遞延所得稅撥備。

與若干暫時差異及稅項虧損有關之遞延所得稅資產按管理層認為未來有可能出現應課稅溢利可用作抵銷該等暫時差異或稅項虧損而確認。當預期之金額與原定估計有差異時，則該差異將會於估計改變之期間內影響遞延所得稅資產之確認及所得稅費用。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 5. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The chief operating decision-maker has been identified as the executive directors of the Company. The chief operating decision-maker assesses the performance of the operating segments based on a measure of profit attributable to equity holders of the Company.

During the year, the Group has only one reportable segment, which is trading of pipes and fittings. Trading of pipes and fittings includes wholesale, retail and logistics operations substantially in Hong Kong and Macau.

#### Geographical information

The Group is domiciled in Hong Kong. The Group's revenues from external customers by geographical location are detailed below:

Hong Kong	香港
Macau	澳門

### 5. 分部資料

本集團按首席經營決策者所審閱並賴以作出決策的報告釐定其營運分部。首席經營決策者被認為本公司之執行董事。首席經營決策者根據本公司權益持有人應佔溢利以評核營運分部的表現。

於年內，本集團只有從事管道及管件貿易一項須予呈報的分部。管道及管件貿易包括主要在香港及澳門之批發、零售及物流業務。

#### 地區分部資料

本集團設於香港。本集團按地區分部的來自外部客戶的收入如下：

Revenue 收入	
For the year ended 31 December 截至十二月三十一日止年度	
2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
604,956	550,274
45,505	68,929
<b>650,461</b>	<b>619,203</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 5. SEGMENT INFORMATION (Continued)

The Group's non-current assets by geographical location are detailed below:

Hong Kong	香港
Mainland China	中國內地

### 5. 分部資料(續)

本集團按地區分部的非流動資產如下：

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
89,680	98,620
1,321	1,267
<b>91,001</b>	<b>99,887</b>

### 6. OTHER GAINS/(LOSSES), NET

Net exchange gain/(loss)	匯兌收益/(虧損)淨額
Net gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益淨額
Gain/(loss) on financial assets at fair value through profit or loss	按公允價值計入損益之金融資產之收益/(虧損)
Dividend income from financial assets at fair value through profit or loss	按公允價值計入損益之金融資產之股息收入
Provision for impairment of loan to a third party (Note 17)	貸款予一名第三方的減值撥備(附註17)
Others	其他

### 6. 其他收益/(虧損)淨額

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
1,836	(675)
125	96
69	(23)
78	113
—	(4,100)
515	476
<b>2,623</b>	<b>(4,113)</b>



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 7. EXPENSES BY NATURE

Operating profit is arrived at after charging:

### 7. 開支性質

經營溢利乃扣除下列項目後達至：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cost of inventories sold (Note 16)	已出售之存貨成本(附註16)	428,629	422,559
Auditor's remuneration:	核數師酬金：		
— Audit services	— 審核服務	1,252	1,192
— Non-audit services	— 非審核服務	191	179
Depreciation of property, plant and equipment (Note 13)	物業、廠房及設備折舊(附註13)	3,408	2,697
Employee benefit expenses (Note 8)	員工福利開支(附註8)	80,221	74,309
Operating lease payments (Note 13)	經營租賃費用(附註13)	22,724	20,452
Provision for impairment of trade and other receivables, net (Note 17)	貿易及其他應收款項減值撥備淨額(附註17)	198	1,055
Provision for impairment of inventories, net	存貨減值撥備淨額	2,540	1,919
Other expenses	其他開支	37,887	36,231
		<b>577,050</b>	<b>560,593</b>
Representing:	代表：		
Cost of sales	銷售成本	441,328	434,588
Selling and distribution costs	銷售及分銷成本	23,542	20,833
General and administrative expenses	一般及行政費用	112,180	105,172
		<b>577,050</b>	<b>560,593</b>

### 8. EMPLOYEE BENEFIT EXPENSES

### 8. 僱員福利開支

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Wages and salaries	工資及薪金	77,925	72,109
Pension costs	退休金成本		
— defined contribution plans	— 定額供款計劃	2,241	2,117
Share based payment (Notes 21(b) and 22)	以股份為基礎之付款(附註21(b)及22)	55	83
		<b>80,221</b>	<b>74,309</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 8. EMPLOYEE BENEFIT EXPENSES (Continued)

#### (a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2016: three) directors whose emoluments are reflected in the analysis shown in Note 30. The emoluments paid to the remaining two (2016: two) individuals were as follows:

Salaries and other short-term employee benefits	薪金及其他短期僱員福利
Discretionary bonus	酌情花紅
Pension costs	退休金成本
— defined contribution plans	— 定額供款計劃
Share based payment	以股份為基礎的付款

### 8. 僱員福利開支(續)

#### (a) 五位最高薪人士

於年內，本集團五位最高薪人士包括三位(二零一六年：三位)董事，其薪金已於附註30的分析反映。支付予其餘二位(二零一六年：二位)人士之酬金如下：

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
3,242	3,043
1,917	1,468
36	36
18	28
<b>5,213</b>	<b>4,575</b>

The emoluments of the two (2016: two) individuals fell within the following bands:

HK\$1,500,001-HK\$2,000,000	1,500,001港元-2,000,000港元
HK\$2,000,001-HK\$2,500,000	2,000,001港元-2,500,000港元
HK\$2,500,001-HK\$3,000,000	2,500,001港元-3,000,000港元

二名(二零一六年：二名)最高薪人士之薪酬介乎下列範圍：

2017 二零一七年	2016 二零一六年
—	—
1	1
1	1

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 8. EMPLOYEE BENEFIT EXPENSES (Continued)

#### (b) Senior management remuneration by band

The remuneration of senior management fell within the following bands:

Nil-HK\$1,000,000	無 -1,000,000港元
HK\$1,000,001-HK\$1,500,000	1,000,001港元 -1,500,000港元
HK\$1,500,001-HK\$2,000,000	1,500,001港元 -2,000,000港元
HK\$2,000,001-HK\$2,500,000	2,000,001港元 -2,500,000港元
HK\$2,500,001-HK\$3,000,000	2,500,001港元 -3,000,000港元

### 8. 僱員福利開支(續)

#### (b) 高級管理人員薪酬之範圍

向高級管理人員支付之薪酬介乎下列範圍：

2017 二零一七年	2016 二零一六年
—	—
2	3
1	—
1	1
1	1
<b>5</b>	<b>5</b>

### 9. FINANCE INCOME, NET

Bank and other interest income  
Interest expense on bank borrowings

銀行及其他利息收入  
銀行借貸之利息支出

### 9. 財務收入淨額

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
(10,359)	(5,239)
2,219	1,876
<b>(8,140)</b>	<b>(3,363)</b>

### 10. TAX EXPENSE

Current taxation:  
Hong Kong profits tax  
Overseas tax  
Over-provision in prior years

即期稅項：  
香港利得稅  
海外稅項  
以前年度多提

Total current tax  
Deferred taxation (Note 24):  
Origination and reversal of  
temporary differences

即期稅項總額  
遞延稅項(附註24)：  
暫時差額之產生及撥回

Tax expense

稅項支出

### 10. 稅項支出

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
8,806	7,091
515	367
(6)	(187)
<b>9,315</b>	<b>7,271</b>
71	26
<b>9,386</b>	<b>7,297</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 10. TAX EXPENSE (Continued)

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the Hong Kong profits tax rate as follows:

### 10. 稅項支出(續)

香港利得稅以年內估計應課稅溢利按稅率16.5% (二零一六年：16.5%)計提。海外稅項乃根據年內之估計應課稅溢利按本集團經營業務國家之現行稅率計算。

本集團有關稅前溢利之稅項支出與假若採用香港利得稅率而計算之理論稅額之差額如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profit before income tax	稅前溢利	<u>84,174</u>	<u>57,860</u>
Tax calculated at tax rate of 16.5% (2016: 16.5%)	按16.5% (二零一六年：16.5%)稅率計算之稅項	13,889	9,547
Effect of different tax rates in other jurisdictions	其他司法地方的不同稅率之影響	(439)	(588)
Utilisation of previously unrecognised tax loss	使用先前未確認之稅項虧損	(2,638)	(2,346)
Unrecognised tax losses	未確認稅項虧損	524	304
Tax effect of income not subject to taxation	無須課稅之收入之稅項影響	(1,990)	(763)
Tax effect of expenses not deductible for taxation purposes	不可扣稅之支出之稅項影響	46	1,330
Over-provision in prior years	之前年度多提	<u>(6)</u>	<u>(187)</u>
Tax expense	稅項支出	<u>9,386</u>	<u>7,297</u>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the profit for the year attributable to equity holders and weighted average number of shares with adjustments where applicable as follows:

Profit attributable to equity holders of the Company for the purpose of basic earnings per share 計算每股基本盈利之本公司權益持有人應佔溢利

#### Number of shares

Weighted average number of ordinary shares for the purpose of basic earnings per share 股份數目  
計算每股基本盈利之普通股份之加權平均股數

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential ordinary shares arising from the Company's share options. Diluted earnings per share for the years ended 31 December 2016 and 2017 equal basic earnings per share as the exercise of the outstanding share options would be anti-dilutive.

### 12. DIVIDEND

At the Board meeting held on 29 March 2018, the Board did not recommend the payment of a final dividend for the year ended 31 December 2017 (2016: Nil).

### 11. 每股盈利

下表列示計算每股基本盈利及攤薄盈利乃根據年內權益持有人應佔溢利及已發行普通股之加權平均股數(需要時予以調整)：

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<u>74,945</u>	<u>50,572</u>
Thousands 千股	Thousands 千股
<u>1,333,270</u>	<u>1,333,270</u>

計算每股攤薄盈利時，已對已發行普通股之加權平均股數作出調整，以假設所有具攤薄潛力之未行使購股權獲悉數轉換。截至二零一六年及二零一七年十二月三十一日止兩個年度，因行使未行使購股權具反攤薄影響，因此兩個年度之每股攤薄盈利均等如每股基本盈利。

### 12. 股息

於二零一八年三月二十九日舉行的董事會會議上，董事會不建議派發截至二零一七年十二月三十一日止年度之末期股息(二零一六年：無)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 13. PROPERTY, PLANT AND EQUIPMENT

### 13. 物業、廠房及設備

		Plant, machinery and equipment 廠房、 機器及設備 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Office furniture, fixtures and fittings 辦公室傢俬、 裝置及設備 HK\$'000 千港元	Office equipment 文儀設備 HK\$'000 千港元	Computer equipment 電腦設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
<b>Cost</b>	<b>成本</b>							
At 1 January 2017	於二零一七年一月一日	3,692	10,420	965	23	4,537	8,674	28,311
Exchange differences	匯兌差額	—	—	6	—	3	25	34
Additions	添置	490	324	93	26	238	2,141	3,312
Disposals	出售	(742)	(106)	—	—	—	(838)	(1,686)
<b>At 31 December 2017</b>	<b>於二零一七年十二月三十一日</b>	<u>3,440</u>	<u>10,638</u>	<u>1,064</u>	<u>49</u>	<u>4,778</u>	<u>10,002</u>	<u>29,971</u>
<b>Accumulated depreciation</b>	<b>累積折舊</b>							
At 1 January 2017	於二零一七年一月一日	3,223	9,345	857	3	4,003	5,471	22,902
Exchange differences	匯兌差額	—	—	5	—	2	23	30
Charge for the year	本年度折舊	319	441	38	7	318	2,285	3,408
Disposals	出售	(742)	(106)	—	—	—	(838)	(1,686)
<b>At 31 December 2017</b>	<b>於二零一七年十二月三十一日</b>	<u>2,800</u>	<u>9,680</u>	<u>900</u>	<u>10</u>	<u>4,323</u>	<u>6,941</u>	<u>24,654</u>
<b>Net book value</b>	<b>賬面淨值</b>							
At 31 December 2017	於二零一七年十二月三十一日	<u>640</u>	<u>958</u>	<u>164</u>	<u>39</u>	<u>455</u>	<u>3,061</u>	<u>5,317</u>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 13. PROPERTY, PLANT AND EQUIPMENT

(Continued)

		Plant, machinery and equipment 廠房、 機器及設備 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Office furniture, fixtures and fittings 辦公室傢俬、 裝置及設備 HK\$'000 千港元	Office equipment 文儀設備 HK\$'000 千港元	Computer equipment 電腦設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost	成本							
At 1 January 2016	於二零一六年一月一日	3,567	10,338	875	27	4,444	6,822	26,073
Exchange differences	匯兌差額	—	—	(4)	—	(1)	(19)	(24)
Additions	添置	347	82	94	12	94	1,871	2,500
Disposals	出售	(222)	—	—	(16)	—	—	(238)
At 31 December 2016	於二零一六年十二月三十一日	<u>3,692</u>	<u>10,420</u>	<u>965</u>	<u>23</u>	<u>4,537</u>	<u>8,674</u>	<u>28,311</u>
Accumulated depreciation	累積折舊							
At 1 January 2016	於二零一六年一月一日	3,211	8,972	851	4	3,713	3,703	20,454
Exchange differences	匯兌差額	—	—	(4)	—	(1)	(16)	(21)
Charge for the year	本年度折舊	234	373	10	5	291	1,784	2,697
Disposals	出售	(222)	—	—	(6)	—	—	(228)
At 31 December 2016	於二零一六年十二月三十一日	<u>3,223</u>	<u>9,345</u>	<u>857</u>	<u>3</u>	<u>4,003</u>	<u>5,471</u>	<u>22,902</u>
Net book value	賬面淨值							
At 31 December 2016	於二零一六年十二月三十一日	<u>469</u>	<u>1,075</u>	<u>108</u>	<u>20</u>	<u>534</u>	<u>3,203</u>	<u>5,409</u>

Lease rentals amounting to HK\$22,560,000 (2016: HK\$20,289,000) and HK\$164,000 (2016: HK\$163,000) relating to the lease of property and motor vehicles respectively are included in the consolidated income statement (Note 7).

與物業和汽車租賃有關的租賃租金分別為22,560,000港元(二零一六年：20,289,000港元)及164,000港元(二零一六年：163,000港元)，並包括在綜合收益表中(附註7)。

### 14. SUBSIDIARIES

Details of principal subsidiaries which, in the Directors' opinion, materially affect the results and/or net assets of the Group as at 31 December 2017, are set out in Note 33.

### 13. 物業、廠房及設備(續)

### 14. 附屬公司

董事認為對本集團之業績及／或於二零一七年十二月三十一日之淨資產構成重大影響之主要附屬公司之詳情載於附註33。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 15. FINANCIAL INSTRUMENTS BY CATEGORY

### 15. 按種類劃分的金融工具

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>Financial assets included in consolidated statement of financial position:</b>	<b>金融資產包括在綜合財務狀況表：</b>		
Trade receivables, deposits and other receivables	貿易應收款項、按金及其他應收款項	228,061	217,744
Financial assets at fair value through profit or loss (Note 18)	按公允價值計入損益之金融資產(附註18)	2,744	1,651
Pledged certificate of deposit (Note 19)	已抵押存款證(附註19)	10,000	10,000
Pledged bank deposits (Note 19)	已抵押銀行存款(附註19)	37,000	37,000
Cash and bank balances (Note 20)	現金及銀行結餘(附註20)	146,571	149,374
<b>Total</b>	<b>總額</b>	<b>424,376</b>	<b>415,769</b>

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>Financial liabilities included in consolidated statement of financial position:</b>	<b>金融負債包括在綜合財務狀況表：</b>		
Trade and other payables	貿易及其他應付款項	65,567	76,852
Borrowings (Note 23)	借貸(附註23)	70,477	73,991
<b>Total</b>	<b>總額</b>	<b>136,044</b>	<b>150,843</b>



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 16. INVENTORIES

### 16. 存貨

Merchandises 商品

2017  
二零一七年  
HK\$'000  
千港元

2016  
二零一六年  
HK\$'000  
千港元

**204,341**

**159,439**

At 31 December 2017, the provision for impairment of inventories amounted to approximately HK\$19,201,000 (2016: HK\$22,544,000).

於二零一七年十二月三十一日，存貨減值撥備約達19,201,000港元(二零一六年：22,544,000港元)。

The cost of inventories recognised as expenses and included in cost of sales amounted to HK\$428,629,000 (2016:HK\$422,559,000) (Note 7).

確認為支出並列入銷售成本項下之存貨成本達428,629,000港元(二零一六年：422,559,000港元)(附註7)。

### 17. TRADE AND OTHER RECEIVABLES

### 17. 貿易及其他應收款項

Trade receivables  
Less: provision for impairment

貿易應收款項  
減：減值撥備

**121,406**  
**(2,016)**

128,998  
(1,818)

Trade receivables — net

貿易應收款項 — 淨額

**119,390**

127,180

Prepayments  
Loan to an employee  
Other receivables, deposits and other assets (note)  
Rental deposits  
Loan to a related company (Note 28(e))

預付款  
貸款予一位員工  
其他應收款項、按金及其他資產(附註)  
租賃按金  
貸款予一間關連公司(附註(28(e)))

**37,919**

17,539

**1,328**

1,343

**22,490**

5,143

**6,496**

6,332

**78,357**

77,746

**146,590**

108,103

**265,980**

235,283

Less non-current portion:  
Rental deposits and other assets  
Loan to a related company

減非流動部份：  
租賃按金及其他資產  
貸款予一間關連公司

**(7,327)**

(6,732)

**(78,357)**

(77,746)

**180,296**

**150,805**

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 17. TRADE AND OTHER RECEIVABLES (Continued)

The carrying amounts of trade receivables, other receivables and rental deposits approximate their fair values.

The loan to an employee is unsecured, interest-free and repayable on demand.

*Note:*

Pursuant to a non-legally binding memorandum of understanding (the “MOU”) entered into among the Group, 北京華奧農科玉育種開發有限責任公司 (Agria NKY Seeds Co., Ltd. or “ANKY”) and Agria Corporation (the “Transaction Guarantor”) on 15 December 2017, the Group intends to inject capital into and subscribe the equity interests in ANKY (the “Proposed Transaction”). ANKY is an enterprise established in the PRC principally engaged in the research, production and marketing of corn seeds in the PRC and controlled by an executive director of the Company.

Pursuant to the MOU, an earnest deposit of HK\$15,000,000 (“Earnest Deposit”) was paid by the Group on 19 December 2017. The Earnest Deposit is unsecured, interest free and shall be refunded to the Group prior to 31 May 2018 should the Proposed Transaction not being materialised. Up to the date of this report, the Proposed Transaction is still under negotiation. This earnest deposit was included in “Other receivables, deposits and other assets”.

The carrying amounts of the Group’s trade and other receivables are denominated in the following currencies:

HK\$	港元
RMB	人民幣
USD	美元
MOP	澳門幣
Others	其他

### 17. 貿易及其他應收款項(續)

貿易應收款項、其他應收款項及租賃按金之賬面金額與彼等公允價值相若。

貸款予一位員工並無抵押，免息及根據要求可即時償還。

*附註：*

根據本集團於二零一七年十二月十五日與北京華奧農科玉育種開發有限責任公司(農科玉)及 Agria Corporation (「交易擔保人」)訂立的不具法律約束力的諒解備忘錄(「諒解備忘錄」)，本集團擬增資及認購農科玉股權(「建議交易」)。農科玉為一間於中國成立的企業，主要從事玉米種子研發、生產及市場運營及由本公司一位執行董事控制的公司。

根據諒解備忘錄，本集團於二零一七年十二月十九日已支付誠意金15,000,000港元(「誠意金」)。誠意金為無抵押，免息及需於二零一八年五月三十一日前應退還予本集團如交易未實現。截至本報告日期，建議交易仍在協商中。該誠意金已包括在「其他應收款項、按金及其他資產」內。

本集團貿易及其他應收款項之賬面金額以下列貨幣計值：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	150,866	134,782
	6,928	8,561
	106,771	90,619
	1,415	1,221
	—	100
	<b>265,980</b>	<b>235,283</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 17. TRADE AND OTHER RECEIVABLES (Continued)

The Group generally grants credit period of 60-120 days to its customers for its trading of pipes and fittings operation. The ageing analysis of the trade receivables based on the due date is as follows:

Within credit period	信貸期內
1 to 30 days	1天至30天
31 to 60 days	31天至60天
61 to 90 days	61天至90天
91 to 120 days	91天至120天
Over 120 days	超過120天

Trade receivables that are current or past due less than four months are not considered impaired. As of 31 December 2017, trade receivables of HK\$43,527,000 (2016: HK\$41,645,000) were past due but not considered to be impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

1 to 30 days	1天至30天
31 to 60 days	31天至60天
61 to 90 days	61天至90天
91 to 120 days	91天至120天
Over 120 days	超過120天

### 17. 貿易及其他應收款項(續)

本集團一般給予管道及管件貿易業務客戶之信貸期為60至120天。貿易應收款按到期日之賬齡分析如下：

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
75,863	85,535
28,226	25,089
8,052	6,810
3,491	4,028
1,282	979
4,492	6,557
<b>121,406</b>	<b>128,998</b>

即期或逾期四個月以下之貿易應收款項不會考慮作減值。截至二零一七年十二月三十一日，貿易應收款項43,527,000港元(二零一六年：41,645,000港元)已逾期但未被認為減值。該等款項與一批並無逾期還款記錄之獨立客戶有關。該等貿易應收款項之賬齡分析如下：

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
28,226	25,089
8,052	6,810
3,491	4,028
1,248	979
2,510	4,739
<b>43,527</b>	<b>41,645</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 17. TRADE AND OTHER RECEIVABLES (Continued)

#### (i) Impaired trade receivables

As at 31 December 2017, trade receivables of HK\$2,016,000 (2016: HK\$1,818,000) were impaired and provided for. The individually impaired receivables mainly relate to customers which have significant delay in repayment or are in unexpected difficult financial situations. These receivables are past due more than 120 days.

Movements on the provision for impairment of trade receivables are as follows:

At 1 January	於一月一日
Provision for impairment	減值撥備
Unused amount reversed	未動用款項撥回
Receivables written off during the year as uncollectible	年內應收款項未能收回而撇銷
At 31 December	於十二月三十一日

The addition and release of provision for impaired receivables have been included in general and administrative expenses in the consolidated income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

### 17. 貿易及其他應收款項(續)

#### (i) 貿易應收款項的減值

於二零一七年十二月三十一日，貿易應收款項2,016,000港元(二零一六年：1,818,000港元)已作減值撥備。個別已減值應收款項主要與重大延遲還款或突然陷入經濟困難之客戶有關。該等應收款項逾期超過120天。

貿易應收款之減值撥備變動如下：

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
1,818	1,177
210	1,055
(12)	—
—	(414)
<b>2,016</b>	<b>1,818</b>

就已減值應收款項新增及解除之撥備已計入綜合收益表內之一般及行政費用。於撥備賬中扣除的金額一般於預期不會收回額外現金時撇銷。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 17. TRADE AND OTHER RECEIVABLES (Continued)

#### (ii) Impaired other receivables

As at 31 December 2017, loan to a third party of HK\$4,100,000 (2016: HK\$4,100,000) was impaired and provided for. Although the loan was secured by certain assets of the third party, the Group considered that the recoverability may take a long time and was uncertain. In this connection, the balance amount of the loan was provided for.

Save as above, the other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. Save as disclosed above, the Group does not hold any collateral as security.

### 18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

### 17. 貿易及其他應收款項(續)

#### (ii) 其他應收款項的減值

於二零一七年十二月三十一日，貸款予一名第三方的4,100,000港元(二零一六年：4,100,000港元)已作減值撥備。雖然貸款是由第三方的若干資產作抵押，但本集團認為可回收性可能需要很長時間而且不確定。就此，該貸款的餘額已作撥備。

除上述以外，貿易及其他應收款項內其他類別並無任何已減值資產。

於報告日期之最大信貸風險為上述各類應收款項之公允值。除上文所披露外，本集團並無持有任何抵押品作抵押。

### 18. 按公允價值計入損益之金融資產

Investment funds at fair value-unlisted	投資基金公允價值-非上市	<b>2,744</b>	<b>1,651</b>
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2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>2,744</b>	<b>1,651</b>

### 19. PLEDGED BANK DEPOSITS AND CERTIFICATE OF DEPOSIT

As at 31 December 2017, bank deposits of HK\$37,000,000 (2016: HK\$37,000,000) denominated in HK\$ were pledged as collateral for the Group's banking facilities (Note 23).

### 19. 已抵押銀行存款及存款證

於二零一七年十二月三十一日，37,000,000港元(二零一六年：37,000,000港元)以港元計值之銀行存款已予以抵押，作為本集團銀行信貸額度之擔保(附註23)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 19. PLEDGED BANK DEPOSITS AND CERTIFICATE OF DEPOSIT (Continued)

The effective interest rate on pledged bank deposits was 0.97% (2016: 0.78%) per annum and these deposits are matured within 11 to 158 days (2016: 44 to 158 days).

As at 31 December 2017, certificate of deposit of HK\$10,000,000 was denominated in HK\$ and was pledged as collateral for the Group's banking facilities (Note 23). The effective interest rate on the pledged certificate of deposit is 1.0% per annum.

### 20. CASH AND BANK BALANCES

### 19. 已抵押銀行存款及存款證(續)

已抵押銀行存款之實際利率為年息0.97% (二零一六年：0.78%)，此等存款之到期日介乎11天至158天(二零一六年：44天至158天)。

於二零一七年十二月三十一日，10,000,000港元以港元計值之存款證已予以抵押，作為本集團銀行信貸額度之擔保(附註23)。已抵押存款證之實際利率為年息1.0%。

### 20. 現金及銀行結餘

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	<u>146,571</u>	<u>149,374</u>
Maximum exposure to credit risk	須承受的最高信貸風險	<u>146,247</u>	<u>149,161</u>

The carrying amounts of the Group and the Company's cash and bank balances are denominated in the following currencies:

本集團及本公司之現金及銀行結餘之賬面金額按以下貨幣計值：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
HK\$	港元	122,664	129,977
RMB	人民幣	8,015	8,490
USD	美元	12,663	8,512
Others	其他	<u>3,229</u>	<u>2,395</u>
		<u>146,571</u>	<u>149,374</u>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 20. CASH AND BANK BALANCES (Continued)

The conversion of RMB denominated balances into foreign currencies and the remittance of these funds out of Mainland China is subject to the exchange control restrictions imposed by the PRC government.

### 20. 現金及銀行結餘(續)

將以人民幣計值之結餘兌換為外幣及將該等資金匯出中國內地，須受中國政府實施之外匯管制措施規限。

### 21. SHARE CAPITAL

### 21. 股本

		Number of shares issued 已發行股份數目 thousands 千股	HK\$'000 千港元
At 1 January and 31 December 2016	於二零一六年一月一日及 十二月三十一日	1,333,270	26,665
At 1 January and 31 December 2017	於二零一七年一月一日及 十二月三十一日	1,333,270	26,665

#### (a) Issued shares

The authorized share capital of the Company was HK\$500,000,000, comprising 25,000 million shares with a par value of HK\$0.02 per share. All issued shares are fully paid.

#### (a) 已發行股份

本公司法定股本為500,000,000港元，由每股面值0.02港元共25,000,000,000股組成。所有已發行股份皆已繳足。

#### (b) Share option scheme

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

#### (b) 購股權計劃

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 21. SHARE CAPITAL (Continued)

#### (b) Share option scheme (Continued)

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

No share option under the 2015 Scheme was granted, exercised, cancelled or lapsed, during the current year nor outstanding as at 31 December 2017.

### 21. 股本(續)

#### (b) 購股權計劃(續)

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

於本年度期間概無任何購股權根據二零一五年計劃獲授出、行使、註銷或失效，亦無購股權於二零一七年十二月三十一日尚未獲行使。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 21. SHARE CAPITAL (Continued)

#### (b) Share option scheme (Continued)

The Company was authorised to grant share options under the 2015 Scheme for subscription of up to a total of 133,327,000 shares, representing 10% of the issued share capital of the Company as at the date of adoption. The directors of the Company are authorised at their absolute discretion, to invite any eligible participants as defined in the Scheme, to take up options to subscribe for shares in the Company. The subscription price will be determined by the Board, but shall be at least the highest of (a) the closing price of shares as stated in the Hong Kong Stock Exchange's daily quotation sheet on the date on which the relevant options are deemed to be granted and accepted in accordance with the terms of the Scheme ("the Commencement Date"), which must be a day on which the Hong Kong Stock Exchange is open for the business of dealing in securities ("Trading Day"); (b) the average closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotation sheet for the five Trading Days immediately preceding the Commencement Date; and (c) the nominal value of the shares. A consideration of HK\$10 is payable on acceptance of the grant of option. The maximum number of shares in respect of which options may be granted under the 2015 Scheme may not exceed 10% of the issued share capital of the Company as at the date of adoption of the 2015 Scheme. The number of shares may be refreshed by the approval of the shareholders and the refreshed limit of the number of shares must not exceed 10% of the issued share capital of the Company as at the date of the approval of the refreshed limit.

### 21. 股本(續)

#### (b) 購股權計劃(續)

本公司獲授權根據二零一五年計劃授出購股權以認購最多合共133,327,000股股份，佔於採納日期本公司已發行股本之10%。授權本公司董事全權酌情邀請任何合資格參與者(定義見購股權計劃)接納可認購本公司股份之購股權。認購價將由董事會釐定，惟不得低於(a)股份於有關購股權被視為按照購股權計劃條款授出及接納當日(「開始日期」)(須為香港聯交所經營證券買賣業務之日期(「交易日」))在香港聯交所每日報價表所報之收市價；(b)股份於緊接開始日期前連續五個交易日在香港聯交所每日報價表所報之平均收市價；及(c)股份面值三者中之最高者。接納授出之每份購股權時，承授人須支付10港元之代價。根據二零一五年計劃授出之購股權涉及之股份最高數目，不得超過採納二零一五年計劃當日本公司已發行股本之10%。股份數目可由股東批准更新，惟經更新之股份數目上限不得超過批准更新上限之日期本公司已發行股本之10%。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 21. SHARE CAPITAL (Continued)

#### (b) Share option scheme (Continued)

As a result of the share consolidation become effective, the exercise price and the number of consolidated shares to be issued upon the exercise of the outstanding options granted under the 2004 Scheme have been adjusted in accordance with the terms of the 2004 Scheme and Rule 17.03(13) of the Listing Rules.

Movements in the number of share options outstanding during the year are as follows:

Date of grant	Date of maturity	Exercise Price HK\$ 行使價 港元	31 December 2016 二零一六年 十二月三十一日	Granted and accepted 已授出 並接納	Exercised 已行使	Lapsed 已失效	31 December 2017 二零一七年 十二月三十一日
3 December 2009 二零零九年十二月三日	2 December 2019 二零一九年十二月二日	0.71	18,300,000	—	—	—	18,300,000
5 May 2010 二零一零年五月五日	4 May 2020 二零二零年五月四日	0.83	1,000,000	—	—	—	1,000,000
Total 總額			19,300,000	—	—	—	19,300,000

Out of 19,300,000 (2016: 19,300,000) outstanding share options, 17,860,000 (2016: 17,140,000) share options were exercisable.

### 21. 股本(續)

#### (b) 購股權計劃(續)

於股份合併生效後，根據本公司於二零零四年計劃授出但尚未行使的購股權的行使價及於行使時將予發行之合併股份數目按二零零四年計劃的條款及上市規則第17.03(13)條作出以下調整。

年內，尚未行使購股權數目之變動如下：

於19,300,000股(二零一六年：19,300,000)購股權中，17,860,000(二零一六年：17,140,000)股為可行使。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 21. SHARE CAPITAL (Continued)

#### (b) Share option scheme (Continued)

The estimated fair value of share options granted is based on the Binomial model. The significant inputs into the models are as follows:

Date of grant	授出日期	5 May 2010 二零一零年 五月五日	3 December 2009 二零零九年 十二月三日
Exercise price	行使價	HK\$0.83	HK\$0.71
Expected volatility	預期波幅	55%	54%
Option life	購股權年期	10 years 10年	10 years 10年
Annual risk free interest rate	年度無風險利率	2.86%	2.16%
Dividend yield	孳息率	3.10%	3.58%
Fair value	公允價值	HK\$0.26-HK\$0.38	HK\$0.21-HK\$0.31

The expected volatility measured at the standard deviation is based on the historical data of the weekly share price movement of comparable companies of the Company.

- (i) On 3 December 2009, 59,200,000 share options were offered to and accepted by Directors and employees, with an exercise price of HK\$0.71 and an option period of 10 years commencing from 3 December 2009 and expiring on 2 December 2019 (both days inclusive). The options granted to the grantees are vested in stages and be exercised in the following manner:

Maximum percentage of the options exercisable 可行使之購股權最高百分比	Period for exercise of the relevant percentage of the options 行使相關購股權百分比之期限
20%	3/6/2010 – 2/12/2019
20%	3/6/2011 – 2/12/2019
20%	3/6/2012 – 2/12/2019
20%	3/6/2013 – 2/12/2019
20%	3/6/2014 – 2/12/2019

### 21. 股本(續)

#### (b) 購股權計劃(續)

已授出購股權的估計公允價值根據二項式估值模式計算。輸入該模式的主要參數如下：

按標準差計量之預期波幅乃基於本公司之可比公司每週股份價格變動的歷史數據。

- (i) 於二零零九年十二月三日，本集團向董事及僱員要約並已獲接納59,200,000份購股權，該等購股權之行使價為0.71港元及購股權期限為十年，由二零零九年十二月三日開始至二零一九年十二月二日到期(包括首尾兩日)。授予承授人的購股權將分階段歸屬，並按以下方式行使：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 21. SHARE CAPITAL (Continued)

#### (b) Share option scheme (Continued)

- (ii) On 5 May 2010, 1,600,000 share options were offered to and accepted by a Director and an employee, with an exercise price of HK\$0.83 and an option period of 10 years commencing from 5 May 2010 and expiring on 4 May 2020 (both days inclusive). The options granted to the grantees are vested in stages and be exercised in the following manner:

Maximum percentage of the options exercisable 可行使之購股權最高百分比	Period for exercise of the relevant percentage of the options 行使相關購股權百分比之期限
20%	5/11/2010 – 4/5/2020
20%	5/11/2011 – 4/5/2020
20%	5/11/2012 – 4/5/2020
20%	5/11/2013 – 4/5/2020
20%	5/11/2014 – 4/5/2020

- (iii) Vesting of certain options granted to certain employees are subject to achievement of profit target.

### 21. 股本(續)

#### (b) 購股權計劃(續)

- (ii) 於二零一零年五月五日，本集團向董事及僱員要約並已獲接納 1,600,000 份購股權，該等購股權之行使價為 0.83 港元及購股權期限為十年，由二零一零年五月五日開始至二零二零年五月四日到期(包括首尾兩日)。授予承授人的購股權將分階段歸屬，並按以下方式行使：

- (iii) 授予若干僱員之若干購股權須達到溢利目標方可歸屬予有關僱員。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 22. RESERVES

### 22. 儲備

		Share premium	Capital reserve (note(i))	Merger reserve (note(ii))	Statutory reserve	Other reserve	Exchange reserve	Share based payment reserve 以股份為基礎的 付款儲備	Retained earnings 保留溢利	Total 總額
		股份溢價 HK\$'000 千港元	資本儲備 (附註(i)) HK\$'000 千港元	合併儲備 (附註(ii)) HK\$'000 千港元	法定儲備 HK\$'000 千港元	其他儲備 HK\$'000 千港元	匯兌儲備 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	126,618	34,115	3,700	24	179	703	5,266	187,856	358,461
Profit for the year	本年度溢利	—	—	—	—	—	—	—	50,572	50,572
Currency translation differences	貨幣換算差額	—	—	—	—	—	404	—	—	404
Share based payment	以股份為基礎的付款	—	—	—	—	—	—	83	—	83
Actuarial gain on post-employment benefit obligations, net of tax	離職後福利債務的精算收益，扣除稅項後	—	—	—	—	91	—	—	—	91
Transfer upon lapse of share options	因購股權失效轉撥	—	—	—	—	—	—	(152)	152	—
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	126,618	34,115	3,700	24	270	1,107	5,197	238,580	409,611
Profit for the year	本年度溢利	—	—	—	—	—	—	—	74,945	74,945
Currency translation differences	貨幣換算差額	—	—	—	—	—	(4)	—	—	(4)
Share based payment	以股份為基礎的付款	—	—	—	—	—	—	55	—	55
Actuarial gain on post-employment benefit obligations, net of tax	離職後福利債務的精算收益，扣除稅項後	—	—	—	—	935	—	—	—	935
Changes in ownership interests in subsidiaries without changes of control	不導致失去控制權的子公司權益變動	—	—	—	—	—	—	—	(165)	(165)
At 31 December 2017	於二零一七年十二月三十一日	126,618	34,115	3,700	24	1,205	1,103	5,252	313,360	485,377

#### Notes:

- (i) The capital reserve of the Group mainly represents contribution from the shareholders in connection with the acquisition of the remaining interests in a subsidiary in 1999.
- (ii) The merger reserve of the Group arising from the Group reorganisation is determined by the difference between the nominal value of shares of the subsidiaries acquired pursuant to the Group reorganisation and the nominal value of the Company's shares deemed to have been issued.

#### 附註：

- (i) 本集團之資本儲備主要是於一九九九年收購一間附屬公司之餘下權益與股東有關的貢獻。
- (ii) 本集團因集團重組而產生之合併儲備，乃按集團重組購入之附屬公司股份面值與視作已發行之本公司股份面值兩者間之差額釐定。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 23. BORROWINGS

### 23. 借貸

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current	流動		
Trust receipt loans, secured (note (i))	有抵押信託收據貸款 (附註(i))	51,865	59,637
Trust receipt loans, unsecured	無抵押信託收據貸款	18,612	14,354
		<b>70,477</b>	<b>73,991</b>

Notes:

附註:

- (i) The carrying amounts of the trust receipt loans approximate their fair values. As at 31 December 2017, the banking facilities were secured by corporate guarantees, bank deposits of HK\$37,000,000 (2016: HK\$37,000,000) and certificate of deposit of HK\$10,000,000 (2016: HK\$10,000,000).
- (ii) The borrowings are denominated in the following currencies:

- (i) 信託收據貸款之賬面金額與彼等公允值相若。於二零一七年十二月三十一日，銀行融資由公司擔保、銀行存款約37,000,000港元（二零一六年：37,000,000港元）及存款證約10,000,000港元（二零一六年：10,000,000港元）作抵押。
- (ii) 借貸以下列貨幣列值：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
HK\$	港元	<b>70,477</b>	<b>73,991</b>

- (iii) The effective interest rates (per annum) of bank borrowings at the financial reporting date are as follows:

- (iii) 於財務報告日，銀行借貸之實際年利率如下：

		2017 二零一七年 %	2016 二零一六年 %
Trust receipt loans	信託收據貸款	<b>3.12</b>	<b>2.74</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 24. DEFERRED TAXATION

### 24. 遞延稅項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Deferred tax liabilities to be settled after 12 months	將於十二個月後償還之遞延稅項負債	<b>(436)</b>	<b>(181)</b>

Deferred tax is calculated in full on temporary differences under the liability method using tax rates of the relevant subsidiaries applicable to the period when the asset is expected to be realised or the liability to be settled, based on tax rates that have been substantively enacted by the financial reporting date.

遞延稅項採用負債法就有關附屬公司預期資產變現或負債結算之期間所適用之稅率(於財務報告日已頒布或實質頒布)作全數撥備。

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income tax levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

當有法定權利可將即期稅項資產與即期稅項負債抵銷，而遞延稅項資產及遞延稅項負債涉及同一稅務機關徵收，一家應課稅公司或不同的應課稅公司有意將餘額以淨額結算，則可將遞延稅項資產與遞延稅項負債互相抵銷。

The net movement on the deferred tax account is as follows:

遞延稅項賬目之變動淨額如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	<b>(181)</b>	<b>(137)</b>
Charged to income statement ( <i>Note 10</i> )	在收益表中扣除( <i>附註10</i> )	<b>(71)</b>	<b>(26)</b>
Charged to equity	在權益中扣除	<b>(184)</b>	<b>(18)</b>
At 31 December	於十二月三十一日	<b>(436)</b>	<b>(181)</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 24. DEFERRED TAXATION (Continued)

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

#### Deferred tax assets

		Tax losses 稅務虧損 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	182
Charged to income statement	在收益表中扣除	(2)
At 31 December 2016	於二零一六年十二月三十一日	180
Charged to income statement	在收益表中扣除	(140)
At 31 December 2017	於二零一七年十二月三十一日	40

### 24. 遞延稅項(續)

遞延稅項資產及負債於年內之變動(未計及於相同徵稅區內抵銷之結餘)如下：

#### 遞延稅項資產

#### Deferred tax liabilities

		Accelerated tax depreciation	Remeasurement gain of post- employment benefit obligations	Total
		加速稅項折舊 HK\$'000 千港元	離職後福利債務 的重計量收益 HK\$'000 千港元	總額 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	(283)	(36)	(319)
Charged to income statement	在收益表中扣除	(24)	-	(24)
Charged to equity	在權益中扣除	-	(18)	(18)
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及 二零一七年一月一日	(307)	(54)	(361)
Credited to income statement	在收益表中計入	69	-	69
Charged to equity	在權益中扣除	-	(184)	(184)
At 31 December 2017	於二零一七年十二月三十一日	(238)	(238)	(476)

#### 遞延稅項負債



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 24. DEFERRED TAXATION (Continued)

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of HK\$2,345,000 (2016: HK\$4,570,000) in respect of accumulated tax losses amounting to HK\$10,275,000 (2016: HK\$24,688,000) as at 31 December 2017, that can be carried forward against future taxable income. As at 31 December 2017, the accumulated tax losses amounting to HK\$5,449,000 (2016: HK\$4,559,000) will be expired in five years. There is no expiry period for the other tax losses.

### 25. TRADE AND OTHER PAYABLES

Trade payables	貿易應付款項
Accrued expenses and other payables (note)	預提費用及其他應付款 (附註)

*Notes:*

Included in other payables of the Group was a provision for a customer claim of HK\$3,694,000 (2016: HK\$3,694,000) made for a project in Hong Kong in prior years. During the year, management reassessed the circumstances and considered that the amount of provision made as at 31 December 2017 remains adequate but not excessive.

### 24. 遞延稅項(續)

遞延所得稅項資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅項虧損作出確認。本集團並未就二零一七年十二月三十一日可結轉以抵銷未來應課稅收入之累計稅項虧損10,275,000港元(二零一六年：24,688,000港元)確認遞延所得稅項資產2,345,000港元(二零一六年：4,570,000港元)。於二零一七年十二月三十一日，該等累計稅項虧損達5,449,000港元(二零一六年：4,559,000港元)，將於五年內到期。其他稅項虧損並無屆滿期間。

### 25. 貿易及其他應付款項

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
39,493	37,982
42,943	42,564
<b>82,436</b>	<b>80,546</b>

*附註:*

包括在本集團的其他應付款中，於過往年度，本集團就一項於香港的項目作出3,694,000港元(二零一六年：3,694,000港元)的客戶補償撥備。於本年度內，管理層重新評估狀況及認為該項補償於二零一七年十二月三十一日仍足夠亦不過多。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 25. TRADE AND OTHER PAYABLES (Continued)

The ageing analysis of the Group's trade payables, based on the invoice date, is as follows:

Within 30 days	30天以內
31 to 60 days	31天至60天
61 to 90 days	61天至90天
Over 90 days	超過90天

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

HK\$	港元
USD	美元
RMB	人民幣
Others	其他

### 25. 貿易及其他應付款項(續)

本集團貿易應付款項的賬齡按發票日期分析如下：

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
33,706	34,456
4,230	2,256
1,477	1,256
80	14
<b>39,493</b>	<b>37,982</b>

本集團之貿易及其他應付款項之賬面金額按以下貨幣計值：

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
45,377	42,559
29,852	27,681
1,251	7,133
5,956	3,173
<b>82,436</b>	<b>80,546</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 26. COMMITMENTS

#### (a) Capital commitments

Capital expenditure contracted for at the end of the year but not yet incurred is as follows:

Capital expenditure in respect of the acquisition of motor vehicles contracted for but not provided in the consolidated financial statements

就購置汽車訂約但於綜合財務報表未撥備的資本開支

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>1,240</b>	<b>1,261</b>

#### (b) Operating lease commitments

Land and buildings  
Not later than one year  
Later than one year and not later than five years  
Later than five years

土地及樓宇  
不超過一年  
超過一年但不超過五年  
超過五年

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>28,426</b>	17,967
<b>92,453</b>	72,534
<b>90,391</b>	107,932
<b>211,270</b>	198,433
<b>631</b>	510
<b>1,190</b>	361
<b>1,821</b>	871
<b>213,091</b>	199,304

Equipment and motor vehicles  
Not later than one year  
Later than one year and not later than five years

設備及汽車  
不超過一年  
超過一年但不超過五年

The lease terms are between one and ten years, and the majority of lease agreements are renewable at the end of the lease period at market rate.

### 26. 承擔

#### (a) 資本承擔

於年終已簽訂合同但仍未產生的資本開支如下：

#### (b) 經營租賃承擔

租賃期介乎一至十年，主要的租賃合約於租賃期屆滿後按市價續約。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 27. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### 27. 綜合現金流量表附註

#### Cash flows from operations

#### 經營業務所得之現金流量

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profit before income tax	稅前溢利	84,174	57,860
Adjustments for:	就下列作出調整：		
Depreciation of property, plant and equipment	物業、廠房及設備的折舊	3,408	2,697
Gain on disposal of property, plant and equipment, net ( <i>note</i> )	出售物業、廠房及設備之收益淨額(附註)	(125)	(96)
Interest income	利息收入	(10,359)	(5,239)
Interest expense	利息支出	2,219	1,876
Provision for impairment of loan to a third party	貸款予一名第三方的減值撥備	—	4,100
Provision for impairment of trade and other receivables, net	貿易及其他應收款減值撥備淨額	198	1,055
Provision for impairment of inventories, net	存貨減值撥備淨額	2,540	1,919
Fair value (gain)/loss on financial sassets at fair value through profit or loss	按公允價值計入損益之金融資產的公允價值(收益)/虧損	(69)	23
Dividend income from financial assets at fair value through profit or loss	按公允價值計入損益之金融資產的股息收入	(78)	(113)
Share based payment	以股份為基礎的付款	55	83
Exchange difference	匯兌差額	(1,436)	740
Changes in working capital:	營運資金變動：		
(Increase)/decrease in inventories	存貨(增加)/減少	(47,442)	2,756
Increase in trade and other receivables	貿易及其他應收款增加	(30,266)	(16,864)
Increase in financial assets at fair value through profit or loss	按公允價值計入損益之金融資產增加	(1,018)	—
Increase in trade and other payables	貿易及其他應付款增加	2,145	13,741
Net cash generated from operations	經營業務所得現金淨額	<u>3,946</u>	<u>64,538</u>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 27. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

#### Cash flows from operations (Continued)

Note:

Proceeds from disposal of property, plant and equipment comprises:

Net book amount	賬面淨值
Gain on disposal	出售之收益
Proceeds from disposal	出售所得款項
Represented by:	代表：
Cash	現金

The reconciliation of liabilities arising from financing activities is as follows:

As at 1 January 2016	於二零一六年一月一日	HK\$'000 千港元
Cash flows	現金流量	(71,879)
As at 1 January 2017	於二零一七年一月一日	(73,991)
Cash flows	現金流量	3,514
As at 31 December 2017	於二零一七年十二月三十一日	(70,477)

### 27. 綜合現金流量表附註(續)

#### 經營業務所得之現金流量(續)

附註：

出售物業、廠房及設備之所得款項包括：

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
—	10
125	96
125	106
125	106

金融活動產生的負債的對賬如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 28. RELATED PARTY TRANSACTIONS

#### (a) Key management compensation

Salaries and other short term employee benefits	薪金及其他短期僱員福利
Pension costs	退休金成本
— defined contribution plans	— 定額供款計劃
Share based payment	以股份為基礎之付款

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
22,321	20,853
126	126
55	83
<b>22,502</b>	<b>21,062</b>

#### (b) Rental payment to a related party

Rental paid to a related company (note)	支付租金給一間關連公司(附註)
--	-----------------

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
164	163

*Note:*

The Group paid rental of a car and a car licence to a company controlled by Mr. Lai Guanglin, an executive director and Chairman of the Company, for a fixed sum of RMB12,000 (equal to HK\$13,700) per month as agreed by both parties. This is also a connected transaction which is exempted under the Listing Rules 14A.76.

### 28. 關連人士交易

#### (a) 主要管理人員報酬

#### (b) 向關連人士支付的租金

*附註：*

本集團就車輛及車牌租賃費向一間由本公司執行董事兼主席 Lai Guanglin 先生控制的公司支付由雙方協定的每月固定費用12,000人民幣(等於13,700港元)。此交易亦為根據上市條例14A.76條而豁免進行的關連交易。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 28. RELATED PARTY TRANSACTIONS (Continued)

#### (c) Services income from a related party

Services income from a related company (note)

關連公司服務收入 (附註)

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
—	64

*Note:*

The Group provided corporate administrative services to a company controlled by Mr. Lai Guanglin, an executive director and Chairman of the Company, for a fixed sum of HK\$8,000 per month as agreed by both parties and the agreement was terminated on 31 December 2016. This is also a connected transaction which is exempted under the Listing Rules 14A.76.

### 28. 關連人士交易(續)

#### (c) 向關連人士收取的服務收入

*附註：*

本集團就提供公司行政服務向一間由本公司執行董事兼主席 Lai Guanglin 先生控制的公司收取由雙方協定的每月固定費用8,000港元，此合約已於二零一六年十二月三十一日終止。此交易亦為根據上市條例14A.76條而豁免進行的關連交易。

#### (d) Consultancy fee to a related party

Consultancy fee paid to a related party (note)

支付顧問費予一位關連人士(附註)

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
500	167

*Note:*

During the year, the Group paid consultancy fee to Ms. Yang Li, the former independent non-executive director of the Company who resigned on 1 September 2016, for a fixed sum of HK\$41,700 per month as agreed by both parties. This is a connected transaction which is exempted under Rule 14A.76 of the Listing Rules.

#### (d) 向關連人士支付的顧問費

*附註：*

於年內，本集團向前獨立非執行董事楊莉女士(其於二零一六年九月一日辭任)支付由雙方協定的每月固定41,700港元顧問費。此交易為根據上市規則14A.76條而獲得豁免的關連交易。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 28. RELATED PARTY TRANSACTIONS (Continued)

#### (e) Loan to a related company

On 1 August 2016, the Group advanced a loan of US\$10,000,000 (equivalent to HK\$77,746,000) to China Victory International Holdings Limited (“CVIL”), a wholly-owned subsidiary of Agria Corporation, for a term of 3 years.

The loan carried interest at 10.5% per annum and is repayable by 31 July 2019. The loan is secured by the entire issued shares of CVIL executed by Agria Group Limited, the immediate holding company of CVIL, and also guaranteed by a deed of corporate guarantee executed by Agria Corporation in favour of the Group. Mr Lai Guanglin, a director and ultimate controlling party of the Company, is also the controlling shareholder of Agria Corporation.

For the year ended 31 December 2017, the interest income from CVIL amounted to approximately US\$1,050,000 (equivalent to HK\$8,206,000) (2016: US\$440,000 (equivalent to HK\$3,419,000)).

As at 31 December 2017, the loan to CVIL amounted to US\$10,000,000 (equivalent to HK\$78,357,000) (31 December 2016: US\$10,000,000 (equivalent to HK\$77,746,000)). Also see Note 32.

### 28. 關連人士交易(續)

#### (e) 貸款予一間關連公司

於二零一六年八月一日，本集團向中滙國際集團有限公司(「CVIL」)(Agria Corporation的一間全資附屬公司)墊付期限3年的貸款10,000,000美元(相等於77,746,000港元)。

該貸款以年息10.5%計息，並將於二零一九年七月三十一日之前償還。該貸款由CVIL的直接控股公司Agria Group Limited行使CVIL的全部已發行股份作擔保及Agria Corporation執行對本集團作公司擔保契約。本公司之董事兼最終控制人Lai Guanglin先生，亦為Agria Corporation控股股東。

截至二零一七年十二月三十一日止年度，從CVIL所得的利息收入約為1,050,000美元(相等於8,206,000港元)(二零一六年：440,000美元(相等於3,419,000港元))。

於二零一七年十二月三十一日，借予CVIL的貸款金額為10,000,000美元(相等於78,357,000港元)(二零一六年十二月三十一日：10,000,000美元(相等於77,746,000港元))。另請參閱附註32。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 29. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

### 29. 本公司財務狀況表及儲備變動

		As at 31 December 於十二月三十一日	
		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
	Note 附註		
<b>ASSETS</b>	<b>資產</b>		
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	109	128
Investments in subsidiaries	於附屬公司投資	<u>90,406</u>	<u>90,351</u>
		<u>90,515</u>	<u>90,479</u>
<b>Current assets</b>	<b>流動資產</b>		
Prepayments and other receivables	預付款及其他應收款項	882	1,030
Amounts due from subsidiaries	應收附屬公司款項	60,699	41,515
Cash and bank balances	現金及銀行結餘	<u>2,521</u>	<u>3,584</u>
		<u>64,102</u>	<u>46,129</u>
<b>Total assets</b>	<b>總資產</b>	<u><u>154,617</u></u>	<u><u>136,608</u></u>
<b>EQUITY</b>	<b>權益</b>		
Equity holders	權益持有人		
Share capital	股本	26,665	26,665
Reserves	儲備	(i) <u>107,609</u>	<u>90,877</u>
<b>Total equity</b>	<b>總權益</b>	<u><u>134,274</u></u>	<u><u>117,542</u></u>
<b>LIABILITIES</b>	<b>負債</b>		
<b>Current liabilities</b>	<b>流動負債</b>		
Other payables	其他應付款項	4,621	3,503
Taxation payable	應付稅項	159	—
Amounts due to subsidiaries	應付附屬公司款項	<u>15,563</u>	<u>15,563</u>
<b>Total liabilities</b>	<b>總負債</b>	<u><u>20,343</u></u>	<u><u>19,066</u></u>
<b>Total equity and liabilities</b>	<b>總權益及負債</b>	<u><u>154,617</u></u>	<u><u>136,608</u></u>
<b>Net current assets</b>	<b>流動資產淨額</b>	<u><u>43,759</u></u>	<u><u>27,063</u></u>
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>	<u><u>134,274</u></u>	<u><u>117,542</u></u>

The statement of financial position of the Company was approved by the board of Directors on 29 March 2018 and was signed on its behalf:

本公司的財務狀況表已由董事會於二零一八年三月二十九日批核，並代表董事會簽署：

Lai Guanglin  
Director 董事

Yu Ben Ansheng 俞安生  
Director 董事

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 29. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(Continued)

Notes:

(i) Reserve movement of the Company

At 1 January 2016	於二零一六年一月一日
Profit for the year	本年度溢利
Share based payment	以股份為基礎的付款
Transfer upon lapse of share options	因購股權失效轉撥
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日
Profit for the year	本年度溢利
Share based payment	以股份為基礎的付款
At 31 December 2017	於二零一七年十二月三十一日

Note:

The contributed surplus of the Company represents the difference between the nominal value of the shares issued by the Company in exchange for all the issued ordinary shares of World Trade Bun Kee (BVI) Ltd. and the value of net assets of the underlying subsidiaries acquired by the Company in 2000. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to the shareholders, subject to a solvency test. At the Group level, the contributed surplus is reclassified into its component of reserves of the underlying subsidiaries.

### 29. 本公司財務狀況表及儲備變動(續)

附註：

(i) 本公司儲備之變動

Share premium	Contributed surplus (note)	Share based payment reserve	Accumulated deficits	Total
股份溢價	繳入盈餘 (附註)	以股份為基礎的付款儲備	累計虧損	總額
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
126,618	86,759	5,266	(140,603)	78,040
—	—	83	—	83
—	—	(152)	152	—
<b>126,618</b>	<b>86,759</b>	<b>5,197</b>	<b>(127,697)</b>	<b>90,877</b>
—	—	55	—	55
<b>126,618</b>	<b>86,759</b>	<b>5,252</b>	<b>(111,020)</b>	<b>107,609</b>

附註：

本公司之繳入盈餘乃指本公司為換取 World Trade Bun Kee (BVI) Ltd. 全部已發行普通股而發行之股份面值與本公司所收購有關附屬公司於二零零零年之資產淨值兩者間之差額。根據百慕達一九八一年公司法(經修訂)，繳入盈餘在符合有關無力償還債務之測試之情況下，可供分派予股東。在本集團之賬目上，繳入盈餘重新分類為有關附屬公司之儲備組成部分。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 30. BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES)

#### (a) Directors' and chief executive's emoluments

The remuneration of each director and the chief executive for the year ended 31 December 2016 and 2017 is set out below:

### 30. 董事的利益和權益(根據香港《公司條例》(第622章)第383條及《公司(披露董事利益資料)規例》(第622G章)及香港《上市規則》的規定而作出的披露)

#### (a) 董事及行政總裁酬金

各董事及行政總裁於截至二零一六年及二零一七年十二月三十一日止年度的酬金載列如下：

		For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度									
		Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking 作為董事(不管是本公司或其附屬公司企業)提供服務而支付或應收的酬金									
										Emoluments paid or receivable in respect of director's other service in connection with the management of the affairs of the Company or its subsidiary undertaking 就管理本公司或其附屬公司企業的事務提供其他董事服務而支付或應收的酬金	Total
Name of Director 董事姓名		Fees 袍金	Salary 薪金	Discretionary bonuses 酌情花紅	Housing allowance 房屋津貼	Estimated money value of other benefits (note (iv)) 其他福利的估計貨幣價值(附註(iv))	Employer's contributions to a retirement benefit scheme 僱主對退休福利計劃之供款	Remunerations receivable in respect of accepting office as director 董事一職而支付或應收的酬金			
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Lai Guanglin	Lai Guanglin	—	3,495	294	—	2,799	—	—	—	6,588	
Yu Ben Ansheng (note (i))	俞安生(附註(i))	—	2,460	437	—	140	18	—	—	3,055	
Lai Fulin	賴福麟	—	1,672	897	—	140	18	—	—	2,727	
U Kean Seng	余建成	200	—	—	—	—	—	—	—	200	
Wong Yee Shuen, Wilson	黃以信	200	—	—	—	—	—	—	—	200	
Chen Wei Wen	陳偉文	150	—	—	—	—	—	—	—	150	
Guan Zhiqiang	管志強	200	—	—	—	—	—	—	—	200	
		<u>750</u>	<u>7,627</u>	<u>1,628</u>	<u>—</u>	<u>3,079</u>	<u>36</u>	<u>—</u>	<u>—</u>	<u>13,120</u>	

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 30. BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

### 30. 董事的利益和權益(根據香港《公司條例》(第622章)第383條及《公司(披露董事利益資料)規例》(第622G章)及香港《上市規則》的規定而作出的披露)(續)

#### (a) Directors' and chief executive's emoluments (Continued)

#### (a) 董事及行政總裁酬金(續)

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

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking  
作為董事(不管是本公司或其附屬公司企業)提供服務而支付或應收的酬金

Name of Director	董事姓名	Fees	Salary	Discretionary bonuses	Housing allowance	Estimated money value of other benefits (note (iv))	Employer's contributions to a retirement benefit scheme	Remunerations paid or receivable in respect of accepting office as director	Emoluments paid or receivable in respect of director's other service in connection with the management of the affairs of the Company or its subsidiary undertaking	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Lai Guanglin	Lai Guanglin	—	3,364	283	—	2,684	—	—	—	6,331
Yu Ben Ansheng (note (i))	俞安生(附註(i))	—	2,365	599	—	140	18	—	—	3,122
Lai Fulin	賴福麟	—	1,604	695	—	140	18	—	—	2,457
U Kean Seng	余建成	200	—	—	—	—	—	—	—	200
Wong Yee Shuen, Wilson	黃以信	200	—	—	—	—	—	—	—	200
Chen Wei Wen	陳偉文	150	—	—	—	—	—	—	—	150
Yang Li (note (ii))	楊莉(附註(ii))	133	—	—	—	—	—	—	—	133
Guan Zhiqiang (note (iii))	管志強(附註(iii))	67	—	—	—	—	—	—	—	67
		<u>750</u>	<u>7,333</u>	<u>1,577</u>	<u>—</u>	<u>2,964</u>	<u>36</u>	<u>—</u>	<u>—</u>	<u>12,660</u>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 30. BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

#### (a) Directors' and chief executive's emoluments (Continued)

Notes:

- (i) Mr. Yu Ben Ansheng is the Chief Executive Officer of the Company.
- (ii) Ms. Yang Li resigned as independent non-executive director of the Company on 1 September 2016.
- (iii) Mr. Guan Zhiqiang was appointed as independent non-executive director of the Company on 1 September 2016
- (iv) Other benefits include share option and other allowance.

#### (b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the year (2016: Nil).

#### (c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year (2016: Nil).

#### (d) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2017, the Company did not pay consideration to any third parties for making available directors' services (2016: Nil).

### 30. 董事的利益和權益(根據香港《公司條例》(第622章)第383條及《公司(披露董事利益資料)規例》(第622G章)及香港《上市規則》的規定而作出的披露)(續)

#### (a) 董事及行政總裁酬金(續)

附註：

- (i) 俞安生先生是本公司的首席執行官。
- (ii) 楊莉女士於二零一六年九月一日辭任本公司獨立非執行董事。
- (iii) 管志強先生於二零一六年九月一日獲委任為本公司獨立非執行董事。
- (iv) 其他福利包括購股權及其他津貼。

#### (b) 董事的退休福利

年內，概無董事獲支付或應收退休福利(二零一六年：無)。

#### (c) 董事的終止福利

年內，概無董事獲支付或應收終止董事服務福利(二零一六年：無)。

#### (d) 就提供董事服務而向第三方提供的對價

於二零一七年十二月三十一日年度內，本公司並沒有就獲取董事服務而支付第三方的對價(二零一六年：無)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 30. BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

#### (e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year ended 31 December 2017, there is no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled bodies corporate by and connected entities with such directors (2016: Nil).

#### (f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2016: Nil).

### 30. 董事的利益和權益(根據香港《公司條例》(第622章)第383條及《公司(披露董事利益資料)規例》(第622G章)及香港《上市規則》的規定而作出的披露)(續)

#### (e) 向董事、受該等董事控制的法人團體及該董事的關連主體提供的貸款、準貸款和其他交易的資料

於二零一七年十二月三十一日年度內，概無以董事、受該等董事控制的法團及關連實體為受益人之貸款、準貸款或其他交易(二零一六年：無)。

#### (f) 董事在交易、安排或合同的重重大權益

並無有關本公司業務而本公司作為其中一方且本公司董事於其中(不論直接或間接)擁有重大權益(於本年年底或於年內任何時間)的重大交易、安排及合約(二零一六年：無)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 31. ULTIMATE HOLDING COMPANY

As at 31 December 2017, the Directors of the Company consider Singapore Zhongxin Investment Company Limited (“Singapore Zhongxin”), a company incorporated in the British Virgin Islands, as being the ultimate holding company. Singapore Zhongxin is wholly and beneficially owned by Mr. Lai Guanglin, a director of the Company, who is considered to be the ultimate controlling party.

### 32. EVENT AFTER BALANCE SHEET DATE

Pursuant to a resolution passed in a special general meeting on 23 February 2018, the Group agreed to novate and Agria Group Limited, a wholly owned subsidiary of Agria Corporation and the immediate holding company of CVIL, agreed to assume the Group’s loan to CVIL of US\$10,000,000 (equivalent to HK\$78,357,000) (as detailed in Note 28(e)) with all other terms and conditions remained unchanged.

### 31. 最終控股公司

於二零一七年十二月三十一日，本公司董事認為，在英屬維爾京群島註冊成立之 Singapore Zhongxin Investment Company Limited (「Singapore Zhongxin」) 為最終控股公司。Singapore Zhongxin 由本公司之董事 Lai Guanglin 先生全資及實益擁有，其被視為最終控制人。

### 32. 結算日期後事項

根據於二零一八年二月二十三日舉行的股東特別大會上通過的決議案，本集團同意 Agria Group Limited (Agria Corporation 的全資附屬公司及 CVIL 的直接控股公司) 承擔本集團向 CVIL 的貸款 10,000,000 美元 (相等於 78,357,000 港元) (詳情載於附註 28(e))，其他條款和條件保持不變。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 33. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES

### 33. 主要附屬公司資料

Name 名稱	Principal Activities 主要業務	Particulars of issued and fully paid share capital/registered capital 已發行及繳足股本/註冊資本	Percentage 百分比	
			Attributable to the Group 本集團應佔	Held by subsidiaries 附屬公司持有
<i>Incorporated and operating in Hong Kong</i> 在香港成立及經營				
Bun Kee (International) Limited 彬記(國際)有限公司	Trading of construction materials, mainly pipes and fittings in Hong Kong 於香港從事建築材料(主要為管道及管 件)之貿易	100 ordinary shares of HK\$1 each and 3,000,000 non-voting deferred shares of HK\$1 each 100股每股面值1港元之普通股及 3,000,000股每股面值1港元之無投 票權遞延股份	100	100
Hamerwind Logistic Company Limited 時風物流有限公司	Provision of warehousing and logistic services in Hong Kong 於香港提供倉貯及物流服務	800 ordinary shares of HK\$100 each 800股每股面值100港元之普通股	100	100
<i>Established and operating in Macao</i> 在澳門成立及經營				
Bun Kee Building Material and Equipment (Macao) Co., Ltd. 彬記建材及設備(澳門)有限公司	Trading of construction materials, mainly pipes and fittings in Macao 於澳門從事建築材料(主要為管道及管 件)之貿易	MOP50,000 50,000澳門幣	100	100



## Five-Year Financial Summary 五年財務概要

		2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Results</b>	<b>業績</b>					
Revenue	收入	<u>504,143</u>	<u>553,845</u>	<u>611,534</u>	<u>619,203</u>	<u>650,461</u>
Profit before income tax	稅前溢利	20,258	26,091	39,585	57,860	84,174
Income tax expense	稅項支出	<u>(3,597)</u>	<u>(4,362)</u>	<u>(5,562)</u>	<u>(7,297)</u>	<u>(9,386)</u>
Profit for the year	本年度溢利	<u>16,661</u>	<u>21,729</u>	<u>34,023</u>	<u>50,563</u>	<u>74,788</u>
Attributable to:	歸屬於：					
Equity holders of the Company	本公司權益持有人	16,661	21,729	34,023	50,572	74,945
Non-controlling interests	非控股權益	—	—	—	(9)	(157)
		<u>16,661</u>	<u>21,729</u>	<u>34,023</u>	<u>50,563</u>	<u>74,788</u>
<b>Assets and liabilities</b>	<b>資產及負債</b>					
Total assets	總資產	491,950	505,577	531,414	598,173	671,953
Total liabilities	總負債	<u>(160,722)</u>	<u>(154,500)</u>	<u>(146,288)</u>	<u>(161,905)</u>	<u>(159,911)</u>
Total equity	總權益	<u>331,228</u>	<u>351,077</u>	<u>385,126</u>	<u>436,268</u>	<u>512,042</u>

