

**KaShui**<sup>1980</sup>

Ka Shui International Holdings Limited  
嘉瑞國際控股有限公司

Incorporated in the Cayman Islands with Limited Liability  
於開曼群島註冊成立的有限公司

Stock Code 股份代號：822



科技創新 智訊未來

# Technovation Drives the Smart Future

ANNUAL REPORT 2018 年報

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# CORPORATE INFORMATION

## 公司資料

### DIRECTORS

#### Executive Directors

Mr. Lee Yuen Fat (*Chairman and Chief Executive Officer*)  
Mr. Wong Wing Chuen (*Vice Chairman*)  
Ms. Chan So Wah (*appointed with effect from 1 April 2019*)  
Dr. Wong Cheong Yiu (*Stepped down as Chief Executive Officer on 1 June 2018*)  
(*Retired as Executive Director on 1 January 2019*)

#### Independent Non-Executive Directors

Professor Sun Kai Lit, Cliff BBS, JP  
Ir Dr. Lo Wai Kwok SBS, MH, JP  
Mr. Andrew Look  
Mr. Kong Kai Chuen, Frankie  
(*formerly known as Kong To Yeung, Frankie*)

### AUTHORISED REPRESENTATIVES

Mr. Lee Yuen Fat  
Ms. Yam Suk Yee, Celia

### COMPANY SECRETARY

Ms. Yam Suk Yee, Celia

### AUDIT COMMITTEE

Mr. Kong Kai Chuen, Frankie (*Chairman*)  
(*formerly known as Kong To Yeung, Frankie*)  
Professor Sun Kai Lit, Cliff BBS, JP  
Ir Dr. Lo Wai Kwok SBS, MH, JP  
Mr. Andrew Look

### NOMINATION COMMITTEE

Professor Sun Kai Lit, Cliff BBS, JP (*Chairman*)  
Ir Dr. Lo Wai Kwok SBS, MH, JP  
Mr. Andrew Look  
Mr. Kong Kai Chuen, Frankie  
(*formerly known as Kong To Yeung, Frankie*)  
Dr. Wong Cheong Yiu (*Retired on 1 January 2019*)

### REMUNERATION COMMITTEE

Professor Sun Kai Lit, Cliff BBS, JP (*Chairman*)  
Ir Dr. Lo Wai Kwok SBS, MH, JP  
Mr. Andrew Look  
Mr. Kong Kai Chuen, Frankie  
(*formerly known as Kong To Yeung, Frankie*)  
Dr. Wong Cheong Yiu (*Retired on 1 January 2019*)

### 董事

#### 執行董事

李遠發先生 (*主席及行政總裁*)  
黃永銓先生 (*副主席*)  
陳素華女士 (*委任於二零一九年四月一日生效*)  
黃昌耀博士 (*於二零一八年六月一日退任行政總裁*)  
(*於二零一九年一月一日退任執行董事*)

#### 獨立非執行董事

孫啟烈教授 BBS, JP  
盧偉國博士 SBS, MH, JP  
陸東先生  
江啟銓先生  
(*前稱江道揚*)

#### 授權代表

李遠發先生  
任淑儀小姐

#### 公司秘書

任淑儀小姐

#### 審核委員會

江啟銓先生 (*主席*)  
(*前稱江道揚*)  
孫啟烈教授 BBS, JP  
盧偉國博士 SBS, MH, JP  
陸東先生

#### 提名委員會

孫啟烈教授 BBS, JP (*主席*)  
盧偉國博士 SBS, MH, JP  
陸東先生  
江啟銓先生  
(*前稱江道揚*)  
黃昌耀博士 (*於二零一九年一月一日退任*)

#### 薪酬委員會

孫啟烈教授 BBS, JP (*主席*)  
盧偉國博士 SBS, MH, JP  
陸東先生  
江啟銓先生  
(*前稱江道揚*)  
黃昌耀博士 (*於二零一九年一月一日退任*)

# CORPORATE INFORMATION (CONTINUED)

## 公司資料(續)

### REGISTERED OFFICE

Clifton House, 75 Fort Street  
P.O. Box 1350 GT, George Town  
Grand Cayman, Cayman Islands

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room A, 29/F, Tower B, Billion Centre  
1 Wang Kwong Road, Kowloon Bay  
Kowloon, Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

SMP Partners (Cayman) Limited  
Royal Bank House, 3rd Floor  
24 Shedden Road, P.O. Box 1586  
Grand Cayman, KY1-1110  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre  
183 Queen's Road East, Wanchai  
Hong Kong

### AUDITOR

RSM Hong Kong

### PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited  
Standard Chartered Bank (Hong Kong) Limited  
Bank of China (Hong Kong) Limited  
Chong Hing Bank Limited

### WEBSITE

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

### 註冊辦事處

Clifton House, 75 Fort Street  
P.O. Box 1350 GT, George Town  
Grand Cayman, Cayman Islands

### 香港主要營業地點

香港九龍  
九龍灣宏光道一號  
億京中心B座29樓A室

### 主要股份過戶登記處

SMP Partners (Cayman) Limited  
Royal Bank House, 3rd Floor  
24 Shedden Road, P.O. Box 1586  
Grand Cayman, KY1-1110  
Cayman Islands

### 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17M樓

### 核數師

羅申美會計師事務所

### 主要往來銀行

香港上海匯豐銀行有限公司  
渣打銀行(香港)有限公司  
中國銀行(香港)有限公司  
創興銀行有限公司

### 網址

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

# FINANCIAL HIGHLIGHTS

## 財務概要

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
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### RESULTS

Revenue  
Profit attributable to owners of the Company  
EBITDA

### 業績

收入  
本公司權益持有人應佔溢利  
未計利息、稅項、折舊及  
攤銷前盈利

1,852,329	1,738,738
113,556	33,998
221,115	185,282

### PER SHARE DATA

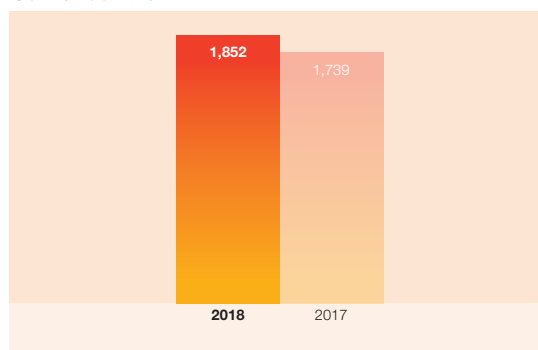
Basic earnings per share (HK cents)  
Total dividends per share (HK cent(s))  
— Interim dividend paid per share  
(HK cent(s))  
— Proposed final dividend per share  
(HK cent(s))  
Dividend payout ratio

### 每股資料

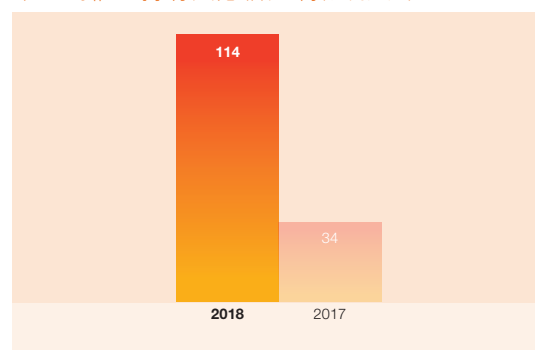
每股基本盈利(港仙)  
每股總股息(港仙)  
— 已付每股中期股息(港仙)  
— 建議每股末期股息(港仙)  
派息比率

12.71	3.80
3.5	1.0
—	—
3.5	1.0
27.5%	26.3%

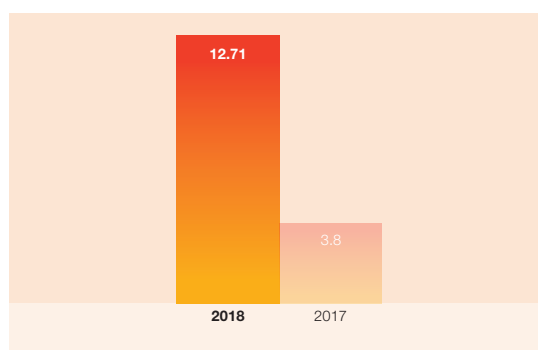
Revenue (HK\$ million)  
收入(百萬港元)



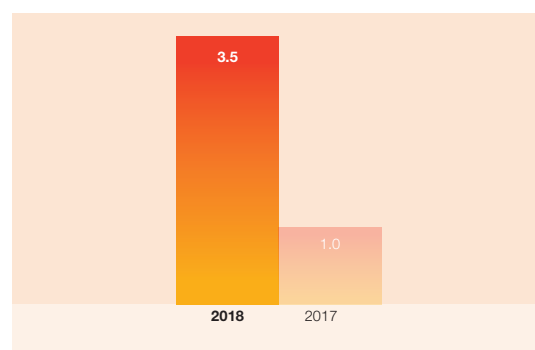
Profit attributable to owners of the Company (HK\$ million)  
本公司權益持有人應佔溢利(百萬港元)



Basic earnings per share (HK cents)  
每股基本盈利(港仙)



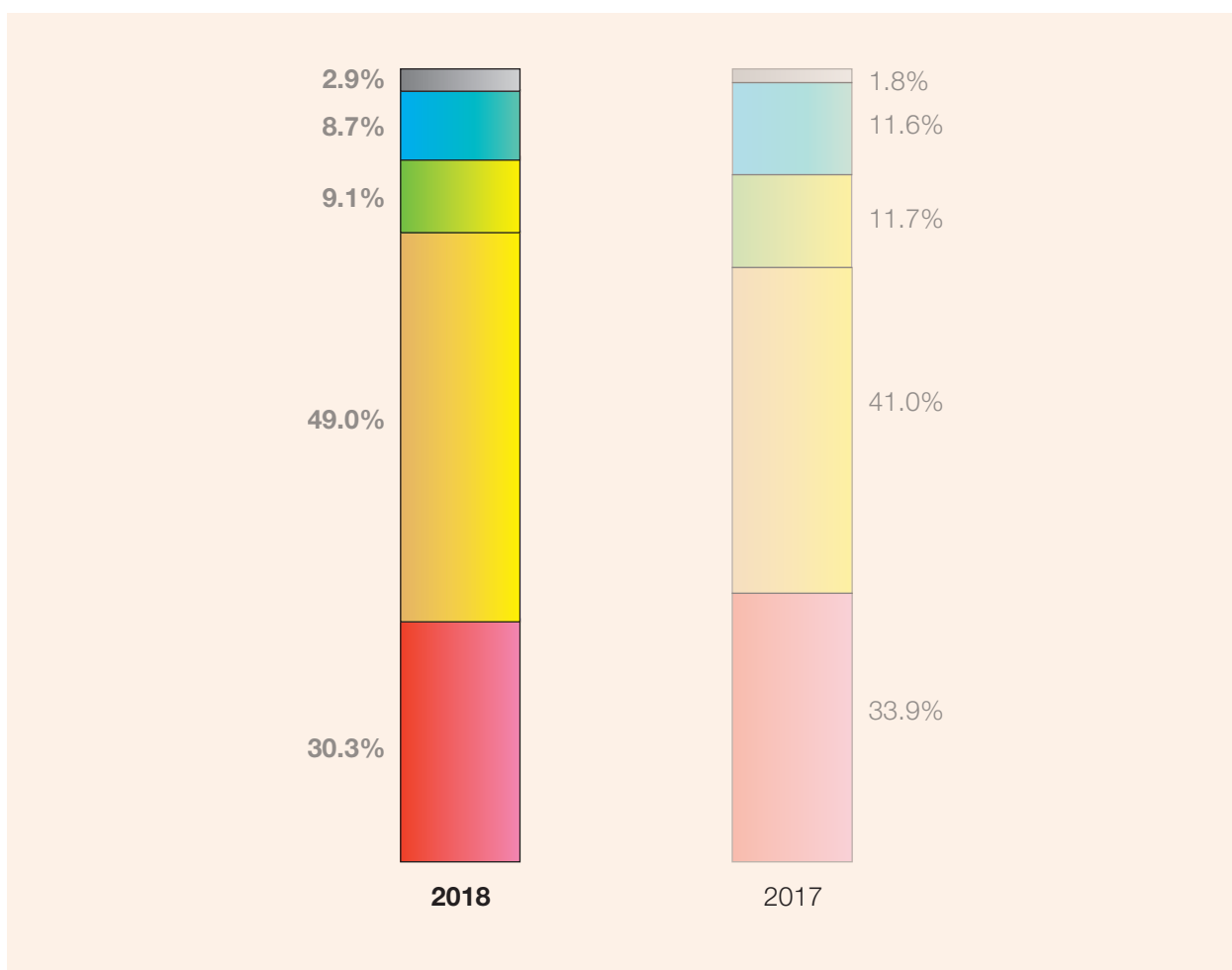
Total dividends per share (HK cent(s))  
每股總股息(港仙)



# FINANCIAL HIGHLIGHTS (CONTINUED)

## 財務概要(續)


Revenue percentage by business segments  
按業務分部的收入百分率



 Magnesium alloy die casting  
鎂合金壓鑄

 Plastic injection  
塑膠注塑

 Zinc alloy die casting  
鋅合金壓鑄

 Aluminium alloy die casting  
鋁合金壓鑄

 Others  
其他

# KEY INFORMATION FOR SHAREHOLDERS

## 股東主要資料

### FINANCIAL CALENDAR

Announcement of 2018 Annual Results  
26 March 2019

Annual General Meeting  
27 May 2019

Ex-dividend Date for 2018 Final Dividend  
31 May 2019

2018 Final Dividend Payment Date  
17 June 2019

### STOCK CODE

822

### BOARD LOT

2,000 Shares

### INVESTOR RELATIONS

Ms. Yam Suk Yee, Celia  
Company Secretary  
Ka Shui International Holdings Limited  
Room A, 29/F, Tower B, Billion Centre  
1 Wang Kwong Road, Kowloon Bay  
Kowloon, Hong Kong  
Tel: (852) 3759 8900  
Fax: (852) 2412 1743  
Email: celia.yam@kashui.com

### 財務日誌

二零一八年全年業績公佈  
二零一九年三月二十六日

股東週年大會  
二零一九年五月二十七日

二零一八年末期股息除淨日期  
二零一九年五月三十一日

二零一八年末期股息派發日期  
二零一九年六月十七日

### 股份代號

822

### 每手股數

2,000股

### 投資者關係

任淑儀小姐  
公司秘書  
嘉瑞國際控股有限公司  
香港九龍  
九龍灣宏光道一號  
億京中心B座29樓A室  
電話：(852) 3759 8900  
傳真：(852) 2412 1743  
電郵：celia.yam@kashui.com



Dear Shareholders,

On behalf of the Board of Directors of Ka Shui International Holdings Limited (the "Company" or "Ka Shui"), I am pleased to present you the audited annual results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2018 (the "Year").

For the Year, the Group recorded a 6.5% year-on-year increase in revenue, reaching HK\$1,852,329,000 (2017: HK\$1,738,738,000). Profit attributable to owners of the Company increased by 234.0% year-on-year to HK\$113,556,000 (2017: HK\$33,998,000). The growth of profit attributable to owners of the Company was mainly attributable to (i) decrease in the Group's operating cost due to improvement in process and enhancement in automation; (ii) reduction in overall operating cost due to integration of the Group's resources; and (iii) increase in operational efficiency due to optimisation of information systems, which increased the Group's profitability. In 2018, gross profit increased to HK\$447,799,000 (2017: HK\$309,769,000) and gross profit margin improved by 6.4 percentage point to 24.2% (2017: 17.8%).

The Board of Directors recommended the payment of a final dividend of HK3.5 cents (2017: HK1.0 cent) per share for the Year after due consideration of the future business development as well as financial position of the Group. The dividend payout ratio for the Year would be 27.5% (2017: 26.3%).

致各位股東：

本人謹代表嘉瑞國際控股有限公司（「本公司」或「嘉瑞」）董事會，欣然向閣下提呈本公司及其附屬公司（統稱為「本集團」）截至二零一八年十二月三十一日止年度（「本年度」）之經審核全年業績。

於本年度，本集團收入與上年相比上升6.5%達至1,852,329,000港元（二零一七年：1,738,738,000港元）。本公司權益持有人應佔溢利與上年相比上升234.0%至113,556,000港元（二零一七年：33,998,000港元）。本公司權益持有人應佔溢利增長主要是由於(i)工藝流程改善提升自動化，導致本集團營運成本下降；(ii)集團資源整合以致整體營運成本減少；及(iii)數據系統的優化以致營運效率得以提升，從而增加集團盈利能力。於二零一八年，毛利與上年相比上升至447,799,000港元（二零一七年309,769,000港元），毛利率增加6.4百分點至24.2%（二零一七年：17.8%）。

經詳細考慮本集團之未來業務發展及財務狀況，董事會建議派發本年度之末期股息每股3.5港仙（二零一七年：每股1.0港仙）。本年度之派息比率為27.5%（二零一七年：26.3%）。



## CHAIRMAN'S STATEMENT (CONTINUED)

### 主席報告(續)

In 2018, the global economy was greatly shadowed by the impact of trade tariffs imposed by the United States (the "U.S.") against its trading partners. Particularly in July 2018, the announcement of the U.S. tariff on a massive list of China goods changed the pace of the global economy recovery in early 2018 and undermined the consumer sentiment worldwide in the second half of 2018. Being one of the global suppliers of die casting and plastic injection products, Ka Shui was inevitably affected; however, the Group still managed to maintain a sustainable revenue growth of 6.5% for 2018, thanks to its consistent strategies of offering product solutions serving clients, continued research and development ("R&D") efforts in material and technology innovation for product excellence for over 38 years. This very much allowed us to stay resilient in the market amid the uncertainties and challenges.

Over the past 38 years, Ka Shui has been recognised for its specialty in magnesium, aluminum and zinc alloys die casting, and plastic injection moulding, that are backed by technology and innovation. We have strong and established relationships with our global clientele in the fast growing industries, including the 3C (Computer, Communication, Consumer Electronics) electronics, personal care and medical, automobile components as well as housewares. In particular, our plastic injection moulding segment has recorded growth continuously with a wide spectrum of products, from mobile devices accessories, personal care products, to functional and precise parts for automobile and housewares. In addition, taking the advantages of the increasing trends on energy saving and environmental protection, Ka Shui has gradually upgraded into a light weight and precision solutions supplier, by providing various solutions, such as light, ultra-thin but stylish magnesium alloy casing for notebooks and tablets, low weight but strong automobile alloy and plastics parts applications etc. so as to cater for the needs for our customers.

The long term customer relationships and the product extension would not be achieved without our persistent input in R&Ds in materials and innovations in production technology, to offer innovative production applications, as well as time and cost saving production solutions to our customers. Last year, the two technologies of Ka Shui, namely Advanced Out Mold Release ("AOMR") and New Magnesium Reinforced Composite Material, were awarded gold medals in the 46th Geneva International Exhibition of Inventions. AOMR is an environmental-friendly surface finishing technology to replace passivation and spray painting, which can reduce the discharge of toxic waste water and Volatile Organic Compounds ("VOCs") emission; while New Magnesium Reinforced Composite Material is designed for metal products to improve strength and resistance to scratches, corrosion and impact resistance, reduce weight and be more environmental-friendly during production. The Group will continue to promote competitive technologies to our customers for wider product applications. In December 2018, the Group was awarded the "Hong Kong Innovative Technology

於二零一八年，美國對其貿易夥伴施加貿易關稅的影響為全球經濟帶來重大陰影。特別在二零一八年七月，美國宣布對大量中國貨品徵收關稅，改變了二零一八年初全球經濟復甦的步伐，並削弱二零一八年下半年全球消費者情緒。作為壓鑄及塑膠注塑產品的全球供應商之一，嘉瑞不可避免地受到影響；然而，本集團於二零一八年仍然保持收入持續增長6.5%，有賴於本集團保持一貫提供產品解決方案予客戶的戰略、於材料和技術創新方面持續研究開發(「研發」)的努力，成就產品卓越超過38年，使我們可抵禦市場的不確定性和挑戰。

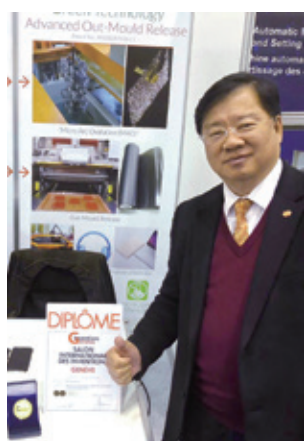
在過去的38年，嘉瑞以其技術和創新支撐，其在鎂、鋁及鋅合金壓鑄及塑膠注塑的專長備受認可。我們於快速發展的行業中，與我們全球性客戶建立及維持牢固的關係，包括3C(通訊、電腦及消費者電子)電子、個人護理及醫療、汽車零部件以及家庭用品。特別是，我們的塑膠注塑分部具備廣泛的產品範圍，從流動裝置的配件、個人護理產品以致汽車功能及精密零部件及家庭用品，並持續錄得增長。此外，憑藉節約能源與環境保護的趨勢日益增長之優勢，嘉瑞逐漸升級為輕量化及精密解決方案的供應商，提供各種解決方案，例如輕量、超薄而時尚的鎂合金筆記本電腦和平板電腦外殼、輕量而堅固的汽車合金及塑膠零部件應用等，以滿足我們的客戶的需求。

若我們沒有堅持在材料研發及生產技術創新方面的持續投入，並向我們的客戶提供創新的生產應用以及節省時間和成本的生產解決方案，我們很難實現維持長期客戶關係和實現產品拓展的目標。去年，嘉瑞的兩項技術，即改進型模外裝飾技術(「AOMR」)及新型鎂合金超強複合材料在第46屆日內瓦國際發明展獲得金獎。AOMR是一項環保的表面處理技術，取代鈍化及噴油技術以減少有毒廢水及揮發性有機化合物排放；而新型鎂合金超強複合材料是設計用於金屬類的產品，以提高強度和抗刮花、耐腐蝕和抗撞擊、減輕重量，而且生產過程更環保。本集團將繼續為其客戶推廣具競爭力的技術，以實現更廣泛的產品應用。在二零一八年十二月，本集團其專利發明上的成就榮獲香港創新科技及製造業聯合總會之「香港創新科技成就大獎」及「亞洲國際創新發明大獎」。此外，於二零一八年一月成立的智能鑄造產業輕合金創新中心將通過推廣智能技術與產業應

## CHAIRMAN'S STATEMENT (CONTINUED) 主席報告(續)

Achievement Award” and the “Asia International Innovative Invention Award” by the Hong Kong Federation of Innovative Technologies and Manufacturing Industries for achievements in patented inventions. In addition, the Intelligent Foundry Industry Light Alloy Innovation Center established in January 2018 will agglomerate industry resources through promotion of the integration of smart technology and industry applications such as different light alloys, fast moulding, green manufacturing, new materials, 3D printing and automation. This will also serve as an effective platform to enhance the development of light alloys, to promote larger and precision products with light weight and to encourage the formation of a comprehensive supply chain.

用的結合，例如不同的輕合金、快速成型、綠色製造、新型材料、3D打印和自動化以凝聚行業資源，此將成為一個有效的平台，以增強輕合金的發展，推動大型和精密產品的輕量化，並鼓勵形成一個完整的供應鏈。



In terms of quality assurance and value added, the Group was honored to be awarded the “Quality Guardian Award” from Lenovo Group and the “Certificate of Recognition” from Bose Corporation for our continuous support of Bose’s new product development and cost reduction goals. The awards from our customers not only acknowledged our values and quality excellence that were up to the international standards of the world’s renowned brands, but also gave our team great encouragement and motivation to achieve more in the future.

在質量保證和增值方面，本集團榮獲聯想集團之「捍衛質量獎」及BOSE集團授予持續支援BOSE的新產品開發及成本降低目標之「認可證書」。客戶頒授予本集團的獎項不僅認證我們的價值及卓越的品質達到世界知名品牌的國際標準，並為我們團隊帶來極大的鼓勵和動力以在未來實現更多目標。



## CHAIRMAN'S STATEMENT (CONTINUED)

### 主席報告(續)

For the manufacturing capability, the Group has been upgrading its production facilities by making investments for smart, digitalised and automated facilities towards Industry 4.0 in order to further enhance its production efficiency and reduce production costs. We are pleased to be the first enterprise in Hong Kong to obtain the Industry 4.0 “1i Maturity Level Recognition” Certificate by Hong Kong Productivity Council and Fraunhofer Institute for Production Technology in Germany in 2018 for our process successfully implemented the Industry 4.0 standards in daily production. The Group was also awarded the “2018 Hong Kong Awards for Industries: Smart Productivity Award” by Hong Kong Productivity Council in December 2018. Looking forward, the Group will continue to make efforts to develop smart manufacturing facilities so as to hasten production innovation and improve efficiency.

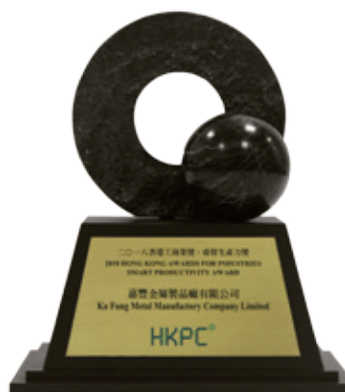


Last but not least, I, on behalf of the Board of Directors, would like to express my sincere gratitude to the shareholders and investors of the Company, business partners, customers and suppliers of the Group for their continuing support and to thank the Group's management team and all employees for their dedication and contribution.

**Lee Yuen Fat**  
Chairman

Hong Kong, 26 March 2019

於製造能力方面，本集團透過運用工業4.0理念在智能、數碼化及自動化設備的投資來提昇其生產設施，以進一步增強其生產效率及降低生產成本。我們成功將工業4.0標準在日常生產過程之中實施，並於二零一八年成為香港首家企業榮獲香港生產力促進局及德國Fraunhofer Institute for Production Technology頒發之「工業4.0『1i成熟度等級認可』證書。本集團於二零一八年十二月也榮獲香港生產力促進局之「2018香港工商業獎：睿智生產力獎」。展望將來，本集團將繼續致力於發展智能製造設施，促進生產創新及提升效率。



最後，我謹代表董事會向本公司股東及投資者、本集團的業務夥伴、客戶及供應商和商業夥伴的不懈支持表示衷心感謝；並感謝本集團的管理團隊和所有員工於年內的專注及貢獻。

**李遠發**  
主席

香港，二零一九年三月二十六日

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### (A) FINANCIAL REVIEW

For the year ended 31 December 2018, the Group's overall revenue slightly increased by approximately 6.5% to HK\$1,852,329,000 (2017: HK\$1,738,738,000) when compared with last year. The growth in overall revenue was primarily attributable to the increase in certain sales orders received by the Group in the fourth quarter in order to avoid the possible effect sparked by the China-United States trade and tariff dispute.

Due to (i) decrease in the Group's operating cost due to improvement in process and enhancement in automation; (ii) reduction in overall operating cost due to integration of the Group's resources; and (iii) increase in operational efficiency due to optimisation of information systems, which increased the Group's profitability, the Group's overall gross profit margin increased from 17.8% in 2017 to 24.2%. As a result, the profit attributable to owners of the Company increased by 234.0% to HK\$113,556,000 (2017: HK\$33,998,000). The Group's EBITDA, computed as profit before tax, depreciation, amortisation of intangible assets and finance costs, amounted to HK\$221,115,000 (2017: HK\$185,282,000).

### (B) BUSINESS REVIEW

#### Plastic injection moulding business

The good market response of the new mobile devices launched in the second half of 2018 and the increasing needs for functional automobile and precision components together with moulds have led to an increase in customer demand. Therefore, the revenue of this business segment had recorded a significant increase of approximately 27.3% to HK\$906,869,000 (2017: HK\$712,210,000), which accounted for approximately 49.0% (2017: 41.0%) of the Group's overall revenue. In order to pursue continued growth in this business segment, the Group will endeavor to further expand its customer portfolio and product solutions.

### (A) 財務回顧

截至二零一八年十二月三十一日止年度，本集團整體收入與上年比較輕微上升約6.5%至1,852,329,000港元（二零一七年：1,738,738,000港元）。整體收入增長主要是由於本集團於第四季度收到的某些銷售訂單增加以避免美國與中國的貿易和關稅糾紛所引發的可能影響。

由於(i)工藝流程改善提升自動化，導致本集團營運成本下降；(ii)集團資源整合以致整體營運成本減少；及(iii)數據系統的優化以致營運效率得以提升，從而增加集團盈利能力，本集團之整體毛利率亦由二零一七年的17.8%上升至24.2%。因此，本公司權益持有人應佔溢利增加234.0%至113,556,000港元（二零一七年：33,998,000港元）。本集團之未計利息、稅項、折舊及攤銷前盈利（以利息、稅項、折舊、無形資產攤銷及融資成本前盈利計算）為221,115,000港元（二零一七年：185,282,000港元）。

### (B) 業務回顧

#### 塑膠注塑業務

二零一八年下半年推出之新型流動裝置的市場反應良好，與功能汽車及精密零部件以及模具需求上升，促使客戶的需求上升。因此，此業務分部的收入錄得約27.3%之顯著增長至906,869,000港元（二零一七年：712,210,000港元），佔集團整體收入約49.0%（二零一七年：41.0%）。為了在此業務分部中追求持續增長，本集團將致力進一步擴展其客戶組合及產品解決方案。

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## 管理層討論及分析(續)

### Magnesium alloy die casting business

Due to drop in the market demand of overall notebook computers, the revenue of the magnesium alloy die casting business for the year ended 31 December 2018 slightly decreased by approximately 4.6% to HK\$561,695,000 (2017: HK\$588,843,000), accounting for approximately 30.3% of the Group's overall revenue (2017: 33.9%). The Group is actively exploring the possibility in developing various applications of magnesium alloy and advanced forming technology as a platform for automotive and precision components to capture the growth potential of this business segment in the future.

### Zinc alloy die casting business

For the year ended 31 December 2018, the revenue of the zinc alloy die casting business was HK\$168,382,000 (2017: HK\$203,685,000), representing a decrease of approximately 17.3% when compared with that of 2017. This business segment accounted for approximately 9.1% of the Group's overall revenue (2017: 11.7%). It is expected that the zinc alloy die casting business will continue to act as a relatively stable revenue contributor for the Group in the coming year.

### Aluminium alloy die casting business

During the year under review, the revenue of the aluminium alloy die casting business decreased by approximately 20.1% to HK\$161,303,000 (2017: HK\$201,928,000) when compared with that of the previous year. The segment's contribution to the Group's overall revenue had also decreased from approximately 11.6% in 2017 to 8.7% in 2018.

### Others

The revenue of other businesses increased by approximately 68.6% to HK\$54,080,000 (2017: HK\$32,072,000) during the year. The growth was primarily derived from the increase in sales of LED lighting products to customers in the United States.

### 鎂合金壓鑄業務

由於整體筆記本電腦的需求放緩，截至二零一八年十二月三十一日止年度鎂合金壓鑄業務的收入輕微減少約4.6%至561,695,000港元(二零一七年：588,843,000港元)，佔集團整體收入約30.3%(二零一七年：33.9%)。本集團正積極探索開發各種鎂合金的應用及先進成型技術的可能性，作為汽車及精密零部件的平台，以在未來捕捉此業務分部的增長潛力。

### 鋅合金壓鑄業務

截至二零一八年十二月三十一日止年度，鋅合金壓鑄業務的收入為168,382,000港元(二零一七年：203,685,000港元)，較二零一七年減少約17.3%。此業務分部佔本集團整體收入約9.1%(二零一七年：11.7%)。預計來年鋅合金壓鑄業務將繼續成為本集團相對穩定的收入來源。

### 鋁合金壓鑄業務

於回顧年度內，鋁合金壓鑄業務的收入與去年相比下降約20.1%至161,303,000港元(二零一七年：201,928,000港元)。此分部對本集團整體收入的貢獻也由二零一七年的約11.6%下降至二零一八年的約8.7%。

### 其他

年內，其他業務收入增加約68.6%至54,080,000港元(二零一七年：32,072,000港元)。此增長主要來自向美國客戶銷售LED照明產品之上升。

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## 管理層討論及分析(續)

### (C) PROSPECTS

In 2019, the worldwide political and economic uncertainties persist in the first quarter. Yet, there have been signs that the outcome of the China-United States trade and tariff disputes may be clearer and market demand will resume if major disagreements are resolved or concluded. The overall environment in 2019 however will continue to be challenging as a result of the trade and political tensions. While the Group will continue to closely monitor the changes in the operating environment, it will also focus on strengthening its own capability in material application, technology innovation, product diversification and client base expansion, as well as smart manufacturing development in order to stay competitive to overcome the challenges ahead.

For its plastic injection moulding segment, the Group carries on its product innovations to cater for the needs of its renowned brand customers in 3C and accessories, personal care and automobile verticals. From the estimates by International Data Corporation ("IDC"), smartphone shipments in the future are expected to return to a year-on-year growth of 2.6% to 1.56 billion units, driven by continued demands from emerging markets, high-end product launches by major brands and the new 5G technology. With such a huge market, the Group will continue to leverage on its new materials and technologies to develop new designs with functional features to support its customers' new product launches and expansion. Plastics nowadays enable new and diverse applications due to the light weight and superior strength, the innovation in materials also transforms plastics to high-strength functional and structural components, which positively contribute to the weight reduction in transportation and precision applications. The Group continues to work towards this direction; and together with its expertise in precision moulding, the Group is expected to gain a larger presence in the automobile supply chain, tapping the potential in the lucrative new-energy transportation and precision applications.

### (C) 展望

於二零一九年，首季度全球的政治及經濟不確定性持續存在。然而，若主要分歧獲解決或結束，美國與中國的貿易和關稅糾紛有跡象將明朗化，市場需求將會恢復。在貿易及政治緊張的影響下，二零一九年的整體環境將繼續充滿挑戰。與此同時，本集團將繼續密切監察其營運環境的變化，並將專注於強化其材料應用、技術創新、產品多元化及擴大客戶基礎以及智能製造發展方面的能力，以維持競爭力克服未來的挑戰。

就其塑膠注塑業務而言，本集團繼續進行其產品創新，以滿足其於3C及配件、個人護理及汽車零件的知名品牌客戶的需求。根據國際數據公司（「IDC」）的估計，在來自新興市場的持斷需求、主要品牌和新5G技術下推出的高端產品的帶動下，未來智能手機出貨量預計將恢復按年增長2.6%達到15.6億台。置身於如此龐大的市場，本集團將繼續充分憑藉其新物料和技術，開發具有功能特色的新設計，以支持其客戶的新產品發行及擴充。由於其輕量及具高強度，致使現時塑膠的應用範圍不斷增新及多元化，材料的創新更將塑膠轉化為高強度具功能性及結構性的零部件，並對縮減車輛重量及精密應用作出正面貢獻。本集團繼續朝著此方向努力，同時憑藉其於精密模具方面的專業知識，本集團期望在汽車供應鏈中獲得更大的影響力，並探索新能源運輸設備及精密應用之潛力。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析(續)

Being a magnesium alloy casing and support supplier to the world's top computer brands, the Group has also been benefitting from the weight reduction trend of consumer electronics as the increase in demand for smaller and lighter ultrabooks and mobile devices constantly drives product upgrades. Despite that the worldwide shipment of personal computers slightly declined in 2018 due to the shortage of certain central processing units and the prudent procurement approach in businesses amidst the uncertain economic outlook, the shipment in 2019 may be released due to demand suppressed in 2018 according to the research of Gartner, Inc. To cope with the demand for light weight with sturdiness, different new materials and alloy including rare-earth alloy were developed for specific applications. The Intelligent Foundry Industry Light Alloy Innovation Center was established in January 2018 and will agglomerate industry resources through promotion of the integration of smart technology and industry applications such as different light alloys, fast moulding, green manufacturing, new materials, 3D printing and automation and serve as an effective platform to enhance the development of light alloys, to promote larger and precision products with light weight. Aside from the materials, the Group's outstanding surface treatment technology for superior surface protection also provides customers with extra values. The Group will continue to keep a key focus on its research and development efforts in materials and production applications to keep abreast of the market trends.

The Group will continue its efforts towards Industry 4.0 standard implementation within the organisation, by using timely data analysis to optimise production scheduling, improve operating efficiency, and most importantly to boost competitiveness in the digital era. By including the Internet of Things ("IoT") solutions in its production facilities, data and information that can be made ready for making timely and effective decisions, thus reducing the Group's operational costs and production lead time.

作為世界頂級電腦品牌的鎂合金外殼及支援供應商，由於對更小型及輕量的超薄筆記本電腦和流動裝置的需求增加不斷地推動產品升級，本集團受惠於消費性電子產品的輕量化的趨勢。儘管由於某些中央處理器短缺及在經濟前景不確定的情況下，企業採取審慎的採購方式，導致二零一八年個人電腦全球出貨量輕微下降，但根據 Gartner Inc. 的研究，由於二零一八年的需求受壓制，二零一九年的出貨量將會上升。為迎合堅固而輕量的需求，本集團開發了不同新材料及合金包括稀土合金作特定用途。智能鑄造產業輕合金創新中心於二零一八年一月成立，並將通過推廣智能技術與產業應用的結合，例如不同的輕合金、快速成型、綠色製造、新型材料、3D打印和自動化以凝聚行業資源，並將成為一個有效的平台，以增強輕合金的發展，推動大型和精密產品的輕量化。除材料外，本集團傑出的表面處理技術提供優秀的表面保護，為客戶提供額外的價值。本集團將持續重點專注其在材料及生產應用方面研發的努力，與市場趨勢並進。

本集團將繼續於組織內實施工業4.0標準，透過使用實時數據分析以優化生產計劃、改善營運效率，更重要的是促進數碼時代的競爭力。通過在其生產設施中加入物聯網（「IoT」）解決方案，數據及資訊可隨時做出適時及有效決策，從而降低本集團的營運成本和生產時間。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

The Group strives to further improve the Group's business operations and financial position by seeking investment opportunities that would broaden the Group's existing business portfolio and its sources of income, with an aim to maximise shareholder value.

With the technology advancement and innovations mentioned, coupled with its over 38 years of experience and knowhow in the die casting and plastic injection moulding, the Directors believe that the Group is in a good progress for a sustainable development and is well-prepared for market opportunities and challenges, to uphold its market presence and maximise its value for its customers.

### (D) LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2018, the Group had restricted bank balances as well as bank and cash balances of approximately HK\$256,123,000 (2017: HK\$247,228,000), most of which were denominated in either US dollars, Renminbi or Hong Kong dollars.

The interest-bearing borrowings of the Group as at 31 December 2018 were all bank loans with an aggregate amount of approximately HK\$324,702,000 (2017: HK\$368,278,000). All of these borrowings were denominated in Hong Kong dollars (2017: Renminbi or Hong Kong dollars) and which were primarily subject to floating interest rates. The bank borrowings with maturities falling due within one year, in the second to fifth year with repayment on demand clause and in the second to the fifth year without repayment on demand clause amounted to HK\$221,491,000, HK\$21,363,000 and HK\$81,848,000 respectively (2017: HK\$245,364,000, HK\$81,247,000 and HK\$41,667,000 respectively).

As at 31 December 2018, the net gearing ratio (a ratio of the sum of the total bank borrowings less the pledged bank deposits, restricted bank balances (if any) and bank and cash balances divided by the total equity) of the Group was approximately 7.2% (2017: 14.0%).

集團致力尋求可以擴闊集團現有業務組合和收入來源的投資機遇，以進一步發展本集團現有業務及收入來源，從而達至股東利益最大化的目標。

憑藉提及的技術提昇和創新，結合其在壓鑄及塑膠注塑領域超過38年的經驗和專業知識，董事相信本集團在可持續發展方面取得了良好的進展，為市場機遇和挑戰做好充分準備，以維持其市場佔有率，並為其客戶創造最大價值。

### (D) 流動資金及財務資源

於二零一八年十二月三十一日，本集團擁有有限制銀行存款和銀行及現金結餘約256,123,000港元（二零一七年：247,228,000港元），當中大多數以美元、人民幣或港元計值。

本集團於二零一八年十二月三十一日的計息借款全為銀行貸款，總額約為324,702,000港元（二零一七年：368,278,000港元）。該等借款全部以港元（二零一七年：人民幣或港元）計值，所採用的利率主要為浮動利率。將於一年內到期以及於第二至第五年到期（包括按要償還條款）及於第二至第五年到期（不含按要償還條款）之銀行貸款金額分別為221,491,000港元、21,363,000港元及81,848,000港元（二零一七年：分別為245,364,000港元、81,247,000港元及41,667,000港元）。

於二零一八年十二月三十一日，本集團的淨借貸比率（以銀行借款總和減已抵押銀行存款、有限制銀行存款（如有）和銀行及現金結餘除以權益總額之比率）約為7.2%（二零一七年：14.0%）。



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析(續)

As at 31 December 2018, the net current assets of the Group were approximately HK\$283,103,000 (2017: HK\$158,547,000), which consisted of current assets of approximately HK\$934,389,000 (2017: HK\$984,571,000) and current liabilities of approximately HK\$651,286,000 (2017: HK\$826,024,000), representing a current ratio of approximately 1.4 (2017: 1.2).

#### (E) EXPOSURE TO FOREIGN EXCHANGE RISK

Most of the Group's transactions were conducted in US dollars, Hong Kong dollars or Renminbi. As such, the Group is aware of the potential foreign currency risk that may arise from the fluctuation of exchange rates between US dollars, Renminbi and Hong Kong dollars. The Group will closely monitor its overall foreign exchange exposure with a view to safeguarding the Group from exchange rate risks.

#### (F) CONTINGENT LIABILITIES

As at 31 December 2018, the Group had no material contingent liabilities.

#### (G) CHARGE ON ASSETS

As at 31 December 2018, the Group's banking facilities were secured by the following assets: (a) all monies assignment of rental over the property situated in Hong Kong owned by the Group; (b) a property situated in Hong Kong owned by the Group; and (c) corporate guarantees provided by the Company and certain subsidiaries of the Group.

於二零一八年十二月三十一日，本集團流動資產淨值約為283,103,000港元(二零一七年：158,547,000港元)，包括流動資產約934,389,000港元(二零一七年：984,571,000港元)及流動負債約651,286,000港元(二零一七年：826,024,000港元)，流動比率約為1.4(二零一七年：1.2)。

#### (E) 外匯風險承擔

本集團的大部分交易均以美元、港元或人民幣進行。因此，本集團已注意到美元、人民幣及港元匯率的波動可能引起的潛在外匯風險承擔。本集團將密切監察其整體外匯風險承擔以避免本集團遭受匯率風險所帶來之影響。

#### (F) 或然負債

於二零一八年十二月三十一日，本集團並無任何重大或然負債。

#### (G) 資產抵押

於二零一八年十二月三十一日，本集團的銀行借貸以下列資產作為抵押：(a)本集團擁有的香港物業之一切租金轉讓；(b)本集團擁有的香港物業；及(c)本公司及本集團若干附屬公司提供之企業擔保。

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## 管理層討論及分析(續)

### (H) HUMAN RESOURCES

As at 31 December 2018, the Group had approximately 4,100 full-time employees (2017: 4,600). The Group attributes its success to the hard work and dedication of all staff, therefore, they are deemed to be the most valuable assets of the Group. In order to attract and retain high caliber staff, the Group provides a competitive salary package, including retirement schemes, medical benefits and bonuses. The Group's remuneration policy and structure are determined based on market trends, the performance of individual staff as well as the financial performance of the Group. The Group has also adopted a share option scheme and a share award scheme as incentives and rewards for those qualifying staff who have made contributions to the Group.

The Group provides regular training courses for different level of staff and holds various training programs together with PRC institutes and external training bodies. Apart from academic and technical training, the Group also organises different kinds of recreational activities, including New Year gathering, various sports competitions and interest groups. The aim is to promote interaction among staff, establish a harmonious team spirit and promote a healthy lifestyle.

### (H) 人力資源

於二零一八年十二月三十一日，本集團約有4,100名全職僱員(二零一七年：4,600名)。本集團之成功有賴全體僱員的表現和責任承擔，故此本集團把僱員視作為我們的核心資產。為了吸引及保留優秀員工，本集團提供具競爭力的薪酬待遇，包括退休金計劃、醫療福利和花紅獎賞。本集團之薪酬政策及結構乃根據市場趨勢、個人工作表現以及本集團的財務表現而釐定。本集團亦已採納認購股權計劃及股份獎勵計劃，旨在向合資格僱員提供作為彼等對本集團所作出貢獻之鼓勵及獎賞。

本集團定期舉辦多項針對不同階層員工的培訓課程，並與多間國內專上學院及外間培訓機構合辦各種培訓計劃。除學術和技術培訓外，本集團亦舉辦了不同種類的文娛康樂活動，其中包括新春聯誼活動、各種體育比賽和興趣班等，目的為促進各部門員工之間的關係、建立和諧團隊精神及提倡健康生活。

# DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理人員

### EXECUTIVE DIRECTORS

**Mr. Lee Yuen Fat**, aged 63, founded the Group in 1980 and is the Chairman and Chief Executive Officer of the Group. Mr. Lee was appointed as an Executive Director of the Company since 2 June 2007 and is a director of certain subsidiaries of the Company. He is also a director of Precisefull Limited, which is the controlling shareholder of the Company. Mr. Lee is responsible for the formulation of the overall business strategies of the Group. He has over 35 years of experience in the die casting industry. Mr. Lee holds a Master of Science Degree in Materials Engineering from the Yanshan University. He was conferred an award of Honorary Fellowship and Fellowship of Management and Business Administration by the Professional Validation Council of Hong Kong Industries and is the Vice Chairman of the Professional Validation Council of Hong Kong Industries. Mr. Lee has been appointed by the Foundry Industry Association, Guangdong Province as an Expert of the Casting Industry and is selected for its Expert Database.

Mr. Lee was one of the founding members and was the Chairman of the Hong Kong Diecasting Association (now become the Hong Kong Foundry Association (the "HKFA")) in 1989. He was elected as the first Chairman of the HKFA and Hong Kong Federation of Innovative Technologies and Manufacturing Industries (formerly known as Federation of Hong Kong Machinery and Metal Industries) in 2008 and 2011 respectively. Mr. Lee is currently the Chairman of Hong Kong Federation of Innovation Technologies and Manufacturing Industries, Vice Chairman of the PRD Council of Federation of Hong Kong Industries, Shenzhen Division, Managing Vice Chairman of Hong Kong Federation of Huichow Associations Limited, a member of the Fourth Industry Training Advisory Committee of Manufacturing Technology (Tooling, Metals & Plastics) and a member of Vocational Training Council Manufacturing Technology Training Board. Mr. Lee is currently the Rotating Chairman of Die Casting Branch of the China Foundry Association, Executive Director of the China Foundry Association, Deputy Director of Semi-Solid Processing Technologies Specialties Committee, Technology of Plasticity Branch of Chinese Mechanical Engineering Society, Managing Vice Chairman of the 4th General Committee of the Guangdong Foundry Industry Association, the Vice-Director General of the Guangdong

### 執行董事

**李遠發先生**，63歲，於一九八零年創辦本集團及為本集團主席及行政總裁。李先生於二零零七年六月二日獲委任為本公司執行董事，彼為本公司若干附屬公司之董事。彼亦為Precisefull Limited（本公司控股股東）之董事。李先生負責制定本集團整體業務策略。彼擁有逾35年壓鑄業經驗，持有燕山大學材料工程碩士學位。此外，李先生獲香港工業專業評審局頒授榮譽院士及工商院士，並擔任副主席一職。李先生被廣東省鑄造行業協會聘為鑄造行業專家，並入選其專家庫。

李先生為香港壓鑄學會（現時為香港鑄造業總會）創辦人之一，及後於一九八九年出任該會會長。彼分別於二零零八年及二零一一年被選為香港鑄造業總會和香港創新科技及製造業聯合總會（前稱香港機械金屬業聯合總會）首任會長。李先生現任香港創新科技及製造業聯合總會主席、香港工業總會珠三角工業協會深圳分部副主席、香港惠州社團聯合總會常務副主席、資歷架構製造科技業（模具、金屬及塑膠）行業培訓諮詢委員會第四屆諮委會委員及職業訓練局製造科技業訓練委員會委員。李先生現為中國鑄造協會壓鑄分會輪值理事長、中國鑄造協會常務理事、中國機械工程學會塑性工程分會半固態加工技術專業委員會副主任、廣東省鑄造行業協會第四屆理事會常務副會長、廣東省機械工程學會壓鑄分會副理事長。李先生現擔任全國鑄造標準化技術委員會壓力鑄造分技術委員會(SAC/TC54/SC4)副主任委

## DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高級管理人員(續)

Mechanical Engineering Association Die Casting Branch. Mr. Lee is currently the Deputy Director of Sub-committee 4 on Die Casting of National Technical Committee 54 on Foundry of Standardization Administration of China, the Deputy Director of the Fifth session of the Die Casting Technical Committee, Foundry Institution, Chinese Mechanical Engineering Society and a member of the Light Alloy Industry Technology Innovative Alliance Expert Committee of Guangdong Province. Mr. Lee is the brother-in-law of Ms. Chan So Wah, the director of operations of the Group, whose appointment as an Executive Director became effective on 1 April 2019.

**Mr. Wong Wing Chuen**, aged 57, joined the Group in 1988 and was appointed as an Executive Director and Vice Chairman of the Company on 2 June 2007 and 1 January 2017 respectively. He is a director of certain subsidiaries of the Company. Mr. Wong is also currently the Director of Manufacturing of the Group and is responsible for the Group's manufacturing activities. Mr. Wong has over 35 years' experience in die design and manufacturing and the die casting industry. He is an Associate of the Professional Validation Council of Hong Kong Industries.

**Ms. Chan So Wah**, aged 60, joined the Group in 1999. She is the director of operations of the Group and is primarily responsible for overseeing the human resources and administration management of the Group. Ms. Chan has over 30 years' experience in sales, marketing and management. She holds a Master of Business Administration Degree obtained through distance learning education from the Centenary College in New Jersey, USA and she is a Fellow of the Professional Validation Council of Hong Kong Industries (Die Casting and Foundry Industry). Ms. Chan is the sister-in-law of Mr. Lee Yuen Fat and she had been appointed as an Executive Director with effect from 1 April 2019 after the year under review.

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Professor Sun Kai Lit Cliff BBS, JP**, aged 65, was appointed as an Independent Non-executive Director of the Company on 2 June 2007. He is the chairman of the remuneration committee as well as the nomination committee of the Company. Professor Sun has over 35 years of experience in the household products manufacturing industry. Professor Sun was appointed the

員、中國機械工程學會鑄造分會第五屆壓鑄技術委員會副主任委員及廣東省輕合金產業技術創新聯盟專家委員會委員。李先生為本集團營運總監陳素華女士之大伯，陳女士已被委任為本公司的執行董事，於二零一九年四月一日生效。

**黃永銓先生**，57歲，於一九八八年加入本集團，並分別於二零零七年六月二日及二零一七年一月一日獲委任為本公司執行董事及副主席。彼為本公司若干附屬公司之董事。黃先生現時亦是本集團制作總監及負責本集團之製造業務。黃先生擁有逾35年模具設計與製造及壓鑄業經驗，為香港工業專業評審局的副院士。

**陳素華女士**，60歲，於一九九九年加入本集團，為本集團營運總監，主要負責監督本集團的人力資源及行政事宜。陳女士擁有逾30年銷售、市場推廣及管理經驗。彼持有美國新澤西世紀學院工商管理碩士學位(遙距課程)及為香港工業專業評審局之院士(壓鑄及鑄造業)。陳女士為李遠發先生的弟婦及彼在回顧年度後已被委任為本公司的執行董事，於二零一九年四月一日生效。

#### 獨立非執行董事

**孫啟烈教授BBS, JP**，65歲，於二零零七年六月二日獲委任為本公司獨立非執行董事。彼為本公司薪酬委員會及提名委員會主席。孫教授於家居用品製造業擁有逾35年經驗。孫教授於二零零三年七月獲頒太平紳士榮譽，並於二零零六年七月獲香港政府頒發銅紫荊星章。彼曾任中國人民政治協商會議深圳市、寧波市及浙江省委員逾20年。

## DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高級管理人員(續)

Justice of the Peace in July 2003 and was awarded the Bronze Bauhinia Star by the Hong Kong Government in July 2006. He had been a member of the Chinese People's Political Consultative Conference of Shenzhen, Ningbo & Zhejiang Committee for over 20 years. He is currently the Honorary President of the Federation of Hong Kong Industries, Honorary Chairman of The Hong Kong Exporters' Association, Honorary Chairman of the Hong Kong Q Mark Council, the Honorary President of the Hong Kong Plastics Manufacturers Association, Chairman of the ICAC Business Ethics Development Committee, the President of Shenzhen Overseas Chinese International Association and an Adjunct Professor of the City University of Hong Kong. Professor Sun is currently an independent non-executive director of Wisdom Education International Holdings Company Limited (Stock code: 6068), which is listed on the Hong Kong Stock Exchange. He was a non-executive director of China South City Holdings Limited (Stock code: 1668) from September 2009 to July 2017; and an independent non-executive director of Ming Fai International Holdings Limited (Stock code: 3828) from July 2007 to March 2016.

**Ir Dr. Lo Wai Kwok SBS, MH, JP**, aged 66, was appointed as an Independent Non-executive Director of the Company on 2 June 2007. Ir Dr. Lo holds a doctorate degree in engineering, master degrees in engineering and business administration respectively and a bachelor degree in engineering. He is a Chartered Engineer and Fellow of the Hong Kong Institute of Engineers. Ir Dr. Lo was awarded with the "Young Industrial Awards of Hong Kong" and the "Ten Outstanding Young Persons Selection" in 1992, the "Medal of Honour" of the Hong Kong Government in July 2001, and was appointed "Justice of the Peace" by the Hong Kong Government in July 2004. Ir Dr. Lo was awarded the Bronze Bauhinia Star in July 2009 and the Silver Bauhinia Star in July 2015 by the Hong Kong Government respectively. Ir Dr. Lo is currently a member of the Legislative Council of Hong Kong, representing the Engineering Functional Constituency. He has over 35 years of experience in the electronic and power supply industry and is an Adjunct Professor of the City University of Hong Kong and a Honourary Professor of the Open University of Hong Kong. Ir Dr. Lo is currently an independent non-executive director of Glory Mark Hi-Tech (Holdings) Limited (Stock code: 8159) which is listed on the Hong Kong Stock Exchange.

彼現時為香港工業總會名譽會長、香港出口商會名譽主席、香港優質產品標誌局名譽主席、香港塑膠業廠商會名譽會長、廉政公署香港道德發展諮詢委員會主席、深圳市僑商國際聯合會會長及香港城市大學兼任教授。孫教授現為香港聯交所上市之睿見教育國際控股有限公司(股份代號：6068)的獨立非執行董事。彼於二零零九年九月至二零一七年七月期間出任華南城控股有限公司(股份代號：1668)的非執行董事及二零零七年七月至二零一六年三月期間出任明輝國際控股有限公司(股份代號：3828)的獨立非執行董事。

**盧偉國博士 SBS, MH, JP**, 66歲，於二零零七年六月二日獲委任為本公司獨立非執行董事。盧博士持有工程學博士學位、工程及工商管理碩士學位與工程學士學位，並為特許工程師及香港工程師學會資深會員。盧博士為一九九二年「香港青年工業家獎」及「十大傑出青年選舉」與二零零一年七月香港政府「榮譽勳章」的得獎者，更於二零零四年七月獲香港政府委任為「太平紳士」。盧博士分別於二零零九年七月及二零一五年七月獲香港政府頒發銅紫荊星章及銀紫荊星章。盧博士現為香港立法會議員，代表工程界別。彼於電子及電源供應業積累超過35年經驗及於香港城市大學出任兼任教授及於香港公開大學出任榮譽教授。盧博士現時為香港聯交所上市公司輝煌科技(控股)有限公司(股份代號：8159)的獨立非執行董事。

## DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高級管理人員(續)

**Mr. Andrew Look**, aged 54, was appointed as an Independent Non-executive Director of the Company on 16 December 2009. Mr. Look holds a bachelor of commerce degree from the University of Toronto and has over 25 years' experience in the equity investment analysis of Hong Kong and China stock markets. From 2000 to 2008, Mr. Look served in Union Bank of Switzerland ("UBS") as the head of Hong Kong research, strategy and product. He was rated as the best Hong Kong strategist and best analyst by the Asiamoney magazine, a leading monthly financial and capital markets publication for corporate and finance readers and investors, in 2001, 2002, 2003, 2005, 2006 and 2007. Mr. Look is currently the Chief Investment Officer of the asset management business of Tou Rong Chang Fu Group Limited (Stock code: 850), a company listed on the Hong Kong Stock Exchange. Mr. Look is also currently an independent non-executive director of Hung Fook Tong Group Holdings Limited (Stock code: 1446), Citic Resources Holdings Limited (Stock code: 1205) and Union Medical Healthcare Limited (Stock code: 2138), all of which are listed on the Hong Kong Stock Exchange. He was an independent non-executive director of TCL Communication Technology Holdings Limited (a company delisted on the Hong Kong Stock Exchange on 30 September 2016) from September 2010 to September 2016. He was also an independent non-executive director of Man Sang Jewellery Holdings Limited (now known as Affluent Partners Holdings Limited) (Stock code: 1466) and Cowell e Holdings Inc. (Stock code: 1415) from September 2014 to December 2016 and from April 2017 to December 2018 respectively.

**陸東先生**，54歲，於二零零九年十二月十六日獲委任為本公司獨立非執行董事。陸先生持有加拿大多倫多大學商科學士學位，於香港及中國股票市場資產投資分析累積逾25年經驗。由二零零零年至二零零八年，陸先生於瑞士銀行（「瑞士銀行」）出任香港研究、策略及產品部主管。陸先生曾於二零零一、二零零二、二零零三、二零零五、二零零六及二零零七年獲得《亞洲貨幣》雜誌（一本以企業及財經讀者及投資者為對象之著名財經及資本市場月刊）頒發「香港最佳策略員」及「最佳分析師」殊榮。陸先生現為香港聯交所上市公司投融長富集團有限公司（股份代號：850）之資產管理業務首席投資總監。陸先生現時亦為香港聯交所上市公司鴻福堂集團有限公司（股份代號：1446）、中信資源控股有限公司（股份代號：1205）及香港醫思醫療集團有限公司（股份代號：2138）的獨立非執行董事。彼於二零一零年九月至二零一六年九月期間出任TCL通訊科技控股有限公司（已於二零一六年九月三十日於香港聯交所除牌）的獨立非執行董事。彼亦分別於二零一四年九月至二零一六年十二月期間及二零一七年四月至二零一八年十二月期間出任民生珠寶控股有限公司（現稱錢唐控股有限公司）（股份代號：1466）及高偉電子控股有限公司（股份代號：1415）的獨立非執行董事。

## DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高級管理人員(續)

**Mr. Kong Kai Chuen, Frankie** (formerly known as Kong To Yeung, Frankie), aged 55, was appointed as an Independent Non-executive Director of the Company on 11 May 2015. He is the chairman of the audit committee of the Company. Mr. Kong is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Chartered Association of Certified Accountants (the United Kingdom). He has accumulated over 26 years' experience in accounting, auditing, corporate finance and project administration mostly from Hong Kong listed companies and multinational business conglomerates. Mr. Kong is currently a consultant of a company providing company secretarial, risk management and financial advisory services and an independent non-executive director of Auto Italia Holdings Limited (Stock code: 720), a company listed on the Hong Kong Stock Exchange. From November 2017 to June 2018, he was the Chief Financial Officer and Joint Company Secretary of Futong Technology Development Holdings Limited (Stock code: 465), a company listed on the Hong Kong Stock Exchange.

### SENIOR MANAGEMENT

**Mr. Lo Hin Fai**, aged 56, joined the Group in 2012 and is currently the director of finance and corporate strategy of the Group. He is primarily responsible in overseeing the Group's finance, investment, strategic development and capital market financing activities. Mr. Lo holds a MBA degree in Finance, Corporate Accounting and Organization from the University of Rochester, USA. He has over 25 years of experience in banking, corporate finance and investment. Prior to joining the Group, he has served finance, investment and management functions within both financial institutions and corporate businesses, working closely with different multinational and local companies in Asia, covering mergers and acquisitions, equity and project investments.

**江啟銓先生** (前稱江道揚), 55歲, 於二零一五年五月十一日獲委任為本公司獨立非執行董事。彼為本公司審核委員會主席。江先生是香港會計師公會會員及英國特許公認會計師公會資深會員。彼於香港上市公司及國際商業綜合企業累積了超過26年的會計、審計、企業融資及項目管理的經驗。江先生現時為一間提供公司秘書、風險管理與財務顧問服務之公司的顧問及香港聯交所上市公司意達利控股有限公司(股份代號: 720)的獨立非執行董事。彼於二零一七年十一月至二零一八年六月期間出任香港聯交所上市公司富通科技發展控股有限公司(股份代號: 465)的首席財務總監及聯席公司秘書。

### 高級管理人員

**羅顯輝先生**, 56歲, 於二零一二年加入本集團, 現為本集團財務及企業策略總監, 主要負責監督集團財務、投資、策略發展及資本市場融資事宜。羅先生持有美國羅徹斯特大學工商管理碩士(財務、企業會計及組織)學位, 在銀行、企業財務及投資範疇累積超過25年經驗。加入本集團前, 彼皆於金融機構和企業專事財務、投資及管理工作, 在亞洲地區與不同的跨國公司及當地企業緊密協作, 涵蓋合併收購、股權及項目投資。

## DIRECTORS AND SENIOR MANAGEMENT (CONTINUED) 董事及高級管理人員(續)

**Ir Mr. Chan Sin Wing**, aged 46, joined the Group in 2004 and is the director of enterprise development of the Group. He is primarily responsible for overseeing the research and development as well as new business development of the Group. Mr. Chan holds a master degree in industrial engineering and industrial management and a bachelor degree in engineering from the University of Hong Kong. Prior to joining the Group, he worked as a senior consultant of the Hong Kong Productivity Council for over 9 years.

**Mr. Wong Wai Chung, Peter**, aged 64, joined the Group in 2012 and is the chief marketing officer of the Group. He is primarily responsible for overseeing the Group's sales and marketing activities. Mr. Wong holds a bachelor degree in engineering from the McGill University, Canada and is a Fellow of the Professional Validation Council of Hong Kong Industries. He has over 35 years' experience in plastic, metal and electronics manufacturing and management.

**Dr. Wan Shu Kwan**, aged 61, joined the Group in 2018 and is the project director of the Group. He is primarily responsible for overseeing the information technology and facility management of the Group. Dr. Wan holds a doctorate degree in engineering from the University of Huddersfield and has over 35 years' working experience in engineering and project management.

**Mr. Chan Man Fu**, aged 47, joined the Group in 2016 and is currently the financial controller of the Company. Prior to joining the Company, Mr. Chan has held senior financial positions in different listed companies in Hong Kong and has over 20 years of experience in the areas of audit, finance and treasury management. He holds a master degree in Business Administration from the Hong Kong Baptist University and is a member of the Hong Kong Institute of Certified Public Accountants.

**陳善榮先生**，46歲，於二零零四年加入本集團，為本集團企業拓展總監，主要負責監督本集團的研發工作及新業務發展。陳先生持有香港大學工業工程及工業管理碩士學位和工程學士學位。加入本集團前，陳先生曾任香港生產力促進局高級顧問逾九年。

**黃維中先生**，64歲，於二零一二年加入本集團，為本集團營銷總監，主要負責監督本集團之銷售及市場推廣工作。黃先生持有加拿大麥基爾大學工程學士學位，為香港工業專業評審局院士，並在塑膠、金屬及電子製造及管理方面累積逾35年經驗。

**溫樹坤博士**，61歲，於二零一八年加入本集團，為本集團項目總監，主要負責監督集團資訊科技及物業管理事宜。溫博士持有英國哈德斯菲爾德大學工程學博士學位，並在工程及項目管理方面累積逾35年經驗。

**陳文賦先生**，47歲，於二零一六年加入本集團，現為本集團之財務總監。於加入本公司前，陳先生曾於多間香港上市公司擔任高級財務職位及於審計、財務與財資管理範疇擁有超過20年經驗。彼持有香港浸會大學工商管理碩士學位及為香港會計師公會會員。



# DIRECTORS' REPORT

## 董事會報告

The board of directors of the Company (the “Board”) have the pleasure in submitting its report together with the audited consolidated financial statements of Ka Shui International Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) for the year ended 31 December 2018.

### PRINCIPAL ACTIVITIES

The Group is principally engaged in the manufacture and sale of zinc, magnesium and aluminium alloy die casting and plastic injection products and components, which are mainly sold to customers engaging in the household products, 3C (communication, computer and consumer electronics) products, automotive parts and precision components and trading of lighting products and housewares. The activities of the subsidiaries are set out in note 20 to the financial statements.

### BUSINESS REVIEW

A fair review of the business of the Group, together with a description of the principal risks and uncertainties facing the Company, particulars of important events affecting the Group that had occurred since the end of the financial year 2018, as well as indication of likely future developments in the business of the Group are set out in the sections “Business Review” on pages 11 to 12, “Principal Risks and Uncertainties facing the Company” on page 56 and “Prospects” on pages 13 to 15 of this report respectively. An analysis using financial key performance indicators is set out in the sections “Segment Information” on pages 196 to 200 and “Five-Year Financial Summary” on page 264 in this report.

As an innovative high-tech enterprise, the Group is committed to offering one-stop solutions and professional services to meet the various needs of our customers, while building an environmentally-friendly corporation that pays close attention to conserving natural resources. The management will review the Group’s environmental practices from time to time and will consider implementing further ecology friendly measures and practices in the operation to enhance environmental protection and sustainability.

本公司董事會(「董事會」)欣然提呈嘉瑞國際控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零一八年十二月三十一日止年度之董事會報告及經審核綜合財務報表。

### 主要業務

本集團以生產及銷售鋅、鎂及鋁合金壓鑄、塑膠注塑產品及零部件，主要售予從事家居用品、3C(通訊、電腦及消費者電子)產品、汽車零部件及精密部件的客戶及照明產品及家居器皿貿易為主。附屬公司之主要業務載於財務報表附註20。

### 業務回顧

本集團中肯業務回顧，連同本公司所面對主要風險及不明朗因素之描述、自二零一八年財政年度終結後發生並對本集團有影響之重大事項以及本集團業務日後可能出現之發展，分別載於本年報第11至12頁之「業務回顧」、第56頁之「本公司所面對主要風險及不明朗因素」及第13至15頁之「展望」內。使用關鍵財務績效指標作出之分析載於本年報第196至200頁之「分部資料」及第264頁之「五年財務概要」內。

作為創新及高科技企業，本集團致力提供一站式解決方案及專業服務以迎合我們客戶之不同需求，同時關注保護自然資源以創建環保型的工作環境。管理層將不時檢討本集團的環保常規，並將考慮在營運中進一步實施對環境有益的措施及常規，以促進環境保護及可持續發展。

# DIRECTORS' REPORT (CONTINUED)

## 董事會報告(續)

During the year, as far as the Board is aware, there was no material non-compliance with applicable laws and regulations by the Group that has a significant impact on the Group's business and operations.

The Board recognises that our employees are valuable assets contributing to the Group's future success. The Group provides competitive remuneration package to attract, motivate and retain our employees. The Board also regularly reviews the remuneration package of our employees and makes necessary adjustments to conform to the prevailing market practices. The Board also recognises that maintaining good relationships with our customers and suppliers is vital to achieve the Group's long-term goals.

Detailed discussions on the environmental policies and performance, compliance with the relevant local laws and regulations that have a significant impact on the Group and the account of the key relationships of the Group with employees, customers and suppliers are set out in the section headed "Environmental, Social and Governance Report" on pages 60 to 94 of this annual report.

### EMOLUMENT POLICY AND RETIREMENT BENEFITS SCHEME

The Group's emolument policy, including salaries and bonuses, is in line with the local practices where the Company and its subsidiaries operate. The Group has also adopted a share option scheme and share award scheme as incentive and reward for those qualifying staff who have made contribution to the Group. The Remuneration Committee of the Company makes recommendations to the Board on the Company's policy and structure for the remuneration of directors and senior management. It also reviews and determines the terms of remuneration packages, the award of bonuses and other compensation payable to directors and senior management of the Group, having regard to the Group's financial performance, individual performance and comparable market statistics.

年內，就董事會所知，本集團並無重大違反適用法律及法規，而對本集團業務及營運造成重大影響。

董事會認同僱員為貢獻本集團日後成功的無價資產。本集團提供具競爭力的薪酬待遇，以吸引、激勵及留聘僱員。董事會亦定期審閱僱員的薪酬待遇，並按現時市場慣例進行必要調整。本集團亦重視與客戶及供應商維持良好關係，認為此對達成本集團之長遠目標而言至關重要。

有關環境政策及表現之詳細討論、對本集團構成重大影響之地方相關法律法規之遵守情況及本集團與僱員、客戶及供應商之主要關係之詳細論述載於本年報第60至94頁之「環境、社會及管治報告」一節。

### 薪酬政策及退休福利計劃

本集團之薪酬政策(包括薪金及花紅)合符本公司及其附屬公司經營當地之一般慣例。本集團亦已採納購股權計劃及股份獎勵計劃，旨在向合資格僱員提供作為彼等對本集團所作出貢獻之鼓勵及獎賞。本公司之薪酬委員會就本公司董事及高級管理人員之薪酬政策及架構向董事會推薦意見，並經考慮本集團之財務表現、個人表現及可供比較之市場數據資料，以審閱及釐定本集團董事及高級管理人員之薪酬待遇、花紅獎賞及其他報酬。

## DIRECTORS' REPORT (CONTINUED)

### 董事會報告(續)

The Group has joined a mandatory provident fund scheme ("MPF Scheme") for all employees (including the executive directors of the Company) in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules of the MPF Scheme. The employees of the Company's subsidiaries established in the PRC are members of a state-managed retirement scheme operated by the PRC government. These subsidiaries are required to contribute certain percentage of payroll costs to the retirement benefit scheme. No forfeited contribution is available to reduce the contribution payable under the above schemes.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of profit or loss on page 103.

### FINAL DIVIDEND

The Board had recommended the payment of a final dividend of HK3.5 cents per share for the year ended 31 December 2018 to the shareholders whose names appear on the register of members of the Company on Monday, 10 June 2019. Subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held on Monday, 27 May 2019, the final dividend will be paid on or about Monday, 17 June 2019.

The register of members of the Company will be closed from Wednesday, 22 May 2019 to Monday, 27 May 2019, both days inclusive, during which no transfer of shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting of the Company, all share transfer documents accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 21 May 2019.

本集團為所有香港僱員(包括本公司之執行董事)參與強制性公積金計劃(「強積金計劃」)。強積金計劃是根據強制性公積金計劃條例向強制性公積金計劃管理局登記。根據強積金計劃，僱主及僱員在強積金計劃下都須作相應數額之供款，供款率為強積金計劃之規則而規定。本公司於中國成立之附屬公司為由中國政府營運之國營退休計劃之成員。該等附屬公司需按薪酬成本之一定比率貢獻至該退休計劃。並無已沒收的供款可用以削減須根據上述計劃支付的供款。

### 業績及分派

本集團於年內之業績載於第103頁之綜合損益表內。

### 末期股息

董事會已建議向於二零一九年六月十日(星期一)名列本公司股東名冊之股東派付截至二零一八年十二月三十一日止年度之末期股息每股3.5港仙。待本公司股東在二零一九年五月二十七日(星期一)舉行之應屆股東週年大會批准後，末期股息將於二零一九年六月十七日(星期一)或前後派付。

本公司將於二零一九年五月二十二日(星期三)至二零一九年五月二十七日(星期一)(包括首尾兩日)暫停辦理股份過戶登記手續，於此期間將不會辦理股份過戶登記。為符合資格出席應屆股東週年大會並於會上投票，所有股份過戶文件連同有關股票及過戶表格須於二零一九年五月二十一日(星期二)下午四時三十分前送交本公司之香港股份過戶登記分處香港中央證券登記有限公司辦理登記手續，地址為香港灣仔皇后大道東183號合和中心17M樓。

# DIRECTORS' REPORT (CONTINUED)

## 董事會報告(續)

The register of members will be closed from Tuesday, 4 June 2019 to Monday, 10 June 2019, both days inclusive, during which no transfer of shares will be registered. In order to qualify for the final dividend, all share transfer documents accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 3 June 2019.

### RESERVES

Movements in reserves during the year are set out in the consolidated statement of changes in equity on page 107.

As at 31 December 2018, the Company's reserve available for distribution amounted to approximately HK\$248,451,000 (2017: HK\$245,739,000).

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 19 to the consolidated financial statements.

### MAJOR CUSTOMERS AND SUPPLIERS

During the year, the percentage of the Group's major customers and suppliers attributable to the Group's total sales was as follows:

Sales	
— the largest customer	37.8%
— five largest customers combined	74.1%
Purchases	
— the largest supplier	11.3%
— five largest suppliers combined	37.5%

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

本公司將於二零一九年六月四日(星期二)至二零一九年六月十日(星期一)(包括首尾兩日)暫停辦理股份過戶登記手續,於此期間將不會辦理股份過戶登記。為符合資格獲派末期股息,所有股份過戶文件連同有關股票及過戶表格須於二零一九年六月三日(星期一)下午四時三十分前送交本公司之香港股份過戶登記分處香港中央證券登記有限公司辦理登記手續,地址為香港灣仔皇后大道東183號合和中心17M樓。

### 儲備

本年度內,儲備之變動情況載於第107頁之綜合權益變動表。

於二零一八年十二月三十一日,本公司之可供分派儲備約為248,451,000港元(二零一七年:245,739,000港元)。

### 物業、機器及設備

本集團物業、機器及設備於本年度內之變動詳情載於綜合財務報表附註19。

### 主要客戶及供應商

於本年度內,本集團之主要客戶及供應商應佔總營業額之百分比如下:

銷售	
— 最大客戶	37.8%
— 五大客戶合計	74.1%
採購	
— 最大供應商	11.3%
— 五大供應商合計	37.5%

概無任何本公司董事、聯繫人士或據董事所知擁有本公司股本5%以上權益之任何股東於本集團首五大客戶及供應商擁有權益。

# DIRECTORS' REPORT (CONTINUED)

## 董事會報告(續)

### FINANCIAL SUMMARY

A summary of the results of the Group for the past five financial years ended 31 December 2018 and assets and liabilities of the Group as at 31 December 2014, 2015, 2016, 2017 and 2018 are set out on page 264.

### SHARE CAPITAL

Details of the movements in share capital of the Company during the year are shown in note 33 to the financial statements.

### EQUITY-LINKED AGREEMENTS

Save for the share option scheme and share award scheme described below, the Group has not entered into any equity-linked agreements during the year.

### DONATIONS

During the year, the Group made charitable and other donations amounting to approximately HK\$185,000 (2017: HK\$927,000).

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association and the Companies Law of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

### TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to the shareholders of the Company by reason of their holding of the Company's securities.

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

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

### 財務概要

本集團於截至二零一八年十二月三十一日止過往五個財政年度之業績以及本集團於二零一四年、二零一五年、二零一六年、二零一七年及二零一八年十二月三十一日之資產及負債的概要載於第264頁。

### 股本

本公司之股本於本年度內之變動詳載於財務報表附註33。

### 股票掛鈎協議

除下文所述之購股權計劃及股份獎勵計劃外，本集團於年內並無訂立任何股票掛鈎協議。

### 捐款

於本年度，本集團作出之慈善及其他捐款合共約為185,000港元(二零一七年：927,000港元)。

### 股份優先購買權

本公司之組織章程細則及開曼群島之公司法中並無股份優先購買權之條文，規定本公司必須按比例發售新股予現有股東。

### 稅項減免

就本公司所知，概無本公司股東因持有本公司證券而獲得任何稅務減免。

### 購買、出售或贖回本公司之上市證券

於本年度內，本公司及其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

# DIRECTORS' REPORT (CONTINUED)

## 董事會報告(續)

### THE BOARD

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

#### Executive Directors

Mr. Lee Yuen Fat ("Mr. Lee")  
*(Chairman and Chief Executive Officer)*  
Mr. Wong Wing Chuen *(Vice Chairman)*  
Ms. Chan So Wah *(appointed with effect from 1 April 2019)*  
Dr. Wong Cheong Yiu *(Stepped down as Chief Executive Officer on 1 June 2018)*  
*(Retired as Executive Director on 1 January 2019)*

#### Independent non-executive directors

Professor Sun Kai Lit, Cliff BBS, JP  
Ir Dr. Lo Wai Kwok SBS, MH, JP  
Mr. Andrew Look  
Mr. Kong Kai Chuen, Frankie  
*(formerly known as Kong To Yeung, Frankie)*

The biographical details of the directors are set out on pages 18 to 22 of this annual report.

During the year under review, no director resigned from his office or refused to stand for re-election to his office due to reasons relating to the affairs of the Company.

In accordance with the Company's Articles of Association, Ms. Chan So Wah, Professor Sun Kai Lit, Cliff BBS, JP, Ir Dr. Lo Wai Kwok SBS, MH, JP and Mr. Andrew Look will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

### PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the directors is currently in force and was in force throughout the financial year.

The Company has taken out and maintained directors' liability insurance throughout the year, which provides appropriate cover for the directors of the Group.

### 董事會

於本年度內及截至本報告日期止，本公司之董事為：

#### 執行董事

李遠發先生(「李先生」)  
*(主席及行政總裁)*  
黃永銓先生*(副主席)*  
陳素華女士*(委任於二零一九年四月一日生效)*  
黃昌耀博士*(於二零一八年六月一日退任行政總裁)*  
*(於二零一九年一月一日退任執行董事)*

#### 獨立非執行董事

孫啟烈教授BBS, JP  
盧偉國博士SBS, MH, JP  
陸東先生  
江啟銓先生  
*(前稱江道揚)*

董事之履歷詳情載列於本年報之第18至第22頁。

於回顧年度內，概無董事因本公司事務相關的理由辭職或拒絕參選連任。

根據本公司組織章程細則，陳素華女士、孫啟烈教授BBS, JP、盧偉國博士SBS, MH, JP及陸東先生於即將舉行之股東週年大會上退任，惟彼等均符合資格並願意膺選連任。

### 獲准許之彌償條文

為董事訂立之獲准許彌償條文於整個財政年度一直生效且現時正在生效。

本公司於年內辦理董事責任保險及續保有關保險，為本集團董事提供適當保障。

## DIRECTORS' REPORT (CONTINUED)

### 董事會報告(續)

#### DIRECTORS' SERVICE CONTRACTS

The directors being proposed for re-election at the forthcoming annual general meeting do not have any service contract with the Company which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

#### DIRECTORS' AND CONTROLLING SHAREHOLDER'S INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed under the section headed "Continuing Connected Transactions" sets out on pages 42 to 44, there were no transactions, arrangements or contracts of significance (inclusive of provision of services to the Company or any of its subsidiaries), to which the Company, its holding company, any of its subsidiaries or fellow subsidiaries was a party and in which a director and the controlling shareholder of the Company had a material interest, whether directly or indirectly, subsisted during or at the end of the year.

#### MANAGEMENT CONTRACTS

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

#### 董事之服務合約

擬於即將召開之股東週年大會上膺選連任之董事，概無與本公司訂立本集團不可於一年內毋須賠償(法定補償除外)而終止之服務合約。

#### 董事及控股股東於重大交易、安排或合約之權益

除列載於第42至第44頁之「持續關連交易」一節所披露者外，本公司、其控股公司、其任何附屬公司或同系附屬公司概無參與訂立本公司董事及控股股東直接或間接擁有重大權益，而於年內或年終仍屬有效之重大交易、安排或合約(包括向本公司或其任何附屬公司提供服務)。

#### 管理合約

本年度內，本公司並無訂立或進行任何與本公司全部或重要業務有關之管理及行政合約。

**DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES**

In accordance with the requirements under Rule 13.21 of the Listing Rules, the Board reported the following details of loan facilities which exist at any time during the year ended 31 December 2018 and up to the date of this report and include covenants requiring specific performance obligations of the controlling shareholder of the Company.

- (i) On 21 December 2018, Ka Shui Manufactory Co., Limited (the "Borrower"), the indirect wholly owned subsidiary of the Company, entered into a facility agreement with a bank, under which a term loan facility for an aggregate amount of up to HK\$100 million was extended to the Borrower (the "2018 Facility Agreement"). Any draw-down of the loan under the said facility would be repayable by eight quarterly instalments commencing the 15th month after its own draw-down date. The 2018 Facility Agreement contains a specific performance obligation that Mr. Lee, a controlling shareholder (as defined in the Listing Rules) and an executive director of the Company, shall at all times beneficially owns (whether directly or indirectly) not less than 50% of the shareholding and equity interest in the Borrower and the Company and maintains management control over both the Borrower and the Company. A breach of the aforesaid specific performance obligation will constitute an event of default under the 2018 Facility Agreement. If an event of default under the 2018 Facility Agreement occurs and is not remedied in accordance with the terms of the Facility Agreement, the bank may (among other things) cancel its further commitments under Facility Agreement, and/or declare that all or part of the loans together with accrued interests under the 2018 Facility Agreement would become immediately due and payable.

**根據上市規則第13.21條之披露**

根據上市規則第13.21條之規定，董事會匯報下列於截至二零一八年十二月三十一日止年度及截至本報告日期止任何時間存在並附帶對本公司控股股東施加特定履約責任契諾之貸款融資詳情。

- (i) 於二零一八年十二月二十一日，本公司之間接全資附屬公司嘉瑞製品有限公司（「借方」）與一間銀行訂立一份融資協議（「2018 融資協議」）。根據此融資協議，借方取得定期貸款融資金額達100,000,000港元。按此融資之任何提取貸款將由各自提取日期起計第15個月開始分八期按季償還。2018 融資協議載有對本公司控股股東（定義見上市規則）及執行董事李先生須履行之特定責任，李先生須於任何時候於借方及本公司實益擁有（無論直接或間接）不低於50%之股權和權益及維持於借方和本公司之管理控制權。違反上述須履行之特定責任將構成2018 融資協議項下之違約事件。若2018 融資協議項下之違約事件出現及未有根據2018 融資協議的條款予以補救，銀行可根據2018 融資協議（其中包括）取消其作出的進一步承諾，及／或宣布全部或部分貸款連同2018 融資協議項下的應計利息將隨即到期支付。



## DIRECTORS' REPORT (CONTINUED)

### 董事會報告(續)

(ii) On 22 September 2017, the Borrower entered into the facility agreement with a bank comprising the following facilities up to an overall limit of HK\$160 million to the Borrower (the "First Facility Agreement"). On 30 November 2018, the Borrower and the bank agreed to revise the First Facility Agreement (the "Revised First Facility Agreement"). Under the Revised First Facility Agreement:

- (a) Trade related facility and revolving loan facility up to an aggregate maximum amount of HK\$80 million, with a sub-limit of (i) HK\$20 million for the revolving loan facility; (ii) HK\$40 million for the aggregate outstanding amount for the utilisation of import invoice financing by PRC value added tax invoices; (iii) HK\$10 million for the aggregate outstanding amount of letter of guarantee/standby letter of credit; and (iv) a treasury credit limit up to HK\$5 million for the purpose of hedging the Borrower's foreign exchange rate, shall be made available. The life of these facilities are not specified, but is subject to the bank's overriding right of repayment on demand;
- (b) Term loan facility of HK\$40 million (the "1st TL Facility") had been repaid by the Borrower in full before 30 November 2018; and
- (c) Term loan facility of HK\$40 million (the "2nd TL Facility") remains unchanged. The purpose of the 2nd TL Facility is to finance the Group's working capital expenditures with a loan period of 36 months from the date of the 2nd TL Facility being made available.

The Revised First Facility Agreement contains a specific performance obligation that Mr. Lee, a controlling shareholder (as defined in the Listing Rules) and an executive director of the Company, shall remain as the single largest shareholder of the Company. A breach of the aforesaid specific performance obligation will constitute an event of default under the Revised First Facility Agreement. If an event of default under the Revised First Facility Agreement occurs, liabilities payable under the Revised First Facility Agreement and the relevant security documents shall become immediately due and payable.

(ii) 於二零一七年九月二十二日，借方與一間銀行訂立融資協議，當中包括下列向借方提供整體限額為160,000,000港元之融資（「第一份融資協議」）。於二零一八年十一月三十日，借方與該銀行同意修訂第一份融資協議（「經修訂第一份融資協議」）。根據經修訂第一份融資協議：

- (a) 貿易相關融資及循環貸款融資總額最高為80,000,000港元，另有下列次限額：(i) 20,000,000港元為循環貸款融資；(ii) 使用以中國增值稅發票作為進口發票融資之未償還總額40,000,000港元；(iii) 保證函／備用信用證之未償還總額10,000,000港元；及(iv) 為對沖借方的外匯匯率而提供的最高達5,000,000港元的資金交易信貸限額。該等融資並無特定期限，惟銀行有權要求隨時償還；
- (b) 借方已於二零一八年十一月三十日前全數償還定期貸款融資40,000,000港元（「第一項定期貸款融資」）；及
- (c) 定期貸款融資40,000,000港元（「第二項定期貸款融資」）維持不變。第二項定期貸款融資之目的是為本集團營運資本支出提供資金，貸款期限由取得第二項定期貸款融資日期起計為期36個月。

經修訂第一份融資協議載有須履行之特定責任，規定本公司控股股東（定義見上市規則）及執行董事李先生須繼續為本公司之單一最大股東。違反上述特定責任將構成經修訂第一份融資協議項下之違約事件。如經修訂第一份融資協議違約事件出現，經修訂第一份融資協議及相關擔保文件項下之應付貸款隨即到期支付。

## DIRECTORS' REPORT (CONTINUED)

### 董事會報告(續)

- (iii) On 2 January 2015, the Borrower entered into the facility agreement with a bank to finance the Group's capital expenditures for a term loan facility up to HK\$150 million consisting of two tranches, both repayable by sixteen equal quarterly instalments commencing the 15th month after the first utilisation date. The facility agreement contains a specific performance obligation that Mr. Lee must at all times maintain substantial shareholdings (directly or indirectly) interest in the Borrower. A breach of the aforesaid specific performance obligation will constitute an event of default under the facility agreement. If an event of default under the facility agreement occurs, the bank may terminate the facility agreement and liabilities payable under the facility agreement and the relevant security documents shall become immediately due and payable.
- (iv) On 9 November 2015, the Borrower entered into the facility agreement with a bank to refinance its existing facilities for a term loan facility up to HK\$50 million repayable by eleven equal quarterly instalments commencing the 6th month after the first utilisation date. The facility agreement contains a specific performance obligation that Mr. Lee must at all times maintain substantial shareholdings (directly or indirectly) interest in the Borrower. A breach of the aforesaid specific performance obligation will constitute an event of default under the facility agreement. If an event of default under the facility agreement occurs, the bank may terminate the facility agreement and liabilities payable under the facility agreement and the relevant security documents shall become immediately due and payable. This term loan had been fully repaid by the Borrower before 31 December 2018.
- (v) On 20 June 2017, the Borrower entered into the facility agreement with a bank to finance its working capital for a term loan facility up to HK\$130 million repayable by 36 months after the first utilisation date. The facility agreement contains a specific performance obligation that Mr. Lee (including shares under his family trust) must maintain as the major shareholder (with at least 50% shareholding) of the
- (iii) 於二零一五年一月二日，借方與一間銀行訂立融資協議，取得定期貸款融資達至150,000,000港元，就本集團之資本支出提供資金。有關融資包括兩期，均由首次提取日期起計第15個月開始分十六期按季等額償還。融資協議載有須履行之特定責任，規定李先生須於任何時候維持於借方之主要控股權益(直接或間接)。違反上述特定責任將構成融資協議項下之違約事件。如融資協議違約事件出現，銀行可終止融資協議，而融資協議及相關擔保文件項下之應付貸款隨即到期支付。
- (iv) 於二零一五年十一月九日，借方與一間銀行訂立融資協議，就其由首次提取日期起計第6個月開始分十一期按季等額償還之定期貸款融資達至50,000,000港元，為現有貸款進行再融資。融資協議載有須履行之特定責任，規定李先生須於任何時候維持於借方之主要控股權益(直接或間接)。違反上述特定責任將構成融資協議項下之違約事件。如融資協議違約事件出現，銀行可終止融資協議，而融資協議及相關擔保文件項下之應付貸款隨即到期支付。於二零一八年十二月三十一日前，借方已全數償還此定期貸款。
- (v) 於二零一七年六月二十日，借方與一間銀行訂立融資協議，取得定期貸款融資金額達至130,000,000港元，就其營運資金提供資金。有關融資須於首次提取日期起計36個月內償還。融資協議載有須履行之特定責任，規定李先生(包括其家族信託下之股份)須維持成為本公司之主要股東(即持股量為50%或以上)。違反上述特定責任將構

## DIRECTORS' REPORT (CONTINUED)

### 董事會報告(續)

Company. A breach of the aforesaid specific performance obligation will constitute an event of default under the facility agreement. If an event of default under the facility agreement occurs, the bank may terminate the facility agreement and liabilities payable under the facility agreement and the relevant security documents shall become immediately due and payable.

Save as disclosed above, the directors are not aware of any circumstances which would give rise to a disclosure obligation pursuant to the requirements under Rule 13.18 of the Listing Rules as at 31 December 2018 and as at the date of this report.

#### REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the directors and the top five highest paid individuals of the Group are set out in notes 15 and 16 to the consolidated financial statements.

#### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2018, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 to 9 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") in the Rules Governing the Listing on Securities on the Stock Exchange (the "Listing Rules") were as follows:

成融資協議項下之違約事件。如融資協議違約事件出現，銀行可終止融資協議，而融資協議及相關擔保文件項下之應付貸款隨即到期支付。

除上文披露者外，於二零一八年十二月三十一日及於本報告日期，董事並不知悉有任何其他事項須根據上市規則第13.18條之規定作出披露。

#### 董事及五名最高薪酬人士之薪酬

本集團董事及五名最高薪酬人士之薪酬詳情載於綜合財務報表附註15及16。

#### 董事及主要行政人員於本公司及其相聯法團之股份、相關股份及債券的權益及短倉

於二零一八年十二月三十一日，本公司董事及主要行政人員，於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7至第9分部須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及短倉(包括根據證券及期貨條例該等條文被當作或被視為擁有之任何權益及短倉)；或根據證券及期貨條例第352條須記錄在該條所述登記冊之權益及短倉；或根據聯交所證券上市規則(「上市規則」)上市公司董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所之權益及短倉如下：

# DIRECTORS' REPORT (CONTINUED)

## 董事會報告(續)

### Long Positions in the Shares

### 股份之長倉

Name	Capacity	Number of Shares	Approximate percentage of interest in the Company
名稱	身份	股份數目	佔本公司權益概約百分比

#### Executive Directors 執行董事

Mr. Lee 李先生	Interest in controlled company <sup>(1)</sup> 受控制公司權益 <sup>(1)</sup>	480,000,000	53.71%
	Founder of a discretionary trust <sup>(2)</sup> 全權信託之創始人 <sup>(2)</sup>	127,980,000	14.32%
Mr. Wong Wing Chuen 黃永銓先生	Beneficial owner 實益擁有人	11,050,000	1.24%

#### Independent Non-Executive Directors 獨立非執行董事

Mr. Andrew Look 陸東先生	Beneficial owner 實益擁有人	8,800,000	0.98%
Ir Dr. Lo Wai Kwok SBS, MH, JP 盧偉國博士SBS, MH, JP	Beneficial owner 實益擁有人	1,000,000	0.11%

#### Note:

- Mr. Lee holds the entire issued share capital of Precisefull Limited ("Precisefull"). As such, Mr. Lee is deemed to have a controlling interest in Precisefull and is therefore deemed to be interested in the interests of Precisefull in the Company.
- The 127,980,000 shares, in which 77,980,000 shares and 50,000,000 shares are held by Beautiful Crystal Development Limited ("Beautiful Crystal") and Beautiful Colour Assets Limited ("Beautiful Colour") respectively (both companies are wholly-owned by YF Lee Family Trust). YF Lee Family Trust is a discretionary trust set up by Mr. Lee as settlor and UBS TC (Jersey) Limited ("UBS TC") as trustee on 20 February 2014. The discretionary objects are family members of Mr. Lee. Mr. Lee is the settlor of YF Lee Family Trust and is deemed to be interested in the 127,980,000 shares held by Beautiful Crystal and Beautiful Colour under the SFO.

#### 附註:

- 李先生持有Precisefull Limited(「Precisefull」)全部已發行股本。因此，李先生被視為擁有Precisefull的控制性權益，並因此而被視為擁有Precisefull於本公司所持有之權益。
- 該127,980,000股股份分別由Beautiful Crystal Development Limited(「Beautiful Crystal」)及Beautiful Colour Assets Limited(「Beautiful Colour」)持有77,980,000及50,000,000股股份，此等公司由YF Lee Family Trust全資擁有。YF Lee Family Trust乃由李先生作為信託委託人及UBS TC (Jersey) Limited(「UBS TC」)作為受託人於二零一四年二月二十日成立之全權信託，其受益對象為李先生之家族成員。李先生作為YF Lee Family Trust之信託委託人，根據證券及期貨條例，彼被視為於Beautiful Crystal及Beautiful Colour所持有之127,980,000股股份中擁有權益。

## DIRECTORS' REPORT (CONTINUED)

### 董事會報告(續)

Save as disclosed above, as at 31 December 2018, none of the directors and chief executives of the Company had any interests or short positions in shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 to 9 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange, pursuant to the Model Code in the Listing Rules. In addition, save as disclosed above, at no time during the year ended 31 December 2018 was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

#### INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2018, the following persons, other than the directors or chief executives of the Company, who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 to 5 of Part XV of the SFO or, who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, were as follows:

除上文所披露者外，於二零一八年十二月三十一日，概無本公司董事及主要行政人員於本公司及其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中擁有任何根據證券及期貨條例第XV部第7至第9分部須知會本公司及聯交所之權益或短倉(包括彼等根據證券及期貨條例該等條文被當作或視為擁有之權益及短倉);或根據證券及期貨條例第352條須記錄於該條所述之登記冊之權益及短倉;或根據標準守則須知會本公司及聯交所之權益及短倉。此外，除上述披露外，本公司或其任何附屬公司於截至二零一八年十二月三十一日止整年內概無訂立任何安排，令本公司董事或彼等之配偶或未滿十八歲之子女可藉購入本公司或其他法團之股份或債權證而獲益。

#### 主要股東於本公司及其相聯法團之股份、相關股份及債券的權益及短倉

於二零一八年十二月三十一日，下列人士(本公司董事或主要行政人員除外)於本公司股份或相關股份中，擁有根據證券及期貨條例第XV部第2至第5分部須向本公司披露之權益或短倉，或直接或間接擁有可於任何情況下在本公司股東大會投票之任何類別股本面值5%或以上之權益或短倉，或擁有根據證券及期貨條例第336條須記錄在該條所述登記冊之權益或短倉：

# DIRECTORS' REPORT (CONTINUED)

## 董事會報告(續)

### Long Positions in the Shares

### 股份之長倉

Name	Capacity	Number of Shares	Approximate percentage of interest in the Company
名稱	身份	股份數目	佔本公司權益概約百分比
Precisefull	Beneficial owner <sup>(1)</sup> 實益擁有人 <sup>(1)</sup>	480,000,000	53.71%
Beautiful Crystal	Beneficial owner <sup>(2)</sup> 實益擁有人 <sup>(2)</sup>	77,980,000	8.73%
Beautiful Colour	Beneficial owner <sup>(2)</sup> 實益擁有人 <sup>(2)</sup>	50,000,000	5.59%
UBS TC	Trustee <sup>(2)</sup> 受託人 <sup>(2)</sup>	127,980,000	14.32%

*Note:*

1. Mr. Lee holds the entire issued share capital of Precisefull. As such, Mr. Lee is deemed to have a controlling interest in Precisefull and is therefore deemed to be interested in the interests of Precisefull in the Company.
2. 77,980,000 shares and 50,000,000 shares are held by Beautiful Crystal and Beautiful Colour respectively (both companies are wholly owned by YF Lee Family Trust). The YF Lee Family Trust is a discretionary trust set up by Mr. Lee as settlor and UBS TC as trustee on 20 February 2014.

Save as disclosed above, at no time during the year, the directors and the chief executive of the Company were aware of any other persons (other than the directors or chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 to 5 of Part XV of the SFO, or, who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

*附註:*

1. 李先生持有Precisefull全部已發行股本。因此，李先生被視為擁有Precisefull的控制性權益，並因此視為擁有Precisefull所持有的本公司權益。
2. Beautiful Crystal及Beautiful Colour分別持有77,980,000及50,000,000股股份，此等公司由YF Lee Family Trust全資擁有。YF Lee Family Trust乃由李先生作為信託委託人及UBS TC作為受託人於二零一四年二月二十日成立之全權信託。

除上文所披露者外，於本年度內，本公司董事及主要行政人員並不知悉任何其他人士（本公司董事或主要行政人員除外）於本公司之股份及相關股份中擁有須根據證券及期貨條例第XV部第2至第5分部披露之權益或短倉，或直接及間接擁有可於任何情況下在本公司股東大會投票之任何類別股本面值5%或以上權益，或擁有根據證券及期貨條例第336條須記錄在該條所述登記冊之權益或短倉。

# DIRECTORS' REPORT (CONTINUED)

## 董事會報告(續)

### SHARE OPTION SCHEME

A share option scheme (the "2007 Share Option Scheme") was adopted pursuant to the written resolutions passed by the shareholders of the Company on 2 June 2007. The 2007 Share Option Scheme has been terminated upon adoption of a new share option scheme ("New Share Option Scheme") by ordinary resolution of shareholders of the Company at the annual general meeting of the Company held on 19 May 2017. Upon termination of the 2007 Share Option Scheme, no further options of the 2007 Share Option Scheme can be offered thereunder but the provisions of the scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted prior to its termination and options granted prior to such termination shall continue to be valid and exercisable.

The purpose of the New Share Option Scheme is to provide incentives and rewards to selected eligible persons for their contributions to the Group. The New Share Option Scheme will remain valid until 18 May 2027 and the amount payable on acceptance of all options granted is HK\$10.

The participants of the New Share Option Scheme may include directors, employees, consultants, professionals, customers, suppliers, agents, partners, advisors and contractors of the Group or a company in which the Group holds an interest or a subsidiary of such company.

The maximum number of shares which may be issued upon the exercise of all options to be granted under the New Share Option Scheme and under any other share option scheme(s) adopted by the Company must not in aggregate exceed 10% of the shares in issue as at the date of approval of the New Share Option Scheme. In addition, the maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other schemes involving the issue or grant of share options by the Company must not, in aggregate, exceed 30% of the shares in issue from time to time.

### 購股權計劃

一項購股權計劃(「二零零七年購股權計劃」)於二零零七年六月二日根據本公司股東通過之書面決議案獲採納。於二零一七年五月十九日舉行的本公司股東週年大會上本公司股東以普通決議案方式批准採納新購股權計劃(「新購股權計劃」)後，二零零七年購股權計劃已予終止。二零零七年購股權計劃終止後，不得根據二零零七年購股權計劃再授出購股權，但該計劃的條文將繼續有效，以落實於計劃終止前所授出任何購股權的行使，而於終止前授出的購股權將繼續有效及可予行使。

新購股權計劃旨在向選定人士提供作為彼等對本集團所作出貢獻之獎勵或獎賞。新購股權計劃將一直有效至二零二七年五月十八日，而接納全部購股權時須付10港元。

新購股權計劃之參與者包括本集團或本集團持有權益公司或該公司的附屬公司之董事、僱員、顧問、專業人士、客戶、供應商、代理商、合作伙伴、諮詢人及承辦商。

根據新購股權計劃及本公司所採納之其他購股權計劃將予授出之購股權獲悉數行使時可能發行之股份數目，最高不得超過批准新購股權計劃當日已發行股份之10%。此外，根據新購股權計劃及任何涉及發行或授出本公司購股權的購股權計劃已授出但尚未行使或將予行使之購股權獲行使時可能發行之股份數目，合共不得超過本公司不時已發行股本之30%。

## DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

The total number of shares issued and to be issued upon exercise of the options already granted or to be granted to each participant under the New Share Option Scheme and any other share option scheme(s) of the Company (including exercised and outstanding share options) in any 12-month period up to and including the date of such grant should not exceed 1% aggregate of the shares in issue as at the date of such grant. Any grant of further options above this 1% limit shall be subject to approval of the shareholders of the Company at general meetings, with such participant and his associates abstaining from voting.

The total number of shares in respect of which options may be granted under the New Share Option Scheme shall be 89,376,140 shares, representing approximately 10.0% of the issued share capital of the Company as at the date of this report.

The period within which the options must be exercised will be specified by the Board at the time of the offer of grant, and must expire no later than 10 years from the date of grant. There is no general requirement on the minimum period for which an option must be held or the performance targets which must be achieved before an option can be exercised under the terms of the New Share Option Scheme.

The subscription price for any share under the New Share Option Scheme will be a price determined by the Board and will be not less than the highest of:

- (i) the closing price of a share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant option, which must be a business day;
- (ii) an amount equivalent to the average closing price of a share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the relevant option; and
- (iii) the nominal value of a share on the date of the grant.

根據新購股權計劃及本公司所採納之其他購股權計劃向各參與者已授出或將予授出之購股權(包括已行使及尚未行使之購股權)獲行使而於任何12個月期間(包括授予當日)已發行及將予發行之股份總數,不得超過授出日期已發行股份總數之1%。任何進一步授予超過1%上限之購股權必須於股東大會上獲股東批准,而有關參與者及其聯繫人士須放棄投票。

根據新購股權計劃可能授出的購股權所涉及之股份總數為89,376,140股,相當於本報告日期本公司已發行股本約10.0%。

董事會將於授出購股權要約時指明購股權須予行使的期限,必須不遲於購股權授出起計十年。新購股權計劃之條款下並無有關必須持有購股權之最短期限或可行使購股權而必須達到之表現目標之一般規定。

新購股權計劃項下股份的認購價將由董事會決定,惟該價格不得低於以下最高者:

- (i) 授出有關購股權日期(須為營業日)聯交所每日報價表所列股份收市價;
- (ii) 緊接授出有關購股權日期前五個營業日聯交所每日報價表所列股份平均收市價;及
- (iii) 授出日期股份之面值。



# DIRECTORS' REPORT (CONTINUED)

## 董事會報告(續)

On 13 March 2008, the Company granted 20,102,000 share options to the Group's employees under the 2007 Share Option Scheme at an exercise price of HK\$0.415 per share. A summary of movements of share options of the Company during the year is set out as below:

於二零零八年三月十三日，本公司根據二零零七年購股權計劃向本集團僱員授出20,102,000份購股權，行使價為每股0.415港元。於本年度內，本公司購股權之變動概述如下：

Category of Grantee/Name	Date of grant	Exercise Price		As at 01/01/2018	Number of share options			Outstanding as at 31/12/2018
		(HK\$)	Exercise Period		Granted during the year	Exercised during the year	Lapsed/Cancelled during the year	
承授人類別/ 姓名	授出日期	行使價 (港元)	行使期	於 二零一八年 一月一日	於年內授出	於年內行使	於年內 失效/註銷	於二零一八年 十二月三十一日 尚未行使
Employees 僱員	13/03/2008	0.415	13/03/2009 – 12/03/2018	40,800	–	–	40,800	–
Employees 僱員	13/03/2008	0.415	13/03/2010 – 12/03/2018	20,600	–	–	20,600	–
Employees 僱員	13/03/2008	0.415	13/03/2011 – 12/03/2018	40,600	–	–	40,600	–
Total 總數				102,000	–	–	102,000	–

**Note:**

- The vesting period of the share options is from the date of grant until the commencement of the exercise period.
- The closing price of the share immediately before the date of grant was HK\$0.415.
- The fair values of options granted and the respective accounting policy adopted are set out in note 36 to the consolidated financial statements.

**附註：**

- 購股權歸屬期間為自授出日期起至行使期開始日期止。
- 在緊接購股權授出日期之前的收市價為0.415港元。
- 已授出的購股權公平值及其採取之會計政策載於綜合財務報表附註36。

There were no options granted under the New Share Option Scheme since its adoption on 19 May 2017.

自新購股權計劃於二零一七年五月十九日獲採納以來，並無授出購股權。

### SHARE AWARD SCHEME

On 10 January 2013 (the "Adoption Date"), the Board adopted a share award scheme (the "Share Award Scheme") under which the shares of the Company (the "Awarded Shares") may be awarded to selected persons to recognise the contributions by certain employees and persons to the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. The Share Award Scheme will be valid and effective for a term of ten years commencing on the Adoption Date until 9 January 2023.

The participants of the Share Award Scheme may include executives, officers, employees, directors of the Company or any of its subsidiary, any business or joint venture partner, investor, consultant, adviser or agent of any member of the Group.

The Share Award Scheme shall be subject to the administration of the Administration Committee in accordance with the rules of the Share Award Scheme and the terms of the Trust Deed.

Pursuant to the Share Award Scheme, the Board shall select the eligible persons for participation in the Share Award Scheme and determine the number of shares to be awarded. Shares will be acquired by an independent trustee at the cost of the Company or shares will be allotted to the independent trustee under the general mandate granted or to be granted by the shareholders of the Company at general meetings from time to time and be held in trust for the awarded persons until the end of each vesting period. Vested shares will be transferred at no cost to the awarded persons.

Where any Awarded Shares are proposed to be offered to a connected person of the Company (as defined under Chapter 14A of the Listing Rules), such offer of Awarded Shares has to be first approved by the independent non-executive directors of the Company and the Company will comply with the applicable requirements of Chapter 14A of the Listing Rules in respect of such offer (including but not limited to the obtaining of independent Shareholders' approval if necessary).

### 股份獎勵計劃

於二零一三年一月十日(「採納日期」)，董事會採納股份獎勵計劃(「股份獎勵計劃」)。據此，本公司股份(「獎勵股份」)可授予經甄選人士以表彰本集團若干僱員及人士之貢獻，並給予獎勵以挽留該等僱員及人士為本集團之持續經營和發展而努力，亦為本集團進一步發展吸引合適之人才。股份獎勵計劃將由採納日期起生效，有效期為十年至二零二三年一月九日。

股份獎勵計劃之參與者包括本公司或其任何附屬公司之行政人員、高級職員、僱員、董事、本集團之任何業務或合營夥伴、投資者、顧問、諮詢人或代理。

股份獎勵計劃會依據股份獎勵計劃之規則及信託契據之條款，由行政管理委員會管理。

根據股份獎勵計劃，董事會將甄選合資格人士參與股份獎勵計劃，並釐定予以獎勵股份之數目。股份將由獨立受託人購入，成本由本公司支付，或股份將根據於股東大會上不時由本公司股東授予或將授予的一般授權分配予獨立受託人，並以信託方式為獲獎勵人士持有，直至各歸屬期完結止。歸屬股份將無償轉讓予獲獎勵人士。

倘擬向本公司之關連人士(定義見上市規則第14A章)授予任何獎勵股份，該授予獎勵股份之建議須事先經本公司獨立非執行董事批准，且本公司將就有關建議遵守上市規則第14A章之適用規定(包括但不限於在需要時取得獨立股東批准)。

## DIRECTORS' REPORT (CONTINUED)

### 董事會報告(續)

Based on the 890,435,400 Shares in issue as at the adoption date, the maximum number of Awarded Shares under the Share Award Scheme would be 44,521,770 shares and the maximum number of shares which may be awarded to an awarded person under the Share Award Scheme would be 8,904,354 shares.

For the year ended 31 December 2018, no Awarded Share was granted pursuant to the Share Award Scheme.

### COMPETING BUSINESS

None of the directors of the Company had any interest in any competing business with the Company or any of its subsidiaries during the year under review. Each of Mr. Lee and Precisefull (the controlling shareholders (within the meaning of the Listing Rules) of the Company) has provided a written confirmation, which has been reviewed and confirmed by the independent non-executive directors of the Company, confirming that they have complied with the terms of a Deed of Non-competition entered into between them and the Company for the year ended 31 December 2018.

### CONTINUING CONNECTED TRANSACTIONS

On 7 December 2015, the Group entered into a renewed master agreement (the "Renewed Master Agreement") with Chit Shun Machinery Limited ("Chit Shun") for a term of three years commencing from 1 January 2016 to 31 December 2018, in relation to the purchase of equipment, machinery and parts (together with the maintenance services). Chit Shun is a limited liability company incorporated in Hong Kong and beneficially owned by Mr. Lee and an independent third party, in equal share. Mr. Lee has nominated a director to the board of Chit Shun. Since Mr. Lee is a director and controlling shareholder of Chit Shun, Chit Shun is a connected person of the Company (as defined in the Listing Rules). Accordingly, the transactions between the Group and Chit Shun constitute continuing connected transactions (the "Chit Shun Transactions") of the Group. At the board meeting held on 7 December 2015, the board of directors of the Company had approved (i) the Renewed Master Agreement and the transactions contemplated thereunder; and (ii) the proposed annual caps for each of the three years ended 31 December 2018.

根據於採納日期已發行890,435,400股股份計算，股份獎勵計劃可授出之獎勵股份數目上限為44,521,770股股份及股份獎勵計劃可獎勵予每名獲獎勵人士之股份數目上限為8,904,354股股份。

於截至二零一八年十二月三十一日止年度，概無按股份獎勵計劃授出獎勵股份。

### 競爭業務

於回顧年度，本公司董事概無於與本公司或其任何附屬公司競爭的任何業務中擁有任何權益。本公司控股股東(定義見上市規則)李先生及Precisefull各自已提供書面確認，並由本公司獨立非執行董事審閱及確認，彼等於截至二零一八年十二月三十一日止年度內已遵守本公司與彼等所訂立之不可競爭契據之條款。

### 持續關連交易

於二零一五年十二月七日，本集團與捷迅機械設備有限公司(「捷迅」)就購買設備、機器與零部件(連同相關保養服務)訂立經更新總協議(「經更新總協議」)，年期由二零一六年一月一日起至二零一八年十二月三十一日止，為期三年。捷迅為香港註冊成立的有限公司，由李先生及一名獨立第三方按等額權益實益擁有。李先生曾向捷迅董事會提名董事人選。因李先生為捷迅之董事兼控股股東，故捷迅為本公司的關連人士(定義見上市規則)。故此，本集團與捷迅之交易構成本集團之持續關連交易(「捷迅交易」)。於二零一五年十二月七日舉行之董事會會議上，本公司之董事已批准(i)經更新總協議及其項下擬進行之交易；及(ii)截至二零一八年十二月三十一日止三個年度各年之建議年度上限。

## DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

On 29 March 2018, Mr. Lee had sold his entire equity interest in Chit Shun to an independent third party of the Company (the "Sale"), and he ceased to be a shareholder of Chit Shun. Following the Sale, Chit Shun ceased to be a connected person of the Company. Accordingly, the transactions contemplated under the Renewed Master Agreement no longer constituted continuing connected transactions of the Company pursuant to the Listing Rules after the Sale. The Renewed Master Agreement continues to be valid and it is intended that Chit Shun, being an Independent Third Party after the Sale, will continue to supply equipment, machinery and parts (together with the relevant maintenance services) to the Group subject to the terms and conditions of the Renewed Master Agreement.

For the period from 1 January 2018 to 29 March 2018, amounts purchased under the Chit Shun Transactions totalled approximately HK\$6,260,000 (For the year ended 31 December 2017: HK\$5,088,000).

The independent non-executive directors of the Company have reviewed the Chit Shun Transactions for the period from 1 January 2018 to 29 March 2018 and confirmed that they have been entered into:

1. in the ordinary and usual course of business of the Group;
2. on normal commercial terms or better; and
3. in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company also confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the Renewed Master Agreement.

於二零一八年三月二十九日，李先生已出售彼於捷迅的全部權益予獨立第三方（「該出售」），彼不再為捷迅的股東。該出售后，捷迅將不再為本公司的關連人士。因此，根據上市規則，經更新總協議項下擬進行的交易於該出售后不再屬本公司的持續關連交易。經更新總協議繼續有效，捷迅（於該出售后作為獨立第三方）擬繼續向本集團供應設備、機器及零部件（連同相關保養服務），惟須受經更新總協議的條款及條件所規限。

於二零一八年一月一日至二零一八年三月二十九日期內，捷迅交易項下之購買總額約為6,260,000港元（截至二零一七年十二月三十一日止年度：5,088,000港元）。

本公司獨立非執行董事已審核於二零一八年一月一日至二零一八年三月二十九日期內捷迅交易並確認該等交易：

1. 在本集團的日常業務中訂立；
2. 按照一般商務條款或更佳條款進行；及
3. 根據監管該等交易之有關協議條款進行，而條款公平合理，並且符合本公司股東的整體利益。

本公司確認經更新總協議已按照上市規則第14A章之要求作出披露。

## DIRECTORS' REPORT (CONTINUED)

### 董事會報告(續)

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group on page 42 and 43 of this report 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.

#### PUBLIC FLOAT

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

#### EVENTS AFTER THE REPORTING PERIOD

1. On 26 March 2019, the Board has recommended the payment of a final dividend of HK3.5 cents per share (2017: HK1.0 per share) for the year ended 31 December 2018 to the shareholders whose names appear on the register of members of the Company on Monday, 10 June 2019. Subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held on Monday, 27 May 2019, the final dividend will be paid on or about Monday, 17 June 2019; and
2. Ms. Chan So Wah has been appointed as executive director of the Company with effect from 1 April 2019.

#### AUDITOR

At the last annual general meeting of the Company, RSM Hong Kong was re-appointed as the auditor of the Company. On 22 November 2018, the auditor of the Company changed its Chinese practicing name to "羅申美會計師事務所".

The consolidated financial statement has been audited by RSM Hong Kong who retire and, being eligible, offer themselves for re-appointment.

The Company will propose a resolution in relation to the re-appointment of RSM Hong Kong at the forthcoming annual general meeting.

本公司核數師已獲聘根據香港會計師公會頒佈的《香港核證工作準則》第3000號(經修訂)「審核或審閱歷史財務資料以外的核證工作」及參照實務說明第740號「關於香港《上市規則》所述持續關連交易的核數師函件」報告本集團的持續關連交易。核數師已根據上市規則第14A.56條發出無保留函件，而該函件載有核數師對有關本集團在本報告第42及43頁披露的持續關連交易的發現及結論。本公司已將核數師函件副本送呈聯交所。

#### 公眾持股量

於本報告日，根據本公司可以得悉之公開資料及本公司董事亦知悉之情況下，本公司已按上市規則之要求，維持足夠公眾持股量。

#### 報告期間完結後事項

1. 於二零一九年三月二十六日，董事會建議向於二零一九年六月十日(星期一)名列本公司股東名冊之股東派付截至二零一八年十二月三十一日止年度之末期股息每股3.5港仙(二零一七年：每股1.0港仙)。待本公司股東在二零一九年五月二十七日(星期一)舉行之應屆股東週年大會批准後，末期股息將於二零一九年六月十七日(星期一)或前後派付；及
2. 陳素華女士已被委任為本公司之執行董事，於二零一九年四月一日生效。

#### 核數師

於本公司上屆周年股東大會上，中瑞岳華(香港)會計師事務所(RSM Hong Kong)獲續聘為本公司核數師。於二零一八年十一月二十二日，本公司核數師將其中文執業名稱變更為「羅申美會計師事務所」。

綜合財務報表已由已退任，且合資格並願意膺選連任之羅申美會計師事務所審核。

本公司將於應屆周年股東大會提呈續聘羅申美會計師事務所(RSM Hong Kong)之決議案。

# DIRECTORS' REPORT (CONTINUED)

## 董事會報告(續)

### OTHER CHANGES IN DIRECTORS' INFORMATION

Other changes in directors' information since the date of 2018 Interim Report are set out below:

1. Mr. Andrew Look, an independent non-executive director of the Company, resigned as the independent non-executive director of Cowell e Holdings Inc. (Stock code: 1415), a company listed on the Hong Kong Stock Exchange on 13 December 2018.

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

By order of the Board  
**Lee Yuen Fat**  
*Chairman*

Hong Kong, 26 March 2019

### 董事資料的其他變更

自二零一八年中期報告日期以來的董事資料其他變更載列如下：

1. 本公司之獨立非執行董事陸東先生於二零一八年十二月十三日辭任於香港聯交所上市公司的公司，高偉電子控股有限公司(股份代號：1415)的獨立非執行董事。

除上文所披露資料外，概無任何董事變更資料須根據上市規則第13.51B(1)條之規定予披露。

承董事會命  
**李遠發**  
*主席*

香港，二零一九年三月二十六日

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The board of directors of the Company (the “Board”) believes that good corporate governance practices are essential for promoting investors’ confidence and maximising shareholders’ returns. The Board is committed to maintaining a high standard of corporate governance and reviews its corporate governance practices on a regular basis.

With the above in mind, the Company has applied the principles and adopted corporate governance practices as set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in its corporate governance. For the year ended 31 December 2018, the Board is of the view that Company is in compliance with all the applicable code provisions of the CG Code, except the deviation from provision A.2.1 of the CG Code, which is explained in the relevant paragraphs below.

### THE BOARD

The Board is collectively responsible for formulating the Group’s overall business strategies, monitoring and evaluating its operating and financial performance and reviewing the corporate governance standard of the Company. The day-to-day management, administration and operation of the Company are led by the chief executive officer of the Company. The Board has delegated a series of responsibilities to the senior management of the Company, which include the implementation of decisions of the Board, the coordination and direction of day-to-day operation and management of the Company in accordance with the management strategies and plans approved by the Board, formulating and monitoring the production and operating plans and budgets, and supervising and monitoring the control systems. The Board has the full support of the senior management to discharge its responsibilities.

本公司董事會（「董事會」）相信良好之企業管治守則對於提高投資者的信心和增加股東的回報至為重要。董事會一向致力維持高水平的企業管治及定期檢討本公司之企業管治守則。

基於上述情況，本公司已應用此等原則並採納香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載之企業管治守則（「企業管治守則」）於其企業管治。於截至二零一八年十二月三十一日止年度，董事會認為本公司已遵守企業管治守則中所載適用的守則條文，惟企業管治守則之守則條文第A.2.1條除外，詳情載於下文有關段落。

### 董事會

董事會共同負責制訂本集團之整體業務策略，及監管和評估本集團其營運與財務上之表現，並檢討本公司之企業管治水平。本公司的日常管理、行政及營運均由本公司行政總裁領導。董事會已將一系列職責轉授予本公司高級管理層，包括執行董事會的決策、依照董事會批准的管理策略及計劃對本公司日常運作及管理作出協調及指揮、制定及監察生產和營運計劃及預算，以及監督及監察監控制度。董事會亦獲高級管理層全力支持履行其職責。

# CORPORATE GOVERNANCE REPORT (CONTINUED)

## 企業管治報告(續)

As at 31 December 2018, the Board comprises seven members as follows:

### Executive Directors

Mr. Lee Yuen Fat (*Chairman and Chief Executive Officer*)

Mr. Wong Wing Chuen (*Vice Chairman*)

Dr. Wong Cheong Yiu (*Stepped down as Chief Executive Officer on 1 June 2018*)  
(*Retired as Executive Director on 1 January 2019*)

### Independent Non-executive Directors

Professor Sun Kai Lit, Cliff BBS, JP

Ir Dr. Lo Wai Kwok SBS, MH, JP

Mr. Andrew Look

Mr. Kong Kai Chuen, Frankie  
(*formerly known as Kong To Yeung, Frankie*)

Biographical details of the directors of the Company (“Directors”) as at the date of this report are set out on pages 18 to 22 of this annual report.

The Board members as at 31 December 2018 have no financial, business, family or other material/relevant relationships with each other.

Each of the independent non-executive Directors has confirmed in writing his independence from the Company in accordance with Rule 3.13 of the Listing Rules. On this basis, the Company considers all such Directors to be independent.

All the independent non-executive Directors were appointed for a specific term of two years and are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association of the Company. To further strengthen the standard of corporate governance, the Company follows the CG Code and requires any re-appointment of an independent non-executive Director who has served on the Board for over nine years to be subject to a separate resolution to be approved by shareholders. In such cases, the Board will set out in the annual report or circular the reasons why it considers such Director to continue to be independent and should be re-elected.

於二零一八年十二月三十一日，董事會包括下列七名成員：

### 執行董事

李遠發先生 (*主席及行政總裁*)

黃永銓先生 (*副主席*)

黃昌耀博士 (*於二零一八年六月一日*  
*退任行政總裁*)  
(*於二零一九年一月一日退任執行董事*)

### 獨立非執行董事

孫啟烈教授 BBS, JP

盧偉國博士 SBS, MH, JP

陸東先生

江啟銓先生  
(*前稱江道揚*)

於本報告日，本公司董事之個人資料詳情載於本年報第18至第22頁。

於二零一八年十二月三十一日，各董事會成員之間並沒有財務、業務、親屬或其他重大或相關之關係。

各獨立非執行董事已根據上市規則第3.13條就其獨立性以書面作出確認；因此，本公司認為該等董事確屬獨立人士。

所有獨立非執行董事之指定任期為兩年。彼等須按照本公司組織章程細則的條文在本公司之股東週年大會上輪值告退及膺選連任。為進一步提高企業管治水平，本公司依照企業管治守則，已要求凡服務董事會超過九年之獨立非執行董事，須獲得股東以獨立決議案方式批准，方可連任。如有此情況，董事會將在年報或通告函中向股東列明其認為該董事仍屬獨立人士以及應獲重選之原因。



# CORPORATE GOVERNANCE REPORT (CONTINUED)

## 企業管治報告(續)

The Board conducts four regular scheduled meetings a year on a quarterly basis generally and ad hoc meetings are convened when circumstances require. Notice of at least 14 days is given to all Directors for all regular Board meetings and all Directors are given opportunity to include matters for discussion in the agenda. Draft minutes of Board meetings are circulated to all Directors for comments. Minutes of Board meetings with details of matters considered by the Board and decision reached are kept by the Company Secretary and open for inspection by the Directors.

During the year, five Board meetings and one annual general meeting were held and details of attendance of Directors are set out in the table on page 53 of this annual report.

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to Code Provision A.2.1 of the CG Code, the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Mr. Lee, the Chairman and an executive Director of the Company, has temporarily taken up the duties of Chief Executive Officer after Dr. Wong Cheong Yiu ("Dr. Wong") stepped down from his position as the Chief Executive Officer of the Company with effect from 1 June 2018 until a suitable candidate is appointed. The Board believes that as Mr. Lee is the founder of the Group and has extensive experience and knowledge, Mr. Lee, together with the support of the management, shall strengthen the solid and consistent leadership of the Group, and Mr. Lee by assuming the roles of both Chairman and Chief Executive Officer would allow efficient business planning and decision, which the Board believes is in the best interest of the business development of the Group during the transitional period. The Company will, however, seek to re-comply with Code Provision A.2.1 by identifying and appointing a suitable and qualified candidate to fill the casual vacancy as soon as practicable.

### LIABILITY INSURANCE FOR THE DIRECTORS

The Company has in force appropriate insurance coverage on Directors' and officers' liabilities arising from the Group's business. The Company reviews the extent of insurance coverage on an annual basis.

董事會於年內一般舉行四次定期會議，約每季度一次，並於情況需要時召開特別會議。董事會的所有定期會議通知最少在會議前十四天發給所有董事，所有董事均可提出討論事項列入會議議程。董事會會議紀錄初稿會發送予全體董事以表達意見。董事會會議紀錄詳細紀錄董事局考慮之事項及達致的決定，由公司秘書備存，董事可隨時查閱。

於本年度內，本公司已舉行五次董事會會議及一次股東周年大會，個別董事之出席資料詳載於本年報第53頁。

### 主席及行政總裁

根據企業管治守則之守則條文第A.2.1條，主席與行政總裁的角色應有區分，並不應由一人同時兼任。李先生為本公司之主席及執行董事，自黃昌耀博士（「黃博士」）於二零一八年六月一日退任本公司行政總裁之職位後，暫時擔任行政總裁之職務，直至能夠委任適合人選為止。董事會相信，由於李先生為本集團的創始人及富有豐富經驗及知識，李先生在管理層的支持下將加強本集團堅實及一致的領導能力，而李先生同時擔任主席及行政總裁的角色可讓業務規劃及決策得以有效進行，董事會相信此乃符合本集團在過渡期間業務發展的最佳利益。然而，本公司將透過物色及委任合適及合資格的候選人以盡快填補臨時空缺，務求重新遵守守則條文A.2.1。

### 董事責任保險

本公司已就董事及行政人員因本集團業務而引起之責任購買適當保險，本公司每年檢討保險所保障之範圍。

# CORPORATE GOVERNANCE REPORT (CONTINUED)

## 企業管治報告(續)

### CONTINUOUS PROFESSIONAL DEVELOPMENT

The Directors are regularly briefed on the amendments to or updates on the Listing Rules, corporate governance practices, applicable regulatory regimes and the business development of the Group. To keep abreast of the responsibilities of the Directors and infuse them with new knowledge, an in-house seminar was conducted during the year and all Directors attended the seminar. Apart from what the Company had arranged, some of the Directors also attended other external training seminars.

### AUDIT COMMITTEE

The Company established the Audit Committee in June 2007. The primary duties of the Audit Committee are to review the Company's financial reports, make recommendations on the appointment, removal and remuneration of independent auditor, approve audit and audit-related services, supervise the Company's internal financial reporting procedures and management policies, review the Company's risk management and internal control systems as well as the internal audit function, and other duties under the CG code. The Audit Committee comprises four independent non-executive directors, namely Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie), Professor Sun Kai Lit, Cliff BBS, JP, Ir Dr. Lo Wai Kwok SBS, MH, JP and Mr. Andrew Look and is chaired by Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie), a qualified accountant with extensive experience in financial reporting and controls.

During 2018, the Audit Committee held two meetings to review the financial statements of the Group, review the Group's financial controls, risk management and internal control systems and to make recommendation to the Board on the re-appointment of the auditors of the Company.

### 持續專業發展

董事亦定期獲簡介有關上市規則、企業管治常規、相關法例之修訂及本集團的業務發展。為使董事瞭解其職責及灌輸新的知識，於本年度內已舉行了一次內部研討會，所有董事均有參加。除由本公司作出之安排外，若干董事亦有參加其他外部培訓研討會。

### 審核委員會

本公司於二零零七年六月成立審核委員會。審核委員會之主要職責為審閱本公司之財務報告、就委任及罷免獨立核數師以及其薪酬提供推薦建議、批准審計及審計相關服務、監管本公司之內部財務匯報程序及管理政策，檢討本公司之風險管理及內部監控系統以及內部審核職能，以及其他在企業管治常規下的職責。審核委員會由四名獨立非執行董事組成，分別為江啟銓先生(前稱江道揚)、孫啟烈教授BBS, JP、盧偉國博士SBS, MH, JP及陸東先生，而江啟銓先生(前稱江道揚)為審核委員會之主席，彼為合資格會計師，於財務報告及控制擁有豐富經驗。

於二零一八年，審核委員會舉行了兩次會議，審閱本集團之財務報表，審閱本公司之財務監控、風險管理與內部監控系統及就本公司核數師之重新委任向董事會提供推薦建議。

# CORPORATE GOVERNANCE REPORT (CONTINUED)

## 企業管治報告(續)

### NOMINATION COMMITTEE

The Nomination Committee was set up in June 2007 and is mainly responsible for reviewing the structure, size and the composition of the Board and making recommendations on any proposed change to the Board to complement the Company's corporate strategy; assessing the independence of independent non-executive Directors; making recommendations to the Board on the appointment of Directors and succession planning for Directors. The members of the Nomination Committee are Professor Sun Kai Lit, Cliff BBS, JP, Ir Dr. Lo Wai Kwok SBS, MH, JP, Mr. Andrew Look and Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie). Professor Sun Kai Lit, Cliff BBS, JP is the Chairman of the Nomination Committee.

During 2018, the Nomination Committee held one meeting to review the structure, size and the composition of the Board and the Company's board diversity policy.

### DIRECTOR NOMINATION POLICY

The Board has adopted a director nomination policy (the "Director Nomination Policy") during the year as required by the CG Codes which sets out selection criteria in evaluating and selecting candidates for directorships. The Nomination Committee shall consider various factors, including but not limited to objectives of nomination committee, the character and integrity, qualifications, ability and independency requirements of the selecting candidates, the board diversity policy and the needs of the Company.

The Nomination Committee shall evaluate and assess whether such candidate is qualified for directorship based on the selection criteria upon receipt of the proposal on appointment of new director. It may engage external service provider(s) as it considers appropriate in making the determination and recommend to the Board to appoint the appropriate candidate for directorship. The Nomination Committee shall also evaluate candidates based on the selection criteria to determine whether such candidate that is nominated by a shareholder is qualified and appropriate for election as a director at the general meeting of the Company.

### 提名委員會

提名委員會於二零零七年六月成立，主要負責檢討董事會的架構、規模及組成與就任何為配合本公司企業策略而擬對董事會作出的變動提供推薦建議、評核獨立非執行董事的獨立性、就委任董事及董事繼任計劃向董事會提供意見。提名委員會之成員包括孫啟烈教授BBS, JP、盧偉國博士SBS, MH, JP、陸東先生及江啟銓先生(前稱江道揚)，而孫啟烈教授BBS, JP為提名委員會之主席。

於二零一八年，提名委員會舉行了一次會議，檢討董事會之架構、規模及組成以及本公司之董事會成員多元化政策。

### 董事提名政策

根據企業管治守則要求，董事會於年內採納董事提名政策(「董事提名政策」)，該政策載列在評估及挑選候選人擔任董事的甄選準則。提名委員會將考慮若干因素，包括但不限於提名委員會之目的、候選人之品格與誠信、資格、能力及獨立性要求、董事會成員多元化政策及本公司之需要。

提名委員會在收到委任新董事建議時將根據甄選準則評價和評估該候選人是否合資格擔任董事。提名委員會會因應需要委聘外部服務供應商以提供協助及向董事會就委任適當候選人為董事提出建議。提名委員會亦根據甄選準則評價候選人是否合資格及適當就股東提名於本公司股東大會上選舉為董事。

# CORPORATE GOVERNANCE REPORT (CONTINUED)

## 企業管治報告(續)

The Nomination Committee shall review the overall contribution and service to the Company of the retiring director and determine whether the retiring director continues to meet the selection criteria. The Board, with the recommendation from Nomination Committee, shall then make recommendation to shareholders in respect of the proposed re-election of the retiring director at the general meeting. The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

The Nomination Committee will continue to review the Director Nomination Policy from time to time and may adopt changes as appropriate at the relevant time.

### BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy (the "Board Diversity Policy") as required by the Listing Rules which sets out the approach to achieve diversity on the Board. The Company recognises that increasing diversity at the Board level will support the attainment of the Company's strategic objectives and sustainable development. The Company seeks to achieve Board diversity when selecting candidates from a number of perspectives through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Company will also take into consideration its own business model and specific needs from time to time.

The Nomination Committee will review and monitor the implementation of the Board Diversity Policy to ensure its effectiveness as appropriate.

提名委員會將檢討退任董事對本公司的整體貢獻及服務及確定退任董事是否符合甄選準則。董事會就提名委員會之建議於股東大會上就擬重選董事向股東提出建議。董事會將對於其推薦候選人在任何股東大會上參選的所有事宜擁有最後決定權。

提名委員會將持續不時檢討董事提名政策，並可能於相關時間採納適當變動。

### 董事會成員多元化政策

根據上市規則要求，董事會已採納董事會成員多元化政策（「董事會成員多元化政策」），該政策載列達致董事會成員多元化之途徑。本公司了解董事會層面日益多元化將為達成本公司策略目標和可持續發展提供支持。在遴選董事候選人時，本公司藉考慮多項因素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技術、知識及任職年期，務求達致董事會成員多元化。本公司在決定董事會最佳成員組合時，亦會考慮其本身之業務模式及具體需要。

提名委員會會適時檢討及監察董事會成員多元化政策的執行以確保其有效性。

# CORPORATE GOVERNANCE REPORT (CONTINUED)

## 企業管治報告(續)

### REMUNERATION COMMITTEE

The Company established the Remuneration Committee in June 2007. The major duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for the remuneration of directors and senior management. It also reviews and determines the terms of remuneration packages, the award of bonuses and other compensation payable to individual Directors and senior management with reference to the Board's corporate goals and objectives. The Remuneration Committee consists of Professor Sun Kai Lit, Cliff BBS, JP, Ir Dr. Lo Wai Kwok SBS, MH, JP, Mr. Andrew Look and Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie). The Chairman of the Remuneration Committee is Professor Sun Kai Lit, Cliff BBS, JP, an independent non-executive director.

During 2018, the Remuneration Committee held one meeting to approve the contract and remuneration of an executive director of the Company.

The remuneration of the members of the senior management (excluding directors) by band for the year ended 31 December 2018 is set out below:

### 薪酬委員會

本公司於二零零七年六月成立薪酬委員會。薪酬委員會之主要職責為就本公司董事及高級管理人員之薪酬政策及架構向董事會推薦意見，並因應董事會之企業方針及目標而檢討及釐定個別董事及高級管理人員之薪酬待遇、花紅獎賞及其他報酬。薪酬委員會由孫啟烈教授BBS, JP、盧偉國博士SBS, MH, JP、陸東先生及江啟銓先生(前稱江道揚)組成。薪酬委員會之主席為獨立非執行董事孫啟烈教授BBS, JP。

於二零一八年，薪酬委員會舉行了一次會議，批准本公司執行董事之服務合約及薪酬。

於截至二零一八年十二月三十一日止年度按薪酬組別劃分之高級管理人員(董事除外)薪酬載列如下：

	Number of individuals 人數
HK\$500,001 – HK\$1,000,000	1
HK\$1,000,001 – HK\$1,500,000	2
HK\$1,500,001 – HK\$2,000,000	2
HK\$2,000,001 – HK\$2,500,000	1

### CORPORATE GOVERNANCE FUNCTION

The Board is responsible for the corporate governance functions with the following duties:

- to develop and review the Company's policies and practices on corporate governance and make recommendations on changes and updating;
- to review and monitor the training and continuous professional development of Directors;

### 企業管治職能

董事會負責企業管治職能，並有下列職責：

- 制訂及檢討本公司的企業管治政策及常規，並就變動及更新提出建議；
- 檢討及監察董事的培訓及持續專業發展；

# CORPORATE GOVERNANCE REPORT (CONTINUED)

## 企業管治報告(續)

- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
  - to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
  - to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.
- 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；
  - 制訂、檢討及監察適用於僱員及董事的操守守則及合規手冊(如有)；及
  - 檢討本公司遵守企業管治守則的情況及於企業管治報告中作出的披露。

### ATTENDANCE OF MEETINGS

A summary of attendance of Board meetings, committee meetings and general meetings in 2018 are detailed in the following table:

### 出席會議

下表載列於二零一八年董事會會議、委員會會議及股東大會之出席率摘要：

	Number of attendance/Number of meetings				
	出席次數/會議次數				
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	Annual General Meeting 股東週年大會	

#### Executive Directors

##### 執行董事

Mr. Lee Yuen Fat 李遠發先生	5/5	—	—	—	1/1
Mr. Wong Wing Chuen 黃永銓先生	4/5	—	—	—	1/1
Dr. Wong Cheong Yiu <sup>(1)</sup> 黃昌耀博士 <sup>(1)</sup>	5/5	—	1/1	1/1	1/1

#### Independent Non-Executive

##### Directors

##### 獨立非執行董事

Professor Sun Kai Lit, Cliff BBS, JP 孫啟烈教授BBS, JP	5/5	2/2	1/1	1/1	1/1
Ir Dr. Lo Wai Kwok SBS, MH, JP 盧偉國博士SBS, MH, JP	5/5	2/2	1/1	1/1	1/1
Mr. Andrew Look 陸東先生	5/5	2/2	1/1	1/1	1/1
Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie) 江啟銓先生(前稱江道揚)	5/5	2/2	1/1	1/1	1/1

# CORPORATE GOVERNANCE REPORT (CONTINUED)

## 企業管治報告(續)

### Note:

1. Dr. Wong Cheong Yiu stepped down as the Chief Executive Officer of the Company with effect from 1 June 2018 and retired as an executive director of the Company, a member of Nomination Committee and Remuneration Committee of the Company with effect from 1 January 2019.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors (the "Model Code") as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code throughout the year under review.

### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the financial statements of the Company for the year ended 31 December 2018. The statement of the external auditor of the Company in relation to their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 95 to 102.

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for maintaining and reviewing the effectiveness of the risk management and internal control systems of the Group in order to safeguard the Group's assets and shareholders' investments. The systems of risk management and internal control of the Group are designed to manage rather than eliminate the risk of failure to achieve corporate objectives and only provide reasonable but not absolute assurance against material misstatement or loss.

The Audit Committee assists the Board in fulfilling its role in reviewing the Group's financial, operational and compliance controls and reviewing the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions, and the adequacy and effectiveness of the Group's internal control procedures on the continuing connected transactions.

### 註:

1. 黃昌耀博士於二零一八年六月一日起退任本公司行政總裁及於二零一九年一月一日起將退任本公司執行董事、本公司提名委員會和薪酬委員會成員。

### 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之董事進行證券交易的標準守則(「標準守則」)。經向全體董事作出具體查詢後確認，彼等於回顧年度內一直全面遵守標準守則所載規定準則。

### 董事就財務報表所承擔之責任

董事確認彼等對編制本公司截至二零一八年十二月三十一日止年度財務報表之責任。本公司之外聘核數師就其對本集團財務報表之申報責任而發出之聲明，載於第95至第102頁之獨立核數師報告內。

### 風險管理及內部監控

董事會全權負責維持及檢討本集團風險管理及內部監控系統之成效，以保障本集團資產及股東之投資。本集團之風險管理及內部監控系統旨在管理而非消除未能達成業務目標之風險，並只提供合理而非絕對保證無重大錯誤陳述或損失。

審核委員會協助董事會履行其於本集團財務、營運及合規監控方面之監察職責，並檢討本集團會計、內部審核及財務匯報職能方面之資源、員工資歷及經驗、培訓課程及預算之充足性，以及本集團內部監控系統就持續關連交易的監控的足夠性及有效性。

## CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

The management assists the Board in the implementation of the Group's policies, procedures and limits within the Board's approved risk appetite by identifying and assessing the risks faced and monitoring the design and operation of the relevant internal control measures to mitigate and control these risks.

During the year, the Group has engaged an external independent professional firm to review its internal control system covering all relevant financial, operational and compliance control functions within an established framework. Reports prepared by this firm are submitted to the Audit Committee of the Company twice a year for review to ensure that an effective and adequate internal control system is in place.

The Group has also engaged an independent professional consultant to identify, evaluate and prioritise the significant risks exposed to the Group through reviewing the implemented system and procedures, including areas covering financial, operational and legal compliance controls and risk management functions. In addition, a structured approach to risk management was adopted and a risk-based three-year internal audit plan was introduced through restructuring of internal control system in order to address the significant risks identified and assessed by the Group.

During the year, the Board has conducted a review on the effectiveness of risk management and internal control systems through the Audit Committee and the outsourced internal auditor. The scope of review was previously determined and approved by the Audit Committee.

For the year ended 31 December 2018, the Board considered that the Company's internal control and risk management systems are adequate and effective and the Company has complied with the code provisions on internal control and risk management of the CG Code.

管理層通過識別及評估所面對之風險，協助董事會執行本集團之政策、程序以及董事會批准之風險消納範圍內之限制，並監察相關內部監控措施之設計及運作，以減少及控制此等風險。

年內，本集團已聘用外間獨立專業機構檢討其內部監控系統，包括已建立的架構內的所有相關財務、營運及依從規例監控效能。該機構每年兩次把所編制之報告提呈本公司之審核委員會審閱，以確保有效及足夠之內部監控系統已存在。

本集團已經聘用獨立專業顧問透過檢討已實行的制度及程序，範圍涵蓋財務、營運及法律合規監控及風險管理功能方面，以識別、評估及排序本集團面對之重大風險。再者，本集團採納具結構化的風險管理方法，並透過重組內部監控系統引入以風險為導向的內部審核三年規劃，以應對本集團已被識別和評估之重大風險。

年內，董事會透過審核委員會及外聘內部審計師對本集團的風險管理及內部監控系統之成效完成相關檢討。檢討範圍事先由審核委員會決定及批准。

截至二零一八年十二月三十一日止年度，董事會認為本公司的內部監控及風險管理制度乃充足及有效，而本公司亦已遵守企業管治守則有關內部監控及風險管理的守則條文。



# CORPORATE GOVERNANCE REPORT (CONTINUED)

## 企業管治報告(續)

### PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY

#### Foreign Exchange Risk

Most of the Group's transactions were conducted in US dollars, Renminbi or Hong Kong dollars. As such, the Group is aware of the potential foreign currency risk that may arise from the fluctuation of exchange rates between US dollars, Renminbi and Hong Kong dollars. The Group will closely monitor its overall foreign exchange exposure with a view to safeguarding the Group from exchange rate risks.

#### Competition Risk

Competition risk arises from the emergence of a number of competitors in the industry. Price cut from competitors intensifies the risk. The Group believes that the provision of quality products and after sales service to customers are the only way to gain and maintain customer confidence and loyalty.

### PROCEDURES AND INTERNAL CONTROLS FOR HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The handling and dissemination of inside information of the Group is strictly controlled to avoid unauthorised use of inside information. All staff are required to sign the employee confidentiality agreement and access to inside information is restricted to employees on a need to-know basis. In addition, the Group also set out procedures for inside information identification, reporting and disclosure. The Group will review the effectiveness of the current procedures from time to time to ensure the compliance of the relevant regulatory requirements.

### 本公司所面對主要風險及不明朗因素

#### 外匯風險

本集團的大部分交易均以美元、人民幣或港元進行。因此，本集團已注意到美元、人民幣及港元匯率的波動可能引起的潛在外匯風險。本集團將密切監察其整體外匯風險以避免本集團遭受匯率風險所帶來之影響。

#### 競爭風險

競爭風險來自行業湧現大量競爭對手。競爭對手降價令風險加劇。本集團相信，向客戶提供優質產品及售後服務乃獲得及維持客戶信心及忠誠之唯一途徑。

### 處理及發佈內幕消息的程序及監控措施

本集團嚴格控制處理及發佈本集團內幕消息，以避免未經授權使用內幕消息。所有員工均需要簽署僱員保密協議及限制員工按須知基準取得內幕消息。再者，本集團也設置內幕消息識別、報告及披露程序。本集團將不時檢討目前程序的有效性，以確保遵守相關監管規定。

# CORPORATE GOVERNANCE REPORT (CONTINUED)

## 企業管治報告(續)

### AUDITOR'S REMUNERATION

The total auditor's remuneration in relation to statutory audit work and non-audit services of the Group payable to the Company's external auditor, RSM Hong Kong, is set out as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Statutory audit	法定審核	1,770	1,750
Non-audit services <sup>(1)</sup>	非審核服務 <sup>(1)</sup>	353	443
Total	總數	2,123	2,193

Note:

1. Non-audit services mainly include agreed-upon procedures on interim results and tax advisory services.

### COMPANY SECRETARY

The Company Secretary of the Company is a full time employee of the Company. For the year ended 31 December 2018, the Company Secretary has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

### DIVIDEND POLICY

The Company has adopted a dividend policy ("Dividend Policy"), pursuant to which the Company may declare and distribute dividends to the shareholders of the Company (the "Shareholders"), provided that the declaration and payment of dividend shall remain to be recommended by the Board and any final dividend for the financial year will be subject to shareholders' approval.

In proposing any dividend payout, the Board shall take into account, among other things, the Company's current and future operations, corporate development plans, liquidity position, capital requirements and future expected capital needs, as well as dividends received from the Company's subsidiaries and associates. Any payment of the dividend by the Company is also subject to any requirements under the Cayman Islands law, the Listing Rules of Stock Exchange and the Company's Articles of Association.

### 核數師之酬金

本集團應付予外聘獨立核數師羅申美會計師事務所所有關法定審核及非審核服務的核數師酬金如下：

附註：

1. 非審核服務主要包括中期業績之約定程序及稅務諮詢服務。

### 公司秘書

本公司之公司秘書為本公司之全職僱員。截至二零一八年十二月三十一日止年度，公司秘書已遵守上市規則第3.29條的相關專業培訓規定。

### 股息政策

本公司已採納股息政策（「股息政策」），據此本公司可向本公司股東（「股東」）宣佈及派發股息，惟宣佈及派發股息應由董事會提出建議及每一財政年度的任何末期股息將取決於股東的批准。

在提議派發任何股息時，董事會將考慮（其中包括）本公司當前及未來運作、企業發展計劃、流動資金狀況、資本要求及未來預期資本需求，以及從本公司之附屬公司及聯營公司收取的股息決定。股息的派發亦同時視乎開曼群島法律、聯交所上市規則以及本公司之組織章程細則的要求。

# CORPORATE GOVERNANCE REPORT (CONTINUED)

## 企業管治報告(續)

The Board will continue to review the Dividend Policy from time to time and may adopt changes as appropriate at the relevant time as part of its commitment to maximizing shareholder value, taking into consideration the financial performance of the Company and market conditions.

### SHAREHOLDERS' RIGHTS

#### Procedures for convening extraordinary general meeting on requisition

Pursuant to Article 64 of the Company's Articles of Association, an extraordinary general meeting may be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

#### Procedure for putting forward proposals at general meeting

A shareholder shall make a written requisition to the Board or the Company Secretary at the Company's office in Hong Kong, specifying the shareholding information of the shareholder, contact details and the proposal he/she intends to put forward at the general meeting regarding any specified business and its supporting documents.

董事會將持續不時檢討股息政策，並可能於相關時間採納適當變動，作為其致力達到股東利益最大化的承諾，並同時考慮本公司之財務表現及市場情況。

### 股東之權利

#### 請求召開股東特別大會之程序

根據本公司組織章程細則第64條，股東特別大會亦可由一名或多名持有股東要求召開，該等股東於提出要求當日須持有本公司實繳股本不少於十分之一併有權在股東大會上投票。有關要求須以書面形式向董事會或公司秘書提出，藉以要求董事會就處理有關要求所指明之任何事務而召開股東特別大會。有關會議須在遞交該請求書後兩個月內召開。如董事會在請求書遞交日期起計二十一日內未有進行安排召開有關會議，則請求人(或多名請求人)可用相同方式自行召開會議，且請求人因董事會未有妥為召開會議而招致的所有合理費用，須由本公司償還請求人。

#### 於股東大會上提呈建議之程序

股東須致函本公司香港辦事處向本公司之董事會或公司秘書提出書面要求，當中須列明該股東的股權資料、其詳細聯絡資料，以及擬就任何具體的事務而於股東大會上提呈的建議及其有關文件。

# CORPORATE GOVERNANCE REPORT (CONTINUED)

## 企業管治報告(續)

### Shareholders' enquiries

Shareholders should direct their questions in relation to their shareholdings to the Company's share registrar. Shareholders may at any time make a request for the Company's information to the extent that such information is publicly available. Shareholders may send written enquiries to the Board by writing to the Company Secretary at the Company's Hong Kong office at Room A, 29th Floor, Tower B, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.

### Constitutional Documents

There is no change in the Company's constitutional documents during the year ended 31 December 2018.

### 股東提問

股東應向本公司股份過戶登記處提出有關其股權之疑問。股東可隨時要求索取有關本公司之公開資料。股東亦可致函公司秘書向董事會作出查詢，本公司香港辦事處之地址為香港九龍九龍灣宏光道一號億京中心B座29樓A室。

### 組織章程文件

於截至二零一八年十二月三十一日止年度，本公司之組織章程文件並無任何變動。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會與管治報告

This is the third environmental, social & governance (“ESG”) report published by Ka Shui International Holdings Limited (“Ka Shui” or the “Company”), covering the period from 1 January 2018 to 31 December 2018 (the “Reporting Period”). The ESG report was prepared in accordance with the “comply or explain” provisions of Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). The board of directors has acknowledged its responsibility to oversee the Company’s sustainable development and review the truthfulness, accuracy and completeness of the ESG report. The ESG report highlights sustainability efforts and achievements of the Company and its major manufacturing facilities (collectively, the “Group”) in Guangdong, as listed below:

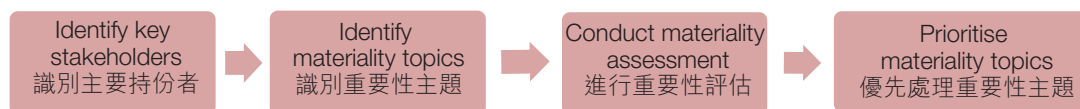
- Ka Fung Industrial Technology (Huizhou) Company Limited (“Ka Fung”)
- Ka Yi Technology (Huizhou) Company Limited (“Ka Yi”)
- Ka Shui Technology (Huizhou) Company Limited (“Ka Shui Technology”)

Ka Shui welcomes your feedback on the ESG report and other sustainability-related matters. We will continuously improve our ESG strategy and work towards our vision to develop into a leading green and high-tech enterprise. If you have any comments or suggestions, please contact us through email at [enquiry@kashui.com](mailto:enquiry@kashui.com).

此乃嘉瑞國際控股有限公司（「嘉瑞」或「本公司」）刊發的第三份環境、社會與管治（「環境、社會與管治」）報告，涵蓋二零一八年一月一日至二零一八年十二月三十一日期間（「報告期間」）。環境、社會與管治報告乃根據香港聯合交易所有限公司（「聯交所」）證券上市規則附錄二十七的「不遵守就解釋」的規定編制。董事會已確認其有責任監督本公司的可持續發展，以及審閱此報告的真實性、準確性及完整性。環境、社會與管治報告突顯本公司及其在廣東的主要生產設施（統稱「本集團」）的可持續努力及成就，如下所列：

- 嘉豐工業科技（惠州）有限公司（「嘉豐」）
- 嘉宜科技（惠州）有限公司（「嘉宜」）
- 嘉瑞科技（惠州）有限公司（「嘉瑞科技」）

嘉瑞歡迎您對環境、社會與管治報告及其他可持續相關事宜的回饋。我們將不斷完善環境、社會與管治策略，朝著發展成為領先的綠色高科技企業的目標努力。若有任何意見或建議，敬請透過電郵[enquiry@kashui.com](mailto:enquiry@kashui.com)與我們聯繫。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

The participation of stakeholders, including both internal and external, is crucial for corporate social responsibility (“CSR”) implementation and continued success in ESG management. We identify our key stakeholders and communicate with them on an ongoing basis through various channels to understand their expectations and concerns so as to refine our sustainability strategies and to address risks. During the Reporting Period, we have engaged our key stakeholders, including the Board of Directors, customers, employees and suppliers or contractors, to hear their voices. The summary of stakeholder engagement is presented below:

持份者(包括內部及外部)的參與對企業社會責任(「企業社會責任」)的實施及環境、社會與管治管理的持續成功至關重要。我們已識別主要持份者，並透過各種渠道持續與他們溝通，了解他們的期望及關注，從而完善我們的可持續策略並應對風險。於報告期間，我們已接觸主要持份者，包括董事會、客戶、僱員及供應商或承辦商，以聽取其意見。持份者參與概要呈列如下：

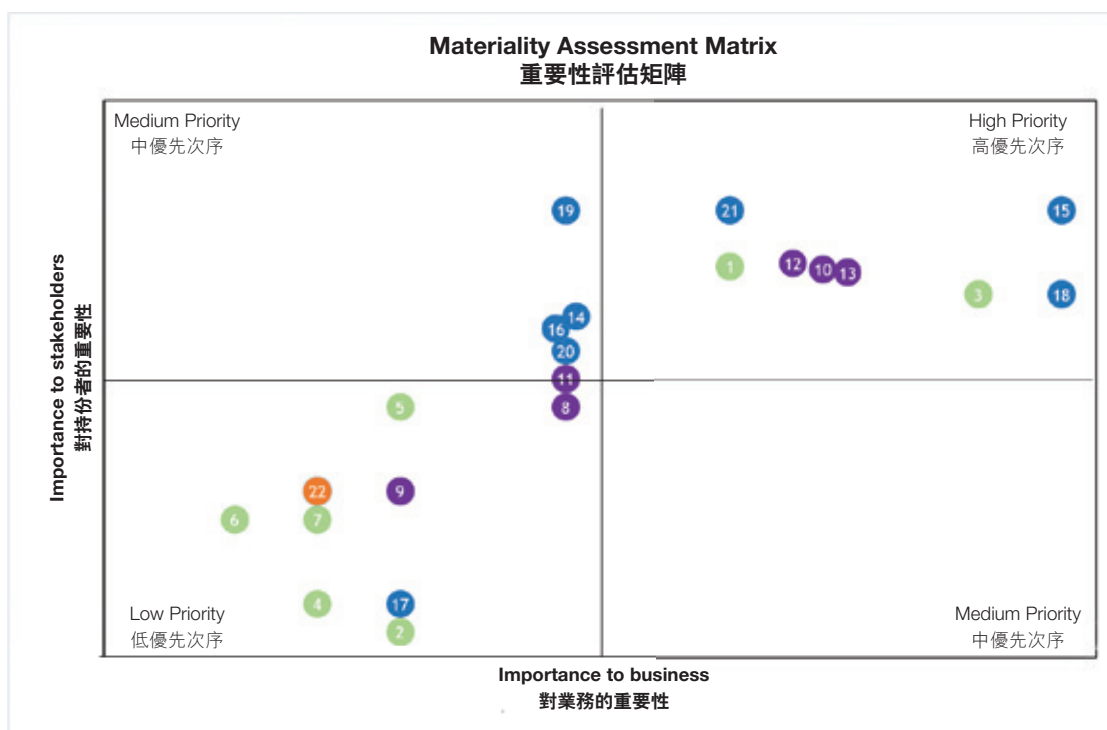
Stakeholder 持份者	Communication Channel 溝通渠道
Board of Directors 董事會	<ul style="list-style-type: none"> <li>• Company website 公司網站</li> <li>• Annual and Interim Reports 年報及中期報告</li> <li>• HKEx News 聯交所披露易</li> <li>• Regular meetings 定期會議</li> </ul>
Customers 客戶	<ul style="list-style-type: none"> <li>• Company website 公司網站</li> <li>• Customer satisfaction surveys 客戶滿意度調查</li> <li>• Customer service hotlines 客戶服務熱線</li> </ul>
Employees 僱員	<ul style="list-style-type: none"> <li>• Training and orientation 訓練及培訓</li> <li>• Intranet 內聯網</li> <li>• Opinion box 意見箱</li> <li>• Annual appraisal 年度評估</li> <li>• Relationship building activities 建立關係的活動</li> <li>• Whistle-blowing mechanism 舉報機制</li> </ul>
Suppliers or contractors 供應商或承辦商	<ul style="list-style-type: none"> <li>• Monthly and annual assessments 月度及年度評估</li> <li>• Tendering and procurement processes 招標及採購流程</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

To identify material sustainability-related topics, we have conducted an online survey to gather views from our key stakeholders. The survey consists of 22 ESG topics, covering areas in operational practices, employment, environmental protection and community investment. Stakeholders are invited to rate the importance of those topics from a stakeholder or a business perspective. The materiality assessment matrix is presented below:

為識別與可持續相關的重要主題，我們以網上調查方式收集主要持份者的意見。調查包括22個環境、社會與管治主題，涵蓋營運常規、就業、環境保護及社區投資領域。持份者獲邀從持份者或業務角度評估該等主題的重要性。重要性評估矩陣呈列如下：



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

High Priority 高優先次序	Medium Priority 中優先次序	Low Priority 低優先次序
1 Air emission 空氣排放	11 Employee development 僱員發展	2 Greenhouse gas emissions 溫室氣體排放
3 Hazardous waste generation 有害廢物產生	14 Customer Satisfaction 客戶滿意度	4 Non-hazardous waste generation 無害廢物產生
10 Occupational health and safety 職業健康及安全	16 Product and service labelling 產品及服務標籤	5 Energy use 能源使用
12 Child labour 童工	19 Customer privacy 客戶私隱	6 Water use 用水
13 Forced labour 強迫勞工	20 Supply chain management 供應鏈管理	7 Use of materials 物料使用
15 Product quality and safety 產品質量及安全		8 Labour rights 勞工權利
18 Intellectual properties 知識產權		9 Diversity and equal opportunity 多元化及平等機會
21 Business ethics 商業道德		17 Marketing communication 營銷傳播
		22 Community support 社區支援

With the results, we prioritised those ESG topics into 3 categories: high, medium and low, for better strategic planning and resource allocation. Acknowledging feedback from our stakeholders, we are committed to strengthening our ESG performance, governance and policies.

根據結果，我們將該等環境、社會與管治主題分為三類：高、中及低，以便進行更好的戰略規劃及資源分配。我們感謝持份者的回饋，並致力加強環境、社會與管治表現、管治及政策。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

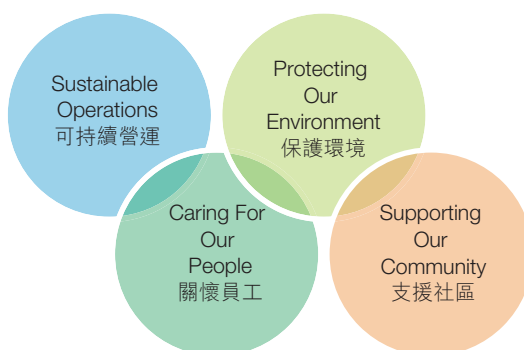
## 環境、社會與管治報告(續)

### OUR SUSTAINABILITY APPROACH

To implant CSR considerations into our management model, we have formulated the Corporate Social Responsibility Policy Statement, in line with our core values “pursuit of excellence, creation of values, unity and mutual trust, harmonious development, green production and giving back to the community”. It is a group-wide policy implemented at all levels of staff.

### 我們的可持續方法

為使企業社會責任理念融入管理模式，我們已按照「追求卓越、創造價值、團結互信、和諧發展、綠色製造及回饋社會」的核心價值觀，制定企業社會責任政策聲明。此乃集團內各級員工執行的政策。



We focus on four key areas and are dedicated to fostering the well-being of our employees, customers, environment and community through leveraging our technology, innovation and expertise. It acts as an effective internal control system to handle ESG-related risks and to help us visualise corporate sustainability.

我們專注於四個主要領域，致力透過利用科技、創新及專業知識以促進僱員、客戶、環境及社區的福祉。它是有效的內部控制系統，處理環境、社會與管治有關的風險，並幫助我們使企業的可持續性形像化。

Guided by this management framework, we incorporate these corporate values into our operational business level. Various tools, including 7S Management, Group Environmental Policy, Group Quality Policy and Group Anti-Corruption Policy, are developed with reference to international and industry-specific standards, such as Social Accountability International SA 8000, Responsible Business Alliance (“RBA”) Code of Conduct and relevant ISO standards.

按照此管理架構，我們將該等企業價值觀融入商業營運中，並借鑒國際及行業的特定標準（如SA 8000社會責任國際標準、責任商業聯盟行為準則及相關的ISO標準），制定各種工具，包括7S管理、集團環境政策、集團品質政策及集團反貪腐政策。

### The 7S Management (「7S管理」)

The 7S Management was originated from the 5S management, and its building blocks are the most powerful lean manufacturing tools. The 5S come from Japanese terms beginning with the letter “S” — Seiri, Seiton, Seiso, Seiketsu and Shitsuke, and together with two additional phrases — “Safety” and “Save” to complete our management approach. It is particularly used for successfully guiding our employees over the years to maintain a healthy and safe workplace, to manufacture quality products and to conserve resources through behavioural changes.

7S管理源於5S管理，而每一個詞語均是其中一個最強大的精益生產方法。5S來自開頭字母為「S」的日語 — Seiri「整理」、Seiton「整頓」、Seiso「清掃」、Seiketsu「清潔」及Shitsuke「素養」，而另外兩個詞語是Safety「安全」和Save「節約」，這7個詞語反映了我們的管理方向。這個方法尤其用於成功地指導我們的員工多年來維持健康及安全的工作場所，從而生產出高品質的產品及透過行為改變而節約資源。

## A. BUSINESS ETHICS

### Pursuing Excellence In Business

“Respecting people, honouring customers, fostering innovation, and supporting continuous improvement” are Ka Shui’s key operating principles. We firmly believe doing business ethically and creating sustainable values for our business partners and the community are the keys to guide us through the evolving business world. Complying with all applicable laws and regulations in our operation, we strive to pursue excellence in our business.

### Product Responsibility 產品責任

#### Group Quality Policy 集團品質政策

1. Provision of adequate training to our workforce  
為員工提供充足的培訓
2. Advance planning to prevent occurrence of quality problems  
提前計劃以防止品質問題發生
3. Good relationship with our customers and suppliers  
與客戶及供應商保持良好關係
4. Continuous improvement on customer satisfaction  
不斷改善客戶滿意度

## A. 商業道德

### 追求卓越

「以人為本、以客為尊、科技創新及持續改善」是嘉瑞的主要經營原則。我們深信，從道德角度開展業務，為我們的商業夥伴及社區創造可持續的價值，乃引導我們走過不斷發展的商業世界的關鍵。我們在經營過程中遵守所有適用的法律及法規，致力在我們的業務上追求卓越。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### 環境、社會與管治報告(續)

Delivering high-quality products and services is the core mission of Ka Shui. To satisfy customers' expectations and to build trust, we have established robust internal control processes with reference to international and industry-specific standards, as well as customers' requirements. For instance, our manufacturing facility, Ka Fung is certified with ISO 9001:2005 Quality Management System for the manufacture of plastic injection products. Internal and external audits are performed to ensure full compliance with applicable laws and regulations. Corrective and preventive procedures are in place to handle any product non-conformity to our quality standards. All of our employees are devoted to working according to their job responsibilities defined in the quality system and do the best to satisfy our customers. We are also committed to providing accurate and complete information about our products and services, marketing, advertising and labelling to protect the interests of our customers.

In addition, we have an ISO/IEC17025 accredited Research and Development ("R&D") laboratory, specialising in research and testing of high performance nonferrous light alloy. With the laboratory, authoritative testing services, such as mechanical testing, photoelectric property testing, hazardous substances testing, are available to offer effective technical supports for product quality control.

嘉瑞的核心使命乃提供優質的產品及服務。為滿足客戶的期望及建立信任，我們已參照國際及行業的特定標準以及客戶要求建立穩健的內部監控流程。例如，我們的生產設施嘉豐塑膠產品生產獲得ISO 9001：2005品質管理體系認證。我們已進行內部及外部審核，確保完全遵守適用的法律及法規，並已制定糾正及預防程序，以處理任何不符合品質標準的產品。我們所有的僱員均致力按照品質體系中界定的工作職責工作，並盡力滿足客戶。我們也致力提供與產品及服務、營銷、廣告及標籤有關的準確及完整的信息，以保障客戶的利益。

此外，我們擁有一個獲得ISO/IEC17025認證的研發實驗室，專門從事高性能有色輕合金的研究及測試。我們可透過此實驗室提供機械檢測、光電效能檢測、有害物質檢測等權威檢測服務，為產品品質監控提供有效的技術支援。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED) 環境、社會與管治報告(續)



Ka Shui's efforts on maintaining high quality standards has been recognised by Lenovo and awarded the Quality Guardian Award. The award is attributed to our strict quality controls with persistence of whole participation, system implementation, continuous improvement, quality assurance and comprehensive services. 嘉瑞在保持優質標準方面得到聯想的認可，並獲得捍衛質量獎。該獎項歸功於我們嚴格的品質監控、堅持全員參與、系統執行、持續改進、品質保證及全面服務。

We actively take the lead in ensuring the safeness of our products by identifying and evaluating risk factors of our services and products, and thus effectively controlling those risks. We are dedicated to controlling our use of hazardous substances in our processes for the safety of the environment, employees, customers and end-users by ensuring all of our operations are complied with international regulations such as Restriction of Hazardous Substances ("RoHS") and Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH").

我們積極帶頭，透過識別與評估服務及產品的風險因素，確保產品安全，從而有效監控該等風險。我們致力透過確保所有的營運均符合國際法規(如《有害物質限制》(「有害物質限制」)及《化學品註冊、評估、授權及限制》(「化學品註冊、評估、授權及限制」))，以控制我們在環境、僱員、客戶及最終用戶安全的過程中使用有害物質。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to health and safety, advertising and labelling matters of products and services in Hong Kong and Mainland China.

### Business Conduct

Ka Shui upholds the principle of “Compliance, Integrity, Fairness, and Anti-corruption” seriously and does not tolerate any form of bribery in order to do business ethically and responsibly. With this strong commitment, all employees are strictly prohibited from receiving, directly or indirectly, any form of benefits such as presents and money by stating clearly in our Group Anti-Corruption Policy and Staff Handbook. Sufficient training is also provided to let employees be familiar with our standards and related ordinances.

Whistle-blowing mechanism is also set up for reporting any suspicious cases of corruption. Staff is welcomed to report anonymously through suggestion box, email, QQ or by face-to-face communication. We promise to handle the issue timely and fairly within three working days.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to bribery, extortion, fraud and money laundering in Hong Kong and Mainland China.

### Intellectual Property Rights

As a part of the technological industry, we understand the importance of intellectual property to business. There are patents and trademarks held for our technologies and developed materials at Ka Shui. Therefore, we strictly adhere to our confidentiality and data protection policy, by clearly specifying in our Staff Handbook, the employment contract and staff non-disclosure agreement. Adequate training on intellectual property right protection is also organised for all employees to strictly follow all the rules and regulations, striving to best protect the Group and our customers’ interests in intellectual properties.

於報告期間，本集團並不知悉任何與香港及中國大陸產品及服務的健康及安全、廣告及標籤事宜有關的不遵守法律及法規情況。

### 業務守則

嘉瑞認真貫徹「奉公守法、誠信廉潔、公平公正、禁止腐敗」原則，反對任何形式的賄賂，以實現商業道德及責任。為履行此堅定承諾，我們在集團反貪腐政策及員工手冊中清楚列明，嚴禁所有僱員直接或間接收取任何形式的利益，如禮物及金錢。我們也提供充足的培訓，讓僱員熟悉我們的標準及有關條例。

我們亦已建立舉報機制，以舉報任何可疑的腐敗個案，並歡迎員工透過建議箱、電子郵件、QQ或面對面溝通匿名舉報。我們承諾在三個工作日內及時及公正處理有關問題。

於報告期間，本集團並不知悉任何與香港及中國大陸的賄賂、勒索、欺詐及洗黑錢有關的不遵守法律及法規情況。

### 知識產權

作為科技行業的一分子，我們明白知識產權對一個企業的重要性。嘉瑞持有一些技術和已開發材料的專利及商標。因此，我們在員工手冊、僱傭合約及員工保密協議中清楚列明，以嚴格遵守保密及數據保護政策。我們也為所有僱員舉辦充足的知識產權保護培訓，以嚴格遵守所有規則及規例，盡力保護本集團及客戶在知識產權方面的利益。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

In addition to protecting our own rights, we also value and respect the rights of other personnel and parties. We will not use third party's intellectual property in our business without prior authorisation.

### Customer Satisfaction & Privacy

To build a close customer relationship and loyalty, it is our fundamental goal to listen to our customer feedback closely and satisfy their expectations. We conduct customer satisfaction surveys twice a year to help us understand how our customers perceive our products and services. In case of any dissatisfaction or return of product from customers, we will investigate the reasons and set up improvement plans on our production and service. Constant follow-up procedures are implemented to prevent recurrence of the same deficiency.

Endeavouring to build a trust relationship, strict rules are set up to ensure proper handling of any confidential information of clients and the Group. Clear guidelines and procedures are in place to regulate how to collect and handle customers' information. We also sign confidentiality and non-disclosure agreements with our clients to protect all customers' confidential business information and product information.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to privacy matters of products and services in Hong Kong and Mainland China.

除保護自身權利外，我們也重視和尊重其他人員和當事方的權利。未經事先授權，我們不會在業務中使用第三方知識產權。

### 客戶滿意度及私隱

為建立密切的客戶關係及忠誠度，我們的基本目標是密切聽取客戶回饋並滿足他們的期望。我們每年進行兩次客戶滿意度調查，以幫助我們了解客戶對產品及服務的看法。客戶如有任何不滿或退貨，我們將調查原因，並制定改善我們的生產及服務計劃。我們實施持續跟進流程，以防止再次出現相同的缺陷。

為了致力建立互信關係，我們訂立了嚴格的規則，確保客戶及本集團的任何保密信息得到妥善處理。我們已制定明確的指導方針及程序，以規範收集及處理客戶信息的方法。此外，我們與我們的客戶簽署保密及不披露協議，以保護所有客戶的機密商業信息及產品信息。

於報告期間，本集團並不知悉任何與香港及中國大陸產品及服務的私隱事宜有關的不遵守法律及法規情況。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

### Supplier Management

As a leading company specialising in magnesium, aluminium and zinc alloys die casting, and plastic injection moulding, we strive to convey our CSR values to business partners that we interact with and build mutual trust. All new suppliers are required to go through a thorough supplier assessment which consists of not only criteria linked to product quality, but also a wide range of CSR-related aspects, such as environmental protection, occupational health and safety ("OHS"), intellectual property rights, privacy, labour standard and welfares, in order to make sure our values are aligned. To meet raising customer expectations and demands, we have developed detailed policies and procedures to effectively manage the product quality of our suppliers through the monthly and annual assessments based on product quality, delivery time, customer complaint (if any) and other CSR-related aspects.

### 供應商管理

作為一家專長於鎂、鋁及鋅合金壓鑄及塑膠注塑的領先公司，我們致力將我們的企業社會責任價值傳達給與我們有交流的業務合作夥伴，並建立相互信任關係。所有新的供應商必須通過一個全面的供應商評估制度，不僅包括與產品品質有關的標準，也包括與企業社會責任相關的許多方面，如環境保護、職業健康與安全（「職業健康與安全」）、知識產權、私隱、勞工標準及福利，以確保與我們的價值觀一致。為滿足客戶的期望及需求，我們已制定詳細的政策及程序，根據產品品質、交付時間、客戶投訴（如有）及其他與企業社會責任有關方面，透過每月及年度評估有效管理供應商的產品質量。

#### Aspect 範疇

#### Requirement 要求

Anti-corruption  
反腐敗

We have established strict rules for all our business partners which are detailed in our Code of Conduct and Group Anti-Corruption Policy. We require all suppliers to follow the content stated in the declaration of integrity; otherwise, they will be blacklisted and may be subject to legal prosecution.

我們已為所有業務合作夥伴制定嚴格的規則，該等規則在我們的行為守則及集團反腐敗政策中詳細說明。我們要求所有供應商遵守誠信聲明所述的內容；否則，他們將被列入黑名單，並可能受到法律起訴。

Child and forced labour  
童工及強迫勞工

We require our suppliers and subcontractors to follow the same labour practice at Ka Shui by adding the requirement of child and forced labour prohibition in partnership agreements. It is also one of the bases for the selection and evaluation processes. If the suppliers and subcontractors are found to have employ child or forced labour, they are required to undergo the remedy procedures and make improvement plans. Otherwise, they will be disqualified.

我們要求供應商及分包商遵守嘉瑞的相同勞工慣例，在合作夥伴協議中加入禁止童工及強迫勞工的要求。它也是選擇及評估過程的基礎之一。如發現供應商及分包商僱用童工或強迫勞工，他們須接受補救程序並制定改進計畫，否則將被取消資格。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

Aspect 範疇	Requirement 要求
Environmental protection 環境保護	<p>Suppliers have to sign the Supplier Environmental Agreement to ensure they understand our CSR policy and are committed to accomplishing our expectations according to ISO 14001 Environmental Managing System. Since we strictly follow the RoHS and REACH standards, suppliers are required to declare that their supplying materials are complying with the standards, and also to submit testing reports performed by a third party for verification of the compliance. For instance, chemical suppliers are required to submit Material Safety Data Sheet to disclose the health and safety hazard information of the chemicals and corresponding health and safety measures. We will request improvement plans in case of discovery of violation. Ka Shui may terminate the business relationship if no corrective or preventive actions are taken.</p> <p>供應商必須簽署供應商環境協議，確保彼等明白我們的企業社會責任政策，並承諾按照ISO 14001環境管理體系實現我們的期望。由於我們嚴格遵守有害物質限制及化學品註冊、評估、授權及限制的標準，供應商必須聲明彼等供應的資料符合標準，並提交由第三方執行的測試報告，以驗證其是否合規。例如，化學品供應商須提交物料安全數據表，以披露化學品的健康及安全危害信息以及相應的健康及安全措施。如發現違規，我們將要求改進計劃。如沒有採取糾正或預防措施，嘉瑞可終止業務關係。</p>
OHS 職業健康與安全	<p>Suppliers are required to sign the Safety Responsibility Agreement to show their commitments in safeguarding worker's working conditions. For example, all workers have to be provided with sufficient protective equipment and trained before on-boarding.</p> <p>供應商須簽署安全責任協議，以表明彼等在保護工人工作條件方面的承諾。例如，所有工人均須配備足夠的防護設備，並在正式工作前接受培訓。</p>
Product safety 產品安全	<p>Suppliers are required to declare that all products supplied to Ka Shui conform to the requirements of REACH and RoHS.</p> <p>供應商須聲明所有供應予嘉瑞的產品均符合化學品註冊、評估、授權及限制及有害物質限制的要求。</p>

Apart from managing our suppliers, we also look closely at the ethicality of our procurement activities. For example, we do not source minerals such as tantalum, tin, tungsten and gold from whose extraction and trade in unstable regions affected by armed groups such as the Democratic Republic of Congo or adjoining countries, which have been known for perpetrating human right abuses.

除管理我們的供應商外，我們也密切關注我們採購行為是否合乎道德。例如，我們不會採購在受到武裝團體影響的不穩定地區（如剛果民主共和國或毗鄰國家）提取及貿易的礦物（如鉭、錫、鎢及黃金），因為那些地區踐踏人權。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

### B. EMPLOYEE

#### Respecting Our People

Ka Shui upholds the values of “Respect, Passion, Integrity, Teamwork, and Initiative”. They have been major elements in our business philosophy since the beginning of our business back in 1980. We believe that people can bring us continuous innovation and improved productivity. Our employees, in particular, are whom we profoundly respect as they are the backbone supporting the sustainable growth of Ka Shui.

#### Labour Rights

Ka Shui cares about children’s health, safety, education, and development; therefore, we strictly prohibit child labour, who is under the age of 16, in all our subsidiaries. Under the “Prohibition of Child Labour and Remedy Guidelines”, staff’s identification documents are checked before employment and regular investigations are conducted to ensure no underaged persons are hired. If any child labour is found, remedy procedures will be carried out by sending the children back home, followed by providing medical health check and sufficient living expenses until they are 16 years old. We aim to offer as much assistance as possible and alleviate potential negative impacts on them. For juvenile workers who are under the age of 18, they are not allowed to engage in certain positions with potential safety and health hazards. We will register with the local labour authority and provide physical health examinations before on board. In addition, we also ensure our staff work consensually, and are free from any forced labour in the workplace.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to preventing child and forced labour.

### B. 員工

#### 尊重員工

嘉瑞秉承「尊重、熱情、廉正、團結及主動」的價值。自一九八零年開展我們的業務開始，這些價值觀一直是我們業務座右銘的要素。我們深信，員工可以為我們帶來不間斷的創新與提升生產力。我們的僱員是我們尤其尊重的，因為他們是支持嘉瑞可持續發展的骨幹。

#### 勞工權利

嘉瑞關心兒童的健康、安全、教育及發展，因此，我們嚴禁所有附屬公司僱用未滿16歲的童工。根據《禁止童工及補救指引》，於僱用員工前應檢查他們的身份證明文件，並定期進行調查，確保不會僱用未成年人士。如發現任何童工，我們將採取補救措施，把孩子送回家，然後提供醫療及健康檢查以及足夠的生活費用，直到他們16歲為止。我們旨在盡可能提供協助，減輕對他們的潛在負面影響。就未滿18歲的未成年工人而言，他們不得從事可能危及安全和健康的工作。我們將向當地勞動部門登記，並在正式工作前提供身體健康檢查。此外，我們也確保員工在雙方同意下工作，在工作場所沒有任何強迫勞工。

於報告期間，本集團並不知悉任何重大違反與防止童工及強迫勞工有關的法律及法規情況。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

### Favourable Workplace

Talents are the foundation of a successful business and we strive to maintain a motivated workplace for all. We have a set of comprehensive policies in place to provide guidance for management of our human resources.

Our people are remunerated with competitive wages, fixed working hours, comprehensive insurance coverage and mandatory provident fund, which are in line with national regulations and also other standards including SA8000 Social Accountability International Standard and RBA code of conduct. All employees are entitled to paid leaves such as statutory holidays, annual leave, maternity leave, paternity leave, sick leave, work injury leave, marriage leave and funeral leave (subject to local regulations). At Ka Shui, deduction of wages as a means of disciplinary action is prohibited. Instead, we provide incentives to employees with outstanding achievements and performances to recognise their efforts throughout the year.

The Group strives to create a working environment that is free from discrimination. We grant fair and equal employment opportunities based on qualifications, experiences and abilities. In respect of recruitment, promotion, performance evaluation, and salary management, we will not take unfair and differentiated treatment due to differences on the ground of nationality, age, gender, sexual orientation, gender identity, ethnicity, disability, pregnancy, political inclination, and/or other forms of difference that is unrelated to the job requirements. Female employees will not be dismissed and their wages will not be deducted due to pregnancy, maternity, breastfeeding etc.

We respect diversity and freedom of association, and we prohibit any forms of discrimination, harassment, and victimisation at the workplace. At the same time, to build unity and mutual trust, we operate an anonymous whistle-blowing system to encourage the reporting of misconduct while respecting the privacy of the whistle-blowers.

### 有利的工作場所

人才是企業成功的基礎，我們致力為所有員工維護積極的工作場所。我們已制定全面的政策，為我們的人力資源管理提供指導。

我們的員工享有具競爭力的工資、固定的工作時間、全面的保險及強積金，這些均符合國家法規以及其他標準（包括SA8000社會責任國際標準及責任商業聯盟行為準則）。所有僱員均享有有薪假期，如法定假期、年假、產假、陪产假、病假、工傷假、婚假及喪假（視乎當地法例）。在嘉瑞，我們禁止扣除工資作為紀律處分的手段。相反，我們獎勵有突出成就及表現的僱員，以表揚他們全年的努力。

本集團致力營造零歧視的工作環境。我們因應員工的資格、經驗及能力給予公平及平等的就業機會。就招聘、晉升、表現評估及薪金管理而言，我們不會因為不同國籍、年齡、性別、性取向、性別身份、種族、殘疾、懷孕、政治傾向及／或與工作要求無關的其他形式的差異而作出不公平及差別對待。女性僱員不會因懷孕、產假、哺乳等原因被解僱，其工資也不會被扣減。

我們尊重多樣性及結社自由，禁止工作場所內任何形式的歧視、騷擾及傷害。同時，為了建立團結及互信關係，我們建立一個匿名舉報制度，鼓勵舉報不當行為，同時尊重舉報人的私隱。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare in Hong Kong and Mainland China.

### Training & Development

Ka Shui always views the talents of our employees as the most valuable asset. To let our staff grow professionally and develop their career path, we provide a series of internal training programmes and encourage them to participate in external training opportunities.

We have set up the Ka Shui Enterprise Academy in 2005, which is responsible to leverage learning opportunities and promote corporate culture exchange. The academy collects the training demands from each department and formulates an annual training plan for individual employees accordingly. Through lectures and relationship-building activities, our people at different job positions and levels have chances to nurture our rich corporate culture and develop in both personal and professional domains. Training programmes covering various topics based on industry-wide standard RBA requirements, covering topics related to reinforcement of labour rights, ethics, as well as OHS, so that these concepts can be internalised and contribute to building of unity and mutual trust within the Group. Training records are well kept and feedbacks are collected for continuous improvement and future planning. We also establish an apprenticeship programme to train and develop our technical personnel, as well as to enhance the sense of belonging among employees. Experienced mentors are assigned to help and guide new employees in terms of job skills, professional ethics, and personal development. During the Reporting Period, we have organised training sessions such as:

於報告期間，本集團並不知悉任何重大違反與香港及中國大陸的賠償及解僱、招聘及晉升、工作時間、休息時間、平等機會、多樣性、反歧視及其他福利及福祉有關的法律和法規情況。

### 培訓與發展

嘉瑞視僱員的才能為最寶貴的資產。為了讓員工專業成長並發展其職業道路，我們提供一系列內部培訓計劃，並鼓勵他們參與外部培訓機會。

我們於二零零五年成立嘉瑞企業學院，學院負責利用學習機會，促進企業文化交流。學院收集各部門的培訓需求，為個別員工制定相應的年度培訓計劃。透過講座及建立關係的活動，我們不同職位和級別的員工均有機會培養豐富的企業文化，並在個人及專業領域發展。我們提供基於行業標準責任商業聯盟行為準則要求之培訓計劃，涵蓋有關加強工人權利、道德及職業健康與安全等多個主題，使該等概念能被內化，並有助在本集團內建立團結及互信。我們妥善保存培訓記錄，並收集回饋信息，以便持續改進及供未來規劃。我們也設立學徒計劃以培訓及發展技術人員，並增強僱員的歸屬感。新僱員在工作技能、職業道德及個人發展方面均獲經驗豐富的導師幫助和指導。於報告期間，我們已舉辦多個培訓課程，如：

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)



Seminar on Die Casting & Precision Machining Technology  
壓鑄及精密加工技術研修班

We have a clear career advancement system to provide employees guidance on pursuing their career paths. Employees with excellent performance will be rewarded the “Excellent Staff Award” based on their efforts on showing responsible attitude, maintaining high level of ethics, getting along well in a team or demonstrating other outstanding abilities. In addition, an annual appraisal is conducted to assess employees’ performances and ethical behaviours in a fair and objective manner. It is also an opportunity for employees to reflect their difficulties and opinions to the management so as to achieve a two-way communication.

### Occupational Health and Safety

Ka Shui takes full responsibility to provide a healthy and safe workplace for our employees by protecting them from work-related injuries or accidents. We organise physical examination for all employees every year and for newly recruited staff. Comprehensive OHS training is also provided to enrich their knowledge on occupational health and the correct ways of using protective equipment such as safety glasses and protective gloves. Based on employees’ job natures and needs, we provide extra training to ensure their complete acknowledgment to all the potential hazards and dangers in workplace, and are competent to safely perform duties.



Corporate Supervision Management Program  
企業監督管理計劃

我們有一套清晰的職業晉升制度，為員工提供職業道路指導。表現優秀的僱員將在表現出負責任的態度、保持良好的職業道德、與團隊相處良好或表現其他突出能力方面獲得「優秀員工獎」。此外，我們每年均以公平客觀的方式對僱員進行一次評估，以評估其表現及道德行為。此也是僱員向管理層反映困難及意見、實現雙向溝通的機會。

### 職業健康與安全

嘉瑞為僱員提供健康及安全的工作場所負上全責，保護他們免受工傷或發生事故。我們每年為所有僱員及新聘員工安排身體檢查。我們也向僱員提供全面的職業健康與安全培訓，以豐富其在職業健康上的知識與使用防護工具(如安全眼鏡及防護手套)的正確方法。基於僱員的工作性質及需要，我們提供額外培訓，以確保他們在自己的工作場所對所有潛在的危害物和危險有完整的認知，並能安全地執行職責。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### 環境、社會與管治報告(續)

As a company with manufacturing processes such as metal alloys die casting and plastic injection moulding, there are potential work-related hazards. We have therefore set up our health and safety policy and a safety management system to identify, control and evaluate these OHS risk to ensure employees are following the safety procedures. Measures to safeguard our employees from accidents and occupational diseases include daily safety inspection at production sites by our safety team, periodic machinery safety inspection and hygiene control. Each department is assessed against its safe production performance every month. If any hazard is identified, timely action plans will be developed to mitigate the corresponding risks.

In spite of the above preventive measures, first-aiders are stationed in our production sites as required in related legal provisions for any immediate first-aid support. An emergency procure plan is also developed to cope with emergency situations. Drills for fire and other emergency situations are periodically conducted and reviewed to increase staff's safety awareness and response efficiency in case of emergency events.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards in Hong Kong and Mainland China.

#### Employee Relationships

We strive to maintain a harmonious working environment and good relationship with our employees by setting up a multi-channel communication system for staff, union and the management. We are committed to maintaining an open dialogue among employees, the union and the management, and to improving employee satisfaction by means of meetings, forums, sports competitions and other activities. Employees are also encouraged to express their opinions or complaints via the internal opinion box. We promise to respect their feedback and to handle them timely and impartially.

作為一家涉及金屬合金壓鑄及塑膠注塑等生產過程的公司，有可能發生與工作有關的傷害。因此，我們已制定健康安全政策及安全管理體系，以識別、控制及評估此等職業健康與安全風險，確保僱員遵守安全程序。保護僱員不受事故及職業病危害的措施包括安全小組在生產現場的日常安全檢查、定期的機械安全檢查及衛生控制。每個部門每月根據其安全生產績效進行評估。如發現任何危害，將及時制定行動計劃，以減輕相關的風險。

即使實施上述的預防措施，我們仍根據有關法律規定派急救員駐守在我們的生產場地，以提供即時的急救支援。為了應付緊急情況，我們已制定緊急程序計劃。我們也定期進行消防及其他緊急情況演習及檢討，以提高員工的安全意識及在發生緊急事件時的反應。

於報告期間，本集團並不知悉任何重大違反與香港及中國大陸提供安全工作環境及保護僱員免受職業危害有關的法律及法規情況。

#### 僱員關係

我們致力維持和諧的工作環境及與僱員的良好關係，為員工、工會及管理層建立多渠道的溝通系統。透過會議、討論區、運動比賽及其他活動，我們承諾維持僱員、工會與管理層之間的公開對話，並改善僱員的滿意度。我們透過內部意見箱鼓勵僱員表達意見或投訴。我們承諾尊重他們的回饋，並及時公平地處理有關意見。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

A wide range of recreational and relationship building activities are organised to strengthen the bonding among our employee and build a sense of belonging to the Group among the employees, such as monthly birthday parties, basketball, singing competitions, Chinese New Year gathering and Mid-Autumn Lantern Carnival during the Reporting Period. We also provide physical fitness rooms, library, internet rooms, and badminton courts in workplaces to foster a work-life balance.

我們舉辦各類康樂及建立關係的活動，以加強僱員之間的聯繫及培養他們對本集團的歸屬感，如報告期間的每月生日聚會、籃球及歌唱比賽、春節聚會及中秋彩燈嘉年華。我們還在工作場所提供健身室、圖書館、互聯網室及羽毛球場，以提倡工作與生活平衡。



Parent-Child Factory Visit  
親子工廠參觀



Tug of War Competition  
拔河比賽



Mid-Autumn Festival Party  
中秋節聚會



Basketball Competition  
籃球比賽

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)



Dancing Class  
舞蹈課



Monthly Birthday Party  
每月生日聚會

### C. ENVIRONMENT

#### Protecting Our Environment

##### Group Environmental Policy 集團環境政策

1. Observe all applicable national and local laws and regulations strictly  
嚴格遵守所有適用的國家及地方的法律及法規
2. Establish, implement and strengthen our environmental management system, as well as setting of goals for environmental achievements  
建立、實施及加強環境管理體系，並制定環境成果目標
3. Introduce cleaner production in steps; striving to conserve resource uses and reduce waste or effluent  
逐步推行清潔生產，努力節約資源的使用，減少廢物或廢水
4. Provide training and education to promote the idea of sustainable development across the supply chain  
提供培訓及教育，以在整個供應鏈宣揚可持續發展的理念
5. Provide channels for relevant interested parties and the public to get access to our environmental performance tracking  
為相關利益方及公眾人士提供獲取環境績效跟蹤的渠道

As a leading green and high-tech manufacturer, we try our best to move us towards a greener production. We have a Group Environmental Policy in place outlining our management approaches to minimise environmental impacts, supported by the ISO 14001:2015 certified Environmental Management System at Ka Fung and Ka Yi.

### C. 環境

#### 保護環境

作為一家領先的綠色及高科技生產商，我們努力達致綠色生產。我們已制定集團環境政策，當中概述我們的管理方法，以盡量減少對環境的影響，並在嘉豐及嘉宜獲ISO 14001：2015環境管理體系認證的支持。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED) 環境、社會與管治報告(續)

To ensure full compliance with applicable laws and regulations, internal and external inspections by third parties on wastewater discharges, air emissions, hazardous waste disposals and noise generation are conducted at regular intervals. We have also tracked and publicly disclosed our consumption and emission data to better understand and manage our environmental footprints. All emissions and discharges are only carried out with valid permits and licenses.

We also actively promote the practice of environmental protection in daily office and factory operation, develop the environmental awareness of our employees by training and encourage them to participate in different green activities.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, generation of waste and use of resources in Hong Kong and Mainland China.

為確保完全遵守適用的法律及法規，第三方定期對廢水排放、空氣排放、危險廢物處理及噪音產生進行內部及外部檢查。我們也追蹤並公開披露我們的消耗及排放數據，以便更好地了解及管理環境足跡。所有排放僅在獲得有效許可證及執照下進行。

我們也透過培訓及鼓勵僱員參與各種綠色活動，以積極推廣日常辦公室及工廠營運中的環保實踐及培養他們的環保意識。

於報告期間，本集團並不知悉任何重大違反與香港及中國大陸空氣及溫室氣體排放、對水及土地的排放、廢物產生以及資源使用有關的法律及法規情況。



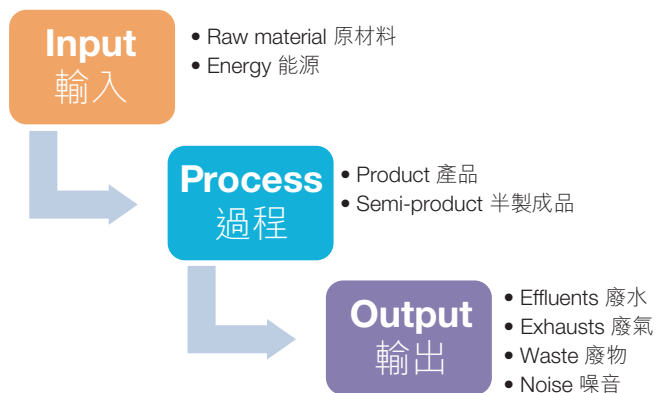
# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

With limited amount of resources and increasing environmental pollution issues on our planet, Ka Shui places high importance on reducing the environmental footprints of our products to create values for our customers and other stakeholders. By taking our product's life-cycle into consideration and using the "cradle to grave" approach, we fully understand the impacts of our products on the environment during its entire life process, from raw material input to final disposal. Findings from the life-cycle analysis enable us to control our footprint in an integrated manner.

全球環境污染問題日益增加，但資源有限，因此，嘉瑞高度重視減少產品對環境的污染，從而為我們的客戶及其他持份者創造價值。透過考慮產品的生命週期，採用「從搖籃到墳墓」的方法，我們充分了解從原材料輸入到最終處置的整個生命週期中產品對環境的影響。生命週期分析的結果使我們能以全面的方式控制我們的污染。

### Life-cycle analysis 生命週期分析



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

Apart from implementing green measures at our offices and factories, we proactively explore opportunities to achieve our environmental goals. We have set the following environmental targets and corresponding actions:

除在辦公室及工廠實施綠色措施外，我們也積極探索實現環境目標的機會。我們已制定以下環境目標及相應的行動：

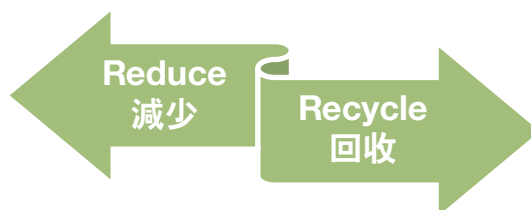
Target 目標	Action 行動	Achievement 成果
100% compliance rate of hazardous waste disposal 危險廢物處置達標率 100%	<ul style="list-style-type: none"> <li>— Keep a clear waste generation record of each department 各部門有明確的廢物產生記錄</li> <li>— Appoint qualified waste collectors for disposal 指定合資格的廢物收集商以處置廢物</li> <li>— Maintain an archive to track disposal statistics 保存檔案以跟蹤廢物處置的統計數據</li> <li>— Evaluate the compliance status 評估合規情況</li> </ul>	<p>During the Reporting Period, there was no instance of non-compliance relating to hazardous waste disposal. Procedures for achieving 100% compliance rate will be detailed in the section “Waste Management”.</p> <p>於報告期間，概無發生與危險廢物處置有關的不合規情況。達到100%合格率的程序將在「廢物管理」一節詳細說明。</p>
Zero complaint 零投訴	<ul style="list-style-type: none"> <li>— Comply with all applicable laws and regulations 遵守所有適用的法律及法規</li> <li>— Raise employees’ awareness 提高僱員的意識</li> <li>— Supervise environmental controls closely 密切監督環境控制</li> <li>— Improve the environment of the production sites and the surrounding neighbourhoods 改善生產場地及周邊環境</li> </ul>	<p>During the Reporting Period, there was no complaint received relating to environmental issues.</p> <p>於報告期間，概無收到與環境問題有關的不合規情況。</p>
Reduce aluminium and zinc alloy scrap 減少鋁及鋅的合金廢料	<ul style="list-style-type: none"> <li>— Improve production processes to enhance resource efficiency 改進生產流程，提高資源效率</li> <li>— Source high-quality slag powder to increase recycle rate 選用優質渣粉以提高回收率</li> </ul>	<p>The scrap production ratios have been reduced to 2.95% and 4.5% for zinc alloy and aluminium alloy respectively at Ka Yi. 在嘉宜，鋅合金及鋁合金的廢品率分別降低至2.95%及4.5%。</p>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

### Waste Management

### 廢物管理



We strive to reduce our waste generation and disposal by two key actions: reduce and recycle. Reduction is the most preferable approach in our holistic waste management. We reduce raw and office material consumption by improving the efficiency of the production process in order to cut raw material inputs and minimise product failures, which in turn lower the amount of waste generated.

When waste is unavoidably generated, we exercise waste separation, aligned with the 7S Management, to separate waste into three categories: valuable waste, hazardous waste and non-hazardous waste. They are separated into dedicated bins with clear labels. This is a vital step in to isolate hazardous waste which requires different approaches to handle, and to scavenge the valuable waste for recycling. In the meantime, Ka Shui Enterprise Academy organises training sessions on waste separation, from time to time, to ensure employees are familiar with the practices. For valuable waste such as metals from the leftover in production, we will recycle back into the production cycle. For waste which inevitably ends up with being disposed of, which is the least preferable option, will only be handled by qualified collectors.

It is our duty to ensure that hazardous waste, such as waste oil residue, paint, sludge, chemicals and their containers, is disposed of in strict compliance with relevant laws and regulations. Hazardous waste is sorted, collected, labelled, stored and transported with special cares. For effective hazardous waste management, each department logs its generation records monthly, as a basis for continuous improvement planning.

我們致力透過兩個主要行動以減少廢物的產生及處理：減少及回收。在我們的整體廢物管理中，減少乃最可取的方法。我們透過提高生產流程的效率以減少原材料及辦公室材料的消耗，從而減少原材料的投入，盡量減少產品故障，以降低所產生的廢物量。

當不可避免產生廢物時，我們按照7S管理進行廢物分類，將廢物分為三類：有價值的廢物、有害廢物及無害廢物，將它們分門別類放入已有清晰標籤的專用垃圾桶。此乃管理過程中的一個重要步驟，分開需要採用不同方法來處理的有害廢物，以及回收有價值的廢物。同時，嘉瑞企業學院不時舉辦廢物分類培訓班，以確保僱員熟悉有關做法。就生產過程中剩餘的金屬等有價值的廢棄物而言，我們將回收利用，進入生產週期。就不可避免最終會被處置的廢物而言，此乃最不可取的選擇，只能由合資格的收集商處理。

我們有責任確保危險廢物（如廢油殘渣、油漆、污泥、化學品及其容器）嚴格按照相關法律及法規進行處置。危險廢物的分類、收集、標籤、儲存及運輸均特別審慎處理。為有效管理危險廢物，各部門每月均記錄其廢物產生的記錄，作為持續改善計劃的基礎。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

A contingency plan is also established to cope with emergency circumstances such as chemical leakage, fire, explosion or other accidents that may occur when handling hazardous waste. The plan provides our staff with timely and appropriate response actions to minimise the potential environmental and health impacts incurred under such circumstances.

During the Reporting Period, the Group disposed of a total of 58.62 tonnes of non-hazardous waste and 394.06 tonnes of hazardous waste:

我們亦制定應急計劃，以應對處理危險廢物時可能發生的緊急情況，如化學品洩漏、火災、爆炸或其他事故。該計劃為我們的員工提供及時及適當的回應行動，以盡量減低在有關情況下產生的潛在環境及健康影響。

於報告期間，本集團共處置58.62公噸無害廢物及394.06公噸有害廢物：

Waste Generation 廢物產生		2018
<b>Hazardous waste 有害廢物</b>		
Chemical waste 化學廢料		390.52
Other 其他		3.54
<b>Total 總計</b>		<b>394.06</b>
Intensity (tonnes/million pieces of product) 強度(公噸/每百萬件產品)		0.43
<b>Non-hazardous waste 無害廢物</b>		
Domestic waste 家用廢物		58.62
<b>Total 總計</b>		<b>58.62</b>
Intensity (tonnes/million pieces of product) 強度(公噸/每百萬件產品)		0.06

### Air & Greenhouse Gas Emissions

During our manufacturing processes such as moulding and scrapping, a certain amount of air pollutants is emitted. To reduce our emissions, we have installed filtering devices for our major air pollutants, such as volatile organic compound and particulate matter ("PM"), along our production chain to ensure the emission level complies with the laws and regulations. Third parties are appointed to conduct annual air quality testing to ensure air pollutants are controlled properly and the level of emissions does not exceed the threshold limit.

### 氣體及溫室氣體排放

在我們的生產過程(如塑模及銷毀)中會產生一定數量的空氣污染物。為了減少排放量，我們已經在我們的生產鏈安裝了過濾設備以處置我們的主要空氣污染物，如揮發性有機化合物及顆粒物(「顆粒物」)，以確保排放水平符合法律及法規。我們聘請第三方每年進行空氣品質監測，以確保空氣污染物適當地受控及排放水平不超過限值。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

To control exhausts from motor vehicles, all of our company vehicles are maintained regularly and inspected annually. The engines should be turned off when they are idling. During the Reporting Period, the Group's total air emissions generated by company vehicles and stationary fuel usage were as follows:

為了控制汽車的氣體排放，本公司所有的車輛均定期維修及每年進行一次檢查。發動機空轉時應關閉。於報告期間，本集團的公司車輛所產生的總氣體排放量及固定燃料使用量如下：

Air Emission 氣體排放	2018
Nitrogen oxides (kg) 氮氧化物(公斤)	252.62
Sulphur oxides (kg) 硫氧化物(公斤)	2.27
PM (kg) 顆粒物(公斤)	21.51

We are committed to reducing our greenhouse gas ("GHG") emissions in order to alleviate the growing challenges of climate change. We have conducted a GHG emission assessment<sup>1</sup> to understand the Group's emission pattern, which is mainly contributed by use of purchased electricity, fuels and refrigerant. During the Reporting Period, the Group's total GHG emission was 45,299.20 tCO<sub>2</sub>e. The increase is mainly attributed to higher electricity consumption in our expanding businesses.

我們致力減少溫室氣體(「溫室氣體」)的排放，以緩解氣候變化日益嚴峻的挑戰。我們已進行溫室氣體排放評估<sup>1</sup>，以了解本集團的排放模式，此主要由於使用已購買的電力、燃料及製冷劑。於報告期間，本集團的總溫室氣體排放量為45,299.20公噸二氧化碳當量。該增幅主要由於我們不斷擴大的業務中的電力消耗增加。

Greenhouse Gas Emission 溫室氣體排放	2018
Scope 1 – Direct GHG emissions <sup>2</sup> (tCO <sub>2</sub> e) 範圍一 – 直接溫室氣體排放 <sup>2</sup> (公噸二氧化碳當量)	3,853.91
Scope 2 – Energy indirect GHG emissions <sup>3</sup> (tCO <sub>2</sub> e) 範圍二 – 能源間接溫室氣體排放 <sup>3</sup> (公噸二氧化碳當量)	41,445.29
<b>Total GHG emissions (tCO<sub>2</sub>e)</b> <b>溫室氣體排放總量(公噸二氧化碳當量)</b>	<b>45,299.20</b>
GHG Intensity (tCO <sub>2</sub> e/million pieces of product) 溫室氣體排放強度(公噸二氧化碳當量/每百萬件產品)	49.83

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

### Note:

1. The carbon assessment is conducted based on the "How to prepare an ESG Report? Appendix 2: Reporting Guidance on Environmental KPIs" published by HKEx and international standards such as ISO 14064 and GHG Protocol.
2. Scope 1 represents direct GHG emissions generated by the use of refrigerant and fuels for stationary and mobile sources.
3. Scope 2 represents energy indirect GHG emissions generated by the use of electricity.

### Use of Resources

Reducing our consumption of these resources not only conserves the environment, but also results in operation cost reduction and creates values to our stakeholders. To effectively and wisely manage our use of resources, we have set up the Energy and Resource Consumption Control Procedure, which clearly outlines the responsibility of each department on managing each resource type, including electricity, fuel, water, paper, raw materials, and packaging materials. Our production facilities are installed with metres at specified locations to record our resources uses, and hence we can understand our consumption patterns and identify areas for further improvement.

### Energy Consumption

The major types of energy resource consumed are purchased electricity, natural gas for boilers and gasoline for vehicles. We are committed to utilising energy efficiently and thus reducing corresponding greenhouse gas emissions by monitoring our energy usage.

### 附註：

1. 碳評估乃根據香港聯交所刊發的《如何編製環境、社會與管治報告？附錄2：環境關鍵績效指標報告指南》及ISO 14064及溫室氣體排放協定等國際標準進行。
2. 範圍一指固定及移動源頭使用製冷劑及燃料所產生的直接溫室氣體排放。
3. 範圍二指用電所產生的能源間接溫室氣體排放。

### 資源利用

減少對此等資源的消耗不僅可保護環境，也可降低營運成本，為持份者創造價值。為有效及明智地管理資源的使用，我們已制定《能源及資源消耗控制程序》，該程序清楚概述各部門管理每種資源類型的責任，包括電力、燃料、水、紙張、原材料及包裝材料。我們的生產設施已在特定的位置安裝電錶記錄電力使用情況，從而了解能源利用的模式並識別進一步改進的方面。

### 能源消耗

能源消耗的主要種類有已購買的電力、用於鍋爐的天然氣及用於汽車的汽油。我們承諾有效地利用能源，因此我們透過監測我們的能源耗用量減少相應的溫室氣體排放。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

Apart from monitoring, we always look for feasible opportunities to lower our energy usage. By practising green procurement, we tend to purchase machinery and electrical appliances which are certified with energy-saving labels. In the office context, we hope to promote energy saving behaviour among staff by reminding them to switch off electrical equipment, such as computers, printers, and shredders when not in use. Reminders are also placed next to power switches to remind staff members of avoiding unnecessary consumption of electricity while meeting the operation needs of lighting and air conditioning. For vehicle fuel, we conduct regular maintenance and annual inspection to ensure vehicles are always operating in good condition to increase fuel efficiency.

During the Reporting Period, the Group consumed a total of 47,818,650.83 kWh of electricity, 1,635,354 m<sup>3</sup> of natural gas, 81,584.46 litres of gasoline, 61,326.42 litres of diesel oil and 45,378 m<sup>3</sup> of liquefied petroleum gas ("LPG"). Their respective intensities are as follows:

除了監測之外，我們也一直在尋求可行的機會降低我們的能源耗用量。從實行綠色採購開始，我們傾向購買有節約能源標籤的機器和電器。在辦公室環境裡，我們希望推動環保，提醒員工在不使用時關閉電力設備如電腦、打印機和碎紙機。當營運時需要使用電燈和冷氣，我們在開關制旁邊張貼提示，提醒員工避免不必要的電力消耗。在車輛燃料方面，我們定期進行維護和年度檢查，以確保車輛處於良好狀態，以提高燃油效率。

於報告期間，本集團消耗了總共47,818,650.83千瓦小時電力、1,635,354立方米天然氣、81,584.46升汽油、61,326.42升柴油及45,378立方米液化石油氣，其相關強度如下：

Energy Consumption 能源消耗		2018
Electricity (kWh) 電力(千瓦小時)		47,818,650.83
Intensity (kWh/million pieces of product) 強度(千瓦小時/每百萬件產品)		52,603.36
Natural gas (m <sup>3</sup> ) 天然氣(立方米)		1,635,354.00
Intensity (m <sup>3</sup> /million pieces of product) 強度(立方米/每百萬件產品)		1,799.09
Gasoline (litres) 汽油(升)		81,584.46
Intensity (litres/million pieces of product) 強度(升/每百萬件產品)		89.75
Diesel oil (litres) 柴油(升)		61,326.42
Intensity (litres/million pieces of product) 強度(升/每百萬件產品)		67.47
LPG (m <sup>3</sup> ) 液化石油氣(立方米)		45,378.00
Intensity (m <sup>3</sup> /million pieces of product) 強度(立方米/每百萬件產品)		49.92

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

### Water Resources

To reduce our water consumption, we have implemented an effective water management through efficient water use and water recycling. Measures carried out include monitoring our water use, inspecting water pipes regularly to prevent water leakage, and promoting water-saving behaviours to all staff. In case of water leakage, maintenance will be conducted timely to avoid wastage. For domestic water use, “water saving” signs are placed near water taps to remind our staff to treasure water resources. In addition, we strive to reuse and recycle our water resources as much as possible such that employees are encouraged to propose water-saving initiatives. During the Reporting Period, the Group consumed a total of 346,133.59 m<sup>3</sup> of water and there was no issue in sourcing water.

### 水資源

為低減水消耗，我們已透過有效的用水和水循環來實施有效的水管理，有關措施包括透過監測用水量、定期檢查水管以防止任何漏水，以及向所有員工宣傳節水行為。在漏水的情況下，將會進行適時維修以免造成浪費。在家用水方面，我們在水龍頭附近貼上「節約用水」的標誌，提醒我們的員工珍惜水資源。此外，我們努力盡量重用和回收水資源，為此我們也鼓勵員工提議節水方案。於報告期間，本集團共消耗346,133.59立方米的水，我們在取得水方面並無出現問題。

### Water Use 用水

2018

Freshwater (m <sup>3</sup> ) 淡水(立方米)	346,133.59
Intensity (m <sup>3</sup> /million pieces of product) 強度(立方米/每百萬件產品)	380.79

Our major effluents include industrial and domestic wastewater from canteen, toilet and septic tanks. To ensure the discharge of all effluents complies with relevant laws and regulations, as well as the requirements of local environmental protection authorities, we pose strict controls on our production sites' discharge activities by following the Water Pollution Control Procedure. Chemicals and oils are also kept away from the inlet of water pipes to prevent contamination of water bodies.

我們的主要廢水包括食堂、廁所及化糞池的工業廢水及生活廢水。為確保所有廢水的排放均符合相關法律及法規以及當地環保機構的要求，我們嚴格按照水污染控制程序對生產現場的排放活動進行控制。化學品及油亦要遠離水管入口，以防污染水體。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

To further lower our amount of wastewater, we made efforts on water reclamation by installing a wastewater treatment system at Ka Shui Technology. Industrial wastewater is processed and 60% of the treated water is successfully recycled in our manufacturing processes. The sludge remained is then collected and disposed of by a qualified recycler. During the Reporting Period, the total quantity of wastewater discharged was 54,641.00 m<sup>3</sup>.

為進一步減少污水量，我們在嘉瑞科技安裝污水處理系統，致力於水的回收利用。工業廢水經過處理，而60%經處理的水在我們的生產過程中成功回收。剩餘的污泥由合資格的回收商收集及處置。於報告期間，廢水的排放總量為54,641.00立方米。

### Effluent 污水

2018

Wastewater (m <sup>3</sup> ) 廢水(立方米)	54,641.00
Intensity (m <sup>3</sup> /million pieces of product) 強度(立方米/每百萬件產品)	60.11

### Use of Materials

We aim to use sustainable materials which bring less harm to the environment and human throughout the entire product life cycle; therefore, we strictly manage the raw materials of our products in compliance with international standards, including RoHS and REACH to govern the use of the regulated hazardous substances and chemicals in production. In addition, we also follow the Forest Stewardship Council standard as requested by our clients to ensure the wooden material are sourced from sustainable origins.

### 材料利用

我們的目標是利用可持續發展的材料，在整個產品週期減少對環境及人類的傷害；因此，我們根據國際標準(包括使用有害物質限制及化學品註冊、評估、授權及限制)，嚴格管理產品的原材料，從而在生產中管理使用有害物質及化學品。此外，我們還應客戶請求，按照森林管理委員會的標準，確保我們的木質材料均來自可持續來源。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

The major types of raw materials consumed are plastic, magnesium alloy, aluminium alloy, and zinc alloy. Our approaches to reduce raw material usage include upgrading production equipment, optimising the production process, offering training to our employees, recycling scrapped products, and better strategic planning to control and minimise the occurrence of unqualified products. During the Reporting Period, the Group consumed a total of 11,613.91 tonnes of raw materials and details are as follows:

原材料的主要種類有塑膠、鎂合金、鋁合金及鋅合金。我們減少原材料使用量的方法包括提升生產設備、優化生產過程、向僱員提供培訓、回收已報廢的產品，以及訂立更佳策略計劃以控制及盡量減少不合格產品。於報告期間，本集團共消耗11,613.91公噸原材料，詳情如下：

Raw Material 原材料	2018
Plastic (tonnes) 塑膠(公噸)	7,998.92
Magnesium alloy (tonnes) 鎂合金(公噸)	2,616.25
Aluminum alloy (tonnes) 鋁合金(公噸)	612.11
Zinc alloy (tonnes) 鋅合金(公噸)	386.63
<b>Total (tonnes) 總計(公噸)</b>	<b>11,613.91</b>
Intensity (tonnes/million pieces of product) 強度(公噸/每百萬件產品)	12.78

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

As a responsible producer, packaging materials are also used for product containment and protection in order to deliver excellent products to our customers. Major types of packaging materials used are carton box, plastic, sticker and wood. The amount of packaging materials consumed is summarised as follows:

作為負責任的生產商，包裝材料也被用於產品的控制及保護，以向我們的客戶交付優秀的產品。使用的包裝材料主要種類有紙箱、塑膠、貼紙及木材。包裝材料消耗量概述如下：

Packaging Material 包裝材料	2018
Carton box (tonnes) 紙箱(公噸)	141.80
Plastic (tonnes) 塑膠(公噸)	6.03
Sticker (tonnes) 貼紙(公噸)	5.98
Other (tonnes) 其他(公噸)	20.76
Wood (tonnes) 木材(公噸)	75.05
<b>Total (tonnes) 總計(公噸)</b>	<b>249.62</b>
Intensity (tonnes/million pieces of product) 強度(公噸/每百萬件產品)	0.27

Ka Shui advocates the concept of a “paperless office” and thus we greatly encourage our employees to make full use of e-communication channels such as the intranet to use paper as least as possible. During the Reporting Period, a total of 12.78 tonnes of paper was consumed.

嘉瑞提倡「無紙辦公室」的概念，因此，我們非常鼓勵僱員充分利用內聯網等電子通訊渠道，盡可能少用紙張。於報告期間，我們共消耗12.78公噸紙張。

### Noise Generation

Noise is inevitably generated from vehicles and machinery such as generators and compressors at our manufacturing facilities. In order to reduce the noise level and nuisance to the surroundings, high-efficient machinery are opted to reduce the operation time and regular maintenances are performed to ensure the equipment is in good condition. We are also committed to strictly adhering noise level standards according to the relevant laws and regulations.

### 噪音產生

在我們的生產設施，車輛及機器(如發電機及壓縮機)無可避免會產生噪音。為減低噪音程度及對周邊的滋擾，我們選用高效能的機器減少生產時間，並進行定期維修以確保設備狀態良好。我們還致力根據相關法律及法規嚴格遵守噪音水平標準。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

### Beyond Ka Shui

As a pioneer in magnesium, aluminium and zinc alloys die casting, we also actively engage in R&D of sustainable technology to create green values for our stakeholders. We aim to foster innovation on the use of materials, products and technologies, leading to higher energy efficiency for the end products, higher resource utilisation efficiency in the manufacturing process, and less impact to the environment.

Ka Shui's Advanced Out Mold Release ("AOMR") technology has been awarded the gold medal in the 46th Geneva International Exhibition. AOMR, combining two advanced surface finishing technologies, is a green technology to replace passivation and spray painting. It shares the benefits of the both technologies: (i) high production output and cost effective; (ii) good performance and highly protective coating; and (iii) low carbon emission and less VOCs emission.

Apart from instilling the sense of environmental responsibility within the Group, we strive to step forward to exert influences on and raise awareness of other parties associated with Ka Shui. Related parties, including transportation providers, waste collectors, raw material suppliers, chemical suppliers, and canteen operators, are all required to comply with our "Environmental Requirements of Related Party". For example, raw material suppliers are required to use recyclable packaging as far as possible and waste collectors are required to obtain relevant permits and qualifications. In case of violation, Ka Shui will follow the issues seriously and may terminate the business relationship if there are no improvements.

### 嘉瑞創造佳績

作為鎂、鋁及鋅合金壓鑄的先驅，我們還積極參與可持續技術的研發，為我們的持份者創造綠色價值觀。我們的目標是在使用材料、產品和技術中提倡創新，以提高最終產品的能源效率，在生產過程中提高資源利用效率，並減少對環境的影響。

在第46屆日內瓦國際發明展上，嘉瑞的改進型模外裝飾技術（「AOMR」）技術榮獲金獎。AOMR結合兩種先進的表面處理技術，為代替鈍化及噴漆的綠色技術。它同時擁有兩種技術的優點：(i)高產量及成本效益；(ii)良好的效能及高防護塗層；及(iii)低碳排放及較低揮發性有機化合物排放。

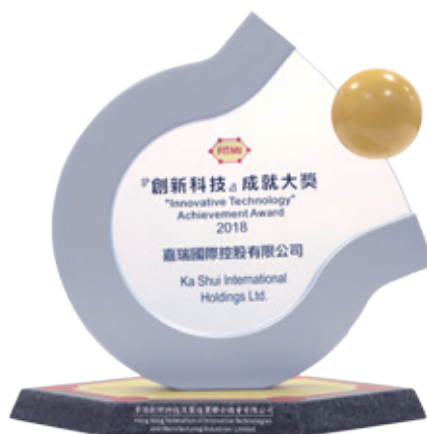
除在本集團內灌輸環境責任感外，我們還努力向前邁進，以影響及提高其他與嘉瑞有關各方的意識。關聯人士（包括運輸商、廢物收集商、原材料供應商、化學品供應商及食堂營辦商）必須遵守我們的「關聯人士的環境要求」。例如，原材料供應商必須盡可能使用可回收包裝，廢物收集商必須取得相關的許可證及資格。如有任何違規，嘉瑞將嚴格跟進問題，如無任何改進，或可能終止業務關係。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

During the Reporting Period, Ka Shui's efforts on advocating innovative technology have been recognised by the following awards:

於報告期間，嘉瑞在提倡創新技術方面獲得以下獎項的認可：



Gold medal in the 46th Geneva International Exhibition  
 在第46屆日內瓦國際發明展上榮獲金獎

Hong Kong Innovative Technology Achievement Award  
 香港創新科技成就大獎



Asia International Innovative Invention Award  
 亞洲國際創新發明



Certificate of Recognition for "Continuous Support of Bose New Product Development and Bose Cost Reduction Goals"  
 「持續支持Bose新產品開發及降低Bose成本目標」認可證書

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)

### D. COMMUNITY

#### Engaging Our Community

Ka Shui strives to be a socially responsible enterprise. By making use of our competency and knowledge, we aim to make positive contributions to the community where we live and work in. We focus on (i) supporting local education projects for youth development; (ii) collaborating with local charities on poverty and disaster relief initiatives; and (iii) participating in environmental conservation activities.

We always encourage our staff to involve in community services by establishing a volunteer team which arranges activities continuously. Ka Shui has supported various areas of community activities including environmental protection, education, youth development, poverty relief and charity. During the Reporting Period, the Group participated in the following events:



Guangzhou City Construction College's Visit to  
Ka Shui Technology Park  
廣州城市建設學院參觀嘉瑞科技園

### D. 社區

#### 回饋我們的社區

嘉瑞致力成為有社會責任感的企業。透過利用我們的能力及知識，我們的目標是為我們生活及工作的社區作出積極貢獻。我們專注於(i)支持地方青年發展的教育項目；(ii)與地方慈善機構合作開展扶貧及救災行動；及(iii)參與環境保護活動。

我們一直鼓勵員工參與社區服務，建立志願者團隊，持續安排活動。嘉瑞支持各種社區活動，包括環境保護、教育、青年發展、扶貧及慈善。於報告期間，本集團參與以下事項：



Traffic Safety Campaign  
交通安全運動

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 環境、社會與管治報告(續)



We donated to the “Outstanding Industrial Attachment Scholarship” and “Design Education Fund” of VTC respectively in 2018.

我們在二零一八年分別捐助職業訓練局之「優秀企業實習獎學金」及「2018年度VTC設計教育基金」。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告



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**TO THE SHAREHOLDERS OF  
KA SHUI INTERNATIONAL HOLDINGS LIMITED**  
*(Incorporated in the Cayman Islands with limited liability)*

### OPINION

We have audited the consolidated financial statements of Ka Shui International Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 103 to 263, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, 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 (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

**致嘉瑞國際控股有限公司  
全體股東**  
*(於開曼群島公司註冊成立的有限公司)*

### 意見

本核數師(以下簡稱「我們」)已審核列載於第103頁至263頁嘉瑞國際控股有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一八年十二月三十一日之綜合財務狀況表，與截至該日止年度的綜合損益表及綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要重大會計政策概要)。

我們認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而公平地反映貴集團於二零一八年十二月三十一日的綜合財務狀況以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》的披露規定妥善編制。



# INDEPENDENT AUDITOR'S REPORT (CONTINUED)

## 獨立核數師報告(續)

### 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 are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

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

1. Fair value measurement of land
2. Allowance for inventories

### 意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》(「香港審計準則」)進行審核。我們就該等準則承擔的責任將在本報告「核數師就審核綜合財務報表承擔的責任」部分中闡述。根據香港會計師公會的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於 貴集團，並已履行守則中的其他職業道德責任。我們相信，我們所獲得的審核憑證能充分及適當地為我們的審核意見提供基礎。

### 關鍵審核事項

關鍵審核事項是根據我們的專業判斷，對本期間綜合財務報表的審核最為重要的事項。這些事項是在我們審核整體綜合財務報表及出具意見時進行處理的，而我們不會對這些事項提供單獨的意見。我們識別出的關鍵審核事項包括：

1. 土地公平值的計量
2. 存貨撥備

# INDEPENDENT AUDITOR'S REPORT (CONTINUED)

## 獨立核數師報告(續)

### KEY AUDIT MATTERS (Continued)

### 關鍵審核事項(續)

#### Key Audit Matter 關鍵審核事項

#### How our audit addressed the Key Audit Matter 我們在審核中對關鍵審核事項的處理方式

1. Fair value measurement of land  
土地公平值的計量

Refer to notes 5(e), 7 and 19 to the consolidated financial statements.  
參閱綜合財務報告附註5(e)、7及19。

The Group measures its land at fair value using a market approach. The valuation is a level 3 fair value measurement as it involves adjustments to market comparables to reflect the particular characteristics of the land, including location and plot sizes, which are based on unobservable inputs that are subjective. The value of land is sensitive to these inputs. In order to determine an appropriate fair value of the land, the Group appointed an independent professional valuer to perform the assessment.

貴集團使用市場法，按公平值計量其土地。估值為第三層公平值計量，因為當中涉及就市場可資比較資料進行調整，以反映土地的具體特性，包括地方及地段大小，乃以主觀不可觀察的參數為基礎。土地之價值對該等參數敏感。為釐定該土地的恰當公平值，貴集團委任獨立專業估值師進行評估。

Our procedures in relation to the fair value measurement of land included:

我們就土地公平值的計量進行的程序包括：

- Evaluation of the independent external valuer's competence, capabilities and objectivity;  
評估獨立估值師的資格、能力及客觀性；
- Assessing the valuation methodologies used and the appropriateness of the key assumptions and comparables;  
評估所用估值方法以及主要假設及可資比較資料是否恰當；
- Checking the accuracy of the observable inputs;  
檢查可觀察參數是否準確；
- Reviewing the appropriateness of those adjustments which were based on unobservable inputs; and  
檢討按不可觀察參數所作調整是否恰當；及
- Assessing the adequacy of the disclosures in respect of the fair value of land.  
評估就土地公平值所作披露是否足夠。

# INDEPENDENT AUDITOR'S REPORT (CONTINUED)

## 獨立核數師報告(續)

### KEY AUDIT MATTERS (Continued)

### 關鍵審核事項(續)

#### Key Audit Matter

#### 關鍵審核事項

#### How our audit addressed the Key Audit Matter

#### 我們在審核中對關鍵審核事項的處理方式

2. Allowance for inventories  
存貨撥備

Refer to notes 5(a) and 24 to the consolidated financial statements.

參閱綜合財務報表附註5(a)及24。

At the end of the reporting period, the Group identifies obsolete and slow-moving inventory items that are not probable for use in future production or to be sold out. It also identifies any other inventories with net realisable value below cost. The identification is based on forecasts of customers' future orders and future market conditions, and involves subjective estimation. The allowance has impact on the carrying amount of inventories and the profit or loss for the year.

於報告期末，貴集團識別不可能用作未來生產或售出的過時及滯銷存貨項目。彼亦識別可變現淨值低於成本的任何其他存貨。該識別是以預測客戶未來訂單及未來市場狀況為基礎，並涉及主觀估計。有關撥備對年內存貨賬面值及損益有影響。

Our procedures in relation to the allowance for inventories included:

我們就存貨撥備進行的程序包括：

- Reviewing inventory ageing analysis to identify obsolete or slow-moving inventories;  
審閱存貨賬齡分析，識別過時或滯銷存貨；
- Testing whether the net realisable value of major items of inventories exceeded cost by reviewing sales after the reporting date; and  
審閱報告日期後的銷售，測試主要存貨項目的可變現淨值是否低於成本；及
- Reviewing the appropriateness of the allowance for inventories by reference to information about subsequent sales or usage.  
參考有關其後銷售或使用的資料，審閱存貨撥備是否恰當。

### OTHER INFORMATION

The directors are responsible for the Other Information. The Other Information comprises all of the information included in the 2018 annual report of the Company 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.

### 其他資料

董事需對其他資料負責。其他資料包括貴公司二零一八年年報所載列的全部資料(不包括綜合財務報表及我們就此發出的核數師報告)。

我們對綜合財務報表的意見並不涵蓋其他資料及我們亦不對其他資料發表任何形式的保證結論。

# INDEPENDENT AUDITOR'S REPORT (CONTINUED)

## 獨立核數師報告(續)

### OTHER INFORMATION (Continued)

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 FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors 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 assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

### 其他資料(續)

在我們審核綜合財務報表時，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所了解的情況有重大抵觸，或者似乎有重大錯誤陳述。

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

### 董事就綜合財務報表須承擔的責任

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公平的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需的內部控制負責。

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

審核委員會協助董事履行監督 貴集團財務報告過程的責任。

# INDEPENDENT AUDITOR'S REPORT (CONTINUED)

## 獨立核數師報告(續)

### 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, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

### 核數師就審核綜合財務報表承擔的責任

我們的目標，是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(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《香港審計準則》進行的審核工作總能發現所有存在的重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們個別或滙總起來可能影響綜合財務報表使用者所作出的經濟決定，則可被視作重大錯誤陳述。

在根據《香港審計準則》進行審核的過程中，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，設計及執行審核程序以應對這些風險，以及獲取充足和適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制，因此未能發現因欺詐而導致的重大錯誤陳述的風險比較因錯誤而導致的重大錯誤陳述的風險為高。
- 了解與審核相關的內部控制，以設計適當審核程序，但目的並非對貴集團內部控制的有效性發表意見。

# INDEPENDENT AUDITOR'S REPORT (CONTINUED)

## 獨立核數師報告(續)

### 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.

### 核數師就審核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資料的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審核憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對貴集團持續經營的能力構成重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提醒使用者對綜合財務報表中的相關披露資料的關注。假若有關的披露資料不足，則修改我們的意見。我們的結論是基於截至核數師報告日止所取得的審核憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露資料，以及綜合財務報表是否公允反映相關交易和事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足適當的審核憑證，以就綜合財務報表發表意見。我們負責指導、監督和執行集團的審核工作。我們須為我們的審核意見承擔全部責任。

我們與審核委員會溝通了(其中包括)審核計劃範圍及時間安排以及重大審核發現，包括我們在審核期間識別出內部控制的任何重大缺失。

# INDEPENDENT AUDITOR'S REPORT (CONTINUED)

## 獨立核數師報告(續)

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

The engagement partner on the audit resulting in this independent auditor's report is Ms. Liu Fung Yi.

### RSM Hong Kong

Certified Public Accountants  
Hong Kong  
26 March 2019

### 核數師就審核綜合財務報表承擔的責任(續)

我們亦向審核委員會作出聲明，指出我們已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響我們獨立性的所有關係及其他事宜，以及相關防範措施(如適用)。

從與審核委員會溝通的事項中，我們釐定對本期間綜合財務報表的審核至關重要的事項，因而構成關鍵審核事項。我們在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在我們報告中溝通某事項造成的負面後果超出產生的公眾利益，則我們決定不應在報告中傳達該事項。

出具本獨立核數師報告的審核項目合夥人是廖鳳儀小姐。

### 羅申美會計師事務所

執業會計師  
香港  
二零一九年三月二十六日

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

## 綜合損益表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Revenue</b>	<b>收入</b>	8	<b>1,852,329</b>	1,738,738
Cost of sales	銷售成本		<b>(1,404,530)</b>	(1,428,969)
<b>Gross profit</b>	<b>毛利</b>		<b>447,799</b>	309,769
Other income	其他收入	9	<b>20,900</b>	16,670
Impairment losses on trade receivables	貿易應收款項減值虧損		<b>(132)</b>	(764)
Reversals of impairment losses on trade receivables	貿易應收款項減值虧損回撥		<b>764</b>	—
Selling and distribution expenses	銷售及分銷開支		<b>(33,586)</b>	(30,465)
General and administrative expenses	一般及行政開支		<b>(269,644)</b>	(271,500)
Other operating expenses and income	其他營運開支及收入	11	<b>(26,881)</b>	(21,288)
<b>Profit from operations</b>	<b>經營溢利</b>		<b>139,220</b>	2,422
Finance costs	融資成本	12	<b>(13,167)</b>	(16,115)
Gain on disposal of a subsidiary	出售附屬公司收益	37(b)	<b>—</b>	96,011
Share of losses of associates	攤分聯營公司虧損	22	<b>(146)</b>	(325)
<b>Profit before tax</b>	<b>除稅前溢利</b>		<b>125,907</b>	81,993
Income tax expense	所得稅開支	13	<b>(12,505)</b>	(45,862)
<b>Profit for the year</b>	<b>年內溢利</b>	14	<b>113,402</b>	36,131
<b>Attributable to:</b>	<b>以下人士應佔權益：</b>			
Owners of the Company	本公司權益持有人		<b>113,556</b>	33,998
Non-controlling interests	非控股權益		<b>(154)</b>	2,133
			<b>113,402</b>	36,131
			<b>HK Cents</b>	<b>HK Cents</b>
			<b>港仙</b>	<b>港仙</b>
<b>Earnings per share</b>	<b>每股盈利</b>	18		
Basic	基本		<b>12.71</b>	3.80
Diluted	攤薄		<b>12.71</b>	3.80



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 綜合損益及其他全面收益表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Profit for the year</b>	<b>年內溢利</b>	<b>113,402</b>	36,131
<b>Other comprehensive income:</b> <i>Items that will not be reclassified to profit or loss:</i>	<b>其他全面收益：</b> 將不會重新分類至損益之項目：		
Surplus on revaluation of leasehold land	租賃土地價值重估之盈餘	<b>20,858</b>	15,017
Income tax on items that will not be reclassified to profit or loss	不會重新分類至損益之項目之所得稅	<b>(6,647)</b>	(1,576)
		<b>14,211</b>	13,441
<i>Items that may be reclassified to profit or loss:</i>	<i>可重新分類至損益之項目：</i>		
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額	<b>(40,578)</b>	48,061
Share of translation reserve of associates	攤分聯營公司匯兌儲備	<b>(25)</b>	(16)
Exchange differences reclassified to profit or loss on disposal of a foreign operation	重新分類至損益之出售海外業務之匯兌差額	—	6,118
		<b>(40,603)</b>	54,163
<b>Other comprehensive income for the year, net of tax</b>	<b>年內除稅後其他全面收益</b>	<b>(26,392)</b>	67,604
<b>Total comprehensive income for the year</b>	<b>年內全面收益總額</b>	<b>87,010</b>	103,735
<b>Attributable to:</b>	<b>以下人士應佔權益：</b>		
Owners of the Company	本公司權益持有人	<b>88,118</b>	97,081
Non-controlling interests	非控股權益	<b>(1,108)</b>	6,654
		<b>87,010</b>	103,735

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 December 2018 於二零一八年十二月三十一日

		Note	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、機器及設備	19	766,155	770,592
Club membership	會所會籍	21	718	718
Investments in associates	於聯營公司之投資	22	9,931	1,336
Financial assets at FVTOCI/Available-for-sale financial assets	按公平值計入其他全面收益之金融資產／可供出售金融資產	23	—	—
Deposits paid for acquisition of property, plant and equipment	預付購買物業、機器及設備之按金		8,287	10,569
Deferred tax assets	遞延稅項資產	32	215	310
			<b>785,306</b>	783,525
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	24	244,755	252,406
Right of return assets	退回資產之權利		111	—
Trade receivables	貿易應收款項	25	376,785	415,392
Contract assets	合約資產	26	14,670	—
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		40,842	69,545
Due from associates	應收聯營公司款項	22	108	—
Current tax assets	即期稅項資產		995	—
Restricted bank balances	有限制銀行存款	27	5,517	3,234
Bank and cash balances	銀行及現金結餘	27	250,606	243,994
			<b>934,389</b>	984,571
<b>Current liabilities</b>	<b>流動負債</b>			
Trade payables	貿易應付款項	28	264,032	367,394
Deposits received	已收按金		—	12,615
Contract liabilities	合約負債	26	1,500	—
Refund liabilities	退款負債		241	—
Other payables and accruals	其他應付款項及應計費用	28	95,284	83,069
Due to associates	應付聯營公司款項	22	3,257	617
Due to a related company	應付關聯公司款項	29	—	4,465
Bank borrowings	銀行借款	30	242,854	326,611
Current tax liabilities	即期稅項負債		44,118	31,253
			<b>651,286</b>	826,024
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>283,103</b>	158,547

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

## 綜合財務狀況表(續)

At 31 December 2018 於二零一八年十二月三十一日

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Total assets less current liabilities</b>	<b>資產總值減流動負債</b>		<b>1,068,409</b>	942,072
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Bank borrowings	銀行借款	30	<b>81,848</b>	41,667
Deferred tax liabilities	遞延稅項負債	32	<b>28,701</b>	33,762
			<b>110,549</b>	75,429
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>957,860</b>	866,643
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	33	<b>89,376</b>	89,376
Reserves	儲備	35	<b>850,881</b>	761,946
<b>Equity attributable to owners of the Company</b>	<b>本公司權益持有人應佔權益</b>		<b>940,257</b>	851,322
<b>Non-controlling interests</b>	<b>非控股權益</b>		<b>17,603</b>	15,321
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>957,860</b>	866,643

Approved by the Board of Directors on 26 March 2019  
and are signed on its behalf by:

經董事會於二零一九年三月二十六日批准，並由  
以下董事代表簽署：

**Lee Yuen Fat**  
**李遠發**  
Director  
董事

**Wong Wing Chuen**  
**黃永銓**  
Director  
董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Attributable to owners of the Company 本公司權益持有人應佔權益												
		Share capital	Share premium	Retained earnings	Capital reserve	Merger reserve	Foreign currency translation reserve	Share option reserve	Statutory reserve	Land revaluation reserve	FVTOCI reserve	Non-controlling interests	Total equity	
		股本	股份溢價	保留盈利	資本儲備	合併儲備	匯兌儲備	購股權儲備	法定儲備	土地重估儲備	按公平值計入其他全面收益儲備	總數	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	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	千港元	
At 1 January 2017	於二零一七年一月一日	89,376	204,650	311,511	8,701	(9,931)	(47,496)	10	25,152	181,206	–	763,179	8,328	771,507
Total comprehensive income for the year	年內全面收益總額	–	–	33,998	–	–	49,642	–	–	13,441	–	97,081	6,654	103,735
Reclassification of reserve upon disposal of a subsidiary	於出售附屬公司時重新分類儲備	–	–	92,225	–	–	–	–	(25,094)	(67,131)	–	–	–	–
2016 final dividend paid (note 17)	支付二零一六年末期股息(附註17)	–	–	(8,938)	–	–	–	–	–	–	–	(8,938)	–	(8,938)
Capital contribution from non-controlling interests	來自非控股權益之資本投入	–	–	–	–	–	–	–	–	–	–	–	339	339
Changes in equity for the year	年內權益變動	–	–	117,285	–	–	49,642	–	(25,094)	(53,690)	–	88,143	6,993	95,136
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	89,376	204,650	428,796	8,701	(9,931)	2,146	10	58	127,516	–	851,322	15,321	866,643
Adjustments on initial application of – HKFRS 9 (note 3)	初次應用之調整 – 香港財務報告準則第9號(附註3)	–	–	8,206	–	–	–	–	–	–	(8,303)	(97)	–	(97)
– HKFRS 15 (note 3)	– 香港財務報告準則第15號(附註3)	–	–	9,852	–	–	–	–	–	–	–	9,852	–	9,852
Restated balance at 1 January 2018	於二零一八年一月一日重列結餘	89,376	204,650	446,854	8,701	(9,931)	2,146	10	58	127,516	(8,303)	861,077	15,321	876,398
Total comprehensive income for the year	年內全面收益總額	–	–	113,556	–	–	(39,649)	–	–	14,211	–	88,118	(1,108)	87,010
2017 final dividend paid (note 17)	支付二零一七年末期股息(附註17)	–	–	(8,938)	–	–	–	–	–	–	–	(8,938)	–	(8,938)
Lapse of share options	失效之購股權	–	–	10	–	–	–	(10)	–	–	–	–	–	–
Capital contribution from non-controlling interests	來自非控股權益之資本投入	–	–	–	–	–	–	–	–	–	–	–	3,390	3,390
Changes in equity for the year	年內權益變動	–	–	104,628	–	–	(39,649)	(10)	–	14,211	–	79,180	2,282	81,462
At 31 December 2018	於二零一八年十二月三十一日	89,376	204,650	551,482	8,701	(9,931)	(37,503)	–	58	141,727	(8,303)	940,257	17,603	957,860

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

	Note	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>經營業務所得現金淨額</b>		
	37(a)	<b>177,193</b>	24,282
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>投資活動之現金流量</b>		
Disposal of a subsidiary	出售附屬公司	—	219,814
Interest received	已收利息	<b>300</b>	354
Proceeds from disposals of property, plant and equipment	出售物業、機器及設備	<b>5,719</b>	494
Purchase of property, plant and equipment	購買物業、機器及設備	<b>(100,439)</b>	(60,020)
Repayment to a former subsidiary for purchase of property, plant and equipment other than land and buildings	償還前附屬公司購買物業、機器及設備（土地及建築物除外）	—	(22,810)
Increase in amount due to a related company	應付關聯公司款項增加	—	2,042
Deposit paid for the acquisition of property, plant and equipment	預付物業、機器及設備之訂金	<b>(1,706)</b>	(10,245)
Investment in an associate	於聯營公司之投資	<b>(10,916)</b>	—
<b>Net cash (used in)/generated from investing activities</b>	<b>投資活動(所耗)/所得之現金淨額</b>	<b>(107,042)</b>	129,629
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>融資活動之現金流量</b>		
Dividend paid	已付股息	<b>(8,938)</b>	(8,938)
Capital contribution from non-controlling interest	來自非控股權益之資本投入	<b>3,390</b>	339
Net short term bank loans repaid	償還短期銀行貸款淨額	<b>(25,596)</b>	(184,221)
Repaid from/(advance to) associates	由聯營公司償還/(墊付)款項	<b>11</b>	(530)
Repayment of long term bank loans	償還長期銀行貸款	<b>(137,562)</b>	(150,190)
Long term bank loans raised	新增長期銀行貸款	<b>120,000</b>	134,603
<b>Net cash used in financing activities</b>	<b>融資活動所耗之現金淨額</b>	<b>(48,695)</b>	(208,937)

# CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

## 綜合現金流量表(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	現金及等同現金項目 增加/(減少)淨額	<b>21,456</b>	(55,026)
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	於一月一日的現金及 等同現金項目	<b>243,994</b>	296,008
Effect of foreign exchange rate changes	匯率變動影響	<b>(14,844)</b>	3,012
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	於十二月三十一日的 現金及等同現金項目	<b>250,606</b>	243,994
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>	現金及等同現金項目 分析		
Bank and cash balances	銀行及現金結餘	<b>250,606</b>	243,994

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Clifton House, 75 Fort Street, P.O. Box 1350 GT, George Town, Grand Cayman, Cayman Islands. The address of its principal place of business is Room A, 29/F., Tower B, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 20 to the consolidated financial statements.

In the opinion of the directors of the Company, as at 31 December 2018, Precisefull Limited, a company incorporated in the British Virgin Islands ("BVI"), is the ultimate parent and Mr. LEE Yuen Fat ("Mr. Lee") is the ultimate controlling party of the Company.

### 2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

### 1. 公司資料

本公司根據開曼群島公司法在開曼群島註冊成立為受豁免有限公司。其註冊辦事處地點為Clifton House, 75 Fort Street, P.O. Box 1350 GT, George Town, Grand Cayman, Cayman Islands。其主要營業地點為香港九龍九龍灣宏光道一號億京中心B座29樓A室。本公司之股份在香港聯合交易所有限公司(「聯交所」)主板上市。

本公司為一家投資控股公司。其附屬公司的主要業務載於本綜合財務報表附註20。

本公司董事認為，於二零一八年十二月三十一日，Precisefull Limited(一間於英屬處女群島註冊成立之公司)為最終母公司，李遠發先生(「李先生」)為本公司之最終控股方。

### 2. 編制基準

此等綜合財務報表乃根據適用之由香港會計師公會(「香港會計師公會」)所頒佈香港財務報告準則(「香港財務報告準則」)編制。香港財務報告準則包括香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋。此等綜合財務報表也遵從適用之聯交所證券上市規則(「上市規則」)之披露守則及香港公司條例(第622章)之披露要求。本集團所採納之主要會計政策如下文披露。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. BASIS OF PREPARATION (Continued)

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

#### (a) Application of new and revised HKFRSs

The HKICPA has issued a number of new and revised HKFRSs that are first effective for annual periods beginning on or after 1 January 2018. Of these, the following developments are relevant to the Group's consolidated financial statements:

- (i) HKFRS 9 Financial Instruments; and
- (ii) HKFRS 15 Revenue from Contracts with Customers.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 2. 編制基準(續)

香港會計師公會已頒佈若干於本集團本會計期間首次生效或可供提早採納之新訂及經修訂香港財務報告準則。在該等綜合財務報表中反映之因初次應用該等與本集團有關的頒佈而引致之本年度或過往會計期間會計政策之任何變動詳述於綜合財務報表附註3。

### 3. 採納新訂及經修訂香港財務報告準則

#### (a) 應用新訂及經修訂香港財務報告準則

香港會計師公會已頒佈多項新訂及經修訂的香港財務報告準則，首先於二零一八年一月一日或之後開始的年度期間生效，當中下列的發展將與本集團的綜合財務報表有關：

- (i) 香港財務報告準則第9號金融工具；及
- (ii) 香港財務報告準則第15號來自客戶合約的收入。

本集團未有應用任何尚未在當前會計期間生效的新訂準則或詮釋。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

#### (a) Application of new and revised HKFRSs (Continued)

##### HKFRS 9 Financial Instruments

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained earnings and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement.

The adoption of HKFRS 9 resulted in the following changes to the Group's accounting policies.

### 3. 採納新訂及經修訂香港財務報告準則(續)

#### (a) 應用新訂及經修訂香港財務報告準則(續)

##### 香港財務報告準則第9號金融工具

香港財務報告準則第9號取代香港會計準則第39號有關確認、分類及計量金融資產及金融負債、終止確認金融工具、金融資產減值及對沖會計處理之條文。

本集團已根據香港財務報告準則第9號載列的過渡性條文應用香港財務報告準則第9號，即追溯性地把分類及計量規定應用到於二零一八年一月一日(初始應用日期)未有被終止確認的工具上，並未有把有關規定應用到於二零一八年一月一日已被終止確認的工具上。於二零一七年十二月三十一日的賬面金額與於二零一八年一月一日的賬面金額之間的差額，則於期初保留盈利及其他權益的組成部分中確認，未有重列比較資料。

因此，由於比較資料是根據香港會計準則第39號金融工具：確認與計量編制，因此若干比較資料未必可作比較。

採納香港財務報告準則第9號導致下列本集團會計政策之變動。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

#### (a) Application of new and revised HKFRSs (Continued)

##### HKFRS 9 Financial Instruments (Continued)

###### (i) Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income (“FVTOCI”) or at fair value through profit or loss (“FVTPL”); and
- those to be measured at amortised cost.

The classification depends on the Group’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTOCI.

###### (ii) Measurement

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

### 3. 採納新訂及經修訂香港財務報告準則(續)

#### (a) 應用新訂及經修訂香港財務報告準則(續)

##### 香港財務報告準則第9號金融工具(續)

###### (i) 分類

自二零一八年一月一日起，本集團將其金融資產分類為下列計量類別：

- 該等按公平值計入其他全面收益或按公平值計入損益賬計量者；及
- 該等按攤銷成本計量者。

該分類取決於本集團管理金融資產之業務模式及現金流量之合約條款。

就按公平值計量之資產而言，收益及虧損將記入損益或其他全面收益內。就並非持作買賣之股本工具投資而言，此將取決於本集團是否已經於初始確認時作出不可撤回選擇將股權投資按公平值計入其他全面收益入賬。

###### (ii) 計量

本集團只會在其管理債務投資的業務模式轉變時，才會把該等資產重新分類。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

#### (a) Application of new and revised HKFRSs (Continued)

##### HKFRS 9 Financial Instruments (Continued)

###### (ii) Measurement (Continued)

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

### 3. 採納新訂及經修訂香港財務報告準則(續)

#### (a) 應用新訂及經修訂香港財務報告準則(續)

##### 香港財務報告準則第9號金融工具(續)

###### (ii) 計量(續)

於初始確認時，本集團按其公平值另加(就並非按公平值計入損益賬之金融資產而言)收購金融資產直接應佔之交易成本計量金融資產。按公平值計入損益賬列賬之金融資產之交易成本於損益內支銷。

在釐定具備嵌入式衍生工具的金融資產的現金流量是否僅為本金及利息款項時，該等資產與衍生工具將被整體考慮。

債務工具之其後計量取決於本集團管理資產之業務模式及資產之現金流量特性。本集團按三個計量類別分類其債務工具：

- 攤銷成本：持作收取合約現金流量(當中該等現金流量僅代表支付本金且利息乃按攤銷成本計量)之資產。該等金融資產之利息收入乃使用實際利率法計入其他收入。終止確認所產生之任何收益或虧損乃連同外匯收益及虧損直接確認於損益，並呈列於其他收益/(虧損)。減值虧損呈列於損益表之獨立項目。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

#### (a) Application of new and revised HKFRSs (Continued)

##### HKFRS 9 Financial Instruments (Continued)

###### (ii) Measurement (Continued)

- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment losses are presented as separate line item in the statement of profit or loss.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

### 3. 採納新訂及經修訂香港財務報告準則(續)

#### (a) 應用新訂及經修訂香港財務報告準則(續)

##### 香港財務報告準則第9號金融工具(續)

###### (ii) 計量(續)

- 按公平值計入其他全面收益：持作收取合約現金流量及作出售金融資產(當中資產之現金流量僅代表支付本金及利息)之資產乃按公平值計入其他全面收益計量。賬面值之變動乃計至其他全面收益，惟減值收益或虧損、利息收入及外匯收益及虧損則於損益確認。當終止確認金融資產時，過往於其他全面收益內確認之累計收益或虧損乃自權益重新分類至損益，並確認於其他收益/(虧損)內。該等金融資產之利息收入乃使用實際利率法計入其他收入內。外匯收益及虧損於其他收益/(虧損)中呈列，而減值虧損則於損益表內呈列為獨立項目。
- 按公平值計入損益賬：不符合攤銷成本或按公平值計入其他全面收益準則之資產乃按公平值計入損益賬計量。其後按公平值計入損益賬計量之債務投資收益或虧損於其產生期間在損益中確認，並於其他收益/(虧損)內呈列。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

#### (a) Application of new and revised HKFRSs (Continued)

##### HKFRS 9 Financial Instruments (Continued)

###### (ii) Measurement (Continued)

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

###### (iii) Impairment

From 1 January 2018, the Group assesses on a forward-looking basis the expected credit losses ("ECLs") associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

### 3. 採納新訂及經修訂香港財務報告準則(續)

#### (a) 應用新訂及經修訂香港財務報告準則(續)

##### 香港財務報告準則第9號金融工具(續)

###### (ii) 計量(續)

本集團其後按公平值計量所有股權投資。倘本集團的管理層已選擇於其他全面收益呈列股權投資之公平值收益及虧損，則於終止確認投資後概無將公平值收益及虧損其後重新分類至損益。當已經確立本集團具收取付款之權利時，來自該等投資之股息繼續在損益內確認為其他收入。

按公平值計入損益賬之金融資產之公平值變動於損益表內之其他收益/(虧損)中確認(按適用者)。按公平值計入其他全面收益計量之股權投資之減值虧損(及減值虧損回撥)不會自其他公平值變動分開呈報。

###### (iii) 減值

自二零一八年一月一日起，本集團按前瞻性基準與其按攤銷成本及按公平值計入其他全面收益列賬之債務工具評估相關之預期信貸損失。所應用之減值方法取決於信貸風險有否出現大幅增加。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

#### (a) Application of new and revised HKFRSs (Continued)

##### HKFRS 9 Financial Instruments (Continued)

##### (iii) Impairment (Continued)

HKFRS 9 requires the Group to recognise and measure either a 12-month ECL or a lifetime ECL, depending on the asset and the facts and circumstances.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The following table summarises the impact on the Group's opening retained earnings as at 1 January 2018:

### 3. 採納新訂及經修訂香港財務報告準則(續)

#### (a) 應用新訂及經修訂香港財務報告準則(續)

##### 香港財務報告準則第9號金融工具(續)

##### (iii) 減值(續)

香港財務報告準則第9號要求本集團根據資產及事實及情況確認及計量12個月的預期信貸損失或終身預期信貸損失。

就貿易應收款項而言，本集團應用香港財務報告準則第9號允許之簡化方針，當中規定自初始確認應收款項起確認預期終身損失。

下表概述對本集團於二零一八年一月一日之期初保留盈利之影響：

		<i>Note</i>	<i>HK\$'000</i>
		<i>附註</i>	<i>千港元</i>
Reclassification of non-trading equity investment from available-for-sale to financial assets at FVTOCI	自可供出售重新分類至按公平值計入其他全面收益之金融資產之非買賣股權投資	<i>(a)</i>	8,303
Increase in impairment losses for trade and other receivables	貿易及其他應收款項減值虧損增加	<i>(b)</i>	(97)
Related tax	相關稅項		—
Adjustment to retained earnings from adoption of HKFRS 9 on 1 January 2018	自二零一八年一月一日採納香港財務報告準則第9號對保留盈利之調整		8,206
Attributable to:	以下人士應佔權益：		
Owners of the Company	本公司權益持有人		8,206
Non-controlling interest	非控股權益		—
			8,206

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

#### (a) Application of new and revised HKFRSs (Continued)

##### HKFRS 9 Financial Instruments (Continued)

##### (iii) Impairment (Continued)

The following table and the accompanying notes below explain the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group's financial assets as at 1 January 2018.

Financial assets	Note	Classification under HKAS 39	Classification under HKFRS 9	Carrying amount under HKAS 39	Carrying amount under HKFRS 9
金融資產	附註	香港會計準則第39號項下之分類	香港財務報告準則第9號項下之分類	香港會計準則第39號項下之賬面值	香港財務報告準則第9號項下之賬面值
				HK\$'000	HK\$'000
				千港元	千港元
Equity investments 股權投資	(a)	Available-for-sale 可供出售	FVTOCI 按公平值計入其他全面收益	—	—
Trade receivables 貿易應收款項	(b)	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	415,392	415,295
Deposits and other receivables 按金及其他應收款項	(b)	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	17,948	17,948
Restricted bank balances 有限制銀行存款	(c)	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	3,234	3,234
Bank and cash balances 銀行及現金結餘	(c)	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	243,994	243,994

### 3. 採納新訂及經修訂香港財務報告準則(續)

#### (a) 應用新訂及經修訂香港財務報告準則(續)

##### 香港財務報告準則第9號金融工具(續)

##### (iii) 減值(續)

下表及以下隨附附註闡釋本集團於二零一八年一月一日之各類金融資產在香港會計準則第39號項下之原計量類別及香港財務報告準則第9號項下之新計量類別。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

#### (a) Application of new and revised HKFRSs (Continued)

##### HKFRS 9 Financial Instruments (Continued)

##### (iii) Impairment (Continued)

The impact of these changes on the Group's equity is as follows:

		Effect on FVTOCI reserve 對按公平值計入 其他全面收益 儲備之影響	Effect on retained earnings 對保留盈利 之影響
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
Opening balance	期初結餘		
— HKAS 39	— 香港會計 準則第39號	—	428,796
Reclassification of non-trading equity investments from available-for-sale to financial assets at FVTOCI	自可供出售重新分類 至按公平值計入 其他全面收益之 金融資產之非買賣 股權投資	(8,303)	8,303
	(a)	(8,303)	8,303
Opening balance	期初結餘		
— HKFRS 9	— 香港財務報告 準則第9號	(8,303)	437,099

The effect on retained earnings is before adjustment for impairment (see below).

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1 January 2018 have not been impacted by the initial application.

### 3. 採納新訂及經修訂香港財務報告準則(續)

#### (a) 應用新訂及經修訂香港財務報告準則(續)

##### 香港財務報告準則第9號金融工具(續)

##### (iii) 減值(續)

該等變動對本集團權益之影響如下：

對保留盈利的影響是在減值調整前(見下文)。

所有金融負債的計量類別維持相同。於二零一八年一月一日所有金融負債的賬面值未有受初始應用影響。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

#### (a) Application of new and revised HKFRSs (Continued)

##### HKFRS 9 Financial Instruments (Continued)

##### (iii) Impairment (Continued)

Note:

- (a) These equity investments represent investments that the Group intends to hold for the long term for strategic purposes. The Group elected to present in other comprehensive income changes in the fair value of these investments because these investments are held as long-term strategic investments. As a result, the fully impaired investment was reclassified from available-for-sale financial assets to financial assets at FVTOCI and impairment losses of HK\$8,303,000 were reclassified from retained earnings to the FVTOCI reserve on 1 January 2018. Unlike HKAS 39, the accumulated impairment losses related to these investments will never be reclassified to profit or loss.
- (b) Trade and other receivables that were classified as loans and receivables under HKAS 39 are now classified at amortised cost. An increase of approximately HK\$97,000 in the allowance for impairment of the trade receivables was recognised in opening retained earnings at 1 January 2018 on transition to HKFRS 9.
- (c) These financial assets were classified as loans and receivables under HKAS 39 are now classified at amortised cost. No further impairment allowance was recognised in opening accumulated losses at 1 January 2018 on transition to HKFRS 9.

### 3. 採納新訂及經修訂香港財務報告準則(續)

#### (a) 應用新訂及經修訂香港財務報告準則(續)

##### 香港財務報告準則第9號金融工具(續)

##### (iii) 減值(續)

附註：

- (a) 該等股權投資為本集團擬就長期策略用途持有的投資。由於該等投資是作為長期策略投資持有，故本集團選擇在其他全面收益內呈列該等投資的公平值變動。因此，已全面減值的投資自可供出售金融資產重新分類為按公平值計入其他全面收益的金融資產，而8,303,000港元的減值虧損則於二零一八年一月一日自保留盈利重新分類至按公平值計入其他全面收益的儲備內。與香港會計準則第39號不同，與該等投資相關的累計減值虧損將永遠不會重新分類至損益。
- (b) 根據香港會計準則第39號分類為貸款及應收款項之貿易及其他應收款項現時按攤銷成本分類。該等應收款項減值撥備約97,000港元的增長已於過渡至應用香港財務報告準則第9號時確認於二零一八年一月一日之期初保留盈利內。
- (c) 根據香港會計準則第39號分類為貸款及應收款項的該等金融資產現在則按攤銷成本分類。於過渡至香港財務報告準則第9號時，概無於二零一八年一月一日的期初累計虧損內確認進一步減值撥備。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

#### (a) Application of new and revised HKFRSs (Continued)

##### HKFRS 9 Financial Instruments (Continued)

##### (iii) Impairment (Continued)

For assets in scope of the HKFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Group has determined that the application of HKFRS 9 impairment model requirements at 1 January 2018 results in an additional impairment allowance as follows:

		HK\$'000 千港元
Specific impairment allowance at 31 December 2017 under HKAS 39	香港會計準則第39號項下之 二零一七年十二月三十一日之 特定減值撥備	764
Additional impairment recognised at 1 January 2018 on trade and other receivables	於二零一八年一月一日確認之 貿易及其他應收款項額外減值	97
Impairment allowance at 1 January 2018 under HKFRS 9	香港財務報告準則第9號項下之 二零一八年一月一日之 減值撥備	861

### 3. 採納新訂及經修訂香港財務報告準則(續)

#### (a) 應用新訂及經修訂香港財務報告準則(續)

##### 香港財務報告準則第9號金融工具(續)

##### (iii) 減值(續)

就香港財務報告準則第9號減值模式範圍內的資產而言，一般預期減值虧損會增加且變得更不穩定。本集團已釐定於二零一八年一月一日應用香港財務報告準則第9號減值模式之規定導致額外減值撥備如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

#### (a) Application of new and revised HKFRSs (Continued)

##### HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained earnings (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 Revenue.

The Group manufactures and sells a range of zinc, magnesium and aluminium alloy die casting, plastic injection products and components which are original equipment manufacturing products ("OEM Products") which have no alternative use to the Group. The Group also sells lighting products and home appliances which have alternative use to the Group. In prior reporting periods, revenue from the sales of OEM Products, lighting products and home appliances is recognised when the risk and rewards of ownership have been passed to the customers.

### 3. 採納新訂及經修訂香港財務報告準則(續)

#### (a) 應用新訂及經修訂香港財務報告準則(續)

##### 香港財務報告準則第15號來自客戶合約的收入

香港財務報告準則第15號就釐定收入是否、多少及何時確認建立了綜合框架。其取代香港會計準則第18號收入、香港會計準則第11號建造合約及相關詮釋。

本集團追溯性地應用香港財務報告準則第15號，並於初始應用日期二零一八年一月一日確認初始應用此項準則的累計影響。任何於初始應用日期的差額乃於期初保留盈利(或其他權益的組成部分(如適用))內確認，而比較資料則未有重列。此外，根據香港財務報告準則第15號的過渡性條文，本集團已選擇僅對於二零一八年一月一日未完成的合約追溯性地應用該項準則。因此，由於比較資料乃根據香港會計準則第18號收入編制，故若干比較資料未必能作比較。

本集團製造及出售一系列鋅、鎂及鋁合金壓鑄、塑膠注塑產品及零部件，該等產品為原設備製造產品(「原設備製造產品」)，對本集團並無替代用途。本集團亦銷售照明產品及家居器具，該等產品對本集團有替代用途。於過往報告期間，當所有權之風險及回報已轉移至客戶時，則確認來自原設備製造產品、照明產品及家居器具銷售之收入。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

#### (a) Application of new and revised HKFRSs (Continued)

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

The adoption of HKFRS 15 resulted in the following changes to the Group's accounting policies on revenue recognition.

##### (i) Revenue from sales of OEM Products

Under HKFRS 15, OEM Products that have no alternative use to the Group and when the Group has enforceable right to payment from the customers for performance completed to date, the Group recognises revenue as the performance obligation satisfied over time in accordance with the input method, by reference to the costs incurred to date over the total expected costs. Otherwise, sales are recognised when control of the products has been transferred, being when the products have been delivered to the designated location prescribed by the customer.

For revenue recognised over time, payment is not due from the customer until the delivery has been made and therefore a contract asset is recognised over the period in which the goods are produced, representing the entity's right to consideration for the goods produced to date. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

### 3. 採納新訂及經修訂香港財務報告準則(續)

#### (a) 應用新訂及經修訂香港財務報告準則(續)

##### 香港財務報告準則第15號來自客戶合約的收入(續)

採納香港財務報告準則第15號導致本集團於收入確認的會計政策出現下列變動。

##### (i) 原設備製造產品之銷售收入

根據香港財務報告準則第15號，原設備製造產品對本集團並無替代用途，且當本集團擁有收取客戶迄今為止已完成履約的款項之可強制執行權利時，本集團根據輸入數據法，並參考迄今為止已產生費用佔預期費用總額之比例，將收入按已達成之履約責任的進度確認。否則，當產品控制權已轉移時(即產品已交付至客戶規定之指定地點時)確認銷售。

就隨時間的推移確認之收入而言，於交付完成之前，客戶不會支付款項，因此合約資產於貨品生產期間確認，相當於實體對迄今為止已生產貨品所獲得代價之權利。應收款項於貨品交付時確認，因為代價於此時間點成為無條件，因為付款到期前僅須經過一段時間。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

#### (a) Application of new and revised HKFRSs (Continued)

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

##### (ii) Revenue from sales of non-OEM Products (lighting products and home appliances)

Under HKFRS 15, sales of non-OEM Products are recognised when control of the products has been transferred, being when the products are delivered to the customers. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customers, and either customer has accepted the products in accordance with the sales contracts, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The following table summarises the impact on the Group's opening retained earnings as at 1 January 2018 is as follows:

### 3. 採納新訂及經修訂香港財務報告準則(續)

#### (a) 應用新訂及經修訂香港財務報告準則(續)

##### 香港財務報告準則第15號來自客戶合約的收入(續)

##### (ii) 非原設備製造產品(照明產品及家居器具)之銷售收入

根據香港財務報告準則第15號，非原設備製造產品之銷售於產品控制權已轉移時(即產品交付客戶時)確認。交付在以下情況下發生：產品已裝運至特定地點、陳舊過時及損失之風險已轉移至客戶、客戶已根據銷售合約接受產品、驗收規定已失效、或本集團有客觀證據證明已符合所有驗收標準。

下表為於二零一八年一月一日對本集團初期保留盈利的影響的總結：

		Note 附註	HK\$'000 千港元
Sales of OEM Products with an enforceable right to payment	銷售具有可強制執行收款權利之原設備製造產品	(i)	2,713
Sales of moulds which were billed together with products	銷售與產品一併發出賬單之模具	(ii)	9,278
Effect on deferred tax liabilities	遞延稅項負債之影響	(v)	(2,139)
Adjustment to retained earnings from adoption of HKFRS 15 on 1 January 2018	自二零一八年一月一日採納香港財務報告準則第15號對保留盈利之調整		9,852
Attributable to:	以下人士應佔權益：		
Owners of the Company	本公司權益持有人		9,852
Non-controlling interest	非控股權益		—
			9,852

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

#### (a) Application of new and revised HKFRSs (Continued)

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

The following tables summarise the estimated impact of adoption of HKFRS 15 on the Group's consolidated financial statements for the year ended 31 December 2018, by comparing the amounts reported under HKFRS 15 in these consolidated financial statements with estimates of the hypothetical amounts that would have been recognised under HKAS 18 if the superseded standard had continued to apply to 2018 instead of HKFRS 15. These tables show only those line items impacted by the adoption of HKFRS 15:

### 3. 採納新訂及經修訂香港財務報告準則(續)

#### (a) 應用新訂及經修訂香港財務報告準則(續)

##### 香港財務報告準則第15號來自客戶合約的收入(續)

以下列表透過把本集團在截至二零一八年十二月三十一日止年度綜合財務報表中根據香港財務報告準則第15號報告的金額，與倘若香港會計準則第18號(而非香港財務報告準則第15號)繼續於二零一八年應用，則根據該項已被取代的準則本應確認的假設估計金額作出比較，從而概述採納香港財務報告準則第15號對本集團該等財務報表的估計影響。該等列表僅顯示受到採納香港財務報告準則第15號影響的項目：

			Amounts reported in accordance with HKFRS 15 根據香港財務報告準則第15號報告之金額 HK\$'000 千港元	Hypothetical amounts under HKASs 18 根據香港會計準則第18號之假設金額 HK\$'000 千港元	Estimated impact of adoption of HKFRS15 採納香港財務報告準則第15號之估計影響 HK\$'000 千港元
<b>As at 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>				
Consolidated statement of financial position (extract)	綜合財務狀況表(摘錄)				
Contract assets	合約資產	(i) & (ii)	14,670	—	14,670
Inventories	存貨	(i), (ii) & (iii)	244,755	253,010	(8,255)
Right of return assets	退回資產之權利	(i) & (iii)	111	—	111
Deposits received	已收按金	(i) & (iv)	—	1,500	(1,500)
Contract liabilities	合約負債	(i) & (iv)	1,500	—	1,500
Refund liabilities	退款負債	(i) & (iii)	241	—	241
Deferred tax liabilities	遞延稅項負債	(i), (ii) & (v)	28,701	27,732	969
Retained earnings	保留盈利		551,482	545,633	5,849
Foreign currency translation reserve	匯兌儲備		(37,503)	(36,970)	(533)
<b>For the year ended 31 December 2018</b>	<b>截至二零一八年十二月三十一日止年度</b>				
Consolidated statement of profit or loss (extract)	綜合損益表(摘錄)				
Revenue	收入		1,852,329	1,859,157	(6,828)
Cost of sales	銷售成本		(1,404,530)	(1,406,112)	1,582
Income tax	所得稅		(12,505)	(13,601)	1,096

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

#### (a) Application of new and revised HKFRSs (Continued)

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

Note:

- (i) The differences arise as a result of the changes in accounting policies described above.
- (ii) Certain moulds sold to customers are ordered together with the products, and the costs of moulds are recovered through the price of the products. The Group determined that the moulds are separate performance obligations in a sales contract. Transaction price is allocated to the moulds, resulting in earlier recognition of the revenue for the moulds when the control of them has been passed to the customers before the delivery of products.

Certain contracts with customers enable the Group to have enforceable right to payment for OEM Products manufactured to date if the customers terminate the contracts. Revenue for these contracts should be recognised over time as the Group satisfies the performance obligations during manufacturing, resulting in earlier recognition of revenue.

- (iii) When the customer has a right to return the product within a given period, the Group is obliged to refund the purchase price. The Group previously did not recognise a provision for refunds which was measured on a net basis at the margin on the sale due to immateriality at 31 December 2017.

Under HKFRS 15, a refund liability for the expected refunds to customers is recognised as adjustments to revenue amounting to approximately HK\$241,000 at 31 December 2018 in refund liabilities. At the same time, the Group has a right to recover the product from the customer where the customer exercises his right of return and recognises an asset and a corresponding adjustment to profit or loss amounting to approximately HK\$241,000 at 31 December 2018.

- (iv) Contract liabilities for billing in advance recognised in relation to sales of goods were previously presented as "Deposits received". The amount was reclassified as "Contract liabilities" so that the terminology is consistent with HKFRS 15.
- (v) The recognition of revenue from the sales of moulds and the sales of OEM Products over time as described in note (ii) above resulted in temporary differences in the contract assets. Deferred tax liabilities were recognised accordingly.

### 3. 採納新訂及經修訂香港財務報告準則(續)

#### (a) 應用新訂及經修訂香港財務報告準則(續)

##### 香港財務報告準則第15號來自客戶合約的收入(續)

附註:

- (i) 該等差額是因為上文所述的會計政策變動而產生。
- (ii) 若干售予客戶的模具是與產品一併訂購，而模具的成本則透過產品價格收回。本集團決定模具在銷售合約中是一項獨立履約責任。交易價格分配至模具，導致當模具的控制權在產品交付之前已傳遞給客戶時，提早確認模具收入。

與客戶簽訂的若干合約時，給予本集團在客戶終止合約時擁有迄今為止製造的原設備製造產品的可執行支付權。由於本集團在製造過程中履行履約義務，因此應隨時間的推移確認此等合約的收入，以提早確認收入。

- (iii) 當客戶在既定期間內有權退回產品時，本集團便有退回購買價的責任。本集團先前沒有確認退款撥備，是由於在二零一七年十二月三十一日，該按淨額基準計量銷售的利潤率之金額為不重要。

根據香港財務報告準則第15號，於二零一八年十二月三十一日就預期向客戶退款的退款負債確認為收入的調整，金額為約241,000港元。同時，若客戶行使其退貨權利，本集團便具有向客戶收回產品的權利，並於二零一八年十二月三十一日確認資產及相應對損益的調整，金額為約241,000港元。

- (iv) 就銷售貨品確認預先發出賬單的合約負債之前呈列為「已收按金」。該金額已被重新分類為「合約負債」，從而使專門用語與香港財務報告準則第15號一致。
- (v) 誠如上文附註(ii)所述，隨著時間的推移確認模具銷售及原設備製造產品的銷售收入導致合約資產暫時出現差異。遞延稅項負債已相應確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

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

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2018. These new and revised HKFRSs include the following which may be relevant to the Group.

#### Effective for accounting periods beginning on or after

HKFRS 16 Leases 1 January 2019

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of HKFRS 16 which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. While the assessment has been substantially completed for HKFRS 16, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's interim financial report for the six months ending 30 June 2019. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that interim financial report.

### 3. 採納新訂及經修訂香港財務報告準則(續)

#### (b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用已頒佈但尚未於二零一八年一月一日開始的財政年度起生效的新訂及經修訂香港財務報告準則。該等新訂及經修訂的香港財務報告準則包括以下可能與本集團相關的事項。

#### 於下 列會計期間 開始或之後生效

香港財務報告準則  
第16號租賃 二零一九年一月一日

本集團正在評估該等修訂及新訂準則預期於首次應用期間的影響。截至目前，本集團已識別香港財務報告準則第16號之若干範疇可能對綜合財務報表產生重大影響。有關預期影響之進一步詳情於下文討論。儘管有關香港財務報告準則第16號之評估已大致完成，惟首次採納該等準則時產生之實際影響可能有所不同，因為至今完成之評估乃根據本集團現時可得資料作出，而在準則最初應用於本集團截至二零一九年六月三十日止六個月之中期財務報告前可能會識別進一步的影響。本集團亦可能變更其會計政策選擇(包括過渡選擇)，直至首次應用該等準則於中期財務報告。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

#### (b) New and revised HKFRSs in issue but not yet effective (Continued)

##### HKFRS 16 Leases

HKFRS 16 replaces HKAS 17 Leases and related interpretations. The new standard introduces a single accounting model for lessees. For lessees, the distinction between operating and finance leases is removed and lessees will recognise right-of-use assets and lease liabilities for all leases (with optional exemptions for short-term leases and leases of low value assets). HKFRS 16 carries forward the accounting requirements for lessors in HKAS 17 substantially unchanged. Lessors will therefore continue to classify leases as operating or financing leases.

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

Based on a preliminary assessment, the standard will affect primarily the accounting for the Group's operating leases. The Group's leases of office premises, factories, warehouses, staff quarters and office equipment are currently classified as operating leases and the lease payments are recognised as an expense on a straight-line basis over the lease term. Under HKFRS 16, the Group may need to recognise and measure a liability at the present value of the future minimum lease payments and recognise a corresponding right-of-use asset for these leases. The interest expense on the lease liability and depreciation on the right-of-use asset will be recognised in profit or loss. The Group's assets and liabilities will increase and the timing of expense recognition will also be impacted as a result.

### 3. 採納新訂及經修訂香港財務報告準則(續)

#### (b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

##### 香港財務報告準則第16號租賃

香港財務報告準則第16號取代香港會計準則第17號租賃及相關詮釋。該新訂準則引入有關承租人的單一會計處理模式。承租人無需區分營運和融資租賃及承租人將確認所有租賃之使用權資產和租賃負債(短期租賃及低價值資產之租賃可獲選擇性豁免)。香港財務報告準則第16號大致保留香港會計準則第17號有關出租人的會計處理規定。因此，出租人需繼續將租賃分類為營運或融資租賃。

香港財務報告準則第16號於二零一九年一月一日或之後開始之年度期間生效。本集團擬採用簡化過渡法且將不會就首次採納前年度重列比較金額。

根據初步評估，該準則將主要影響本集團營運租賃之會計處理。本集團之辦公室、廠房、倉庫、員工宿舍及辦公室設備租賃現分類為營運租賃及租賃款項於租賃期內按直線準則確認為開支。根據香港財務報告準則第16號，本集團可能需就該等租賃按未來最低租賃款項之現值確認及計量負債，並確認其相應使用權資產。租賃負債之利息開支及使用權資產之折舊將於損益中確認。因此，本集團之資產及負債將增加且開支確認之時間亦會受到影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

#### (b) New and revised HKFRSs in issue but not yet effective (Continued) HKFRS 16 Leases (Continued)

As disclosed in note 38, the Group's future minimum lease payments under non-cancellable operating leases for its office premises, factories, warehouses, staff quarters and office equipment amounted to approximately HK\$16,403,000 as at 31 December 2018. These leases are expected to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The amounts will be adjusted for the effects of discounting and the transition reliefs available to the Group.

### 4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. leasehold land that are measured at fair value).

The preparation of consolidated 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 5.

### 3. 採納新訂及經修訂香港財務報告準則(續)

#### (b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續) 香港財務報告準則第16號租賃(續)

誠如附註38所披露，於二零一八年十二月三十一日，本集團租賃辦公室、廠房、倉庫、員工宿舍及辦公室設備之不可撤銷營運租賃之未來最低租賃付款為約16,403,000港元。預期該等租賃將於採納香港財務報告準則第16號後確認為租賃負債及相應的使用權資產。該等金額將根據折讓影響及本集團可用的過渡安排進行調整。

### 4. 主要會計政策

除按下列會計政策外(例如以公平值計量之租賃土地)，此等綜合財務報表乃按歷史成本作為編制基準。

編制符合香港財務報告準則的綜合財務報表須使用若干重要會計估計，亦需要管理層於應用於本集團會計政策的過程中作出判斷。對此等綜合財務報表涉及高度之判斷及具複雜性及屬重大的假設及估計的範疇於綜合財務報表附註5中披露。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

#### (a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, 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. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

### 4. 主要會計政策(續)

編制此等綜合財務報表所採用的主要會計政策載列如下：

#### (a) 綜合賬目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止的財務報表。附屬公司為本集團擁有控制權的實體。當本集團透過從參予該實體之運作而得到或有權利得到可變動之回報，並其能力影響該實體之回報，則視為本集團對該實體擁有控制權。當本集團現有權利令其目前有能力主導相關活動(即對實體回報構成重大影響的活動)，則本集團對該實體擁有權力。

在評估本集團是否擁有控制權時，本集團會考慮其潛在表決權以及其他各方所持潛在表決權。潛在表決權僅於持有人擁有實質能力可行使該項權利時方予考慮。

附屬公司於控制權轉移至本集團當日全面綜合計算，並於控制權終止當日不再作綜合處理。

因出售一間附屬公司而導致失去控制權的盈虧指(i)出售代價公平值加上於該附屬公司任何保留投資公平值與(ii)本公司應佔該附屬公司資產淨值加上與該附屬公司有關的任何餘下商譽以及與該附屬公司有關之任何相關累計匯兌儲備兩者間的差額。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (a) Consolidation (Continued)

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

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

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

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

### 4. 主要會計政策(續)

#### (a) 綜合賬目(續)

集團間的交易、結餘及未變現溢利會予以對銷。未變現虧損亦會予以對銷，除非交易有證據顯示所轉讓資產出現減值則除外。附屬公司的會計政策已於有需要時作出變動，以確保與本集團所採納的政策貫徹一致。

非控股權益指並非本公司直接或間接應佔之附屬公司權益。非控股權益於綜合財務狀況表及綜合權益變動表之權益內呈列。非控股權益於綜合損益表及綜合損益及其他全面收益表呈列為本公司非控股股東與擁有人應佔溢利或虧損及年內全面收益總額之分配。

即使會導致非控股權益出現赤字結餘，損益及其他全面收益各部分仍歸屬於本公司擁有人及非控股股東。

本公司於不會導致失去控制權虧損之附屬公司之擁有權權益變動計入權益交易(即以擁有人身分與擁有人進行之交易)。控股權益及非控股權益之賬面值已經調整，以反映其於附屬公司之相關權益變動。非控股權益之調整金額與已付或已收代價之公平值兩者間之任何差額直接於權益確認，並由本公司擁有人分佔。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (a) Consolidation (Continued)

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

#### (b) Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the sum of the consideration transferred over the Group's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Group.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the sum of the consideration transferred in a business combination to calculate the goodwill.

### 4. 主要會計政策(續)

#### (a) 綜合賬目(續)

於本公司之財務狀況表內，於附屬公司之投資按成本扣除減值虧損列賬，除非該投資被分類為持作銷售(或包括在被分類為持作銷售之出售組別)。

#### (b) 業務合併及商譽

於業務合併中收購附屬公司乃按收購會計法處理。於業務合併中轉移之代價按交易所交付資產、所發行股本工具、所產生或承擔之負債及或然代價之公平值計算。與收購有關之成本於產生成本及獲得服務之期間確認為開支。所收購附屬公司之可識別資產及負債按收購當日之公平值計算。

轉移之代價總和超出本集團攤分附屬公司可識別資產及負債之公平淨值之差額將以商譽列賬。任何本公司攤分可識別資產及負債之公平淨值高於收購成本之差額將於綜合損益表內確認為本集團應佔之議價收購收益。

分階段進行業務合併時，過往持有之附屬公司股本權益按其收購日期之公平值重新計算，據此產生之損益則於綜合損益確認。公平值將計入於業務合併中轉移之代價總和，以計算商譽。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (b) Business combination and goodwill (Continued)

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs") or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

### 4. 主要會計政策(續)

#### (b) 業務合併及商譽(續)

附屬公司之非控股權益初步以非控股股東於收購日在附屬公司中可識別資產及負債之公平淨值之股權比例計量。

經初步計量後，商譽以成本減累計減值虧損計量。就減值測試目的而言，於業務合併中收購的商譽將分配各個預期將自該業務合併所產生之協同效應獲益的現金產生單位。各個或各組獲分配商譽相當於本集團內最低層，其商譽就內部管理目的而受監察。商譽減值檢討每年進行一次，倘發生任何事件或情況有變顯示潛在減值風險，檢討將更為頻密。載有商譽之現金產生單位的賬面值將與其可收回金額(即其使用價值或其公平值減出售成本之較高者)比較。任何減值將即時確認為開支並不可於其後撥回。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (c) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of the investment over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

### 4. 主要會計政策(續)

#### (c) 聯營公司

聯營公司為本集團對其有重大影響之實體。重大影響乃於有關實體之財務及營運政策之決策擁有參與權而非控制或共同控制權。包括其他實體持有之潛在投票權在內的現時可行使或可兌換之潛在投票權，其存在及影響將於評估本集團有否重大影響力時予以考慮。在評估潛在投票權有否重大影響時，持有人行使或兌換該權力之意圖及財務能力不會考慮在內。

於聯營公司之投資乃採用權益會計法於綜合財務報表列賬，並按成本作出初步確認。所收購聯營公司之可識別資產及負債乃按其於收購當日之公平值計量。倘投資成本超出本集團應佔聯營公司之可識別資產及負債之公平淨值，則差額將以商譽列賬。該商譽列入投資之賬面值內，並於有客觀證據顯示投資已減值時於各報告期末與投資一併進行減值測試。倘本集團應佔可識別資產及負債之公平淨值高於收購成本，則有關差額將於綜合損益內確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (c) Associates (Continued)

The Group's share of an associate's post-acquisition profits or losses and other comprehensive income is recognised in consolidated statement of profit or loss and other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's entire carrying amount of that associate (including goodwill) and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

### 4. 主要會計政策(續)

#### (c) 聯營公司(續)

本集團應佔聯營公司之收購後損益及其他全面收益於綜合收益表及其他全面收益表內確認。倘本集團應佔聯營公司虧損相等於或超逾其於聯營公司之權益(包括實際上構成本集團於該聯營公司投資淨值一部分之任何長期權益)，則本集團不會進一步確認虧損，除非本集團已代聯營公司承擔負債或支付款項。倘聯營公司其後報收溢利，則本集團僅於其應佔溢利等於其應佔未確認之虧損後恢復確認其應佔之該等溢利。

因出售聯營公司而導致其失去重大影響之損益為(i)出售代價之公平值加任何保留於該聯營公司之投資之公平值及(ii)本集團應佔該聯營公司全部賬面值(包括商譽)及任何有關累計匯兌儲備兩者間之差額。倘於聯營公司之投資成為於合營企業投資，本集團繼續採用權益法而不重新計量保留權益。

對銷本集團與其聯營公司間交易之未變現溢利乃以本集團於聯營公司之權益為限。未變現虧損亦會對銷，除非該交易有證據顯示所轉讓資產出現減值則作別論。聯營公司之會計政策已按需要變更，以確保與本集團所採納政策貫徹一致。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (d) 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 Hong Kong dollars ("HK\$"), which is the Company's functional and presentation currency.

##### (ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

### 4. 主要會計政策(續)

#### (d) 外幣換算

##### (i) 功能及呈列貨幣

本集團各實體的財務報表所納入的項目乃按實體經營業務所在主要經濟環境的貨幣(「功能貨幣」)計算。綜合財務報表以港元呈列，而港元為本公司的功能及呈列貨幣。

##### (ii) 各實體財務報表內的交易及結餘

外幣交易在初始確認時以交易日期適用的匯率換算為功能貨幣。以外幣計值的貨幣資產及負債按每個報告期間完結時的匯率換算。該換算政策所產生的收益及虧損於損益內確認。

按外幣公平值計算的非貨幣項目以決定公平值當天之匯率換算。

當非貨幣項目的收益或虧損於其他全面收益中確認，任何該收益或虧損之匯兌部份於其他全面收益中確認。當非貨幣項目的收益或虧損於損益中確認，任何該收益或虧損之匯兌部份於損益中確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (d) Foreign currency translation (Continued)

##### (iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's 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 are translated at average exchange rates for the period (unless this average rate 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 exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

### 4. 主要會計政策(續)

#### (d) 外幣換算(續)

##### (iii) 綜合賬目時的換算

本集團內所有功能貨幣與本公司呈列貨幣有別的實體，其業績及財務狀況乃按下列方式換算為本公司的呈列貨幣：

- 各財務狀況表所呈列的資產及負債均按財務狀況表之日期的收市匯率換算；
- 期內的收入及開支按平均匯率換算(除非該平均匯率並非為交易日期的適用匯率累計影響的合理約數，在該情況下，收入及開支按交易日期的匯率換算)；及
- 所產生的全部匯兌差額於其他全面收益內確認及於外幣匯兌儲備內累計。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (d) Foreign currency translation (Continued)

##### (iii) Translation on consolidation (Continued)

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

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.

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

Property, plant and equipment, other than leasehold land (classified as finance leases), held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below), are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

### 4. 主要會計政策(續)

#### (d) 外幣換算(續)

##### (iii) 綜合賬目時的換算(續)

綜合賬目時，換算海外實體投資淨額所產生的現金項目匯兌差額於其他全面收益內確認及於外幣匯兌儲備內累計。當海外業務被出售，該匯兌差額於綜合損益中重新分類至出售溢利或虧損的一部分。

收購海外實體所產生的商譽及公平值調整被視作海外實體的資產及負債，並按收市匯率換算。

#### (e) 物業、機器及設備

就生產用途或供應貨品或服務或行政目的(不包括下述之在建物業)持有之物業、機器及設備(不包括租賃土地(分類為融資租約))，乃按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表入賬。

只有在與項目相關的未來經濟效益有可能流入本集團，並能夠可靠地計量項目成本的情況下，本集團才會將其後成本計入為資產賬面值之一部分或確認為獨立資產項目(如適用)。所有其他維護及保養費用均需於產生時於該財務期間之損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (e) Property, plant and equipment (Continued)

Leasehold land held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such land is recognised in other comprehensive income and accumulated in land revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the land revaluation reserve relating to a previous revaluation of that asset.

Depreciation of revalued land is recognised in profit or loss. On the subsequent sale or retirement of a revalued land, the attributable revaluation surplus remaining in the land revaluation reserve is transferred directly to retained earnings.

### 4. 主要會計政策(續)

#### (e) 物業、機器及設備(續)

就生產用途或供應貨品或服務或行政目的持有之租賃土地乃按彼等的重估金額(即於重估日期之公平值減任何其後累計折舊及其後累計減值虧損)於綜合財務狀況表入賬。重估每隔若干適當時間進行,以確保賬面值與於各報告期末以公平值釐定的數值不會出現重大偏差。

重估有關土地產生之重估增值會於其他全面收益內確認,並累計列入土地重估儲備,除非之前確認在損益之相同資產有重估減值,則該部份增值會以之前支出之減額為限計入損益。重估有關土地產生之賬面減值會於損益內確認,至其超過與該資產過往重估有關之土地重估儲備內之結餘(如有)為止。

經重估土地的折舊於損益確認。已重估土地其後出售或報廢時,留存於土地重估儲備的應佔重估盈餘乃直接轉撥至保留盈利。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (e) Property, plant and equipment (Continued)

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost or revalued amounts less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Buildings	5 to 20 years or over the unexpired term of lease
Leasehold land	over the unexpired term of lease
Leasehold improvements	over the shorter of 3 years and the unexpired term of the lease
Plant and machinery	5 to 10 years
Computer equipment	3 to 5 years
Furniture, fixtures and office equipment	3 to 5 years
Motor vehicles	3 to 5 years

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

Construction in progress represents buildings under construction and plant and equipment pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

### 4. 主要會計政策(續)

#### (e) 物業、機器及設備(續)

物業、機器及設備之折舊乃於估計可使用年內，以直線法按適當比率計算以撇銷其成本或重估金額減其剩餘價值。主要可用年期如下：

樓宇	5至20年或尚餘租賃年期
租賃土地	尚餘租賃年期
租賃物業裝修	3年或尚餘租賃年期 (以較短者為準)
機器及設備	5至10年
電腦設備	3至5年
傢私、固定裝置及辦公室設備	3至5年
汽車	3至5年

剩餘價值、可使用年期及折舊方法於各報告期末進行檢討及調整(如適用)。

在建工程指建設中的樓宇及待安裝的設備，按成本減減值虧損列賬。當有關資產可供使用時，折舊即開始。

出售物業、機器及設備的收益或虧損指出售所得款項淨額與有關資產賬面值兩者間的差額，並於損益內確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (f) Leases

##### The Group as lessee

##### (i) Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

##### The Group as lessor

##### (i) Operating leases

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

#### (g) Research and development expenditure

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

#### (h) Club membership

Club membership with indefinite useful life is stated at cost less any impairment losses. Impairment is reviewed annually or when there is any indication that the club membership has suffered an impairment loss.

### 4. 主要會計政策(續)

#### (f) 租約

##### 本集團為承租人

##### (i) 經營租約

將資產擁有權的所有風險及回報不會大部份轉移至本集團的租約列為經營租約。租約款項在扣除自出租人收取的任何獎勵金後，於租約期內以直線法確認費用。

##### 本集團作為出租人

##### (i) 經營租約

將資產擁有權的所有風險及回報不會大部份轉移至承租人的租賃列為經營租賃。經營租賃的租金收入按相關租賃期以直線法確認。

#### (g) 研究及開發支出

研究活動的支出於產生的期間作為開支確認。

#### (h) 會所會籍

具無限可使用年期的會所會籍按成本減任何減值虧損列賬。會所會籍每年及當有跡象顯示出現減值虧損時，將進行減值檢討。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### (j) Other contract costs

Other contract costs are the incremental costs of obtaining a contract with a customer.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Incremental costs of obtaining a contract are capitalised when incurred if the costs are expected to be recovered, unless the expected amortisation period is one year or less from the date of initial recognition of the asset, in which case the costs are expensed when incurred. Other costs of obtaining a contract are expensed when incurred.

#### (k) Contract assets and contract liabilities

Contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECLs in accordance with the policy set out in note 4(x) and are reclassified to receivables when the right to the consideration has become unconditional.

### 4. 主要會計政策(續)

#### (i) 存貨

存貨按成本與可變現淨值兩者中的較低者入賬。成本乃按加權平均基準計量。製成品及在製品的成本包括原材料、直接勞工及所有生產經常性開支及分包開支(如適用)。可變現淨值按一般業務過程中的估計銷售價格減去估計完成成本及估計銷售所需費用計算。

#### (j) 其他合約成本

其他合約成本為取得客戶合約的增量成本。

取得合約的增量成本為本集團取得客戶合約所產生的該等成本，若沒有取得合約，便不會產生有關成本。若預期將收回取得合約的增量成本，則該等成本在產生時便會撥充資本，惟預期攤銷期間是自初始確認資產日期起一年或以下則除外，在該情況下成本在產生時列作開支。取得合約的其他成本在產生時列作開支。

#### (k) 合約資產及合約負債

當本集團在無條件地有權享有合約載列的付款條款下的代價前確認收入，便會確認合約資產。合約資產根據附註4(x)載列的政策評估預期信貸虧損，並在代價的權利成為無條件時重新分類為應收款項。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (k) Contract assets and contract liabilities (Continued)

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

#### *Policy prior to 1 January 2018*

In the comparative period, contract liabilities were recorded for deposits received from customers relating to sales of OEM Products and moulds. The balance was presented as the “deposits received” (as a liability). The balance has been reclassified as on 1 January 2018 as shown in note 3.

#### (l) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

### 4. 主要會計政策(續)

#### (k) 合約資產及合約負債(續)

當客戶在本集團確認相關收入前支付代價，本集團便會確認合約負債。若本集團在確認相關收入前具有無條件權利收取代價，則本集團亦會確認合約負債。在該等情況下，亦會確認相關應收款項。

就與客戶訂立的單一合約而言，將呈列合約資產淨值或合約負債淨額。就多項的合約而言，不相關合約的合約資產及合約負債並非按淨額基準呈列。

#### *二零一八年一月一日前的政策*

在比較期間，就自客戶收取有關銷售原設備製造產品及模具的按金記錄合約負債。該項結餘呈列為「已收按金」（為一項負債）。該項結餘於二零一八年一月一日已被重新分類，如附註3中所示。

#### (l) 確認及終止確認金融工具

金融資產及金融負債於本集團成為工具合約條文的訂約方時，將於綜合財務狀況表內確認。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (I) Recognition and derecognition of financial instruments (Continued)

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

### 4. 主要會計政策(續)

#### (I) 確認及終止確認金融工具(續)

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債(按公平值計入損益賬的金融資產及金融負債除外)直接應佔的交易成本乃於初始確認時計入金融資產或金融負債的公平值，或從相關公平值中扣除(如適用)。收購按公平值計入損益賬的金融資產或金融負債直接應佔的交易成本則隨即在損益賬中確認。

本集團僅於資產現金流量的合約權利屆滿，或其轉讓金融資產及絕大部分資產擁有權的風險及回報予另一實體時，才會終止確認金融資產。倘本集團未有轉讓或保留絕大部分擁有權的所有風險及回報，並繼續控制已轉讓的資產，本集團便確認其於該項資產的保留權益及其可能須要支付的金額的相關負債。倘本集團保留已轉讓金融資產所有權絕大部分的風險及回報，本集團便繼續確認該項金融資產，亦就收取的所得款項確認有抵押借款。

本集團僅在義務已解除、取消或屆滿時才終止確認金融負債。終止確認的金融負債賬面值金額與已付及應付的代價(包括任何已轉讓的非現金資產或承擔的負債)的差額，則於損益賬確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (m) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Debt instruments

Debt instruments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the instrument is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the instrument is calculated using the effective interest method. Typically, trade receivables, other receivables, cash and bank balances are classified in this category.
- FVTOCI — recycling, if the contractual cash flows of the instruments comprise solely payments of principal and interest and the instrument is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of ECLs, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the instrument is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

### 4. 主要會計政策(續)

#### (m) 金融資產

所有以慣常方式作出的金融資產買賣均按交易日期確認及終止確認。慣常方式買賣為須在市場規例或慣例建立的時限內交付資產的金融資產買賣。所有已確認的金融資產其後則全部按攤銷成本或公平值計量，視乎金融資產的分類而定。

#### 債務投資

本集團持有的債務投資乃分類為下列其中一項計量類別：

- 倘投資是持有作收集合約現流量，而該等現金流量僅為本金及利息款項，則為攤銷成本。投資的利息收入乃使用實際利率法計算。貿易應收款項、其他應收款項、現金及銀行結餘一般均歸類於此類別。
- 倘投資的合約現金流量僅由本金及利息款項組成，且投資是在一個業務模式內持有，其目標是透過收集合約現金流量及出售達致，則為按公平值計入其他全面收益 — 重新歸入。公平值變動是在其他全面收益確認，惟在損益賬中確認預期信貸虧損、利息收入(使用實際利率法計算)及外匯收益及虧損則除外。當終止確認投資時，在其他全面收益累計的金額則由權益重新歸入損益賬。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (m) Financial assets (Continued)

##### Debt instruments (Continued)

- FVTPL if the instrument does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the instrument (including interest) are recognised in profit or loss.

##### Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income.

##### *Policy prior to 1 January 2018*

Investments in securities held for trading were classified as financial assets measured at FVTPL. Any attributable transaction costs were recognised in profit or loss as incurred. At the end of each reporting period the fair value was remeasured, with any resultant gain or loss being recognised in profit or loss.

### 4. 主要會計政策(續)

#### (m) 金融資產(續)

##### 債務投資(續)

- 倘投資不符合按攤銷成本或按公平值計入其他全面收益(重新歸入)計量的標準,則為按公平值計入損益賬。投資公平值的變動(包括利息)則於損益賬確認。

##### 股權投資

除非股權證券投資並非持作交易用途,且在初始確認投資時本集團選擇指定投資按公平值計入其他全面收益(不得重新歸入),致使其後公平值的變動在其他全面收益確認,否則股權證券投資分類為按公平值計入損益賬。該等選擇乃在個別工具的基礎上作出,但僅可在從發行人角度而言投資符合股權的定義才可作出。倘作出了該項選擇,則在其他全面收益累計的金額仍然留在公平值儲備(不得重新歸入),直至出售投資為止。於出售時,在公平值儲備(不得重新歸入)累計的金額則轉移至保留盈利,而並非透過損益賬重新歸入。來自股權證券投資的股息,不論分類為按公平值計入損益賬或按公平值計入其他全面收益,均會於損益賬中確認為其他收入。

##### *二零一八年一月一日前的政策*

持作交易用途的證券投資乃分類為按公平值計入損益賬計量的金融資產。任何應佔的交易成本則於產生時在損益賬確認。於各個報告期間結束時將重新計量公平值,任何因此而產生的收益或虧損則於損益賬確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (m) Financial assets (Continued)

##### Equity investments (Continued)

###### *Policy prior to 1 January 2018 (Continued)*

Dated debt securities that the Group had the positive ability and intention to hold to maturity were classified as held-to-maturity securities. Held-to-maturity securities were stated at amortised cost.

Investments which did not fall into any of the above categories were classified as available-for-sale financial assets. At the end of each reporting period the fair value was remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve (recycling). Dividend income from equity investments and interest income from debt securities calculated using the effective interest method were recognised in profit or loss respectively. Foreign exchange gains and losses arising from debt securities were also recognised in profit or loss. When the investments were derecognised or impaired, the cumulative gain or loss recognised in equity was reclassified to profit or loss.

#### (n) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

### 4. 主要會計政策(續)

#### (m) 金融資產(續)

##### 股權投資(續)

###### *二零一八年一月一日前的政策(續)*

本集團擁有正面能力及意向持有至到期日的有期債務證券乃分類為持有至到期日的證券。持有至到期日的證券按攤銷成本列賬。

並不屬於以上任何類別的投資分類為可供出售金融資產。公平值於各報告期結束時重新計量，而任何因此產生的收益或虧損均於其他全面收益內確認，並分別於權益的公平值儲備(重新歸入)中累計。股權投資的股息收入及使用實際利率法計算的債務證券利息收入分別於損益賬中確認。債務證券產生的外匯收益及虧損亦於損益賬中確認。當投資被終止確認或減值時，權益中確認的累計收益或虧損則重新分類至損益賬。

#### (n) 貿易及其他應收款項

應收款項於本集團有無條件權利收取代價時確認。倘代價僅隨時間推移即會成為到期應付，則收取代價的權利為無條件。倘收入於本集團有無條件權利收取代價前已確認，則該金額按合約資產呈列。

應收款項以實際利率法減信貸虧損撥備按攤銷成本列賬。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL.

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

#### (i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

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

### 4. 主要會計政策(續)

#### (o) 現金及等同現金項目

現金及等同現金項目包括銀行及手頭現金、銀行及其他金融機構的活期存款，以及可隨時轉換為已知金額現金的短期高變現能力，且價值改變風險不大及於收購後三個月內到期的投資。就編制綜合現金流量表而言，現金及等同現金項目包括按要求償還及構成本集團現金管理組成部分的銀行透支。現金及等同現金項目乃就預期信貸虧損作評估。

#### (p) 金融負債及股本工具

金融負債及股本工具乃根據所訂立的合約安排性質及根據香港財務報告準則對金融負債及股本工具的定義而分類。股本工具為證明於本集團經扣除其所有負債後的資產中所剩餘權益的任何合約。就特定金融負債及股本工具而採納的會計政策載於下文。

#### (i) 借貸

借貸初步按公平值扣除所產生的交易成本確認，其後則以實際利率法按攤銷成本值計量。

除非本集團擁有無條件權利，可將負債的償還日期遞延至報告期間完結後至少十二個月，否則借貸被分類為流動負債。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (p) Financial liabilities and equity instruments (Continued)

##### (ii) Financial guarantee contract liabilities

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the ECL model under HKFRS 9; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

##### (iii) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

### 4. 主要會計政策(續)

#### (p) 金融負債及股本工具(續)

##### (ii) 財務擔保合約負債

在擔保簽訂的同時，財務擔保合同確認為一項金融負債。該項負債按公平值初步計量，其後則按以下兩者中較高者計量：

- 按香港財務報告準則第9號的預期信貸虧損模式確定的金額；及
- 初步確認的金額減去(如適用)按香港財務報告準則第15號確認的累計收入。

財務擔保的公平值由基於債務工具下規定的合約支付金額，與毋須保證的支付金額或與作為承擔義務付給第三方的估計金額之間的現金流量差額的現值決定。

當與聯營公司的借款或其他應付聯營公司的款項不提供補償時，公平值便作為投入列賬且確認為投資成本的一部分。

##### (iii) 貿易及其他應付款項

貿易及其他應付款項初步按公平值確認，其後則以實際利率法按攤銷成本值計量，貼現影響微少則作別論，在該情況下，則按成本值列賬。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (p) Financial liabilities and equity instruments (Continued)

##### (iv) Equity instruments

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

#### (q) Revenue recognition

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

For OEM Products that have no alternative use to the Group and when the Group has an enforceable right to payment from the customers for performance completed to date, the Group recognises revenue from the sales of such OEM Products as the performance obligation is satisfied over time in accordance with the input method, by reference to the costs incurred to date over the total expected costs. Otherwise, sales are recognised when control of the products has been transferred, being when the products are delivered to the customers. Delivery occurs when the products have been delivered to the designated location prescribed by the customer. Payment for goods is not due from the customer until the OEM Products are delivered to the customer and therefore a contract asset is recognised over the period in which the goods are produced, representing the entity's right to consideration for the services performed to date.

### 4. 主要會計政策(續)

#### (p) 金融負債及股本工具(續)

##### (iv) 股本工具

股本工具指能證明於實體扣除其所有負債後的資產中存在剩餘權益的任何合約。本公司發行的股本工具按已收取的所得款項減去直接發行成本而列賬。

#### (q) 收入確認

當產品或服務的控制權按本集團預期有權獲取的承諾代價數額(不包括代表第三方收取的金額)轉移至客戶時,便會確認收入。收入不包括增值稅或其他銷售稅,並經扣除任何貿易折扣。

原設備製造產品對本集團並無替代用途,且當本集團擁有收取客戶迄今為止已完成履約的款項之可強制執行權利時,本集團根據輸入數據法,並參考迄今為止已產生費用佔預期費用總額之比例,將按原設備製造產品銷售收入已達成之履約責任的進度確認。否則,當產品控制權已轉移時(即產品已交付至客戶時)確認銷售。交付在產品已運送至客戶的特定地點時發生。客戶毋須支付貨品款項,直至原設備製造產品運送至客戶為止,因此合約資產是在於貨品已生產一段時間,代表實體對迄今履行服務的代價所享有的權利的期間內確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (q) Revenue recognition (Continued)

Revenue from the sales of non-OEM Products is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue from sales of moulds is recognised when the quality of moulds are accepted by the customers, and the customers have the legal title to the moulds and can direct the Group to use them for production.

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVTOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

Rental income is recognised on a straight-line basis over the lease term.

### 4. 主要會計政策(續)

#### (q) 收入確認(續)

由非原設備製造產品銷售所產生的收入在貨品的控制權已轉讓，即貨品已運送至客戶的指定地點(交付)時確認。在交付後，客戶對銷售貨品的分銷方式及價格擁有完全酌情權，在銷售貨品時具有主要責任，並承擔貨品滯銷及損失的風險。當貨品交付予客戶，本集團便會確認應收款項，原因是此乃對代價的權利僅因到期付款前需要時間流逝方成為無條件的時點。

銷售模具的收入於模具質量獲客戶接納及客戶擁有模具的合法所有權，並指示本集團使用該等模具作生產時確認。

利息收入於產生時按實際利率法確認。就按攤銷成本或按公平值計入其他全面收益(重新歸入)計量且並無出現信貸減值的金融資產而言，實際利率便適用於資產的賬面總值。就出現信貸減值的金融資產而言，實際利率則適用於資產的攤銷成本(即扣除虧損撥備的賬面總值)。

租金收入於租賃期內以直線法確認。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (q) Revenue recognition (Continued)

##### *Policy prior to 1 January 2018*

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

Revenue from the sales of manufactured goods and trading of materials is recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.

Interest income is recognised on a time-proportion basis using the effective interest method.

Rental income is recognised on a straight-line basis over the lease term.

#### (r) Employee benefits

##### (i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

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

### 4. 主要會計政策(續)

#### (q) 收入確認(續)

##### *二零一八年一月一日前的政策*

當收入金額能可靠地計量及當未來經濟利益將可能流向本集團，且本集團各項活動已符合特定標準時，本集團便會確認收入。

銷售製造的貨品及原材料貿易的收入於擁有權的大部分風險及回報轉讓時確認。所有權轉讓通常與貨品交付及業權轉讓予客戶的時間相同。

利息收入按時間比例以實際利率法確認。

租金收入於租賃期內以直線法確認。

#### (r) 僱員福利

##### (i) 僱員享有的假期

僱員年假及長期服務假於僱員享有時確認，並已就僱員因截至報告期間完結時止所提供服務享有的年假及長期服務假的估計負債作出撥備。

僱員病假及產假於放假時始確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (r) Employee benefits (Continued)

##### (ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

##### (iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

#### (s) Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

### 4. 主要會計政策(續)

#### (r) 僱員福利(續)

##### (ii) 退休金承擔

本集團向定額供款退休金計劃作出供款，全體僱員均可參與該計劃。計劃供款由本集團及僱員按僱員基本薪金的百分比計算。自損益扣除的退休福利計劃成本指本集團應向該基金支付的供款。

##### (iii) 離職福利

離職福利於本集團不再撤回該等福利邀約與本集團確認重組成本及涉及支付離職福利當日(以較早者為準)確認。

#### (s) 以股權結算之款項

本集團向若干僱員發行以股權結算以股份支付的款項。以股權結算以股份支付的款項乃於授出當日按股本工具的公平值(不包括非市場歸屬條件的影響)計量。於按股權結算以股份支付的款項授出當日釐定的公平值，根據本集團所估計最終就非市場歸屬條件歸屬及調整的股份，按歸屬期以直線法支銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (t) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### (u) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

### 4. 主要會計政策(續)

#### (t) 借貸成本

直接源自收購、建造或生產合資格資產，而有關資產需要一段長時間方可供作擬定用途或出售的借貸成本，會撥充該等資產成本部分，直至該資產大致上可供作擬定用途或出售為止。尚未用於合資格資產的特定借貸作短期投資賺取的投資收入，會於合資格資本化的借貸成本中扣除。

對於一般性借入資金用於獲取一項合資格的資產，可予資本化的借貸成本乃以在該資產的支出應用一個資本化比率釐定。資本化比率為期內適用於本集團尚未償還借款(用於獲取一項合資格的資產的借貸除外)的借貸成本的加權平均值。

所有借貸成本乃於其產生期間在損益中確認。

#### (u) 政府補助金

如有合理保證本集團將遵守附帶條件及將收取政府補助金，則確認政府補助金。

與收入有關之政府補助金就其與擬補償成本配對之所需期間於損益遞延及確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (u) Government grants (Continued)

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

#### (v) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

### 4. 主要會計政策(續)

#### (u) 政府補助金(續)

作為開支或已承受的虧損的補償或為本集團提供即時財務資助而可收取(並無日後相關成本)的政府補助金，乃於其成為可收取的期間於損益確認為收入。

#### (v) 稅項

所得稅為即期稅項與遞延稅項的總和。

即期稅項乃按本年度應課稅溢利計算。應課稅溢利與損益中所確認的溢利不同，因應課稅溢利不包括在其他年度應課稅收入或可扣減開支項目，而且不包括永遠毋須課稅及不可扣稅項目。本集團的即期稅項負債乃按報告期間完結前已頒佈或實質頒佈的稅率計算。

遞延稅項乃就綜合財務報表中資產及負債的賬面值與用作計算應課稅溢利的相應稅基間的差額確認。遞延稅項負債通常會就所有應課稅暫時差異確認，遞延稅項資產僅於可能有應課稅溢利而動用暫時性差異、未動用稅項虧損或未動用稅項資產可予以抵銷時方予以確認。於一項交易中，倘因商譽或其他資產及負債之初步確認(業務合併除外)而產生的暫時差異且並不影響應課稅溢利及會計溢利時，則該等資產及負債不會予以確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (v) Taxation (Continued)

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

### 4. 主要會計政策(續)

#### (v) 稅項(續)

遞延稅項負債乃就投資於附屬公司及聯營公司而產生的應課稅暫時差異予以確認，惟倘本集團能控制撥回暫時差異以及暫時差異在可見將來不會被撥回則作別論。

遞延稅項資產的賬面值於各報告期間完結時均會作出檢討，並在預期不再有足夠應課稅溢利可令全部或部份資產變現時作出相應減值。

遞延稅項乃以預期於償還負債或變現資產即期應用的稅率並基於報告期間完結前頒佈或實質頒佈的稅率計算。遞延稅項會於損益中確認，惟遞延稅項與已於其他全面收益中或直接於權益中確認的相關聯者則除外，在此情況下，遞延稅項亦會於其他全面收益中或直接於權益中確認。

遞延稅項資產及負債之計量反映本集團於報告期間結束時預計收回或結算其資產及負債賬面值之方式而引致之稅務後果。

倘有法定可行使權利可以即期稅項資產抵銷即期稅項負債，且彼等為關乎同一稅務機構徵收的所得稅，且本集團擬按淨額基準結算其即期稅項資產及負債，則遞延稅項資產與負債會予以抵銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (w) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the CGU.

Value in use is the present value of the estimated future cash flows of the asset/CGU. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/CGU whose impairment is being measured.

Impairment losses for CGUs are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the CGU. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 4. 主要會計政策(續)

#### (w) 非金融資產減值

非金融資產之賬面值於各報告日期檢討有無減值跡象，倘資產已減值，則透過綜合損益表以開支撇減至其估計可收回金額，惟倘有關資產乃按重估金額列賬，則減值虧損按重估減少處理。可收回金額乃就個別資產釐定，惟倘資產並無產生大部分獨立於其他資產或資產組合之現金流入，則可收回金額就資產所屬之現金產生單位釐定。可收回金額為個別資產或現金產生單位之使用價值與其公平值減出售成本兩者中之較高者。

使用價值為資產／現金產生單位估計未來現金流量之現值。現值按反映貨幣時間值及資產／現金產生單位(已計量減值)之特有風險之稅前貼現率計算。

遞延稅項資產及負債的計量反映本集團於報告期間結束時預計收回或結算資產及負債賬面值的方式而引致的稅務後果。現金產生單位之減值虧損首先用於抵銷單位商譽，然後於現金產生單位的其他資產之間按比例分配。隨後估計變動導致的可收回金額增長計入損益，直至撥回減值。惟倘有關資產乃按重估金額列賬，則減值虧損的撥回按重估增加處理。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (x) Impairment of financial assets and contract assets

The Group recognises a loss allowance for ECLs on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade and other receivables and contract assets, as well as on financial guarantee contracts. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

### 4. 主要會計政策(續)

#### (x) 金融資產及合約資產減值

本集團就按攤銷成本或按公平值計入其他全面收益計量的債務工具投資、貿易及其他應收款項及合約資產，以及財務擔保合約確認預期信貸虧損的虧損撥備。預期信貸虧損的金額於各個報告日期更新，以反映自各項金融工具初始確認以來信貸風險的變動。

本集團一直就貿易應收款項及合約資產確認全期預期信貸虧損。該等金融資產的預期信貸虧損乃使用以本集團過往信貸虧損經驗為基礎的撥備體制估算，並就債務人特定因素、整體經濟環境及報告日期當前情況及預測動向的評估(在適當時包括貨幣的時間價值)作出調整。

對於所有其他金融工具，本集團在信貸風險自初始確認以來顯著上升時確認全期預期信貸虧損。然而，若金融工具的信貸風險自初始確認以來並未顯著上升，則本集團便按12個月預期信貸虧損的相同金額計量該金融工具的虧損撥備。

全期預期信貸虧損指於金融工具預計年期內所有可能的違約事件將產生的預期信貸虧損。相反，12個月預期信貸虧損指金融工具於報告日期後12個月內可能發生的違約事件預計產生的該部分全期預期信貸虧損。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (x) Impairment of financial assets and contract assets (Continued)

##### *Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;

### 4. 主要會計政策(續)

#### (x) 金融資產及合約資產減值(續)

##### *信貸風險顯著上升*

評估金融工具的信貸風險自首次確認以來有否顯著增加時，本集團會就金融工具於報告日期發生違約的風險與金融工具於初始確認當日發生違約的風險進行比較。在進行有關評估時，本集團會考慮合理且可靠的定量和定性資料，包括過往經驗及毋須付出不必要的成本或努力即可獲得的前瞻性資料。所考慮的前瞻性資料包括獲取自經濟專家報告、金融分析師、政府機構、相關智庫及其他類似組織的本集團債務人經營所在行業的未來前景，以及與本集團核心業務相關的各種外在來源的實際及預測經濟資料。

具體而言，評估信貸風險自初始確認以來是否顯著上升時會考慮以下資料：

- 金融工具對外(如有)或內部信貸評級的實際或預期顯著惡化；
- 特定金融工具信貸風險的對外市場指標顯著惡化；



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (x) Impairment of financial assets and contract assets (Continued)

##### *Significant increase in credit risk (Continued)*

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

### 4. 主要會計政策(續)

#### (x) 金融資產及合約資產減值(續)

##### *信貸風險顯著上升(續)*

- 商業、金融或經濟情況目前或預期有不利變動，預計將導致債務人償還其債務的能力顯著下降；
- 債務人經營業績實際或預期顯著惡化；
- 同一債務人其他金融工具的信貸風險顯著上升；及
- 債務人的監管、經濟或技術環境有實際或預計的重大不利變動，導致債務人償還其債務的能力顯著下降。

不論上述評估結果如何，本集團假設當合約付款逾期超過30日時，金融資產的信貸風險已自初始確認以來顯著增加，除非本集團有合理可作為依據的資料顯示並非如此則作別論。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (x) Impairment of financial assets and contract assets (Continued)

##### *Significant increase in credit risk (continued)*

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) The financial instrument has a low risk of default;
- (ii) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (iii) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of “investment grade” in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of “performing”. Performing means that the counterparty has a strong financial position and there is no past due amounts.

### 4. 主要會計政策(續)

#### (x) 金融資產及合約資產減值(續)

##### *信貸風險顯著上升(續)*

儘管存在上文所述，本集團假設倘金融工具釐定為於報告日期具有低信貸風險，則金融工具的信貸風險自初始確認以來並無顯著增加。金融工具釐定為具有低信貸風險，假若：

- (i) 金融工具具有低違約風險；
- (ii) 債務人於短期內具備雄厚實力履行其合約現金流量責任；及
- (iii) 長期經濟及業務狀況的不利變動可能(但不一定)減低借款人履行其合約現金流量責任的能力。

當金融資產根據環球理解的定義擁有「投資級別」的外圍信貸評級，或倘未有外圍評級，則資產具有「良好」的內部評級，本集團便會認為該項資產具有低信貸風險。良好的意思為對手方具有強勁的財務狀況，以及無逾期款項。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (x) Impairment of financial assets and contract assets (Continued)

##### *Significant increase in credit risk (continued)*

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

##### *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

### 4. 主要會計政策(續)

#### (x) 金融資產及合約資產減值(續)

##### *信貸風險顯著上升(續)*

就財務擔保合約而言，在本集團不可撤回地成為該項承擔的相關方當日，該日即被視為評估財務資產減值的初始確認日。在評估信貸風險在初始確認財務擔保合約後是否大幅攀升，本集團會考慮個別債務人的違約風險變動。

本集團定期監察用以確定信貸風險曾否顯著增加的標準的成效，並於適當時候作出修訂，從而確保有關標準能夠於款項逾期前確定信貸風險顯著增加。

##### *違約的定義*

本集團認為以下情況就內部信貸風險管理目的而言構成違約事件，因為過往經驗表明符合以下任何一項條件的應收款項一般無法收回。

- 對手方違反財務契諾；或
- 內部產生或獲取自對外來源的資料表明，債務人不太可能向債權人(包括本集團)全額還款(不考慮本集團持有的任何抵押品)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (x) Impairment of financial assets and contract assets (Continued)

##### *Definition of default (continued)*

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

### 4. 主要會計政策(續)

#### (x) 金融資產及合約資產減值(續)

##### *違約的定義(續)*

不論上述分析結果如何，本集團認為當金融資產付款逾期超過90日時，便已出現違約，除非本集團有合理可作為依據的資料顯示並更寬鬆的違約標準更為合適則作別論。

##### *信貸減值的金融資產*

當發生對金融資產的估計未來現金流量產生不利影響的一宗或多宗事件時，該金融資產即出現信貸減值。金融資產出現信貸減值的證據包括與下列事件相關的可觀察數據：

- 發行人或對手方陷入嚴重財困；
- 違反合約，如違約或逾期事件；
- 對手方的貸款人出於與對手方財困相關的經濟或合約原因，而向對手方授予貸款人原本不會考慮的優惠；或
- 對手方可能將進入破產程序或進行其他財務重組；或
- 因財務困難而導致該項金融資產失去活躍市場。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (x) Impairment of financial assets and contract assets (Continued)

##### *Write-off policy*

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

##### *Measurement and recognition of ECL*

The measurement of ECLs is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the ECLs is consistent with the cash flows used in measuring the lease receivable in accordance with HKAS 17 Leases.

### 4. 主要會計政策(續)

#### (x) 金融資產及合約資產減值(續)

##### *撤銷政策*

本集團在有資料顯示債務人陷入嚴重財務困難，且無實際收回資產可能之時(包括債務人遭受清盤或已進入破產程序，或在貿易應收款項的情況下，則有關金額逾期超過兩年(以較早發生者為準))，便會撤銷金融資產。在考慮法律意見(如適當)後，已撤銷金融資產仍可根據本集團的收回程序實施強制執行活動。任何收回資產於損益賬中確認。

##### *計量及確認預期信貸虧損*

預期信貸虧損的計量為違約概率、違約損失率(即違約時的損失程度)及違約風險承擔的函數。評估違約概率及違約損失率的依據是過往數據，並按上文所述的前瞻性資料調整。違約風險承擔方面，金融資產則由資產於報告日期的賬面總值代表。

就金融資產而言，預期信貸虧損按根據合約應付予本集團的所有合約現金流量與本集團預期收取、折現的所有現金流量之間的差額估計，並按原本的實際利率貼現。就租賃應收款項而言，根據香港會計準則第17號租賃用作釐定預期信貸虧損的現金流量與用作計量租賃應收款項的現金流量一致。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (x) Impairment of financial assets and contract assets (Continued)

##### *Measurement and recognition of ECL (continued)*

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

##### *Policy prior to 1 January 2018*

At the end of each reporting period, the Group assesses whether its financial assets (other than those at FVTPL) are impaired, based on objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the (group of) financial asset(s) have been affected.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered also to be objective evidence of impairment.

### 4. 主要會計政策(續)

#### (x) 金融資產及合約資產減值(續)

##### *計量及確認預期信貸虧損(續)*

倘本集團於上個報告期間以相等於全期預期信貸虧損的金額計量一項金融工具的虧損撥備，但於本報告日期釐定該全期預期信貸虧損的條件不再符合，則本集團於本報告日期便會按相等於12個月預期信貸虧損的金額計量虧損撥備，惟使用了簡化方式的資產則除外。

本集團於損益賬確認所有金融工具的減值收益或虧損，對透過虧損撥備賬對其賬面值作出相應調整，惟按公平值計入其他全面收益計量的債務工具投資除外，其虧損撥備於其他全面收益確認，並於投資重估儲備累計，且並無削減金融資產於財務狀況表的賬面值。

##### *二零一八年一月一日前的政策*

於各報告期末，本集團均會根據客觀證據(即(一組)金融資產之估計未來現金流量由初步確認後發生之一項或多項事件而受到影響)評估其金融資產(按公平值計入損益的金融資產除外)有否減值。

就可供出售股權工具而言，投資的公平值顯著或長期下跌至低於成本亦會被視為減值的客觀證據。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (x) Impairment of financial assets and contract assets (Continued)

##### *Policy prior to 1 January 2018 (continued)*

In addition, for trade receivables that are assessed not to be impaired individually, the Group assesses them collectively for impairment, based on the Group's past experience of collecting payments, an increase in the delayed payments in the portfolio, observable changes in economic conditions that correlate with default on receivables, etc.

Only for trade receivables, the carrying amount is reduced through the use of an allowance account and subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For all other financial assets, the carrying amount is directly reduced by the impairment loss.

For financial assets measured at amortised cost, if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed (either directly or by adjusting the allowance account for trade receivables) through profit or loss. However, the reversal must not result in a carrying amount that exceeds what the amortised cost of the financial asset would have been had the impairment not been recognised at the date the impairment is reversed.

### 4. 主要會計政策(續)

#### (x) 金融資產及合約資產減值(續)

##### *二零一八年一月一日前的政策(續)*

此外，就單獨評估並無減值之應收賬項而言，本集團將根據本集團之過往收款經驗、投資組合內延遲還款之增加、與應收款項違約情況有連帶關係之經濟狀況出現明顯改變等共同評估有否減值。

僅應收賬項之賬面值會使用撥備賬扣減，而其後收回之前已撇銷之數額乃計入撥備賬。撥備賬之賬面值變動於損益中確認。

就所有其他金融資產而言，賬面值會直接按減值虧損作出扣減。

就按攤銷成本計量的金融資產而言，倘減值虧損之金額於其後期間減少，而該減少可以客觀地與確認減值後發生之一項事件有關，則先前已確認之減值虧損透過損益撥回(直接或藉著調整應收賬項之撥備賬)。然而，撥回不得導致賬面值高於假使並無確認減值該項金融資產於撥回減值當日之攤銷成本。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (y) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

#### (z) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

### 4. 主要會計政策(續)

#### (y) 撥備及或然負債

倘本集團因過往事件承擔現有法定或推定責任而可能需要經濟利益流出以履行有關責任並可作出可靠估計，便會就無確定時間或金額的負債確認撥備。倘款項的時間價值重大，撥備會以履行責任預期所需開支的現值列報。

倘不大可能需要經濟利益流出，或有關款額不能可靠估量，有關責任則按或然負債披露，除非導致經濟利益流出的可能性極低，則作別論。可能承擔的責任(其存在與否僅藉一項或多項未來事件的發生與否而確定)亦按或然負債披露，除非導致經濟利益流出的可能性極低，則作別論。

#### (z) 報告期間完結後事項

報告期間完結後事項提供本集團於報告期間完結時狀況的額外資料，此等為調整事項並反映於綜合財務報表。如屬非調整事項的報告期間完結後事項，倘屬重大時，則於綜合財務報表附註內披露。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

#### Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

#### Significant increase in credit risk

As explained in note 3, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

#### Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

##### (a) Allowance for inventories

The directors identify obsolete and slow-moving inventory items that are no longer probable for use in production or to be sold out at the end of each reporting period. The directors estimate the net realisable value for such inventories based primarily on the latest selling prices and costs of completion and selling expenses estimated at current operation conditions. The directors carry out an inventory review on a product-by-product basis at the end of each reporting period and makes allowance for obsolete items.

### 5. 關鍵判斷及主要估計

#### 應用會計政策時的關鍵判斷

於應用會計政策的過程中，董事已作出以下對綜合財務報表所確認金額產生最重大影響的判斷(除涉及估計者於下文處理外)。

#### 信貸風險顯著增加

如附註3所闡述，第1階段資產的預期信貸虧損按相等於12個月預期信貸虧損的撥備計量，而第2階段或第3階段資產則按全期預期信貸虧損計量。當信貸風險自首次確認後顯著增加時，資產將移至第2階段。香港財務報告準則第9號並無界定甚麼構成信貸風險顯著增加。於評估資產的信貸風險是否已顯著增加時，本集團會考慮定性及定量的合理而有據可依的前瞻性資料。

#### 估計不明朗因素的主要來源

下文討論有關未來的主要假設及於報告期間完結時的其他主要估計不明朗因素來源，而該等假設及估計不明朗因素來源具有導致下一個財政年度的資產及負債賬面值須作出重大調整的重大風險。

##### (a) 存貨撥備

董事於各報告期間完結時識別一些不再適合生產的過時及滯銷存貨項目。董事主要根據最新售價及現時經營狀況下的銷售開支及預計完成成本估計該等存貨的可變現淨值。董事於每個報告期間完結時對存貨逐一進行檢查，並對過時項目作出撥備。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

#### Key sources of estimation uncertainty (Continued)

##### (a) Allowance for inventories (Continued)

Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimates have been changed.

The allowance on inventories as at 31 December 2018 was approximately HK\$35,123,000 (2017: HK\$18,564,000).

##### (b) Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. These estimates are based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

The carrying amount of property, plant and equipment as at 31 December 2018 was approximately HK\$766,155,000 (2017: HK\$770,592,000).

### 5. 關鍵判斷及主要估計(續)

#### 估計不明朗因素的主要來源(續)

##### (a) 存貨撥備(續)

倘實際結果或日後預期與原定估計有差異，則該等差異將影響存貨賬面值及期間的撥備／撥回值。

於二零一八年十二月三十一日，存貨撥備為約35,123,000港元(二零一七年：18,564,000港元)。

##### (b) 物業、機器及設備以及折舊

本集團釐定本集團之物業、機器及設備的估計可使用年限、剩餘價值及相關折舊開支。此等估算乃根據類似性質及功能的物業、機器及設備的實際可使用年期及剩餘價值的過往經驗作出。當可使用年限及剩餘價值與先前估算不同時，本集團將修訂折舊開支或將已棄用在技術上過時或屬非策略性的資產撇銷或撇減。

於二零一八年十二月三十一日，物業、機器及設備賬面值為約766,155,000港元(二零一七年：770,592,000港元)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

#### Key sources of estimation uncertainty (Continued)

##### (c) Impairment of trade receivables and contract assets

Prior to the adoption of HKFRS 9 on 1 January 2018, the management of the Group assesses at the end of each reporting period whether there is any objective evidence that trade receivables and contract assets are impaired. The provision policy for bad and doubtful debts of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of trade receivables and contract assets including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

As at 31 December 2017, the carrying amounts of trade receivables and contract assets are approximately HK\$415,392,000 (net of allowance for doubtful debts of approximately HK\$764,000) and HK\$Nil respectively.

### 5. 關鍵判斷及主要估計(續)

#### 估計不明朗因素的主要來源(續)

##### (c) 貿易應收款項及合約資產的減值

於二零一八年一月一日採納香港財務報告準則第9號前，本集團管理層於各報告期間完結時評估是否有任何客觀證據顯示貿易應收款項及合約資產出現減值。本集團的呆壞賬撥備政策乃基於對賬目可收回性及賬齡分析的評估以及管理層的判斷。於評估貿易應收款項及合約資產的最終實現情況時須作出相當多的判斷，包括每名客戶的現時信譽及過往收款記錄。倘本集團客戶的財務狀況惡化，導致其付款能力減弱，則可能需要額外撥備。

於二零一七年十二月三十一日，貿易應收款項及合約資產的賬面值分別為約415,392,000港元(扣除約764,000港元呆賬撥備)及零港元。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

#### Key sources of estimation uncertainty (Continued)

##### (c) Impairment of trade receivables and contract assets (Continued)

Since the adoption of HKFRS 9 on 1 January 2018, the management of the Group estimates the amount of impairment loss for ECL on trade receivables and contract assets based on the credit risk of trade receivables and contract assets. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

As at 31 December 2018, the carrying amounts of trade receivables and contract assets are approximately HK\$376,785,000 (net of allowance for doubtful debts of approximately HK\$229,000) and HK\$14,670,000 respectively.

### 5. 關鍵判斷及主要估計(續)

#### 估計不明朗因素的主要來源(續)

##### (c) 貿易應收款項及合約資產的減值(續)

自二零一八年一月一日採納香港財務報告準則第9號起，本集團管理層根據貿易應收款項及合約資產的信貸風險估計貿易應收款項及合約資產的預期信貸虧損的減值虧損金額。根據預期信貸虧損模型計算的減值虧損金額按本集團根據合約應收的所有合約現金流與本集團預期收到的所有現金流之間的差額計量，並按首次確認時確定的實際利率貼現。倘未來現金流低於預期，或因事實及情況變化而下調，則可能出現重大減值虧損。

於二零一八年十二月三十一日，貿易應收款項及合約資產的賬面值分別為約376,785,000港元(扣除約229,000港元呆賬撥備)及14,670,000港元。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

#### Key sources of estimation uncertainty (Continued)

##### (d) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. 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 tax provisions in the period in which such determination is made. During the year, approximately HK\$12,505,000 (2017: HK\$45,862,000) of income tax was charged to profit or loss based on the estimated profit from operations.

Recognition of deferred tax assets, which principally relates to deductible temporary differences and tax losses, depends on whether it is probable that future taxable profits or taxable temporary differences will be available against which deferred tax assets can be utilised. In cases where the actual future taxable profits or taxable temporary differences generated are less than expected, a reversal of deferred tax assets may arise, which will be recognised in profit or loss for the period in which such a reversal takes place. The directors considered that, based on the profit forecast of the group companies with tax losses, it is probable that the tax losses can be utilised in the foreseeable future. The profit forecast required the use of judgement and estimates.

The carrying amount of deferred tax assets with respect to tax losses as at 31 December 2018 was approximately HK\$7,938,000 (2017: HK\$1,109,000).

### 5. 關鍵判斷及主要估計(續)

#### 估計不明朗因素的主要來源(續)

##### (d) 所得稅

本集團須在多個司法權區繳納所得稅。於釐定所得稅撥備時須作出重要估計。在日常業務過程中有多項交易及計算方式，均會導致不能確定最終稅項。倘若該等事情最終所得之稅項與最初錄得之款額有所差異，有關差額將影響作出有關釐定期間之所得稅及遞延稅項撥備。於本年度，根據經營業務的估計溢利計入損益的所得稅約12,505,000港元(二零一七年：45,862,000港元)。

確認遞延稅項資產主要與可扣減暫時差異及稅項虧損有關，視乎是否很可能獲得可利用遞延稅項資產來抵扣之未來應課稅溢利或應課稅暫時差異而定。倘所產生之未來實際應課稅溢利或應課稅暫時差異少於預期數額，則該遞延稅項資產可能予以撥回，並會於有關撥回發生期間之損益內確認。董事認為，根據錄得稅項虧損之集團公司之溢利預測，稅項虧損很可能在可見將來動用。溢利預測需要運用判斷及估計。

於二零一八年十二月三十一日，有關稅項虧損之遞延稅項資產之賬面值為約7,938,000港元(二零一七年：1,109,000港元)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

#### Key sources of estimation uncertainty (Continued)

##### (e) Fair value of leasehold land

The Group appointed an independent professional valuer to assess the fair value of the leasehold land. In determining the fair value, the valuer has utilised a method of valuation which involves certain estimates. The directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions.

The carrying amount of leasehold land as at 31 December 2018 was approximately HK\$209,770,000 (2017: HK\$202,030,000).

##### (f) Revenue and profit recognition

As explained in policy note 4(q), revenue from sales of moulds is recognised when the quality of moulds is accepted by the customers and the customers can direct the Group to use them for production. Certain contracts with customers may include moulds and products, and the Group only charges the customers for the products and recovers the costs of moulds through the sales of products. Since moulds and products are distinct performance obligations, transaction price of a contract should be allocated to moulds and products separately. In the allocation of the transaction price to moulds, the Group has to make estimation of the stand-alone price of moulds and the products, and the quantity of the products that the moulds can be ultimately manufactured. Actual outcomes of revenue may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

### 5. 關鍵判斷及主要估計(續)

#### 估計不明朗因素的主要來源(續)

##### (e) 租賃土地的公平值

本集團委任獨立專業估值師評估租賃土地的公平值。於釐定公平值時，估值師利用的估值方法涉及若干估計。董事已行使判斷，並信納估值方法反映現行市況。

於二零一八年十二月三十一日，租賃土地的賬面值為約209,770,000港元(二零一七年：202,030,000港元)。

##### (f) 收入及溢利確認

如政策附註4(q)所闡述，銷售模具的收入於模具質量獲客戶接納及客戶指示本集團用作生產時確認。若干客戶合約可能包括模具及產品，而本集團僅就產品向客戶收費，並透過產品銷售收回模具成本。由於模具及產品為不同的履約責任，故合約的交易價格應分別分配予模具及產品。於分配交易價格至模具時，本集團須估計模具及產品的獨立價格，以及模具最終可以製造的產品數量。收入的實際結果於報告期間完結時可能高於或低於估計，這將作為對至今已記錄金額的調整而影響未來年度確認的收入及溢利。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

#### Key sources of estimation uncertainty (Continued)

##### (f) Revenue and profit recognition (Continued)

In the comparative period, revenue from mould of which the cost was recovered from sales of products is recognised when the products were sold.

During the year, approximately HK\$207,600,000 (2017: HK\$133,074,000) of revenue from moulds was recognised.

### 6. FINANCIAL RISK MANAGEMENT

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

#### (a) Foreign currency risk

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in HK\$, United States dollars ("USD") and Renminbi ("RMB"). The Group currently does not have a foreign currency hedging policy in respect of other foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

### 5. 關鍵判斷及主要估計(續)

#### 估計不明朗因素的主要來源(續)

##### (f) 收入及溢利確認(續)

於比較期間，從產品銷售中收回成本的模具收入於產品出售時確認。

本年度確認模具收入約207,600,000港元(二零一七年：133,074,000港元)。

### 6. 財務風險管理

本集團因經營業務而承受多項財務風險：外匯風險、信貸風險、流動資金風險及利率風險。本集團的整體風險管理計劃集中在金融市場的不可預測性，故務求降低本集團財務表現所受到的潛在負面影響。

#### (a) 外匯風險

由於本集團大部分商務交易、資產及負債主要以港元、美元(「美元」)及人民幣(「人民幣」)列值，故本集團面對若干外匯風險。本集團現時並無就外匯交易、資產及負債採取外匯對沖政策。本集團將密切監察其外匯風險，並將考慮於需要時對沖重大外匯風險。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. FINANCIAL RISK MANAGEMENT (Continued)

#### (a) Foreign currency risk (Continued)

At 31 December 2018, if HK\$ had weakened 0.5 per cent (2017: 0.5 per cent) against USD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$1,516,000 (2017: HK\$1,521,000) higher, arising mainly as a result of the foreign exchange gain on trade receivables and bank balances denominated in USD, but partly offset by the foreign exchange loss on trade and other payables denominated in USD (2017: foreign exchange gain on trade receivables and bank balances denominated in USD, but partly offset by the foreign exchange loss on trade and other payables denominated in USD). If HK\$ had strengthened 0.5 per cent (2017: 0.5 per cent) against USD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$1,516,000 (2017: HK\$1,521,000) lower, arising mainly as a result of the foreign exchange loss on trade receivables and bank balances denominated in USD, but partly offset by the foreign exchange gain on trade and other payables denominated in USD (2017: foreign exchange loss on trade receivables and bank balances denominated in USD, but partly offset by the foreign exchange gain on trade and other payables denominated in USD).

### 6. 財務風險管理(續)

#### (a) 外匯風險(續)

於二零一八年十二月三十一日，倘港元兌美元貶值0.5%（二零一七年：0.5%），而其他所有變數維持不變，則年內除稅後綜合溢利將增加約1,516,000港元（二零一七年：1,521,000港元），主要由於以美元計值的貿易應收款項及銀行結餘產生外匯收益所致，惟部份影響被以美元計值之貿易和其他應付款項產生外匯虧損所抵銷（二零一七年：以美元計值的貿易應收款項及銀行結餘產生外匯收益所致，惟部份影響被以美元計值之貿易和其他應付款項產生外匯虧損所抵銷）。倘港元兌美元升值0.5%（二零一七年：0.5%），而其他所有變數維持不變，則年內除稅後綜合溢利將減少約1,516,000港元（二零一七年：1,521,000港元），主要由於以美元計值的貿易應收款項及銀行結餘產生外匯虧損所致，惟部份影響被以美元計值之貿易和其他應付款項產生外匯收益所抵銷（二零一七年：以美元計值的貿易應收款項及銀行結餘產生外匯虧損所致，惟部份影響被以美元計值之貿易和其他應付款項產生外匯收益所抵銷）。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. FINANCIAL RISK MANAGEMENT (Continued)

#### (a) Foreign currency risk (Continued)

At 31 December 2018, if HK\$ had weakened 5 per cent (2017: 5 per cent) against RMB with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$871,000 (2017: HK\$4,220,000) lower, arising mainly as a result of the foreign exchange loss on trade receivables and bank balances denominated in HK\$ held by the subsidiaries operating in the People's Republic of China (the "PRC"), but partly offset by the foreign exchange gain on bank balances denominated in RMB held by the Hong Kong subsidiaries (2017: foreign exchange loss on trade receivables and bank balances denominated in HK\$ held by the subsidiaries operating in the PRC, but partly offset by the foreign exchange gain on bank balances denominated in RMB held by the Hong Kong subsidiaries). If HK\$ had strengthened 5 per cent (2017: 5 per cent) against RMB with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$871,000 (2017: HK\$4,220,000) higher, arising mainly as a result of the foreign exchange gain on trade receivables and bank balances denominated in HK\$ held by the subsidiaries operating in the PRC, but partly offset by the foreign exchange loss on bank balances denominated in RMB held by the Hong Kong subsidiaries (2017: foreign exchange gain on trade receivables and bank balances denominated in HK\$ held by the subsidiaries operating in the PRC, but partly offset by the foreign exchange loss on bank balances denominated in RMB held by the Hong Kong subsidiaries).

### 6. 財務風險管理(續)

#### (a) 外匯風險(續)

於二零一八年十二月三十一日，倘港元兌人民幣貶值5%(二零一七年：5%)，而其他所有變數維持不變，則年內除稅後綜合溢利將減少約871,000港元(二零一七年：4,220,000港元)，主要由於於中華人民共和國(「中國」)營運之附屬公司以港元計值之應收款項及銀行結餘產生外匯虧損所致，惟部份影響被以於香港營運之附屬公司以人民幣計值之銀行結餘產生之外匯收益所抵銷(二零一七年：於中國營運之附屬公司以港元計值之貿易應收款項及銀行結餘產生外匯虧損，惟部份影響被以於香港營運之附屬公司以人民幣計值之其他應收款項及銀行結餘產生之外匯收益所抵銷)。倘港元兌人民幣升值5%(二零一七年：5%)，而其他所有變數維持不變，則年內除稅後綜合溢利將增加約871,000港元(二零一七年：4,220,000港元)，主要由於於中國營運之附屬公司以港元計值之貿易應收款項及銀行結餘產生外匯收益所致，惟部份影響被以於香港營運之附屬公司以人民幣計值之銀行結餘產生之外匯虧損所抵銷(二零一七年：於中國營運之附屬公司以港元計值之貿易應收款項及銀行結餘產生之外匯收益所致，惟部份影響被以於香港營運之附屬公司以人民幣計值之其他應收款項及銀行結餘產生之外匯虧損所致)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. FINANCIAL RISK MANAGEMENT (Continued)

#### (a) Foreign currency risk (Continued)

At 31 December 2018, if RMB had weakened 5 per cent (2017: 5 per cent) against USD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$2,462,000 (2017: HK\$515,000) lower, arising mainly as a result of the foreign exchange loss on trade payables of the PRC subsidiaries denominated in USD (2017: foreign exchange loss on trade payables of the PRC subsidiaries denominated in USD). If RMB had strengthened 5 per cent (2017: 5 per cent) against USD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$2,462,000 (2017: HK\$515,000) higher, arising mainly as a result of the foreign exchange gain on trade payables of the PRC subsidiaries denominated in USD (2017: foreign exchange gain on trade payables of the PRC subsidiaries denominated in USD).

#### (b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group's exposure to credit risk arising from cash and cash equivalents and derivative financial assets is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

### 6. 財務風險管理(續)

#### (a) 外匯風險(續)

於二零一八年十二月三十一日，倘人民幣兌美元貶值5%（二零一七年：5%），而其他所有變數維持不變，則年內除稅後綜合溢利將減少約2,462,000港元（二零一七年：515,000港元），主要由於於中國營運之附屬公司以美元計值之貿易應付款項產生外匯虧損所致（二零一七年：於中國營運之附屬公司以美元計值之貿易應付款項產生外匯虧損所致）。倘人民幣兌美元升值5%（二零一七年：5%），而其他所有變數維持不變，則年內除稅後綜合溢利將增加約2,462,000港元（二零一七年：515,000港元），主要由於於中國營運之附屬公司以美元計值之貿易應付款項產生外匯收益所致（二零一七年：於中國營運之附屬公司以美元計值之貿易應付款項產生外匯收益所致）。

#### (b) 信貸風險

信貸風險為交易對手方不履行金融工具或客戶合約的責任，導致財務損失的風險。本集團面對其經營活動（主要為貿易應收款項）及其融資活動（包括銀行及金融機構存款、外匯交易及其他金融工具）的信貸風險。本集團面對因現金及等同現金項目及衍生金融資產而產生的信貸風險有限，因為交易對手方為由國際信貸評級機構評定擁有高信貸評級的銀行及金融機構，本集團認為其信貸風險較低。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. FINANCIAL RISK MANAGEMENT (Continued)

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

##### Trade receivables and contract assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 to 120 days from the date of billing. Generally, debtors with balances that are more than 30 days past due or exceeding the credit limit granted are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

### 6. 財務風險管理(續)

#### (b) 信貸風險(續)

##### 貿易應收款項及合約資產

客戶信貸風險由各業務單位管理，惟須按照本集團與客戶信貸風險管理有關的既定政策、程序及控制執行。個別信貸評估會對所有需要超過若干金額的信貸的客戶進行。該等評估側重於客戶過往的到期付款記錄及當前的支付能力，並考慮客戶特定及與客戶經營所處經濟環境有關的資料。貿易應收款項於發票日期起計30至120日內到期。餘額逾期超過30日或超過信貸限額的債務人會被要求在獲授任何進一步信貸前結清所有未結餘額。一般而言，本集團不會從客戶獲取抵押品。

本集團按相等於全期預期信貸虧損的金額計量貿易應收款項及合約資產的虧損撥備，並使用撥備矩陣計算。由於本集團的過往信貸虧損經驗並無顯示不同客戶組別的虧損模式存在顯著差異，故基於逾期狀態的虧損撥備並無在本集團的不同客戶群之間進一步劃分。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. FINANCIAL RISK MANAGEMENT (Continued)

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

##### Trade receivables and contract assets (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2018:

		Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
Neither past due nor impaired	未逾期亦未減值	0.02%	319,382	64
Up to 1 month	最多1個月	0.19%	53,047	101
2-3 months	2至3個月	1.09%	4,437	48
4-6 months	4至6個月	2.29%	22	1
More than 6 months	超過6個月	12.20%	126	15
			377,014	229

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The expected loss rates for contract assets are very low since the contract assets are due from several major customers and no default from these customers has happened in the past. Therefore, no loss allowance has been made with respect to the contract assets.

### 6. 財務風險管理(續)

#### (b) 信貸風險(續)

##### 貿易應收款項及合約資產(續)

下表提供有關本集團貿易應收款項於二零一八年十二月三十一日的信貸風險及預期信貸虧損的資料：

預期虧損率乃基於過去3年的實際虧損經驗。該等比率會作調整以反映收集歷史數據期間的經濟狀況、當前狀況與本集團對應收款項預期年期的經濟狀況的看法之間的差異。

合同資產的預期損失率非常低，因為合同資產來自幾個主要客戶，並且該等客戶過去沒有發生過違約。因此，並無就合約資產作出任何撥備。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. FINANCIAL RISK MANAGEMENT (Continued)

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

##### Trade receivables and contract assets (Continued)

Prior to 1 January 2018, an impairment loss was recognised only when there was objective evidence of impairment. At 31 December 2017, trade receivables of approximately HK\$764,000 was determined to be impaired. The aging analysis of trade debtors that were not considered to be impaired was as follows:

		2017 二零一七年 HK\$'000 千港元
Neither past due nor impaired	未逾期亦未減值	351,370
Up to 3 months	最多3個月	63,521
4 to 6 months	4至6個月	254
7 to 12 months	7至12個月	247
		415,392

Receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, management believed that no impairment allowance was necessary in respect of these balances as there had been no significant change in credit quality and the balances were still considered fully recoverable.

### 6. 財務風險管理(續)

#### (b) 信貸風險(續)

##### 貿易應收款項及合約資產(續)

於二零一八年一月一日前，僅在有客觀減值證據時方會確認減值虧損。於二零一七年十二月三十一日，貿易應收款項約764,000港元被確定為已減值。未被視為已減值的貿易債項的賬齡分析如下：

未逾期亦未減值的應收款項主要為近期無拖欠記錄的客戶。

已逾期但未減值的應收款項與多名於本集團有良好往績記錄的獨立客戶有關。根據過往經驗，管理層認為無須就該等結餘作減值撥備，因為信貸質素並無重大變動且餘額仍被視為可全數收回。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. FINANCIAL RISK MANAGEMENT (Continued)

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

##### Trade receivables and contract assets (Continued)

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 31 December under HKAS 39 — specific allowance	於十二月三十一日根據香港會計準則第39號 — 特別撥備	764	—
Impact on initial application of HKFRS 9 (note 3)	首次應用香港財務報告準則第9號的影響(附註3)	97	—
Adjusted balance at 1 January	於一月一日經調整結餘	861	—
Impairment losses recognised for the year	年內確認的減值虧損	132	764
Reversals	回撥	(764)	—
At 31 December	於十二月三十一日	229	764

The following significant changes in the gross carrying amounts of trade receivables and contract assets contributed to the increase in the loss allowance during 2018:

- a reversal of specific allowance on trade receivables with a gross carrying amount of HK\$764,000 after its recovery resulted in a decrease in loss allowance of HK\$764,000, but partly off-set by;
- specific write-off of bad debt happened during the year, which increased the historical loss rate; and
- increase in the expected loss rate due to a forecast of the future poorer economic condition.

### 6. 財務風險管理(續)

#### (b) 信貸風險(續)

##### 貿易應收款項及合約資產(續)

年內有關貿易應收款項的虧損撥備賬目變動如下：

貿易應收款項及合約資產賬面總值的以下重大變動導致二零一八年的虧損撥備增加：

- 貿易應收款項賬面淨值為764,000港元特別撥備回撥於回收後導致虧損撥備減少764,000港元，但部分抵銷；
- 年內發生的壞賬特定撇銷，增加了歷史損失率；及
- 由於預測未來較差的經濟狀況，預計損失率會增加。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. FINANCIAL RISK MANAGEMENT (Continued)

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

##### Financial assets at amortised cost

All of the Group's investments at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12-month expected losses.

#### (c) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements, its compliance with lending covenants and its relationship with its bankers to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's bank borrowings and other financial liabilities, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates currently at the end of the reporting period) and the earliest date the Group can be required to pay.

Specifically, for bank loans which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the earliest period in which the entity can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect. The maturity analysis for other financial liabilities is prepared based on the scheduled repayment dates.

### 6. 財務風險管理(續)

#### (b) 信貸風險(續)

##### 按攤銷成本計算的金融資產

本集團按攤銷成本計算的所有投資均被視為擁有低信貸風險，因此於期內確認的虧損撥備僅限於12個月預期虧損。

#### (c) 流動資金風險

本集團之政策為定期監察其流動資金需要、其遵守借款契諾及其與銀行之關係，以確保其維持足以應付短期及較長遠之融資需要之現金儲備及可隨時變現有價證券以及由主要財務機構已承諾之足夠額度。

下表列示按未折現現金流量(包括按合約利率或(如為浮息)按報告期末的現行利率計算的利息金額)及本集團可能須還款的最早日期呈列的本集團於報告期末的銀行借款及其他金融負債的餘下合約期限。

具體而言，對於銀行可全權酌情行使的按要求償還條款的銀行貸款，有關分析按可能須還款的最早期間(即倘貸款人擬行使其無條件權利要求即時償還貸款)呈列現金流量，其他金融負債的到期日分析則按預定還款期編制。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. FINANCIAL RISK MANAGEMENT (Continued)

### 6. 財務風險管理(續)

#### (c) Liquidity risk (Continued)

#### (c) 流動資金風險(續)

		2018 二零一八年					
		Maturity Analysis – Undiscounted cash outflows 到期日分析 – 未折現現金流出					
		On demand	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total undiscounted cash outflows
		按要求	一年內	但少於兩年	但少於五年	五年以上	未折現 現金流出總額
		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
Trade payables	貿易應付款項	51,808	212,224	–	–	–	264,032
Other payables and accruals	其他應付款項及 應計費用	3	76,024	–	–	–	76,027
Due to associates	應付聯營公司款項	3,257	–	–	–	–	3,257
Bank borrowings	銀行借款	186,260	60,196	56,119	28,106	–	330,681
		241,328	348,444	56,119	28,106	–	673,997

		2017 二零一七年					
		Maturity Analysis – Undiscounted cash outflows 到期日分析 – 未折現現金流出					
		On demand	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total undiscounted cash outflows
		按要求	一年內	但少於兩年	但少於五年	五年以上	未折現 現金流出總額
		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
Trade payables	貿易應付款項	89,059	278,335	–	–	–	367,394
Other payables and accruals	其他應付款項及 應計費用	3	68,119	–	–	–	68,122
Due to associates	應付聯營公司款項	617	–	–	–	–	617
Due to a related company	應付關聯公司款項	4,465	–	–	–	–	4,465
Bank borrowings	銀行借款	189,575	141,616	27,634	15,191	–	374,016
		283,719	488,070	27,634	15,191	–	814,614



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. FINANCIAL RISK MANAGEMENT (Continued)

#### (c) Liquidity risk (Continued)

The following table summarises the maturity analysis of bank borrowings with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. As a result, these amounts were greater than the amounts disclosed in the “on demand” time band in the maturity analysis contained above.

### 6. 財務風險管理(續)

#### (c) 流動資金風險(續)

下表概述根據附有按要求償還條款的銀行借款按貸款協議載列的議定還款日期的到期日分析。該等金額包括按合約利率計算的利息款項。因此，該等金額較上文所載到期日分析中「按要求」時間範圍內披露的金額為高。

Maturity Analysis – bank borrowings subject to a repayment on demand clause based on scheduled repayments  
到期日分析 – 按預定還款期附有按要求償還條款的銀行借貸

		On demand or within 1 year 按要求或 一年內 HK\$'000 千港元	More than 1 year but less than 2 years 一年以上 但少於兩年 HK\$'000 千港元	More than 2 years but less than 5 years 兩年以上 但少於五年 HK\$'000 千港元	More than 5 years 五年以上 HK\$'000 千港元	Total undiscounted cash outflows 未折現 現金流出總額 HK\$'000 千港元
<b>31 December 2018</b>	<b>二零一八年 十二月三十一日</b>					
Bank borrowings	銀行借款	167,335	21,614	–	–	188,949
<b>31 December 2017</b>	<b>二零一七年 十二月三十一日</b>					
Bank borrowings	銀行借款	161,812	23,090	7,353	–	192,255

#### (d) Interest rate risk

The Group's exposure to interest rate risk arises from its bank deposits, short term and long term borrowings. These deposits and borrowings bear interests at variable rates varied with the then prevailing market condition.

#### (d) 利率風險

本集團的利率風險來自其銀行存款、短期及長期借款。該等存款及借款按跟隨當時市場狀況而變動的不同利率計息。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. FINANCIAL RISK MANAGEMENT (Continued)

#### (d) Interest rate risk (Continued)

At 31 December 2018, if interest rates at that date had been 10 basis points (2017: 10 basis points) lower with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$124,000 (2017: HK\$152,000) higher, arising mainly as a result of lower interest expenses on bank borrowings but partly offset by lower interest income on bank balances. If interest rates had been 100 basis points (2017: 100 basis points) higher, with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$1,238,000 (2017: HK\$1,524,000) lower, arising mainly as a result of higher interest expenses on bank borrowings but partly offset by higher interest income on bank balances.

#### (e) Categories of financial instruments at 31 December 2018

### 6. 財務風險管理(續)

#### (d) 利率風險(續)

於二零一八年十二月三十一日，倘利率下跌10個基點(二零一七年：10個基點)，而其他所有變數維持不變，則年內除稅後綜合溢利將增加約124,000港元(二零一七年：152,000港元)，主要由於銀行借款的利息開支減少所致，惟部份影響會由銀行結餘的利息收入減少所抵銷。倘利率上升100個基點(二零一七年：100個基點)，而其他所有變數維持不變，則年內除稅後綜合溢利將減少約1,238,000港元(二零一七年：除稅後綜合虧損增加1,524,000港元)，主要由於銀行借款的利息開支增加所致，惟部份影響會由銀行結餘的利息收入增加所抵銷。

#### (e) 於二零一八年十二月三十一日金融工具之分類

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Financial assets:</b>	<b>金融資產：</b>		
Financial assets measured at amortised cost	按攤銷成本計算的金融資產	638,211	—
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及等同現金項目)	—	680,568
Available-for-sale financial assets	可供出售金融資產	—	—
Financial assets measured at FVTOCI:	按公平值計入其他全面收益的金融資產：		
Equity instruments	股本工具	—	—
<b>Financial liabilities:</b>	<b>金融負債：</b>		
Financial liabilities at amortised cost	按攤銷成本計算的金融負債	668,018	808,876

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. FINANCIAL RISK MANAGEMENT (Continued)

#### (f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

### 7. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

### 6. 財務風險管理(續)

#### (f) 公平值

本集團之金融資產及金融負債於綜合財務狀況表反映之賬面值概若相等於各自之公平值。

### 7. 公平值計量

公平值指市場參與者之間於計量日期在有序交易中出售資產將收取或轉讓負債將支付的價格。下文披露使用公平值等級計量的公平值，用作計量公平值的估值方法參數據此分為三個級別：

第1層： 本集團可於計量日期獲得之相同資產或負債於活躍市場之報價(未經調整)。

第2層： 第一層所包括於報價以外，資產或負債直接或間接觀察得出之參數。

第3層： 資產或負債不可觀察之參數。

本集團的政策為確認截至事件或變化日期導致轉讓的任何三個級別轉入及轉出情況。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 7. FAIR VALUE MEASUREMENTS (Continued)

### 7. 公平值計量(續)

#### (a) Disclosures of level in fair value hierarchy:

#### (a) 公平值等級架構披露：

Description	項目	Fair value measurement using: 公平值計量利用：			Total 總數
		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Recurring fair value measurements:</b>	<b>經常性公平值計量：</b>				
<b>Leasehold land</b>	<b>租賃土地</b>				
Commercial	商業				
— Hong Kong	— 香港	—	—	56,370	56,370
Commercial	商業				
— the PRC	— 中國	—	—	153,400	153,400
<b>Total</b>	<b>合計</b>	—	—	209,770	209,770

Description	項目	Fair value measurement using: 公平值計量利用：			Total 總數
		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Recurring fair value measurements:</b>	<b>經常性公平值計量：</b>				
<b>Leasehold land</b>	<b>租賃土地</b>				
Commercial	商業				
— Hong Kong	— 香港	—	—	55,630	55,630
Commercial	商業				
— the PRC	— 中國	—	—	146,400	146,400
<b>Total</b>	<b>合計</b>	—	—	202,030	202,030

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 7. FAIR VALUE MEASUREMENTS (Continued)

#### (b) Reconciliation of assets measured at fair value based on level 3:

### 7. 公平值計量(續)

#### (b) 根據第三層公平值計量的資產對賬：

		Properties held for own use	
		— Leasehold land	2018 Total
		持作自用物業 — 租賃土地	二零一八年總計
		HK\$'000	HK\$'000
		千港元	千港元
At beginning of year	年初	202,030	202,030
Recognised in profit or loss:	於損益中確認：		
Depreciation charge for the year recognised in cost of sales and general and administrative expenses	年內於銷售成本及一般及行政開支中確認之折舊開支	(5,786)	(5,786)
Gain on revaluation of leasehold land	租賃土地價值重估之收益	265	265
Recognised in other comprehensive income:	於其他全面收益中確認：		
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額	(7,597)	(7,597)
Surplus on revaluation of leasehold land	租賃土地價值重估之盈餘	20,858	20,858
At end of year	年末	209,770	209,770

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 7. FAIR VALUE MEASUREMENTS (Continued)

### 7. 公平值計量(續)

#### (b) Reconciliation of assets measured at fair value based on level 3: (Continued)

#### (b) 根據第三層公平值計量的資產對賬：(續)

		Properties held for own use — Leasehold land 持作自用物業 — 租賃土地 HK\$'000 千港元	2017 Total 二零一七年 總計 HK\$'000 千港元
At beginning of year	年初	244,474	244,474
Additions	添置	15,380	15,380
Disposal of a subsidiary	出售附屬公司	(76,116)	(76,116)
Recognised in profit or loss:	於損益中確認：		
Depreciation charge for the year recognised in cost of sales and general and administrative expenses	年內於銷售成本及一 般及行政開支中確認 之折舊開支	(5,882)	(5,882)
Deficit in revaluation of leasehold land	租賃土地價值重估之 虧損	(578)	(578)
Recognised in other comprehensive income:	於其他全面收益中確認：		
Exchange differences on translating foreign operations	換算海外業務產生之 匯兌差額	9,735	9,735
Surplus on revaluation of leasehold land	租賃土地價值重估之 盈餘	15,017	15,017
At end of year	年末	202,030	202,030

The total gains or losses recognised in other comprehensive income are presented in surplus on revaluation of leasehold land and exchange differences on translating foreign operations in the consolidated statement of profit or loss and other comprehensive income.

於其他全面收益中確認之總收益或虧損乃於綜合損益及其他全面收益表中之租賃土地價值重估之盈餘及換算海外業務產生之匯兌差額呈列。

The total gains or losses recognised in profit or loss are presented in cost of sales, general and administrative expenses and other operating expenses and income in the consolidated statement of profit or loss.

於損益內確認之總收益或虧損乃於綜合損益表中之銷售成本、一般及行政開支及其他營運開支及收益呈列。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 7. FAIR VALUE MEASUREMENTS (Continued)

#### (b) Reconciliation of assets measured at fair value based on level 3: (Continued)

All the gains or losses recognised in profit or loss for the year were attributable to the unrealised gain and loss of the leasehold land held at the end of the reporting period.

#### (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2018:

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including Level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

For Level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

Key unobservable inputs used in level 3 fair value measurements are mainly adjusted accommodation value/price per square metre/square feet of the PRC and Hong Kong leasehold land estimated based on recent market transactions.

### 7. 公平值計量(續)

#### (b) 根據第三層公平值計量的資產對賬：(續)

所有於年內損益內確認的收益或虧損均由於報告期末所持之租賃土地之未實現收益及虧損所致。

#### (c) 於二零一八年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露：

本集團的財務總監負責就財務報告進行所需的資產及負債的公平值計量(包括第3層公平值計量)。財務總監就此等公平值計量直接向董事會匯報。財務總監與董事會每年至少兩次檢討討論估值程序及有關結果。

就第三層公平值計量而言，本集團一般委聘具備認可專業資格且有近期估值經驗的外聘估值專家。

第三層公平值計量所用主要不可觀察參數主要包括根據最近的市場交易估計中國及香港租賃土地的已調整每平方米樓面價格/每平方米/平方呎價格。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 7. FAIR VALUE MEASUREMENTS (Continued)

### 7. 公平值計量(續)

#### (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2018: (Continued) Level 3 fair value measurements

#### (c) 於二零一八年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露：(續)

#### 第三層公平值計量

Description 項目	Valuation technique 估值方法	Unobservable inputs 不可觀察的參數	Range of comparables 可比較範圍	Effect on fair value for increase of inputs 參數增加對公平值的影響	Fair value 公平值	
					2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Land use rights in Egongling Village, Pinghu Town, Shenzhen City, the PRC 中國深圳市平湖鎮鵝公嶺村的土地使用權	Direct comparison approach 直接比較法	Adjusted accommodation value per square metre taking into account the differences from the comparables with respect to location, size, tenure and yield rate 經考慮可比較土地之地點、面積、使用年期及收益率差異的每平方米經調整樓面價格	RMB1,479/square metre -RMB1,538/square metre (2017: RMB1,527/square metre -RMB1,743/square metre) 每平方米人民幣1,479元至每平方米人民幣1,538元(二零一七年：每平方米人民幣1,527元至每平方米人民幣1,743元)	Increase 增加	13,300	14,400
Land use rights in Western District of Daya Bay, Huizhou City, the PRC 中國惠州大亞灣西區的土地使用權	Direct comparison approach 直接比較法	Adjusted price per square metre taking into account the differences from the comparables with respect to location, size, tenure and yield rate 經考慮可比較土地之地點、面積、使用年期及收益率差異的每平方米經調整價格	RMB580/square metre -RMB594/square metre (2017: RMB522/square metre -RMB535/square metre) 每平方米人民幣580元至每平方米人民幣594元(二零一七年：每平方米人民幣522元至每平方米人民幣535元)	Increase 增加	131,100	125,600



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2018:  
(Continued)  
Level 3 fair value measurements  
(Continued)

### 7. 公平值計量(續)

(c) 於二零一八年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露：(續)

第三層公平值計量(續)

Description 項目	Valuation technique 估值方法	Unobservable inputs 不可觀察的參數	Range of comparables 可比較範圍	Effect on fair value for increase of inputs 參數增加對公平值的影響	Fair value 公平值	
					2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Land use rights in Wuhu City, Anhui Province, the PRC 中國安徽省蕪湖市的土地使用權	Direct comparison approach 直接比較法	Adjusted price per square metre (2017: Adjusted price per square metre) taking into account the differences from the comparables with respect to location, size, tenure and yield rate 經考慮可比較土地之地點、面積、使用年期及收益率差異的每平方米經調整價格(二零一七年：每平方米經調整價格)	RMB144/square metre -RMB386/square metre (2017: RMB144/square metre -RMB180/square metre) 每平方米人民幣144元至每平方米人民幣386元(二零一七年：每平方米人民幣144元至每平方米人民幣180元)	Increase 增加	9,000	6,400
Land use rights in Billion Centre, Kowloon Bay, Hong Kong 香港九龍灣億京中心的土地使用權	Direct comparison approach 直接比較法	Adjusted price per square feet taking into account the differences from the comparables with respect to location and size 經可比較土地之地點及面積差異的每平方呎經調整價格	HK\$11,480/square feet -HK\$13,906/square feet (2017: HK\$11,480/square feet -HK\$13,906/square feet) 每平方呎11,480港元至每平方呎13,906港元(二零一七年：每平方呎11,480港元至每平方呎13,906港元)	Increase 增加	40,730	39,930

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 7. FAIR VALUE MEASUREMENTS (Continued)

### 7. 公平值計量(續)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2018:  
(Continued)  
Level 3 fair value measurements  
(Continued)

(c) 於二零一八年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露：(續)

第三層公平值計量(續)

Description 項目	Valuation technique 估值方法	Unobservable inputs 不可觀察的參數	Range of comparables 可比較範圍	Effect on fair value for increase of inputs 參數增加對公平值的影響	Fair value 公平值	
					2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Land use rights in Kinetic Industrial Centre, Kowloon Bay, Hong Kong 香港九龍灣興力工業中心的土地使用權	Direct comparison approach 直接比較法	Adjusted price per square feet taking into account the differences from the comparables with respect to location and size 經可比較土地之地點及面積差異的每平方米經調整價格	HK\$4,920/square feet -HK\$7,168/square feet (2017: HK\$4,856/square feet -HK\$6,689/square feet) 每平方米4,920港元至每平方米7,168港元(二零一七年：每平方米4,856港元至每平方米6,689港元)	Increase 增加	15,640	15,700

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 7. FAIR VALUE MEASUREMENTS (Continued)

#### (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2018: (Continued)

##### Level 3 fair value measurements (Continued)

The fair value of leasehold land held for own use located in the PRC and Hong Kong is determined using direct comparison approach by reference to recent sales price of comparable leasehold land on an accommodation value per metre or price per square metre/square feet basis, adjusted for a premium or a discount specific to the quality of the Group's leasehold land compared to the recent sales. Higher premium for higher quality land will result in a higher fair value measurement.

During the two years, there were no changes in the valuation techniques used.

### 8. REVENUE

#### (a) Disaggregation of revenue

The Group is principally engaged in the manufacture and sale of zinc, magnesium and aluminium alloy die casting and plastic injection products and components, trading of lighting products and home appliances.

Disaggregation of revenue derived from the transfer of goods and services over time and at a point in time is as follows:

Timing of revenue recognition	收入確認時間	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Products transferred at a point in time	於某一時點轉移產品	1,643,024	1,738,738
Products transferred over time	於一段時間轉移產品	209,305	—
		1,852,329	1,738,738

### 7. 公平值計量(續)

#### (c) 於二零一八年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露:(續)

##### 第三層公平值計量(續)

位於中國及香港持有作自用的租賃土地的公平值乃使用直接比較法釐定，當中已參考可比較租賃土地近期銷售的每平方米樓面價格或每平方米/平方呎價格，並按本集團租賃土地的質量與最近銷售比較所引致的溢價或折讓作出調整。高質量土地可享有較高溢價，並可產生較高的公平值計量數值。

於兩個年度，所使用的估值方法並無變動。

### 8. 收入

#### (a) 收入拆分

本集團主要從事生產及銷售鋅、鎂及鋁合金壓鑄、塑膠注塑產品和零部件、照明產品和家居器具貿易。

本集團從於一段時間及於某一時點轉移貨品及服務產生收入分拆如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 8. REVENUE (Continued)

#### (a) Disaggregation of revenue (Continued)

Disaggregation of revenue from major products are as follows:

Types of products	產品種類	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Die casting products	壓鑄產品	872,338	967,887
Plastic injection products	塑膠注塑產品	718,311	605,705
Moulds	模具	207,600	133,074
Others	其他	54,080	32,072
		<b>1,852,329</b>	1,738,738

The Group has initially applied HKFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated and was prepared in accordance with HKAS 18.

本集團已採用累計影響法以首次應用香港財務報告準則第15號。根據該方法，比較資料並無重列，及根據香港會計準則第18號編制。

#### (b) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2018 and the expected timing of recognising revenue as follows:

#### (b) 分配至客戶合約的剩餘履約責任的交易價格

於二零一八年十二月三十一日分配至剩餘履約責任(未履行或部分未履行)的交易價格及確認收入的預期時間如下:

		Sales of goods 銷售貨品 HK\$'000 千港元
Within one year	一年內	35,241
More than one year	一年以上	156,998
		<b>192,239</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 9. OTHER INCOME

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest income on bank deposits	銀行存款利息收入	300	354
Rental income	租金收入	176	140
Reimbursement from customers	客戶報銷收回	11,994	9,955
Compensation from suppliers	供應商補償	598	—
Sales of scrap materials	廢料銷售	3,290	1,565
Government grants	政府補助金	2,679	3,260
Others	其他	1,863	1,396
		<b>20,900</b>	16,670

Government grants mainly comprised unconditional support for subsidising the Group's research and development.

政府補助金主要包括無條件支援本集團之研發之資助。

### 10. SEGMENT INFORMATION

For management purposes, the Group's operation is currently categorised into six (2017: six) operating divisions — zinc, magnesium, aluminium alloy die casting, plastic injection products and components, as well as trading of lighting products and home appliances. These divisions are the basis of the Group's five reportable segments. The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and different cost measurement.

The Group's other operating segments include trading of lighting products and home appliances. None of these segments meets any of the quantitative thresholds for determining reportable segments. The information of these other operating segments is included in the 'Others' column.

Segment profits or losses do not include interest income, corporate income, gain on disposal of a subsidiary, share of losses of associates, corporate expenses, finance costs and income tax expense.

### 10. 分部資料

為方便管理，本集團現時業務分為六個(二零一七年：六個)營運部門— 鋅、鎂及鋁合金壓鑄、塑膠注塑產品和零部件以及照明產品和家居器具貿易。該等部門是本集團五個呈報分部資料的基準。本集團之呈報分部為提供不同產品之策略業務單位。由於有關業務需要不同技術及有不同成本計量方式，故該等分部乃獨立管理。

本集團的其他經營分部包括照明產品和家居器具的貿易。此等分部均未達到決定可呈報分部的任何量化門檻。其他經營分部的資料載於「其他」一欄。

分部溢利或虧損不包括利息收入、企業收益、出售附屬公司收益、攤分聯營公司虧損、企業開支、融資成本及所得稅開支。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 10. SEGMENT INFORMATION (Continued)

### 10. 分部資料(續)

Information about reportable segment profit or loss:

呈報分部溢利或虧損之資料如下：

		Zinc alloy die casting 鋅合金壓鑄 HK\$'000 千港元	Magnesium alloy die casting 鎂合金壓鑄 HK\$'000 千港元	Aluminium alloy die casting 鋁合金壓鑄 HK\$'000 千港元	Plastic injection 塑膠注塑 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總數 HK\$'000 千港元
<b>Year ended 31 December 2018</b>	<b>截至二零一八年十二月三十一日止年度</b>						
Revenue from external customers	來自外來客戶的收入	168,382	561,695	161,303	906,869	54,080	1,852,329
Segment profit	分部溢利	9,119	40,198	3,976	86,734	5,449	145,476
Depreciation and amortisation	折舊及攤銷	3,571	29,511	4,712	42,029	312	80,135
Impairment losses on property, plant and equipment	物業、機器及設備減值虧損	1,369	2,492	—	—	—	3,861
Impairment losses on investments in associates	於聯營公司之投資減值虧損	—	—	—	—	1,652	1,652
<b>Year ended 31 December 2017</b>	<b>截至二零一七年十二月三十一日止年度</b>						
Revenue from external customers	來自外來客戶的收入	203,685	588,843	201,928	712,210	32,072	1,738,738
Segment profit/(loss)	分部溢利/(虧損)	6,476	(24,566)	2,149	41,362	(3,110)	22,311
Depreciation and amortisation	折舊及攤銷	5,297	33,970	6,319	39,576	277	85,439
Impairment losses on property, plant and equipment	物業、機器及設備減值虧損	—	8,752	—	—	—	8,752
Restructuring expenses (note)	重組費用(附註)	—	25,696	—	—	—	25,696

Note: The amount was included in general and administrative expenses which is one-off in nature.

附註：該一次性款項已計入一般及行政開支中。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 10. SEGMENT INFORMATION (Continued)

#### Reconciliation of reportable segment revenue, profit or loss:

### 10. 分部資料(續)

#### 呈報分部收入、溢利或虧損之對賬：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Revenue</b>	<b>收入</b>		
Total revenue of reportable segments	呈報分部之總收入	<b>1,852,329</b>	1,738,738
Unallocated amounts	不分類數目	—	—
Consolidated revenue	綜合收入	<b>1,852,329</b>	1,738,738
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Profit or loss</b>	<b>溢利或虧損</b>		
Total profit of reportable segments	呈報分部總溢利	<b>145,476</b>	22,311
Unallocated amounts:	不分類數目：		
Gain on disposal of a subsidiary	出售附屬公司收益	—	96,011
Share of losses of associates	攤分聯營公司虧損	<b>(146)</b>	(325)
Interest income	利息收入	<b>300</b>	354
Finance costs	融資成本	<b>(13,167)</b>	(16,115)
Income tax expense	所得稅開支	<b>(12,505)</b>	(45,862)
Corporate income	企業收入	<b>205</b>	86
Corporate expenses	企業開支	<b>(6,761)</b>	(20,329)
Consolidated profit for the year	年內綜合溢利	<b>113,402</b>	36,131

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 10. SEGMENT INFORMATION (Continued)

#### Reconciliation of reportable segment revenue, profit or loss: (Continued)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Other material items</b>	<b>其他重大項目</b>		
<b>– depreciation and amortisation</b>	<b>– 折舊及攤銷</b>		
Total depreciation and amortisation of reportable segments	呈報分部總折舊及攤銷	<b>80,135</b>	85,439
Unallocated amounts:	不分類數目：		
Depreciation of property, plant and equipment for corporate use	企業用物業、機器及設備折舊	<b>1,906</b>	1,735
Consolidated depreciation and amortisation	綜合折舊及攤銷	<b>82,041</b>	87,174

### 10. 分部資料(續)

#### 呈報分部收入、溢利或虧損之對賬： (續)

#### Geographical information:

#### 地區資料：

		Revenue 收入	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Hong Kong	香港	<b>225,467</b>	264,145
The PRC except Hong Kong	中國(香港除外)	<b>686,395</b>	705,186
Japan	日本	<b>25,775</b>	34,891
USA	美國	<b>759,589</b>	587,384
Others	其他	<b>155,103</b>	147,132
Consolidated total	綜合總數	<b>1,852,329</b>	1,738,738

In presenting the geographical information, revenue is based on the locations of the customers.

呈列地區資料時，收入是以客戶的地區為基準。

The Group's non-current assets by geographical areas are not presented as the aggregate amount of the geographical segments other than the PRC is less than 10% (2017: less than 10%) of the aggregate amount of all segments.

因為除中國外之地區分部之非流動資產總金額佔所有分部之總額少於10%(二零一七年：少於10%)，所以本集團沒有按地區呈列。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 10. SEGMENT INFORMATION (Continued)

### 10. 分部資料(續)

#### Revenue from major customers:

#### 來自主要客戶之收入：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Zinc alloy die casting segment	鋅合金壓鑄分部		
Customer a	客戶a	<b>87,378</b>	103,742
Customer b	客戶b	<b>40,508</b>	39,066
Customer c	客戶c	—	2,367
Magnesium alloy die casting segment	鎂合金壓鑄分部		
Customer c	客戶c	<b>43,945</b>	87,378
Customer e	客戶e	<b>339,388</b>	253,514
Aluminium alloy die casting segment	鋁合金壓鑄分部		
Customer a	客戶a	<b>81,317</b>	114,663
Customer e	客戶e	<b>161</b>	2,265
Plastic injection segment	塑膠注塑分部		
Customer b	客戶b	<b>80,798</b>	106,196
Customer a	客戶a	—	1,177
Customer d	客戶d	<b>700,003</b>	518,229

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 11. OTHER OPERATING EXPENSES AND INCOME

### 11. 其他經營開支及收入

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Allowance for inventories	存貨撥備	18,890	415
Bad debts written off	壞賬撇銷	655	61
Impairment losses on amounts due from associates	應收聯營公司款項減值虧損	—	2,934
Impairment losses on deposit paid	已付按金減值虧損	1,364	—
Impairment losses on property, plant and equipment	物業、機器及設備之減值虧損	3,861	8,752
Impairment losses on investments in associates	於聯營公司投資減值虧損	1,652	—
Loss/(Gain) on disposal of property, plant and equipment	出售物業、機器及設備之虧損/(收益)	486	(84)
Property, plant and equipment written off	物業、機器及設備撇銷	238	8,632
(Gain on)/Deficit in revaluation of land	土地重估(收益)/虧損	(265)	578
		<b>26,881</b>	21,288

### 12. FINANCE COSTS

### 12. 融資成本

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest expenses on bank borrowings	總借貸利息開支	13,167	16,115

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 12. FINANCE COSTS (Continued)

The analysis shows the finance costs of bank borrowings including bank borrowings which contain a repayment on demand clause, in accordance with the agreed scheduled repayments dates set out in the loan agreements. For the years ended 31 December 2018 and 2017, the interest on bank borrowings which contain a repayment on demand clause amounted to approximately HK\$6,576,000 and HK\$9,347,000 respectively.

### 12. 融資成本(續)

有關分析列示銀行借款的融資成本，包括根據貸款協議所載的議定預定還款期之附有按要求償還條款的銀行借款。截至二零一八年及二零一七年十二月三十一日止年度，附有按要求償還條款的銀行借款利息為約6,576,000港元及9,347,000港元。

### 13. INCOME TAX EXPENSE

### 13. 所得稅開支

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current tax	即期稅項		
— Hong Kong Profits Tax	— 香港利得稅		
Provision for the year	本年度撥備	17,467	16,936
(Over)/Under-provision in prior years	過往年度(超額撥備)/ 撥備不足	(2,303)	294
Current tax	即期稅項		
— Income tax outside Hong Kong	— 香港以外所得稅		
Provision for the year	本年度撥備	10,099	11,435
Capital gain tax arising from disposal of a subsidiary	由出售附屬公司產生之資本增值稅	—	13,727
Withholding tax arising from dividend payment of a disposed subsidiary	由出售附屬公司支付股息產生之預提稅	—	3,118
(Over)/Under-provision in prior years	過往年度(超額撥備)/ 撥備不足	(167)	265
Deferred tax (note 32)	遞延稅項(附註32)	(12,591)	87
Income tax expense	所得稅開支	12,505	45,862

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 13. INCOME TAX EXPENSE (Continued)

Hong Kong Profits Tax has been provided at a rate of 16.5% (2017: 16.5%) on the estimated assessable profits of Hong Kong incorporated subsidiaries for the year ended 31 December 2018.

On 21 March 2018, the Inland Revenue (Amendment) (No. 7) Bill 2017, which introduces a two-tiered profits tax regime, was substantively enacted. Under the two-tiered profits tax regime, the first HK\$2 million of assessable profits of qualifying corporations will be taxed at 8.25% with effect from the year assessment 2018/2019. Profits above HK\$2 million will continue to be subject to the tax rate of 16.5%.

Under the PRC Enterprise Income Tax (the "EIT") Law, the statutory tax rate for the Group's subsidiaries established and operating in Mainland China is 25% (2017: 25%).

Income tax on overseas profit has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing on the overseas countries in which the Group operates.

According to the PRC EIT Law, withholding tax at a rate of 10% would be imposed on dividend payment relating to profits earned from year 2008 onwards to foreign investors for the companies established in the PRC. Such tax rate may be further reduced by applicable tax treaties or arrangements.

Capital gain tax of the PRC was charged at a withholding tax rate of 10% based on the surplus of the sales proceed from the disposal of a subsidiary over the investment cost of that subsidiary.

### 13. 所得稅開支(續)

截至二零一八年十二月三十一日止年度之香港利得稅根據香港註冊附屬公司之估計應課稅溢利以稅率16.5%(二零一七年: 16.5%)作出撥備。

二零一八年三月二十一日,「二零一七年稅務(修訂)(第七號)條例草案」已實質上制定及實行兩級利得稅制度。根據兩級利得稅制度,從二零一八/二零一九評估年度起,符合資格的企業之首二百萬港元之應課稅溢利將按8.25%徵稅。二百萬港元以上之溢利將繼續按16.5%徵稅。

根據中國企業所得稅法,本集團於中國大陸成立及營運之附屬公司之法定稅率為25%(二零一七年: 25%)。

海外溢利之所得稅根據年內估計應課稅溢利以本集團有營運之海外國家之現行稅率計算。

根據中國企業所得稅法,外國投資者由二零零八年起自於中國成立之公司賺取利潤相關之股息支付將被施加10%預提稅。該稅率有可能按適用稅務條例或安排進一步降低。

根據出售附屬公司的銷售收入盈餘以該附屬公司的投資成本計算,中國的資本增值稅按10%的預提稅率計算。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 13. INCOME TAX EXPENSE (Continued)

The reconciliation between the income tax expense and the product of profit before tax multiplied by the Hong Kong Profits Tax rate is as follows:

### 13. 所得稅開支(續)

所得稅開支與除稅前溢利乘以香港利得稅稅率計算所得結果的對賬如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit before tax	除稅前溢利	125,907	81,993
Tax at Hong Kong Profits Tax rate at 16.5% (2017: 16.5%)	按香港利得稅稅率16.5% (二零一七年: 16.5%) 計算的稅項	20,775	13,529
Tax effect of expenses that are not deductible	不可扣稅開支的稅務影響	11,006	12,847
Tax effect of income that is not taxable	毋須課稅收入的稅務影響	(5,923)	(6,102)
Tax effect of temporary differences not recognised	未確認暫時差異的稅務影響	(5,313)	(354)
Tax effect of share of losses of associates	攤分聯營公司虧損之稅務影響	24	54
Tax effect of recognition of tax losses not previously recognised	確認早前未確認之稅務虧損之稅務影響	(7,239)	—
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	3,154	35,446
Utilisation of tax losses not previously recognised	動用先前未確認之稅項虧損之影響	(2,016)	(4,678)
Withholding tax arising from dividend payment/undistributed profits of a PRC subsidiary	來自中國附屬公司支付股息/未分配利潤所產生之預提稅	—	3,118
(Over)/Under-provision in prior years	過往年度(超額撥備)/撥備不足	(2,470)	559
(Under)/Over-provision for current year	本年度(撥備不足)/超額撥備	(2,037)	1,027
Tax effect of two-tiered tax rate	兩級稅率之稅務影響	(165)	—
Tax effect of different tax rates of subsidiaries	附屬公司不同稅率之稅務影響	2,709	(9,584)
Income tax expense	所得稅開支	12,505	45,862

In addition to the amount charged to profit or loss, deferred tax relating to the revaluation of the Group's leasehold land during the year has been charged to other comprehensive income.

除在損益表列賬外，於年內本集團之租賃土地重估之有關遞延稅項已在其他全面收益中列賬。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 14. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

### 14. 年內溢利

本集團年內之溢利已扣除/(計入)下列各項：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Allowance for inventories (note (a))	存貨撥備(附註(a))	18,890	415
Auditor's remuneration	核數師酬金	1,770	1,750
Bad debts written off (note (a))	壞賬撇銷(附註(a))	655	61
Cost of inventories sold (note (b))	已售存貨成本(附註(b))	1,347,447	1,360,457
(Gain on)/Deficit in revaluation of land (note (a))	土地重估(收益)/虧損(附註(a))	(265)	578
Depreciation of property, plant and equipment	物業、機器及設備折舊	82,041	87,174
Impairment losses on amounts due from associates (note (a))	應收聯營公司款項減值虧損(附註(a))	—	2,934
Impairment losses on deposit paid (note (a))	已付按金減值虧損(附註(a))	1,364	—
Impairment losses on property, plant and equipment (note (a))	物業、機器及設備減值虧損(附註(a))	3,861	8,752
Impairment losses on trade receivables (note (a))	貿易應收款項減值虧損(附註(a))	132	764
Impairment losses on investments in associates (note (a))	於聯營公司投資減值虧損(附註(a))	1,652	—
Net exchange loss	匯兌淨虧損	9,418	2,038
Net loss/(gain) on disposal of property, plant and equipment (note (a))	出售物業、機器及設備淨虧損/(收益)(附註(a))	486	(84)
Property, plant and equipment written off (note (a))	物業、機器及設備撇銷(附註(a))	238	8,632
Operating lease charges in respect of land and buildings and office equipment	土地及建築物及辦公室設備經營租賃支出	7,900	7,487
Other fees paid to the auditor of the Company	付本公司核數師之其他費用	353	443
Reversal of impairment losses on trade receivables (note (a))	貿易應收款項減值虧損之回撥(附註(a))	(764)	—
Research and development expenditure (note (c))	研究及開發支出(附註(c))	768	8,479
Restructuring expenses (note (d))	重組費用(附註(d))	—	25,696

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 14. PROFIT FOR THE YEAR (Continued)

Note:

- (a) These amounts were included in other operating expenses and income.
- (b) Cost of inventories sold includes staff costs and depreciation of approximately HK\$394,038,000 (2017: HK\$408,098,000), which are included in the amounts disclosed separately above and in note 15.
- (c) Research and development expenditure includes staff costs of approximately HK\$2,267,000, which are included in the amounts disclosed separately in note 15 for the year ended 31 December 2017. No staff costs were included in the expenditures for current year.
- (d) The amount was included in general and administrative expenses which is one-off in nature.

### 14. 年內溢利(續)

附註：

- (a) 該等款項已計入其他營運開支及收入內。
- (b) 已售存貨成本包括員工成本及折舊約394,038,000港元(二零一七年：408,098,000港元)，彼等已各自分別於上文及附註15披露。
- (c) 截至二零一七年十二月三十一日止年度，研究及開發支出中包括於附註15獨立披露的員工成本約2,267,000港元。本年度沒有員工成本包括在該支出內。
- (d) 該一次性款項已計入一般及行政開支中。

### 15. EMPLOYEE BENEFITS EXPENSE

### 15. 僱員福利開支

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Employee benefits expense (excluding directors' emoluments):	僱員福利開支(不包括董事 酬金)：		
Salaries, bonuses and allowances	薪酬、花紅及津貼	416,429	437,643
Retirement benefit scheme contributions	退休福利計劃供款	24,732	30,973
Other benefits	其他福利	41,172	33,783
		<b>482,333</b>	502,399

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 15. EMPLOYEE BENEFITS EXPENSE (Continued)

#### Five highest paid individuals

The five highest paid individuals in the Group during the year included two (2017: three) directors whose emoluments are reflected in the analysis presented in note 16. The emoluments of the remaining three (2017: two) individuals for the year ended 31 December 2018 are set out below:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Basic salaries and allowances	基本薪酬及津貼	4,396	2,935
Discretionary bonus	酌情花紅	1,184	—
Retirement benefits scheme contributions	退休福利計劃供款	54	36
		<b>5,634</b>	2,971

The emoluments fell within the following bands:

		Number of individuals 人數	
		2018 二零一八年	2017 二零一七年
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至 1,500,000港元	—	1
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至 2,000,000港元	2	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至 2,500,000港元	1	—

During the year, no emoluments were paid by the Group to any of these highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

### 15. 僱員福利開支(續)

#### 五名最高薪酬人士

年內本集團的五名最高薪酬人士包括兩名(二零一七年:三名)董事,有關酬金詳情載於附註16的分析。於截至二零一八年十二月三十一日止年度餘下三名(二零一七年:兩名)最高薪酬人士的酬金如下:

酬金介乎以下範圍:

年內,本集團並無向該等最高薪酬人士支付任何作為加盟本集團時或之後的獎勵或離職的補償之酬金。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 16. BENEFITS AND INTEREST OF DIRECTORS

#### (a) Emoluments of directors

The emoluments of each director were as follows:

### 16. 董事福利及利益

#### (a) 董事酬金

各董事的酬金如下：

Name of director	董事姓名	Fees	Salaries and allowances	Discretionary bonus	Estimated money value of other benefits	Retirement benefits scheme contributions	Total
					其他福利的估計貨幣價值	退休福利計劃供款	
		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
Year ended 31 December 2018	截至二零一八年十二月三十一日				(note ii) (附註ii)		
<b>Executive directors</b>	<b>執行董事</b>						
Mr. Lee	李先生	-	3,101	835	-	18	3,954
Dr. WONG Cheong Yiu (note i)	黃昌耀博士(附註i)	-	1,583	-	-	9	1,592
Mr. WONG Wing Chuen	黃永銓先生	-	1,666	448	-	18	2,132
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>						
Professor SUN Kai Lit, Cliff BBS, JP	孫啟烈教授BBS·JP	180	-	-	-	-	180
Ir Dr. LO Wai Kwok SBS, MH, JP	盧偉國博士SBS·MH·JP	180	-	-	-	-	180
Mr. KONG Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie)	江啟銓先生(前稱江道揚)	180	-	-	-	-	180
Mr. Andrew LOOK	陸東先生	180	-	-	-	-	180
<b>Total for 2018</b>	<b>二零一八年總計</b>	<b>720</b>	<b>6,350</b>	<b>1,283</b>	<b>-</b>	<b>45</b>	<b>8,398</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 16. BENEFITS AND INTEREST OF DIRECTORS (Continued)

### 16. 董事福利及利益(續)

#### (a) Emoluments of directors (Continued)

#### (a) 董事酬金(續)

Name of director	董事姓名	Fees	Salaries and allowances	Discretionary bonus	Estimated money value of other benefits	Retirement benefits scheme contributions	Total
		袍金	薪金及津貼	酌情花紅	其他福利的估計貨幣價值	退休福利計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
					(note ii)		
					(附註ii)		
Year ended 31 December 2017	截至二零一七年十二月三十一日						
Executive directors	執行董事						
Mr. Lee	李先生	—	3,003	—	199	18	3,220
Dr. WONG Cheong Yiu (note i)	黃昌耀博士(附註i)	—	2,175	—	—	37	2,212
Mr. WONG Wing Chuen	黃永銓先生	—	1,614	—	139	18	1,771
Independent non-executive directors	獨立非執行董事						
Professor SUN Kai Lit, Cliff BBS, JP	孫啟烈教授BBS·JP	180	—	—	—	—	180
Ir Dr. LO Wai Kwok SBS, MH, JP	盧偉國博士SBS·MH·JP	180	—	—	—	—	180
Mr. KONG Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie)	江啟銓先生(前稱江道揚)	180	—	—	—	—	180
Mr. Andrew LOOK	陸東先生	180	—	—	—	—	180
Total for 2017	二零一七年總計	720	6,792	—	338	73	7,923

Note:

(i) Dr. Wong Cheong Yiu was also the chief executive officer of the Company during the year ended 31 December 2017 and his emoluments disclosed above include those services rendered by him as chief executive officer. On 1 June 2018, he stepped down from his position as chief executive officer, but remains as an executive director of the Company. Mr. Lee, the chairman and an executive director of the Company, have taken up the duties of chief executive officer temporarily until a suitable candidate is appointed.

(ii) Estimated money values of other benefits include cars of the Group used by the directors.

附註:

(i) 黃昌耀博士於截至二零一七年十二月三十一日亦為本公司行政總裁，上文所披露之薪酬包括彼作為行政總裁提供服務的酬金。於二零一八年六月一日，彼退任其行政總裁之職務，但仍留任為本公司之執行董事。本公司之主席及執行董事李先生暫時擔任行政總裁的職務，直至能夠委任適合人選為止。

(ii) 其他福利的估計貨幣價值包括董事使用的本集團汽車。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 16. BENEFITS AND INTEREST OF DIRECTORS (Continued)

#### (a) Emoluments of directors (Continued)

There were no arrangements under which a director waived or agreed to waive any emoluments during the year (2017: Nil).

During the year, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

#### (b) Directors' material interests in transactions, arrangement or contracts

Save as the continuing connected transactions as disclosed in note 40 to the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### 16. 董事福利及利益(續)

#### (a) 董事酬金(續)

董事於本年內概無作出放棄或同意放棄任何酬金的安排(二零一七年：無)。

年內，本集團並無向任何董事支付任何作為加盟本集團時或之後的獎勵或離職補償的酬金。

#### (b) 董事於交易、安排或合約中的重大權益

除載列於綜合財務報表附註40之持續關連交易所披露者外，於年終或年內任何時間，本公司概無訂立任何與本集團業務有關而本公司董事及其關連人士於當中直接或間接擁有重大權益的重大交易、安排及合約。

### 17. DIVIDENDS

### 17. 股息

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
2017 Final of HK1.0 cent (2017: 2016 Final HK1.0 cent) per ordinary share	二零一七年末期股息 每股1.0港仙 (二零一七年： 二零一六年末期股息 每股1.0港仙)	<b>8,938</b>	8,938

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2018 of HK3.5 cents per share totalling approximately HK\$31,282,000 has been proposed by the Board of Directors of the Company and is subject to approval by the shareholders of the Company at the forthcoming annual general meeting.

於報告期間完結後，本公司董事會建議宣派截至二零一八年十二月三十一日止年度之末期股息每股3.5港仙共為約31,282,000港元，此股息有待本公司股東於應屆股東週年大會上批准。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 18. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following:

### 18. 每股盈利

每股基本及攤薄盈利按下列計算：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Earnings</b>	<b>盈利</b>		
Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation	用於計算每股基本及攤薄盈利之本公司權益持有人應佔溢利	<b>113,556</b>	33,998
<b>Number of shares</b>	<b>股份數目</b>		
Weighted average number of ordinary shares used in basic earnings per share calculation	用於計算每股基本盈利之加權平均普通股股數	<b>893,761,400</b>	893,761,400
Effect of dilutive potential ordinary shares arising from share options	購股權導致潛在攤薄普通股之影響	—	27,931
Weighted average number of ordinary shares used in diluted earnings per share calculation	用於計算每股攤薄盈利之加權平均普通股股數	<b>893,761,400</b>	893,789,331

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 19. PROPERTY, PLANT AND EQUIPMENT

### 19. 物業、機器及設備

		Leasehold land	Buildings	Leasehold improvements	Plant and machinery	Computer equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
		租賃土地	樓宇	租賃物業裝修	機器及設備	電腦設備	傢俬、固定裝置及辦公室設備	汽車	在建工程	總計
		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
<b>Cost or valuation</b>	<b>成本或估值</b>									
At 1 January 2017	於二零一七年一月一日	244,632	321,550	181,002	593,428	9,485	12,050	14,348	5,558	1,382,063
Transfer	轉移	—	—	324	—	—	—	—	(324)	—
Additions	添置	15,380	5,274	9,496	29,867	820	3,030	1,534	863	66,264
Surplus on revaluation	重估盈餘	15,017	—	—	—	—	—	—	—	15,017
Deficit in revaluation	重估虧損	(578)	—	—	—	—	—	—	—	(578)
Depreciation eliminated against cost	於成本減去折舊	(6,169)	—	—	—	—	—	—	—	(6,169)
Disposal/write off	出售/撇銷	—	—	(21,128)	(15,020)	(704)	(1,726)	(6,966)	(16)	(45,560)
Disposal of a subsidiary	出售附屬公司	(76,116)	(34,672)	—	—	—	—	—	—	(110,788)
Exchange differences	匯兌差額	9,864	20,138	10,705	37,793	206	754	391	435	80,286
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	202,030	312,290	180,399	646,068	9,807	14,108	9,307	6,516	1,380,525
Transfer	轉移	—	—	1,206	—	—	—	—	(1,206)	—
Additions	添置	—	—	20,383	80,645	1,921	3,537	4	1,076	107,566
Surplus on revaluation	重估盈餘	20,858	—	—	—	—	—	—	—	20,858
Gain on revaluation	重估虧損	265	—	—	—	—	—	—	—	265
Depreciation eliminated against cost	於成本減去折舊	(5,627)	—	—	—	—	—	—	—	(5,627)
Disposal/write off	出售/撇銷	—	—	(7,776)	(31,622)	(1,240)	(311)	(566)	—	(41,505)
Exchange differences	匯兌差額	(7,756)	(16,787)	(10,794)	(35,849)	(257)	(848)	(272)	(376)	(72,939)
At 31 December 2018	於二零一八年十二月三十一日	<b>209,770</b>	<b>295,503</b>	<b>183,418</b>	<b>659,242</b>	<b>10,231</b>	<b>16,486</b>	<b>8,483</b>	<b>6,010</b>	<b>1,389,143</b>
<b>Accumulated depreciation and impairment</b>	<b>累計折舊及減值</b>									
At 1 January 2017	於二零一七年一月一日	158	73,408	103,029	343,182	8,615	6,543	11,656	1,073	547,664
Charge for the year	年內扣除	5,862	13,898	24,375	40,304	456	1,287	972	—	87,174
Disposal/write off	出售/撇銷	—	—	(17,748)	(10,390)	(835)	(1,579)	(5,966)	—	(36,518)
Disposal of a subsidiary	出售附屬公司	—	(22,250)	—	—	—	—	—	—	(22,250)
Adjustment on revaluation	重估調整	(6,169)	—	—	—	—	—	—	—	(6,169)
Impairment	減值	—	—	—	4,557	—	—	—	4,195	8,752
Exchange differences	匯兌差額	129	4,273	5,800	20,102	135	300	290	251	31,280
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	—	69,329	115,456	397,755	8,371	6,551	6,952	5,519	609,933
Charge for the year	年內扣除	5,786	13,401	20,209	39,185	781	1,852	827	—	82,041
Disposal/write off	出售/撇銷	—	—	(8,249)	(24,722)	(1,302)	(272)	(517)	—	(35,062)
Adjustment on revaluation	重估調整	(5,627)	—	—	—	—	—	—	—	(5,627)
Impairment	減值	—	—	1,559	2,302	—	—	—	—	3,861
Exchange differences	匯兌差額	(159)	(4,375)	(7,339)	(19,224)	(101)	(414)	(222)	(324)	(32,158)
At 31 December 2018	於二零一八年十二月三十一日	<b>—</b>	<b>78,355</b>	<b>121,636</b>	<b>395,296</b>	<b>7,749</b>	<b>7,717</b>	<b>7,040</b>	<b>5,195</b>	<b>622,988</b>
<b>Carrying amount</b>	<b>賬面值</b>									
At 31 December 2018	於二零一八年十二月三十一日	<b>209,770</b>	<b>217,148</b>	<b>61,782</b>	<b>263,946</b>	<b>2,482</b>	<b>8,769</b>	<b>1,443</b>	<b>815</b>	<b>766,155</b>
At 31 December 2017	於二零一七年十二月三十一日	202,030	242,961	64,943	248,313	1,436	7,557	2,355	997	770,592

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 19. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Group's leasehold land was revalued on 31 December 2018, 31 December 2017 and 12 July 2017 respectively using the direct comparison approach by reference to market evidence of recent transactions for similar properties by independent surveyors.

The carrying amount of the Group's leasehold land would have been approximately HK\$50,978,000 (2017: HK\$54,091,000) had it been stated at cost less accumulated depreciation and impairment losses.

The carrying amount of property, plant and equipment pledged as security for the Group's banking facilities amounted to approximately HK\$44,977,000 (2017: HK\$44,326,000).

Impairment of property, plant and equipment represents impairment on idle machines and leasehold improvements to be disposed without future economic benefits.

### 19. 物業、機器及設備(續)

本集團之租賃土地分別於二零一八年十二月三十一日、二零一七年十二月三十一日及二零一七年七月十二日由獨立估值師按直接比較法價值參考市場類似物業之最近交易證據重估。

若按成本減累計折舊及減值虧損列賬，本集團租賃土地的賬面值約為50,978,000港元(二零一七年：54,091,000港元)。

本集團賬面值為數約44,977,000港元(二零一七年：44,326,000港元)的物業、機器及設備已質押作為本集團銀行信貸的抵押。

物業、機器及設備減值指沒有將來經濟效益之閒置機械及將會出售租賃物業裝修的減值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 20. INVESTMENTS IN SUBSIDIARIES

Particulars of the subsidiaries as at 31 December 2018 are as follows:

### 20. 於附屬公司的投資

於二零一八年十二月三十一日，附屬公司之詳情如下：

Name 名稱	Place of incorporation/ establishment and operation 成立及經營地點	Issued and fully paid up share capital/registered capital 已發行及繳足 股本/註冊資本	Percentage of ownership interest/ voting power/ profit sharing 應佔權益/ 投票權/溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Ka Shui (Holdings) Company Limited 嘉瑞集團有限公司	BVI 英屬處女群島	US\$36,909 36,909美元	100%	—	Investment holding 投資控股
Ample Wealth Developments Limited 富豐發展有限公司	BVI 英屬處女群島	US\$1 1美元	—	100%	Investment holding 投資控股
Ka Fung Metal Manufactory Company Limited 嘉豐金屬製品廠有限公司	Hong Kong 香港	HK\$74,487,660 74,487,660港元	—	100%	Sale of plastic injection products and components 銷售塑膠注塑產品及零部件
Ka Shui Manufactory Co., Limited 嘉瑞製品有限公司	Hong Kong 香港	HK\$10,000 10,000港元	—	100%	Sale of zinc, magnesium and aluminium alloy die casting and plastic injection products and components 銷售鋅、鎂及鋁合金壓鑄和塑膠注塑產品及零部件
Ka Shui Technology (Huizhou) Company Limited* 嘉瑞科技(惠州)有限公司	The PRC 中國	Registered capital HK\$430,000,000 註冊資本430,000,000 港元	—	100%	Sale and manufacture of magnesium alloy die casting products and components 銷售及生產鎂合金壓鑄產品及零部件
Elegant Shine Investments Limited 雅輝投資有限公司	BVI 英屬處女群島	US\$1 1美元	—	100%	Investment holding 投資控股
Ample Wealth Property Developments (Huizhou) Limited* 富豐物業開發(惠州)有限公司	The PRC 中國	Registered capital HK\$6,800,000 註冊資本6,800,000 港元	—	100%	Inactive 暫無業務

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 20. INVESTMENTS IN SUBSIDIARIES (Continued)

Particulars of the subsidiaries as at 31 December 2018 are as follows: (Continued)

### 20. 於附屬公司的投資(續)

於二零一八年十二月三十一日，附屬公司之詳情如下：(續)

Name 名稱	Place of incorporation/ establishment and operation 成立及經營地點	Issued and fully paid up share capital/registered capital 已發行及繳足 股本/註冊資本	Percentage of ownership interest/ voting power/ profit sharing 應佔權益/ 投票權/溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Ka Shui Technology Limited 嘉瑞科技有限公司	Hong Kong 香港	HK\$10,000 10,000港元	—	100%	Investment holding 投資控股
Wing Yu (Far East) Industries Company Limited 永裕(遠東)實業有限公司	Hong Kong 香港	HK\$6,900,000 6,900,000港元	—	100%	Investment holding 投資控股
Huizhou Wing Yu Metal and Plastic Manufactory Company Limited* 惠州市永裕五金塑料製品有限 公司	The PRC 中國	Registered capital HK\$4,500,000 註冊資本4,500,000 港元	—	100%	Provision of surface finishing treatment services and sale and manufacture of zinc alloy die casting products and components 提供表面處理服務及銷售及生 產鋅合金壓鑄產品及零部件
Ka Yi Technology (Huizhou) Company Limited* 嘉宜科技(惠州)有限公司	The PRC 中國	Registered capital HK\$20,000,000 註冊資本20,000,000 港元	—	100%	Sale and manufacture of zinc and aluminium alloy die casting products and components 銷售及生產鋅及鋁合金壓鑄 產品及零部件
Ka Fung Industrial Technology (Huizhou) Company Limited* 嘉豐工業科技(惠州)有限公司	The PRC 中國	Registered capital HK\$132,000,000 註冊資本132,000,000 港元	—	100%	Sale and manufacture of products and components with plastic contents 銷售及生產含塑膠部件之產品及 零部件



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 20. INVESTMENTS IN SUBSIDIARIES (Continued)

Particulars of the subsidiaries as at 31 December 2018 are as follows: (Continued)

### 20. 於附屬公司的投資(續)

於二零一八年十二月三十一日，附屬公司之詳情如下：(續)

Name 名稱	Place of incorporation/ establishment and operation 成立及經營地點	Issued and fully paid up share capital/registered capital 已發行及繳足 股本/註冊資本	Percentage of ownership interest/ voting power/ profit sharing 應佔權益/ 投票權/溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Alphalite Company Limited 嘉能照明有限公司	Hong Kong 香港	HK\$1 1港元	—	100%	Trading and marketing of LED and plasma lighting products 從事LED及等離子照明產品之貿易及市場推廣
Ka Shui Metal Manufactory (Shenzhen) Company Limited* 嘉瑞金屬製品(深圳)有限公司	The PRC 中國	Registered capital HK\$40,000,000 註冊資本40,000,000 港元	—	100%	Sale and manufacture of zinc, magnesium and aluminium alloy die casting products and component 銷售及生產鋅、鎂及鋁合金壓鑄 產品及零部件
Alphalite Incorporation	USA 美國	US\$100 100美元	—	100%	Trading and marketing of LED and plasma lighting products 從事LED及等離子照明產品之貿易及市場推廣
Ka Shui (USA) Incorporation	USA 美國	US\$5,000 5,000美元	—	100%	Marketing of zinc, magnesium and aluminium alloy die casting and plastic injection products and components, trading of LED and home appliance products 從事鋅、鎂及鋁合金壓鑄及塑膠 注塑產品及零部件之市場推廣 以及LED及家居器具之貿易
Kalok Technology Investment Limited 嘉樂科技投資有限公司	BVI 英屬處女群島	US\$50,000 50,000美元	—	100%	Investment holding 投資控股

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 20. INVESTMENTS IN SUBSIDIARIES (Continued)

Particulars of the subsidiaries as at 31 December 2018 are as follows: (Continued)

### 20. 於附屬公司的投資(續)

於二零一八年十二月三十一日，附屬公司之詳情如下：(續)

Name 名稱	Place of incorporation/ establishment and operation 成立及經營地點	Issued and fully paid up share capital/registered capital 已發行及繳足 股本/註冊資本	Percentage of ownership interest/ voting power/ profit sharing 應佔權益/ 投票權/溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Wuhu Lenka Technologies Company Limited ("Wuhu Lenka")* 蕪湖聯嘉工業科技有限公司(「蕪 湖聯嘉」)	The PRC 中國	Registered capital RMB50,000,000 註冊資本人民幣 50,000,000元	—	100%	Sale and manufacture of magnesium alloy die casting products and components 銷售及生產鎂合金壓鑄產品及零 部件
Ka Shui Metal Company Limited 嘉瑞金屬有限公司	Hong Kong 香港	HK\$100,000 100,000港元	—	100%	Sale of magnesium alloy die casting products and components 銷售鎂合金壓鑄產品及零部件
Katchon Precision Holdings Company Limited 嘉昌精密控股有限公司	BVI 英屬處女群島	US\$1,000 1,000美元	—	70%	Investment holding 投資控股
Ka Shui Plastic Technology Company Limited (formerly known as "Katchon Industrial Company Limited") 嘉瑞塑膠科技有限公司 (前稱「嘉昌工業有限公司」)	Hong Kong 香港	HK\$1 1港元	—	100%	Research and development, trading of germ repellent plastic related product 斥菌塑膠相關產品之研發及銷售
Goodly Precision Industrial Limited 卓研精密工業有限公司	Hong Kong 香港	HK\$50,000 50,000港元	—	70%	Investment holding 投資控股
Goodly Precision (Suzhou) Industrial Limited ("Goodly Suzhou")* 卓研精密工業(蘇州)有限公司 (「卓研蘇州」)	The PRC 中國	Registered capital US\$5,000,000 註冊資本5,000,000 美元	—	70%	Research, manufacture and sale of plastic injection moulding and components of car- related products 汽車相關產品之塑膠注塑及零部 件之研發、生產及銷售

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 20. INVESTMENTS IN SUBSIDIARIES (Continued)

Particulars of the subsidiaries as at 31 December 2018 are as follows: (Continued)

Name 名稱	Place of incorporation/ establishment and operation 成立及經營地點	Issued and fully paid up share capital/registered capital 已發行及繳足 股本/註冊資本	Percentage of ownership interest/ voting power/ profit sharing 應佔權益/ 投票權/溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Qiqihaer Northern Ka Shui Light Alloy Technology Company Limited* 齊齊哈爾北方嘉瑞輕合金科技 有限公司	The PRC 中國	Registered capital RMB12,000,000 註冊資本人民幣 12,000,000元	—	51%	Research and development, trading of aluminium related products 鋁相關產品之研發及貿易
Huizhou Ka May New Material Technology Company Limited* 惠州嘉鎂新材料科技有限公司	The PRC 中國	Registered capital RMB1,000,000 註冊資本人民幣 1,000,000元	—	70%	Inactive 暫無業務
Ka Shui Aluminium Technology (Shenzhen) Company Limited* 嘉瑞鋁科技(深圳)有限公司	The PRC 中國	Registered capital RMB10,000,000 註冊資本人民幣 10,000,000元	—	70%	Inactive 暫無業務

\* English translation of the name is for identification purpose only.

\* 名稱之英文翻譯只供識別。

### 20. 於附屬公司的投資(續)

於二零一八年十二月三十一日，附屬公司之詳情如下：(續)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 20. INVESTMENTS IN SUBSIDIARIES (Continued)

Ka Shui Technology (Huizhou) Company Limited, Ample Wealth Property Developments (Huizhou) Limited, Ka Yi Technology (Huizhou) Company Limited, Ka Fung Industrial Technology (Huizhou) Company Limited, Ka Shui Metal Manufactory (Shenzhen) Company Limited, Huizhou Wing Yu Metal and Plastic Manufactory Company Limited and Goodly Suzhou are wholly-foreign owned enterprises established in the PRC. Wuhu Lenka, Qiqihaer Northern Ka Shui Light Alloy Technology Company Limited, Huizhou Ka May New Material Technology Company Limited and Ka Shui Aluminium Technology (Shenzhen) Company Limited are registered as a company with limited liability under the law of the PRC.

As at 31 December 2018, the bank and cash balances and restricted bank deposits of the Group's subsidiaries in the PRC denominated in RMB amounted to approximately HK\$111,930,000 (2017: HK\$130,612,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

### 20. 於附屬公司的投資(續)

嘉瑞科技(惠州)有限公司、富豐物業開發(惠州)有限公司、嘉宜科技(惠州)有限公司、嘉豐工業科技(惠州)有限公司、嘉瑞金屬製品(深圳)有限公司、惠州市永裕五金塑料製品有限公司及卓研蘇州為於中國成立之外商獨資企業。蕪湖聯嘉、齊齊哈爾北方嘉瑞輕體合金科技有限公司、惠州嘉鎂新材料科技有限公司及嘉瑞鋁科技(深圳)有限公司按中國法律成立之有限責任公司。

於二零一八年十二月三十一日，本集團於中國以人民幣計值的附屬公司的銀行及現金結餘及有限制銀行存款為約111,930,000港元(二零一七年：130,612,000港元)。將人民幣兌換為外幣須根據中國的《外匯管制條例》及《結匯、售匯及付匯管理規定》進行。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 20. INVESTMENTS IN SUBSIDIARIES (Continued)

The following table shows information on the subsidiary that has non-controlling interests (“NCI”) material to the Group. The summarised financial information represents amounts before inter-company eliminations.

### 20. 於附屬公司的投資(續)

下表顯示所擁有非控股權益(「非控股權益」)對本集團而言屬重大之附屬公司之資料。財務資料概要反映公司間抵銷前金額。

Name 名稱		Goodly Suzhou 卓研蘇州	
		2018 二零一八年	2017 二零一七年
Principal place of business/country of incorporation	主要營業地點/ 註冊成立國家	PRC/PRC 中国/中國	PRC/PRC 中国/中國
% of ownership interest/voting right held by NCI	非控股權益所持擁有權/ 投票權百分比	30%/30%	30%/30%
		HK\$'000 千港元	HK\$'000 千港元
<b>At 31 December:</b>	<b>於十二月三十一日:</b>		
Non-current assets	非流動資產	16,348	16,358
Current assets	流動資產	45,356	45,094
Current liabilities	流動負債	(14,345)	(14,491)
Net assets	淨資產	47,359	46,961
Accumulated NCI	累計非控股權益	14,207	14,088
<b>Year ended 31 December:</b>	<b>截至十二月三十一日 止年度:</b>		
Revenue	收入	88,573	71,748
Profit	溢利	3,315	7,675
Total comprehensive income	全面收益總額	398	10,688
Profit allocated to NCI	分配予非控股權益之溢利	995	2,303
Dividends paid to NCI	派付予非控股權益之股息	—	—
Net cash generated from operating activities	經營業務所得現金淨額	3,106	2,743
Net cash used in investing activities	投資業務所用現金淨額	(4,532)	(5,883)
Net cash used in financing activities	融資活動所用現金淨額	—	(276)
Net decrease in cash and cash equivalents	現金及等同現金項目 減少淨額	(1,426)	(3,416)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 21. CLUB MEMBERSHIP

### 21. 會所會籍

HK\$'000  
千港元

<b>Cost</b>	<b>成本值</b>	
At 31 December 2017 and 2018	於二零一七年及二零一八年 十二月三十一日	718

The Group's club membership of HK\$718,000 (2017: HK\$718,000) at 31 December 2018 is assessed as having indefinite useful life because there is no time limit that the Group can enjoy the services provided by that club.

本集團於二零一八年十二月三十一日之會所會籍價值718,000港元(二零一七年: 718,000港元)已評定為具無限可使用年期,原因是本集團享用該會所提供服務之時間並無限制。

### 22. INVESTMENTS IN ASSOCIATES

### 22. 於聯營公司之投資

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Unlisted investments:	非上市投資:		
Share of net assets	攤分淨資產	10,951	704
Goodwill	商譽	632	632
		11,583	1,336
Impairment losses	減值虧損	(1,652)	—
		9,931	1,336

The amounts due from/to associates are unsecured, interest free and repayable on demand.

應收/應付聯營公司款項為無抵押、免息及須在要求時即時償還。

Impairment losses on investments in associates are recognised as the Group expects that there will be no future profit for certain associates.

因為本集團預期若干聯營公司在將來沒有盈利,因此確認於聯營公司投資之減值虧損。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 22. INVESTMENTS IN ASSOCIATES (Continued)

Details of the Group's associates at 31 December 2018 are as follows:

Name	Place of incorporation/ registration	Issued and fully paid up share capital/registered capital	Percentage of ownership interest/ voting power/ profit sharing	Principal activities
名稱	註冊/登記地點	已發行及繳足股本/註冊資本	應佔權益/ 投票權/ 溢利百分比	主要業務
Topanga Asia Limited ("Topanga Asia") 勁亮嘉科技有限公司 (「勁亮嘉」)	Hong Kong 香港	HK\$127,373,638 127,373,638港元	38.9%	Inactive 暫無業務
Topanga Technology (Huizhou) Limited* 勁亮嘉科技(惠州)有限公司	The PRC 中國	Registered capital HK\$6,500,000 註冊資本6,500,000 港元	38.9%	Inactive 暫無業務
Huizhou Intelligent Foundry Industry Light Alloy Innovation Center Company Limited* 惠州共享智能鑄造產業輕合金創新中心有限公司	The PRC 中國	Registered capital RMB20,000,000 註冊資本人民幣 20,000,000元	46%	Research and development, manufacture and trading of light alloy moulds 輕合金模具之研發、生產及 貿易

\* English translation of the name is for identification purpose only.

### 22. 於聯營公司之投資(續)

於二零一八年十二月三十一日本集團之聯營公司資料如下：

\* 名稱之英文翻譯只供識別。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 22. INVESTMENTS IN ASSOCIATES (Continued)

The following table shows, in aggregate, the Group's share of the amounts of all individually immaterial associates that are accounted for using the equity method.

### 22. 於聯營公司之投資(續)

下表載列本集團以權益會計法入賬之所有個別非重要聯營公司攤分金額總數：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>At 31 December:</b>	<b>於十二月三十一日：</b>		
Carrying amounts of interests	權益賬面值	9,931	1,336
<b>Year ended 31 December:</b>	<b>截至十二月三十一日 止年度：</b>		
Loss from operations	經營虧損	(146)	(325)
Other comprehensive income	其他全面收益	(25)	(16)
Total comprehensive income	全面收益總額	(171)	(341)

As at 31 December 2018, the bank and cash balances of the Group's associates in the PRC denominated in RMB amounted to approximately HK\$11,543,000 (2017: HK\$65,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

於二零一八年十二月三十一日，本集團於中國以人民幣計值的聯營公司的銀行及現金結餘為約11,543,000港元(二零一七年：65,000港元)。將人民幣兌換為外幣須根據中國的《外匯管制條例》及《結匯、售匯及付匯管理規定》進行。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 23. FINANCIAL ASSETS AT FVTOCI (2017: AVAILABLE-FOR-SALE FINANCIAL ASSETS)

### 23. 按公平值計入其他全面收益之金融資產(二零一七年:可供出售金融資產)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Unlisted equity, at fair value (2017: at cost)	非上市股本(二零一七年: 按成本計算)	—	8,303
Impairment loss	減值虧損	—	(8,303)
		—	—

The investee company has ceased business in previous years and the management has made full impairment loss for the investment.

被投資公司已於數年前終止業務及管理層已對此項投資作出全數減值虧損。

### 24. INVENTORIES

### 24. 存貨

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Raw materials	原材料	<b>63,465</b>	48,908
Consumables supplies and spare parts	消耗品供應及備用零部件	<b>7,485</b>	10,984
Work in progress	在製品	<b>93,769</b>	101,673
Finished goods	製成品	<b>115,159</b>	109,405
		<b>279,878</b>	270,970
Less: Allowance for inventories	減: 存貨撥備	<b>(35,123)</b>	(18,564)
		<b>244,755</b>	252,406

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 25. TRADE RECEIVABLES

The Group's trading terms with customers are mainly on credit. The credit terms generally ranged from 30 to 120 days (2017: 30 to 120 days) after the end of the month in which the invoices issued. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors. The ageing analysis of trade receivables, based on the invoice date, and net of allowance, is stated as follows:

### 25. 貿易應收款項

本集團與客戶之交易主要以信貸形式進行。信貸期一般介乎開票當月結束後30至120天(二零一七年:30至120天)。每名客戶有最高信貸限額。本集團致力嚴格控制未償還應收款項,由董事定期檢討過期未付結餘。應收賬款(扣除撥備)按發票日期之賬齡分析載列如下:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 to 30 days	0至30日	140,160	173,319
31 to 60 days	31至60日	110,524	108,282
61 to 90 days	61至90日	46,486	46,714
91 to 180 days	91至180日	79,644	86,705
Over 180 days	180日以上	200	1,136
		<b>377,014</b>	416,156
Less: Allowance for bad and doubtful debts	減: 壞賬及呆賬之撥備	<b>(229)</b>	(764)
		<b>376,785</b>	415,392

At 31 December 2018, an allowance was made for estimated irrecoverable trade receivables of approximately HK\$229,000 (2017: HK\$764,000) (note 6(b)).

於二零一八年十二月三十一日,就估計不可收回貿易應收賬款作出撥備約229,000港元(二零一七年:764,000港元)(附註6(b))。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 25. TRADE RECEIVABLES (Continued)

The carrying amount of the Group's trade receivables are denominated in the following currencies:

### 25. 貿易應收款項(續)

本集團貿易應收款項的賬面值以下列貨幣列值：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
HK\$	港元	21,469	31,653
USD	美元	284,394	332,923
RMB	人民幣	70,678	48,341
Others	其他	473	3,239
		<b>377,014</b>	416,156
Less: Allowance for bad and doubtful debts	減：壞賬及呆賬之撥備	<b>(229)</b>	(764)
		<b>376,785</b>	415,392

### 26. CONTRACT ASSETS/CONTRACT LIABILITIES

### 26. 合約資產／合約負債

		31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	1 January 2018 二零一八年 一月一日 HK\$'000 千港元	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
<b>Contract assets</b>	<b>合約資產</b>			
Arising from sales of moulds	由模具銷售所產生	4,978	8,862	—
Arising from sales of OEM Products	由原設備製造產品銷售所產生	9,692	12,816	—
		<b>14,670</b>	21,678	—
Receivables from contracts with customers within the scope of HKFRS 15, which are included in "Trade receivables"	香港財務報告準則第15號範圍內與客戶之合約之應收款項(已包括在貿易應收款項內)	<b>376,785</b>	415,392	

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 26. CONTRACT ASSETS/CONTRACT LIABILITIES (Continued)

Amounts relating to contract assets are balances due from customers under sales contracts that arise when the Group's unconditional right to receive payments from customers is not in line with (i) the progress of the OEM Products manufactured under contracts in which the Group has enforceable right to payment and (ii) when the control of moulds which are billed together with products is passed to customers. Payment for OEM Products and moulds is not due from the customer until the products are delivered to the customer, and therefore a contract asset is recognised (i) over the period in which the OEM Products are manufactured; and (ii) when the control of moulds are transferred to the customers to represent the Group's right to consideration for the services transferred to date.

There were no significant changes in the contract assets balances during the reporting period.

The amount of contract assets that is expected to be recovered after more than one year is approximately HK\$4,283,000 (2017: HK\$Nil).

### 26. 合約資產／合約負債(續)

與合約資產相關的金額為當本集團之無條件向客戶收取款項之權利與以下不一致：(i) 按本集團擁有款項強制執行權之合約所生產的原設備製造產品的進度；及(ii)與產品一併發出賬單之模具控制權轉移至客戶時，產生應收客戶銷售合約的結餘。於產品交付客戶後，始收取客戶的原設備製造產品及模具的款項，因此，合約資產於以下情況被確認：(i)原設備製造產品生產期間；及(ii)當模具控制權轉移至客戶(即本集團已轉移迄今為止服務的代價權)時。

於報告期間，合約資產結餘並無重大變化。

預期一年以上可收回的合約資產金額為約4,283,000元(二零一七年：零港元)。

Contract liabilities	合約負債	31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	1 January 2018 二零一八年 一月一日 HK\$'000 千港元	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
Billings in advance of performance obligation arising from sales of OEM Products and moulds	銷售原設備製造產品及模具產生履約責任的預收款項	1,500	12,615	—

Contract liabilities relating to sales of OEM Products and moulds are balances due to customers under contracts with customers. They arise because customers pay deposits for the sales contract which exceed the revenue recognised to date.

There were no significant changes in the contract liabilities balances during the reporting period.

與原設備製造產品及模具銷售相關的合約負債為應付客戶合約款項的結餘。該款項乃因客戶支付的銷售合約按金超過迄今已確認的收入。

於報告期間，合約負債結餘並無重大變化。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 26. CONTRACT ASSETS/CONTRACT LIABILITIES (Continued)

Movements in contract liabilities:

		2018 二零一八年 HK\$'000 千港元
Balance at 1 January	於一月一日結餘	12,615
Decrease in contract liabilities as a result of recognising revenue during the year was included in the contract liabilities at the beginning of the period	年內確認收入導致合約負債減少已計入期初的合約負債內	(110,844)
Increase in contract liabilities as a result of billing in advance of sales of OEM Products and moulds	銷售原設備製造產品及模具的預收款項導致合約負債增加	99,732
Effect of foreign exchange rate changes	匯率變動的影響	(3)
Balance at 31 December	於十二月三十一日結餘	1,500

### 26. 合約資產／合約負債(續)

合約負債變動：

### 27. RESTRICTED BANK BALANCES AND BANK AND CASH BALANCES

The Group's restricted bank balances represent:

- (a) Balance of RMB1,653,000 (equivalent to approximately HK\$1,867,000) (2017: RMB950,000 (equivalent to approximately HK\$1,140,000)) to guarantee for the use of natural gas in the PRC (2017: guarantee for the use of natural gas in the PRC);
- (b) Balance of HK\$1,910,000 and RMB1,540,000 (equivalent to approximately HK\$1,740,000) (2017: RMB1,744,000 (equivalent to approximately HK\$2,094,000)) to guarantee to the customs office in the PRC.

The cash at banks earned interest at floating interest rates ranging from 0.01% to 0.35% per annum (2017: 0.01% to 0.25% per annum).

### 27. 有限制銀行存款與銀行及現金結餘

本集團的有限制銀行存款指：

- (a) 人民幣1,653,000元(相等於約1,867,000港元)(二零一七年：人民幣950,000元(相等於約1,140,000港元))作為於中國使用天然氣之擔保(二零一七年：於中國使用天然氣之擔保)；
- (b) 1,910,000港元及人民幣1,540,000元(相等於約1,740,000港元)(二零一七年：人民幣1,744,000(相等於約2,094,000港元))用作向中國海關的擔保。

銀行存款按每年0.01厘至0.35厘(二零一七年：每年0.01厘至0.25厘)的浮動利率賺取利息。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 27. RESTRICTED BANK BALANCES AND BANK AND CASH BALANCES (Continued)

The carrying amounts of bank and cash balances are denominated in the following currencies:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
HK\$	港元	48,419	21,035
USD	美元	94,489	92,495
RMB	人民幣	106,499	128,877
EURO	歐元	1,151	1,529
Others	其他	48	58
		<b>250,606</b>	243,994

Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

### 28. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

The ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 to 30 days	0至30日	66,541	102,808
31 to 60 days	31至60日	73,753	85,317
61 to 90 days	61至90日	59,650	69,284
91 to 180 days	91至180日	60,409	104,211
Over 180 days	180日以上	3,679	5,774
		<b>264,032</b>	367,394

### 27. 有限制銀行存款與銀行及現金結餘(續)

銀行及現金結餘之賬面值以下列貨幣為單位：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
HK\$	港元	48,419	21,035
USD	美元	94,489	92,495
RMB	人民幣	106,499	128,877
EURO	歐元	1,151	1,529
Others	其他	48	58
		<b>250,606</b>	243,994

根據中國的《外匯管制條例》及《結匯、售匯及付匯管理規定》，本集團獲允許可透過獲授權開展外匯業務的銀行以人民幣兌換外幣。

### 28. 貿易應付款項、其他應付款項及應計費用

貿易應付款項按收貨日期計算的賬齡分析如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 28. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS (Continued)

The carrying amount of the Group's trade payables are denominated in the following currencies:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
HK\$	港元	4,954	7,797
USD	美元	63,602	60,929
RMB	人民幣	195,277	298,596
Others	其他	199	72
		<b>264,032</b>	367,394

Other payables and accruals comprise the following:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Accrued wages	應計工資	48,118	34,519
Other accrued expenses	其他應計費用	21,569	18,075
Other payables	其他應付款項	25,597	30,475
		<b>95,284</b>	83,069

The carrying amount of the Group's other payables and accruals is denominated in the following currencies:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
HK\$	港元	13,724	5,351
USD	美元	13,118	16,042
RMB	人民幣	68,424	61,652
Others	其他	18	24
		<b>95,284</b>	83,069

### 28. 貿易應付款項、其他應付款項及應計費用(續)

本集團貿易應付款項賬面值以下列貨幣為單位：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
HK\$	港元	4,954	7,797
USD	美元	63,602	60,929
RMB	人民幣	195,277	298,596
Others	其他	199	72
		<b>264,032</b>	367,394

其他應付款項及應計費用包括以下各項：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Accrued wages	應計工資	48,118	34,519
Other accrued expenses	其他應計費用	21,569	18,075
Other payables	其他應付款項	25,597	30,475
		<b>95,284</b>	83,069

本集團其他應付款項及應計費用的賬面值按以下貨幣列值：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
HK\$	港元	13,724	5,351
USD	美元	13,118	16,042
RMB	人民幣	68,424	61,652
Others	其他	18	24
		<b>95,284</b>	83,069

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 29. DUE TO A RELATED COMPANY

Particulars of the amount due to a related company are as follows:

### 29. 應付關聯公司款項

應付關聯公司款項詳情如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Chit Shun Machinery Limited	捷迅機械設備有限公司	—	4,465

The amount due to a related company is of trade nature and is unsecured, interest free and repayable on demand. Mr. Lee has joint control in the related company. On 29 March 2018, Mr. Lee disposed his interest in Chit Shun Machinery Limited and the balance with Chit Shun Machinery Limited since then was reclassified to other payables and accruals.

應付關聯公司的款項為業務性質及並無抵押、免息及須在要求時即期償還。李先生在關聯公司擁有共同控制。於二零一八年三月二十九日，李先生出售彼在捷迅機械設備有限公司之權益，此後與捷迅機械設備有限公司之結餘重新分類為其他應付款項及應計費用。

### 30. BANK BORROWINGS

The analysis of the carrying amount of bank borrowings is as follows:

### 30. 銀行借款

銀行借款的賬面值分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Current liabilities</b>	<b>流動負債</b>		
Portion of bank borrowings due for repayment within one year	須於一年內到期償還的銀行貸款部分	<b>221,491</b>	245,364
Portion of bank borrowings due for repayment after one year which contains a repayment on demand clause	須於一年後到期償還的包含按要償還條款的銀行貸款部分	<b>21,363</b>	81,247
		<b>242,854</b>	326,611
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Portion of bank borrowings due for repayment after one year which do not contain repayment on demand clause	須於一年後到期償還的不包含按要償還條款的銀行貸款部分	<b>81,848</b>	41,667



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 30. BANK BORROWINGS (Continued)

The interest-bearing bank borrowings, including the bank borrowings repayable on demand, are carried at amortised cost. None of the portion of bank borrowings due for repayment after one year which contain a repayment on demand clause that is classified as current liabilities is expected to be settled within one year.

At 31 December 2018, interest-bearing bank loans were due for repayment as follows:

### 30. 銀行借款(續)

計息銀行貸款(包括須按要求償還的銀行貸款)乃按攤銷成本列賬。須於一年後到期償還的包含按要求償還條款且分類為流動負債的銀行貸款部分預期毋須於一年內清償。

於二零一八年十二月三十一日，到期償還的計息銀行貸款如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Portion of bank borrowings due for repayment within one year	須於一年內到期償還的銀行貸款部分	221,491	245,364
Portion of bank borrowings due for repayment after one year which contains a repayment on demand clause (note (a)):	須於一年後到期償還(包含按要求償還條款)的銀行貸款部分(附註(a)):		
After 1 year but within 2 years	一年之後但兩年之內	21,363	59,905
After 2 years but within 5 years	兩年之後但五年之內	—	21,342
		<b>21,363</b>	81,247
Portion of bank borrowings due for repayment after one year which do not contain a repayment on demand clause:	須於一年後到期償還(不包含按要求償還條款)的銀行貸款部分:		
After 1 year but within 2 years	一年之後但兩年之內	54,319	26,667
After 2 years but within 5 years	兩年之後但五年之內	27,529	15,000
		<b>81,848</b>	41,667
		<b>324,702</b>	368,278

Note:

- (a) The amounts due are based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause.

附註：

- (a) 結欠款項乃按貸款協議所載的預定還款期為基準，並無計及任何按要求償還條款的影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 30. BANK BORROWINGS (Continued)

Seven (2017: Seven) of the bank facilities are subject to the fulfillment of covenants relating to certain of the Group's financial ratios, as are commonly found in lending arrangements with financial institutions. Should the Group breach the covenants, the drawn down facilities would become repayable on demand. In addition, some of the Group's bank loan agreements contain clauses which give the lenders the right at their sole discretion to demand immediate repayment at any time irrespective of whether the Group has complied with the covenants and met the scheduled repayment obligations.

The Group regularly monitors its compliance with these covenants, and is up to date with the scheduled repayments of the bank borrowings. Further details of the Group's management of liquidity risk are set out in note 6(c). There have been no breaches in the financial covenants of any interest-bearing borrowings for the years ended 31 December 2017 and 2018.

All bank borrowings were arranged at floating interest rate. The range of the interest rates per annum at 31 December 2018 was as follows:

### 30. 銀行借款(續)

七個(二零一七年：七個)銀行融資額度需符合有關本集團若干財務比率之契諾，該等契諾通常於與金融機構訂立之貸款安排中出現。倘本集團違反有關契諾，則已動用之融資額度須按要求償還。此外，本集團若干銀行貸款協議之條款中給予貸款人全權酌情決定隨時要求即時償還貸款的權利，而無論本集團是否遵守契諾及符合預定償還職責。

本集團定期監控此等契諾之遵守，並根據銀行貸款的預定還款期作出償還。本集團控制流動資金風險的進一步詳情載於附註6(c)。於截至二零一七年及二零一八年十二月三十一日止年度，概無違反任何計息借款之財務契諾。

所有銀行借款乃按浮動利率計息。於二零一八年十二月三十一日的年利率範圍如下：

		2018 二零一八年 % per annum 每年	2017 二零一七年 % per annum 每年
Floating rate	浮動利率	<b>2.8%-5.2%</b>	2.9%-4.5%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 30. BANK BORROWINGS (Continued)

The carrying amount of the bank borrowings is denominated in the following currencies:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
HK\$	港元	324,702	332,264
RMB	人民幣	—	36,014
USD	美元	—	—
Total	總計	324,702	368,278

### 31. BANKING FACILITIES

As at 31 December 2018, the Group had available banking facilities of approximately HK\$696,000,000 (2017: HK\$799,000,000), which were utilised to the extent of approximately HK\$325,000,000 (2017: HK\$368,000,000). These banking facilities were secured by the following:

- (a) corporate guarantees provided by the Company and certain subsidiaries of the Group;
- (b) a property situated in Hong Kong owned by the Group; and
- (c) all monies assignment of rental over the property situated in Hong Kong owned by the Group.

### 30. 銀行借款(續)

銀行借款賬面值以下列貨幣為計算單位：

### 31. 銀行信貸

於二零一八年十二月三十一日，本集團可動用的銀行信貸為約696,000,000港元（二零一七年：799,000,000港元），而已動用的數額為約325,000,000港元（二零一七年：368,000,000港元）。此等銀行信貸以下列項目作為抵押：

- (a) 本公司及本集團若干附屬公司提供的公司擔保；
- (b) 本集團擁有的一項香港物業；及
- (c) 本集團在香港擁有之物業由租金轉讓之所有金額。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 32. DEFERRED TAX ASSETS/LIABILITIES

The following is the deferred tax liabilities and assets recognised by the Group, and the movements thereon, during the year:

Deferred tax liabilities:

### 32. 遞延稅項資產／負債

以下為本集團於年內已確認的遞延稅項負債及資產與相關變動：

遞延稅項負債：

		Undistributed earnings of a subsidiary 附屬公司 未分派盈利 HK\$'000 千港元	Revaluation of leasehold land 租賃土地 價值重估 HK\$'000 千港元	Temporary differences arising from the adoption of HKFRS 15 採納香港財務 報告準則第15號 產生之暫時差額 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	15,852	41,304	—	57,156
Disposal of a subsidiary	出售一間附屬公司	—	(10,006)	—	(10,006)
Withholding tax paid	已付預提稅	(15,852)	—	—	(15,852)
Charge to other comprehensive income for the year	於年內支賬至其他全面 收益	—	1,576	—	1,576
Exchange differences	匯兌差額	—	1,997	—	1,997
At 31 December 2017	於二零一七年 十二月三十一日	—	34,871	—	34,871
Impact on initial application of HKFRS 15 (note 3)	初次應用香港財務報告準則 第15號之影響(附註3)	—	—	2,139	2,139
At 1 January 2018	於二零一八年一月一日	—	34,871	2,139	37,010
Charge to other comprehensive income for the year	於年內支賬至其他全面 收益	—	6,647	—	6,647
Credit to profit or loss for the year (note 13)	於年內入賬至損益 (附註13)	—	(4,195)	(1,096)	(5,291)
Exchange differences	匯兌差額	—	(1,512)	(74)	(1,586)
At 31 December 2018	於二零一八年 十二月三十一日	—	35,811	969	36,780

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 32. DEFERRED TAX ASSETS/LIABILITIES (Continued)

Deferred tax assets:

		Tax losses	Decelerated tax depreciation	Fair value adjustment on business combination	Total
		稅項虧損 HK\$'000 千港元	減速稅項折舊 HK\$'000 千港元	業務合併的 公平值調整 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	1,032	—	373	1,405
Charge to profit or loss for the year (note 13)	年內支賬至損益(附註13)	—	—	(87)	(87)
Exchange differences	匯兌差額	77	—	24	101
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	1,109	—	310	1,419
Credit/(charge) to profit or loss for the year (note 13)	於年內入賬/(支賬)至損益(附註13)	7,239	141	(80)	7,300
Exchange differences	匯兌差額	(410)	—	(15)	(425)
At 31 December 2018	於二零一八年十二月三十一日	<b>7,938</b>	<b>141</b>	<b>215</b>	<b>8,294</b>

The following is the analysis of the deferred tax balances (after offset) for consolidated statement of financial position purposes:

### 32. 遞延稅項資產/負債(續)

遞延稅項資產：

就綜合財務狀況表而言，遞延稅項結餘(抵銷後)之分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Deferred tax liabilities	遞延稅項負債	<b>28,701</b>	33,762
Deferred tax assets	遞延稅項資產	<b>(215)</b>	(310)
Total	總計	<b>28,486</b>	33,452

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 32. DEFERRED TAX ASSETS/LIABILITIES (Continued)

At 31 December 2018, the Group had unused tax losses of approximately HK\$290,513,000 (2017: HK\$295,415,000) which are available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$31,752,000 (2017: HK\$4,437,000) of such losses. No deferred tax asset has been recognised in respect of the remaining tax losses due to the unpredictability of future profit streams. Included in the unrecognised tax losses are losses of approximately HK\$13,641,000 (2017: HK\$11,361,000) which may be carried forward indefinitely. The remaining unrecognised tax losses of approximately HK\$245,120,000 (2017: HK\$279,617,000) will expire as follows:

### 32. 遞延稅項資產／負債(續)

於二零一八年十二月三十一日，本集團有未動用稅項虧損約290,513,000港元(二零一七年：295,415,000港元)可供抵銷未來溢利。就該等虧損約31,752,000港元(二零一七年：4,437,000港元)確認為遞延稅項資產。概無就該等剩餘稅項虧損確認為遞延稅項資產，因為未能確定未來溢利流入。未確認稅項虧損中包括虧損約13,641,000港元(二零一七年：11,361,000港元)，可無限期結轉。餘下之未確認稅項虧損約245,120,000港元(二零一七年：279,617,000港元)將於下列期間到期：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Year 2018	二零一八年	—	145
Year 2019	二零一九年	2,343	22,876
Year 2020	二零二零年	30,129	51,473
Year 2021	二零二一年	51,729	54,958
Year 2022	二零二二年	143,507	142,698
Year 2023	二零二三年	10,580	—
Year 2024	二零二四年	926	1,561
Year 2025	二零二五年	2,955	2,955
Year 2026	二零二六年	2,951	2,951
		<b>245,120</b>	279,617

At 31 December 2018, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries operated in the PRC and the United States are approximately HK\$217,455,000 (2017: HK\$214,404,000) and HK\$1,551,000 (2017: HK\$Nil) respectively. No liability has been recognised in respect of these temporary differences because the Group is in a position to control the timing of reversal of the temporary differences and it is probable that such differences will not be reversed in the foreseeable future.

於二零一八年十二月三十一日，與中國及美國營運之附屬公司之未分派盈利有關之暫時差額總數分別為約217,455,000港元(二零一七年：214,404,000港元)及1,551,000港元(二零一七年：零港元)。本集團並無就暫時差額確認負債，原因為本集團能控制暫時差額的回撥時間，而該差額將不可能於可見未來回撥。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 33. SHARE CAPITAL

### 33. 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股		
At 1 January 2017, 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年一月一日、二零一七年十二月三十一日、二零一八年一月一日及二零一八年十二月三十一日	5,000,000,000	500,000
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股		
At 1 January 2017, 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年一月一日、二零一七年十二月三十一日、二零一八年一月一日及二零一八年十二月三十一日	893,761,400	89,376

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from the previous year.

本集團管理其資本以確保本集團內之實體將可持續經營，而持份者亦可透過優化債務及權益結餘取得最大回報。本集團的整體策略與去年無異。

The capital structure of the Group consists of cash and cash equivalents and total equity, comprising issued share capital, reserves, retained earnings and non-controlling interests. The directors of the Company review the capital structure on a semi-annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

本集團的資本架構包括現金及等同現金項目及權益總額，包括已發行股本、儲備、保留盈利及非控股權益。本公司董事每半年檢討一次資本架構。於進行檢討時，董事考慮資本成本及有關各類資本的風險。根據董事的建議，本集團將透過派付股息、發行新股及購回股份以及發行新債項或贖回現有債項，藉以平衡其整體資本架構。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 33. SHARE CAPITAL (Continued)

The net gearing ratio at the year end is as follows:

### 33. 股本(續)

於年終的淨借貸比率如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Debt (note (a))	負債(附註(a))	324,702	368,278
Less: Restricted bank deposits	減：有限制銀行存款	(5,517)	(3,234)
Bank and cash balances	銀行及現金結餘	(250,606)	(243,994)
Net debt	負債淨額	68,579	121,050
Equity (note (b))	權益(附註(b))	957,860	866,643
Net debt to equity ratio	負債淨額與權益比率	7.2%	14.0%

Note:

(a) Debt is defined as bank borrowings as detailed in note 30 to the consolidated financial statements.

(b) Equity includes all capital and reserves of the Group.

The only externally imposed capital requirements for the Group are (i) in order to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of its shares; and (ii) to meet financial covenants attached to the interest-bearing borrowings. The Group receives reports from major shareholders and other connected persons on any changes in shares held by them to ensure the continuing compliance with the 25% limit throughout the year. As at 31 December 2018, 29.64% (2017: 29.64%) of the shares were in public hands. There have been no breaches in the financial covenants of any interest-bearing borrowings as at 31 December 2017 and 2018.

附註：

(a) 債務乃界定為銀行借款，有關詳情載於綜合財務報表附註30。

(b) 權益包括本集團所有資本及儲備。

本集團唯一向外承擔之資本規定為(i)於聯交所之上市地位及具有不少於25%之公眾持股量；及(ii)遵守附於計息借款之財務契約。本集團從主要股東及其他關連人士收取有關彼等所持有的股份之任何變動的報告，以確保年內持續遵守25%的限制。於二零一八年十二月三十一日，29.64% (二零一七年：29.64%) 之股份由公眾持有。於截至二零一七年及二零一八年十二月三十一日止年度，概無違反任何計息借款之財務契約。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 34. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

### 34. 本公司財務狀況表及儲備變動

#### (a) Statement of financial position of the Company

#### (a) 本公司財務狀況表

	Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>		
Investments in subsidiaries	於附屬公司的投資	465,896	84,282
<b>Current assets</b>	<b>流動資產</b>		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	222	50
Due from subsidiaries	應收附屬公司款項	—	373,277
Bank and cash balances	銀行及現金結餘	140	181
		<b>362</b>	373,508
<b>Current liabilities</b>	<b>流動負債</b>		
Other payables and accruals	其他應付款項及應計費用	9	8
Due to subsidiaries	應付附屬公司款項	103,502	93,180
Financial guarantee contracts liabilities	財務擔保合約負債	24,920	29,477
		<b>128,431</b>	122,665
<b>Net current (liabilities)/ assets</b>	<b>流動(負債)/資產淨值</b>	<b>(128,069)</b>	250,843
<b>NET ASSETS</b>	<b>資產淨值</b>	<b>337,827</b>	335,125
<b>Capital and reserves</b>	<b>資本及儲備</b>		
Share capital	股本	89,376	89,376
Reserves	儲備	248,451	245,749
	34(b)		
<b>TOTAL EQUITY</b>	<b>權益總額</b>	<b>337,827</b>	335,125

Approved by the Board of Directors on 26 March 2019 and are signed on its behalf by:

經董事會於二零一九年三月二十六日批准，並由以下董事代表簽署：

Lee Yuen Fat  
李遠發  
Director  
董事

Wong Wing Chuen  
黃永銓  
Director  
董事

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 34. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

### 34. 本公司財務狀況表及儲備變動(續)

#### (b) Reserve movement of the Company

#### (b) 本公司之儲備變動

		Share premium 股份溢價 HK\$'000 千港元	Share option reserve 購股權 儲備 HK\$'000 千港元	Retained profits 保留盈利 HK\$'000 千港元	Total 總數 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	204,650	10	43,059	247,719
Dividend paid	已付股息	—	—	(8,938)	(8,938)
Profit for the year	年內溢利	—	—	6,968	6,968
At 31 December 2017	於二零一七年十二月三十一日	204,650	10	41,089	245,749
At 1 January 2018	於二零一八年一月一日	204,650	10	41,089	245,749
Lapse of share options	失效之購股權	—	(10)	10	—
Dividend paid	已付股息	—	—	(8,938)	(8,938)
Profit for the year	年內溢利	—	—	11,640	11,640
At 31 December 2018	於二零一八年十二月三十一日	<b>204,650</b>	<b>—</b>	<b>43,801</b>	<b>248,451</b>

### 35. RESERVES

### 35. 儲備

#### (a) The Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statements of changes in equity.

#### (a) 本集團

本集團的儲備款項及相關變動均於綜合損益及其他全面收益表及綜合權益變動表呈列。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 35. RESERVES (Continued)

#### (b) Nature and purpose of reserves

##### (i) Share premium

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share. Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

##### (ii) Merger reserve

The merger reserve represents the aggregate of (i) the nominal value of the shares issued by Ka Fung Metal Manufactory Company Limited on 18 January 2005 in exchange for the business of Ka Fung Metal Manufactory, an unincorporated partnership established in Hong Kong and controlled by Mr. Lee; and (ii) the nominal value of the shares issued by the Company in exchange for the entire shareholdings of Ka Shui (Holdings) Company Limited.

##### (iii) Capital reserve

The capital reserve represents (i) the amount of minority interests in Ka Fung Metal Manufactory Company Limited and Ka Fung Metal Manufactory acquired by the Group; (ii) the adjustment of non-controlling interest arising from further acquisition of the equity interest up to 79.7% in Topanga Asia and up to 100% in Wuhu Lenka during the year ended 31 December 2015; and (iii) the adjustment of non-controlling interest arising from the deemed disposal of Topanga Asia.

### 35. 儲備(續)

#### (b) 儲備之性質及目的

##### (i) 股份溢價

股份溢價乃指因按高於每股面值的價格發行股份而產生的溢價。根據開曼群島公司法，本公司的股份溢價賬的資金乃可分派予本公司的股東，惟緊隨股息建議分派之日後，本公司須有能力償還於日常業務過程中到期的債務。

##### (ii) 合併儲備

合併儲備指以下兩項的總和：(i) 嘉豐金屬製品廠有限公司於二零零五年一月十八日為換取嘉豐金屬製品廠(一間非按公司法註冊成立的合夥公司，在香港成立，並由李先生控制)之業務而發行的股份面值；及(ii)本公司為換取嘉瑞集團有限公司的全部股權而發行的股份面值。

##### (iii) 資本儲備

資本儲備指(i)本集團收購嘉豐金屬製品廠有限公司及嘉豐金屬製品廠少數股東權益的款額；(ii)於截至二零一五年十二月三十一日止年度因進一步收購勁亮嘉至79.7%及蕪湖聯嘉至100%股權而產生之非控股權益調整；及(iii)由視作出售勁亮嘉而導致非控股權益之調整。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 35. RESERVES (Continued)

#### (b) Nature and purpose of reserves (Continued)

##### (iv) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 4(d)(iii) to the consolidated financial statements.

##### (v) Share option reserve

The share option reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 4(s) to the consolidated financial statements.

##### (vi) Statutory reserve

The statutory reserve comprises the PRC statutory reserve fund which is non-distributable.

As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, the Company's PRC subsidiaries are required to transfer 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the statutory reserve fund reaches 50% of their registered capital. The statutory surplus reserve fund can be used to make up prior year losses or applied in conversion into capital.

### 35. 儲備(續)

#### (b) 儲備之性質及目的(續)

##### (iv) 匯兌儲備

匯兌儲備包括來自換算海外業務財務報表時產生的所有匯兌差額。該等儲備根據綜合財務報表附註4(d)(iii)所示會計政策處理。

##### (v) 購股權儲備

購股權儲備指根據綜合財務報表附註4(s)所載按股權結算以股份支付的款項而採納的會計政策確認的授予本集團僱員的未行使購股權的實際或估計數目的公平值。

##### (vi) 法定儲備

法定儲備包括不可分派的中國法定儲備基金。

中國規管外商投資企業的相關法律及條例規定，本公司的中國附屬公司須根據中國會計法例及條例計算的除稅後溢利10%轉撥至法定儲備基金，直至累計法定儲備基金總額達到註冊資本的50%為止。法定盈餘儲備基金可用來填補過往年度虧損或撥入資本。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 35. RESERVES (Continued)

#### (b) Nature and purpose of reserves (Continued)

##### (vii) Land revaluation reserve

The land revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for leasehold land in note 4(e) to the consolidated financial statements.

##### (viii) Financial assets at FVTOCI reserve

The financial assets at FVTOCI reserve comprises the cumulative net change in the fair value of financial assets at FVTOCI held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 4(m) to the consolidated financial statements.

### 36. SHARE-BASED PAYMENTS

#### (a) Share Option Scheme

##### (i) Share option scheme adopted in 2007

Pursuant to written resolutions of all the shareholders passed on 2 June 2007, a share option scheme ("2007 Scheme") was approved. The purpose of the 2007 Scheme is to recognise and acknowledge the contributions that eligible participants had made or may make to the Group. Eligible participants include (i) employees, directors, consultants, professionals, customers, suppliers, agents, partners or advisors of or contractors to the Group or a company in which the Group holds an interest or a subsidiary of such company ("Affiliate"), or (ii) companies beneficially owned by any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate. The 2007 Scheme became effective on 2 June 2007 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

### 35. 儲備(續)

#### (b) 儲備之性質及目的(續)

##### (vii) 土地重估儲備

設立土地重估儲備乃根據綜合財務報表附註4(e)所載有關租賃土地而採納之會計政策。

##### (viii) 按公平值計入其他全面收益儲備之金融資產

按公平值計入其他全面收益儲備之金融資產包括於報告末期持有的按公平值計入其他全面收益之金融資產之公平值累計淨變動，乃根據綜合財務報表附註4(m)之會計政策處理。

### 36. 以股權結算之款項

#### (a) 購股權計劃

##### (i) 於二零零七年採納之購股權計劃

根據全體股東於二零零七年六月二日通過的書面決議案，購股權計劃(「二零零七計劃」)已獲採納。二零零七計劃目的在於認可及酬謝合資格參與者已經或可能對本集團作出的貢獻。合資格參與者包括(i)本集團或本集團持有權益公司或該公司之附屬公司(「聯屬公司」)的僱員、董事、顧問、專業人士、客戶、供應商、代理商、夥伴或諮詢人或承包商，或(ii)由本集團或聯屬公司的任何董事、僱員、顧問、專業人士、客戶、供應商、代理商、夥伴、諮詢人或承包商實益擁有的公司。二零零七購股權計劃於二零零七年六月二日起生效，除非另行註銷或修訂，此購股權計劃將自該日起十年內有效。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 36. SHARE-BASED PAYMENTS (Continued)

#### (a) Share Option Scheme (Continued)

##### (i) Share option scheme adopted in 2007 (Continued)

The maximum number of shares which may be issued upon the exercise of all outstanding share options granted and yet to be exercised under the 2007 Scheme or any other schemes involving the grant of options over shares of the Company must not, in aggregate, exceed 30% of the shares of the Company in issue at anytime. The maximum number of shares issuable under share options to each eligible participant in the 2007 Scheme within any 12 month period, is limited to 1% of the shares of the Company in issue at anytime. Any further grant of shares options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5,000,000, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

### 36. 以股權結算之款項(續)

#### (a) 購股權計劃(續)

##### (i) 於二零零七年採納之購股權計劃(續)

因行使所有根據二零零七計劃或任何其他涉及授出本公司股份期權的計劃已授出而尚未行使購股權而可發行的最高股份數目，合共不得超過本公司不時已發行股份30%。根據二零零七計劃，於任何十二個月期間，可發行予該購股權計劃各合資格參與者的最高股份數目上限為本公司不時已發行股份的1%。任何進一步授出超過該上限的購股權須獲股東於股東大會上批准。

向本公司董事、行政總裁或主要股東或彼等各自的任何聯繫人士授出購股權，須待獨立非執行董事事先批准後方可進行。此外，於任何十二個月期間內向本公司主要股東或獨立非執行董事或彼等的任何聯繫人士授予的任何購股權，倘超過本公司不時已發行股份的0.1%或總值(按授出日期本公司股份收市價計算)超過5,000,000港元者，須待股東於股東大會上批准後方可進行。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 36. SHARE-BASED PAYMENTS (Continued)

#### (a) Share Option Scheme (Continued)

##### (i) Share option scheme adopted in 2007 (Continued)

The offer of a grant of share options shall remain open for acceptance by the eligible participant concerned for a period of not less than three business days from the date of offer, except for any offer which is made within the last three business days of the life of this scheme, the offer shall remain open for acceptance on a business day by the eligible participant concerned for a period of not longer than the remaining life of this scheme. An offer cannot be accepted by an eligible participant who ceases to qualify as an eligible participant after the offer has been made. No offer shall be capable of or open for acceptance after the expiry of 10 years for the effective date of this scheme.

The offer of a grant of share options may be accepted upon payment of a nominal consideration of HK\$10 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period as determined by directors at each grant and ends on a date which is not later than ten years from the date of the offer of the share options.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer.

### 36. 以股權結算之款項(續)

#### (a) 購股權計劃(續)

##### (i) 於二零零七年採納之購股權計劃(續)

授出購股權的邀約須於邀約日期起計不少於三個營業日的期限內可供合資格參與者接納，惟於該計劃年期的最後三個營業日內作出的任何邀約除外，邀約須於不超過該計劃餘下年期期限內可供合資格參與者於任何營業日接納。作出邀約後，不再為合資格參與者的參與者不得接納該項邀約。於該計劃生效日期10年屆滿後，不得提出邀約，亦不可供接納邀約。

承授人支付合共10港元的象徵式代價後，授出購股權的邀約便屬獲得接納。獲授購股權的行使期由董事釐定，並由董事於各授出日期釐定的若干歸屬期後開始，而屆滿日期不得遲於提出購股權邀約日期起計10年。

購股權的行使價由董事釐定，惟不得低於以下最高者：(i)提出購股權邀約之日本公司股份在聯交所的收市價；(ii)緊接邀約日期前五個交易日本公司股份在聯交所的平均收市價；及(iii)本公司股份於邀約日期的面值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 36. SHARE-BASED PAYMENTS (Continued)

#### (a) Share Option Scheme (Continued)

##### (i) Share option scheme adopted in 2007 (Continued)

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

Details of the specific categories of share options are as follows:

Category of grantee	Date of grant	Vesting date	Exercise period	Fair value at grant date 於授出日期之公平值	Exercise price 行使價	Number of share options outstanding 尚餘購股權數目	
承授人類別	授出日期	歸屬日期	行使期	HK\$ 港元	HK\$ 港元	2018 二零一八年	2017 二零一七年
Junior staff 初級職員	13 March 2008 二零零八年三月十三日	13 March 2009 二零零九年三月十三日	13 March 2009 to 12 March 2018 二零零九年三月十三日至 二零一八年三月十二日	0.11	0.415	—	40,800
Junior staff 初級職員	13 March 2008 二零零八年三月十三日	13 March 2010 二零一零年三月十三日	13 March 2010 to 12 March 2018 二零一零年三月十三日至 二零一八年三月十二日	0.12	0.415	—	20,600
Junior staff 初級職員	13 March 2008 二零零八年三月十三日	13 March 2011 二零一一年三月十三日	13 March 2011 to 12 March 2018 二零一一年三月十三日至 二零一八年三月十二日	0.12	0.415	—	40,600

The fair values of the options were determined at the dates of grant using the Black-Scholes option pricing model.

### 36. 以股權結算之款項(續)

#### (a) 購股權計劃(續)

##### (i) 於二零零七年採納之購股權計劃(續)

購股權持有人無權獲派股息或於股東大會上投票。

購股權的具體類別詳情如下：

購股權的公平值於授出日期使用柏力克－舒爾斯期權定價模式釐定。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 36. SHARE-BASED PAYMENTS (Continued)

#### (a) Share Option Scheme (Continued)

##### (i) Share option scheme adopted in 2007 (Continued)

The following assumptions were used to calculate the fair values of shares options:

Share price	HK\$0.400
Exercise price	HK\$0.415
Expected life	3.5–6.5 years
Expected volatility	55.42%
Dividend yield	5.25%
Risk-free interest rate	2.005%–2.176%

Expected volatility was determined by calculating the historical volatility of share prices of comparable companies with shares listed on the Stock Exchange and engaged in the similar business of the Group. The expected life used in the model has been adjusted, based on the Group's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations.

### 36. 以股權結算之款項(續)

#### (a) 購股權計劃(續)

##### (i) 於二零零七年採納之購股權計劃(續)

下列假設已用於計算購股權的公平值：

股價	0.400港元
行使價	0.415港元
預計年期	3.5–6.5年
預計波幅	55.42%
股息回報率	5.25%
無風險利率	2.005%–2.176%

預計波幅乃透過計算股份於聯交所上市且所從事業務與本集團類似的可比較公司的股價的過往波幅釐定。就非轉讓性、行使限制及行為考慮而言，使用該模式的預計年期已根據本集團的最佳估計作出調整。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 36. SHARE-BASED PAYMENTS (Continued)

#### (a) Share Option Scheme (Continued)

##### (i) Share option scheme adopted in 2007 (Continued)

Details of the share option movements during the year and share options outstanding at the end of the year under the 2007 Scheme are as follows:

### 36. 以股權結算之款項(續)

#### (a) 購股權計劃(續)

##### (i) 於二零零七年採納之購股權計劃(續)

二零零七計劃於年內購股權之變動及於年末尚未行使購股權之詳情如下：

		2018 二零一八年		2017 二零一七年	
		Number of share options 購股權 數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of share options 購股權 數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元
Outstanding at the beginning of the year	年初未行使	102,000	0.415	102,000	0.415
Lapsed during the year	年內失效	(102,000)	0.415	—	0.415
Outstanding at the end of the year	年終未行使	—	—	102,000	0.415
Exercisable at the end of the year	年終可行使	—	—	102,000	0.415

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 36. SHARE-BASED PAYMENTS (Continued)

#### (a) Share Option Scheme (Continued)

##### (i) Share option scheme adopted in 2007 (Continued)

No (2017: No) share options were exercised during the year. The options outstanding at the end of the year 2017 have a weighted average remaining contractual life of 0.3 year and the exercise price HK\$0.415.

Save as disclosed above, no further options were granted under the 2007 Scheme.

##### (ii) Share option scheme adopted in 2017

Pursuant to a resolution passed in the annual general meeting of the Company held on 19 May 2017, a new share option scheme ("2017 Scheme") was adopted. The 2007 Scheme has been terminated upon the adoption of 2017 Scheme, except that the provisions in relation to the exercise of any options granted under the 2007 Scheme prior to its termination shall remain in force and such options shall continue to be valid and exercisable.

### 36. 以股權結算之款項(續)

#### (a) 購股權計劃(續)

##### (i) 於二零零七年採納之購股權計劃(續)

年內概無購股權獲行使(二零一七年：無)。二零一七年年終未行使購股權的加權平均剩餘合約年期為0.3年，行使價為0.415港元。

除上文所披露者外，概無根據二零零七購股權計劃授出任何其他購股權。

##### (ii) 於二零一七年採納之購股權計劃

根據於二零一七年五月十九日舉行之本公司股東週年大會上通過之決議案，採納新購股權計劃(「二零一七購股權計劃」)。二零零七購股權計劃於採納二零一七購股權計劃時終止，惟行使二零零七購股權計劃終止前按此計劃已授出的任何購股權的相關條款仍然有效，此等購股權將繼續有效及可行使。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 36. SHARE-BASED PAYMENTS (Continued)

#### (a) Share Option Scheme (Continued)

##### (ii) Share option scheme adopted in 2017 (Continued)

The purpose of the 2017 Scheme is to (i) motivate the eligible participants to optimise their performance and efficiency for the benefit of the Group; and (ii) attract and retain or otherwise maintain ongoing business relationship with the eligible participants whose contributions are, will or expected to be beneficial to the Group. Eligible participants of the 2017 Scheme include (i) any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company (the "Affiliate"); or (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate; or (iii) a company beneficially owned by any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate. The 2017 Scheme became effective on 19 May 2017 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

### 36. 以股權結算之款項(續)

#### (a) 購股權計劃(續)

##### (ii) 於二零一七年採納之購股權計劃(續)

二零一七計劃的目的乃(i)推動合資格參與者提升其表現及效率，以符合本集團利益；及(ii)吸引及挽留合資格參與者或以其他方式與彼等保持持續業務關係，彼等的貢獻乃有利於、將會或預期將有利於本集團。二零一七計劃的合資格參與者包括(i)本集團或本集團持有權益之公司或該公司之附屬公司(「聯屬公司」)任何董事、僱員、顧問、專業人士、客戶、供應商、代理、合夥人或諮詢人或承辦商；或(ii)任何信託或任何全權信託(其受益人或全權對象包括本集團或聯屬公司之任何董事、僱員、顧問、專業人士、客戶、供應商、代理、合夥人或諮詢人或承辦商)之受託人；或(iii)本集團或聯屬公司之任何董事、僱員、顧問、專業人士、客戶、供應商、代理、合夥人、諮詢人或承辦商實益擁有之公司。二零一七計劃自二零一七年五月十九日起生效，除非以其他方式取消或修訂，否則將由該日起計十年內保持有效。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 36. SHARE-BASED PAYMENTS (Continued)

#### (a) Share Option Scheme (Continued)

##### (ii) Share option scheme adopted in 2017 (Continued)

The maximum number of unexercised share options currently permitted to be granted under the 2017 Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the 2017 Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of shares options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

### 36. 以股權結算之款項(續)

#### (a) 購股權計劃(續)

##### (ii) 於二零一七年採納之購股權計劃(續)

現時可根據二零一七計劃授出之未行使購股權獲行使時所涉及之股份數目，最多相當於本公司任何時間已發行股份之10%。於任何十二個月期間根據購股權可發行予各二零一七購股權計劃項下合資格參與者之股份數目，最多不得超過本公司任何時間已發行股份1%。進一步授出超出此項限額之購股權須在股東大會徵得股東批准。

向本公司董事、行政總裁或主要股東或彼等任何聯繫人士批授購股權須徵得獨立非執行董事批准。此外，於任何十二個月期間，倘若向本公司主要股東或獨立非執行董事或彼等任何聯繫人士授出之任何購股權涉及之股份總數，超過本公司任何時間已發行股份0.1%或按本公司股份於授出日期的價格計算之總價值超過5,000,000港元，則須事先在股東大會徵得股東批准。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 36. SHARE-BASED PAYMENTS (Continued)

#### (a) Share Option Scheme (Continued)

##### (ii) Share option scheme adopted in 2017 (Continued)

The offer of a grant of share options may be accepted within 30 days from the date of the offer, upon payment of a nominal consideration of HK\$10 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after meeting certain performance targets or certain vesting period that may be set by the directors, and ends on a date which is not later than ten years from the date of the offer of the share options or the expiry date of the Scheme, if earlier.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer, when applicable.

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

No share options have been granted under the 2017 Scheme since its adoption.

### 36. 以股權結算之款項(續)

#### (a) 購股權計劃(續)

##### (ii) 於二零一七年採納之購股權計劃(續)

授出購股權之邀約，可於提出邀約當日起計30日內獲接納，承授人接納邀約時須支付象徵式代價合共10港元。已授出購股權之行使期由董事釐定，並於由董事釐定須達致若干表現目標或若干歸屬期後開始及不遲於購股權的邀約日期起計十年內或二零一七計劃屆滿日期(以較早者為準)結束。

購股權之行使價由董事釐定，惟不得低於以下最高者：(i)提出購股權邀約當日本公司股份於聯交所之收市價；(ii)緊接邀約當日前五個交易日本公司股份於聯交所之平均收市價；及(iii)於邀約當日本公司股份的面值(如適用)。

購股權並無賦予持有人獲派股息或於股東大會表決之權利。

自二零一七計劃獲採納以來，並無根據其授出任何購股權。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 36. SHARE-BASED PAYMENTS (Continued)

#### (b) Share Award Scheme

The Company adopted a share award scheme (the “Share Award Scheme”) on 10 January 2013 (“Adoption Date”) for a period of 10 years. The purpose and objective of the Share Award Scheme are to recognise the contributions by certain employees and persons of the Group and to provide them with incentives in order to retain them for the continued operation and development of the Group and to attract suitable personnel for further development of the Group. The Company has set up a Share Award Scheme Trust. Pursuant to the Share Award Scheme, new awarded shares may be allotted and issued to the independent trustee under general mandates granted or to be granted by the shareholders at general meetings of the Company from time to time and be held in trust for relevant participants until such shares are vested with the relevant participants in accordance with the provisions of the Share Award Scheme.

Subject to any early termination as may be determined by the Board of the Company, the Share Award Scheme shall be valid and effective for a period of ten years commencing on the Adoption Date.

### 36. 以股權結算之款項(續)

#### (b) 股份獎勵計劃

本公司於二零一三年一月十日(「採納日期」)採納股份獎勵計劃(「股份獎勵計劃」)，為期十年。股份獎勵計劃之目的及目標在表彰本集團若干僱員及人士之貢獻，並給予獎勵以挽留該等僱員及人士為本集團之持續經營和發展而努力，亦為本集團進一步發展吸引合適之人才。本公司已設立一個股份獎勵計劃信託。根據股份獎勵計劃，可根據股東於本公司之股東大會上已授出或不時授出之一般授權向獨立受託人配發及發行新獎勵股份，並以信託形式代有關參與者持有，直至有關股份根據股份獎勵計劃的條文歸屬於有關參與者為止。

在本公司董事會可決定提早終止的規限下，股份獎勵計劃將由採納日期起十年期間有效及生效。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 36. SHARE-BASED PAYMENTS (Continued)

#### (b) Share Award Scheme (Continued)

The maximum number of shares awarded under the Share Award Scheme shall not exceed 5% of the issued share capital of the Company as at the Adoption Date.

The maximum number of shares which may be awarded to a selected person under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company as at the Adoption Date.

As at 31 December 2018, the number of awarded shares which may be granted under the Share Award Scheme was 44,311,770. For the year ended 31 December 2018, no awarded shares was granted pursuant to the Share Award Scheme (2017: Nil).

### 36. 以股權結算之款項(續)

#### (b) 股份獎勵計劃(續)

根據股份獎勵計劃授出的股份最高數目不得超過於採納日期本公司已發行股本的5%。

根據股份獎勵計劃向一名經甄選人士可能授出的股份最高數目不得超過於採納日期本公司已發行股本的1%。

於二零一八年十二月三十一日，按股份獎勵計劃可授出之獎勵股份為44,311,770股股份。於截至二零一八年十二月三十一日止年度，概無按股份獎勵計劃授出獎勵股份(二零一七年：無)。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 37. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

#### (a) Cash flows from operating activities

### 37. 綜合現金流量表附註

#### (a) 經營業務之現金流量

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit from operations	經營溢利	139,220	2,422
Adjustments for:	已作出下列調整：		
Interest income	利息收入	(300)	(354)
Reversal of impairment losses on trade receivables	貿易應收款項減值虧損回撥	(764)	—
Impairment losses on trade receivables	貿易應收款項減值虧損	132	764
Bad debt written off	壞賬撇銷	655	61
Allowance for inventories	存貨撥備	18,890	415
Net loss/(gain) on disposal of property, plant and equipment	出售物業、機器及設備之淨虧損/(收益)	486	(84)
Property, plant and equipment written off	物業、機器及設備撇銷	238	8,632
Impairment losses on property, plant and equipment	物業、機器及設備減值虧損	3,861	8,752
Impairment losses on amounts due from associates	應收聯營公司款項減值虧損	—	2,934
(Gain on)/Deficit in revaluation of land	土地價值重估之(收益)/虧損	(265)	578
Depreciation of property, plant and equipment	物業、機器及設備折舊	82,041	87,174
Impairment losses on deposit paid	已付按金減值虧損	1,364	—
Impairment losses on investments in associates	於聯營公司投資減值虧損	1,652	—
Operating profit before movements in working capital	未計營運資金變動前的經營溢利	247,210	111,294
Increase in inventories	存貨增加	(19,864)	(57,181)
Increase in right of return assets	退回資產之權利增加	(111)	—
Increase in restricted bank balance	有限制銀行存款增加	(2,283)	(2,257)
Decrease in trade receivables	貿易應收款項減少	32,796	25,945
Decrease in contract assets	合約資產減少	7,505	—
Decrease/(Increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少/(增加)	24,675	(8,960)
(Decrease)/Increase in trade payables	貿易應付款項(減少)/增加	(86,205)	74,467
Increase in deposits received, other payables and accruals	已收訂金、其他應付款項及應計費用增加	10,780	30,951
Decrease in contract liabilities	合約負債減少	(11,112)	—
Increase in refund liabilities	退款負債增加	241	—
Repayment to a former fellow subsidiary	償還前同系附屬公司款項	—	(78,583)
Increase in amount due to a related company	應付關聯公司款項增加	—	403
Cash generated from operations	經營所得現金	203,632	96,079
Income tax paid	已付所得稅	(13,272)	(55,682)
Interest paid	已付利息	(13,167)	(16,115)
Net cash generated from operating activities	經營業務所得現金淨額	177,193	24,282

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 37. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

### 37. 綜合現金流量表附註(續)

#### (b) Disposal of a subsidiary

On 24 October 2016, the Group entered into an equity transfer agreement with a company controlled by Mr. Lee to dispose of the Group's 100% entire equity interest in MG Technology (Shenzhen) Company Limited ("MG Technology"). MG Technology was principally engaged in sale and manufacture of magnesium and aluminium alloy die casting products and components. The disposal was completed on 12 July 2017.

Net assets at the date of disposal were as follows:

#### (b) 出售附屬公司

於二零一六年十月二十四日，本集團與李先生控制的公司訂立股權轉讓協議，以出售創金美科技(深圳)有限公司(「創金美科技」)之100%全部股本權益。創金美科技主要從事銷售及生產鎂及鋁合金壓鑄產品及零部件。出售事項已於二零一七年七月十二日完成。

於出售日期的淨資產如下：

		HK\$'000 千港元
Property, plant and equipment	物業、機器及設備	88,538
Trade receivables	貿易應收款項	16,079
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	5,484
Due from related companies	應收關聯公司款項	138,428
Restricted bank balances	有限制銀行存款	508
Cash and cash equivalents	現金及等同現金項目	29,106
Trade payables	貿易應付款項	(20,161)
Other payables and accruals	其他應付款項及應計費用	(24,150)
Due to related companies	應付關聯公司款項	(37,035)
Deferred tax liabilities	遞延稅項負債	(10,006)
Net assets disposed of	出售淨資產	186,791
Expenses incurred for the disposal	出售產生的開支	1,080
Gain on disposal of a subsidiary	出售附屬公司收益	96,011
Release of foreign currency translation differences	匯兌差額釋出	6,118
Total consideration	總代價	290,000
Consideration satisfied by:	代價以下列方式支付：	
Cash	現金	250,000
Deposit received in previous year	去年已收訂金	40,000
		290,000
Net cash inflow arising on disposal:	由出售導致之淨現金流入：	
Cash consideration received	已收現金代價	250,000
Less: Bank balances and cash disposed of	減：出售銀行結餘及現金	(29,106)
Expenses incurred for the disposal	出售產生的開支	(1,080)
		219,814

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 37. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

#### (c) Major non-cash transaction

Included in the additions of property, plant and equipment was an amount of approximately HK\$3,458,000 (2017: HK\$6,244,000) which was transferred from deposits paid for acquisition of property, plant and equipment.

#### (d) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

### 37. 綜合現金流量表附註(續)

#### (c) 主要非現金交易

計入添置物業、機器及設備為約3,458,000港元(二零一七年: 6,244,000港元), 乃由預付購買物業、機器及設備的按金所轉入。

#### (d) 融資活動產生的負債對賬

下表詳述本集團融資活動所產生的負債變動(包括現金及非現金變動)。融資活動所產生的負債已經或將會於本集團綜合現金流量表內分類為融資活動現金流量。

		1 January 2018	Cash Flows (Note)	Interest expenses	Exchange difference	31 December 2018
		二零一八年一月一日	現金流量(附註)	利息開支	匯兌差額	二零一八年十二月三十一日
		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
Bank borrowings (note 30)	銀行借款(附註30)	368,278	(56,325)	13,167	(418)	324,702
Due from associates	應收聯營公司款項	-	(108)	-	-	(108)
Due to associates	應付聯營公司款項	617	2,772	-	(132)	3,257
		<b>368,895</b>	<b>(53,661)</b>	<b>13,167</b>	<b>(550)</b>	<b>327,851</b>

		1 January 2017	Cash Flows (Note)	Interest expenses	Impairment	Exchange difference	31 December 2017
		二零一七年一月一日	現金流量(附註)	利息開支	減值	匯兌差額	二零一七年十二月三十一日
		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
Bank borrowings (note 30)	銀行借款(附註30)	565,952	(215,923)	16,115	-	2,134	368,278
Due from associates	應收聯營公司款項	(2,346)	(511)	-	2,934	(77)	-
Due to associates	應付聯營公司款項	636	(19)	-	-	-	617
		<b>564,242</b>	<b>(216,453)</b>	<b>16,115</b>	<b>2,934</b>	<b>2,057</b>	<b>368,895</b>

Note: Included in cash flows was interest paid which was included in cash flows from operating activities.

附註: 現金流量包含計入經營活動現金流量的已付利息。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 38. OPERATING LEASE COMMITMENTS

#### The Group as lessor

The Group leases its property under operating lease arrangements, with leases negotiated for a term of one to five years (2017: one year). The terms of the leases generally provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2018, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	214	8
In the second to fifth year, inclusive	第二年至第五年 (包括首尾兩年)	393	—
		<b>607</b>	<b>8</b>

#### The Group as lessee

At 31 December 2018, the total future minimum lease payments of the Group under non-cancellable operating leases are payable as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	5,818	4,927
In the second to fifth year, inclusive	第二年至第五年 (包括首尾兩年)	10,585	11,801
		<b>16,403</b>	<b>16,728</b>

### 38. 經營租約承擔

#### 本集團作為出租人

本集團按經營租約安排出租其物業，租期為一年至五年(二零一七年：一年)。租約提供一般以現行市場情況作定期租金調整之條款。

於二零一八年十二月三十一日，本集團根據不可撤銷經營租約而於下列期間到期的應收未來最低租賃款總額如下：

#### 本集團作為承租人

於二零一八年十二月三十一日，本集團根據不可撤銷經營租約的應付未來最低租賃款總額如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 38. OPERATING LEASE COMMITMENTS (Continued)

#### The Group as lessee (Continued)

Operating lease payments represent rentals payable by the Group for certain of its office premises, factories, warehouses, staff quarters and office equipment. Leases for office premises, factories, warehouses, staff quarters and office equipment except one warehouse and certain factory premises are negotiated, and rentals are fixed, for an average term of 1 to 5 years.

Lease arrangements of four warehouses (2017: one) have been subject to contingent rent by reference to monthly usage throughout the lease period.

The lease payments recognised as expenses are as follows:

### 38. 經營租約承擔(續)

#### 本集團作為承租人(續)

經營租約付款指本集團須就若干辦公室物業、工廠、貨倉、員工宿舍及辦公室設備支付的租金。辦公室物業、工廠、貨倉、員工宿舍及辦公室設備的租約(一間貨倉及若干工廠物業除外)經協商而訂立，租金為固定而租期平均為一至五年。

四間(二零一七年：一間)倉庫的租賃安排為參考租賃期間內的每月使用情況支付或然租金。

租賃款項確認為支出，如下所示：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Minimum lease payments	最低租賃款項	7,544	7,412
Contingent rent	或然租金	356	75
		<b>7,900</b>	7,487

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 39. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

### 39. 資本承擔

於報告期間完結日，本集團的資本承擔如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Commitment in respect of acquisition of property, plant and equipment (note (a)) 收購物業、機器及設備承擔(附註(a))	26,292	23,914
Other commitment (note (b)) 其他承擔(附註(b))	—	11,044

Note:

- (a) The amount represents the unpaid contractual commitment for the acquisition of property, plant and equipment after netting off with the deposits paid for acquisition of property, plant and equipment included in the consolidated statement of financial position.
- (b) Pursuant to an agreement dated 29 November 2017 entered into by the Group and two other parties, a new company in which the Group has 46% equity interest was set up in January 2018. The amount of commitment as at 31 December 2017 represented the capital that was required to be injected by the Group to the new company according to the agreement.

附註：

- (a) 該款項為收購物業、機器及設備的未付合約承擔，並經扣除已計入綜合財務狀況表中就收購物業、機器及設備的已付按金。
- (b) 根據本集團與其他兩個訂約方訂立的日期為二零一七年十一月二十九日的協議，本集團擁有46%股本權益的新公司已於二零一八年一月成立。於二零一七年十二月三十一日之承擔款項為本集團根據該協議須向新公司注資的資本。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 40. RELATED PARTY TRANSACTIONS

- (a) In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the year:

### 40. 關聯人士交易

- (a) 除於綜合財務報表其他部份所披露的關聯人士交易及結餘外，年內本集團曾與關聯人士進行以下交易：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Rental expenses paid to an associate	付聯營公司租金支出	—	1,318
Purchase of machinery from an associate	向聯營公司購買機器	2,492	—
Purchase of machinery and machinery parts from and maintenance cost to a related company, Chit Shun Machinery Limited (note (i))	向關聯公司捷迅機械設備有限公司購買機器、機器零部件及維修成本 (附註(i))	6,260	5,088
Amount due to a related company, Chit Shun Machinery Limited (note (i))	應付關聯公司捷迅機械設備有限公司款項 (附註(i))	—	4,465
Deposit paid to a related company, Chit Shun Machinery Limited (note (i))	向關聯公司捷迅機械設備有限公司支付按金 (附註(i))	—	6,331

Note:

- (i) Mr. Lee has joint control in the related company. These transactions are made between the Company's subsidiaries and the related company under a master agreement dated 7 December 2015 between the related company and the Company, and are continuing connected transactions under the Listing Rules.

On 29 March 2018, Mr. Lee disposed the interest in Chit Shun Machinery Limited and the transactions with Chit Shun Machinery Limited since then were no longer classified as related party transactions.

附註：

- (i) 李先生對此關聯公司有共同控制。此等交易由本公司之附屬公司及關聯公司按二零一五年十二月七日由關聯公司及本公司訂立之總協議而進行，並構成上市規則之持續關連交易。

於二零一八年三月二十九日，李先生出售捷迅機械設備有限公司權益及與捷迅機械設備有限公司之交易從此不再分類為關聯人士交易。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 40. RELATED PARTY TRANSACTIONS (Continued)

- (b) The above transactions were entered with the related parties on terms mutually agreed by individual parties. In the opinion of the directors of the Group, these related party transactions were conducted on normal commercial terms and in the ordinary and usual course of the Group's business.
- (c) During the year, compensation paid by the Group to the key management personnel, which were the directors of the Company, was disclosed in note 16 to the consolidated financial statements.

### 41. EVENTS AFTER THE REPORTING PERIOD

- (a) On 26 March 2019, the Board of Directors proposed to declare a final dividend of HK3.5 cents (2017: HK1.0 cent) totalling approximately \$31,282,000 (2017: HK\$8,938,000) per ordinary share to its shareholders, as further disclosed in note 17 to the consolidated financial statements.
- (b) Ms. Chan So Wah has been appointed as an executive director of the Company with effect from 1 April 2019.

### 42. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 26 March 2019.

### 40. 關聯人士交易(續)

- (b) 上述交易均與關聯人士按照各方互相協定的條款進行。本集團董事認為，該等關聯交易乃根據一般商業條款於本集團日常業務的一般過程中進行。
- (c) 年內，本集團已付主要管理人員(為本公司董事)酬金乃於綜合財務報表附註16披露。

### 41. 報告期後事項

- (a) 於二零一九年三月二十六日，董事會建議向股東宣派每股普通股3.5港仙(二零一七年：1.0港仙)共為約31,282,000港元(2017：8,938,000港元)之末期股息，其詳情載於綜合財務報表附註17。
- (b) 陳素華女士已被委任為本公司的執行董事，於二零一九年四月一日生效。

### 42. 批准綜合財務報表

本綜合財務報表已於二零一九年三月二十六日獲董事會批准並授權刊發。



# FIVE-YEAR FINANCIAL SUMMARY

## 五年財務概要

		Year ended 31 December 截至十二月三十一日止年度				2018
		2014	2015	2016	2017	2018
		二零一四年	二零一五年	二零一六年	二零一七年	二零一八年
		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
<b>RESULTS</b>	<b>業績</b>					
Revenue	收入	1,582,333	1,539,344	1,742,476	1,738,738	<b>1,852,329</b>
Profit/(Loss) before tax	除稅前溢利/(虧損)	86,059	(71,756)	106,154	81,993	<b>125,907</b>
Income tax expense	所得稅開支	(26,707)	(5,410)	(46,252)	(45,862)	<b>(12,505)</b>
Profit/(Loss) for the year	年內溢利/(虧損)	59,352	(77,166)	59,902	36,131	<b>113,402</b>
Attributable to:	以下人士應佔權益：					
— Owners of the Company	— 本公司權益持有人	77,246	(63,489)	59,243	33,998	<b>113,556</b>
— Non-controlling interests	— 非控股權益	(17,894)	(13,677)	659	2,133	<b>(154)</b>
		59,352	(77,166)	59,902	36,131	<b>113,402</b>
		As at 31 December 於十二月三十一日				2018
		2014	2015	2016	2017	2018
		二零一四年	二零一五年	二零一六年	二零一七年	二零一八年
		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
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>					
Total assets	總資產	1,829,980	1,791,602	1,865,747	1,768,096	<b>1,719,695</b>
Total liabilities	總負債	(980,437)	(1,060,102)	(1,094,240)	(901,453)	<b>(761,835)</b>
Net assets	淨資產	849,543	731,500	771,507	866,643	<b>957,860</b>

# **KaShui**<sup>1980</sup>

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