



K & P International Holdings Limited

堅寶國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號 : 675)

Annual 年報
Report
2017

* For identification purpose only 僅供識別

目錄

Contents

	Pages 頁次	
CORPORATE INFORMATION	2-3	公司資料
FINANCIAL HIGHLIGHTS	4	財務摘要
CHAIRMAN'S STATEMENT	5-6	主席報告
MANAGEMENT DISCUSSION AND ANALYSIS	7-9	管理層之討論及分析
CORPORATE GOVERNANCE REPORT	10-26	企業管治報告
BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT	27-29	董事及高級管理人員簡歷詳情
REPORT OF THE DIRECTORS	30-40	董事會報告
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT	41-63	環境、社會及管治報告
INDEPENDENT AUDITOR'S REPORT	64-69	獨立核數師報告
AUDITED FINANCIAL STATEMENTS		經審核財務報表
CONSOLIDATED:		綜合：
Income statement	70	利潤表
Statement of comprehensive income	71	全面收入表
Statement of financial position	72-73	財務狀況表
Statement of changes in equity	74-75	權益變動表
Statement of cash flows	76-77	現金流量表
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	78-165	綜合財務報表附註
FIVE-YEAR FINANCIAL SUMMARY	166	五年財務概要

公司資料

Corporate Information

BOARD OF DIRECTORS

Executive directors

Lai Pei Wor (*Chairman*)
Chan Yau Wah (*Deputy Chairman*)

Independent non-executive directors

Kung Fan Cheong
Mak Kwai Wing (appointed on 3 July 2017)
Li Yuen Kwan, Joseph
Leung Man Kay (resigned on 3 July 2017)

EXECUTIVE COMMITTEE

Lai Pei Wor (*Chairman*)
Chan Yau Wah

AUDIT COMMITTEE

Mak Kwai Wing (*Chairman*) (appointed on 3 July 2017)
Kung Fan Cheong
Li Yuen Kwan, Joseph
Leung Man Kay (*Chairman*) (resigned on 3 July 2017)

REMUNERATION COMMITTEE

Kung Fan Cheong (*Chairman*)
Mak Kwai Wing (appointed on 3 July 2017)
Li Yuen Kwan, Joseph (appointed on 3 July 2017)
Leung Man Kay (resigned on 3 July 2017)

NOMINATION COMMITTEE

Lai Pei Wor (*Chairman*)
Kung Fan Cheong
Mak Kwai Wing (appointed on 3 July 2017)
Li Yuen Kwan, Joseph
Leung Man Kay (resigned on 3 July 2017)

COMPANY SECRETARY

Ng Kwong Kui

AUDITOR

Mazars CPA Limited
Certified Public Accountants

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited
Wing Lung Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China (Asia) Limited
Dah Sing Bank, Limited
Agricultural Bank of China

董事會

執行董事

賴培和(*主席*)
陳友華(*副主席*)

獨立非執行董事

孔蕃昌
麥貴榮(於二零一七年七月三日委任)
李沅鈞
梁文基(於二零一七年七月三日辭任)

執行委員會

賴培和(*主席*)
陳友華

審核委員會

麥貴榮(*主席*)(於二零一七年七月三日委任)
孔蕃昌
李沅鈞
梁文基(*主席*)(於二零一七年七月三日辭任)

薪酬委員會

孔蕃昌(*主席*)
麥貴榮(於二零一七年七月三日委任)
李沅鈞(於二零一七年七月三日委任)
梁文基(於二零一七年七月三日辭任)

提名委員會

賴培和(*主席*)
孔蕃昌
麥貴榮(於二零一七年七月三日委任)
李沅鈞
梁文基(於二零一七年七月三日辭任)

公司秘書

吳光僑

核數師

瑪澤會計師事務所有限公司
執業會計師

主要往來銀行

星展銀行(香港)有限公司
永隆銀行有限公司
香港上海滙豐銀行有限公司
中國工商銀行(亞洲)有限公司
大新銀行有限公司
中國農業銀行

公司資料 Corporate Information

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRARS AND TRANSFER OFFICE

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

HONG KONG LEGAL ADVISER

Reed Smith Richards Butler

BERMUDA LEGAL ADVISER

Conyers Dill & Pearman

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units 2304-06, 23rd Floor
Riley House
88 Lei Muk Road
Kwai Chung
New Territories
Hong Kong

WEBSITE

www.kpihl.com

STOCK CODE

675

主要股份過戶登記處

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

股份過戶登記處香港分處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心22樓

香港法律顧問

禮德齊伯禮律師行

百慕達法律顧問

Conyers Dill & Pearman

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

總辦事處及主要營業地點

香港
新界
葵涌
梨木道88號
達利中心
23樓2304-06室

網址

www.kpihl.com

股份代號

675

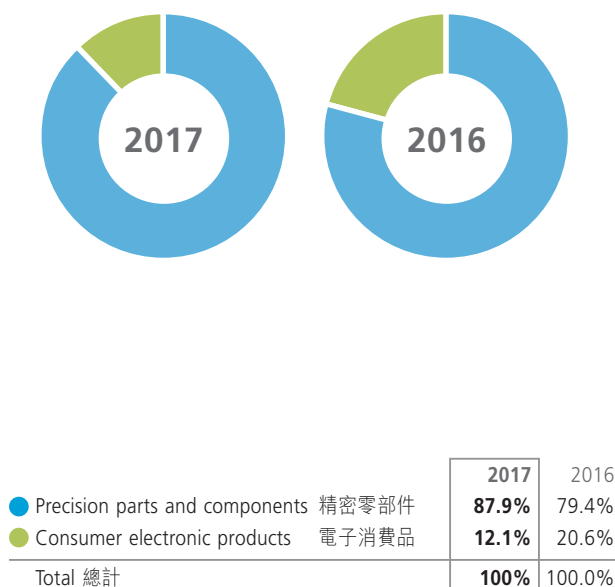
財務摘要

Financial Highlights

		2017 二零一七年 HK\$ million 百萬港元	2016 二零一六年 HK\$ million 百萬港元
Revenue	收入	422.9	431.0
Profit/(loss) attributable to owners of the Company	本公司擁有人所佔溢利／(虧損)	8.3	(8.1)
Property, plant and equipment	物業、廠房及設備	214.6	195.5
Equity	權益	266.8	233.1
Basic earnings/(loss) per share	每股基本盈利／(虧損)	HK3.11 cents港仙	HK(3.04) cents港仙

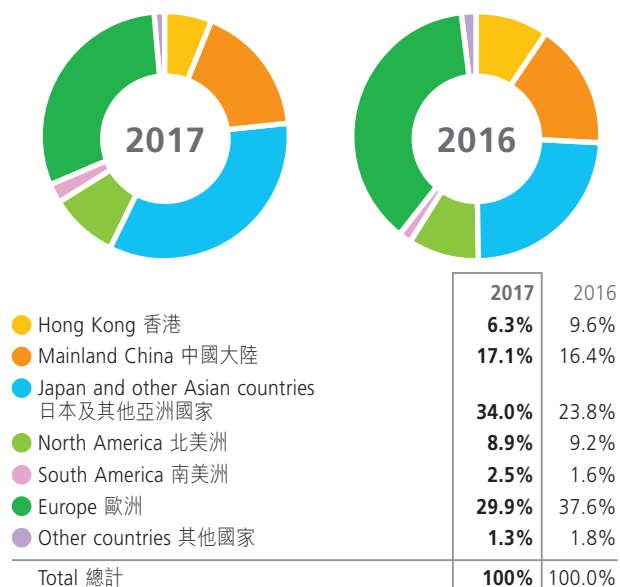
REVENUE BY OPERATING SEGMENT

按經營分類之收入



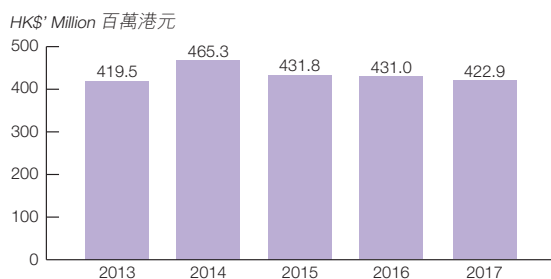
REVENUE BY GEOGRAPHICAL INFORMATION

按地區資料之收入



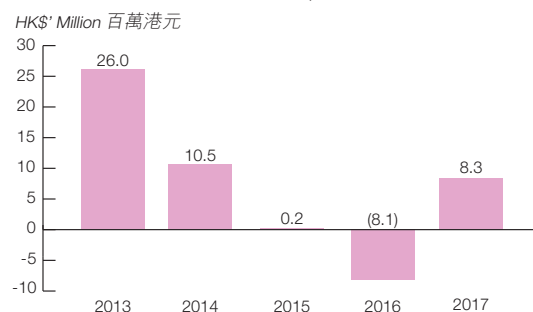
REVENUE

收入



PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

本公司擁有人所佔溢利／(虧損)



主席報告

Chairman's Statement

On behalf of the Board of Directors (the "Board"), I am pleased to report the annual audited results of the Company together with the subsidiaries (collectively the "Group") for the year ended 31 December 2017.

FINANCIAL RESULTS

The Group's turnover for the year ended 31 December 2017 amounted to approximately HK\$422.9 million, representing a 1.9% decrease from the previous year. Overall gross profit amounted to approximately HK\$77.5 million this year, representing a 47.3% increase from the previous year. Profit attributable to owners of the Company was approximately HK\$8.3 million (2016: loss of HK\$8.1 million).

Basic earnings for the year ended 31 December 2017 amounted to HK3.11 cents (2016: loss of HK3.04 cents) per share.

BUSINESS REVIEW

Benefited from the increasing demand of the major and newly established customers, the turnover of the precision parts and components segment amounted to approximately HK\$371.6 million, which increased by 8.5%. The operating profit in this segment increased to approximately HK\$19.7 million (2016: HK\$16.3 million).

The turnover of the consumer electronic products segment decreased to approximately HK\$51.3 million, representing a 42.0% decrease. The operating loss of this segment was decreased to approximately HK\$7.3 million from HK\$21.2 million in 2016 which included the provision for impairment on segment assets and other costs of approximately HK\$13.1 million.

The gross profit margin of the Group in 2017 had improved by 6.1% to 18.3% arising from the improvement in operating results of the precision parts and components segment and the absence of substantial provision for assets impairment and other costs in 2017 in the consumer electronic products segment. The selling and distribution costs were decreased by 0.8% to approximately HK\$35.1 million, and administrative and other expenses were increased by 0.5% to approximately HK\$36.6 million. The finance costs had decreased by 11.6% to approximately HK\$1.5 million due to the decrease in financing activities.

本人欣然代表董事會(「董事會」)提呈本公司及其附屬公司(統稱「本集團」)截至二零一七年十二月三十一日止年度之全年業績。

財務業績

截至二零一七年十二月三十一日止年度，本集團之營業額約422,900,000港元，較去年減少1.9%，整體毛利額約77,500,000港元，較去年增加47.3%。本公司擁有人所佔溢利約8,300,000港元(二零一六年：虧損8,100,000港元)。

截至二零一七年十二月三十一日止年度，每股基本盈利為3.11港仙(二零一六年：虧損3.04港仙)。

業務回顧

受惠於主要客戶的需求增加及取得新客戶訂單，使精密零部件分類之營業額較去年上升8.5%至約371,600,000港元。溢利較去年增加至約19,700,000港元(二零一六年：16,300,000港元)。

電子消費品分類之營業額較去年減少42.0%至約51,300,000港元。此分類之經營虧損較去年減少至約7,300,000港元，二零一六年之虧損約21,200,000港元，其中包括資產減值及其他成本撥備約13,100,000港元。

精密零部件分類之業績增長及於二零一七年內電子消費品分類並無作出重大資產減值及其他成本撥備，本集團於二零一七年整體毛利率較去年增加6.1%至18.3%。銷售及經銷成本減少0.8%至約35,100,000港元，而行政及其他費用增加0.5%至約36,600,000港元。融資成本因借貸減少而下降11.6%至約1,500,000港元。

主席報告

Chairman's Statement

BUSINESS REVIEW *(continued)*

The continuous weaken demand from the market in the consumer electronic products segment during the past few years resulted in under-utilisation of production capacity in the factory, and hence, continuous losses in this segment were recorded from the years ended 31 December 2014 to 2017.

FUTURE PLANS AND PROSPECTS

The capital investment made during the past few years in the precision parts and components segment had enhanced the production capacity and efficiency, as well as eased the problem of labour shortage which was highly valued by our existing and new customers. The Group will continue focus on developing the precision parts and components segment business, and seek opportunities to further invest in production automation and enhance the production capacity to cope with the increasing sales orders in this segment.

Looking ahead, the recovery of global economy induced the rise in material price since the fourth quarter of 2017. Together with the Renminbi appreciation during the past few months and the rise in wages caused by labour shortage at Mainland China, these create pressure in our cost of production. To cope with the challenges, the Group will adjust the selling price, speed up the new product development with higher profit margin, expand new customer base and business scope, so as to enhance our profitability. The Group's financial position remains healthy, and is strong enough to finance our daily operation.

APPRECIATION

I would like to take this opportunity to thank our board of directors, management team and all our staff for their contribution, and also thank for the support of our shareholders and business partners over the years.

Lai Pei Wor
Chairman

Hong Kong, 27 March 2018

業務回顧(續)

電子消費品分類之市場需求持續疲弱導致廠房使用率低於生產能力，致使此分類之業績由二零一四年至二零一七年十二月三十一日止年度一直出現虧損。

未來計劃及展望

過往幾個年度於精密零部件分類的資本投資，除了提升生產能力及效率、減輕生產線人手短缺問題，同時廣受現有及新客户歡迎。本集團將會持續專注發展精密零部件分類業務，並繼續尋找投資生產自動化及新科技之機會，以應付此分類持續增長的訂單。

隨著環球經濟復甦，原材料價格從二零一七年第四季開始上漲，加上近期人民幣升值及國內人手短缺導致工資上升，這一切對生產成本構成壓力。本集團將調整銷售價，並加快開拓較高利潤的新產品、擴大客戶基礎及開展業務範圍，以應對上述挑戰及致力提升盈利能力。本集團財政狀況維持穩健，日常營運資金充裕。

致謝

本人藉此衷心多謝董事會成員、管理人員及全體員工所作出的貢獻，以及多謝各股東及商業伙伴多年來對我們的支持。

主席
賴培和

香港，二零一八年三月二十七日

管理層之討論及分析

Management Discussion and Analysis

OPERATIONS REVIEW

The following highlights the Group's results for the year ended 31 December 2017.

- Turnover decreased by 1.9% from the previous year to approximately HK\$422.9 million for the year.
- Gross profit increased by HK\$24.9 million from 2016 to approximately HK\$77.5 million in 2017.
- Profit from operating activities before finance costs was approximately HK\$10.6 million for the year, while, a loss was approximately HK\$6.6 million for the previous year.
- Finance costs decreased by HK\$0.2 million from the previous year to approximately HK\$1.5 million.
- Profit after tax for the year was approximately HK\$8.3 million.

In the year under review, turnover of the precision parts and components segment had increased by 8.5% as compared with the previous year. Turnover of the consumer electronic products segment had decreased by 42.0% as compared with the previous year.

The Group's overall gross profit had increased by 47.3% from the previous year.

The Group's finance costs had decreased to approximately HK\$1.5 million for the year due to the decrease in financing activities from banks and other financial institution.

On 10 February 2018, the factory of a subsidiary in the consumer electronic products segment located at Mainland China was closed down subsequent to the end of tenancy agreement, and the manufacturing process of this segment's sales orders had been shifted to other subcontractors. Under this arrangement, the Group is capable to focus on the development and sales of new products, and to release the burden of fixed manufacturing cost in this segment.

營運回顧

以下是本集團於截至二零一七年十二月三十一日止年度主要業績概況。

- 營業額比去年減少1.9%至本年度約422,900,000港元。
- 毛利比二零一六年增加24,900,000港元至二零一七年約77,500,000港元。
- 本年度經營活動溢利於未計及融資成本前約為10,600,000港元，而上年度虧損約為6,600,000港元。
- 融資成本比去年減少200,000港元至約1,500,000港元。
- 本年度除稅後溢利約為8,300,000港元。

回顧本年度，精密零部件分類之營業額與上年度相比上升8.5%。電子消費品分類之營業額與上年度相比減少42.0%。

本集團整體毛利較去年上升47.3%。

本集團融資成本較去年減少至約1,500,000港元是由於減少向銀行及其他財務機構借貸。

於二零一八年二月十日，電子消費品分類位於中國大陸一間附屬公司的廠房已於租賃合同到期後關閉，而此分類的銷售訂單已轉予外發加工商負責生產。透過此安排，本集團無需承擔固定生產成本的壓力，以專注開拓及銷售新產品。

管理層之討論及分析

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flow and loan facilities provided by its principal bankers and other financial institution in Hong Kong.

The total borrowings from banks and other financial institution included all term loans, finance leases, import and export loans, which amounted to approximately HK\$39.1 million as at 31 December 2017.

The Group's financial position remains healthy. At the end of the reporting period, the aggregate balance of cash and cash equivalents of the Group amounted to approximately HK\$42.3 million.

The Group's borrowings are on a floating rate basis and are mainly denominated in Hong Kong dollars or United States dollars. These match with the principal currencies in which the Group conducts its business.

The gearing ratio on the basis of net debt divided by the total capital plus net debt as at 31 December 2017 was 27.8% (2016: 31.4%).

CHARGE ON THE GROUP'S ASSETS

At 31 December 2017, the Group's machines and equipment with carrying amount of approximately HK\$25.5 million (2016: HK\$30.9 million) were pledged under finance leases.

流動資金及資金來源

本集團一般以內部產生之現金流及其香港之主要往來銀行及其他財務機構所提供之備用信貸作為其營運資金。

於二零一七年十二月三十一日，銀行及其他財務機構借貸總額，包括銀行所有貸款、融資租賃及進出口貸款約39,100,000港元。

本集團之財務狀況維持穩健。於報告期末，本集團之現金及現金等值項目之結餘總額約42,300,000港元。

本集團之貸款按浮動息率並以港元或美元結算為主，而本集團名下之業務營運亦以該等貨幣為主。

於二零一七年十二月三十一日，根據債項淨值除以總資本加債項淨值之總和計算之負債比率為27.8% (二零一六年：31.4%)。

本集團已抵押資產

於二零一七年十二月三十一日，本集團已作為融資租賃抵押之機器及設備之賬面值約25,500,000港元 (二零一六年：30,900,000港元)。

管理層之討論及分析

Management Discussion and Analysis

CAPITAL STRUCTURE

As at 31 December 2017, the Company had 267,004,800 ordinary shares in issue with total shareholders' equity of the Group amounted to approximately HK\$266.8 million.

FUND RAISING

Other than obtaining general loan facilities to finance the Group's trading requirements and finance leases to finance the acquisition of machines and equipment, the Group did not have any fund raising activities in 2017.

EMPLOYEES

As at 31 December 2017, the Group had a total workforce of approximately 1,641 of which approximately 47 were based in Hong Kong, approximately 5 were based in overseas and approximately 1,589 were based in Mainland China.

The Group remunerates its employees largely based on the prevailing industry practice and labor laws. Since December 1996, the Company has adopted a share option scheme for the purpose of providing incentives and rewards to the employees of the Group.

Moreover, under the Mandatory Provident Fund Scheme Ordinance of Hong Kong, the Group has operated a defined contribution Mandatory Provident Fund retirement benefits scheme for all its Hong Kong employees. For overseas and Mainland China employees, the Group is required to contribute a certain percentage of its payroll costs to the central pension scheme operated by the respective local governments.

資本結構

於二零一七年十二月三十一日，本公司之已發行股份為267,004,800股普通股，而本集團之總股東權益約266,800,000港元。

籌集資金

除了取得一般備用信貸以支付本集團之買賣需求及融資租賃以支付購買機器及設備外，本集團於二零一七年概無資金籌集活動。

僱員

於二零一七年十二月三十一日，本集團共有約1,641名僱員，其中約47名駐香港、約5名駐海外及約1,589名駐中國大陸。

本集團主要根據目前業內慣例及勞工法例釐定僱員薪酬。本公司自一九九六年十二月以來已實行一項購股權計劃，目的是提供獎勵及報酬予本集團僱員。

此外，本集團根據香港強制性公積金計劃條例，為於香港之所有僱員實施一項定額供款的強制性公積金計劃。至於海外及中國大陸的僱員，本集團須要按照其當地政府所營辦的中央退休金計劃，以僱員薪金的若干百分比作供款。

企業管治報告

Corporate Governance Report

CORPORATE GOVERNANCE CODE

In the opinion of the directors, the Company has complied with all the code provisions of the Corporate Governance Code, as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, throughout the year ended 31 December 2017, except for the following deviation:

Code Provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. The roles of the Chairman and the Chief Executive Officer are not separate and are performed by Mr. Lai Pei Wor. Since the Board will meet regularly to consider major matters affecting the operations of the Company, the Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company and believes that this structure will enable the Company to make and implement decisions promptly and efficiently.

BOARD OF DIRECTORS

The Board of the Company currently comprises the following directors:

Executive Directors

Lai Pei Wor (*Chairman*)
Chan Yau Wah (*Deputy Chairman*)

Independent Non-Executive Directors

Kung Fan Cheong
Mak Kwai Wing (appointed on 3 July 2017)
Li Yuen Kwan, Joseph
Leung Man Kay (resigned on 3 July 2017)

The list of directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules.

None of the members of the Board is related to one another. During the year ended 31 December 2017, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors representing more than one-third of the Board with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise.

企業管治守則

董事認為，本公司於截至二零一七年十二月三十一日止年度一直遵守香港聯合交易所有限公司證券上市規則附錄十四所載之企業管治守則所載的所有條文，除下述偏離者外：

守則條文第A.2.1條規定，主席及行政總裁之角色應有區分，而且不應由一人同時兼任。主席及行政總裁之角色並未區分，並由賴培和先生擔任。由於董事會將定期舉行會議，以考慮影響本公司營運之重大事宜，因此董事會認為此架構不會影響董事會與本公司管理層之間的權力和授權失衡，並相信此架構能使本公司快速及有效制訂及推行決策。

董事會

本公司董事會目前由以下董事組成：

執行董事

賴培和(*主席*)
陳友華(*副主席*)

獨立非執行董事

孔蕃昌
麥貴榮(於二零一七年七月三日委任)
李沅鈞
梁文基(於二零一七年七月三日辭任)

董事名錄(按類別)亦於本公司根據上市規則不時刊發之所有公司通訊內予以披露。

董事會成員之間概無任何關連。截至二零一七年十二月三十一日止年度內，董事會一直符合上市規則有關委任最少三名獨立非執行董事的規定，佔董事會三分之一以上，其中至少一名獨立非執行董事具有適合專業資格或會計或相關財務管理專業的規定。

企業管治報告

Corporate Governance Report

Responsibilities and delegation of functions

The Board of the Company is collectively responsible for the oversight of the management of the business and affairs of the Group with the objective of enhancing shareholders' value. The overall management of the Company's business is vested in the Board. The Board has delegated the day-to-day management of the Company's business to the executive directors. In addition, the Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference.

The Board focuses its attention on matters affecting the Company's overall strategic policies, finances and shareholders. These include financial statements, dividend policy, significant changes in accounting policy, the annual operating budget, certain material contracts, strategies for future growth, major financing arrangements and major investments, risk management strategies, treasury policies and group structure.

The Board formulates overall strategy of the Group, monitors its financial performance and maintains effective oversight over the management. The Board members are fully committed to their roles and have acted in good faith to maximise the shareholders' value in the long run, and has aligned the Group's goals and directions with the prevailing economic and market conditions. Daily operations and administration are delegated to the management.

The Company has put in place appropriate insurance cover in respect of director's liability.

BOARD MEETINGS AND ANNUAL GENERAL MEETING

Number of Meetings and Directors' Attendance

During the year ended 31 December 2017, five regular board meetings were held at approximately quarterly intervals for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company and one annual general meeting was held. The attendance record of each director is set out below:

責任及授權之職能

本公司董事會共同負責監管本集團業務及各項事務的管理工作，並以提升股東之價值為目標。本公司之整體業務由董事會負責管理。董事會授權執行董事管理本公司之日常業務。另外，董事會已設立委員會，及其之各種職責授權，分別載於職權範圍內。

董事會專注處理可影響本公司整體策略方針、財務及股東的事項。其中包括財務報表、股息政策、會計政策之重大修改、每年經營預算、若干重大合約、未來發展策略、主要融資安排及重大投資、風險管理策略、庫務政策及集團結構。

董事會制定集團整體發展策略、監管其財務表現及對管理層維持有效監督。董事會成員均盡忠職守，並真誠行事，以盡力為股東帶來長遠之價值，且將本集團之目標及方向，與當時經濟及市場狀況配合。日常營運及管理工作則交由管理層處理。

本公司已就董事之責任投保合適之保險。

董事會會議及股東週年大會

會議數目及董事出席記錄

截至二零一七年十二月三十一日止年度內，董事會已舉行五次定期會議，約每季度舉行以檢討及批准本集團之財務及經營表現，並考慮及批准本公司之整體策略及政策及已舉行一次股東週年大會。各董事之出席記錄如下：

企業管治報告

Corporate Governance Report

BOARD MEETINGS AND ANNUAL GENERAL MEETING 董事會會議及股東週年大會(續)

(continued)

Number of Meetings and Directors' Attendance (continued) 會議數目及董事出席記錄(續)

Name of director	董事姓名	Attendance of annual general meeting in 2017 二零一七年出席股東週年大會次數	Attendance of Board meetings in 2017 二零一七年出席董事會會議次數
Lai Pei Wor	賴培和	1/1	5/5
Chan Yau Wah	陳友華	1/1	5/5
Kung Fan Cheong	孔蕃昌	1/1	5/5
Mak Kwai Wing (appointed on 3 July 2017)	麥貴榮 (於二零一七年七月三日委任)	0/0	2/2
Li Yuen Kwan, Joseph	李沅鈞	1/1	5/5
Leung Man Kay (resigned on 3 July 2017)	梁文基 (於二零一七年七月三日辭任)	1/1	3/3

CORPORATE GOVERNANCE FUNCTION

The Company has not set up a corporate governance committee. The Board is responsible for performing the corporate governance duties set out hereunder:

- develop and review the Company's policies and practices on corporate governance and make recommendations;
- review and monitor the training and continuous professional development of the directors and senior management;
- review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- develop, review and monitor the code of conduct and compliance manual (if any) applicable to the employees and directors of the Company;
- review the Company's compliance with the code and disclosure in the corporate governance report; and
- review these terms of reference and their effectiveness and from time to time recommend any necessary changes.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

企業管治職能

本公司並沒有成立企業管治委員會。董事會負責履行載列如下之企業管治職責：

- 制定及檢討本公司之企業管治政策及常規，並提出建議；
- 檢討及監察董事及高級管理人員之培訓及持續專業發展；
- 檢討及監察本公司在遵守法律及監管規定方面之政策及常規；
- 制定、檢討及監察適用於本公司之董事及僱員之操守準則及合規手冊(如有)；
- 檢討本公司遵守守則條文之情況及在企業管治報告內之披露；及
- 檢討此職權範圍及其有效性，並不時建議任何所需之變更。

主席及行政總裁

守則條文第A.2.1條規定，主席及行政總裁之角色應有區分，而且不應由一人同時兼任。

企業管治報告

Corporate Governance Report

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (continued)

The roles of the chairman and the chief executive officer are not separate and are performed by Mr. Lai Pei Wor. Since the Board will meet regularly to consider major matters affecting the operations of the Company, the Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company and believes that this structure will enable the Company to make and implement decisions promptly and efficiently.

INDEPENDENT NON-EXECUTIVE DIRECTORS

All the independent non-executive directors have contracts with the Company for a specified period of two years and are appointed subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-laws and the CG Code.

Each independent non-executive director has made an annual confirmation of independence to the Company and the Company considers these directors to be independent under Rule 3.13 of the Listing Rules. None of the directors is related to each other.

Mr. Kung Fan Cheong who has been serving as Independent Non-executive Director of the Company for more than 9 years, has confirmed his independence with reference to the factors set out in Rule 3.13 of the Listing Rules. The Company considers Mr. Kung Fan Cheong is still independent in accordance with the independence guidelines set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the code of conduct regarding directors' securities transactions as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of Appendix 10 of the Listing Rules. Based on specific enquiry of the Company's directors, all directors have complied with the required standard set out in the Model Code throughout the year.

The Company has also established written guidelines on no less exacting terms than the Model Code (the "Employees Written Guidelines") for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

主席及行政總裁(續)

主席及行政總裁之角色並未區分，並由賴培和先生擔任。由於董事會將定期舉行會議，以考慮影響本公司營運之重大事宜，因此董事會認為此架構不會影響董事會與本公司管理層之間的權力和授權失衡，並相信此架構能使本公司快速及有效制訂及推行決策。

獨立非執行董事

所有獨立非執行董事均與本公司簽訂兩年年期之合約，並須按本公司之公司細則及企業管治守則，於本公司之股東週年大會上輪席退任和接受重選。

各獨立非執行董事已根據上市規則第3.13條規定，就其獨立性每年向本公司發出確認書，而本公司認為該等董事均屬獨立人士。董事之間互相概無任何關連。

獨立非執行董事孔蕃昌先生在任已過9年。他已確認其具備《上市規則》第3.13條所述的各項關於獨立性的因素。本公司認為根據《上市規則》所述有關獨立性的指引，孔蕃昌先生仍屬獨立人士，並將繼續為董事會提供寶貴的業務經驗、知識和專業，以提升其運作效率。

董事之證券交易

本公司已採納一套就董事進行證券交易的守則，其載於上市規則附錄十的上市發行人董事進行證券交易的標準守則（「標準守則」）。根據本公司向董事作出特定查詢後，全體董事於整個年度均遵守標準守則所載之規定。

本公司亦就可能擁有本公司尚未公開而引致股價波動的資料的僱員進行買賣證券事宜，制定以不比標準守則寬鬆的條款之書面指引（「僱員書面指引」）。

本公司並不知悉有任何僱員違反僱員書面指引的情況。

企業管治報告

Corporate Governance Report

CONTINUOUS PROFESSIONAL DEVELOPMENT

To assist directors' continuing professional development, the Company recommends directors to attend relevant seminars to develop and refresh their knowledge and skills. All directors also participate in continuous professional development programmes such as external seminars organised by qualified professionals or reading books and articles, to develop and refresh their knowledge and skills in relation to their contribution to the Board. A record of the training received by the respective directors are kept by the company secretary of the Company.

The individual training record of each director received for the year ended 31 December 2017 is summarised below:

Name of Director	董事姓名	Number of training received that are relevant to the business or directors' duties 接受有關業務或董事職責之培訓次數
Lai Pei Wor	賴培和	2
Chan Yau Wah	陳友華	1
Kung Fan Cheong	孔蕃昌	1
Mak Kwai Wing (appointed on 3 July 2017)	麥貴榮 (於二零一七年七月三日委任)	1
Li Yuen Kwan, Joseph	李沅鈞	1
Leung Man Kay (resigned on 3 July 2017)	梁文基 (於二零一七年七月三日辭任)	3

All the directors also understand the importance of continuous professional development and are committed to participating any suitable training to develop and refresh their knowledge and skills.

Mr. Ng Kwong Kui ("Mr. Ng") was appointed as the company secretary of the Company in 2009. Pursuant to Rule 3.29 of the Listing Rules, Mr. Ng has taken no less than 15 hours of relevant professional training during the financial year ended 31 December 2017.

持續專業發展

為協助董事之持續專業發展，本公司建議董事出席相關之座談會以發展及更新彼等之知識及技能。全體董事亦有出席持續專業發展計劃，如由合資格專業人士所舉辦之外部座談會或閱讀書本及文章，就彼等對董事會之貢獻發展及更新彼等之知識及技能。各董事所接受之培訓記錄由本公司公司秘書存檔。

截至二零一七年十二月三十一日止年度，各董事所接受培訓之個別記錄概述如下：

Number of training received that are relevant to the business or directors' duties

接受有關業務或董事職責之培訓次數

全體董事均了解到持續專業發展之重要性，承諾參與任何合適之培訓，以發展及更新彼等之知識及技能。

吳光僑先生(「吳先生」)於二零零九年獲委任為本公司公司秘書。根據上市規則第3.29條，吳先生於截至二零一七年十二月三十一日止財政年度已接受不少於15小時之相關專業培訓。

企業管治報告

Corporate Governance Report

BOARD COMMITTEES

The Board has established four committees, namely, the Executive Committee, Remuneration Committee, Nomination Committee and Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website (except Executive Committee) and are available to shareholders upon request.

The majority of the current members of each Board committee (except Executive Committee) are independent non-executive directors, while all the members of the Executive Committee are executive directors.

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances at the Company's expense.

EXECUTIVE COMMITTEE

The Executive Committee currently comprises 2 executive directors, namely, Mr. Lai Pei Wor (*chairman*) and Mr. Chan Yau Wah. The Executive Committee shall meet as it may consider appropriate.

The duties of the Executive Committee are as follows:

- (a) to monitor the execution of the Company's strategic plans and operations of all business units of the Company;
- (b) to discuss and make decisions on matters relating to the management and operations of the Company;
- (c) to exercise the functions and responsibilities of the Board between its regular meetings; and
- (d) to review and discuss any other matters as may from time to time be delegated to it by the Board.

董事會委員會

董事會已設立四個委員會，即執行委員會、薪酬委員會、提名委員會及審核委員會，以監督本公司事務之特定方面。本公司所有董事會委員會均按書面界定之職權範圍成立。董事會委員會之職權範圍已於本公司網站刊登(執行委員會除外)及可應要求向股東提供。

目前董事會委員會(執行委員會除外)之主要成員均為獨立非執行董事，唯執行委員會之所有成員均為執行董事。

董事會委員會獲提供足夠資源履行其職務，並可應彼等提出之合理要求，於適當情況下尋求獨立專業意見，費用由本公司負責。

執行委員會

執行委員會目前由兩名執行董事組成，包括賴培和先生(主席)及陳友華先生。執行委員會按合適情況下會面。

執行委員會之職責如下：

- (a) 監察本公司策略計劃之執行及本公司所有分類業務之營運；
- (b) 就有關本公司之管理及營運之事宜進行討論及作出決策；
- (c) 於其定期會議之間執行董事會之職能及責任；及
- (d) 檢討及討論董事會可能不時授權執行之任何其他事宜。

企業管治報告

Corporate Governance Report

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises 3 members, all of them are independent non-executive directors. The members of the Remuneration Committee are Mr. Kung Fan Cheong (*chairman*), Mr. Mak Kwai Wing (appointed on 3 July 2017), Mr. Li Yuen Kwan, Joseph (appointed on 3 July 2017) and Mr. Leung Man Kay (resigned on 3 July 2017).

During the year, the Remuneration Committee held two meetings. The attendance record of each Remuneration Committee member is set out below:

薪酬委員會

薪酬委員會目前由三名成員組成，其成員均為獨立非執行董事。薪酬委員會成員為孔蕃昌先生(主席)，麥貴榮先生(於二零一七年七月三日委任)、李沅鈞先生(於二零一七年七月三日委任)及梁文基先生(於二零一七年七月三日辭任)。

本年度內，薪酬委員會已舉行兩次會議。薪酬委員會各成員之出席紀錄如下：

Attendance of Remuneration Committee meeting in 2017

Name of director	董事姓名	二零一七年出席 薪酬委員會會議次數
Kung Fan Cheong (<i>Chairman</i>)	孔蕃昌 (主席)	2/2
Mak Kwai Wing (appointed on 3 July 2017)	麥貴榮 (於二零一七年七月三日委任)	0/0
Li Yuen Kwan, Joseph (appointed on 3 July 2017)	李沅鈞 (於二零一七年七月三日委任)	0/0
Leung Man Kay (resigned on 3 July 2017)	梁文基 (於二零一七年七月三日辭任)	2/2

企業管治報告

Corporate Governance Report

REMUNERATION COMMITTEE (continued)

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

- (a) to make recommendations to the Board on the Company's policy and structure for all directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management, which should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (d) to make recommendations to the Board on the remuneration of non-executive directors;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (f) to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (g) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (h) to ensure that no director or any of his associates is involved in deciding his own remuneration;
- (i) to review and sanction new or amended salary, incentive bonus and retirement benefit policies for the Group which are substantial in their cost and have an impact on a significant proportion of employees; and
- (j) to review the Committee's terms of reference and its own effectiveness and recommend to the Board from time to time any necessary changes.

薪酬委員會(續)

薪酬委員會之主要角色及功能如下：

- (a) 就本公司董事及高級管理人員的全體薪酬政策及架構，及就設立正規而具透明度的程序制訂此等薪酬政策，向董事會提出建議；
- (b) 因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議；
- (c) 向董事會建議個別執行董事及高級管理人員的薪酬待遇，此應包括非金錢利益、退休金權利及賠償金額(包括喪失或終止職務或委任的賠償)；
- (d) 就非執行董事的薪酬向董事會提出建議；
- (e) 考慮同類公司支付的薪酬、須付出的時間及職責以及本集團內其他職位的僱用條件；
- (f) 檢討及批准向執行董事及高級管理人員就其喪失或終止職務或委任而須支付的賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，賠償亦須公平合理，不致過多；
- (g) 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排與合約條款一致；若未能與合約條款一致，有關賠償亦須合理適當；
- (h) 確保任何董事或其任何聯繫人不得參與釐訂他自己的薪酬；
- (i) 檢討及批准本公司及其附屬公司牽涉龐大成本及影響大部份僱員之新的或修訂的工資、獎勵花紅及退休福利政策；及
- (j) 檢討委員會的職權範圍及其有效性，並不時向董事會建議任何有需要的變更。

企業管治報告

Corporate Governance Report

REMUNERATION COMMITTEE (continued)

During the year, the Remuneration Committee made recommendations to the Board on executive directors' remuneration packages and terms of employment. The Remuneration Committee also formulated and evaluated the remuneration policy and structure for the directors and senior management of the Company.

SENIOR MANAGEMENT REMUNERATION BY BAND

Pursuant to paragraph B.1.5 of the CG Code, the remuneration of the members of the senior management by band for the year ended 31 December 2017 is set out below:

Remuneration by band	薪酬組別	Number of individuals 組別人數
Nil to HK\$1,000,000	無至1,000,000港元	2
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	-

Further particulars regarding directors' emoluments and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in notes 8 and 9 to the consolidated financial statements of this annual report.

NOMINATION COMMITTEE

The Nomination Committee currently comprises 1 executive director, namely, Mr. Lai Pei Wor (*chairman*) and 3 independent non-executive directors, namely, Mr. Kung Fan Cheong, Mr. Mak Kwai Wing (appointed on 3 July 2017), Mr. Li Yuen Kwan, Joseph and Mr. Leung Man Kay (resigned on 3 July 2017).

During the year, the Nomination Committee held two meetings. The attendance record of each Nomination Committee member is set out below:

Name of director	董事姓名	Attendance of Nomination Committee meeting in 2017 二零一七年出席 提名委員會會議次數
Lai Pei Wor (<i>Chairman</i>)	賴培和 (主席)	2/2
Kung Fan Cheong	孔蕃昌	2/2
Mak Kwai Wing (appointed on 3 July 2017)	麥貴榮 (於二零一七年 七月三日委任)	0/0
Li Yuen Kwan, Joseph	李沅鈞	2/2
Leung Man Kay (resigned on 3 July 2017)	梁文基 (於二零一七年 七月三日辭任)	2/2

薪酬委員會(續)

本年度內，薪酬委員會就執行董事之薪酬福利及聘用條款向董事會提出建議。薪酬委員會亦制訂及評估本公司董事及高級管理人員之薪酬政策及結構。

高級管理人員薪酬之組別

根據企業管治守則第B.1.5段，於截至二零一七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薪酬載列如下：

根據上市規則附錄16須予披露有關董事酬金及五位最高薪酬僱員之進一步詳情載於本年報所載之綜合財務報表附註8及9。

提名委員會

提名委員會目前由一名執行董事，賴培和先生(主席)及三名獨立非執行董事組成，包括孔蕃昌先生、麥貴榮先生(於二零一七年七月三日委任)，李沅鈞先生及梁文基(於二零一七年七月三日辭任)。

本年度內，提名委員會已舉行兩次會議。提名委員會各成員之出席紀錄如下：

企業管治報告

Corporate Governance Report

NOMINATION COMMITTEE (continued)

The duties of the Nomination Committee are as follows:

- (a) to review the structure, size and diversity (including but not limited to age, gender, skills, professional and industry experience, educational background, knowledge and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (b) to identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (c) to assess the independence of independent non-executive directors;
- (d) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive;
- (e) to review the board diversity policy, as appropriate and the measurable objectives that the board has set for implementing the board diversity policy, and monitor the progress on achieving the objectives; and
- (f) to review the Committee's terms of reference and its own effectiveness and recommend to the Board from time to time any necessary changes.

Board diversity policy has been formulated. In carrying out the responsibility for identifying suitably qualified candidates to become members of the Board, the Committee will give adequate consideration to the board diversity policy.

The appointment of new directors will be considered and approved by the Board and all new directors are subject to re-election by shareholders at the first general meeting after their appointment and subject to retirement by rotation at least once every three years pursuant to the CG Code.

Mr. Chan Yau Wah, Mr. Kung Fan Cheong and Mr. Mak Kwai Wing shall retire by rotation and being eligible, offer themselves for re-election at the next forthcoming annual general meeting pursuant to the Company's Bye-laws 87(1) and 87(2).

提名委員會(續)

提名委員會之職責如下：

- (a) 至少每年檢討董事會的架構、人數及成員多元化(包括但不限於年齡、性別、技能、專業及行業經驗、教育背景、知識及服務任期方面)，並就任何為配合本公司的策略而擬對董事會作出的變動提出建議；
- (b) 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見；
- (c) 評核獨立非執行董事的獨立性；
- (d) 就董事委任或重新委任以及董事(尤其是主席及行政總裁)繼任計劃向董事會提出建議；
- (e) 在適當時檢討董事會成員多元化政策及董事會就推行董事會成員多元化政策而制定的可計量目標，並監察達致目標的進度；及
- (f) 審查委員會的職權範圍及其有效性並不時向董事會建議任何有需要的變更。

董事會多元化政策已經制定。於履行物色合適資格人選為董事會成員之職責時，委員會將充分考慮董事會成員多元化政策。

新董事之委任須經董事會考慮及批准，所有新董事須按企業管治守則於獲委任後的首次股東大會內接受股東重選並至少三年一次輪席退任。

根據本公司之公司細則第87(1)及87(2)條，陳友華先生、孔蕃昌先生及麥貴榮先生將輪席退任於即將舉行之股東週年大會，但彼等均合符資格並願意於即將舉行之股東週年大會上膺選連任。

企業管治報告

Corporate Governance Report

NOMINATION COMMITTEE (continued)

The Board recommended the re-appointment of the directors standing for re-election at the next forthcoming annual general meeting of the Company.

The Company's circular dated 27 April 2018 contains detailed information of the directors standing for re-election.

AUDITOR'S REMUNERATION

During the year under review, the remuneration paid/payable to the Company's auditor, Messrs. Mazars CPA Limited, is set out as follows:

Services rendered	所提供之服務	Fees paid/payable
		HK\$ 已付/應付費用 港元
Audit services	核數服務	1,045,000
Non-audit services (taxation services)	非核數服務 (稅務服務)	89,200
		1,134,200

AUDIT COMMITTEE

The Company has complied with Rule 3.21 of the Listing Rules in relation to the composition of the Audit Committee. The Audit Committee of the Company comprises three independent non-executive directors. The current members of the Audit Committee are Mr. Mak Kwai Wing (appointed on 3 July 2017), Mr. Kung Fan Cheong, Mr. Li Yuen Kwan, Joseph and Mr. Leung Man Kay (resigned on 3 July 2017). The Audit Committee is chaired by Mr. Mak Kwai Wing who has appropriate accounting professional qualifications. Code Provision C.3.3 stipulates that members of the Audit Committee should meet at least twice a year with the Company's auditors. During the year, there were two meetings held between the Audit Committee and the Company's auditor. Besides, the Audit Committee shall meet at least twice a year. During the year, the Audit Committee held three meetings. The attendance record of each Audit Committee member is set out below:

Name of director	董事姓名	Attendance of Audit Committee meetings in 2017
		二零一七年出席 審核委員會會議次數
Mak Kwai Wing (Chairman) (appointed on 3 July 2017)	麥貴榮 (主席) (於二零一七年七月三日委任)	2/2
Kung Fan Cheong	孔蕃昌	3/3
Li Yuen Kwan, Joseph	李沅鈞	3/3
Leung Man Kay (Chairman) (resigned on 3 July 2017)	梁文基 (主席) (於二零一七年七月三日辭任)	1/1

提名委員會(續)

董事會建議於即將舉行之本公司股東週年大會上重新委任該重選之董事。

本公司二零一八年四月二十七日之通函內載有重選董事之詳情。

核數師酬金

回顧本年度內，本公司已付予/應付予核數師瑪澤會計師事務所有限公司之酬金如下：

審核委員會

本公司就審核委員會之組成已遵守上市規則第3.21條規定。本公司審核委員會成員由三名獨立非執行董事組成。目前審核委員會之成員包括麥貴榮先生(於二零一七年七月三日委任)先生、孔蕃昌先生、李沅鈞先生及梁文基先生(於二零一七年七月三日辭任)。審核委員會主席麥貴榮先生擁有適當之會計專業資格。守則條文第C.3.3條規定，本公司的核數師與審核委員會的成員應至少每年會面兩次。本年度內，審核委員會及本公司核數師之間舉行了兩次會議。此外，審核委員會每年至少舉行兩次會議。本年度內，審核委員會已舉行三次會議。審核委員會各成員之出席紀錄如下：

企業管治報告

Corporate Governance Report

AUDIT COMMITTEE (continued)

The principal roles and functions of the Audit Committee include the review of the Group's consolidated financial statements and reporting process, risk management system and internal control procedures. It also acts as an important link between the Board and the Company's auditor in matters within the scope of the group audit. During the meetings held in 2017, the Audit Committee had performed the following works:

- (i) reviewed the directors' report and audited consolidated financial statements for the year ended 31 December 2017 and consider any significant or unusual items raised by the internal auditor or external auditor before submission to the Board;
- (ii) reviewed the interim consolidated financial statements for the six months ended 30 June 2017;
- (iii) reviewed the re-appointment of the external auditor and the nature and scope of audits;
- (iv) reviewed and recommended for approval by the board the 2017 audit scope and fees;
- (v) reviewed and monitored the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard;
- (vi) reviewed the effectiveness of risk management and internal control system; and
- (vii) reviewed the Group's financial and accounting policies and practices.

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors acknowledge their responsibility for preparing the consolidated financial statements of the Group for the year ended 31 December 2017. The directors ensure the preparation of the consolidated financial statements of the Group are in accordance with statutory requirements and applicable accounting standards. The directors also ensure the publication of the consolidated financial statements of the Group is in a timely manner.

The statement of the Auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 64 to 69.

審核委員會(續)

審核委員會之主要角色及功能包括檢討本集團之綜合財務報表及報告程序、風險管理及內部監控程序。委員會亦會就集團審計範圍內的事項擔任董事會與公司核數師之間的重要橋樑。審核委員會於二零一七年舉行之會議完成以下工作：

- (i) 向董事會提交由內部核數師或外聘核數師提交之董事會報告及經審核綜合財務報表前，審閱截至二零一七年十二月三十一日止年度之董事會報告及經審核財務報告及考慮彼等所提出之任何重大或不尋常事項；
- (ii) 審閱截至二零一七年六月三十日止六個月之中期綜合財務報表；
- (iii) 檢討外聘核數師之續聘及審計性質和範圍；
- (iv) 檢討二零一七年之審計範圍及核數費用並就此提出建議供董事會批准；
- (v) 檢討及監督外聘核數師之獨立性及客觀性，並按照適用標準檢討審計程序之效率；
- (vi) 檢討風險管理及內部監控系統之效率；及
- (vii) 檢討本集團之財務及會計政策及常規。

董事及核數師就綜合財務報表所承擔之責任

董事確認就編製本集團截至二零一七年十二月三十一日止年度之綜合財務報表承擔責任。董事須確保本集團綜合財務報表的編製符合有關法規及適用之會計準則。董事並確保本集團綜合財務報表適時予以刊發。

本公司核數師就本集團綜合財務報表所作之申報責任聲明列載於第64至69頁之獨立核數師報告內。

企業管治報告

Corporate Governance Report

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness on an ongoing basis. Such risk management and internal control systems are designed for managing risks rather than eliminating the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board, with the assistance of the Audit Committee, has overall responsibilities for maintaining effective risk management and internal control systems of the Group. During the year, the Board conducted a review of the effectiveness and adequacy of the Group's risk management and internal control systems, covering financial, operational, compliance control and risk management functions. The Group's system of internal control includes the setting up of a management structure with limits of authority, and is designed to help the Group achieve its business objectives, protects its assets against unauthorized use or disposition, ensures the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensures compliance with relevant laws and regulations. After reviewing the Group's risk management and internal control systems, the Board considers that the systems are effective and adequate for the Group as a whole. The Board further considers that there was no material issue relating to the Group's risk management and internal controls systems including financial, operational and compliance controls and risk management functions of the Group and that there were adequate staff with appropriate and adequate qualifications and experience, resources for accounting, internal audit and financial reporting functions, and adequate training programmes had been provided during the year.

The internal control team of the Company plays a major role in monitoring the risk management and internal controls of the Group and reports directly to the Audit Committee. It has full access to review all aspects of the Group's activities, risk management and internal controls. All types of audited reports are circulated to the Audit Committee and key management, which will follow up on any actions and measures taken to improve risk management and internal controls on the recommendations by the internal control team.

The processes used to identify, evaluate and manage significant risks by the Group are summarized as follows:

- Identifies risks that may potentially affect the Group's business and operations.

風險管理及內部監控

董事會確認對風險管理及內部監控系統負責，並有責任持續檢討其有效性。該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的風險，而且就避免重大的失實陳述或損失而言，僅能作出合理而非絕對的保證。

董事會在審核委員會的協助下對於維持本集團穩固有效的風險管理及內部監控系統承擔整體責任。於本年度，董事會已對本集團風險管理及內部監控系統於財務、營運、合規控制及風險管理職能方面的成效及充足性進行審查。本集團的內部監控系統包括建立界定權限的管理架構，以協助本集團達致其商業目標、保護資產以防未經授權挪用或處理、確保置存適當的會計記錄作為可靠的財務資料供內部使用或刊印發行，並確保符合相關法律及規例。於審查本集團的風險管理及內部監控系統後，董事會認為該等系統就本集團整體而言乃屬有效及充足。董事會進一步認為，於本年度，本集團於財務營運及合規控制以及風險管理職能方面概無出現任何重大事宜及本集團具合適資歷及經驗的員工人數以及會計、內部審計及財務申報職能部門的資源均屬充裕，且已獲提供足夠的培訓課程。

本公司的控制部在監督本集團風險管理及內部監控事宜上發揮重要作用，並直接向審核委員會匯報。該部門可全面審閱本集團各方面的事務、風險管理及內部監控事宜。所有經審核報告均會交由審核委員會及主要管理層傳閱，並由彼等跟進控制部就有關推薦建議而採取的任何改善風險管理及內部監控的行動及措施。

本集團用於識別、評估及管理重大風險的程序簡介如下：

- 識別可能對本集團業務及營運構成潛在影響之風險。

企業管治報告

Corporate Governance Report

RISK MANAGEMENT AND INTERNAL CONTROL

(continued)

- Considers the impact on the business and the likelihood of their occurrence.
- Determines the risk management strategies and internal control processes to prevent, avoid or mitigate the risks.
- Performs ongoing and periodic monitoring of the risk and ensures that appropriate internal control processes are in place.
- Reports the results of risk monitoring to the Audit Committee and the Board regularly.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is performed by an internal audit team, which reports directly to the Audit Committee and the Board on a periodical basis. The team conducts internal audit reviews on material controls and compliance with policies and procedures of the Group at both operational and corporate levels. Plans for corrective actions and control improvement are identified and communicated with operations management to address any issues, non-compliance or deficiencies identified. The team monitors the implementation of its recommendations by the operations management and reports the outcome to the Audit Committee and the Board.

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group complies with requirements of the Securities and Futures Ordinance (the "SFO") and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements or circulars are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

風險管理及內部監控(續)

- 考慮風險對業務之影響及出現之可能性。
- 釐定風險管理策略及內部監控程序，以防止、避免或降低風險。
- 持續並定期監察有關風險，以及確保設有適當的內部監控程序。
- 向審核委員會及董事會定期匯報風險監察的結果。

內部審計職能

內部審計小組專責進行本集團的內部審計職能，按期間直接向審核委員會及董事會匯報。小組專責就本集團營運及企業層面上的重大監控及制度與程序的合規事宜，進行內部審計檢討。小組與營運管理人員溝通，就發現的問題、違反規例的事項或不足之處釐定糾正及改善監控的方案。小組會監察營運管理人員執行其建議的情況及向審核委員會及董事會匯報相關結果。

處理及發放內幕消息

本集團遵循證券及期貨條例和上市規則的規定。本集團在合理切實可行的情況下，會儘快向公眾披露內幕消息，除非有關消息屬證券及期貨條例所規定屬於任何安全港範圍內。本集團在向公眾全面披露有關消息前，會確保該消息絕對保密。若本集團認為無法保持所需的機密性，或該消息可能已外泄，會即時向公眾披露該消息。本集團致力確保公告或通函中所載的資料就重大事實而言並不屬虛假或具誤導性，或並不因遺漏重大事實而屬虛假或具誤導性，以清晰及持平的方式呈列資料，即需平等地披露正面及負面事實。

企業管治報告

Corporate Governance Report

CONSTITUTIONAL DOCUMENTS

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

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The general meetings of the Company provide a forum for communication between the Board and the shareholders. The chairman of the Board as well as chairmen of the Remuneration Committee, Nomination Committee and Audit Committee and, in their absence, other members of the respective committees are available to answer questions at shareholder meetings.

The 2018 Annual General Meeting ("AGM") will be held on 1 June 2018. The notice of AGM will be sent to shareholders at least 20 clear business days before the AGM.

To promote effective communication, the Company maintains a website at www.kpihl.com, where extensive information and updates on the Company's financial information, corporate governance code and other information are posted and available for public access.

SHAREHOLDER RIGHTS

Convening a special general meeting ("SGM")

Pursuant to the bye-laws of the Company, member(s) holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings, may by written requisition to the Board or the Secretary of the Company to require a SGM to be called by the Board for the transaction of any business specified in such requisition at the expense of such requisitioner(s). If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of section 74(3) of the Companies Act 1981 of Bermuda. The requisition must specify the purpose of the meeting, and must be signed by the relevant requisitioner(s) and deposited at the head office of the Company in Hong Kong.

If the requisition is in order, the company secretary will ask the Board to convene a SGM by serving sufficient notice in accordance with the statutory requirements to all the registered members. On the contrary, if the requisition is invalid, the members concerned will be advised of this outcome and accordingly, a SGM will not be convened as requested.

憲章文件

本年度內本公司之憲章文件並無變動。

與股東及投資者之溝通

本公司股東大會為董事與股東提供交換意見的機會。董事會主席以及薪酬委員會、提名委員會及審核委員會之主席，在該委員會主席缺席時，其委員會之另一名成員可於股東大會上回答提問。

二零一八年之股東週年大會將於二零一八年六月一日舉行。股東週年大會通告將於股東週年大會舉行前至少足二十個營業日向股東發送通知。

為使本公司與股東有效聯繫，本公司設有網站 www.kpihl.com，讓公眾人士得悉有關本公司刊登之財務資料、企業管治準則及其他資料以及最新資訊。

股東權利

召開股東特別大會(「股東特別大會」)

根據本公司之公司細則，於存放請求書日期持有本公司附帶於本公司股東大會投票權不少於十分之一之繳足股本之股東可透過本公司董事會或秘書發出書面要求召開股東特別大會，費用由有關請求人支付。大會將由董事會召開，以處理該請求中指定之任何事宜。倘董事會於存放請求書後二十一日內未召開股東特別大會，則請求人可根據百慕達一九八一年公司法第74(3)條之條文以相同方式自行召開股東大會。有關要求必須列明大會之目的及由有關請求人簽署，並送達本公司於香港之總辦事處。

倘請求屬適當，本公司秘書將要求董事會透過根據法定要求向所有已註冊股東發出足夠通知以召開股東特別大會。相反，倘請求屬不適當，有關股東將就此結果獲得通知，股東特別大會亦將因此不會按要求的召開。

企業管治報告

Corporate Governance Report

The notice period to be given to all the registered members for consideration of the proposal raised by the member(s) concerned at a SGM varies according to the nature of the proposal, as follows:

- (a) at least twenty-one (21) clear days' and not less than ten (10) clear business days' notice in writing if the proposal constitutes a special resolution of the Company, which cannot be amended other than to a mere clerical amendment to correct a patent error; and
- (b) at least fourteen (14) clear days' and not less than ten (10) clear business days' notice in writing if the proposal constitutes an ordinary resolution of the Company.

Putting Forward Proposals at General Meetings other than a Proposal for Election of Director

The following procedures are subject to the Company's bye-laws, the Bermuda Companies Act 1981 and applicable legislation and regulation.

1. The Company holds an AGM every year, and may hold a general meeting known as a SGM whenever necessary.
2. Member(s) of the Company holding (i) not less than one-twentieth of the total voting rights of all members having the right to vote at the general meeting; or (ii) not less than 100 members, can submit a written request stating the resolution intended to be moved at the AGM; or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting.
3. The written request/statements must be signed by the member(s) concern and deposited at the Company's registered office at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal office at Units 2304-06, 23/F, Riley House, 88 Lei Muk Road, Kwai Chung, N.T., Hong Kong, for the attention of the company secretary of the Company, not less than six weeks before the AGM in the case of a requisition requiring notice of a resolution and not less than one week before the general meeting in the case of any other requisition.

向所有已註冊股東發出通知，以考慮有關股東提出之股東特別大會上之動議之期限根據建議之性質而有所不同，詳情如下：

- (a) 倘建議構成本公司之特別決議案(除改正明顯錯誤之純粹文書修訂外不得修改者)，則最少足二十一(21)個及不少於足十(10)個營業日之書面通知；及
- (b) 倘建議構成本公司之普通決議案，則最少足十四(14)個及不少於足十(10)個營業日之書面通知。

於股東大會提呈選舉董事以外之動議

以下程序受本公司之公司細則、百慕達一九八一年公司法及適用法律及法規所限。

1. 本公司每年舉行一次股東週年大會及可於必要時舉行稱為股東特別大會之股東大會。
2. 本公司之股東(i)持有不少於所有有權於股東大會投票之股東投票權總額二十分之一，或(ii)不少於100名股東，可提交列明擬於股東週年大會動議之決議案之書面請求；或一份不多於1,000字，有關任何建議決議案之事項或擬於特定股東大會上處理之事宜之聲明。
3. 書面請求／聲明必須經有關股東簽署，並於股東週年大會前不少於六個星期(倘請求需要決議案通告)或股東週年大會前不少於一個星期(倘為任何其他請求)存放於本公司註冊辦事處Clarendon House, 2 Church Street, Hamilton HM11, Bermuda及其主要辦事處香港新界葵涌梨木道88號達利中心23樓2304-06室，收件人為本公司之公司秘書。

企業管治報告

Corporate Governance Report

4. If the written request is in order, the company secretary will ask the Board of the Company (i) to include the resolution in the agenda for the AGM; or (ii) to circulate the statement for the general meeting, provided that the member(s) concerned have deposited a sum of money reasonably determined by the Board sufficient to meet the Company's expenses in serving the notice of the resolution and/or circulating the statement submitted by the member(s) concerned in accordance with the statutory requirements to all the registered members. On the contrary, if the requisition is invalid or the member(s) concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the member(s) concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the AGM; or the statement will not be circulated for the general meeting.

Putting Forward Enquiries to Board

Members who have enquires about the above procedures or have enquires to put to the Board may write to the company secretary at Units 2304-06, 23/F, Riley House, 88 Lei Muk Road, Kwai Chung, N.T., Hong Kong.

Note: The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Units 2304-06, 23/F, Riley House, 88 Lei Muk Road, Kwai Chung, N.T., Hong Kong
(For the attention of the Chairman/Company Secretary)
Fax: (852) 2481 3098
Email: enquiry@kpihl.com

For the avoidance of doubt, shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law. Shareholders may call the Company at (852) 2276 3000 for any assistance.

To safeguard shareholder interests and rights, separate resolutions are proposed at shareholder meetings on each substantial issue, including the election of individual directors.

All resolutions put forward at a shareholder meeting will be taken by poll pursuant to the Listing Rules and the poll results will be posted on the websites of the Company and of the Stock Exchange after the shareholder meeting.

4. 倘書面請求屬適當，公司秘書將要求本公司董事會(i)將該決議案納入股東週年大會議程；或(ii)發佈股東大會聲明，惟有關成員須已存放合理足夠金額以應付本公司根據法例規定向所有已註冊股東發出決議案通知及／或發佈有關股東提交之聲明之費用。相反，倘請求屬不適當或有關股東未能存放足夠金額以供本公司應付就上述事項之費用，則有關股東將就此結果獲得通知，建議決議案亦將因此不會納入股東週年大會議程；或將不會就股東大會發佈該聲明。

向董事會提出查詢

倘對上述程序有疑問或有疑問向董事會查詢，股東可以書面向本公司秘書提交，地址為香港新界葵涌梨木道88號達利中心23樓2304-06室。

附註：本公司通常不會處理口頭或匿名查詢。

聯絡資料

股東可經以下途徑發送上述查詢或要求：

地址：香港新界葵涌梨木道88號
達利中心23樓2304-06室
(收件人：主席／公司秘書)
傳真：(852) 2481 3098
電子郵件：enquiry@kpihl.com

為免生疑問，股東必須郵寄或發送正式簽署之書面請求、通知或聲明，或查詢(根據情況而定)之原本至上述地址，並提供其全名、聯絡資料及身份證明，以使其查詢生效。股東資料可能按法律要求披露。如需協助，股東可致電(852) 2276 3000聯絡本公司。

以保障股東之利益及權益，就股東大會上之每項實際事宜個別提出決議案，包括選舉個別董事。

根據上市規則，於股東大會上提呈之所有決議案，將以投票方式表決，投票方式表決之結果將於會後在本公司網站及聯交所網站上刊登。

董事及高級管理人員簡歷詳情

Biographical Details of Directors and Senior Management

Biographical details of the directors and senior management of the Group are set out as follows:

EXECUTIVE DIRECTORS

Mr. Lai Pei Wor, aged 61, is the chairman and managing director of the Company. Mr. Lai was appointed as an executive director of the Company on 13 September 1996. He is the founder of the Group and has over 36 years of experience in the industry. He is responsible for the Group's overall strategic planning, policy making and financial management. He has been a director of Hi-Tech Precision Industrial Limited since 1984, a director of Hideki Electronics Limited since 1989, a director of Cokeen Development Limited and K. S. (China) Electronics Manufactory Limited since 1990, a director of K & P Group (Holdings) Limited since 1994, a director of Hi-Tech Investment Holdings Limited and Hi-Tech Property Holdings Limited since 1997, a director of E-Dotcom Limited since 2001, a director of Hi-Tech (China) Investment Limited and 中穎(中山)電子有限公司 since 2002, a director of Mars Field Limited, a director and legal representative of 中山市堅城電子有限公司 and 新穎城電子(深圳)有限公司 since 2010 and acted as a director of Technology Trends International Limited since 2001 and a secretary since 2009. He has also been appointed as a director of Sun Ngai Plastic Products Factory Limited, a director of Hunpex Limited, and a director and legal representative of 銀柏達科技(深圳)有限公司 since 2013.

本集團之董事及高級管理人員之簡歷詳情如下：

執行董事

賴培和先生，61歲，本公司主席兼董事總經理。賴先生於一九九六年九月十三日獲委任為本公司之執行董事。彼並為本集團之創辦人，擁有36年以上業內經驗。彼負責本集團之整體策劃、決策及財務之管理工作。彼自一九八四年起出任中穎精密工業有限公司之董事、一九八九年出任西城電子有限公司之董事、一九九零年起出任確建發展有限公司及堅城(中國)電子廠有限公司之董事、一九九四年起出任K & P Group (Holdings) Limited之董事、一九九七年起出任Hi-Tech Investment Holdings Limited及Hi-Tech Property Holdings Limited之董事、二零零一年起出任E-Dotcom Limited之董事、二零零二年起出任中穎(中國)投資有限公司及中穎(中山)電子有限公司之董事、並自二零一零年出任堅城實業公司之董事、中山市堅城電子有限公司及新穎城電子(深圳)有限公司之董事及法定代表人。彼自二零零一年出任Technology Trends International Limited之董事兼自二零零九年出任其公司秘書。彼亦自二零一三年被委任為新藝塑膠製品廠有限公司之董事、銀柏達有限公司之董事及銀柏達科技(深圳)有限公司之董事及法定代表人。

董事及高級管理人員簡歷詳情

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS *(continued)*

Mr. Chan Yau Wah, aged 59, is the deputy chairman of the Company. Mr. Chan was appointed as an executive director of the Company on 13 September 1996. He is also a general manager in Hi-Tech Investment Holdings Limited. Mr. Chan joined the Group in December 1990. He is responsible for the planning and management in production activities. He holds a higher diploma in production and industrial engineering from The Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) and a diploma in management studies from the Hong Kong Management Association. He has over 36 years of experience in the industry. He has been a director of Hideki Electronics Limited and K & P Group (Holdings) Limited since 1994, a director of K. S. (China) Electronics Manufactory Limited since 1995, a director of Hi-Tech Investment Holdings Limited and Hi-Tech Property Holdings Limited since 1997, a director of Technology Trends International Limited since 2001, a director of Hi-Tech (China) Investment Limited and 中穎(中山)電子有限公司 since 2002 and acted as a director of E-Dotcom Limited since 2009. He has also been appointed as a director of Sun Ngai Plastic Products Factory Limited, a director of Hunpex Limited, and a supervisor of 銀柏達科技(深圳)有限公司 since 2013.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kung Fan Cheong, aged 63, is a partner in the law firm of Pang, Kung & Co. and is a member of The Law Society of Hong Kong. Mr. Kung was appointed as an independent non-executive director of the Company on 13 September 1996.

執行董事(續)

陳友華先生，59歲，本公司副主席。陳先生於一九九六年九月十三日獲委任為本公司之執行董事。彼亦為Hi-Tech Investment Holdings Limited之總經理。陳先生於一九九零年十二月加入本集團。彼負責本集團生產之規劃及管理。彼持有香港理工學院(現稱香港理工大學)生產及工業工程高級文憑，並持有香港管理專業協會管理學文憑。彼在業內累積逾36年以上的工作經驗。彼自一九九四年起出任西城電子有限公司及K & P Group (Holdings) Limited之董事、一九九五年起出任堅城(中國)電子廠有限公司之董事、一九九七年起出任Hi-Tech Investment Holdings Limited及Hi-Tech Property Holdings Limited之董事、二零零一年起出任Technology Trends International Limited之董事、二零零二年起出任中穎(中國)投資有限公司及中穎(中山)電子有限公司之董事、並自二零零九年起出任E-Dotcom Limited之董事。彼亦自二零一三年起被委任為新藝塑膠製品廠有限公司之董事，銀柏達有限公司之董事及銀柏達科技(深圳)有限公司之監事。

獨立非執行董事

孔蕃昌先生，63歲，為彭孔律師行之合夥人，並為香港律師公會會員。孔先生於一九九六年九月十三日獲委任為本公司之獨立非執行董事。

董事及高級管理人員簡歷詳情

Biographical Details of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

Mr. Mak Kwai Wing, BSoc.Sc., ATiHK, FCPA (Aust), aged 68, graduated from The University of Hong Kong with a degree of Bachelor of Social Sciences. He is also a Fellow of CPA Australia and an Associate of the Taxation Institute of Hong Kong. Mr. Mak was appointed as an independent non-executive director of the Company on 3 July 2017. Mr. Mak has over 40 years of experience in the taxation field. In July 2006, Mr. Mak joined Mazars Tax Services Limited ("Mazars") as an executive director, was a managing director of Mazars from January 2008 to August 2014 and was a Senior Advisor of Mazars from September 2014 to June 2017. Before joining Mazars, Mr. Mak was a tax principal at Ernst & Young and took early retirement in January 2004. Currently, Mr. Mak is an independent non-executive director of Tianjin Development Holdings Limited (Stock Code: 00882) and a member of Hong Kong Professionals and Senior Executives Association. Previously, Mr. Mak served as the governor of Rotary International District 3450 and the Chairman of the Tax Specialization Development Working Group of Hong Kong Institute of Certified Public Accountants.

Mr. Li Yuen Kwan, Joseph, aged 65, graduated from State University of New York at Buffalo in the United States of America and holds a bachelor of science in business administration degree. Mr. Li was appointed as an independent non-executive director of the Company on 24 August 2005. After working in the business sector for nine years, he joined the Secretariat of Federation of Hong Kong Industries in 1985 as an assistant director and in 1992 he was appointed as a director of the Secretariat of Federation of Hong Kong Industries from which post he retired in January 2005. He has over 29 years' experience in serving the manufacturing industry of Hong Kong.

SENIOR MANAGEMENT

Mr. Wong Man Kit, aged 58, is the marketing director of precision parts and components segment of the Group. Mr. Wong joined the Group in 1984. He is responsible for the marketing and sales. He has over 34 years of experience in the industry.

Mr. Li Kam Keung, aged 57, is the production manager of the precision parts and components segment in Kong Hau factory, Zhongshan. Mr. Li joined the Group in 1985. He is responsible for the operation and management in production segment. He has over 31 years of experience in the industry.

獨立非執行董事(續)

麥貴榮先生，BSoc.Sc.、ATiHK、FCPA (Aust)，現年68歲，畢業於香港大學，持有社會科學學士學位。彼亦為澳洲會計師公會資深會員及香港稅務學會會員。麥先生於二零一七年七月三日獲委任為本公司之獨立非執行董事。麥先生於稅務界擁有逾四十年之經驗。於二零零六年七月，麥先生加入瑪澤稅務有限公司(「瑪澤」)擔任執行董事，於二零零八年一月至二零一四年八月為瑪澤之董事總經理，及後於二零一四年九月至二零一七年六月為瑪澤之資深顧問。於加入瑪澤前，麥先生曾為安永會計師事務所之稅務主管，並於二零零四年一月申請提早退休。目前，麥先生為天津發展控股有限公司之獨立非執行董事(股份代號：00882)及香港專業及資深行政人員協會之會員。於過去，麥先生曾擔任國際扶輪3450地區總監及香港會計師公會稅務專項發展專責小組之主席。

李沅鈞先生，65歲，畢業於美國水牛城紐約州立大學並持有工商管理學士學位。李先生於二零零五年八月二十四日獲委任為本公司之獨立非執行董事。經過九年於商界工作後，彼於一九八五年獲委任為香港工業總會秘書處之助理幹事及於一九九二年被委任為香港工業總會秘書處之幹事，直至二零零五年一月退任。彼擁有超過29年服務香港製造業之經驗。

高級管理人員

黃文傑先生，58歲，本集團精密零部件之市場總監。黃先生於一九八四年加入本集團，負責市場推廣及銷售。彼在業內累積逾34年以上的工作經驗。

李錦強先生，57歲，本集團精密零部件中山市港口分廠之生產部主管。李先生於一九八五年加入本集團，負責生產部之營運及管理。彼在業內累積逾31年以上的工作經驗。

董事會報告

Report of the Directors

The directors present their report and the audited consolidated financial statements of the Company and the Group for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries comprise the manufacture and sale of precision parts and components (comprising keypads, synthetic rubber and plastic components and parts), and the design, manufacture and sale of consumer electronic products (comprising time, weather forecasting and other products). There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDEND

The Group's profit for the year ended 31 December 2017 and the state of affairs of the Company and of the Group at that date are set out in the consolidated financial statements on pages 70 to 165.

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

CLOSURE OF REGISTERS FOR ANNUAL GENERAL MEETING

The Register of Members of the Company will be closed from Tuesday, 29 May 2018 to Friday, 1 June 2018, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for attending and voting at the annual general meeting of the Company to be held on Friday, 1 June 2018, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 28 May 2018.

董事會提呈本公司及本集團截至二零一七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

本公司之主要業務為投資控股。

各附屬公司主要業務包括製造及銷售精密零部件(包括按鍵、合成橡膠及塑膠零部件)，及設計、製造及銷售電子消費品(包括時計、天氣預計及其他產品)。本集團之主要業務於本年度內並無重大改變。

業績及股息

本集團截至二零一七年十二月三十一日止年度之溢利及本公司與本集團於該日之財政狀況載於第70至165頁之綜合財務報表。

董事不建議就截至二零一七年十二月三十一日止年度派發末期股息(二零一六年：無)。

暫停辦理股東登記作股東週年大會之用

本公司將於二零一八年五月二十九日(星期二)至二零一八年六月一日(星期五)期間(包括首尾兩天)暫停辦理股份過戶登記手續，期間內將不會進行任何股份之過戶登記。為確保符合資格之股東出席於二零一八年六月一日(星期五)舉行之股東週年大會及於會上表決，所有過戶文件連同有關股票，必須於二零一八年五月二十八日(星期一)下午四時三十分前，送交本公司在香港之股份過戶登記分處，卓佳登捷時有限公司，地址為香港皇后大道東183號合和中心22樓。

BUSINESS REVIEW

Benefited from the increasing demand of the major and newly established customers, the turnover of the precision parts and components segment amounted to approximately HK\$371.6 million, which increased by 8.5%. The operating profit in this segment increased to approximately HK\$19.7 million (2016: HK\$16.3 million).

The turnover of the consumer electronic products segment decreased to approximately HK\$51.3 million, representing a 42.0% decrease. The operating loss of this segment was decreased to approximately HK\$7.3 million from HK\$21.2 million in 2016 which included the provision for impairment on segment assets and other costs of approximately HK\$13.1 million.

The gross profit margin of the Group in 2017 had improved by 6.1% to 18.3% arising from the improvement in operating results of the precision parts and components segment and the absence of substantial provision for assets impairment and other costs in 2017 in the consumer electronic products segment. The selling and distribution costs were decreased by 0.8% to approximately HK\$35.1 million, and administrative and other expenses were increased by 0.5% to approximately HK\$36.6 million. The finance costs had decreased by 11.6% to approximately HK\$1.5 million due to the decrease in financing activities.

The continuous weaken demand from the market in the consumer electronic products segment during the past few years resulted in under-utilisation of production capacity in the factory, and hence, continuous losses in this segment were recorded from the years ended 31 December 2014 to 2017.

業務回顧

受惠於主要客戶的需求增加及取得新客戶訂單，使精密零部件分類之營業額較去年上升8.5%至約371,600,000港元。溢利較去年增加至約19,700,000港元(二零一六年：16,300,000港元)。

電子消費品分類之營業額較去年減少42.0%至約51,300,000港元。此分類之經營虧損較去年減少至約7,300,000港元，二零一六年之虧損約21,200,000港元，其中包括資產減值及其他成本撥備約13,100,000港元。

精密零部件分類之業績增長及於二零一七年內電子消費品分類並無作出重大資產減值及其他成本撥備，本集團於二零一七年整體毛利率較去年增加6.1%至18.3%。銷售及經銷成本減少0.8%至約35,100,000港元，而行政及其他費用增加0.5%至約36,600,000港元。融資成本因借貸減少而下降11.6%至約1,500,000港元。

電子消費品分類之市場需求持續疲弱導致廠房使用率低於生產能力，致使此分類之業績由二零一四年至二零一七年十二月三十一日止年度一直出現虧損。

董事會報告

Report of the Directors

FINANCIAL KEY PERFORMANCE INDICATORS

The Group's turnover for the year ended 31 December 2017 amounted to approximately HK\$422.9 million, representing a 1.9% decrease from the previous year. Overall gross profit amounted to approximately HK\$77.5 million this year, representing a 47.3% increase from the previous year. Profit attributable to owners of the Company was approximately HK\$8.3 million (2016: loss of HK\$8.1 million).

Basic earnings for the year ended 31 December 2017 was HK3.11 cents (2016: loss of HK3.04 cents) per share.

ENVIRONMENTAL POLICIES

We are committed to building an environmentally-friendly corporation that pays close attention to conserving natural resources. We strive to minimize our environmental impact by saving electricity and encouraging recycle of office supplies and other materials. We also require factories operate in compliance with the relevant environmental regulations and rules and possess all necessary permission and approval from the relevant Chinese regulators. Emails and electronic messages have replaced letters for most formal and informal communications, both externally and internally. Further details are set out on environmental, social and governance report on pages 41 to 63 of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries while the Company itself is listed on the Stock Exchange. Our establishment and operations accordingly shall comply with relevant laws and regulations in Mainland China, Hong Kong and Bermuda. During the year ended 31 December 2017, we have complied with all the relevant laws and regulations in Mainland China, Hong Kong and Bermuda.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Being people-oriented, the Group ensures that all staff are reasonably remunerated and it continues to improve and review and update regularly on its policies for remuneration and benefits, training, occupational health and safety. The Group maintains a good relationship with its customers. Customers are encouraged to make recommendations with the aim of improving products quality. The Group is in good relationship with its suppliers and conducts a fair and strict appraisal of its suppliers on an annual basis.

主要財務表現指標

截至二零一七年十二月三十一日止年度，本集團之營業額約422,900,000港元，較去年減少1.9%。本年度整體毛利約77,500,000港元，較去年增加47.3%。本公司擁有人所佔溢利約8,300,000港元(二零一六年：虧損8,100,000港元)。

截至二零一七年十二月三十一日止年度，每股基本盈利為3.11港仙(二零一六年：虧損3.04港仙)。

環保政策

我們關注保護自然資源並致力創建環保型的工作環境。我們透過節約用電及鼓勵回收辦公用品及其他材料，努力降低對環境的影響。我們亦要求工廠遵守有關環保法規及規則，並取得有關中國監管機構的所有必要許可及批文。電子郵件和電子訊息已取代大部份正式和非正式通訊(不論是對外或內部)中所使用的信件。環境、社會及管治報告之詳盡資料載於本年報第41至63頁。

遵守法律及法規

本集團的業務主要由本公司的附屬公司進行，而本公司本身於聯交所上市。因此，我們的成立及營運須遵守中國大陸、香港及百慕達的有關法律及法規。截至二零一七年十二月三十一日止年度，我們已遵守中國大陸、香港及百慕達的所有有關法律及法規。

與僱員、顧客及供應商之關係

本集團以人為本，給予僱員合理待遇，同時定期檢討更新薪酬福利、培訓、職業健康與安全等制度。本集團與顧客關係良好。本集團鼓勵顧客提出意見旨在改善產品質素。本集團與供應商關係良好，每年對供應商進行公平及嚴格審核。

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Group include strategic, commercial, operational and financial risks.

Strategic risks

The Directors maintain a strategic plan together with a financial budget at the end of each financial year based on their knowledge to the external environments and a number of forecasts and estimates. Given the change of unforeseeable external environments in the industry, the Group is facing significant strategic risks on its capital expenditures and working capital requirements when changing the strategic plans to adopt the unexpected changes of external environments.

Commercial risks

The Group is facing keen competition in the market. To maintain the Group's competitiveness, the management uses cost leadership strategy as well as diversifying its business strategy to tackle other competitors.

Operational risks

Management regularly reviews the Group's operations to ensure that the Group's risk of losses, whether financial or otherwise, resulting from fraud, errors, omissions and other operational and compliance matters, are adequately managed.

Financial risks

The principal financial risks are set out in note 38 to consolidated financial statements heading "Financial risk management objectives and policies".

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 166. This summary does not form part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 13 to the consolidated financial statements.

主要風險及不確定因素

本集團面對的主要風險及不確定因素包括策略、商業、營運及財務風險。

策略風險

於各財政年度年結時，董事會將根據外部環境以及預測來制訂營運策略及財務預算。鑑於行業內不可預見的外部環境轉變，集團在更改營運策略以應對外部環境中未能預見的轉變時，集團的資本開支及營運資金將面對顯著的策略風險。

商業風險

本集團正面對激烈的市場競爭。為保持本集團的競爭力，管理層採用成本領先策略以及業務多元化發展策略來應對其他對手的競爭。

營運風險

管理層定期審視本集團的營運，以確保本集團因欺詐、錯誤、遺漏以及其他營運和合規事宜而蒙受損失(無論是財務或其他方面)的風險得到充分管控。

財務風險

主要財務風險載於綜合財務報表附註38「財務風險管理目標及政策」。

財務資料概要

本集團於過往五個財政年度之業績及資產與負債概要載於第166頁，該概要乃節錄自經審核綜合財務報表。該概要並不是經審核綜合財務報表之部份。

物業、廠房及設備

有關本集團於本年度內之物業、廠房及設備之變動詳情載於綜合財務報表附註13。

董事會報告

Report of the Directors

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options during the year are set out in notes 28 and 29 to the consolidated financial statements respectively.

PRE-EMPTIVE RIGHTS

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 30 to the consolidated financial statements and in the consolidated statement of changes in equity respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2017, the Company's reserves available for distribution, calculated in accordance with the Companies Act 1981 of Bermuda, amounted to HK\$27,483,903 (2016: HK\$27,559,019) of which no final dividend was proposed for the year (2016: Nil). During the year ended 31 December 2017, the Company did not pay final dividend for 2016. In addition, the Company's share premium account, in the amount of HK\$50,856,881 (2016: HK\$50,856,881) may be distributed in the form of fully paid bonus shares.

股本及購股權

本公司於本年度內的股本及購股權之詳情分別載於綜合財務報表附註28及29。

優先購買權

本公司之公司細則或百慕達之法例並無有關優先購買權條文，規定本公司須按比例提呈發售新股予現有股東。

購買、贖回或出售本公司之上市證券

本公司或其任何附屬公司概無於本年度內購買、贖回或出售任何本公司之上市證券。

儲備

本年度內本公司及本集團儲備變動之詳情分別載於綜合財務報表附註30及綜合權益變動表。

可分派儲備

於二零一七年十二月三十一日，根據百慕達一九八一年公司法計算，可供本公司以分派之儲備為27,483,903港元(二零一六年：27,559,019港元)，當中並無建議作本年度之末期股息(二零一六年：無)。截至二零一七年十二月三十一日止年度內，本公司並無派發作為二零一六年之末期股息。此外，本公司之股份溢價賬50,856,881港元(二零一六年：50,856,881港元)可以以繳足紅股方式分派。

董事會報告

Report of the Directors

MAJOR CUSTOMERS AND MAJOR SUPPLIERS

In the year under review, sales to the five largest customers accounted for 30.9% of the total sales of the Group for the year and sales to the largest customer included therein amounted to 18.9%. Purchases from the five largest suppliers accounted for 26.5% of the total purchases of the Group for the year and purchases from the largest supplier included therein amounted to 6.7%.

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

DIRECTORS

The directors of the Company during the year were:

Executive directors

Lai Pei Wor
Chan Yau Wah

Independent non-executive directors

Kung Fan Cheong
Mak Kwai Wing (appointed on 3 July 2017)
Li Yuen Kwan, Joseph
Leung Man Kay (resigned on 3 July 2017)

In accordance with bye-laws 87(1) and 87(2) of the Company's bye-laws, Messrs. Chan Yau Wah, Kung Fan Cheong and Mak Kwai Wing shall retire by rotation and being eligible, offer themselves for re-election at the next forthcoming annual general meeting.

Messrs. Kung Fan Cheong, Mak Kwai Wing and Li Yuen Kwan, Joseph, the independent non-executive directors, are appointed for a period of two years. The Company has received annual confirmations of independence from Messrs. Kung Fan Cheong, Mak Kwai Wing and Li Yuen Kwan, Joseph and as at the date of this report still considers them to be independent.

主要客戶及供應商

回顧本年度，五名最大客戶佔本年度之本集團總銷售額30.9%，而其中最大客戶之銷售額佔18.9%。五名最大供應商佔本年度之本集團總採購額26.5%，而其中最大供應商之採購額佔6.7%。

本公司董事或其任何聯繫人或任何股東(據董事所知，擁有本公司已發行股本逾5%權益)於本集團五大客戶或供應商中並無擁有任何實益權益。

董事

本公司於本年度之董事如下：

執行董事

賴培和
陳友華

獨立非執行董事

孔蕃昌
麥貴榮(於二零一七年七月三日委任)
李沅鈞
梁文基(於二零一七年七月三日辭任)

根據本公司之公司細則第87(1)及87(2)條，陳友華先生、孔蕃昌先生及麥貴榮先生將於即將舉行之股東週年大會輪席退任，但彼等均合符資格並願意於即將舉行之股東週年大會上膺選連任。

獨立非執行董事孔蕃昌先生、麥貴榮先生及李沅鈞先生任期為兩年。本公司已收到孔蕃昌先生、麥貴榮先生及李沅鈞先生就其獨立性每年向本公司所發出的確認書，於本年報刊發日期，本公司一直認為彼等均屬獨立人士。

董事會報告

Report of the Directors

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 27 to 29 of the annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive directors has entered into a service contract with the Company for a term of three years commencing from 1 January 2018, and the contract can be terminated by either party giving to the other not less than six months' nor more than seven months' prior notice in writing.

Apart from foregoing, no director proposed for re-election at the next forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

MANAGEMENT CONTRACTS

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

DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board of the Company with reference to directors' duties, responsibilities and performance and the results of the Group.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

After consideration, the directors are of the opinion that no transactions, arrangements and contracts of significant in relation to the Company's business to which the Company's subsidiary was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

EQUITY - LINKED AGREEMENT

2012 share option scheme was adopted for the primary purpose of providing incentives to directors and eligible employees of the Company. No share options were granted, forfeited, cancelled or exercised during the year ended 31 December 2017. Further details of the share option scheme are disclosed in note 29 to the consolidated financial statements.

董事及高級管理人員之簡歷

本公司董事及本集團高級管理人員之簡歷詳情載於本年報第27至29頁。

董事之服務合約

每位執行董事均與本公司訂立服務合約，由二零一八年一月一日起計，為期三年，合約可於其中一方給予不少於六個月但不多於七個月之預先書面通知後予以終止。

除上述外，於即將舉行之股東週年大會上重選連任之董事概無與本公司訂立不可於一年內終止而毋須支付賠償(法定賠償除外)之服務合約。

管理合約

本年度內，本公司並無就整體業務或任何重要業務之管理或行政工作簽訂或存在任何合約。

董事薪酬

董事之袍金須待股東於股東大會上批准。其他酬金由本公司董事會經參考董事之職務、責任及表現，以及本集團業績後釐定。

董事於交易、安排或合約之權益

經審議後，董事認為於本年度末或本年度內任何時間，概無存在本公司附屬公司作為一方有關本公司業務之重大交易、安排及合約且本公司董事於其中擁有直接或間接之重大權益。

股票掛鈎協議

二零一二年購股權計劃之主要目的乃為本公司董事及合資格僱員提供獎勵。截至二零一七年十二月三十一日止年度內，並無授出、放棄、註銷或行使的購股權。有關購股權計劃之詳細見綜合財務報表附註29。

董事會報告

Report of the Directors

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2017, the interests of the directors in the share capital of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long positions in ordinary shares of the Company:

董事於股份及相關股份之權益及短倉

於二零一七年十二月三十一日，根據證券及期貨條例(「證券及期貨條例」)第352條之規定而存置之登記冊所記錄或按董事根據標準守則知會本公司及聯交所，董事於本公司或其相聯法團(定義見證券及期貨條例第XV部)之股份權益如下：

本公司普通股之長倉：

		Number of shares held, capacity and nature of interest 所持股份數目、身份及權益性質			Percentage of the Company's issued share capital 佔本公司已發行 股份之百分比
Name of director 董事姓名	Directly beneficially owned 直接實益持有	Founder of a discretionary trust 全權信託之 創辦人	Total 總數		
Lai Pei Wor 賴培和	22,902,000	*97,242,000	120,144,000	45.00	
Chan Yau Wah 陳友華	7,700,000	–	7,700,000	2.88	
	30,602,000	97,242,000	127,844,000	47.88	

Note:

* Details of Mr. Lai Pei Wor's interests are set out in the section headed "Substantial shareholders' and other persons' interests and short positions in shares and underlying shares" below.

附註：

* 賴培和先生之權益詳載於下文之「主要股東及其他人士於股份及相關股份之權益及短倉」。

Save as disclosed above, as at 31 December 2017, none of the directors had registered an interest or short position in the shares or underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一七年十二月三十一日，根據證券及期貨條例第352條之規定而存置之本公司登記冊所記錄，或根據標準守則知會本公司及聯交所，各董事在本公司或其任何相聯法團之股份或相關股份概無擁有任何權益或短倉。

董事會報告

Report of the Directors

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Directors' interests and short positions in shares and underlying shares" above and in the share option scheme disclosures in note 29 to the consolidated financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2017, so far as was known to director or chief executives of the Company, the following persons or corporations (other than directors or chief executives of the Company) who had interests and short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company were as follows:

Long positions:

董事認購股份或債券之權利

除於上述「董事於股份及相關股份之權益及短倉」及綜合財務報表附註29購股權計劃之披露事項外，本公司於本年度內任何時間概無授予任何董事或彼等各自之配偶或未成年子女藉收購本公司之股份或債券而取得利益之權利，而彼等亦無行使任何該等權利；本公司或其任何附屬公司於年內概無參與訂立任何安排，致使董事可於任何其他法人團體獲得此等權利。

主要股東及其他人士於股份及相關股份之權益及短倉

於二零一七年十二月三十一日，就本公司董事或主要行政人員所知，下列人士或企業（並非本公司董事或主要行政人員）於本公司之股份及相關股份中擁有根據證券及期貨條例第336條須記錄於登記冊而須知會本公司之權益及淡倉如下：

長倉：

		Number of shares held, capacity and nature of interest 所持股份數目、身份及權益性質				Percentage of the Company's issued share capital 佔本公司 已發行股本 百分比
Name	姓名	Directly beneficially owned 直接 實益持有人	Through spouse or minor children 配偶或 未成年子女	Beneficiary of a trust 信託之受益人	Total 總計	
Chan Yuk Lin (Note a)	陳玉蓮 (附註a)	–	22,902,000	97,242,000	120,144,000	45.00
Celaya (PTC) Limited (Note b)	Celaya (PTC) Limited (附註b)	–	–	97,242,000	97,242,000	36.42
Trident Corporate Services (B.V.I.) Limited (Note c)	Trident Corporate Services (B.V.I.) Limited (附註c)	–	–	97,242,000	97,242,000	36.42
Lai Yiu Chun (Note d)	賴耀鎮 (附註d)	1,198,000	21,450,000	–	22,648,000	8.48
Lam Lin Chu (Note d)	林蓮珠 (附註d)	22,434,000	214,000	–	22,648,000	8.48

董事會報告

Report of the Directors

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

Notes:

- (a) Ms. Chan Yuk Lin, spouse of Mr. Lai Pei Wor, was deemed to be interested in the shares.
- (b) Celaya (PTC) Limited holds 97,242,000 shares in its capacity as trustee of The Lai Family Unit Trust, of which all units are held by Trident Corporate Services (B.V.I.) Limited in its capacity as trustee of The Lai Family Trust, a discretionary trust of which the spouse and issue of Mr. Lai Pei Wor are discretionary objects.
- (c) The shares referred to herein relate to the same parcel of shares referred to in note (b) above.
- (d) Ms. Lam Lin Chu is the wife of Mr. Lai Yiu Chun, who is a brother of Mr. Lai Pei Wor. Both Ms. Lam Lin Chu and Mr. Lai Yiu Chun are declaring interests in the same parcel of shares.

Save as disclosed above, as at 31 December 2017, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

RELATED PARTY TRANSACTIONS

Significant related party transactions entered into by the Group during the year, which constitute exempted connected transactions or continuing connected transactions under the Main Board Listing Rules, are set out in note 35 to the consolidated financial statements.

主要股東及其他人士於股份及相關股份之權益及短倉(續)

附註：

- (a) 陳玉蓮女士為賴培和先生之配偶，因而被當作持有該等股份權益。
- (b) Celaya (PTC) Limited以賴氏家族單位信託之受託人身份持有97,242,000股股份。賴氏家族單位信託所有已發行單位由Trident Corporate Services (B.V.I.) Limited以賴氏家族信託(一全權信託，而賴培和先生之配偶及子女乃全權信託受益人)之受託人身份持有。
- (c) 此欄所指之股份與附註(b)所指之同一批股份有關。
- (d) 林蓮珠女士為賴耀鎮先生之妻子，而賴耀鎮先生與賴培和先生則屬兄弟關係。林蓮珠女士及賴耀鎮先生申報同一批股份之權益。

除上文所披露者外，於二零一七年十二月三十一日，本公司概無獲知會有任何人士(不包括本公司董事之權益，載於上文「董事於股份及相關股份之權益及短倉」)在本公司股份及相關股份中擁有任何根據證券及期貨條例第336條之規定而須記錄於本公司存置之登記冊之權益或短倉。

公眾持股量充足

根據本公司獲得的已公開之資料及就董事所知，於本年報刊發日期，本公司之全部已發行股本中有至少25%由公眾人士持有。

關連人士交易

本集團於本年度內進行之重大關連人士交易(根據主板上市規則被豁免為關連交易或持續關連交易)載於綜合財務報表附註35。

董事會報告

Report of the Directors

PERMITTED INDEMNITY PROVISIONS

No permitted indemnity provision was in force during the year, or is in force at the date of this report, for the benefit of a then director or a director of the Company (whether made by the Company or otherwise) or a then director or a director of its subsidiary (if made by the Company). The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group.

AUDITORS

Mazars CPA Limited will retire as auditor of the Company at the conclusion of the forthcoming annual general meeting, and a resolution for their reappointment as auditor of the Company will be proposed at such annual general meeting.

EVENT AFTER THE REPORTING PERIOD

On 10 February 2018, the factory of a subsidiary in the consumer electronic products segment located at Mainland China was closed down subsequent to the end of tenancy agreement. The Group is in the process of assessing the financial impact regarding the closure of the factory, which is not expected to be significant.

ON BEHALF OF THE BOARD

Lai Pei Wor
Chairman

Hong Kong, 27 March 2018

獲許可彌償條文

本年度內或本報告日期並無有關本公司當時董事或某董事(無論由本公司或其他作出)或其附屬公司當時董事或某董事(如由本公司作出)利益而生效之獲許可彌償條文。本公司已安排涵蓋本集團董事及高級職員之適當董事及高級職員責任保險。

核數師

瑪澤會計師事務所有限公司將於即將舉行之股東週年大會上退任以及一項續聘其為本公司核數師之決議案將於上述股東週年大會上提呈。

報告期後事項

於二零一八年二月十日，電子消費品分類位於中國大陸一間附屬公司的廠房已於租賃合同到期後關閉，本集團正評估關閉廠房之財務影響，並不預期有重大影響。

代表董事會

主席
賴培和

香港，二零一八年三月二十七日

環境、社會及管治報告

Environmental, Social and Governance Report

I. PREAMBLE

K & P International Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) stringently adhere to their environmental and social responsibilities.

The Group has developed its sustainability strategy with aims to create sustainable values to its stakeholders, and to continue to lower the Group’s impact on the environment. In order to carry out the Group’s sustainability strategy from top to bottom, the Board of Directors (the “Board”) of the Company has ultimate responsibility for ensuring the effectiveness of the Group’s environmental, social and governance (“ESG”) policies. The Board has established dedicated teams to manage ESG issues within each business division of the Group. Designated staff has been assigned to enforce and supervise the implementation of the relevant ESG policies. The Group is also committed to constantly reviewing and adjusting the Group’s sustainability policies to satisfy the ever-changing needs of its stakeholders. Details of its management approach in both the environmental and social aspect can be found throughout different sections of this ESG Report. The Group believes sustainability is essential to the development of the Group’s overall long-term success.

The Group is pleased to present its second ESG Report to further demonstrate the Group’s approach and performance in terms of sustainable development for the year ended on 31 December 2017. This ESG report is prepared in compliance with the ESG Reporting Guide as set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited’s website.

II. REPORTING PERIOD AND SCOPE OF THE REPORT

This ESG report covers the operational boundaries of the Group that includes the Group’s headquarter office in Hong Kong and the manufacturing business in the People’s Republic of China (the “PRC”). The reporting period is the Group’s financial year dating from 1 January 2017 to 31 December 2017 (“FY2017”).

I. 前言

堅寶國際控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)嚴格遵守其環境及社會責任。

本集團已制定可持續發展策略，旨在為其股東帶來可持續價值，及繼續減少本集團對環境的影響。為自上而下執行本集團可持續發展策略，本公司董事會(「董事會」)全權負責確保本集團環境、社會及管治(「環境、社會及管治」)政策的成效。董事會已設立專責團隊，於本集團的各業務部門管理環境、社會及管治問題，並指派專責員工執行及監督相關環境、社會及管治政策的執行。本集團亦致力於持續檢討及調整其可持續發展政策，以滿足其權益人不斷變化的需求。有關其於環境及社會方面的管理策略的詳情，可參閱整份環境、社會及管治報告的不同章節。本集團認為，可持續對本集團整體的長遠成功發展至關重要。

本集團欣然呈列其第二份環境、社會及管治報告，以進一步闡述本集團於截至二零一七年十二月三十一日止年度在可持續發展方面之策略及表現。本環境、社會及管治報告乃根據香港聯合交易所有限公司網站證券上市規則附錄27所載之《環境、社會及管治報告指引》編製。

II. 報告的報告期及範圍

本環境、社會及管治報告涵蓋的經營範圍，包括本集團在香港總部及中華人民共和國(「中國」)的製造業務。報告期為自二零一七年一月一日至二零一七年十二月三十一日之本集團財政年度(「二零一七年財政年度」)。

環境、社會及管治報告

Environmental, Social and Governance Report

III. STAKEHOLDER ENGAGEMENT

With the goal to strengthen the sustainability approach and performance of the Group, the Group has put tremendous efforts into listening to both its internal and external stakeholders. The Group actively collects feedback from its stakeholders to maintain a high standard of sustainability within the Group, while also building a trustful and supporting relationship with them. The Group connects with its stakeholders through their preferred communication channels as listed in the table below.

Stakeholders 權益人	Expectations and concerns 期望及關注	Communication Channels 溝通渠道
Government and regulatory authorities 政府及監管機構	<ul style="list-style-type: none">– Compliance with laws and regulations 遵守法律及規例– Support economic development 支持經濟發展	<ul style="list-style-type: none">– Supervision on complying with local laws and regulations 監督遵守當地法律及規例– Routing reports 路徑報告
Shareholders 股東	<ul style="list-style-type: none">– Return on investments 投資回報– Corporate governance 企業管治– Business compliance 業務合規	<ul style="list-style-type: none">– Regular reports and announcements 定期報告及公告– Regular general meetings 定期股東大會– Official website 官方網站
Employees 僱員	<ul style="list-style-type: none">– Employees' compensation and benefits 僱員賠償及福利– Career development 事業發展– Health and safety in the working environment 健康、安全的工作環境	<ul style="list-style-type: none">– Performance reviews 績效檢討– Regular meetings and trainings 定期會議及培訓– Emails, notice boards, hotline, caring activities with management 電郵、佈告欄、熱線、管理層的關愛活動
Customers 客戶	<ul style="list-style-type: none">– High quality products and services 優質產品及服務– Protect the rights of customers 保障客戶權利	<ul style="list-style-type: none">– Customer satisfaction survey 客戶滿意度調查– Face-to-face meetings and on-site visits 面對面會議及實地到訪– Customer service hotline and email 客戶服務熱線及電郵

III. 權益人參與

為加強本集團的可持續發展策略及表現，本集團於傾聽其內部及外部權益人意見方面作出巨大努力。本集團積極收集其權益人的反饋意見，以於本集團內維持較高水平的可持續性發展，同時亦與權益人建立信任、支持的關係。本集團透過下表所列其權益人所屬意的溝通渠道與彼等聯繫。

環境、社會及管治報告

Environmental, Social and Governance Report

Stakeholders 權益人	Expectations and concerns 期望及關注	Communication Channels 溝通渠道
Suppliers 供應商	<ul style="list-style-type: none"> – Fair and open procurement 公平公開採購 – Win-win cooperation 雙贏合作 	<ul style="list-style-type: none"> – Open tendering 公開招標 – Suppliers' satisfactory assessment 供應商的滿意度評估 – Face-to-face meetings and on-site visits 面對面會議及實地到訪
General public 公眾	<ul style="list-style-type: none"> – Involvement in communities 社區參與 – Business compliance 業務合規 – Environmental protection awareness 環保意識 	<ul style="list-style-type: none"> – Media conference and responses to enquiries 媒體會議及詢問回復

Materiality Assessment

The Group undertakes annual review in identifying and understanding its stakeholders' main concerns and material interests for the ESG Report. In FY2017, the Group engaged its stakeholders to conduct a materiality assessment survey. Specifically, internal and external stakeholders were selected based on their influence and dependence on the Group. Stakeholders with high level of influence and dependence on the Group were then selected by the management of the Group, and invited to express their views and concerns on a list of sustainability issues via an online survey.

With respect to this ESG Report, the Group has identified product quality assurance and recall percentage, customer satisfaction and protection of customer information and privacy as issues of high importance to both the Group and its stakeholders. This review has helped the Group in prioritising its sustainability issues, highlighting the material and relevant aspects, and aligning them with stakeholders' expectations.

重要性評估

本集團就識別及了解其權益人對二零一七年環境、社會及管治報告中的主要關注問題及實質利益進行年度檢討。於二零一七年財政年度，本集團邀請其權益人進行重要性評估調查，並按對本集團的影響力及依賴性挑選內部及外部權益人。對本集團有高度影響力及依賴性的權益人其後由本集團管理層挑選，並會受邀透過網上調查對可持續發展問題清單發表意見及提出關注。

就環境、社會及管治報告而言，本集團已確認產品質量保證及召回百分比、客戶滿意度及保護客戶資料及隱私為對本集團及其權益人均屬極為重要的問題。是項檢討有助於本集團優先處理其可持續發展問題、闡述重要及相關方面的重點，並符合權益人的期望。

IV. ENVIRONMENTAL SUSTAINABILITY

The Group is committed to ensuring the long-term sustainability in the environment and community where the Group operates. Based on ISO14001 and relevant laws and regulations, the Group has established and implemented environmental management system to help the Group reinforce its environment management and improve its environmental performance level. The Group stringently controls its emissions and consumption of resources, and complies with all relevant environmental laws and regulations in its daily operations. The Group's headquarter office and its manufacturing factories have implemented effective energy conservation measures to reduce emissions and resource consumption.

This section primarily discloses the Group's policies, practices, and quantitative data on emissions, use of resources, the environment and natural resources in FY2017.

A.1. Emissions

The Group has complied with all relevant local environmental laws as set out in the country where the Group operates. In FY2017, the Group found no disregard to influential laws relevant to waste gas or greenhouse gas emissions, water or land discharging, and hazardous or non-hazardous wastes.

In FY2017, the air emissions of the Group were mainly from transportation, namely sulfur oxides ("SOx"), nitrogen oxides ("NOx") and particulate matters ("PM"), which amounted to 1 Kg, 475 Kg and 47 Kg, respectively. Furthermore, the Group's greenhouse gas ("GHG") emissions under Scope 1 (Direct Emissions), Scope 2 (Energy Indirect Emission) and Scope 3 (Other Indirect Emissions) were 236 tonnes CO₂e and 7,298 tonnes CO₂e and 15 tonnes CO₂e, respectively. Thus, the Group's total GHG emissions amounted to 7,549 tonnes CO₂e, and the Carbon Intensity per unit of area for the Group was 1.0 tonnes CO₂e/m². Other than GHG emissions, the Group generated 7 tonnes of hazardous solid wastes, 582 tonnes of hazardous wastewater, 175 tonnes of domestic solid waste and 48,002 tonnes of domestic wastewater. The Group's total emissions are summarized in Table 1.

IV. 環境可持續性

本集團致力於確保其營運所處的環境及社區長期可持續發展。根據ISO14001以及相關法律及規例，本集團已建立並執行環境管理系統，以加強環境管理及提高環境績效水準。本集團嚴格控制其排放物及資源消耗，並於其日常營運中遵守所有相關環境法律及規例。本集團總部及其製造工廠均已實施有效的節能措施，以減少排放物及資源消耗。

本節主要披露本集團於二零一七年財政年度有關排放物、資源使用、環境及天然資源的政策、常規及定量數據。

A.1. 排放物

本集團已遵守其營運所在國家制定的所有相關當地環境法律。於二零一七年財政年度，本集團概無發現無視廢氣或溫室氣體排放、排水或卸土、及有害或無害廢物相關權威法律的情況。

於二零一七年財政年度，本集團的空氣排放主要來自運輸，即硫氧化物(「SOx」)、氮氧化物(「NOx」)及顆粒物(「PM」)，分別達1千、475千及47千。此外，本集團就第一範圍(直接排放物)、第二範圍(能源間接排放物)及第三範圍(其他間接排放物)的溫室氣體(「溫室氣體」)分別達236噸二氧化碳當量、7,298噸二氧化碳當量及15噸二氧化碳當量。因此，本集團溫室氣體的總排放量達7,549噸二氧化碳當量，及本集團每單位面積的碳濃度為1.0噸二氧化碳當量/平方米。除溫室氣體排放外，本集團產生7噸有害固體廢物，582噸有害污水，175噸生活固體廢物及48,002噸生活污水。本集團的總排放量於表1概述。

環境、社會及管治報告

Environmental, Social and Governance Report

Table 1 The Group's Total Emissions by Category in FY2017

表1為本集團於二零一七年財政年度按類別劃分的總排放量

Emission Category	Item	Unit	Amount	Intensity (Per Square Metre) 密度 (每平方米)
Air Emissions				
空氣排放	SOx	Kg 千克	1	–
	NOx	Kg 千克	475	–
	PM	Kg 千克	47	–
GHG Emissions				
溫室氣體排放	Scope 1 (Direct Emissions) 第一範圍 (直接排放物)	Tonnes CO ₂ e 噸二氧化碳當量	236	–
	Scope 2 (Energy Indirect Emissions) 第二範圍 (能源間接排放物)	Tonnes CO ₂ e 噸二氧化碳當量	7,298	–
	Scope 3* (Other Indirect Emissions) 第三範圍* (其他間接排放物)	Tonnes CO ₂ e 噸二氧化碳當量	15	–
	Total (Scope 1, 2 &3) 合共 (第一、第二及第三範圍)	Tonnes CO ₂ e 噸二氧化碳當量	7,549	1.0
Hazardous Waste				
有害廢物	Solid Wastes 固體廢物	Tonnes 噸	7	0.001
	Wastewater 污水	Tonnes 噸	582	0.08
Non-hazardous Waste				
無害廢物	Solid Wastes 固體廢物	Tonnes 噸	175	0.02
	Wastewater 污水	Tonnes 噸	48,002	6.4

* The Group's Scope 3 (Other Indirect Emissions) include only paper waste disposed at landfills

* 本集團的第三範圍(其他間接排放物)僅包括於垃圾填埋場處理的廢紙

環境、社會及管治報告

Environmental, Social and Governance Report

Hong Kong Headquarter Office

Emissions for the Group's Hong Kong office include GHG emissions from the use of electricity, domestic solid wastes and wastewater generated by the staffs in the office. No hazardous waste had been generated at the Group's Hong Kong office in FY2017.

The main source of GHG emissions for the Hong Kong office comes from the use of electricity. Specific measures taken to reduce electricity consumption in the office, and thus GHG emissions from this business segment, are further described in the next subsection under **A.2. Use of Resources**.

The Group is committed to environmental protection in its daily operations in the office. In order to reduce the amount of municipal solid wastes generated every day, the Group has implemented the following practices:

- Source-separate and recycle as much solid wastes as possible;
- Promote the proliferation of paperless offices across the Group;
- Encourage all employees to reduce the use of disposable items (such as plastic tableware);
- Keep instilling the idea in employees of bringing lunch-box or eating out instead of ordering take-out; and
- Advocate the reusing of office stationeries.

Any non-recyclable municipal solid wastes are collected and disposed by the property management.

Since the amount of wastewater generated highly depends on the amount of water used, the Group has adopted specific measures to reduce water consumption, which are further described in the next subsection under **A.2. Use of Resources**. Municipal wastewater is directly discharged into the property water discharge system.

香港總部

本集團的香港總部的排放物包括因用電所產生的溫室氣體、生活固體廢物及污水。於二零一七年財政年度，本集團的香港辦公室概無產生有害廢物。

香港辦公室產生的溫室氣體排放主要來自用電。本集團為減少辦公室用電量，從而減少本業務分類產生的溫室氣體排放而採取的具體措施，於下文**A.2.資源使用**分節進一步闡述。

本集團致力於其辦公室的日常營運中踐行環保。為減少每日產生的城市固體廢物，本集團已實施以下措施：

- 盡可能將固體廢物進行源頭分隔及回收；
- 於本集團內推行無紙化辦公；
- 鼓勵全體僱員減少使用一次性物品(如塑料餐具)；
- 向僱員灌輸自帶便當或外出就餐取代外賣訂餐的理念；及
- 提倡重複使用辦公文具。

物業管理將會收集及處理任何不可回收城市固體廢物。

由於污水產生量很大程度上取決於用水量，故本集團已採納具體措施減少用水，詳情載於下文**A.2.資源使用**分節。城市污水直接排入物業排水系統。

環境、社會及管治報告

Environmental, Social and Governance Report

Manufacturing Business

The Group is principally engaged in the manufacture and sale of precision parts and components, along with the design, manufacture and sale of consumer electronic products. In this business segment, the Group is very prudent in controlling all discharges, especially the air & GHG emissions, wastewater, solid wastes, and noise. The Group's policy incorporates the measures to alleviate the impacts of these emissions on the environment, including the control of the Group's energy consumption, special treatment of wastewater and solid wastes, and so on.

The Group strictly adheres to emission-related laws and regulations, including but not limited to Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), Atmospheric Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國大氣污染防治法》), Restriction of Hazardous Substances Directive 2002/95/EC (RoHS 2.0) (《危害性物質限制指令》), and Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》), set out in the PRC.

Wastewater

The wastewater of the Group is mainly generated from the general operation of the four factories (spraying, air compressor operation etc.) and daily use by its staff in office, staff canteen and dormitory. Domestic wastewater is normally discharged to the sewage pipe directly, while industrial wastewater is collected separately in special containers for further treatment. For example, engine oil and chemicals need to be separated from the wastewater. What is more, the wastewater generated from spraying process is collected and treated by the suppliers as stipulated in the contract. Furthermore, two of the Group's factories in China has built sequencing batch reactors in the operation site, which aims to treat the wastewater through biological method. The treated wastewater meets the first-class criteria as specified in the Discharge Limits of Water Pollutants (DB 44/26-2001) of Guangdong Province (廣東省地方標準《水污染物排放限值》). The Group has taken various measures in reducing water consumption, which will be explained particularly in **A.2. Use of Resources**, and in improving the water use efficiency with the following practices:

- a. Add chemicals that can remove ink in the pool for spraying units so water can be reused;

製造業務

本集團主要從事製造及銷售精密零部件，連同設計、製造及銷售電子消費品。於本業務分類中，本集團審慎控制所有排放，尤其是氣體及溫室氣體排放、污水、固體廢物及噪音。本集團的政策為透過控制本集團的能源消耗、污水的特殊處理及固體廢物等措施，減緩該等排放物對環境的影響。

本集團嚴格遵守排放相關的法律及規例，包括但不限於中國制定的《中華人民共和國環境保護法》、《中華人民共和國大氣污染防治法》、《危害性物質限制指令2002/95/EC(RoHS 2.0)》及《中華人民共和國水污染防治法》。

污水

本集團的污水主要來自四間工廠(噴塗、空壓機運行等)的一般運作，以及員工在辦公室、員工食堂及宿舍的日常使用。生活污水通常直接排入污水管，工業污水則分開收集在特定容器作進一步處理。例如，發動機油及化學品與污水隔離，而噴塗所產生的污水將按照合約規定由供應商收集及處理。此外，本集團在中國的兩間工廠已在經營場所建造順序分批式反應器，以生物方法處理產生的污水。經處理水質可達廣東省地方標準《水污染物排放限值》(DB44/26-2001)第二期一級標準規定。本集團已採取各種措施以減少用水(將於**A.2.資源使用**詳細解釋)並與以下方法提高用水效率：

- a. 添加化學品，可除去噴塗單位池中的油墨，以減少用水；

環境、社會及管治報告

Environmental, Social and Governance Report

- b. Apply the recirculating cooling water system in the injection moulding unit;
- c. Boil the sanitary wastewater from the staff canteen before draining to remove oil and residues; and
- d. Collect and reuse the washing rice water.

Solid Wastes

Given the nature of this business segment, solid wastes produced by the Group are divided into general wastes and hazardous wastes. General solid wastes normally come from:

1. Offices, like papers, correction fluid, folders, staples, paper clips, adhesive tape, bottles, stamp pads, seals, pens, and so forth;
2. Canteen and dormitory, like abandoned broom, mop, cleaning tools, wire skin, industrial residues, waste plates, plastic bottles, seasoning bottles, residues and leftovers;
3. Industrial sites, like cutting pliers, blades, parts & accessories, network lines, filters, cloth (not stained with oil), and construction waste.

The hazardous wastes include modulator tube, activated carbon, engine oil, ink, paint sludge, cloth, ink bucket, battery, and banana oil bucket. The methods employed to treat general and hazardous wastes are significantly different. General solid wastes are commonly weighed, recorded, and finally collected by local Bureau for Environmental Health. According to the Solid Waste Classification Table, hazardous wastes are collected and sealed in specific containers. Staffs from the Administration Department strictly check all containers, and are responsible for contacting the hazardous waste transportation and management company for recycling.

Air & GHG Emissions

To mitigate the GHG emissions, the Group realises that the efficient use of electricity and water, and substantial reduction of paper usage will directly decline its GHG emissions. Detailed measures taken by the Group and its relevant achievement will be described further in

A.2. Use of Resources.

- b. 將再循環冷卻水系統應用於注塑單位；
- c. 將員工食堂產生的衛生污水煮沸後排出，以去除油份及殘餘物；及
- d. 收集及再用洗米水。

固體廢物

鑒於本業務分類的性質，本集團所產生的固體廢物分為一般廢物及有害廢物。一般固體廢物通常來自：

1. 辦公室，如紙張、塗改液、文件夾、釘書釘、萬字夾、膠帶、瓶樽、印臺、印章及筆等；
2. 食堂及宿舍，如廢棄掃帚、拖把、清潔工具、電線外層、工業廢料、廢碟、膠瓶、調味瓶、垃圾及廚餘；
3. 工業場所，如切割鉗、刀片、零件及配件、網絡線、過濾器、布料(未染油)及建築廢物。

有害廢物包括以下種類：調節管、活性炭、發動機油、油墨、油漆污泥、布料、油墨水匣、電池及蕉油桶。處理一般及有害廢物的方法大相徑庭。一般固體廢物每天量重及記錄，並由當地環境衛生局收集。危險廢物根據固體廢物分類表收集，並密封在特定容器中。行政部門員工每天嚴格檢查所有容器，並負責聯絡危險廢物運輸及管理公司回收該等容器。

空氣及溫室氣體排放

為減少溫室氣體排放，本集團知悉有效用電及用水，及大幅減少用紙量將直接減少其溫室氣體排放。本集團所實行的詳細措施及其相關成果將於**A.2.資源使用**中進一步描述。

環境、社會及管治報告

Environmental, Social and Governance Report

Moreover, the Group has installed a set of photoelectric oxidation and catalysis device to treat the organic exhaust gas generated from the manufacturing factories. The activated carbon is used to absorb dust and certain airborne particles in the hazardous gas before discharge. The gas emission needs to meet the second-grade standard for the second-time frame of the Guangdong Standard for Emission Limits of Air Pollutants (廣東省地方標準《大氣污染物排放限值》)(DB44/27-2001).

The Group has authorised the Centre Testing International Group Co., Ltd in Shenzhen to conduct the exhaust gas monitoring, especially the evaluation of the amount of Nonmethane hydrocarbon (NMHC), benzene, methylbenzene and dimethylbenzene in the exhaust gas. The result and corresponding standard (DB44/27-2001) are summarised as below:

Table 2 Comparison between the observed value and emission limit of exhaust gas

Item 項目	NMHC		Benzene		Methylbenzene		Dimethylbenzene	
	Concentration (mg/m ³) 濃度 (毫克/立方米)	Emission velocity (kg/h) 排放速度 (千克/時)	Concentration (mg/m ³) 濃度 (毫克/立方米)	Emission velocity (kg/h) 排放速度 (千克/時)	Concentration (mg/m ³) 濃度 (毫克/立方米)	Emission velocity (kg/h) 排放速度 (千克/時)	Concentration (mg/m ³) 濃度 (毫克/立方米)	Emission velocity (kg/h) 排放速度 (千克/時)
Average Observed Value 平均觀測值	1.046	0.00525	N.D. <Note 1> 未檢測出 <附註1>	--	0.014	5.3*10 ⁻⁵	N.D. 未檢測出	--
Emission Limit 排放限值	120	12	12	0.59	40	3.6	70	1.2

Note 1: N.D= not detected, means the observed value is below the detection limit.

此外，本集團已安裝一套光電氧化及催化裝置，用於處理製造工廠產生的有機廢氣。於有害氣體排放前，本集團將使用活性炭吸收其中的灰塵及大型化學顆粒。氣體排放須符合廣東省地方標準《大氣污染物排放限值》(DB44/27-2001)第二期二級標準。

本集團已授權深圳華測檢測認證集團股份有限公司進行廢氣監測，尤其是評估廢氣中非甲烷碳氫化合物(NMHC)、苯、甲苯及二甲苯含量。結果及相應標準(DB44/272001)概述如下：

表2為廢氣觀測值及排放限值比較

附註1：N.D=未檢測出，指觀測值低於檢測限。

環境、社會及管治報告

Environmental, Social and Governance Report

Noise

The Group has conducted noise detection around the operation site. Precisely, at one meter away from the factory perimeter, the sound pressure of the noise is around 57dB (A) at daytime and 48 dB (A) at night. According to the PRC Emission Standard for Industrial Enterprise Noise at Boundary (《工廠企業廠界環境噪聲排放標準》)(GB 12348-2008), the emission standard for the third grade is 65 dB (A) during daytime and 55 dB (A) during night. The testing result indicates the Group has complied with the noise emission standard requirement. In FY2017, the Group did not receive any substantiated complaints concerning noise from its nearby residents.

A.2. Use of Resources

The Group had complied with the relevant laws and regulations in relation to the Group's use of resources during the year under review. In FY2017, resources consumed by the Group were electricity, gasoline, diesel, water, paper, and packaging materials (by paper, plastic).

Table 3 The Group's Total Use of Resources by Category in FY2017

Resource Category 資源類別	Item 項目	Unit 單位	Amount 用量	Intensity (Per Square metre) 密度 (每平方米)
Energy 能源	Electricity 電力	KWh 千瓦時	13,839,935	1,842
	Gasoline 汽油	L 升	34,284	4.6
	Diesel 柴油	L 升	56,809	7.6
	Water 水	Water 水	Tonnes 噸	141,327
Packaging Materials 包裝材料	By Paper 紙製	Tonnes 噸	530	0.07
	By Plastic 塑料製	Tonnes 噸	30	0.004

噪音

本集團已在經營場所週邊進行噪音檢測。在工廠邊界附近一米處，噪音聲壓在日間約為57dB(A)，夜間約為48dB(A)。根據中國《工廠企業廠界環境噪聲排放標準》(GB12348-2008)，三級排放標準在日間為65dB(A)，夜間為55dB(A)。檢測結果表明本集團已遵守噪音標準規定。於二零一七年財政年度，本集團從未收到其附近居民任何關於噪音的屬實投訴。

A.2. 資源使用

於回顧年度內，本集團已就其資源使用遵守相關法律及規例。於二零一七年財政年度，本集團所消耗的資源為電力、汽油、柴油、水、紙張及包裝材料(紙製、塑料製)。

表3為本集團於二零一七年財政年度按類別劃分的資源使用總量

環境、社會及管治報告

Environmental, Social and Governance Report

Electricity Consumption

The total electricity consumption of the Group amounted to 13,839,935 kWh in FY 2017. Notable, the electricity consumption was 31% less as compared to total electricity consumed by the Group in financial year of 2016 (“FY2016”). All of the Group’s electricity consumption comes from the use of electric equipment and devices in its office and machineries in its factories.

To ensure the effective use of electricity, a number of practices had been implemented by the Group in FY2017, including but not limited to the following:

In offices:

- Turn office lights off whenever and wherever not necessary;
- Replace traditional lamps with power saving ones, like LED lights;
- Adjust and switch off the air-conditioners according to the temperature and situation in the office
- Place posters “Saving Electricity, Turn Off the Light When Leaving” in prominent places;
- Turn off all lights, computers, copiers and other electronics in the office at the end of the day;
- Clean office equipment (such as air conditioners) regularly to ensure high operating efficiency; and
- Use electronic facilities with energy saving label;

In factories:

- Replace lamps that consume too much electricity with more efficient ones;
- Turn off machines that are not in operation to avoid idling;
- Make good selection of the transformer capacity and motors;
- Arrange the operation of machines efficiently and repair malfunctioned ones immediately; and
- Optimise the operation procedure by replacing equipment with more efficient ones.

用電

本集團於二零一七年財政年度的總用電量為13,839,935千瓦時。值得注意的是，用電量較本集團於二零一六年財政年度（「二零一六年財政年度」）的總用電量減少31%。本集團所有用電來自使用辦公室電氣設備及裝置以及工廠的機器。

為確保有效用電，本集團於二零一七年財政年度採取多項措施，包括但不限於：

在辦公室：

- 隨時隨地關閉非必要照明；
- 以LED燈等節能燈具取代傳統燈具；
- 根據辦公室的實際溫度調整及關閉空調；
- 於醒目處張貼「節約用電，下班請關燈」標語；
- 工作結束後關閉辦公室的所有燈具、電腦、複印機及其他電器；
- 定期清潔辦公設備（如空調），確保高效運作；及
- 使用貼有節能標籤的電子設施；

在工廠：

- 以更節能燈具取代耗電量較大的燈具；
- 關閉非操作中的機器，以避免空轉；
- 精心挑選變壓器容量及電機；
- 有效安排機器操作，及時修理故障機器；及
- 替換高效設備，優化操作程序。

環境、社會及管治報告

Environmental, Social and Governance Report

Energy

The Group consumes gasoline and diesel for its vehicle. In FY2017, the amount of gasoline and diesel consumed by the Group was 34,284 L and 56,809 L respectively. The Group encourages energy saving through simple measures, such as making the best use of room to avoid unnecessary transportation, encouraging its employees to take public transportation for commuting and replacing highly polluting vehicles with more environmental-friendly vehicles.

Water Consumption

Water consumption by the Group includes domestic use and industrial use. The consumption of water in FY2017 was 141,327 tonnes, which was 7.5% less as compared to the total water consumed by the Group in FY2016. To further reduce water consumption, the Group has conducted the following practices:

- Adopt low-flow faucets or showers in the office and dormitory;
- The broken faucets or taps should be fixed by the plumber immediately;
- Try to recycle domestic water in the daily practice;
- Set a utilisation limit of water for every employee and charge them for extra water bill as a trial project in several factories;
- Encourage employees to save water by putting posters "Saving Precious Water Resources" in prominent places;
- Advocate the virtue of preserving water and instilled the concept of "Compliance with laws and regulations, Energy saving, Full participation and Continuous improvement" in employees; and
- Carry out regular leakage tests on water tap, washers and other defects in the water supply system;

能源

本集團的汽車消耗汽油及柴油。於二零一七年財政年度，本集團汽油及柴油的消耗量分別為34,284升及56,809升。本集團透過充分利用空間以避免不必要運輸、鼓勵其僱員乘坐公共交通通勤及以更環保交通工具取代高污染交通工具等措施鼓勵節能。

用水

本集團的用水包括辦公用及工業用。二零一七年財政年度的用水量為141,327噸，較本集團於二零一六年財政年度的總用水量減少7.5%。為進一步減少用水，本集團已採取以下措施：

- 在辦公室及宿舍採用低流量水龍頭或淋浴；
- 水管工應立即修理已損壞的水龍頭或旋塞；
- 嘗試在日常生活中回收家用用水；
- 為僱員設定用水限額，並向僱員收取額外水費，作為多個工廠的試點項目；
- 透過於醒目處張貼「節約寶貴水資源」的海報，鼓勵僱員節約用水；
- 在僱員中倡導節約用水的美德及灌輸「遵守法律及規例、節能、全面參與及持續改進」的理念；及
- 定期對水龍頭、洗滌器及供水系統的其他瑕疵進行漏水檢測；

環境、社會及管治報告

Environmental, Social and Governance Report

Paper Consumption

To ensure efficient use of paper, the Group has put in tremendous efforts to reduce paper consumption by choosing more environmentally friendly paper supplier, purchasing recycled paper instead of regular ones, and reducing the amount of paper consumed in its office. In FY2017, the Group had also taken measures to manage paper consumption as described below:

- “Think before print”: use posters and stickers as reminder for office staffs;
- Use both side of paper: set computer default printing as double-sided;
- Give a second chance: use the back of old single-sided documents for printing or as draft paper;
- E-mail tips: remind staff of environmental protection through email; and
- Go electronic: create electronic systems to reduce use of paper.

Packaging Material

The main packaging materials consumed by the Group are cartons boxes in different sizes. In FY2017, the Group consumed 530 tonnes of paper packaging materials and 30 tonnes of plastic packaging materials. Consumption of packaging materials is on the made-to-order basis, thus not many innovative measures have been taken to reduce the consumption. Notwithstanding that, the Group has also tried its best to minimise the environmental impact of packaging material as much as possible. For instance, the containers such as plastic containers, during the production should be recyclable if possible. At the phase of delivery, the recyclable plastic containers should be prioritised compared with paper ones, and the subsequent central recycling process for wasted packaging materials must be in place.

用紙

為確保有效用紙，本集團透過選擇更環保的紙張供應商，採購再造紙代替普通紙及減少辦公室的用質量，為減少用紙作出巨大努力。於二零一七年財政年度，本集團亦已採取以下措施管理用紙：

- 「印前三思」：使用海報及貼紙提醒辦公室員工；
- 使用雙面：於可行時設置電腦默認為雙面列印；
- 二次機會：使用僅經過單面列印紙張的背面或用作草稿紙；
- 電郵提示：透過電郵提醒員工環保；及
- 電子化：創建電子系統，減少用紙。

包裝材料

本集團消耗的主要包裝材料為不同尺寸的紙箱。於二零一七年財政年度，本集團消耗530噸紙製包裝材料及30噸塑料包裝材料。包裝材料乃按訂單消耗，因此並無較多創新措施減少消耗。儘管如此，本集團仍致力於盡可能減少包裝材料對環境的影響。例如，生產過程中的容器（如塑料容器）應為可回收（如有）。於付運階段，應優先使用可回收塑料容器，而非紙製容器，隨後對廢棄包裝材料進行集中回收處理。

環境、社會及管治報告

Environmental, Social and Governance Report

A.3. The Environment and Natural Resources

The Group adheres to the concept of “safety, harmony and green development” (“安全、和諧、綠色發展”) while putting in unremitting efforts in creating a resourcing-saving, environmentally-friendly corporation.

The Group has never stopped its footsteps in creating a sustainable, resilient and reliable company that reduces, or even eliminates, its negative repercussions on the environment. The Group inspects and monitors its operation regularly to ensure the Group does not exert any negative environmental impact onto its surroundings. During the reporting period, according to the inspection results, the Group are in strict compliance with relevant environmental laws and regulations regarding three wastes and noise.

Furthermore, apart from the efficient purification system of exhaust gas and treatment process of wastewater, the Group keeps reforming the oil smoke discharging system in the canteen, and has installed oil smoke separation machines to ensure the meeting of the discharge standard. The Group also advocates “Green Travel” and encourages its employees to use electric cars and bicycles as means of transportation.

V. SOCIAL SUSTAINABILITY

The Group insist on the integrated philosophy of a people-oriented management and an innovative mechanism. Through diversified and humanistic management, the Group has established a close relationship between the Group and its staff, and created a positive, healthy and motivated corporate culture and work environment for its employees. Meanwhile, the Group also has incessantly optimised its human resources structure, and improved its management in order to fully explore employees’ enthusiasm and initiatives.

EMPLOYMENT AND LABOUR PRACTICES

B.1. Employment

The Group embraces the concept of “To let everybody fully display his/her talents and make the best use of everything” (“人盡其才、物盡其用”), seeks to provide a safe and sound working environment for employees, and cultivates employees talent in technology and management.

A.3. 環境及天然資源

本集團堅持「安全、和諧、綠色發展」理念，不遺餘力地打造一間節能、環保企業。

本集團從未停下腳步，致力成為一間可持續發展、有活力及可靠的公司，減少抑或甚至於消除其對環境的負面影響。本集團定期檢測並監察其營運，確保本集團不會對其週邊環境造成任何負面影響。於報告期內，根據檢測結果，本集團就三廢一噪嚴格遵守相關環境法律及規例。

此外，除有效的廢氣淨化系統及污水的處理程序外，本集團持續改良食堂的油煙排放系統，並已安裝油煙分離機，確保符合排放標準。本集團亦提倡「綠色出行」及鼓勵其僱員使用電動汽車及自行車作為出行工具。

V. 社會可持續性

本集團堅持結合以人為本的管理理念及創新機制。透過多元化及人性化管理，本集團與其員工已建立密切關係，為其僱員創造正面、健康、積極的企業文化及工作環境。同時，本集團不斷優化人力資源結構，完善管理方式，以充分發揮僱員的熱誠和積極態度。

僱傭及勞工常規

B.1. 僱傭

本集團奉行「人盡其才，物盡其用」理念，為僱員提供安全健康的工作環境，培養技術及管理方面的人才。

環境、社會及管治報告

Environmental, Social and Governance Report

Law compliance

The Group's human resources policies strictly adhere to the applicable employment laws and regulations in Hong Kong and the PRC, including but not limited to the Employment Ordinance (《僱傭條例》), and Labour Law of the People's Republic of China (《中華人民共和國勞動法》). The Group's human resources department reviews and updates relevant company policies regularly in accordance with the latest laws and regulations.

Recruitment and promotion

To attract high-calibre candidates, the Group offers fair, competitive remuneration and benefits based on the individuals' past performance, personal attributes, job experiences and career aspiration. The Group also makes references to market benchmarks in determining its remuneration and benefit policies. As talent retention is vital to the future business development of the Group, the Group constantly reviews its compensation packages, and performs probationary and regular evaluations according to the overall market environment, profitability of the Group and employee's performance in the past. In terms of the career path, the Group divides the promotion of employees into two types: In-department promotion and cross-department promotion. Each kind of promotion necessitates different requirements and should stick to different procedure strictly. This ensures that employees can be recognised by the Group appropriately with respect to their efforts and contributions. Meanwhile, any termination of employment contract would be based on reasonable and lawful grounds.

Compensation and dismissal

Any appointment, promotion or termination of employment contract would be based on reasonable, lawful grounds and internal policies, such as staff handbooks. The Group strictly prohibits any kind of unfair or unreasonable dismissals.

Working hours and rest periods

The Group has formulated its policy based on local employment laws for determining working hours and rest period for employees. The Group monitors its employee's working hours, and employees who work overtime may be compensated with overtime pay or additional days off. In addition to basic paid annual leave and statutory holidays stipulated by the employment laws of the local governments, employees may also be entitled to additional leave entitlements such as marriage leave, maternity leave, compassionate leave, bereavement leave with paid as long as related documents are provided under the employment law of the local government.

遵守法律

本集團的人力資源政策嚴格遵守香港及中國的適用僱傭法律及規例，包括《僱傭條例》及《中華人民共和國勞動法》。本集團人力資源部根據最新法律及規例定期檢討及更新相關公司政策。

招募及晉升

為吸引高素質人員，本集團根據個人過往表現、個人素質、工作經驗及職業期望，提供公平、具競爭力的薪酬及福利。本集團亦參考市場基準釐定其薪酬及福利政策。由於挽留人才對本集團未來業務發展至關重要，故本集團不斷檢討其薪酬待遇，並根據整體市場環境、本集團的盈利能力及僱員的過往表現進行考核及定期評估。就職業規劃而言，本集團將僱員晉升分為兩類：部門內晉升及跨部門晉升。兩種晉升的要求有所差異，且須嚴格遵守不同程序。這確保僱員的努力及貢獻得到本集團適當認可。同時，任何終止僱傭合約的情況均基於合理及合法的理由。

賠償及解僱

任何委任、晉升或終止僱傭合約的情況均基於合理、合法的理由及內部政策(如員工手冊)。本集團嚴禁任何不公平或不合理的解僱。

工作時數及假期

本集團已根據當地僱傭法律制定釐定僱員工作時數及假期的政策。本集團監察其僱員的工作時數，及加班僱員有機會獲得加班費或額外假期補償。除當地政府僱傭法律規定的基本帶薪年假及法定假日外，只要根據當地政府僱傭法律提供相關檔，僱員亦可享有額外休假權利，如婚假、產假、事假、喪假。

Equal opportunity and anti-discrimination

As an equal opportunity employer, the Group is committed to creating a fair, respectful and diverse working environment by promoting anti-discrimination and equal opportunity in terms of all human resources and employment decisions. For instance, training and promotion opportunities, dismissals and retirement policies should be irrespective of their gender, race, age, disability, family status, marital status, sexual orientation, religion beliefs, nationality or any other non-job related factors in all business units. The Group's equal opportunities policy allows zero tolerance to any workplace discrimination, harassment or victimisation in accordance to relevant government legislation, ordinances and regulations. Employees are encouraged to report any incidents involving discrimination to the human resources department of the Group. The Group will take responsibility for assessing, dealing with, recording and taking any necessary disciplinary actions on such incidents.

Other benefits and welfare

The Group provides employee welfare such as medical insurance, annual physical examination and lunch allowance to its employees. During some traditional Chinese festivals, employees may even receive additional bonuses and gifts. The Group throws birthday parties for employees and holds a series of activities, such as year-end dinner party, lottery draw, fire drill competition. A number of socially useful activities are also arranged by volunteers in the Group on a regular basis. The Group believes that these events would help its employees to relieve stress, and served to exemplify the Group's corporate culture of the spirit of solidarity and cohesion among its employees.

During the year under review, the Group was in compliance with relevant laws and regulations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, welfare and other benefits that have a significant impact on the Group.

平等機會及反歧視

作為平等機會僱主，本集團致力於所有人力資源及僱傭決定促進反歧視及平等機會，創造公平、尊重及多元化的工作環境，例如在所有業務單位提供培訓及晉升機會、解僱及退休政策，而不考慮其性別、種族、年齡、殘疾、家庭狀況、婚姻狀況、性取向、宗教信仰、國籍或任何其他與工作無關的因素。根據相關政府法例、條例及規例，本集團的平等機會政策對任何工作場所的歧視、騷擾或侵害實行零容忍。本集團鼓勵僱員向其人力資源部報告涉及歧視的任何事件。本集團將負責對該等事件進行評估、處理、記錄及採取任何必要紀律行動。

其他待遇及福利

本集團向其僱員提供僱員福利，如醫療保險、年度體檢及膳食津貼。於一些中國節日，僱員會收到額外花紅及禮品。本集團為僱員舉辦生日派對及一些活動，如年終晚宴、抽獎、消防演習競賽等。本集團義工亦會定期安排多個公益活動。本集團認為，該等活動將幫助其僱員減輕壓力，並體現本集團員工團結及凝聚精神的企業文化。

於回顧年度內，本集團在賠償及解僱、招募及晉升、工作時數、假期、平等機會、多樣化、反歧視、福利及其他待遇方面，遵守對其有重大影響的相關法律及規例。

環境、社會及管治報告

Environmental, Social and Governance Report

B.2. Health and Safety

To provide and maintain good working conditions and a safe and healthy working environment, the Group's safety and health policies are in line with various laws and regulations stipulated by the Government of Hong Kong and the PRC, including the Occupational Safety and Health Ordinance, the Production Safety Laws of the PRC(《中國安全生產法》), and the People's Republic of China Occupational Disease Prevention Law(《中國職業病防治法》).

The Group strives to provide a high-quality working environment for its employees. The Group has established a series of inner policies according to the ISO 14000 and OHSAS18000 for safe working environment and protecting employees from occupational hazards, such as the Regulation of Occupational Health and Safety, Regulation of Industrial Accident, Emergency Response Plan and Emergency Rescue System. In order to keep workers safe and avoid hazardous situation, the Group regularly provides safety training, machine safeguarding training, and emergency training.

The Group also sets stringent safety and labour practice standards to minimise the risk of accidents and enhance the employees' health and safety awareness. The Group have implemented an occupational health system by providing physical examination for employees every year, especially occupational diseases examination for those exposed to dust, toxic and hazardous materials. The Group provides work injury insurance for relevant employees in case of any accident during working hours or on the way between home and office. Relevant employees in the operation site are required to be trained on emergency management, hazardous materials handling, machine safeguarding and occupational health and safety courses.

In FY2017, the Group had conducted emergency response drill, safety inspections, cleaning of the air-conditioning systems, and disinfection treatment of carpets. Besides, the Group had organised healthy work bulletin, built up safety warning signs, set up safety banners and slogans, prohibited smoking and drinking liquor in the workplace. The Group implements the above policies in the operation site at least twice per year and arranges specific department to monitor the policy and practice strictly. During the operation process, to ensure the health and safety of the employees, the Group provides various personal protective equipment, such as anti-poison respirator, anti-dust respirator, earplugs, earmuffs, goggles, safety shoes and so on, to relevant employees.

B.2. 健康與安全

為提供及保持良好的工作條件以及安全健康的工作環境，本集團的安全與健康政策符合香港及中國政府規定的各項法律及規例，包括《職業安全及健康條例》、《中國安全生產法》及《中國職業病防治法》。

本集團致力為其僱員提供優質的工作環境。本集團已根據ISO14000及OHSAS18000制定一系列內部政策，以提供安全的工作環境及保障僱員避免職業性危害，如職業健康與安全規例、工傷事故規例、應急預案及緊急救援系統。為確保工人安全及避免危險狀況，本集團定期提供安全培訓、機器維護培訓及應急培訓。

本集團亦制定嚴格的安全及勞工常規標準，盡量減少事故風險，提高僱員的健康及安全意識。本集團每年為僱員提供體檢，以實行職業健康體制，特別是為暴露於灰塵、有毒及有害物質的僱員進行職業病檢查。本集團為在工作時間或在往返家庭至辦公室途中發生意外事故的相關員工提供工傷保險。經營場所相關員工須接受應急管理、危險物料處理、機械保護及職業健康及安全課程的培訓。

於二零一七年財政年度，本集團進行應急演習、安全檢查、空調系統清潔及地毯消毒處理。此外，本集團組織健康工作公告、建立安全警示標誌、設立安全橫額及口號、禁止在工作場所吸煙及飲酒。本集團每年最少兩次在經營場所實施以上政策，並安排特定部門全天候嚴格監督政策及常規。在經營過程中，為確保僱員健康及安全，本集團將向相關僱員提供各種個人保護用品，如防毒口罩、防塵口罩、耳塞、耳罩、護目鏡、安全鞋等。

環境、社會及管治報告

Environmental, Social and Governance Report

During the year under review, the Group was not in violation of any of the relevant laws and regulations in relation to providing a safe working environment and protecting the employees from occupational hazards that have a significant impact on the Group,

B.3. Development and Training

The Group draws up training plans in accordance with the Group's training needs. Specifically, the Group offers comprehensive training and development programmes to its staff in order to strengthen their work-related skills and knowledge. The purpose is to equip employee with the necessary skills, knowledge and attitudes to meet the Group's need. The Group has also formulated a set of internal policies for development and training. The internal trainings initiated by the Group target employees of different levels across various departments, including company overview training, professional and technical training, qualifications training, health and safety training, and anti-bribery and corruption training.

The Group encourages outstanding employees to attend external trainings and take professional qualification examinations for enhancing their competitiveness and expanding their capacity through continuous learning. The Group arranges external training organisations and trainers to provide job-related trainings to its employees, so as to make its employees achieve better working performance after receiving appropriate training. Employees that take and pass professional qualification examination are qualified for reimbursement.

Furthermore, the Group had provided other training activities to its employees in FY2017, including but not limited to:

- In-service and transferred staff skills training;
- Professional job skills enhancement and technical backbone staff training;
- Learning exchange opportunities like training seminars organised by professionals;
- Scheduled and focused year-round comprehensive skills training for management staff; and
- Production safety training.

於回顧年度內，本集團在提供安全的工作環境及保障僱員避免職業性危害方面，並無違反任何對本集團有重大影響的相關法律及規例。

B.3. 發展及培訓

本集團根據其培訓需要制定培訓計劃。特別是，本集團向其員工提供全面的培訓及發展計劃，以加強彼等工作相關的技能及知識。培訓旨在令僱員掌握滿足本集團需求的必備技能、知識及態度。本集團亦制定整套有關發展及培訓的內部政策。本集團面向不同部門內不同級別的全體僱員提供內部培訓，包括公司概況培訓、專業及技術培訓、資質培訓、健康與安全培訓及反賄賂及貪污培訓。

本集團鼓勵優秀僱員參加外部培訓及專業資格考試，以透過不斷學習提高競爭及提升能力。本集團安排外部培訓機構及培訓人員為其僱員提供工作相關培訓，以令僱員在接受適當培訓後達致更佳的工作表現。參加並通過專業資格考試的僱員合資格獲得資助。

此外，本集團於二零一七年財政年度向其僱員提供其他培訓活動，包括但不限於：

- 在職及調職員工技能培訓；
- 專業工作技能提升及技術骨幹員工培訓；
- 學習交流機會，如專業人士組織的培訓研討會；
- 為管理人員提供定期及集中全年綜合技能培訓；及
- 安全生產培訓。

環境、社會及管治報告

Environmental, Social and Governance Report

B.4. Labour Standards

The Group strictly abides by the Employment Ordinance (《僱傭條例》), and Labour Law of the People's Republic of China (《中華人民共和國勞動法》) and other related labour laws and regulations in Hong Kong and the PRC, to prohibit any child and forced labour employment.

To combat against illegal employment on child labour, underage workers and forced labour, the Group's human resources staff requires job applicants to provide valid identity documents before confirmation of employment to ensure that the applicants are lawfully employable. In situations where the hired staff is found to have provided false identity during the recruitment process, the Group will terminate the staff's employment immediately as it is a serious breach of the Group's rules and regulations. The human resources department of the Group is responsible for monitoring and ensuring compliance with the latest relevant laws and regulations that prohibit child labour and forced labour.

During the year under review, the Group was not in violation of any of the relevant laws and regulations, in relation to the prevention of child and forced labour that have a significant impact on the Group.

OPERATING PRACTICES

B.5. Supply Chain Management

As a socially responsible enterprise, it is critical and vital to maintain and manage a sustainable and reliable supply chain. To achieve this goal, the Group has conducted a comprehensive evaluation of potential suppliers and thorough investigations of selected suppliers. Meanwhile, the Group chooses suppliers based on their background, product quantity and quality, price, customer service quality, reputation, past cooperation experience, delivery time, and outcome from annual evaluation so as to maintain a cooperative and sustainable relationship with suppliers.

B.4. 勞工準則

本集團嚴格遵守《僱傭條例》、《中華人民共和國勞動法》及香港及中國的其他相關勞工法律及規例，禁止任何童工及強制勞工就業。

為打擊非法僱用童工、未成年勞工及強制勞工，在確認聘請前，本集團的人力資源員工規定應徵者須提供有效身份證明檔，以確保應徵者為合法受僱。一旦發現受僱員工在招募過程中提供虛假身份，則本集團將以嚴重違反本集團的規則及規例為由立即終止僱傭該員工。本集團的人力資源部負責監察及確保遵守最新及相關禁止童工及強制勞工的法律及規例。

於回顧年度內，本集團在防止童工或強制勞工方面，並無違反任何對本集團有重大影響的相關法律及規例。

營運慣例

B.5. 供應鏈管理

作為對社會負責的企業，維護及管理可持續及可靠的供應鏈至關重要。為達致該目標，本集團已對潛在供應商進行全面評估及對選定供應商進行全面評估。同時，本集團根據背景、產品數量及質量、價格、客戶服務質素、聲譽、過往合作經驗、付運時間、及年度評估結果甄選供應商，以與供應商保持合作及可持續關係。

環境、社會及管治報告

Environmental, Social and Governance Report

The main raw materials the Group purchases are plastics, electronic optical devices, hardware, and packaging materials. The Group has stipulated internal regulations for procurement and the selection of suppliers according to ISO9001. The Group requires its suppliers to hold legal business license, provide high-class materials in terms of product quality, and have an environmentally-friendly production process. In order to be up to date with the latest business situation of its suppliers, the Group makes regular visit and is in constant communication with its suppliers. The purchase department is in charge of the evaluation of the suppliers in the following four aspects: regulatory compliance, employees rights, health and safety, and environmental sustainability. The products provided by the suppliers must conform to national and local environmental protection regulations and safety regulations.

To ensure sufficient supply, the purchasing department will keep close contact with the suppliers and reserve products in advance. Besides, the Group always has backup suppliers to avoid the lack of supplies. The Group maintains close liaison with its suppliers to ensure they comply with local laws and regulations in their country during operations and stick to their corporate ethics. The Group has formulated a policy on supplier management and divided the suppliers into different groups according to the duration of the cooperation and the scope of the cooperation so as to implement a differentiated management strategy for the suppliers. Given the firm and stable relationship between the Group and its suppliers, the Group can be quickly informed of the suppliers' situation through the internet, phone calls, and other communication means. The Group will also conduct annual evaluations upon contracts, especially in the aspect of top management turnover, changes in production capacity, innovation in manufacturing techniques and raw materials, and violations of the law and discipline of the suppliers.

In FY2017, the Group did not experience any major difficulty in obtaining adequate supplies of raw materials and packaging materials to meet its production requirements.

本集團購買的主要原材料為塑膠、電子光學原件、五金及包裝材料。本集團根據ISO9001制定內部採購及甄選供應商規例。本集團要求其供應商持有合法營業執照，提供高檔材料以保證產品質量，及生產工序環保。為了解供應商的最新業務情況，本集團會定期訪問供應商並與供應商持續溝通。採購部負責於以下四個方面評估供應商：監管合規、僱員權利、健康與安全、及環境可持續性。供應商提供的產品必須符合國家及當地環保規例及安全規例。

為確保供應充足，採購部將與供應商保持密切聯繫並提前預訂產品。此外，本公司通常有後備供應商，避免供應商不足。本集團與其供應商保持密切聯絡，確保彼等於營運期間遵守彼等國家的當地法律及規例及遵從企業道德。本集團已制定供應商管理政策，並根據合作期限及合作範疇將供應商分為不同組別，以對彼等實施不同的管理策略。鑒於本集團與其供應商的穩固關係，本集團可立即透過互聯網、電話及其他通信方式獲悉供應商的狀況。本集團亦將就(尤其是)最高管理層更替、生產能力、製造技術及原材料變動以及違反供應商法律及紀律等方面對合約進行年度評估。

於二零一七年財政年度，本集團於獲得充足原材料供應及包裝材料以滿足其生產需求方面概無面臨任何重大困難。

環境、社會及管治報告

Environmental, Social and Governance Report

B.6. Product Responsibility

With regard to the Group's product health and safety, advertising and labelling, quality management, the Group is strictly in compliance with the related rules and regulations in the PRC, such as Product Quality Law of the PRC (《中華人民共和國產品質量法》) and Law on Protection of Consumer Rights and Interests of the PRC (《中國消費者權益保護法》). The philosophy of the products and service of the Group is to provide quick responses to the needs of its customers. The Group's slogan is "Improve constantly, Strive for excellence, Customer comes first, Advance with times" ("不斷改進、追求卓越、客戶至上、與時俱進"). Also, the Group is in line with the rules and regulations stipulated by the EU including the Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH) and Restriction of Hazardous Substances (RoHS). The products sold within the European Economic Area (EEA) must meet the requirements of the applicable EC directives in order to obtain the CE marking. Moreover, the Group has formulated a quality inspection management system that covers raw materials, auxiliary ingredient, manufacturing process, product storage procedure, packaging materials and finished products, and is in strict compliance with the ISO 9001 management practices.

What is more, the Group has established standard procedures for handling product enquires and customer's complaints according to ISO9001 management practices. Specifically, once the quality control department receives complaints, they will confirm, analyse and finally solve the problem by giving the relevant clients a convincing and satisfied response in at most six days. By dealing with the substantiated complaints in such strict procedure, the Group could considerably strengthen its product offerings, service quality, and consequently stay competitive in the market.

As for the recall issues, the Group has implemented its internal policies including the "Control Procedure of Nonconforming Products" ("不合格產品控制程序") and "Control Procedure of Returned Products" ("退回產品控制程序"). Precisely, once the Group receives returned products, a detailed inspection would be initiated immediately, and the Group will take full responsibility and recall the unqualified products if the case is confirmed.

B.6. 產品責任

就本集團的產品健康及安全、廣告及標籤、質量管理而言，本集團嚴格遵守中國相關法規及規例，如《中華人民共和國產品質量法》及《中國消費者權益保護法》。本集團的產品及服務理念為快速回應其客戶需求。本集團的口號是「不斷改進、追求卓越、客戶至上、與時俱進」。此外，本集團遵守歐盟規定的規則及規例，包括註冊、評估、授權和限制化學品(REACH)及限制有害物質(RoHS)。在歐洲經濟區(EEA)銷售的產品必須符合適用EC指令的要求才能獲得CE標誌。此外，本集團已制定質量檢驗管理系統，涵蓋原材料、輔料、製造程序、產品儲存程序、包裝材料及製成品，並已嚴格遵守ISO9001管理常規。

此外，本集團已根據ISO9001管理常規設立標準程序，以處理產品問詢及客戶投訴。特別是，一旦質量控制部門接到投訴，彼等將會透過在最多六天內給予客戶令人信服切滿意的答復，確認、分析並最終解決有關問題。透過按照嚴格的程序處理大量投訴，本集團可答復加強其產品及服務質素，從而使其在市場上保持競爭力。

就召回問題而言，本集團已實施其內部政策，包括「不合格產品控制程序」及「退回產品控制程序」。準確來說，一旦本集團收到退回產品，其將立即進行詳細檢查，倘情況確認，其將承擔全部責任並召回不合格產品。

環境、社會及管治報告

Environmental, Social and Governance Report

To prevent dishonest or exaggerated advertisement that breaches the principle of Advertising Law of the PRC (《中華人民共和國廣告法》) and related laws and regulations, the Group has established internal guidelines to monitor its marketing materials and product labelling. Any exaggeration of offerings in the marketing materials is strictly prohibited. If there is any non-compliance with the Group's internal guideline, which is regularly updated with the latest regulations released by the government, the Group would carry out corrective action immediately.

The Group is committed to abiding by the Consumer Protection Law of the PRC (《中華人民共和國消費者權益保護法》) and the Personal Data (Privacy) Ordinance to ensure that customers' rights are strictly protected. The Group prohibits the provision of customer information to a third party without authorisation of the customer. All collected personal data of customers during the course of business are treated as confidential, kept securely and accessible by designated personnel only.

During the year under review, the Group was not in violation of any relevant laws and regulations regarding health and safety, advertising, labelling and privacy matters of its products that may have a significant impact on the Group.

B.7. Anti-corruption

To maintain a fair, ethical and efficient business and working environment, the Group strictly adheres to the local laws and regulations relating to anti-corruption and bribery, irrespective of the area or country where the Group conducts its business, such as the Prevention of Bribery Ordinance, and Law of the PRC on Anti-money Laundering (《中華人民共和國反洗錢法》).

The Group prohibits all forms of bribery and corruption, and requires all employees to strictly abide by professional ethics and eliminate any corruption and bribery. All employees are expected to discharge their duties with integrity, to act fairly and professionally, and to abstain from engaging in bribery activities or any activities, which might exploit their positions against the Group's interests.

為防止出現違反《中華人民共和國廣告法》宗旨及相關法律及規例的失實或誇張廣告，本集團已制定內部指引，以監察其市場推廣材料及產品標籤。嚴禁市場推廣材料的任何誇張宣傳。倘有任何不遵守本集團根據政府發佈的最新規例定期更新的內部指引的情況，本集團將立即採取糾正行動。

本集團致力遵守《中華人民共和國消費者權益保護法》及《個人資料(私隱)條例》確保客戶的權利受到嚴格保護。本集團禁止在未經客戶授權的情況下向第三方提供客戶資料。於營業過程中收集的所有個人數據均經保密處理及妥善保存，並只能由指定人員取閱。

於回顧年度內，本集團在其產品的健康與安全、廣告、標籤及私隱事宜方面，並無違反對本集團有重大影響的任何相關法律及規例。

B.7. 反貪污

為維護公平、廉潔、高效的業務及工作環境，本集團嚴格遵守有關反貪污及賄賂的當地法律及規例(不因本集團經營業務所處地區或國家而異)，如《防止賄賂條例》及《中華人民共和國反洗錢法》。

本集團禁止任何形式的賄賂及貪污行為，並要求全體僱員嚴格遵守職業道德規範及杜絕任何貪污、賄賂行為。全體僱員均應誠信履行職責，以公平及專業的方式行事及不得參與賄賂活動或任何可能利用其職位損害本集團利益的活動。

環境、社會及管治報告

Environmental, Social and Governance Report

The Group's management remains committed to investigations against any suspicious or illegal behaviour which might be related to bribery, extortion, fraud and money-laundering to protect the Group's interests. The Group has set up an advice box and a hotline to enable employees or outsiders to report any suspicious activities, such as any requesting, receiving or accepting any forms of benefits from any persons, companies or organisations having conflict of interest with the Group, and misconducts.

Whistle-blowers can report verbally or in writing to the senior management of the Group for any suspected misconduct with full details and supporting evidence. The management will conduct investigations against any suspicious or illegal behaviour to protect the Group's interests. The Group advocates a confidentiality mechanism to protect the whistle-blowers against unfair dismissal or victimisation. Where criminality is suspected, a report is made to the relevant regulators or law enforcement authorities when the management considers necessary.

During the year under review, the Group was not in violation of any of the relevant laws and regulations in relation to bribery, extortion, fraud and money laundering that have a significant impact on the Group.

COMMUNITY

B.8. Community Investment

As part of the Global community, the Group strives to improve society through continuous community investment. Over the years, the Group has actively carried out corporate social responsibilities and been participating in various charity activities.

The Group is committed to promoting the economic development and living environment of the community and insists on helping individuals and organisation within the community. The Group is also keen to support social welfare activities and community care projects, and encourages its own employees to participate in these activities and projects.

The Group believes that the development of communities is an indispensable part of the prosperity of an enterprise. To better fulfil its social responsibilities, the Group commits to relentlessly making constant contributions to education, environmental protection and reconstruction of the disaster-affected area, and steadfastly supporting the healthy growth of communities.

本集團管理層仍致力對任何與賄賂、勒索、欺詐及洗黑錢有關的可疑或非法行為進行調查，以保護本集團的利益。本集團已設置意見箱及熱線，使僱員或外部人士能報告任何可疑活動，包括任何要求、收受或接受來自任何人士、公司或組織之任何形式利益，而該等利益與本集團存在利益衝突及牽涉不當行為。

舉報者可就任何可疑不當行為向本集團高級管理層進行口頭或書面報告，並提供詳盡細節及支持證據。管理層將對任何可疑或非法行為進行調查，以保護本集團的利益。本集團提倡保密機制，以保護舉報者免遭不公平的解僱或傷害。涉嫌犯罪的，將於管理層認為屬必要時向相關監管機關或執法部門報告。

於回顧年度內，本集團在防止賄賂、勒索、欺詐及洗黑錢方面，並無違反對本集團有重大影響的任何相關法律及規例。

社區

B.8. 社區投資

作為全球社區的一員，本集團致力透過持續社區投資改善社會。多年來，本集團積極履行企業社會責任及參與各項慈善活動。

本集團致力推動社區的經濟發展及提升居住環境，以及堅持幫助社區內的人士及組織。本集團亦熱衷社會福利活動及社區關愛項目，並鼓勵其僱員參與該等活動及項目。

本集團認為，社區發展是企業發展不可或缺的一部分。為更好地履行其社會職責，本集團堅持不懈地致力於為教育、環保及受災地區重建作出貢獻及堅定不移地支持社區的健康增長。

獨立核數師報告

Independent Auditor's Report



MAZARS CPA LIMITED

瑪澤會計師事務所有限公司
42nd Floor, Central Plaza
18 Harbour Road, Wanchai, Hong Kong
香港灣仔港灣道18號中環廣場42樓

To the shareholders of K & P International Holdings Limited
(Incorporated in Bermuda with limited liability)

致堅寶國際控股有限公司全體股東
(於百慕達註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of K & P International Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 70 to 165, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

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

意見

我們已審計載於第70至165頁的堅寶國際控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，此包括二零一七年十二月三十一日的綜合財務狀況表及截至該日止年度的綜合利潤表、綜合全面收入表、綜合權益變動表、綜合現金流量表以及綜合財務報表附註包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實而公允地反映 貴集團於二零一七年十二月三十一日的財務狀況及截至該日止年度其財務表現及現金流量，並已遵照香港公司條例的披露規定妥為編製。

意見的基準

我們已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。我們在該等準則下的責任已於本報告「核數師就審計綜合財務報表承擔的責任」一節中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「守則」)，我們獨立於 貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立核數師報告(續)

Independent Auditor's Report (continued)

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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. We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Key Audit Matter 關鍵審計事項

Valuation of land and buildings 土地及樓宇之估值

Refer to note 13 to the consolidated financial statements
請參閱綜合財務報表附註13

As at 31 December 2017, land and buildings held by the Group were stated at fair value of HK\$138,893,000. Significant estimation and judgement are required by management to determine the fair value of the land and buildings, including the determination of valuation techniques and the selection of different inputs in the models. Management has engaged independent professionally qualified valuers (the "Valuers") whose work has been relied on in the estimation of the fair value of the land and buildings.

於二零一七年十二月三十一日，貴集團持有之土地及樓宇以公平價值列賬為138,893,000港元。管理層需作出重大估計及判斷包括釐定其估值方法及選擇不同輸入數據之模式以釐定此土地及樓宇之公平價值。管理層已外聘獨立合資格專業估值師(「估值師」)，並倚賴其工作於估計土地及樓宇之公平價值。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。該等事項已於我們審計整體綜合財務報表及出具意見時處理，而我們不會對該等事項提供獨立的意見。我們已釐定下述事項為須於我們的報告傳達的關鍵審計事項。

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

Our key audit procedures over valuation of properties included:

我們對物業估值所作出的關鍵審計程序包括：

- Evaluating the competence, capabilities and objectivity of the Valuers.
評估估值師的勝任、能力及客觀性。
- Assessing the appropriateness of the work of the Valuers by making enquiries and considering the relevance and reasonableness of key assumptions and methods used, and the relevance and accuracy of the source data used. 向估值師查詢以評估其工作的合適性及考慮該等關鍵假設的相關及合理性、採用的方法及所用資料來源的相關及準確性。

獨立核數師報告(續)

Independent Auditor's Report (continued)

OTHER INFORMATION

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

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

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

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

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

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

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

其他資料

貴公司董事須對其他資料負責。其他資料包括年報內所載的資料，但不包括綜合財務報表及我們載於其中的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資料。我們亦不會對該等其他資料發表任何形式的保證結論。

就我們對綜合財務報表的審計，我們的責任是閱讀其他資料，在此過程中，考慮其他資料與綜合財務報表或我們在審計過程中所知悉的情況是否存在重大抵觸或者看似存在重大錯誤陳述。基於我們已執行的工作，倘我們認為其他資料存在重大錯誤陳述，我們需要報告該事實。我們就此並無任何事項須報告。

董事及管治負責人員就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製綜合財務報表，使其真實而公允地列報，以及制定董事認為必要的相關內部控制，以使綜合財務報表不存在由欺詐或錯誤而導致的重大錯誤陳述。

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

管治負責人員負責監督 貴集團的財務報告過程。

獨立核數師報告 (續)

Independent Auditor's Report (continued)

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. This report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

As part of an audit in accordance with HKSAs, we exercise professional judgement 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審計綜合財務報表承擔的責任

我們的目標乃對綜合財務報表整體是否不存在由欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。本報告僅為閣下(作為整體)根據百慕達一九八一年公司法第90條編製，除此之外本報告別無其他目的。我們不會就本報告的內容對任何其他人士負責或承擔責任。

合理保證為高水平的保證，但不能保證按照香港審計準則進行的審計總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期其單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

作為根據香港審計準則進行審計其中一環，我們運用專業判斷，保持專業懷疑態度。我們亦：

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

獨立核數師報告(續)

Independent Auditor's Report (continued)

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

(continued)

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

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

核數師就審計綜合財務報表承擔的責任(續)

- 對董事採用持續經營會計基礎的適當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露，假若有關的披露不足，則修訂我們的意見。我們的結論乃基於直至核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營業務。
- 評價綜合財務報表的整體列報方式、結構及內容(包括披露)事項以及綜合財務報表是否公平地反映相關交易及事項。
- 就 貴集團內各實體或業務活動的財務資料獲得充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

我們與管治負責人員溝通了計劃的審計範圍、時間安排及重大審計發現等，其中包括我們在審計中識別出內部控制的任何重大不足之處。

我們亦向管治負責人員提交聲明，表明我們已符合有關獨立性的相關專業道德要求，並與彼等溝通可能合理地被認為會影響我們獨立性的所有關係和其他事項以及在適用的情況下相關的防範措施。

獨立核數師報告 (續)

Independent Auditor's Report (continued)

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

(continued)

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

Mazars CPA Limited

Certified Public Accountants

Hong Kong, 27 March 2018

The engagement director on the audit resulting in this independent auditor's report is:

Or Ming Chiu

Practising Certificate number: P04786

核數師就審計綜合財務報表承擔的責任 (續)

從與管治負責人員溝通的事項中，我們確定該等對本期綜合財務報表的審計最為重要的事項，因而構成關鍵審計事項。我們在核數師報告中闡釋該等事項，除非法律或法規不允許公開披露這些事項，或在極端罕見的情況下，合理預期倘於我們的報告中註明某事項造成的負面後果超過產生的公眾利益，則我們決定不應在報告中註明該事項。

瑪澤會計師事務所有限公司

執業會計師

香港，二零一八年三月二十七日

出具本獨立核數師報告的審計項目董事：

柯銘樵

執業證書號碼：P04786

綜合利潤表

Consolidated Income Statement

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

		Notes 附註	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
REVENUE	收入	5	422,925,066	431,017,389
Cost of sales	銷售成本		(345,457,646)	(378,419,345)
Gross profit	毛利		77,467,420	52,598,044
Other income and gains	其他收入及收益	5	4,828,262	12,564,077
Selling and distribution costs	銷售及經銷成本		(35,069,405)	(35,361,815)
Administrative and other expenses	行政及其他費用		(36,600,166)	(36,427,010)
Finance costs	融資成本	6	(1,480,583)	(1,675,059)
PROFIT/(LOSS) BEFORE TAX	除稅前溢利／(虧損)	7	9,145,528	(8,301,763)
Income tax (expense)/credit	所得稅(開支)／抵免	10	(853,668)	191,614
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人所佔 本年度溢利／(虧損)		8,291,860	(8,110,149)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人所佔 每股盈利／(虧損)	12		
Basic	基本		HK3.11 cents 港仙	HK(3.04) cents 港仙
Diluted	攤薄		HK3.11 cents 港仙	HK(3.04) cents 港仙

綜合全面收入表

Consolidated Statement of Comprehensive Income

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

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
PROFIT/(LOSS) FOR THE YEAR	本年度溢利／(虧損)	8,291,860	(8,110,149)
OTHER COMPREHENSIVE INCOME/ (LOSS)	其他全面收入／(虧損)		
Items that will not be reclassified to profit or loss:	將不會重新分類至損益入賬 之項目：		
Surplus arising from revaluation of land and buildings	土地及樓宇之重估盈餘	19,051,608	12,190,768
Income tax effect	所得稅影響	(3,379,500)	(4,441,346)
		15,672,108	7,749,422
Items that may be reclassified subsequently to profit or loss:	其後可重新分類至損益入賬 之項目：		
Exchange differences on translation of foreign operations	換算海外業務時產生 之匯兌差額	9,813,915	(12,727,767)
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR, NET OF TAX	除稅後本年度其他 全面收入／(虧損)	25,486,023	(4,978,345)
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人所佔本年度 全面收入／(虧損)總額	33,777,883	(13,088,494)

綜合財務狀況表

Consolidated Statement of Financial Position

於二零一七年十二月三十一日

At 31 December 2017

		Notes 附註	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	214,598,441	195,460,747
Prepaid land lease payments	預付土地租賃款	14	11,579,982	11,269,694
Other intangible assets	其他無形資產	15	–	–
Available-for-sale financial investment	可供出售金融投資	17	680,000	680,000
Total non-current assets	非流動資產總計		226,858,423	207,410,441
CURRENT ASSETS	流動資產			
Inventories	存貨	19	73,449,981	60,358,767
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	20	12,184,497	9,977,939
Trade and bills receivables	應收賬項及票據	21	73,915,143	76,658,999
Tax recoverable	可收回稅額		719,310	–
Cash and cash equivalents	現金及現金等值項目	22	42,285,169	24,384,156
Total current assets	流動資產總計		202,554,100	171,379,861
CURRENT LIABILITIES	流動負債			
Trade payables	應付賬項	23	54,679,126	46,443,046
Accrued liabilities and other payables	應計負債及其他應付款項	24	51,007,552	42,490,503
Interest-bearing bank and other borrowings	帶息銀行及其他借貸	25	35,602,809	36,399,168
Tax payable	應繳稅項		–	119,426
Total current liabilities	流動負債總計		141,289,487	125,452,143
NET CURRENT ASSETS	流動資產淨值		61,264,613	45,927,718
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		288,123,036	253,338,159

綜合財務狀況表(續)

Consolidated Statement of Financial Position (continued)

於二零一七年十二月三十一日
At 31 December 2017

		Notes	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
		附註		
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank and other borrowings	帶息銀行及其他借貸	25	3,522,050	5,894,556
Deferred tax liabilities	遞延稅項負債	27	17,762,111	14,382,611
Total non-current liabilities	非流動負債總計		21,284,161	20,277,167
Net assets	資產淨值		266,838,875	233,060,992
EQUITY	權益			
Issued capital	已發行股本	28	26,700,480	26,700,480
Reserves	儲備	30(a)	240,138,395	206,360,512
Total equity	權益總額		266,838,875	233,060,992

Approved and authorised for issue by the board of directors on 27 March 2018 and signed on its behalf by

董事會已於二零一八年三月二十七日批准及授權發佈，並由下列人士代表簽署

Lai Pei Wor
賴培和
Director
董事

Chan Yau Wah
陳友華
Director
董事

綜合權益變動表

Consolidated Statement of Changes in Equity

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

		Issued capital	Share premium account	Contributed surplus	Asset revaluation reserve	Exchange fluctuation reserve	Retained profits	Total equity
		已發行股本	股份溢價賬	繳入盈餘	資產 重估儲備	匯兌 波動儲備	保留溢利	權益總額
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元	港元
At 1 January 2017	於二零一七年一月一日	26,700,480	50,856,881	660,651	61,303,482	(6,439,427)	99,978,925	233,060,992
Profit for the year	本年度溢利	-	-	-	-	-	8,291,860	8,291,860
Other comprehensive income for the year:	本年度其他全面收入：							
Exchange differences on translation of foreign operations	換算海外業務時產生之匯兌差額	-	-	-	-	9,813,915	-	9,813,915
Surplus arising from revaluation of land and buildings, net of tax	除稅後土地及樓宇之重估盈餘	-	-	-	15,672,108	-	-	15,672,108
Total comprehensive income for the year	本年度全面收入總額	-	-	-	15,672,108	9,813,915	8,291,860	33,777,883
At 31 December 2017	於二零一七年十二月三十一日	26,700,480	*50,856,881	*660,651	*76,975,590	*3,374,488	*108,270,785	266,838,875

綜合權益變動表(續)

Consolidated Statement of Changes in Equity (continued)

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

		Issued capital	Share premium account	Contributed surplus	Asset revaluation reserve	Exchange fluctuation reserve	Retained profits	Total equity
		已發行股本	股份溢價賬	繳入盈餘	重估儲備	波動儲備	保留溢利	權益總額
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元	港元
At 1 January 2016	於二零一六年一月一日	26,700,480	50,856,881	660,651	53,554,060	6,288,340	108,089,074	246,149,486
Loss for the year	本年度虧損	-	-	-	-	-	(8,110,149)	(8,110,149)
Other comprehensive loss for the year:	本年度其他全面虧損：							
Exchange differences on translation of foreign operations	換算海外業務時產生 之匯兌差額	-	-	-	-	(12,727,767)	-	(12,727,767)
Surplus arising from revaluation of land and buildings, net of tax	除稅後土地及樓宇 之重估盈餘	-	-	-	7,749,422	-	-	7,749,422
Total comprehensive loss for the year	本年度全面虧損總額	-	-	-	7,749,422	(12,727,767)	(8,110,149)	(13,088,494)
At 31 December 2016	於二零一六年十二月三十一日	26,700,480	*50,856,881	*660,651	*61,303,482	*(6,439,427)	*99,978,925	233,060,992

* These reserve accounts comprise the consolidated reserves of HK\$240,138,395 (2016: HK\$206,360,512) in the consolidated statement of financial position.

* 於綜合財務狀況表中，這些儲備賬戶包含綜合儲備240,138,395港元(二零一六年：206,360,512港元)。

綜合現金流量表

Consolidated Statement of Cash Flows

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

			2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動之現金流入			
Profit/(loss) before tax	除稅前溢利／(虧損)		9,145,528	(8,301,763)
Adjustments for:	調整：			
Finance costs	融資成本	6	1,480,583	1,675,059
Bank interest income	銀行利息收入	5	(43,020)	(35,630)
Depreciation	折舊	13	13,940,490	16,102,428
Amortisation of prepaid land lease payments	預付土地租賃款攤銷	14	290,707	296,132
(Gain)/loss on disposal of items of property, plant and equipment	出售物業、廠房及設備之(收益)／虧損		(417,435)	85,703
(Reversal of)/provision for impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損(撥回)／撥備	13	(526,680)	4,835,785
(Reversal of)/provision for slow-moving inventories, net	滯銷存貨(撥回)／撥備，淨額		(1,265,303)	5,626,028
			22,604,870	20,283,742
Decrease in prepaid rent	預付租金之減少		-	142,800
Increase in inventories	存貨之增加		(11,858,731)	(974,899)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項之增加		(2,192,091)	(352,491)
Decrease/(increase) in trade and bills receivables	應收賬項及票據之減少／(增加)		2,743,856	(2,149,718)
Increase in trade payables	應付賬項之增加		8,236,080	691,175
Increase/(decrease) in accrued liabilities and other payables	應計負債及其他應付款項之增加／(減少)		8,517,049	(9,730,058)
Cash generated from operations	經營業務所產生之現金		28,051,033	7,910,551
Interest received	已收利息		43,020	35,630
Interest paid	已付利息		(975,968)	(846,173)
Interest element on finance lease payments	融資租賃付款之利息部份		(504,615)	(828,886)
Hong Kong profits tax paid	已付香港利得稅		(1,064,175)	(1,119,363)
Overseas taxes paid	已付海外稅項		(653,229)	(1,087,887)
Net cash flows from operating activities	經營活動之現金流入淨額		24,896,066	4,063,872
- page 77	- 第77頁			

綜合現金流量表(續)

Consolidated Statement of Cash Flows (continued)

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

		Notes 附註	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Net cash flows from operating activities – page 76	經營活動之現金流入淨額 – 第76頁		24,896,066	4,063,872
CASH FLOWS USED IN INVESTING ACTIVITIES	投資活動之現金流出			
Purchases of items of property, plant and equipment	購買物業、廠房及設備		(5,064,925)	(5,544,890)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備 所得款項		878,276	73,565
Net cash flows used in investing activities	投資活動之現金流出淨額		(4,186,649)	(5,471,325)
CASH FLOWS USED IN FINANCING ACTIVITIES	融資活動之現金流出			
New unsecured bank loans/revolving term loans/trust receipt loans	新無抵押銀行貸款／循環有期 貸款／信託收據貸款	31	62,117,840	49,122,046
Increase in discounted bills	貼現票據之增加	31	31,999	345,603
Repayment of unsecured instalment loans/bank loans/revolving term loans/ trust receipt loans	償還無抵押分期貸款／ 銀行貸款／循環有期貸款／ 信託收據貸款	31	(59,454,910)	(40,271,208)
New finance leases raised	新增融資租賃	31	3,480,580	1,618,654
Capital element of finance lease payments	融資租賃付款之資本部份	31	(9,344,374)	(10,868,303)
Net cash flows used in financing activities	融資活動之現金流出淨額		(3,168,865)	(53,208)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值項目 之增加／(減少)淨額		17,540,552	(1,460,661)
Cash and cash equivalents at beginning of year	年初之現金及現金等值項目		24,384,156	26,303,950
Effect of foreign exchange rate changes, net	匯率變動之影響，淨額		360,461	(459,133)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終之現金及現金等值項目		42,285,169	24,384,156
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值項目結餘 之分析			
Cash and bank balances	現金及銀行結餘	22	42,285,169	24,384,156

綜合財務報表附註

Notes to Consolidated Financial Statements

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

1. CORPORATE INFORMATION

K & P International Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. Its registered office is located at Units 2304-06, 23rd Floor, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong.

During the year, the Company and its subsidiaries (together the “Group”) were involved in the following principal activities:

- manufacture and sale of precision parts and components (comprising keypads, synthetic rubber and plastic components and part); and
- design, manufacture and sale of consumer electronic products (comprising time, weather forecasting and other products).

There were no significant changes in the nature of the Group’s principal activities during the year.

2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). These consolidated financial statements have been prepared under the historical cost convention, except for land and buildings and an available-for-sale financial investment, which have been measured at revalued amount/fair value as explained in the accounting policies set out below. These consolidated financial statements are presented in Hong Kong dollars.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2016 consolidated financial statements except for the adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current year as set out in note 2.2 to the consolidated financial statements. A summary of other principal accounting policies adopted by the Group is set out in note 2.4 to the consolidated financial statements.

1. 公司資料

堅寶國際控股有限公司(「本公司」)是一間於百慕達註冊成立之有限公司及其股份在香港聯合交易所有限公司主板上市。本公司之註冊辦事處為香港新界葵涌梨木道88號達利中心23樓2304-06室。

本公司及其附屬公司(統稱「本集團」)於本年度內之主要業務如下：

- 製造及銷售精密零部件(其中包括按鍵、合成橡膠及塑膠零部件)；及
- 設計、製造及銷售電子消費品(其中包括時計、天氣預計及其他產品)。

集團之主要業務於本年度內並無重大改變。

2.1 編製基準

本綜合財務報表是根據香港財務報告準則(「香港財務報告準則」)編製。此統稱，包括香港會計師公會頒佈之所有適用香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋、香港公認會計原則及香港公司條例之披露規定。本綜合財務報表亦符合香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露規定。誠如下文所載會計政策闡釋，除土地及樓宇及可供出售金融投資以重估金額／公平價值計量外，本綜合財務報表乃以歷史原值成本法計算。本財務報表以港元呈列。

除採納載於附註2.2與本集團相關並於本年度生效之新訂／經修訂香港財務報告準則，此等綜合財務報表之編製基準與二零一六年綜合財務報表所採納之會計政策貫徹一致。本集團採納其他主要會計政策之概要載於本綜合財務報表附註2.4。

Notes to Consolidated Financial Statements (continued)

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries as at 31 December each year. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Changes in ownership interest

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. 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.

When the Group loses control of a subsidiary, the gain or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset, associate, joint venture or others as appropriate from the date when control is lost.

2.1 編製基準(續)

綜合賬項基準

綜合財務報表包括本公司及其所有附屬公司截至每年十二月三十一日止年度之財務報表。附屬公司之財務報表的報告年度與本公司相同，並採用一致會計政策編製。

所有集團內公司間之結餘、交易和集團內公司間交易所產生的收入及支出、溢利及虧損均全數抵銷。附屬公司之業績自本集團取得控制權之日期起合併，並繼續合併至該控制權終止日期。

擁有權權益變動

倘本集團於附屬公司之擁有權權益出現變動，但並無導致本集團失去對該附屬公司之控制權，則按權益交易入賬。本集團之權益與非控股權益之賬面值會作出調整，以反映其於附屬公司之相關權益之變動。非控股權益之調整款額與已付或已收代價之公平價值兩者間之任何差額，均直接於權益中確認並歸屬於本公司擁有人。

倘本集團失去對附屬公司之控制權，則出售損益按(i)已收代價之公平價值及於失去控制權當日所釐定任何保留權益之公平價值之總額與(ii)該附屬公司之資產(包括商譽)及負債以及任何非控股權益於失去控制權當日之賬面值之差額計算。先前就已出售附屬公司於其他全面收入確認之款額，會按猶如母公司已直接出售相關資產或負債之所需相同基準入賬。自控制權失去當日起，於前附屬公司保留之任何投資及該前附屬公司所結欠或應收之任何金額，入賬列為金融資產、聯營公司、合營企業或其他(如適用)。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current year had no significant impact on the consolidated financial statements of the Group and the Company for current and prior year.

The Group has applied, for the first time, the following new/revised HKFRSs that are relevant to the Group.

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to HKFRSs	2014-2016 Cycle: HKFRS12

Amendments to HKAS 7: Disclosure Initiative

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The adoption of the amendments results in the additional disclosures in note 31 to the consolidated financial statements.

2.2 會計政策及披露之變動

採納與本集團相關並於本年度生效之新訂／經修訂香港財務報告準則對本集團本年度及過往年度之綜合財務報表並無構成重大影響。

本集團首次應用以下與本集團相關之新訂／經修訂之香港財務報告準則。

香港會計準則 第7號之修訂	披露計劃
香港會計準則 第12號之修訂	確認未變現虧損之 遞延稅項資產
香港財務報告準則 之年度改進項目	二零一四年至二零 一六年週期：香 港財務報告準則 第12號

香港會計準則第7號之修訂：披露計劃

該等修訂要求實體披露能讓財務報表使用者評估融資活動所產生負債的變動資料，包括現金流量產生的變動及非現金的變動。

此等修訂之採納導致綜合財務報表附註31的額外披露。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Amendments to HKAS 12: Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify, among others, how to account for deferred tax assets related to debt instruments measured at fair value.

The adoption of the amendments did not have any significant impact on the consolidated financial statements.

Annual Improvements 2014-2016 Cycle: HKFRS 12 – Clarification of the scope

The amendments clarify that except for the summarised financial information for subsidiaries, joint ventures and associates in which the interests are classified or included in a disposal group that is classified as held for sale in accordance with HKFRS 5, the requirements of HKFRS 12 apply to interests in entities within the scope of HKFRS 5.

The adoption of the amendments did not have any significant impact on the consolidated financial statements.

2.2 會計政策及披露之變動(續)

香港會計準則第12號之修訂：確認未變現虧損之遞延稅項資產

該等修訂澄清(其中包括)如何按公平價值計量之債務工具相關之遞延稅項資產的入賬方式。

此等修訂之採納並無對綜合財務報表構成任何重大影響。

二零一四年至二零一六年週期之年度改進項目：香港財務報告準則第12號－釐清範圍

該等修訂釐清，除根據香港財務報告準則第5號將權益分類或計入分類為持作出售組別之附屬公司、合營公司及聯營公司的財務資料概要外，香港財務報告準則第12號的規定適用於屬於香港財務報告準則第5號範圍內的實體權益。

該等修訂之採納並無對綜合財務報表構成任何重大影響。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

Annual Improvements to HKFRSs	2014–2016 Cycle: HKFRS 1 and HKAS 28 ¹
Amendments to HKAS 40	Transfers of Investment Property ¹
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration ¹
Annual Improvements to HKFRSs	2015-2017 Cycle ²
HKFRS 16	Leases ²
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ²
Amendments to HKAS 28	Investments in Associates and Joint Ventures ²
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²
HKFRS 17	Insurance Contracts ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

2.3 已頒佈但尚未生效之香港財務報告準則

於授權此等綜合財務報表之日，本集團並無提早採納下列香港會計師公會已頒佈但於本年度尚未生效之新訂／經修訂之香港財務報告準則。

香港財務報告準則之年度改進項目	二零一四年至二零一六年週期：香港財務報告準則第1號及香港會計準則第28號 ¹
香港會計準則第40號之修訂	轉移投資物業 ¹
香港財務報告準則第2號之修訂	以股份付款之交易之分類及計量 ¹
香港財務報告準則第4號之修訂	與香港財務報告準則第4號保險合約一併應用之香港財務報告準則第9號金融工具 ¹
香港財務報告準則第9號	財務工具 ¹
香港財務報告準則第15號	來自客戶合約之收入 ¹
香港(國際財務報告詮釋委員會)－詮釋第22號	外匯交易及預付代價 ¹
香港財務報告準則之年度改進項目	二零一五年至二零一七年週期 ²
香港財務報告準則第16號	租賃 ²
香港(國際財務報告詮釋委員會)－詮釋第23號	稅項處理不確定性 ²
香港會計準則第28號之修訂	投資聯營公司及合營企業 ²
香港財務報告準則第9號之修訂	具有負補償之提前還款特性 ²
香港財務報告準則第17號	保險合約 ³
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間之資產出售或注資 ⁴

Notes to Consolidated Financial Statements (continued)

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

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs
(continued)

- 1 Effective for annual periods beginning on or after 1 January 2018
- 2 Effective for annual periods beginning on or after 1 January 2019
- 3 Effective for annual periods beginning on or after 1 January 2021
- 4 The effective date to be determined

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have an impact on the consolidated financial statements. Further details of the expected impacts are discussed below. While the assessment has not been substantially completed for HKFRS 9, HKFRS 15 and 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 ended 30 June 2018. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that financial report.

HKFRS 9: Financial instruments

HKFRS 9 will replace the current standard on accounting for financial instruments, HKAS 39: Financial instruments: Recognition and measurement. HKFRS 9 introduces new requirements for classification and measurement of financial assets, including the measurement of impairment for financial assets and hedge accounting. On the other hand, HKFRS 9 incorporates without substantive changes the requirements of HKAS 39 for recognition and derecognition of financial instruments and the classification and measurement of financial liabilities.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2018 on a retrospective basis.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

- 1 於二零一八年一月一日或之後開始之年度期間生效
- 2 於二零一九年一月一日或之後開始之年度期間生效
- 3 於二零二一年一月一日或之後開始之年度期間生效
- 4 生效日期待定

本集團正評估該等修訂、新準則及詮釋於首次應用時之影響，到目前為止，本集團已識別到某些於採納該新準則時會對本集團的綜合財務報表的影響。預計的影響之資料如下。雖然本集團評估香港財務報告準則第9號、香港財務報告準則第15號及香港財務報告準則第16號並未大致完成，而評估是根據本集團現有的資料而進行，首次應用時之實際影響有可能與評估有偏差，而其他影響亦有可能於本集團之截至二零一八年六月三十日止六個月之中期業績報告中發現。本集團亦可能會更改會計政策，包括過渡性選擇，直至該等準則初步採納於該財務報告。

香港財務報告準則第9號：財務工具

香港財務報告準則第9號將取代有關金融工具會計處理之現有準則香港會計準則第39號：金融工具：確認及計量。香港財務報告準則第9號引入分類及計量金融資產、計算金融資產減值及對沖會計處理之新規定。另一方面，香港財務報告準則第9號納入且並無大幅改動香港會計準則第39號有關確認及終止確認金融工具及金融負債分類及計量之規定。

香港財務報告準則第9號按追溯基準於二零一八年一月一日或之後開始之年度期間生效。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs

(continued)

HKFRS 9: Financial instruments (continued)

Expected impacts of the new requirements on the Group's consolidated financial statements are as follows:

(a) *Classification and measurement*

HKFRS 9 contains three principal classification categories for financial assets: measured at (1) amortised cost, (2) fair value through profit or loss ("FVTPL") and (3) fair value through other comprehensive income ("FVTOCI"). The classification for debt instruments is determined based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the asset. If a debt instrument is classified as FVTOCI then interest revenue, impairment and gains/losses on disposal will be recognised in profit or loss.

Based on the Group's financial instruments and risk management policies as at 31 December 2017, the directors of the Company anticipate to have potential impact on initial application of HKFRS 9 in respect of club membership classified as available-for-sale investment carried at fair value as disclosed in note 17. This club membership will not satisfy the conditions for classification as financial assets at FVTOCI or financial assets at amortised cost. Hence, they will be reclassified to financial assets at FVTPL. The other financial assets and financial liabilities will continue to be measured on the same bases as are currently measured under HKAS 39.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

香港財務報告準則第9號：財務工具(續)

預計新規定對本集團的綜合財務報表有以下影響：

(a) *分類及計量*

香港財務報告準則第9號將金融資產按計量方式分為三個主要類別，(1)按攤銷成本計量，(2)按公平價值計量且其變動計入當期損益賬(「FVTPL」)及(3)按公平價值計量且其變動計入當期其他全面收入(「FVTOCI」)。債務工具則根據實體管理金融資產的業務模式及資產的合約現金流量特徵作分類。如該債務工具分類為FVTOCI，則其利息收入、減值及出售時的收益或虧損將於損益賬確認。

根據本集團於二零一七年十二月三十一日的金融工具和風險管理政策，本公司董事預期就附註17所披露涉及按公平價值列賬的分類為可供出售投資之會所會籍對首次應用香港財務報告準則第9號造成潛在影響。該會所會籍將不符合條件按其他全面收入分類為金融資產或按攤銷成本為金融資產，因此他們將被重新分類至金融資產並計入當期損益。其他金融資產及金融負債將繼續按與香港會計準則第39號下現行計量相同的基準進行計量。

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs

(continued)

HKFRS 9: Financial instruments (continued)

(b) Impairment

The new impairment model in HKFRS 9 replaces the “incurred loss” model in HKAS 39 with an “expected credit loss” model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure either a 12-month expected credit loss or a lifetime expected credit loss, depending on the asset and the facts and circumstances.

The Group expects that the application of the expected credit loss model may result in earlier recognition of credit losses. Based on a preliminary assessment, the directors of the Group anticipate that the adoption of HKFRS 9 would not have material impact on the results and financial position of the Group.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

香港財務報告準則第9號：財務工具(續)

(b) 減值

香港財務報告準則第9號中的新減值模式以「預期信貸虧損」模式取代香港會計準則第39號「已發生虧損」模式。根據預期信貸虧損模型，於確認減值虧損前，將不再需要發生虧損事件。相反，實體需要根據資產及其事實和情況來識別和計量12個月的預期信用虧損或一次的預期信用虧損。

本集團預期應用預期信貸虧損模式可能導致較早確認信貸虧損。根據初步評估，本集團董事預期採納香港財務報告準則第9號將不會對本集團業績及財務狀況造成重大影響。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs

(continued)

HKFRS 15: Revenue from contracts with customers

HKFRS 15 establishes a comprehensive framework for recognising revenue from contracts with customers. HKFRS 15 will replace the existing revenue standards, HKAS 18: Revenue, which covers revenue arising from sale of goods and rendering of services, and HKAS 11: Construction contracts, which specifies the accounting for revenue from construction contracts.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Based on the assessment completed to date, the Group has identified the following areas which may be affected:

2.3 已頒佈但尚未生效之香港財務報告準則(續)

香港財務報告準則第15號：來自客戶合約之收入

香港財務報告準則第15號建立一個確認客戶合約收入之綜合框架。香港財務報告準則第15號將取代現有之收入準則(即香港會計準則第18號：收入，當中涵蓋自出售貨物及提供服務產生之收入，以及香港會計準則第11號：建築合約，當中指明建築合約之收入會計處理)。

香港財務報告準則第15號的核心原則乃一個實體應確認收入以體現向客戶轉讓承諾貨品或服務的金額，並反映實體預期交換該等貨品或服務而應得的代價。具體而言，該準則引入五步法以確認收入：

- 第1步： 識別與客戶的合約
- 第2步： 識別合約中的履約責任
- 第3步： 釐定交易價格
- 第4步： 將交易價格分攤至合約內的履約責任
- 第5步： 於實體符合履約責任時確認收入

根據目前評估，本集團識別以下可能受到影響之範疇：

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs

(continued)

HKFRS 15: Revenue from contracts with customers (continued)

(a) Timing of revenue recognition

The Group's revenue recognition policies are disclosed in note 2.4 of these consolidated financial statements. Currently, revenue from the sale of goods is generally recognised when the risks and rewards of ownership have passed to the customers.

Under HKFRS 15: revenue is recognised when the customer obtains control of the promised good or service in the contract. HKFRS 15 identifies 3 situations in which control of the promised good or service is regarded as being transferred over time:

- (i) When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;
- (ii) When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;
- (iii) When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that will be considered in determining when the transfer of control occurs.

The Group has assessed that the new revenue standard is not likely to have significant impact on how it recognises revenue from sale of goods.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

香港財務報告準則第15號：來自客戶合約之收入(續)

(a) 收入確認之時間

本集團之收入確認政策於本綜合財務報表附註2.4披露。目前，自出售貨物所得之收入一般於所有權風險及回報已轉移至客戶時予以確認。

根據香港財務報告準則第15號：收入乃於客戶取得合約中所承諾貨物或服務之控制權時予以確認。香港財務報告準則第15號識別所承諾貨物或服務之控制權被視為隨時間予以轉移之三種情況：

- (i) 當實體履約時，客戶同時接受及消費實體履約所提供之利益；
- (ii) 當實體之履約行為創造或改良一項其於被創造或改良時受客戶控制之資產(例如在製品)；
- (iii) 當實體之履約行為並無創造一項對實體有替代用途之資產，且實體對至今已完成之履約行為獲得付款擁有可強制執行權利。

倘合約條款及實體行為並不屬於任何該等三種情況，則根據香港財務報告準則第15號，實體於某一時間點(即於控制權轉移時)就銷售貨物或服務確認收入。所有權風險及回報轉移僅為釐定控制權轉移發生時將予以考慮之其中一項指標。

本集團已評估新收入準則，該新準則並未對如何確認收入有重大影響。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs

(continued)

HKFRS 15: Revenue from contracts with customers (continued)

(b) *Sales with a right of return*

HKFRS 15 requires separate presentation on the consolidated statement of financial position of the right to recover the goods from the customer and the refund obligation.

Currently when the customers are allowed to return the Group's products, the Group estimates the level of expected returns and makes an adjustment against revenue.

Due to the large size and low value of the Group's products, the historical goods return rate is very low. The financial impact of applying new HKFRS 15 is not material.

HKFRS 16: Leases

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

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

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

2.3 已頒佈但尚未生效之香港財務報告準則(續)

香港財務報告準則第15號：來自客戶合約之收入(續)

(b) *帶退貨權之銷售*

香港財務報告準則第15號要求在綜合財務狀況表中獨立呈報由客戶收回貨品的權利及退款責任。

現時，若顧客有權退回本集團之產品，本集團會估計預期退貨水平，並對收入作出調整。

由於本集團之產品都是數量大及價值低，歷年退貨率非常低，就應用新訂香港財務報告準則第15號對財務並無重大影響。

香港財務報告準則第16號：租賃

香港財務報告準則第16號引進了一個綜合模型以識別租賃安排以及處理出租人及承租人的會計方法。香港財務報告準則第16號於其生效時將會取代香港會計準則第17號：租賃及相關詮釋。

香港財務報告準則第16號按一項已識別資產是否由一名客戶控制的基準區分租賃及服務合約。除短期租賃及低價值資產租賃外，承租人在會計上對經營及融資租賃之區分會被刪除，而所有承租人之租賃將以確認使用權資產及相應負債之模式取代。

使用權資產初步按成本計量，其後按成本(受若干例外情況規限)減累計折舊及減值虧損計量，就任何租賃負債的重新計量作出調整。租賃負債初步按當日未支付的租賃款項的現值計算。其後，就利息及租賃款項以及租賃修訂的影響(包括其他)調整租賃負債。就現金流量分類而言，經營租賃付款目前作為營運現金流量呈列。於應用香港財務報告準則第16號後，與租賃負債有關的租賃付款將分配至將由本集團按融資現金流量呈列的本金及利息部分。

Notes to Consolidated Financial Statements (continued)

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

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs*(continued)***HKFRS 16: Leases (continued)**

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

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the profit or loss over the period of the lease.

As disclosed in note 32 to these consolidated financial statements, at 31 December 2017 the Group's future minimum lease payments under non-cancellable operating leases amounted to HK\$1,183,173 for properties, which is payable between 1 and 2 years after the reporting date. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16.

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

HKFRS 16 is mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

2.3 已頒佈但尚未生效之香港財務報告準則(續)**香港財務報告準則第16號：租賃(續)**

相對於承租人會計法，香港財務報告準則第16號大致轉承了香港會計準則第17號的出租人會計處理規定，並繼續要求出租人將租賃分類為經營租賃或融資租賃。

香港財務報告準則第16號將主要影響本集團作為承租人對物業、廠房及設備現時分類為經營租賃採用的會計處理方法。預期應用新會計模式將導致資產及負債均有所增加，及影響租約期間於損益賬確認開支的時間。

誠如本綜合財務報表附註32所披露，於2017年12月31日，本集團日後於不可撤銷經營租賃下之物業的最低租賃付款額1,183,173港元，其應付於本報告日後一至兩年間。初步評估顯示該等安排將符合按香港財務報告準則第16號之租賃定義，因此於應用香港財務報告準則第16號後，本集團將就所有該等租賃確認為使用權資產及對應負債，除非其符合低價值或短期租賃。

此外，應用新規定可能導致上述計量、呈列及披露的變動。

香港財務報告準則第16號於二零一九年一月一日或之後之財務年度強制開始。本集團並無意向在此階段於其生效日前採納該準則。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity that is controlled by the Group. 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 reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position which is presented within these notes, an investment in subsidiary is stated at cost less impairment loss.

Related parties

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

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of the parent of the Group.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.

2.4 重大會計政策概要

附屬公司

附屬公司乃本集團所控制之實體。倘本集團對一個實體所得之可變動回報承擔風險或享有權利，並有能力透過其對該實體之權力影響該等回報時，則本集團對該實體有控制權。倘有事實及情況顯示其中一項或多項控制權因素出現變動時，則本集團會重新評估是否仍然控制該被投資公司。

附屬公司之投資是按成本減值虧損列賬，其呈列於本公司之財務狀況表附註內。

關連人士

關連人士為與本集團有關連的個人或實體。

- (a) 該人士為以下人士或以下人士家庭之近親被視為本集團關連人士：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司主要管理層之成員。
- (b) 該實體被視為本集團關連人士倘符合下列任何條件：
- (i) 該實體及本集團為相同集團之成員公司(即各母公司、附屬公司及同系附屬公司為互相關連)。
 - (ii) 一個實體是另一實體的聯營或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營或合營企業)。
 - (iii) 兩個實體皆為相同第三方之合營企業。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

2.4 重大會計政策概要(續)

關連人士(續)

- (iv) 一個實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
- (v) 有關實體為本集團或與本集團有關連之實體為僱員福利而設之離職後福利計劃。倘本集團本身便是該計劃，而提供資助的僱主亦被視為與本集團有關。
- (vi) 有關實體受(a)項所述人士控制或共同控制。
- (vii) 於(a)(i)項所述人士可對該實體有重大影響力或是該實體(或該實體之母公司)之主要管理層之成員。
- (viii) 該實體或該實體所屬集團之任何成員公司向本集團或本集團之母公司提供主要管理人員服務。

該人士之近親為可能被預期與實體進行交易時影響該人士或受該人士影響之該等家庭成員並包括：

- (a) 該人士之子女及配偶或家庭夥伴；
- (b) 該人士之配偶或家庭夥伴之子女；及
- (c) 該人士或該人士之配偶或家庭夥伴之家屬。

在關連人士的定義，聯營公司包括該聯營附屬公司，而合營企業包括該合營企業附屬公司。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to profit or loss during the year in which they are incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation.

Land and buildings are stated at revalued amount, being the fair value at the date of valuation less accumulated depreciation and accumulated impairment losses. Valuations are performed frequently to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. Decrease in valuation are first offset against increase on earlier valuations in respect of the same asset and thereafter charged to profit or loss. Any subsequent revaluation surplus is credited to profit or loss to the extent of the deficit previously charged and thereafter to revaluation reserve.

As the Group's lease payments for its leasehold land and buildings cannot be allocated reliably between the land and buildings elements at the inception of the lease because similar land and buildings are not sold or leased separately, the entire lease payments are included in the cost of the leasehold land and buildings as a finance lease in property, plant and equipment.

2.4 重大會計政策概要(續)

物業、廠房及設備

物業、廠房及設備乃以成本或估值減累計折舊及任何減值虧損後列賬。物業、廠房及設備項目之成本包括購買價及將該資產達至所定之運作情況及地點之任何直接成本。維修及保養費用均自費用產生年度從損益賬扣除。倘達到確認標準，則大型檢查的開支會於資產賬面值中資本化作為一項替換。倘須分期替換物業、廠房及設備的主要部份，則本集團會將該等部分確認為有特定可使用年期及折舊的個別資產。

土地及樓宇乃按重估值列賬，即以估值日期之公平價值減累積折舊及累積減值虧損。重估資產之公平價值會進行頻密之評估以確保不會與其賬面值有重大差別。物業、廠房及設備之價值改變以固定資產重估儲備之變動處理。估值減少乃首先用於抵銷有關同一資產之較早估值增加，而其後於損益賬扣除。其後重估產生之任何盈餘則計入損益賬，惟不得超出先前所扣除之虧蝕數額及其後至重估儲備。

由於類似土地及樓宇並無分開出售或出租，故本集團之土地及樓宇租賃款未能於租賃開始時可靠地分配予土地及樓宇部份，整筆租賃款作為融資租賃納入物業、廠房及設備內的土地及樓宇租賃成本。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Land and buildings	2% to 2.7%
Leasehold improvements	2.5% to 30%
Plant and machinery	10% to 25%
Furniture, fixtures and office equipment	10% to 30%
Motor vehicles	20% to 25%
Moulds	20% to 33.33%

Assets held under finance leases are depreciated over the shorter of their expected useful lives or the terms of the leases.

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each reporting period.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset. On disposal of a revaluated asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

2.4 重大會計政策概要(續)

物業、廠房及設備(續)

各項物業、廠房及設備之折舊乃以直線法按其估計可使用年期撇銷其成本或估值計算。用以計算折舊之主要年率如下：

土地及樓宇	2%至2.7%
租賃物業裝修	2.5%至30%
廠房及機器	10%至25%
傢俬、裝置及辦公室設備	10%至30%
汽車	20%至25%
模具	20%至33.33%

融資租賃所持之資產，按估計可使用年期或租期兩者之中較低者計算折舊。

倘若物業、廠房及設備項目之部份具不同使用期限，該項目之成本按合理基準劃分並分開計提折舊。剩餘價值、可使用年期及折舊方法最少於每個報告期末作審閱及在適當時進行調整。

物業、廠房及設備及其他重要部份項目的初步確認，乃於出售後或當預期繼續使用該資產將不會產生未來經濟利益時取消確認。在取消確認該資產的年度於損益賬確認其出售或棄用的數額即出售相關資產所得款項淨額與賬面值之差額。出售已重估之資產時，將先前估值的資產重估儲備中之有關部份將轉撥至保留溢利作儲備變動處理。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Development costs

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the followings: 1) the technical feasibility of completing the project related to the intangible asset so that it will be available for use or sale; 2) its intention to complete and its ability and intention to use or sell the asset; 3) how the asset will generate future economic benefits; 4) the availability of resources to complete the project; and 5) the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any accumulated amortisation and impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products (not exceeding five years), commencing from the date when the products are put into commercial production.

2.4 重大會計政策概要(續)

無形資產(除了商譽)

個別收購的無形資產於初步確認時按成本計量。業務合併之中收購無形資產的成本乃該等資產於收購日期的公平價值。無形資產之可使用年期乃評估為有限或無限。具有有限使用年期之無形資產隨後按可使用年期攤銷，並於該無形資產出現減值跡象時作評估減值。具有有限使用年期之無形資產之攤銷年期及攤銷方法須最少於每個財政年度末作審閱。

具無限使用年期之無形資產並無攤銷，但於每年個別或於現金產生單位作減值測試。每年檢討評估具無限使用年期的無形資產之可使用年期，以釐定無限年期之評估是否仍然成立。否則，使用年期之評估自此由按無限年期更改為有限使用年期計量。

開發成本

僅當本集團可顯示以下條件，開發新產品所產生的開支才予以資本化，並作遞延處理：1)技術上可行去完成有關無形資產項目，且其可供使用及出售；2)其有意去完成及其能力及有意去使用或出售此資產；3)此資產如何產生將來的經濟利益；4)有可行的資源去完成該項目；以及5)有能力去計量於開發期的開支。不符合此等標準的產品開發開支於產生時列為費用。

遞延開發成本乃以成本減累計攤銷及減值虧損後列賬，攤銷乃按產品商業年限(不超過五年)，由產品開始投入生產起以直線法計算。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group are accounted for as finance leases. All other leases are classified as operating leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as finance lease obligation. Assets held under capitalised finance leases are recognised as assets of the Group. The finance costs of such leases are charged to the consolidated income statement so as to provide a constant periodic rate of charge over the lease term.

Rentals payable under operating leases net of any incentives are charged to profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Financial assets

Initial recognition and measurement

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, or as available-for-sale financial investments, as appropriate. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

2.4 重大會計政策概要(續)

租賃

凡將資產擁有權之大部份回報及風險撥歸本集團之租賃均列為融資租賃。所有其他租賃均分類為經營租賃。當融資租賃生效時，租賃資產之成本將按租賃資產之公平價值及最少租賃費用的現今值之較低者撥作資本。出租方的相關負債會包括在綜合財務狀況表內為融資租賃承擔。資本化融資租賃所持之資產確認為本集團之資產。上述租賃之融資成本自綜合利潤表扣除，以於租約期作出定期定額扣減。

經營租約之應付租金扣除任何獎勵，乃按直線法在租約期內於損益賬中扣除。

經營租賃之預付土地租賃款起始時以成本列賬，之後按直線法在租約期內確認。

金融資產

初步確認及計量

金融資產適當的分類為經損益賬按公平價值列賬之金融資產、貸款及應收賬款或可供出售金融投資。本集團於初步確認時決定其金融資產的分類。金融資產於起始確認時以公平價值加(該投資如非按公平價值經損益列賬的情況)直接交易成本。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Initial recognition and measurement (continued)

All regular way purchases and sales of financial assets are recognised on the trade date (the date that the Group commits to purchase or sell the asset). Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The Group's financial assets include cash and cash equivalents, trade and bills receivables, deposits and other receivables and available-for-sale financial investment.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables including cash and cash equivalents, trade and bills receivable, and deposits and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading. They are measured at amortised cost using the effective interest method, except where receivables are interest-free loans and without any fixed repayment term or the effect of discounting would be insignificant. In such case, the receivables are stated at cost less impairment loss. Amortised cost is calculated by taking into account any discount or premium on acquisition over the period to maturity. Gains and losses arising from derecognition, impairment or through the amortisation process are recognised in the consolidated income statement.

2.4 重大會計政策概要(續)

金融資產(續)

初步確認及計量(續)

所有一般買賣之金融資產於交易日(即本集團承諾購買或出售該資產之日期)予以確認。一般買賣乃指按照一般市場規定或慣例在一定期間內交付資產之金融資產買賣。

本集團的金融資產包括現金及現金等值項目、應收賬項及票據、按金及其他應收款項及可供出售金融投資。

隨後計量

金融資產的隨後計量將根據他們的分類，如下：

貸款及應收賬款

貸款及應收賬款包括現金及現金等值項目、應收賬項及票據及按金及其他應收款為具有固定或可確定款項，但在活躍市場中無報價且非持作買賣之非衍生金融資產。他用實際利率法按攤銷成本計量，惟應收賬項為無固定還款期或折現影響不大之免息貸款。在此情況下，應收賬款按成本減值虧損列賬。攤銷成本於到期前期間計入收購之任何折讓或溢價後計算。終止確認、減值或透過攤銷過程所產生之收益及虧損於綜合利潤表內確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets that are either designated at this category or not classified in any of the other categories of financial assets.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised in other comprehensive income and credited to the available-for-sale financial investment valuation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale financial investment valuation reserve to the consolidated income statement in finance costs. Interest and dividends earned are reported as interest income and dividend income in the consolidated income statement respectively.

When the fair value of unlisted investment cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial investments in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, if management has the ability and intention to hold the assets for the foreseeable future or until maturity, the Group may elect to reclassify these financial assets.

2.4 重大會計政策概要(續)

金融資產(續)

可供出售金融投資

可供出售金融投資為指定為此類別或不予分類為其他金融資產類別之非衍生金融資產。

於初始確認後，可供出售金融投資按公平價值計量，其未實現收益或虧損於其他全面收入中確認及計入於可供出售金融投資估值儲備，直至該投資取消確認，當時的累計收益或損失確認為其他經營收入，或該投資被確定為減值，當時的累計損失將由可供出售金融投資估值儲備重新分類至綜合利潤表之融資成本內。所賺取之利息及股息分別呈報為利息收入及股息收入於綜合利潤表。

倘非上市投資之公平價值不能被可靠計量，原因為(a)該投資在合理公平價值的估計範圍內大幅波動或(b)於該範圍內多種估計之可能性不能被合理評估及用於估計其公平價值，則該等證券乃按成本減任何減值虧損列賬。

本集團會評估其在短期內出售可供出售金融投資的能力及意圖是否仍然適當。倘本集團在僅少數的情況下，由於市場的不活躍而未能出售金融資產，且如管理層有能力及有意在可預見的未來或至到期持有這些資產，本集團可能會選擇再分類這些金融資產。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 重大會計政策概要(續)

取消確認金融資產

金融資產(或(倘適用)一項金融資產的一部份或一組相類似金融資產的一部份)主要在下列時候將取消確認:

- 收取該項資產所得現金流量的權利經已屆滿;或
- 本集團已轉讓其收取該項資產所得現金流量的權利或須根據一項「轉付」安排,在未有嚴重延緩予第三者的情況下,已就有關權利全數承擔付款的責任;並(a)本集團已轉讓該項資產的絕大部份風險及回報;或(b)本集團已轉讓該項資產的控制權且並無轉讓或保留該項資產絕大部份風險及回報。

凡本集團轉讓其收取該項資產所得現金流量的權利或進入一項轉付安排,其評估是否仍然保留及其程度的風險及回報擁有權。凡其無轉讓或保留該項資產的絕大部份風險及回報,且並無轉讓該項資產的控制權,本集團繼續確認相關負債。在轉讓資產及相關負債的計量基礎上,反映了本集團保留權利和責任。

採用就已轉讓資產作出保證形式的持續介入,按該項資產的原本賬面值及本集團或須償還的代價數額上限之較低者計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

The Group assesses, at the end of each reporting period, whether there is objective evidence that a financial asset or a group of financial assets other than financial assets at fair value through profit or loss is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred "loss event"), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

2.4 重大會計政策概要(續)

金融資產減值

本集團於每個報告期末評估是否存在客觀跡象顯示一項金融資產或一組金融資產出現減值，除按公平價值計入損益賬的其他金融資產外。倘於初步確認資產後發生的一項或多項事件導致存在減值（一項已產生的「虧損事件」），而對該項或該組財務資產的估計日後現金流量所造成的影響能可靠地估計。減值跡象可包括一名或一組借款人正面臨重大經濟困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察得到的數據顯示估計日後現金流量出現可計量的減少，例如欠款數目變動或出現與違約相關的經濟狀況。

按攤銷成本列賬的金融資產

就按攤銷成本列賬的金融資產而言，本集團首先會按個別基準就個別屬重大的金融資產或按組合基準就個別不屬重大的金融資產，評估是否存在減值跡象。倘本集團認定按個別基準經評估的金融資產無論具重要性與否，其無客觀跡象顯示存有減值，則該項資產會歸入一組具有相似信貸風險特性的金融資產內，並共同評估該組金融資產是否存在減值。經個別評估減值的資產，其減值虧損會予確認或繼續確認入賬，而不會納入綜合減值評估之內。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the consolidated income statement. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance cost in the consolidated income statement.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the consolidated income statement, is reclassified from equity to profit or loss as a reclassification adjustment.

2.4 重大會計政策概要(續)

金融資產減值(續)

按攤銷成本列賬的金融資產(續)

減值虧損金額按該資產賬面值與估計日後現金流量(不包括並未產生的日後信貸虧損)現值的差額計量。估計日後現金流量的現值以金融資產的初始實際利率(即初次確認時計算的實際利率)折現。倘貸款的利率為浮動利率，則計量任何減值虧損的折現率為當前實際利率。

該資產的賬面值會通過使用備抵賬而減少，而虧損於綜合利潤表確認。利息收入於減少後賬面值中持續產生，且採用計量減值虧損時用以折現日後現金流量的利率。若日後收回不可實現，則撇銷貸款連同相關撥備及全部已變現抵押或已轉讓至本集團。

倘若在其後年度估計減值虧損金額由於確認減值之後發生的事項增加或減少，則透過調整撥備金額增加或減少先前確認的減值虧損。倘於其後收回則撇銷，該項收回將計入綜合利潤表的融資成本內。

可供出售金融投資

就可供出售金融投資，本集團將於每個報告期末評估有否客觀跡象會導致一項投資或一組投資出現減值。

如果可供出售金融資產有減值，金額包括其成本(扣除本金付款及攤銷)與其近期公平價值的差額減任何過往已確認於綜合利潤表的減值虧損，會重新分類由權益至損益賬為重新分類調整。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Available-for-sale financial investments (continued)

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement) is removed from other comprehensive income and recognised in the consolidated income statement. Impairment losses on equity instruments are not reversed through profit or loss; increases in their fair value after impairment are recognised in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the durations or extend to which the fair value of an investment is less than its costs.

In the case of debt instruments classified as available-for-sale, the impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss (measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the consolidated income statement). Impairment losses on debt instruments are reversed through the consolidated income statement, if the increase in fair value of the instruments can be objectively related to an event occurring after the impairment loss was recognised in the consolidated income statement.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payable, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

2.4 重大會計政策概要(續)

金融資產減值(續)

可供出售金融投資(續)

倘股本投資被列作可供出售類別，則客觀跡象將包括該項投資的公平價值大幅或長期跌至低於其成本值。「重大」是評估對原有投資成本及「持續性」是評估對期間當公平價值低於他的成本。倘出現減值跡象，則累計虧損(按收購成本與現時公平價值的差額減該項投資先前在利潤表內確認的任何耗蝕減值計量)將從其他全面收入中移除，並於綜合利潤表內確認。權益工具之減值虧損不可透過損益賬撥回。而其公平價值於減值後的增加部份會直接於其他全面收入中確認。

釐定「重大」或「持續性」之定義須作出判斷。於作出此判斷時，本集團評估其中之因素包括其持久或延續性，而該投資之公平價值低於其成本。

倘債務工具被列作可供出售類別，則會按與按攤銷成本列賬的金融資產相同的標準進行評估。但是，記錄減值金額是累計虧損(按攤銷成本與現時公平價值的差額減該項投資先前在綜合利潤表內確認的任何減值虧損計量)。而債務工具公平價值的增加可客觀地與於綜合利潤表內確認減值虧損後發生的事件相關聯，則會透過綜合利潤表撥回債務工具減值虧損。

金融負債

初步確認及計量

金融負債於初步確認時分類為按公平價值計入損益賬的金融負債、貸款及借貸、應付款項或指定為有效對沖中對沖工具的衍生工具。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Initial recognition and measurement (continued)

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payable, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings including interest-bearing bank and other borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described follows:

Loans and borrowings

After initial recognition, interest-bearing bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated income statement.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated income statement.

2.4 重大會計政策概要(續)

金融負債(續)

初步確認及計量(續)

所有金融負債初步按公平價值確認，而如屬貸款及借貸及應付款項，則直接應佔交易成本淨額。

本集團的金融負債包括應付及其他應付款項及貸款及借貸包括帶息銀行及其他借貸。

隨後計量

金融負債的計量根據其分類如下：

貸款及借貸

於初步確認後，帶息銀行及其他借貸於其後採用實際利率法按攤銷成本計量，除非貼現之影響不大。在負債取消確認及透過實際利率法攤銷程序進行時，收益及虧損在損益賬中確認。

攤銷成本於計及收購事項任何折讓或溢價及屬實際利率不可或缺一部分的費用或成本後計算。實際利率攤銷計入綜合利潤表的融資成本內。

取消確認金融負債

倘金融負債的責任被解除、取消或屆滿，則須取消確認金融負債。

倘現有金融負債被來自同一貸款人之另一項負債按實質上不相同之條款替代，或現有負債之條款大部份被修訂，該項交換或修訂作為取消確認原有負債及確認新負債處理，兩者相應賬面值之差額於綜合利潤表內確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the asset and settle the liability simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises cost of direct materials and labour and a proportion of manufacturing overheads. Net realisable value is the estimated selling prices in the ordinary course of business, less any estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period of the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, 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 generally within three months of maturity at acquisition, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For classification in the consolidated statements of financial position, cash and cash equivalents represent assets similar in nature to cash and, which are not restricted as to use.

2.4 重大會計政策概要(續)**抵銷金融工具**

倘現時存在一項可依法執行的權利，可抵銷已確認金額，且亦有意以淨額結算或同時變現資產及償付債務，則財務資產及負債均可予抵銷，並將淨金額列入綜合財務狀況表內。

存貨

存貨按成本值及可變現淨值之較低者列賬。成本值以先進先出基準計算，倘為在製品及製成品，則成本包括直接材料、勞工及製造成本之部份。可變現淨值乃估計日常業務過程中售價減預期必要完成及出售之成本計算。

出售存貨時，該等存貨的賬面值於有關收入確認期間內確認為開支。存貨撇減至可變現淨值的任何金額及所有存貨虧損均於撇減或虧損發生期間內確認為開支。任何存貨撇減的任何撥回，於其撥回期間確認為開支。

現金及現金等值項目

於編製綜合現金流量表時，現金及現金等值項目包括現金及按要求之存款及短期高度流通之投資，該等投資可隨時兌換為可知數額之現金，而該等現金毋須承受價值變動之重大風險，並一般在購入後三個月內到期，及減去按要求償還之銀行透支，而該等投資乃本集團現金管理的一部份。

於綜合財務狀況表分類時，現金及現金等值指現金性質與資產類似，其用途並無限制。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

At the end of each reporting period, the Group reviews internal and external sources of information to assess whether there is any indication that its property, plant and equipment and prepaid land lease payments may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, except where the relevant asset is carried at revalued amount in which case the impairment loss is treated as a revaluation decrease in accordance to the accounting policy relevant to that asset.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as income in profit or loss immediately, except where the relevant asset is carried at revalued amount, in which case the reversal of impairment loss is treated as a revaluation increase in accordance to the accounting policy relevant to the asset.

2.4 重大會計政策概要(續)

非金融資產減值

於每個報告期末，本集團檢討內部及外部資料以評估是否有任何跡象顯示其物業、廠房及設備及預付土地租賃款是否已出現減值，或先前已確認之減值虧損不再存在或可能已經減少。倘存在任何有關跡象，將根據資產公平價值減出售成本與可使用價值兩者中之較高者，估計該等資產之可收回金額。倘不可能估計個別資產之可收回金額，則本集團就獨立產生現金流量之最小資產組別(即現金產生單位)估計可收回金額。

倘本集團估計某項資產或現金產生單位之可收回金額低於其賬面值，則該項資產或現金產生單位之賬面值須減低至其可收回金額。減值虧損乃隨即確認為開支。除非該相關資產以重估價值列賬，在此情況下，減值虧損根據有關會計政策被視作相關資產之重估減少。

減值虧損之撥回以過往年度並無確認減值虧損情況下應以釐定之資產或現金產生單位之賬面值為限。減值虧損之撥回乃隨即於損益賬確認為收入。除非該相關資產以重估價值列賬，在此情況下，減值虧損之撥回根據有關會計政策被視作相關資產之重估增加。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made. Expenditures for which a provision has been recognised are charged against the related provision in the year in which the expenditures are incurred. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount provided is the present value of the expenditures expected to be required to settle the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period in the countries where the Group operates and generated taxable income.

Deferred tax is provided using the liability method on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the end of the reporting period.

2.4 重大會計政策概要(續)

撥備

倘本集團因過往事件而承擔現時之法定或推定責任，倘履行該責任很可能需要經濟利益之資源流出，及倘該責任之金額可予可靠地估計，則確認撥備。已確認撥備之支出乃於產生支出年度與有關撥備互相抵銷。撥備乃於每個報告期末覆核，並作出調整，以反映當前之最佳估計。倘貨幣時值之影響重大，撥備之金額則為履行責任預期所需支出之現值。倘本集團預期撥備將獲償付，則償付款確認為單獨資產，惟僅於實際上確定償付時方予確認。

所得稅

所得稅包括本期及遞延稅項。有關損益賬外確認項目的所得稅，不論是否在其他全面收入或直接在權益內確認。

本期間及過往期間的本期稅項資產及負債，乃用已制定或於報告期末大致制定的稅率及稅法，並以本集團業務所在國家及產生之應課稅溢利，按預期退回或付予稅務機關的金額計算。

於報告期末，資產與負債的稅基與作為財務申報用途的資產與負債賬面值之間的所有暫時性差異，須按負債法遞延稅項撥備。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 重大會計政策概要(續)

所得稅(續)

所有應課稅暫時性差異均會確認為遞延稅項負債，惟以下情況例外：

- 倘若遞延稅項負債的起始時確認由非業務合併交易產生之資產或負債，而於進行交易時對會計溢利或應課稅溢利或虧損均無影響；及
- 對於涉及附屬公司之投資的應課稅暫時性差異而言，撥回暫時性差異的時間可以控制，而暫時性差異不甚可能在可見將來撥回。

對於所有可予扣減之暫時性差異、承前未動用稅項抵免及未動用稅項虧損，可確認遞延稅項資產。若日後有可能出現應課稅溢利，可用以抵扣該等可予扣減暫時性差異、承前未動用稅項抵免及未動用稅項虧損，則可確認遞延稅項資產，惟以下情況例外：

- 倘若有關可予扣減暫時性差異的遞延稅項資產的起因是起始時確認由非業務合併交易產生之資產或負債，而於進行交易時對會計溢利或應課稅溢利或虧損均無影響；及
- 對於涉及附屬公司之投資之權益的應課稅暫時性差異而言，只有在暫時性差異有可能在可見將來撥回，而且有可能出現應課稅溢利，可用以抵扣該等暫時性差異時，方會確認遞延稅項資產。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue and costs, if applicable, can be measured reliably, on the following bases:

From the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

2.4 重大會計政策概要(續)

所得稅(續)

遞延稅項資產的賬面值，在每個報告期末予以審閱，及若不再可能有足夠應課稅溢利用以抵扣全部或部分相關遞延稅項資產，則扣減遞延稅項資產賬面值。未被確認的遞延稅項資產會於各報告期末重新評估，並在可能有足夠應課稅溢利以收回全部或部分遞延稅項資產時予以確認。

確認資產或償還負債的年度預期適用的稅率，會用作計量遞延稅項資產及負債，並以報告期末當日已經制定或大致制定的稅率及稅法基準。

倘現有可依法執行權利，容許本期稅項資產抵銷本期稅項負債，而該遞延稅項涉及同一稅務實體及同一稅務機關，則遞延稅項資產及遞延稅項負債予以對銷。

收入確認

收入會於本集團可能獲得有關經濟利益及有關收益及成本(倘適用)可以可靠地計算時按以下基準確認：

銷售貨品，當擁有權之重大風險及回報已歸買方，而本集團對已出售之貨品並無維持一般與擁有權有關之管理參與或實際控制。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are to be fulfilled, ending on the date on which the entitlement of relevant employees to the award is no longer conditional on the satisfaction of any non-market vesting conditions ("vesting date"). During the vesting period, the number of share options that is expected to vest ultimately is reviewed. Any adjustment to the cumulative fair value recognised in prior periods is charged/credited to profit or loss for the year of review, with a corresponding adjustment to the reserve within equity.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided as the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee.

2.4 重大會計政策概要(續)

以股份付款之交易

本公司為提供獎勵及回報予對本集團業務作出貢獻之合資格參與者設立一項購股權計劃。本集團僱員(包括董事)收取包括以股份付款之交易在內之薪酬，僱員則提供服務作為收取股本工具(「股本結算交易」)之代價。

與僱員進行股本結算交易之成本乃參照授出相關工具當日的公平價值計算。

以股本結算交易之成本連同股本之相應增長會於達到歸屬條件之期間確認，直至相關僱員不再須達成任何非市場歸屬條件而可享有該報酬之日(「歸屬日」)為止。於歸屬期內，會審閱預期最終歸屬之購股權數目。於過往期間確認對累計公平價值之調整會於審閱當年之損益賬扣除／計入，並相應調整權益內之儲備。

最終未能歸屬之報酬不會確認為開支，因未符合非市場表現及／或服務條件，而報酬包括該市場或非歸屬條件，不論是否達到該市場或非歸屬條件該交易均會被視作歸屬處理，惟必須達到其他所有表現及／或服務條件。

當股權結算報酬的條款修訂時，最少支出的確認乃未修訂報酬授出當日的公平價值，猶如已符合報酬原訂條款。倘若按變更日期計量，任何變更導致以股份付款之交易的總公平價值有所增加，或對僱員帶來其他利益，則應就該等變更確認額外開支。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Share-based payment transactions (continued)**

When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. Share-based payment transactions in which the Company grants share options to subsidiaries' employees are accounted for as an increase in value of investment in subsidiaries in the Company's statement of financial position which is eliminated on consolidation.

Equity-settled share-based payment transactions with parties other than employees are measured at fair value of the goods or services received, except where the fair value cannot be reliably estimated, in which case they are measured at the fair value of the equity instruments granted. In all cases, the fair value is measured at the date the Group obtains the goods or the counterparty renders the services.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Employee benefits*Short term employee benefits*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

2.4 重大會計政策概要(續)**以股份付款之交易(續)**

當購股權於歸屬日後作廢或於屆滿日期仍未行使，則過往於購股權儲備確認之金額將轉撥至保留溢利。

當股權計算報酬註銷時會視作報酬已於註銷當日經已歸屬，而報酬尚未確認的任何支出會即時確認。然而，倘註銷的報酬有任何替代的新報酬，並指定為授出當日的替代報酬，則該項註銷及新報酬會如上段所述被視為原有報酬的修訂般處理。本公司授予其附屬公司僱員購股權以股本付款之交易被列賬為本公司財務狀況表中附屬公司投資價值的增加並於綜合賬抵銷。

與非僱員人士進行以股權結算之股份付款之交易按所收取商品或服務之公平價值計量，惟公平價值不能可靠估計的情況下按所授股權工具的公平價值計量。在所有情況下，會於本集團取得商品或交易對方提供服務當日的公平價值計量。

計算每股攤薄盈利時，未行使購股權之攤薄效應，反映為額外股份攤薄。

僱員福利*短期僱員福利*

薪金、年度花紅、帶薪年假、界定供款退休計劃供款及非金錢福利之成本，於僱員提供相關服務之年度累計。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Retirement benefit schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance in Hong Kong for all of its eligible employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the consolidated income statement as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal. The termination benefits for the employees of the Group's subsidiaries which operate in Mainland China are charged to profit or loss when they become payable based on the requirement of the labour law in Mainland China.

2.4 重大會計政策概要(續)

僱員福利(續)

退休福利計劃

本集團根據香港強制性公積金計劃條例設立一定額供款強制性公積金退休福利計劃(「強積金計劃」)給本集團僱員。根據該計劃之規定，供款乃按僱員基本薪金之百分比計算，當供款應付時會在綜合利潤表中扣除。該計劃之資產乃與本集團之資產分開並由獨立管理基金持有。該計劃中本集團之僱主供款乃全數歸僱員所有。

本集團在中國大陸經營之附屬公司的員工均須參與由當地市政府實施之中央退休金計劃。該等附屬公司須按其所發放薪金之若干百分比對該中央退休金計劃供款。當供款按中央退休金計劃規定為應付款時會在綜合利潤表中扣除。

終止福利

終止福利僅於本集團具備正式而詳細之計劃及不可能撤回之情況下，明確承諾終止聘用或因採取自願離職措施而提供福利時，方予確認。本集團於中國大陸經營的附屬公司須按照中國大陸的勞工法例，當應付終止福利予員工時會在損益賬中扣除。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Foreign currencies**

The Group's consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded by entities in the Group at their respective functional currency spot rates at the date of the transactions first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rates of exchange at the end of the reporting period. All differences are taken to the consolidated income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The results and financial position of all the group entities that have a functional currency different from the presentation currency ("foreign operations") are translated into Hong Kong dollars, the presentation currency. As at the end of the reporting period, the assets and liabilities of these entities are translated at the closing rate at the end of the reporting period and their income and expenses for each income statement are translated at the average exchange rates. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the consolidated income statement.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the average exchange rates for the year.

2.4 重大會計政策概要(續)**外幣**

本集團之綜合財務報表以港元(本公司之功能貨幣)呈列。本集團屬下各公司自行決定其功能貨幣，而各公司財務報表內之項目均以該功能貨幣計算。本集團實體外幣交易初步乃按其初次符合確認交易日之有關功能貨幣即期匯率記錄。以外幣為單位之貨幣資產及負債均按報告期末之功能貨幣即期匯率換算。所有匯兌差額均列入綜合利潤表處理。非貨幣項目按起始交易日之外幣歷史成本計算匯率。若以公平價值釐定的非貨幣項目則根據公平價值釐定當日之匯率計算其價值。

所有功能貨幣有別於呈報貨幣(「海外業務」)的本集團公司，其業績及財務狀況會換算為港幣(即呈報貨幣)。於報告期末，該等公司之資產及負債按報告期末之收市匯率折算，該等公司之收入及支出於各利潤表按平均匯率折算。因此產生之匯兌差額確認於其他全面收入及累積於匯兌波動儲備內。在出售海外業務時，與該特定海外業務有關並於其他全面收入內部份會於綜合利潤表確認。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流量當日之匯率換算為港元。海外附屬公司在整年產生之現金流量按該年之平均匯率換算為港元。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

Inventories

The Group does not have a general provisioning policy on inventories based on ageing given that the inventories are not subject to frequent wear and tear or frequent technological changes. However, as a significant portion of the working capital is devoted to inventories, operational procedures have been in place to monitor this risk. The Group reviews the inventory ageing listing on a periodical basis for those aged inventories. This involves comparison of the carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether allowance is required to be made in the consolidated financial statements for any obsolete and slow-moving items. In addition, physical counts on all inventories are carried out on a periodical basis in order to determine whether the allowance needs to be made in respect of any obsolete and defective inventories identified.

Trade receivables

In judging whether allowances for estimated irrecoverable amounts of the trade receivables have to be recognised in the consolidated financial statements, the Group takes into consideration if there is objective evidence that the Group will not be able to collect the debts. Following the identification of doubtful debts, the Group's responsible personnel discuss with the relevant customers and report to management on the recoverability. Specific allowance is only made for receivables that are unlikely to be collected.

3. 關鍵會計估計及判斷

編製本綜合財務報表時，管理層作出估計有關未來之假設及判斷。對其影響到本集團會計政策之應用、資產、負債、收入及支出之呈報金額，以及所作出之披露。其會持續評估，並以經驗及有關因素為基礎，包括對相信於有關情況下屬合理之未來事項之預期。於適當情況下，會計估計之修訂會在修訂期間及未來期間(倘有關修訂亦影響未來期間)予以確認。

存貨

基於存貨的性質並非經常受到耗損及技術變動影響，本集團並無根據賬齡處理存貨的一般性政策。然而，大部分營運資金均投入存貨之中，故此本集團已設立經營程序，藉以監察是項風險。本集團定期審閱存貨之存貨賬齡。這涉及將陳舊存貨項目的賬面值與各自的可變現淨值互相比較，目的在於確定是否需要於綜合財務報表，就任何陳舊及滯銷存貨作出撥備。此外，所有存貨均定期進行實際盤點，以決定是否需要就任何已識別的陳舊及有瑕疵存貨作出撥備。

應收賬項

本集團在決定是否需要於綜合財務報表中確認應收賬項之估計不可收回金額撥備時，乃考慮客觀證據顯示本集團能否收取賬款。於識別出呆壞賬後，本集團有關人員將就可收回程度與有關客戶討論並向管理層報告。只有在應收貿易賬款不可能收回時，方會作出特別撥備。

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**Impairment of property, plant and equipment**

Determining an appropriate amount of an impairment requires an estimation of recoverable amounts of relevant property, plant and equipment or the respective cash generating units (“CGU”) to which the property, plant and equipment belong, which is the higher of value in use and fair value less cost of disposal. If there is any indication that an asset may be impaired, the recoverable amount shall be estimated for individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group shall determine the recoverable amount of the CGU to which the asset belongs. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the relevant assets or the CGU and a suitable discount rate in order to calculate the present value. The discount rate represents rate that reflects current market assessments of time value of money and the risks specific to the asset or the CGU for which the future cash flow estimates have not been adjusted. Where the actual future cash flows are less than expected or there is a downward revision of future estimated cash flows due to unfavourable changes in facts and circumstances, an additional impairment loss may arise. At 31 December 2016, impairment losses of HK\$4,835,785 had been recognised for property, plant and equipment in consumer electronics products segment. At 31 December 2017, reversal of impairment losses of HK\$526,680 has been recognised for transfer of property, plant and equipment to precision parts and components segment. The carrying amount of property, plant and equipment was HK\$214,598,441 (2016: HK\$195,460,747).

Current and deferred income taxes

The Group is subject to income taxes in Hong Kong, Mainland China and Singapore. Significant judgement is required in determining the amount of the provision for tax and the timing of payment of the related taxes. There are 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 on the income tax and deferred tax provisions in the periods in which such determination is made. The carrying amounts of tax recoverable and deferred tax liabilities at 31 December 2017 were HK\$719,310 (2016: tax payable of HK\$119,426) and HK\$17,762,111 (2016: HK\$14,382,611) respectively.

3. 關鍵會計估計及判斷(續)**物業、廠房及設備之減值**

釐定減值之適當金額須估計相關物業、廠房及設備或物業、廠房及設備所屬各現金產生單位(「現金產生單位」)之可收回金額，即使用價值與公平價值減銷售成本之較高者。倘有任何跡象顯示一項資產可能減值，則須就個別資產估計其可收回金額。倘不能估計個別資產之可收回金額，則本集團須釐定資產所屬現金產生單位之可收回金額。使用價值計算要求本集團估計預期產生自相關資產或現金產生單位之日後現金流量及合適之折現率以計算現值。折現率乃反映目前貨幣時間值及並未調整未來現金流量估計的資產或現金產生單位之特定風險之市場評估。當實際未來現金流量少於預期，或由於事實及情況出現不利變動而下調未來估計現金流量，則可能產生額外減值虧損。於二零一六年十二月三十一日，電子消費品分類之物業、廠房及設備之減值虧損確認為4,835,785港元。於二零一七年十二月三十一日，物業、廠房及設備之減值虧損撥回為526,680港元已被確認並轉移至精密零部件分類。物業、廠房及設備之賬面值為214,598,441港元(二零一六年：195,460,747港元)。

本期及遞延所得稅

本集團在香港、中國大陸及新加坡須繳納企業所得稅。釐定稅項撥備金額及有關稅項支付的時限時須作出重大判斷。有些交易及計算無法於日常業務過程中釐定其最終稅額。倘該等事項的最終稅額與最初記錄的金額不同，該差額將會影響作出有關決定期間的所得稅及遞延稅項撥備。於二零一七年十二月三十一日，可收回稅項及遞延稅項負債之賬面值分別為719,310港元(二零一六年：應繳稅項為119,426港元)及17,762,111港元(二零一六年：14,382,611港元)。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Current and deferred income taxes (continued)

The recognition of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss in the period in which such a reversal takes place. As at the end of the reporting period, no deferred tax assets (2016: Nil) have been recognised because it is not expected that future taxable profits will be available against which the Group can utilise the benefits therefrom.

Valuation of land and buildings

The Group's land and buildings included in property, plant and equipment are stated at their revalued amounts in the consolidated statement of financial position, which are assessed annually by management with reference to valuations performed by independent professionally qualified valuers. In determining the revalued amounts, the valuers have based on the method of valuations which involve certain estimates. In relying on the valuation reports, the directors of the Company have exercised their judgement and are satisfied that the method of valuations is reflective of the current market conditions. The carrying amounts of the land and buildings at 31 December 2017 were HK\$138,893,000 (2016: HK\$120,286,000).

3. 關鍵會計估計及判斷(續)

本期及遞延所得稅(續)

遞延稅項資產之確認主要根據日後是否有足夠之溢利或有可能之應課稅暫時性差異。在實際產生之應課稅溢利少於預計的情況下，遞延稅項資產會於產生期間引致重大撥回，而被確認於損益賬。於報告期末，由於本集團未能預計可供日後用作抵銷的應課稅溢利，故並未就此確認遞延稅項資產(二零一六年：無)。

土地及樓宇估值

本集團的土地及樓宇包括物業、廠房及設備以其重估價值於綜合財務狀況表中列賬，該公平價值每年由管理層參考由獨立合資格專業估值師進行之估值計量。於釐定估值時，估值師使用涉及若干估計之估值法。倚賴估值報告時，本集團董事已作出判斷，並信納該估值法反映當時市況。於二零一七年十二月三十一日，土地及樓宇之賬面值為138,893,000港元(二零一六年：120,286,000港元)。

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and has three reportable operating segments as follows:

- (a) the precision parts and components segment comprises the manufacture and sale of precision parts and components comprising keypads, synthetic rubber and plastic components and parts;
- (b) the consumer electronic products segment comprises the design, manufacture and sale of consumer electronic products comprising time, weather forecasting and other products; and
- (c) the corporate and others segment comprises the Group's long term investments, together with corporate income and expense items.

Management, the chief operating decision makers, monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted profit/(loss) before tax from continuing operations. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that bank interest income and finance costs are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the cost of sales and are eliminated on consolidation.

4. 經營分類資料

為有效管理，本集團按照彼等的產品劃分其業務單位，有以下三個可報告經營分類：

- (a) 精密零部件類別包括製造及銷售精密零部件包括按鍵、合成橡膠及塑膠零部件；
- (b) 電子消費品類別包括設計、製造及銷售電子消費品包括時計、天氣預計及其他產品；及
- (c) 總部及其他類別包括本集團長期投資及總公司的收入及支出項目。

管理層(主要經營決策者)對本集團各經營分類之業績分別進行監察，以作出有關資源分配及表現評估之決策。分類表現乃根據可報告分類之業績(其為經調整由持續經營除稅前溢利/(虧損)之計量)予以評估。經調整除稅前溢利/(虧損)乃貫徹以本集團之除稅前溢利/(虧損)之計量，惟銀行利息收入及融資成本不包含於該計量。

內部類別銷售及轉付乃參考銷售成本進行，並在綜合賬抵銷。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

4. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2017

4. 經營分類資料(續)

截至二零一七年十二月三十一日止年度

		Precision parts and components 精密零部件 HK\$ 港元	Consumer electronic products 電子消費品 HK\$ 港元	Corporate and others 總部及其他 HK\$ 港元	Total 總計 HK\$ 港元
Segment revenue:	分類收入：				
Sales to external customers	對外客戶銷售	371,591,216	51,333,850	-	422,925,066
Intersegment sales	內部分類銷售	5,778,568	335,923	-	6,114,491
Reportable segment revenue	分類報告收入	377,369,784	51,669,773	-	429,039,557
<i>Reconciliation:</i>	<i>調節：</i>				
Elimination of intersegment sales	內部分類銷售之抵銷				(6,114,491)
Revenue	收入				422,925,066
Segment results:	分類業績：	19,707,366	(7,307,932)	(1,816,343)	10,583,091
<i>Reconciliation:</i>	<i>調節：</i>				
Bank interest income	銀行利息收入				43,020
Finance costs	融資成本				(1,480,583)
Profit before tax	除稅前溢利				9,145,528
Other segment information:	其他分類資料：				
Other income and gains	其他收入及收益	3,241,438	1,557,472	29,352	4,828,262
Depreciation	折舊	(10,755,017)	(14,031)	(3,171,442)	(13,940,490)
Gain on disposal of items of property, plant and equipment, net	出售物業、廠房及設備之收益，淨額	106,752	310,683	-	417,435
(Provision for)/reversal of slow-moving inventories, net	滯銷存貨(撥備)/撥回，淨額	(32,820)	1,298,123	-	1,265,303
Surplus on revaluation of land and buildings credited to other comprehensive income	土地及樓宇重估之盈餘計入其他全面收入	4,581,346	-	14,470,262	19,051,608
Amortisation of prepaid land lease payments	預付土地租賃款攤銷	(290,707)	-	-	(290,707)
Minimum lease payments under operating leases on land and buildings	土地及樓宇之最少經營租賃租款	(4,534,482)	(2,939,753)	(181,620)	(7,655,855)
Foreign exchange (loss)/gain, net	匯兌(虧損)/收益，淨額	(5,264,363)	(1,040,400)	870,591	(5,434,172)
Reversal of impairment losses on property, plant and equipment	物業、廠房及設備之減值虧損撥回	-	526,680	-	526,680
Write-off of trade receivables	應收賬項撇銷	(23,434)	-	-	(23,434)
Capital expenditure	資本開支	(5,036,675)	-	(28,250)	(5,064,925)

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

4. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2016

4. 經營分類資料(續)

截至二零一六年十二月三十一日止年度

		Precision parts and components 精密零部件 HK\$ 港元	Consumer electronic products 電子消費品 HK\$ 港元	Corporate and others 總部及其他 HK\$ 港元	Total 總計 HK\$ 港元
Segment revenue:	分類收入：				
Sales to external customers	對外客戶銷售	342,437,095	88,580,294	–	431,017,389
Intersegment sales	內部分類銷售	9,286,648	600,042	–	9,886,690
Reportable segment revenue	分類報告收入	351,723,743	89,180,336	–	440,904,079
<i>Reconciliation:</i>	<i>調節：</i>				
Elimination of intersegment sales	內部分類銷售之抵銷				(9,886,690)
Revenue	收入				431,017,389
Segment results:	分類業績：	16,260,466	(21,236,413)	(1,686,387)	(6,662,334)
<i>Reconciliation:</i>	<i>調節：</i>				
Bank interest income	銀行利息收入				35,630
Finance costs	融資成本				(1,675,059)
Loss before tax	除稅前虧損				(8,301,763)
Other segment information:	其他分類資料：				
Other income and gains	其他收入及收益	11,475,484	1,069,025	19,568	12,564,077
Depreciation	折舊	(10,749,422)	(2,294,211)	(3,058,795)	(16,102,428)
Loss on disposal of items of property, plant and equipment, net	出售物業、廠房及設備之虧損，淨額	(85,703)	–	–	(85,703)
Provision for slow-moving inventories, net	滯銷存貨撥備，淨額	(37,153)	(5,588,875)	–	(5,626,028)
Surplus on revaluation of land and buildings credited to other comprehensive income	土地及樓宇重估之盈餘計入其他全面收入	3,737,441	–	8,453,327	12,190,768
Amortisation of prepaid land lease payments	預付土地租賃款攤銷	(296,132)	–	–	(296,132)
Minimum lease payments under operating leases on land and buildings	土地及樓宇之最少經營租賃租款	(4,015,475)	(3,081,464)	(175,260)	(7,272,199)
Foreign exchange gain/(loss), net	匯兌收益/(虧損)，淨額	8,674,221	221,204	(247,345)	8,648,080
Provision for impairment losses on property, plant and equipment	物業、廠房及設備之減值虧損撥備	–	(4,835,785)	–	(4,835,785)
Capital expenditure	資本開支	(5,511,390)	(18,570)	(14,930)	(5,544,890)

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

4. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Hong Kong	香港	26,586,406	41,166,394
Mainland China	中國大陸	72,419,950	70,645,244
Japan and other Asian countries	日本及其他亞洲國家	143,860,200	102,754,155
North America	北美洲	37,434,439	39,563,643
South America	南美洲	10,406,219	6,842,036
Europe	歐洲	126,544,015	162,093,158
Other countries	其他國家	5,673,837	7,952,759
		422,925,066	431,017,389

The revenue information above is based on the geographical location of the customers.

(b) Non-current assets

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Hong Kong	香港	67,972,123	56,396,561
Mainland China	中國大陸	157,941,834	150,116,900
Other countries	其他國家	264,466	216,980
		226,178,423	206,730,441

The non-current assets information above is based on the geographical location of assets and excludes an available-for-sale financial investment.

Information about a major customer

Revenue of HK\$80,117,012 was derived from a single customer of the precision parts and components segment that contributing over 10% of the Group's revenue for the year ended 31 December 2017. No single customer individually contributed over 10% of the Group's revenue for the year ended 31 December 2016.

4. 經營分類資料(續)

地區資料

(a) 對外客戶收入

	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
	26,586,406	41,166,394
	72,419,950	70,645,244
	143,860,200	102,754,155
	37,434,439	39,563,643
	10,406,219	6,842,036
	126,544,015	162,093,158
	5,673,837	7,952,759
	422,925,066	431,017,389

以上收入資料按客戶所在地區劃分。

(b) 非流動資產

	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
	67,972,123	56,396,561
	157,941,834	150,116,900
	264,466	216,980
	226,178,423	206,730,441

以上非流動資產資料按資產所在地區劃分，但不包括可供出售金融投資。

主要客戶資料

截至二零一七年十二月三十一日止年度，共80,117,012港元的收入，乃來自精密零部件分類的一名客戶，並佔本集團的收入多於10%。截至二零一六年十二月三十一日止年度，並無單一客戶佔本集團的收入多於10%。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, during the year.

An analysis of the Group's revenue, other income and gains is as follows:

5. 收入、其他收入及收益

收入指本年度內銷售貨品的發票淨值扣除退貨及貿易折扣。

本集團收入、其他收入及收益的分析如下：

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Revenue	收入		
Sale of goods	貨品銷售	422,925,066	431,017,389
Other income and gains	其他收入及收益		
Bank interest income	銀行利息收入	43,020	35,630
Tooling charge income	模具收入	339,090	715,227
Sale of scrap	廢料銷售	941,829	1,524,544
Sale of samples	樣品銷售	1,657,755	1,172,670
Gain on disposal of items of property, plant and equipment, net	出售物業、廠房及設備之 收益，淨額	417,435	-
Foreign exchange gain, net	匯兌收益，淨額	-	8,648,080
Reversal of impairment losses on property, plant and equipment	物業、廠房及設備之 減值虧損撥回	526,680	-
Incentive received*	已收獎勵款*	258,657	-
Sales of other materials	其他物料銷售	105,368	-
Compensation income	補償收入	73,583	-
Others	其他	464,845	467,926
		4,828,262	12,564,077
Total revenue, other income and gains	總收入、其他收入及收益	427,753,328	443,581,466

* During the year, the Group received an one-off incentive of RMB224,919 (approximately HK\$258,657) (2016: Nil) from the local government in Shenzhen, Mainland China. This incentive was to award the Group for past performance in providing the employees' benefits in Shenzhen.

* 本年度內，本集團從中國大陸深圳地方政府收到一次性獎勵款224,919人民幣(約258,657港元)(二零一六年：無)。該獎勵款旨在獎勵本集團過往於深圳提供僱員福利。

6. FINANCE COSTS

An analysis of finance costs is as follows:

6. 融資成本

融資成本的分析如下：

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Interest on bank loans and overdrafts wholly repayable within five years	於五年內償還之銀行貸款及 透支利息	975,968	846,173
Interest on finance leases	融資租賃利息	504,615	828,886
		1,480,583	1,675,059

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

7. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after (crediting)/charging:

7. 除稅前溢利/(虧損)

本集團除稅前溢利/(虧損)經(計入)/扣除：

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Staff costs (including directors' remuneration – note 8)*:	員工開支(包括董事酬金 – 附註8)# :		
Wages and salaries	工資及薪金	134,241,976	149,337,296
Contributions to retirement benefit schemes	退休福利計劃供款	15,291,459	16,823,664
		149,533,435	166,160,960
Cost of inventories sold	已售存貨成本	346,722,949	372,793,317
(Reversal of)/provision for slow-moving inventories, net*	滯銷存貨(撥回)/撥備，淨額*	(1,265,303)	5,626,028
Auditor's remuneration	核數師酬金	1,197,338	1,190,656
Depreciation#	折舊#	13,940,490	16,102,428
(Reversal of)/provision for impairment losses on property, plant and equipment	物業、廠房及設備之減值虧損(撥回)/撥備	(526,680)	4,835,785
Amortisation of prepaid land lease payments	預付土地租賃款攤銷	290,707	296,132
Minimum lease payments under operating leases on land and buildings#	土地及樓宇之最少經營租賃租款#	7,655,855	7,272,199
Foreign exchange loss, net	匯兌虧損，淨額	5,434,172	–
Write-off of trade receivables	應收賬項撇銷	23,434	–
Loss on disposal of items of property, plant and equipment, net	出售物業、廠房及設備之虧損，淨額	–	85,703

The staff cost amounted to HK\$118,938,927 (2016: HK\$135,752,372), depreciation amounted to HK\$11,045,725 (2016: HK\$13,379,903) and minimum lease payments under operating leases on land and buildings amounted to HK\$7,143,189 (2016: HK\$6,777,242) for the year are included in "Cost of sales" in the consolidated income statement respectively.

* The (reversal of)/provision for slow-moving inventories for the year is included in "Cost of sales" in the consolidated income statement.

本年度之員工開支額118,938,927港元(二零一六年：135,752,372港元)、折舊額11,045,725港元(二零一六年：13,379,903港元)及土地及樓宇之最少經營租賃租款7,143,189港元(二零一六年：6,777,242港元)已分別包含在綜合利潤表之「銷售成本」內。

* 本年度之滯銷存貨(撥回)/撥備已包含在綜合利潤表之「銷售成本」內。

Notes to Consolidated Financial Statements (continued)

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

8. INFORMATION ABOUT THE BENEFITS OF DIRECTORS

Directors' emoluments, disclosed pursuant to the Listing Rules and the Hong Kong Companies Ordinance, are as follows:

(a) Directors' emoluments

(i) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

Kung Fan Cheong	孔蕃昌
Leung Man Kay (resigned on 3 July 2017)	梁文基(於二零一七年七月三日辭任)
Li Yuen Kwan, Joseph	李沅鈞
Mak Kwai Wing (appointed on 3 July 2017)	麥貴榮(於二零一七年七月三日委任)

There were no other emoluments payable to the independent non-executive directors during the year (2016: Nil).

8. 有關董事福利資料

根據上市條例及香港公司條例所規定披露之董事酬金如下：

(a) 董事酬金

(i) 獨立非執行董事

本年度內支付予獨立非執行董事之袍金：

	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Kung Fan Cheong	333,936	333,936
Leung Man Kay (resigned on 3 July 2017)	166,968	333,936
Li Yuen Kwan, Joseph	333,936	333,936
Mak Kwai Wing (appointed on 3 July 2017)	166,968	-
	1,001,808	1,001,808

本年度內並無應付予獨立非執行董事之其他酬金(二零一六年：無)。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

8. INFORMATION ABOUT THE BENEFITS OF DIRECTORS (continued)

(a) Directors' emoluments (continued)

(ii) Executive directors

		Fees	Salaries	Discretionary bonus	Contributions to retirement benefit schemes	Other allowances	Total remuneration
		袍金 HK\$ 港元	薪金 HK\$ 港元	酌情花紅 HK\$ 港元	退休福利 計劃供款 HK\$ 港元	其他津貼 HK\$ 港元	總薪酬 HK\$ 港元
2017	二零一七年						
Executive directors:	執行董事:						
Lai Pei Wor	賴培和	-	2,486,458	-	18,000	50,000	2,554,458
Chan Yau Wah	陳友華	-	2,035,982	-	-	18,146	2,054,128
		-	4,522,440	-	18,000	68,146	4,608,586
2016	二零一六年						
Executive directors:	執行董事:						
Lai Pei Wor	賴培和	-	2,486,458	-	18,000	61,100	2,565,558
Chan Yau Wah	陳友華	-	2,035,982	313,228	-	50,000	2,399,210
		-	4,522,440	313,228	18,000	111,100	4,964,768

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

本年度內並無董事或主要行政人員放棄或同意放棄任何薪酬。

(b) Loans, quasi-loans and other dealings in favour of directors

There were no loans, quasi-loans or other dealings in favour of the directors of the Company that were entered into or subsisted during the year (2016: Nil).

(b) 以董事為受益人之貸款、準貸款及其他交易

本公司於本年度內並無訂立或存在以董事為受益人之貸款、準貸款或其他交易(二零一六年：無)。

(c) Directors' material interest in transactions, arrangements or contracts

After consideration, the directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company or a connected entity of the director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2016: Nil).

(c) 董事於交易、安排或合約之重大權益

經審議後，董事認為於本年度末或本年度內任何時間，概無存在本公司作為一方有關本公司業務之重大交易、安排及合約且本公司董事或董事之關連實體於其中擁有直接或間接之重大權益(二零一六年：無)。

Notes to Consolidated Financial Statements (continued)

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

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two (2016: two) executive directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining three (2016: three) non-director, highest paid employees for the year are as follows:

	2017 二零一七年	2016 二零一六年
	HK\$ 港元	HK\$ 港元
Basic salaries, allowances and benefits in kind 基本薪金、津貼及實物利益	3,216,629	3,802,088
Discretionary bonus 酌情花紅	-	346,124
Contributions to retirement benefit schemes 退休福利計劃供款	18,000	34,500
	3,234,629	4,182,712

The remuneration of non-director, highest paid employees is within the following bands:

	Number of employees 僱員人數	
	2017 二零一七年	2016 二零一六年
Nil to HK\$1,000,000 無至1,000,000港元	2	-
HK\$1,000,001 to HK\$1,500,000 1,000,001港元至1,500,000港元	1	1
HK\$1,500,001 to HK\$2,000,000 1,500,001港元至2,000,000港元	-	2
	3	3

9. 五位最高薪僱員

本年度五位最高薪僱員包括兩位(二零一六年: 兩位)執行董事, 詳情已列於上文附註8。餘下三位(二零一六年: 三位)最高薪之非董事僱員之薪酬詳見如下:

	2017 二零一七年	2016 二零一六年
	HK\$ 港元	HK\$ 港元
Basic salaries, allowances and benefits in kind 基本薪金、津貼及實物利益	3,216,629	3,802,088
Discretionary bonus 酌情花紅	-	346,124
Contributions to retirement benefit schemes 退休福利計劃供款	18,000	34,500
	3,234,629	4,182,712

最高薪之非董事僱員之薪酬所屬組別如下:

	Number of employees 僱員人數	
	2017 二零一七年	2016 二零一六年
Nil to HK\$1,000,000 無至1,000,000港元	2	-
HK\$1,000,001 to HK\$1,500,000 1,000,001港元至1,500,000港元	1	1
HK\$1,500,001 to HK\$2,000,000 1,500,001港元至2,000,000港元	-	2
	3	3

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

10. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on assessable profits outside Hong Kong have been calculated at the tax rates prevailing in the jurisdictions in which the Group operates.

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Current – Hong Kong	本期 – 香港		
Charge for the year	本年度支出	374,950	528,610
Over provision in prior years	往年超額撥備	(2,991)	(115,755)
Current – outside Hong Kong	本期 – 香港境外		
Charge for the year	本年度支出	517,271	707,901
Over provision in prior years	往年超額撥備	(35,562)	(1,375,639)
Deferred tax	遞延稅項	–	63,269
Tax expense/(credit) for the year	本年度稅項開支/(抵免)	853,668	(191,614)

A reconciliation of the tax expense/(credit) applicable to profit/(loss) before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are operated to the tax expense/(credit) is as follows:

香港利得稅已按本年度內源自香港的估計應課稅溢利以16.5% (二零一六年: 16.5%) 的稅率撥備。源於香港境外應課稅溢利的稅項已根據本集團經營所受管轄區域的常用稅率計算。

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Profit/(loss) before tax	除稅前溢利/(虧損)	9,145,528	(8,301,763)
Tax at the statutory tax rate of 16.5% (2016: 16.5%)	按法定稅率16.5%之稅項 (二零一六年: 16.5%)	1,509,012	(1,369,791)
Effect of different rates for companies operating in other jurisdictions	其他公司經營所受管轄區域的不同稅率之影響	190,454	184,576
Income not subject to tax	不須繳稅之收入	(585,834)	(1,930,054)
Expenses not deductible for tax	不可扣減稅項之開支	18,299	1,311,260
Unrecognised temporary differences	未確認之暫時性差異	(1,558,367)	1,746,962
Utilisation of previously unrecognised tax losses	動用以前未確認之稅項虧損	(171,186)	(97,135)
Over provision in prior years	往年超額撥備	(38,553)	(1,491,394)
Tax losses not recognised	未確認之稅項虧損	1,813,616	1,584,695
Others	其他	(323,773)	(130,733)
Tax expense/(credit) for the year	本年度稅項開支/(抵免)	853,668	(191,614)

按照適用於本公司及其大多數附屬公司所受管轄區域的除稅前溢利/(虧損)之法定稅率計算出的稅項開支/(抵免)與稅項開支/(抵免)之調節如下:

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Profit/(loss) before tax	除稅前溢利/(虧損)	9,145,528	(8,301,763)
Tax at the statutory tax rate of 16.5% (2016: 16.5%)	按法定稅率16.5%之稅項 (二零一六年: 16.5%)	1,509,012	(1,369,791)
Effect of different rates for companies operating in other jurisdictions	其他公司經營所受管轄區域的不同稅率之影響	190,454	184,576
Income not subject to tax	不須繳稅之收入	(585,834)	(1,930,054)
Expenses not deductible for tax	不可扣減稅項之開支	18,299	1,311,260
Unrecognised temporary differences	未確認之暫時性差異	(1,558,367)	1,746,962
Utilisation of previously unrecognised tax losses	動用以前未確認之稅項虧損	(171,186)	(97,135)
Over provision in prior years	往年超額撥備	(38,553)	(1,491,394)
Tax losses not recognised	未確認之稅項虧損	1,813,616	1,584,695
Others	其他	(323,773)	(130,733)
Tax expense/(credit) for the year	本年度稅項開支/(抵免)	853,668	(191,614)

Notes to Consolidated Financial Statements (continued)

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

11. DIVIDENDS

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

11. 股息

本公司董事不建議派發截至二零一七年十二月三十一日止年度之股息(二零一六年：無)。

12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted earnings/(loss) per share is based on the profit/(loss) for the year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the year.

The calculations of the basic and diluted earnings/(loss) per share are based on:

12. 本公司擁有人所佔每股盈利／(虧損)

每股基本及攤薄盈利／(虧損)乃根據本公司擁有人所佔本年度溢利／(虧損)及本年度內已發行加權平均普通股數目計算。

每股基本及攤薄盈利／(虧損)乃根據以下計算：

	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Earnings/(loss)		
Profit/(loss) attributable to owners of the Company used in the basic and diluted earnings/(loss) per share calculation	8,291,860	(8,110,149)
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings/(loss) per share calculation	267,004,800	267,004,800

As there were no dilutive potential ordinary shares, diluted earnings/(loss) per share was the same as basic earnings/(loss) per share in 2017 and 2016.

因並無具潛在攤薄的普通股，於二零一七年及二零一六年的每股基本盈利／(虧損)與每股攤薄盈利／(虧損)相同。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Land and buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and office equipment 傢俬、裝置及 辦公室設備	Motor vehicles	Moulds	Total
		土地及樓宇 HK\$ 港元	租賃裝修 HK\$ 港元	廠房及機器 HK\$ 港元	辦公室設備 HK\$ 港元	汽車 HK\$ 港元	模具 HK\$ 港元	總計 HK\$ 港元
31 December 2017	二零一七年 十二月三十一日							
At 31 December 2016 and 1 January 2017:	於二零一六年 十二月三十一日及 二零一七年 一月一日:							
Cost or valuation	成本或估值	120,286,000	52,553,820	142,931,997	33,938,368	5,734,611	60,527,234	415,972,030
Accumulated depreciation	累計折舊	-	(26,167,949)	(99,493,569)	(30,534,619)	(3,787,912)	(60,527,234)	(220,511,283)
Net carrying amount	賬面淨值	120,286,000	26,385,871	43,438,428	3,403,749	1,946,699	-	195,460,747
At 1 January 2017, net carrying amount	於二零一七年一月一日, 賬面淨值	120,286,000	26,385,871	43,438,428	3,403,749	1,946,699	-	195,460,747
Additions	添置	-	427,986	4,110,629	526,310	-	-	5,064,925
Disposals	出售	-	-	(313,307)	(4,647)	(142,887)	-	(460,841)
Depreciation	折舊	(4,123,870)	(1,385,808)	(6,749,892)	(731,824)	(949,096)	-	(13,940,490)
Reversal of impairment	減值撥回	-	-	526,680	-	-	-	526,680
Surplus on revaluation credited to other comprehensive income	重估盈餘計入 其他全面收入	19,051,608	-	-	-	-	-	19,051,608
Exchange realignment	匯兌調整	3,679,262	1,863,908	3,050,610	219,472	82,560	-	8,895,812
At 31 December 2017, net carrying amount	於二零一七年 十二月三十一日, 賬面淨值	138,893,000	27,291,957	44,063,148	3,413,060	937,276	-	214,598,441
At 31 December 2017:	於二零一七年 十二月三十一日:							
Cost or valuation	成本或估值	138,893,000	55,702,363	129,728,905	33,891,017	5,491,874	60,527,234	424,234,393
Accumulated depreciation and impairment loss	累計折舊及 減值虧損	-	(28,410,406)	(85,665,757)	(30,477,957)	(4,554,598)	(60,527,234)	(209,635,952)
Net carrying amount	賬面淨值	138,893,000	27,291,957	44,063,148	3,413,060	937,276	-	214,598,441
Analysis of cost or valuation at 31 December 2017:	成本或估值分析 於二零一七年 十二月三十一日:							
At cost	成本	-	55,702,363	129,728,905	33,891,017	5,491,874	60,527,234	285,341,393
At valuation	估值	138,893,000	-	-	-	-	-	138,893,000
		138,893,000	55,702,363	129,728,905	33,891,017	5,491,874	60,527,234	424,234,393

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

13. PROPERTY, PLANT AND EQUIPMENT (continued)

13. 物業、廠房及設備(續)

		Land and buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and office equipment	Motor vehicles	Moulds	Total
		土地及樓宇	租賃裝修	廠房及機器	傢俬、裝置及 辦公室設備	汽車	模具	總計
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
31 December 2016	二零一六年 十二月三十一日							
At 31 December 2015 and 1 January 2016:	於二零一五年 十二月三十一日及 二零一六年一月一日:							
Cost or valuation	成本或估值	116,231,000	55,041,663	147,885,659	34,317,705	4,729,853	60,527,234	418,733,114
Accumulated depreciation	累計折舊	-	(22,735,319)	(93,134,709)	(29,542,773)	(2,505,337)	(60,527,234)	(208,445,372)
Net carrying amount	賬面淨值	116,231,000	32,306,344	54,750,950	4,774,932	2,224,516	-	210,287,742
At 1 January 2016, net carrying amount	於二零一六年一月一日, 賬面淨值	116,231,000	32,306,344	54,750,950	4,774,932	2,224,516	-	210,287,742
Additions	添置	-	1,008,062	2,905,356	365,368	1,266,104	-	5,544,890
Disposals	出售	-	-	(97,526)	(41,033)	(20,709)	-	(159,268)
Depreciation	折舊	(3,733,073)	(2,862,661)	(7,395,733)	(978,795)	(1,132,166)	-	(16,102,428)
Impairment loss	減值虧損	-	(1,571,328)	(2,541,912)	(439,100)	(283,445)	-	(4,835,785)
Surplus on revaluation credited to other comprehensive income	重估盈餘計入 其他全面收入	12,190,768	-	-	-	-	-	12,190,768
Exchange realignment	匯兌調整	(4,402,695)	(2,494,546)	(4,182,707)	(277,623)	(107,601)	-	(11,465,172)
At 31 December 2016, net carrying amount	於二零一六年 十二月三十一日, 賬面淨值	120,286,000	26,385,871	43,438,428	3,403,749	1,946,699	-	195,460,747
At 31 December 2016:	於二零一六年 十二月三十一日:							
Cost or valuation	成本或估值	120,286,000	52,553,820	142,931,997	33,938,368	5,734,611	60,527,234	415,972,030
Accumulated depreciation	累計折舊	-	(26,167,949)	(99,493,569)	(30,534,619)	(3,787,912)	(60,527,234)	(220,511,283)
Net carrying amount	賬面淨值	120,286,000	26,385,871	43,438,428	3,403,749	1,946,699	-	195,460,747
Analysis of cost or valuation at 31 December 2016:	成本或估值分析 於二零一六年 十二月三十一日:							
At cost	成本	-	52,553,820	142,931,997	33,938,368	5,734,611	60,527,234	295,686,030
At valuation	估值	120,286,000	-	-	-	-	-	120,286,000
		120,286,000	52,553,820	142,931,997	33,938,368	5,734,611	60,527,234	415,972,030

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group's land and buildings were revalued at the end of the reporting period by Chung, Chan & Associates, independent professionally qualified valuers. The land and buildings in Hong Kong were revalued on the basis of market value by the comparison approach, based on their existing state, while the buildings in Mainland China were revalued using the depreciated replacement cost method. No changes were made in the valuation technique(s) during the years ended 31 December 2017 and 2016. A surplus arising from revaluation on the land and buildings of HK\$19,051,608 (2016: HK\$12,190,768) has been credited to other comprehensive income.

Had the Group's land and buildings been carried at historical cost less accumulated depreciation and impairment losses, their carrying amounts would have been included in the consolidated financial statements at approximately HK\$51,941,000 (2016: HK\$53,853,000).

13. 物業、廠房及設備(續)

本集團之土地及樓宇於報告期末由獨立專業合資格估值師衡量行重新估值。香港土地及樓宇按比較方式的市場價值及現時的狀況重估，而中國大陸的樓宇則按折舊重置成本法重估。截至二零一七年及二零一六年十二月三十一日止年度內，有關估值方法並無作出任何變動。因上述估價而產生的重估盈餘19,051,608港元(二零一六年：12,190,768港元)已計入其他全面收入。

本集團土地及樓宇以歷史成本減累計折舊及減值虧損列賬，其賬面值已計入綜合財務報表中，其金額約51,941,000港元(二零一六年：53,853,000港元)。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

14. PREPAID LAND LEASE PAYMENTS

14. 預付土地租賃款

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Carrying amount at 1 January	於一月一日的賬面值	11,554,976	12,638,972
Amortisation during the year	本年度攤銷	(290,707)	(296,132)
Exchange realignment	滙兌調整	615,462	(787,864)
Carrying amount at 31 December	於十二月三十一日的賬面值	11,879,731	11,554,976
Current portion included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的流動部份	(299,749)	(285,282)
Non-current portion	非流動部份	11,579,982	11,269,694

15. OTHER INTANGIBLE ASSETS

15. 其他無形資產

		Deferred development costs 遞延發展成本 HK\$ 港元
At 1 January, 31 December 2016, 1 January 2017 and 31 December 2017 :	於二零一六年一月一日、十二月三十一日、二零一七年一月一日及二零一七年十二月三十一日：	
Cost	成本	28,740,000
Accumulated amortisation	累計攤銷	(28,740,000)
Net carrying amount	賬面淨值	-

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

16. SUBSIDIARIES

Particulars of the principal subsidiaries are as follows:

Company name 公司名稱	Place of incorporation/ registration and operations 成立/註冊及 營業地點	Issued and paid-up share 已發行及繳足股份		Percentage of equity interest attributable to the Company 本公司所佔股本權益百分比		Principal activities 主要業務
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	
Cokeen Development Limited 確建發展有限公司	Hong Kong 香港	HK\$10,000 10,000港元	HK\$10,000 10,000港元	100	100	Provision of management and administrative services 提供管理及行政服務
E-Dotcom Limited	Hong Kong 香港	HK\$2 2港元	HK\$2 2港元	100	100	Investment holding 投資控股
Hideki Electronics Limited 西城電子有限公司	Hong Kong 香港	HK\$2,000,000 2,000,000港元	HK\$2,000,000 2,000,000港元	100	100	Sale of consumer electronic products 銷售電子消費品
Hi-Tech (China) Investment Limited 中穎(中國)投資有限公司	Hong Kong 香港	HK\$2,000,000 2,000,000港元	HK\$2,000,000 2,000,000港元	100	100	Investment holding 投資控股
Hi-Tech Investment Holdings Limited	British Virgin Islands 英屬維爾京群島	US\$50,000 50,000美元	US\$50,000 50,000美元	100	100	Investment holding 投資控股
Hi-Tech Property Holdings Limited	British Virgin Islands/ Mainland China 英屬維爾京群島/ 中國大陸	US\$1 1美元	US\$1 1美元	100	100	Property holding 物業持有
Hi-Tech Precision Industrial Limited 中穎精密工業有限公司	Hong Kong 香港	HK\$1,500,000 1,500,000港元	HK\$1,500,000 1,500,000港元	100	100	Sale of precision parts and components 銷售精密零部件
Hunpex Limited 銀柏達有限公司	Hong Kong 香港	HK\$4,650,000 4,650,000港元	HK\$4,650,000 4,650,000港元	100	100	Investment holding 投資控股
K & P Group (Holdings) Limited	British Virgin Islands/ Hong Kong 英屬維爾京群島/香港	US\$1,238,545 1,238,545美元	US\$1,238,545 1,238,545美元	100	100	Investment holding 投資控股
K. S. (China) Electronics Manufactory Limited 堅城(中國)電子廠有限公司	Hong Kong 香港	HK\$2 2港元	HK\$2 2港元	100	100	Investment holding 投資控股
Mars Field Limited 堅城實業公司	British Virgin Islands/ Hong Kong 英屬維爾京群島/香港	US\$1 1美元	US\$1 1美元	100	100	Investment holding 投資控股

16. 附屬公司

主要附屬公司詳情如下：

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

16. SUBSIDIARIES (continued)

16. 附屬公司(續)

Company name 公司名稱	Place of incorporation/ registration and operations 成立/註冊及 營業地點	Issued and paid-up share		Percentage of equity interest attributable to the Company		Principal activities 主要業務
		已發行及繳足股份		本公司所佔股本權益百分比		
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	
Sun Ngai Plastic Products Factory Limited 新藝塑膠製品廠有限公司	Hong Kong 香港	HK\$10,890,000 10,890,000港元	HK\$10,890,000 10,890,000港元	100	100	Sale of plastic parts and components 銷售塑膠零部件
Technology Trends International Limited	British Virgin Islands/ Singapore 英屬維爾京群島/ 新加坡	US\$50,000 50,000美元	US\$50,000 50,000美元	100	100	Sale of precision parts and components 銷售精密零部件
中穎(中山)電子有限公司	Mainland China 中國大陸	US\$10,000,000 10,000,000美元	US\$10,000,000 10,000,000美元	100	100	Manufacture and sale of precision parts and components 製造及銷售精密零部件
中山市堅城電子有限公司	Mainland China 中國大陸	US\$3,000,000 3,000,000美元	US\$3,000,000 3,000,000美元	100	100	Manufacture and sale of precision parts and components 製造及銷售精密零部件
銀柏達科技(深圳)有限公司	Mainland China 中國大陸	HK\$9,677,390 (note i) 9,677,390港元 (附註i)	HK\$8,000,000 (note i) 8,000,000港元 (附註i)	100	100	Manufacture and sale of plastic parts and components 製造及銷售塑膠零部件
新穎城電子(深圳)有限公司	Mainland China 中國大陸	RMB4,000,000 (note ii) 4,000,000人民幣 (附註ii)	RMB4,000,000 4,000,000人民幣	100	100	Manufacture and sale of consumer electronic products 製造及銷售電子消費品

Note:

- (i) On 22 September 2016, the registered share capital increased from HK\$8,000,000 to HK\$23,000,000. The remaining registered share capital of HK\$13,322,610 is committed by the Group to inject on or before 21 September 2026.
- (ii) On 7 December 2017, the registered share capital increased from RMB4,000,000 to RMB6,100,000. The remaining registered share capital of RMB2,100,000 is committed by the Group to inject on or before 6 December 2019.

Except for K & P Group (Holdings) Limited, all of the above subsidiaries are indirectly held by the Company.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

附註：

- (i) 於二零一六年九月二十二日，註冊資本由8,000,000港元增加至23,000,000港元。本集團承諾於二零二六年九月二十一日或之前，注入尚餘註冊資本13,322,610港元。
- (ii) 於二零一七年九月七日，註冊資本由4,000,000人民幣增加至6,100,000人民幣。本集團承諾於二零一九年十二月六日或之前，注入尚餘註冊資本2,100,000人民幣。

除K & P Group (Holdings) Limited外，上述所有附屬公司均由本公司間接持有。

董事認為，上表所列出之本公司附屬公司主要影響本年度業績或構成本集團資產淨值主要部份。董事並認為，提供其他附屬公司的詳細資料，會引致內容過於冗長。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

17. AVAILABLE-FOR-SALE FINANCIAL INVESTMENT

17. 可供出售金融投資

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Club membership, at fair value	會所會籍，按公平價值	680,000	680,000

The fair value of the club membership is determined with reference to the publicly available price information.

會所會籍的公平價值是參照公眾可得到之價值資料。

18. PREPAID RENT

18. 預付租金

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Carrying amount at 1 January	於一月一日的賬面值	142,800	311,100
Utilised during the year	本年度耗用	(142,800)	(150,450)
Exchange realignment	滙兌調整	–	(17,850)
Carrying amount at 31 December	於十二月三十一日的賬面值	–	142,800
Current portion included in prepayment, deposits and other receivables	計入預付款項、按金及其他應收款項的流動部份	–	(142,800)
Non-current portion	非流動部份	–	–

The above prepaid rent represents prepayment of rental expenses for a factory in consumer electronic segment under operating lease. The amount is amortised over the lease term.

以上預付租金是指電子消費品分類的廠房在經營租賃下的租金支出。該金額是按租賃期攤銷。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

19. INVENTORIES

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Raw materials	原料	31,253,189	28,725,819
Work in progress	在製品	17,207,108	10,413,047
Finished goods	製成品	31,452,549	28,948,069
		79,912,846	68,086,935
Less: Provision for slow-moving inventories	減：滯銷存貨撥備	(6,462,865)	(7,728,168)
		73,449,981	60,358,767

Provisions made in previous years against the carrying value of inventories of HK\$1,265,303 (2016: Nil) have been reversed and recognised as a reduction in the amount of inventories due to subsequent sales of the inventories.

因隨後存貨銷售，往年撥備之存貨賬面值1,265,303港元(二零一六年：無)已確認於存貨減值中被撥回。

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Prepayments	預付款項	2,833,265	2,290,272
Toolings and mould deposits	模具按金	2,668,527	1,165,287
Deposits and other receivables	按金及其他應收款項	6,682,705	6,522,380
		12,184,497	9,977,939

20. 預付款項、按金及其他應收款項

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

21. TRADE AND BILLS RECEIVABLES

Trade receivables	應收賬項
Allowance for doubtful debts	呆壞賬撥備
Bills receivable discounted with recourse (note 25)	可退回的應收貼現票據 (附註25)

21. 應收賬項及票據

2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
74,359,951	77,135,806
(822,410)	(822,410)
73,537,541	76,313,396
377,602	345,603
73,915,143	76,658,999

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. Invoices are normally payable within 60 days of issuance, except for certain well-established customers, where the terms are extended from 60 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise credit risk. Overdue balances are regularly reviewed by senior management. Information regarding the concentration risk on trade receivable is detailed in note 38. Trade receivables are non-interest-bearing. The carrying amounts of these balances approximate to their fair values.

本集團與客戶買賣條款中，主要客戶都享有信用預提，惟新客戶一般需要預付款項。一般發票需要在六十天內支付，良好信譽客戶可享有六十至九十天信用預提。每名客戶均有信用額度。本集團對未償還應收款項有嚴緊控制及有信貸政策以減低信貸風險。高級管理層會定期對逾期應收結餘作審閱。集中應收賬項風險之資料披露於附註38。應收賬項為免息。該結餘之賬面值與其公平價值相若。

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

於報告期末應收賬項按發票日期及減除撥備後之賬齡分析如下：

	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元	
Within 90 days	九十天內	69,376,022	71,731,625
91 to 180 days	九十一至一百八十天	3,866,173	4,383,568
Over 180 days	一百八十天以上	295,346	198,203
		73,537,541	76,313,396

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

21. TRADE AND BILLS RECEIVABLES (continued)

An ageing analysis of the bills receivable as at the end of the reporting period, based on the invoice date, is as follows:

Within 90 days 九十天內

During the years ended 31 December 2017 and 2016, there was no movement in allowance for doubtful debts of trade receivables.

The ageing analysis of the trade and bills receivables that are past due but not considered to be impaired is as follows:

Less than 1 month past due	逾期少於一個月
1 to 3 months past due	逾期一至三個月
3 to 6 months past due	逾期三至六個月
Neither past due nor impaired	未逾期亦未作減值

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

21. 應收賬項及票據(續)

於報告期末應收票據按發票日期之賬齡分析如下：

2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
377,602	345,603

截至二零一七年及二零一六年十二月三十一日止年度內，應收賬項之呆壞賬撥備並無變動。

未被認為減值的逾期應收賬項及票據之賬齡分析如下：

2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
12,359,593	11,988,107
3,795,792	3,890,087
1,232,792	765,552
17,388,177	16,643,746
56,526,966	60,015,253
73,915,143	76,658,999

未逾期亦未作減值的應收賬項是與大量不同客戶有關，該等客戶近期並無不償還記錄。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

21. TRADE AND BILLS RECEIVABLES (continued)

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

22. CASH AND CASH EQUIVALENTS

At the end of the reporting period, included in the balance of the Group are bank balance and cash deposited in Mainland China and denominated in Renminbi ("RMB") of HK\$12,392,480 (2016: HK\$8,435,771). RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks are deposited with creditworthy banks with no recent history of default.

21. 應收賬項及票據(續)

逾期但未作減值的應收賬項乃是大量與本集團有良好交易記錄的獨立客戶。根據過往經驗，本公司董事認為有關該等結餘並無需要作出減值撥備，皆因該等客戶的信貸度並無重大的轉變而該結餘依然被認為可以全數收回。本集團對該等結餘並無持有任何抵押或其他增強信貸安排。

22. 現金及現金等值項目

	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Cash and bank balances	42,285,169	24,384,156

於報告期末，本集團在中國大陸之結餘包括以人民幣(「人民幣」)計值之銀行結餘及現金為12,392,480港元(二零一六年：8,435,771港元)。人民幣不能自由兌換其他貨幣，惟根據中國大陸外匯管制法規定及結存、銷售及支付的管理規定，本集團獲准透過獲授權經營海外業務之銀行將人民幣兌換為外幣。

銀行現金存於有信譽而近期並無違約記錄的銀行。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

23. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Within 90 days	九十天內	53,814,209	44,308,732
91 to 180 days	九十一至一百八十天	860,779	1,977,194
Over 180 days	一百八十天以上	4,138	157,120
		54,679,126	46,443,046

The trade payables are non-interest-bearing and are normally settled on terms varying from 60 to 120 days of invoice date.

24. ACCRUED LIABILITIES AND OTHER PAYABLES

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Toolings and mould deposits received	已收模具按金	11,170,861	4,627,730
Sales deposits received and other accrued liabilities	已收銷售按金及其他應計負債	941,466	1,175,386
Other payables	其他應付款項	7,818,493	9,145,482
Staff cost payables	應付員工開支	31,076,732	27,541,905
		51,007,552	42,490,503

Other payables are non-interest-bearing and have an average credit period of three months.

23. 應付賬項

於報告期末應付賬項按發票日期之賬齡分析如下：

	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Within 90 days	53,814,209	44,308,732
91 to 180 days	860,779	1,977,194
Over 180 days	4,138	157,120
	54,679,126	46,443,046

應付賬項為免息及一般於發票日期之六十至一百二十天償還。

24. 應計負債及其他應付款項

	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Toolings and mould deposits received	11,170,861	4,627,730
Sales deposits received and other accrued liabilities	941,466	1,175,386
Other payables	7,818,493	9,145,482
Staff cost payables	31,076,732	27,541,905
	51,007,552	42,490,503

其他應付款項為免息及信貸期為平均三個月。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

25. INTEREST-BEARING BANK AND OTHER BORROWINGS

2017

25. 帶息銀行及其他借貸

二零一七年

	Effective interest rate (%) per annum 實際年利率(%)	Maturity 到期日	HK\$ 港元
Current			
流動			
Finance lease payables (note 26) 應付融資租賃(附註26)	1.45-3.25	Fully repayable from 29/3/2018 to 29/11/2021 由二零一八年三月二十九日至 二零二一年十一月二十九日全數償還	5,748,899
Bank loans - discounted bills with recourse (note 21) 銀行貸款－可退回的貼現票據 (附註21)	3.85-4.11	Due for payment from 15/1/2018 to 19/2/2019 由二零一八年一月十五日至 二零一九年二月十九日到期付款	377,602
Revolving term loans – unsecured 循環有期貸款－無抵押	2.77-3.96	Fully repayable from 18/1/2018 to 20/6/2018 由二零一八年一月十八日至 二零一八年六月二十日全數償還	23,000,000
Instalment loans – unsecured 分期貸款－無抵押	3.36-3.99	Fully repayable on 29/1/2018 於二零一八年一月二十九日全數償還	216,636
Trust receipt loans 信託收據貸款	2.65-3.37	Fully repayable from 5/1/2018 to 3/4/2018 由二零一八年一月五日至 二零一八年四月三日全數償還	6,259,672
			35,602,809
Non-current			
非流動			
Finance lease payables (note 26) 應付融資租賃(附註26)	1.45-3.25	Fully repayable from 29/3/2018 to 19/11/2021 由二零一八年三月二十九日至 二零二一年十一月十九日全數償還	3,522,050
			39,124,859

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

25. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

25. 帶息銀行及其他借貸(續)

2016

二零一六年

	Effective interest rate (%) per annum 實際年利率(%)	Maturity 到期日	HK\$ 港元
Current			
流動			
Finance lease payables (note 26) 應付融資租賃(附註26)	1.45-3.50	Fully repayable from 31/7/2017 to 26/10/2020 由二零一七年七月三十一日至 二零二零年十月二十六日全數償還	9,240,187
Bank loans - discounted bills with recourse (note 21) 銀行貸款－可退回的貼現票據 (附註21)	3.67-3.75	Due for payment from 6/1/2017 to 3/2/2017 由二零一七年一月六日至 二零一七年二月三日到期付款	345,603
Revolving term loans – unsecured 循環有期貨款－無抵押	2.46-3.93	Fully repayable on 13/1/2017 to 26/3/2017 由二零一七年一月十三日至 二零一七年三月二十六日全數償還	19,000,000
Instalment loans – unsecured 分期貸款－無抵押	3.21-3.44	Fully repayable on 29/1/2018 於二零一八年一月二十九日全數償還	2,767,046
Trust receipt loan 信託收據貸款	2.98-3.49	Fully repayable from 4/1/2017 to 7/2/2017 由二零一七年一月四日至 二零一七年二月七日全數償還	5,046,332
			36,399,168
Non-current			
非流動			
Finance lease payables (note 26) 應付融資租賃(附註26)	1.45-3.50	Fully repayable from 31/7/2017 to 26/10/2020 由二零一七年七月三十一日至 二零二零年十月二十六日全數償還	5,894,556
			42,293,724

Note: There are no interest-bearing bank and other borrowings (2016: HK\$216,797) which would otherwise be classified as non-current liabilities have been classified as current liabilities because their terms include an on-demand clause. For the purpose of the above analysis, the loan is included within current interest-bearing bank and other borrowings and analysed into bank loans and other borrowings repayable within one year or on demand.

附註：並無帶息銀行及其他借貸(二零一六年：216,797港元)應可分類為非流動負債，但分類為流動負債因包含可隨時要求償還的條款。在上述的分析中，該金額貸款包含在流動帶息銀行及其他借貸，並分析為一年內或按要求償還的銀行貸款及其他借貸。

The carrying amounts of the Group's borrowings approximate their fair values.

本集團借貸之賬面值與其公平價值相若。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

26. FINANCE LEASE PAYABLES

At the end of the reporting period, the total future minimum lease payments under finance leases and their present values are as follows:

26. 應付融資租賃

於報告期末，根據融資租賃下的總計於日後最少租賃款項及其現今值如下：

		Minimum lease payments		Present value of minimum lease payments	
		最少租賃款項	最少租賃款項	最少租賃款項的現今值	最少租賃款項的現今值
		2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年
		HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元
Total minimum finance lease payments payable within one year	總計於一年內應付最少融資租賃款項	6,031,520	9,735,666	5,748,899	9,240,187
Total minimum finance lease payments payable in the second to fifth years	總計於第二至第五年內應付最少融資租賃款項	3,697,280	6,096,716	3,522,050	5,894,556
		9,728,800	15,832,382	9,270,949	15,134,743
Future finance charges	日後財務費用	(457,851)	(697,639)		
Total net finance lease payables	應付融資租賃總淨額	9,270,949	15,134,743		
Total net finance lease payables which are classified as current liabilities	被分類為流動負債之應付融資租賃總淨額	(5,748,899)	(9,240,187)		
Total net finance lease payables which are classified as non-current liabilities	被分類為非流動負債之應付融資租賃總淨額	3,522,050	5,894,556		

During the year ended 31 December 2017, the Group entered into a sale and leaseback arrangement with a finance company for certain lots of machineries. The aggregate amount of cash received from the finance lease was HK\$3,480,580. Principal of finance lease is repayable by 48 monthly instalments together with finance charges at 3.25% per annum, with purchase options at the end of the leases at a minimal value of purchase price.

截至二零一七年十二月三十一日止年度內，本集團與一金融機構簽訂一份售後付回之協議於若干機器。該融資租賃之現金所得總額為3,480,580港元。融資租賃之本金連同財務費用按年利率3.25厘並以48個月分期償還，並附帶於租賃結束時有低採購價之採購權。

26. FINANCE LEASE PAYABLES (continued)

During the year ended 31 December 2016, the Group entered into two sale and leaseback arrangements with a finance company for certain lots of machineries. The aggregate amount of cash received from the finance lease was HK\$1,618,654. Principal of finance lease is repayable by 48 monthly instalments together with finance charges at 3.25% per annum, with purchase options at the end of the leases at a minimal value of purchase price.

At 31 December 2017, the carrying amount of the Group's property, plant and equipment held under finance leases, and was therefore pledged, was HK\$25,538,636 (2016: HK\$30,852,405).

27. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

2017

		Depreciation allowance in excess of related depreciation 超出相關折舊之折舊撥備 HK\$ 港元	Revaluation of properties 物業重估 HK\$ 港元	Total 總計 HK\$ 港元
At 1 January 2017	於二零一七年一月一日	872,032	13,510,579	14,382,611
Deferred tax debited to equity during the year	本年度於權益扣除之遞延稅項	-	3,379,500	3,379,500
Gross deferred tax liabilities at 31 December 2017	於二零一七年十二月三十一日之遞延稅項負債總額	872,032	16,890,079	17,762,111

26. 應付融資租賃(續)

截至二零一六年十二月三十一日止年度內，本集團與一金融機構簽訂兩份售後付回之協議於若干機器。該融資租賃之現金所得總額為1,618,654港元。融資租賃之本金連同財務費用按年利率3.25厘並以48個月分期償還，並附帶於租賃結束時有低採購價之採購權。

於二零一七年十二月三十一日，本集團在融資租賃下持有之物業、廠房及設備已予抵押之賬面值為25,538,636港元(二零一六年：30,852,405港元)。

27. 遞延稅項

本年度內之遞延稅項負債及資產變動如下：

遞延稅項負債

二零一七年

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

27. DEFERRED TAX (continued)

Deferred tax liabilities (continued)

2016

		Depreciation allowance in excess of related depreciation 超出相關折舊之折舊撥備 HK\$ 港元	Revaluation of properties 物業重估 HK\$ 港元	Total 總計 HK\$ 港元
At 1 January 2016	於二零一六年一月一日	808,763	9,069,233	9,877,996
Deferred tax debited to equity during the year	本年度於權益扣除之遞延稅項	–	4,441,346	4,441,346
Deferred tax debited to consolidated income statement during the year	本年度於綜合利潤表扣除之遞延稅項	63,269	–	63,269
Gross deferred tax liabilities at 31 December 2016	於二零一六年十二月三十一日之遞延稅項負債總額	872,032	13,510,579	14,382,611

Deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Deductible temporary differences	可予扣減之暫時性差異	71,441,976	77,587,702
Tax losses	稅項虧損	36,350,491	26,396,367
At end of the reporting period	於報告期末	107,792,467	103,984,069

Pursuant to Mainland China Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group is therefore liable to withholding taxes on dividends to be distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008 onwards.

27. 遞延稅項(續)

遞延稅項負債(續)

二零一六年

遞延稅項資產

對於未確認遞延稅項資產之項目如下：

根據中國大陸企業所得稅法，於中國大陸成立的外商投資企業向外國投資者宣派股息須按10%徵收預扣稅。此規定由二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後的盈利。倘中國大陸與外國投資者的司法權區訂有稅務協議，則可應用較低的預扣稅率。因此，本集團有責任就於中國大陸成立的該等附屬公司於二零零八年一月一日起產生的盈利所分派的股息繳付預扣稅。

Notes to Consolidated Financial Statements (continued)

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

27. DEFERRED TAX (continued)

Deferred tax assets (continued)

At 31 December 2017, no deferred tax has been recognised for such withholding taxes that would be payable on the retained earnings of the Group's subsidiaries established in Mainland China that are subject to withholding taxes at distribution. In the opinion of the directors, these accumulated profits, at the present time, are required for financing the continuing operations of the entities and no distribution would be made in the foreseeable future. The aggregate amount of retained earnings associated with these subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately HK\$19,732,000 at 31 December 2017 (2016: HK\$18,335,000).

At 31 December 2017, the Group has unrecognised tax losses that can be offset against future taxable profits of the respective subsidiaries. No deferred tax assets have been recognised because it is not expected that future taxable profits will be available against which the Group can utilise the benefits therefrom. The expiry dates for unrecognised tax losses are as follows:

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Tax losses without expiration	無屆滿之稅項虧損	30,986,525	23,125,698
Tax losses expiring in:	以下屆滿之稅項虧損：		
2019	二零一九年	428,931	400,336
2020	二零二零年	2,425,630	2,263,921
2021	二零二一年	226,872	606,412
2022	二零二二年	2,282,533	-
At the end of the reporting period	於報告期末	36,350,491	26,396,367

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

27. 遞延稅項(續)

遞延稅項資產(續)

於二零一七年十二月三十一日，本集團並無就在中國大陸成立之附屬公司將於分派保留盈利時產生之應付預扣稅確認遞延稅項。董事認為於目前為止該等累計溢利須予支持公司持續經營，並在可預見未來將不作分派。於二零一七年十二月三十一日，並無確認相關中國大陸附屬公司保留盈利總額之遞延稅項負債總計約19,732,000港元(二零一六年：18,335,000港元)。

於二零一七年十二月三十一日，本集團有可供抵銷日後該等附屬公司應課稅溢利的未確認稅項虧損。由於本集團未能預計可在日後用作抵扣的應課稅溢利，因此並未就此確認遞延稅項資產。未確認稅項虧損的屆滿日如下：

	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Tax losses without expiration	30,986,525	23,125,698
Tax losses expiring in:		
2019	428,931	400,336
2020	2,425,630	2,263,921
2021	226,872	606,412
2022	2,282,533	-
At the end of the reporting period	36,350,491	26,396,367

本公司派付股息予其股東並未對所得稅構成影響。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

28. SHARE CAPITAL

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Shares	股份		
Authorised:	法定：		
900,000,000 shares of HK\$0.10 each	900,000,000股每股面值 0.10港元	90,000,000	90,000,000
Issued and fully paid:	已發行及繳足：		
267,004,800 shares of HK\$0.10 each	267,004,800股每股面值 0.10港元	26,700,480	26,700,480

29. SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "Scheme") with effect from 23 May 2012. A summary of the Scheme is as follows:

Purposes	To provide incentives and rewards to eligible participants for their contributions to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any entity in which the Group holds an equity interest ("Invested Entity").
----------	--

28. 股本

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Shares	股份		
Authorised:	法定：		
900,000,000 shares of HK\$0.10 each	900,000,000股每股面值 0.10港元	90,000,000	90,000,000
Issued and fully paid:	已發行及繳足：		
267,004,800 shares of HK\$0.10 each	267,004,800股每股面值 0.10港元	26,700,480	26,700,480

29. 購股權計劃

本公司已採納於二零一二年五月二十三日生效之購股權計劃(「計劃」)。計劃概要如下：

目的	為鼓勵或獎賞合資格參與人士對本集團作出之貢獻及／或協助本集團聘請及挽留能幹僱員及吸納對本集團與任何本集團持有其任何股本權益之公司(「所投資公司」)有重大價值之人力資源。
----	--

Notes to Consolidated Financial Statements (continued)

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

29. SHARE OPTION SCHEME (continued)

Participants	<p>(i) any employee (whether full-time or part-time), executive directors, non-executive directors and independent non-executive directors of the Company, any of its subsidiaries or any Invested Entity;</p> <p>(ii) any supplier of goods or services to any member of the Group or any Invested Entity; any customer of the Group or any Invested Entity; any person or entity that provides research, development or other technological support to the Group or any Invested Entity; and</p> <p>(iii) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity.</p>
Total number of ordinary shares available for issue and the percentage of the issued share capital that it represents as at the date of the annual report	26,700,480 ordinary shares and 10% of the issued share capital.
Maximum entitlement of each participant	Shall not exceed 1% of the issued share capital of the Company in any 12-month period.

29. 購股權計劃(續)

參與人士	<p>(i) 本公司、其任何附屬公司或其任何所投資公司之任何僱員(不論是全職或兼職)、執行董事、非執行董事及獨立非執行董事；</p> <p>(ii) 向本集團任何成員公司或任何所投資公司提供貨物或服務之任何供應商；本集團或任何所投資公司之任何客戶；向本集團或任何所投資公司提供研究、開發或其他技術支援之任何人士或公司；及</p> <p>(iii) 本集團任何成員公司或任何所投資公司之任何股東或本集團任何成員公司或任何所投資公司所發行任何證券之任何持有人。</p>
可予發行的普通股總數以及其於本年報日期佔已發行股本的百分比	26,700,480股普通股及佔已發行股本之10%。
每名參與人士可獲授權益上限	在任何12個月內，不得超過本公司已發行股本之1%。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

29. SHARE OPTION SCHEME (continued)

Period within which the securities must be taken up under an option	An option may be exercised at any time during a period to be determined and notified by the directors to each grantee, but shall end in any event not later than 10 years from the date of the grant of options subject to the provisions for early termination thereof.
Minimum period for which an option must be held before it can be exercised	There is no minimum period for which an option granted must be held before it can be exercised.
Amount payable on acceptance	The offer of a grant of share options may be accepted within 28 days from the date of the offer with a consideration of HK\$1.00 being payable by the grantee.
Period within which payments/calls/loans must be made/repaid	Not applicable.
Basis of determining the exercise price	Determined by the directors but shall not be less than the highest of (i) the closing price of the ordinary shares as stated in the Stock Exchange's daily quotation sheet on the date of the offer of options, which must be a trading day; (ii) the average closing price of the ordinary shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of the offer of options; and (iii) the nominal value of the Company's shares.
The remaining life of the Scheme	The Scheme remains in force until 22 May 2022.

29. 購股權計劃(續)

根據購股權認購證券的期限	各承授人可於董事決定及知會之期間內任何時間行使購股權，惟在任何情況下不得遲於由授出購股權日期起計10年(根據該條款而提早終止則除外)。
購股權行使之前必須持有的最短期限	行使授出購股權之前並無必須持有的最短期限。
應付接納金額	承授人可於授出購股權建議之日起二十八日內，在應付面值代價金額1.00港元後接納該建議。
付款或通知付款或償還申請貸款的期限	不適用。
行使價的釐定基準	由董事決定，惟不得低於下列中之較高者： (i)普通股於提供購股權建議當日(須為交易日)之收市價(以聯交所日報表所載者為準)；(ii)普通股於提供購股權建議日前五個交易日之平均收市價(以聯交所日報表所載者為準)；及(iii)本公司股份面值。
計劃尚餘的年期	計劃有效期至二零二二年五月二十二日止。

29. SHARE OPTION SCHEME (continued)

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

There were no share options granted, exercised, cancelled or forfeited since the adoption of the Scheme and there was no outstanding share option as at 31 December 2017 and 2016.

30. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 74 and 75 of the consolidated financial statements.

The share premium account represents the excess of the net proceeds or consideration from issuance of the Company's shares over their par value.

The application of the share premium account is governed by Section 40 of the Companies Act 1981 of Bermuda.

The contributed surplus of the Group arose as a result of the Group's reorganisation and represents the excess of the nominal value of the share capital of the former holding company of the Group, K & P Group (Holdings) Limited, prior to the Group's reorganisation in preparation for the listing of the Company's shares in 1996, over the nominal value of the share capital of the Company issued in exchange therefor, less the amount capitalised to pay up the nil-paid shares issued on the incorporation of the Company.

The asset revaluation reserve of the Group is used to record the increases in the fair value of land and buildings and the decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

The exchange fluctuation reserve of the Group is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

29. 購股權計劃(續)

購股權益持有人並不享有獲發股息或於股東會上投票之權益。

自採納此計劃以來，並無授出、行使、註銷或放棄的購股權及於二零一七年及二零一六年十二月三十一日，概無未行使之購股權。

30. 儲備

(a) 集團

本年度及以前年度之本集團儲備及變動已呈列於本財務報表第74及75頁之綜合權益變動表。

股份溢價賬指發行本公司股份籌集之所得款項淨額或代價超過其面值之部份。

股份溢價賬之應用受百慕達一九八一年公司法第40條監管。

本集團之繳入盈餘源自本集團重組，乃指本集團於一九九六年為籌備本公司股份上市之重組前本集團之前控股公司 K & P Group (Holdings) Limited 之股本面值較本公司為交換該等股份而發行股本面值所多出之金額減資本化以繳付於本公司之註冊成立時所發行未繳款股份之金額。

本集團之資產重估儲備是用作記錄土地及樓宇公平價值之增加，惟其減少之金額限於相同資產於過往因公平價值增加而確認之權益。

本集團之匯兌波動儲備是用於記錄換算海外附屬公司財務報表而產生的匯兌差額。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

30. RESERVES (continued)

(b) Company

		Share premium account 股份溢價賬 HK\$ 港元	Contributed surplus 繳入盈餘 HK\$ 港元	Accumulated losses 累計虧損 HK\$ 港元	Total 總計 HK\$ 港元
At 1 January 2016	於二零一六年一月一日	50,856,881	49,999,981	(22,534,803)	78,322,059
Profit for the year and total comprehensive income for the year	本年度溢利及本年度 全面收入總額	-	-	93,841	93,841
At 31 December 2016	於二零一六年 十二月三十一日	50,856,881	49,999,981	(22,440,962)	78,415,900
Loss for the year and total comprehensive loss for the year	本年度虧損及本年度 全面虧損總額	-	-	(75,116)	(75,116)
At 31 December 2017	於二零一七年 十二月三十一日	50,856,881	49,999,981	(22,516,078)	78,340,784

The contributed surplus of the Company represents the difference between the underlying consolidated net assets of K & P Group (Holdings) Limited and its subsidiaries at the date on which the Group's reorganisation became effective, referred to in note 30(a), over the nominal value of the share capital of the Company issued in exchange therefor, less the amount capitalised to pay up the nil-paid shares issued on the incorporation of the Company.

Under the Companies Act 1981 of Bermuda, the Company may make distributions to its members out of the contributed surplus in certain circumstances. As at 31 December 2017, the Company's reserves available for distribution, calculated in accordance with the Companies Act 1981 of Bermuda, amounted to HK\$27,483,903 (2016: HK\$27,559,019).

30. 儲備(續)

(b) 公司

本公司之繳入盈餘指 K & P Group (Holdings) Limited 及其附屬公司於集團重組生效日之綜合資產淨值高出本公司所發行以交換該公司股本面值之金額(詳情載錄於財務報告附註30(a))，減去繳足資本化以於本公司之註冊成立日所發行未繳款股份之金額。

根據百慕達一九八一年公司法，本公司可在某些情況下從繳入盈餘中撥款向其成員作出分派。於二零一七年十二月三十一日，本公司根據百慕達一九八一年公司法下的計算，可供本公司作分派之儲備為27,483,903港元(二零一六年：27,559,019港元)。

Notes to Consolidated Financial Statements (continued)

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

31. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Details of the changes in the Group's liabilities from financing activities are as follows:

31. 融資活動產生的負債變動

本集團融資活動產生的負債變動之詳情如下：

		Interest-bearing bank and other borrowings	Bank loans-discounted bills with recourse	Finance lease payables	Total
		帶息銀行及其他借貸	銀行貸款－可退回的貼現票據	應付融資租賃	總計
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
At 1 January 2017	於二零一七年一月一日	26,813,378	345,603	15,134,743	42,293,724
New unsecured bank loans/ revolving term loans/ trust receipt loans	新無抵押銀行貸款／循環有期貸款／信託收據貸款	62,117,840	-	-	62,117,840
Increase in discounted bills	貼現票據之增加	-	31,999	-	31,999
Repayment of unsecured instalment loans/bank loans/ revolving term loans/ trust receipt loans	償還無抵押分期貸款／銀行貸款／循環有期貸款／信託收據貸款	(59,454,910)	-	-	(59,454,910)
New finance leases raised	新增融資租賃	-	-	3,480,580	3,480,580
Capital element of finance lease payments	融資租賃付款之資本部份	-	-	(9,344,374)	(9,344,374)
At 31 December 2017	於二零一七年十二月三十一日	29,476,308	377,602	9,270,949	39,124,859

Interest-bearing bank and other borrowings, bank loan-discounted bills with recourse and finance leases payables are disclosed in note 25 to the consolidated financial statements.

帶息銀行及其他借貸、銀行貸款－可退回的貼現票據及應付融資租賃於本綜合財務報表附註25披露。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

32. OPERATING LEASE ARRANGEMENTS

The Group leases certain of its office properties and factories under operating lease arrangements. Leases for properties and factories are negotiated for terms ranging from one to five years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

Within one year	於一年內
In the second to fifth years, inclusive	於第二至第五年 (包括首尾兩年)

32. 經營租賃安排

本集團根據經營租賃安排租用若干辦公室物業及廠房。該等租用物業及廠房之議定期期介乎一至五年不等。

於報告期末，本集團根據不能取消經營租賃之日後最少應付租賃總額將於下列期間到期：

	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Within one year	1,038,598	4,202,208
In the second to fifth years, inclusive	144,575	1,096,466
	1,183,173	5,298,674

33. COMMITMENTS

At the end of the reporting period, the Group did not have any capital commitments.

33. 承擔

於報告期末，本集團並無任何資本承擔。

34. EVENTS AFTER THE REPORTING PERIOD

On 16 January 2018, the Group injected share capital of HK\$1,500,000 to a subsidiary in the consumer electronic products segment.

On 10 February 2018, the factory of a subsidiary in the consumer electronic products segment located at Mainland China was closed down subsequent to the end of tenancy agreement. The Group is in the process of assessing the financial impact regarding the closure of the factory, which is not expected to be significant.

35. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group:

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Short term employee benefits	短期僱員福利	8,809,023	10,096,788
Contributions to retirement benefit schemes	退休福利計劃供款	36,000	52,500
Total compensation paid to key management personnel	支付予主要管理人員之總報酬	8,845,023	10,149,288

The above compensation for key management personnel of the Group includes emoluments paid to the Group directors. Further details of directors' emoluments are included in note 8 to the consolidated financial statements.

34. 報告期後事項

於二零一八年一月十六日，本集團注入資本1,500,000港元至電子消費品分類的一間附屬公司。

於二零一八年二月十日，電子消費品分類位於中國大陸一間附屬公司的廠房已於租賃合同到期後關閉，本集團正評估關閉廠房之財務影響，並不預期有重大影響。

35. 關連人士交易

本集團主要管理人員之報酬：

	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Short term employee benefits	8,809,023	10,096,788
Contributions to retirement benefit schemes	36,000	52,500
Total compensation paid to key management personnel	8,845,023	10,149,288

以上本集團主要管理人員之報酬包括支付予本集團董事之酬金。有關董事酬金之詳細資料包括於財務報表附註8。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2017

		Loans and receivables 貸款及 應收款項 HK\$ 港元	Available-for- sale financial assets 可供出售 金融資產 HK\$ 港元	Total 總計 HK\$ 港元
Financial assets:	金融資產：			
Available-for-sale financial investment	可供出售金融投資	–	680,000	680,000
Financial assets included in prepayments, deposits and other receivables (note 20)	包含於預付款項、按金及其他應收款項之金融資產(附註20)	748,356	–	748,356
Trade and bills receivables	應收賬項及票據	73,915,143	–	73,915,143
Cash and cash equivalents	現金及現金等值項目	42,285,169	–	42,285,169
		116,948,668	680,000	117,628,668

			Financial liabilities at amortised cost 按攤銷成本列賬 之金融負債 HK\$ 港元	Total 總計 HK\$ 港元
Financial liabilities:	金融負債：			
Trade payables	應付賬項		54,679,126	54,679,126
Financial liabilities included in accrued liabilities and other payables (note 24)	包含於應計負債及其他應付款項之金融負債(附註24)		7,567,097	7,567,097
Interest-bearing bank and other borrowings	帶息銀行及其他借貸		39,124,859	39,124,859
			101,371,082	101,371,082

36. 金融工具的分類

於報告期末，金融工具各類別的賬面值如下：

二零一七年

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

36. FINANCIAL INSTRUMENTS BY CATEGORY

(continued)

2016

36. 金融工具的分類(續)

二零一六年

		Loans and receivables 貸款及 應收款項 HK\$ 港元	Available-for- sale financial assets 可供出售 金融資產 HK\$ 港元	Total 總計 HK\$ 港元
Financial assets:	金融資產：			
Available-for-sale financial investment	可供出售金融投資	–	680,000	680,000
Financial assets included in prepayments, deposits and other receivables (note 20)	包含於預付款項、按金及其他應收款項之金融資產(附註20)	813,277	–	813,277
Trade and bills receivables	應收賬項及票據	76,658,999	–	76,658,999
Cash and cash equivalents	現金及現金等值項目	24,384,156	–	24,384,156
		<u>101,856,432</u>	<u>680,000</u>	<u>102,536,432</u>
			Financial liabilities at amortised cost 按攤銷成本列賬之金融負債 HK\$ 港元	Total 總計 HK\$ 港元
Financial liabilities:	金融負債：			
Trade payables	應付賬項		46,443,046	46,443,046
Financial liabilities included in accrued liabilities and other payables (note 24)	包含於應計負債及其他應付款項之金融負債(附註24)		9,399,527	9,399,527
Interest-bearing bank and other borrowings	帶息銀行及其他借貸		42,293,724	42,293,724
			<u>98,136,297</u>	<u>98,136,297</u>

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

37. FAIR VALUE MEASUREMENTS

The carrying amounts and fair values of the Group's financial instruments are as follows:

37. 公平價值計量

本集團金融工具的賬面值及公平價值如下：

		Carrying amounts		Fair values	
		賬面值		公平價值	
		2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年
		HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元
Financial assets:	金融資產：				
Available-for-sale financial investment	可供出售金融投資	680,000	680,000	680,000	680,000
Financial assets included in prepayments, deposits and other receivables (note 20)	包含於預付款項、按金及其他應收款項之金融資產(附註20)	748,356	813,277	748,356	813,277
Trade and bills receivables	應收賬項及票據	73,915,143	76,658,999	73,915,143	76,658,999
Cash and cash equivalents	現金及現金等值項目	42,285,169	24,384,156	42,285,169	24,384,156
		117,628,668	102,536,432	117,628,668	102,536,432

		Carrying amounts		Fair values	
		賬面值		公平價值	
		2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年
		HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元
Financial liabilities:	金融負債：				
Trade payables	應付賬項	54,679,126	46,443,046	54,679,126	46,443,046
Financial liabilities included in accrued liabilities and other payables (note 24)	包含於應計負債及其他應付款項之金融負債(附註24)	7,567,097	9,399,527	7,567,097	9,399,527
Interest-bearing bank and other borrowings	帶息銀行及其他借貸	39,124,859	42,293,724	39,124,859	42,293,724
		101,371,082	98,136,297	101,371,082	98,136,297

37. FAIR VALUE MEASUREMENTS (continued)

The fair values of the financial assets and liabilities are stated at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Cash and cash equivalents, trade and bills receivables, trade payables, financial assets included in prepayments, deposits and other receivables and financial liabilities included in accrued liabilities and other payables approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments on similar terms, credit risk and remaining maturities.

The following presents the assets and liabilities measured at fair value or which fair values are required to be disclosed in these consolidated financial statements on a recurring basis at 31 December 2017 across the three levels of the fair value hierarchy defined in HKFRS 13: Fair Value Measurement, with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

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

37. 公平價值計量(續)

除強迫或清盤出售外，金融資產及負債的公平價值是由自願訂約方之間進行現有交易中可交換的金額。

以下方法及假設已用於估計公平價值：

現金及現金等值項目、應收賬項及票據、應付賬項、金融資產包括預付款項、按金及其他應收款項，而金融負債包括應計負債及其他應付款項與其賬面值大致相若，原因是此等工具將於短期內到期。

帶息銀行及其他借貸的公平價值已透過將相若條款、信貸風險及剩餘到期期限以現有工具提供的折現率折現估計日後現金流量計算。

以下按香港財務報告準則第13號：公平價值計量所界定之公平價值三個等級列出按公平價值計量或須於二零一七年十二月三十一日按經常性基準於本綜合財務報表披露其公平價值之資產及負債，公平價值之分類基於其最低等級而對公平價值的整體計量有重大影響的輸入數據。輸入數據等級定義如下：

- 第一級(最高等級)：本集團在計量日可取得相同資產或負債在活躍市場之報價(未經調整)；
- 第二級：資產或負債可直接或間接觀察之輸入數據，第一級包括之報價除外；
- 第三級(最低等級)：資產或負債之不可觀察輸入數據。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

37. FAIR VALUE MEASUREMENTS (continued)

The following table shows an analysis of assets and liabilities measured at fair value by level of the fair value hierarchy:

37. 公平價值計量(續)

下表顯示按公平價值計量的資產及負債，並按公平價值等級分類之分析：

2017

二零一七年

		Level 1 第一級 HK\$ 港元	Level 2 第二級 HK\$ 港元	Level 3 第三級 HK\$ 港元	Total 總計 HK\$ 港元
Financial assets:	金融資產：				
Available-for-sale financial investment:	可供出售金融投資：				
– Club membership	– 會所會籍				
– outside Hong Kong	– 香港境外	680,000	–	–	680,000
Land and buildings:	土地及樓宇：				
Commercial – Hong Kong	商業 – 香港	–	67,700,000	–	67,700,000
Industrial – outside Hong Kong	工業 – 香港境外	–	–	71,193,000	71,193,000

2016

二零一六年

		Level 1 第一級 HK\$ 港元	Level 2 第二級 HK\$ 港元	Level 3 第三級 HK\$ 港元	Total 總計 HK\$ 港元
Financial assets:	金融資產：				
Available-for-sale financial investment:	可供出售金融投資：				
– Club membership	– 會所會籍				
– outside Hong Kong	– 香港境外	680,000	–	–	680,000
Land and buildings:	土地及樓宇：				
Commercial – Hong Kong	商業 – 香港	–	55,290,000	–	55,290,000
Industrial – outside Hong Kong	工業 – 香港境外	–	–	64,996,000	64,996,000

Notes to Consolidated Financial Statements (continued)

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

37. FAIR VALUE MEASUREMENTS (continued)

During the years ended 31 December 2017 and 2016, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

Movements in Level 3 fair value measurements

		2017 二零一七年 Total 總計 HK\$ 港元
Description	描述	
At beginning of the reporting period	於報告期初	64,996,000
Depreciation debited to profit or loss	損益賬扣除之折舊	(2,063,607)
Fair value gain on revaluation credited to other comprehensive income	重估公平價值收益計入 其他全面收入	4,581,346
Exchange realignment	匯兌調整	3,679,261
At the end of the reporting period	於報告期末	71,193,000
Changes in unrealised gains or losses for the period included in profit or loss held at the end of the reporting period	本期間包括在損益賬而於報告期末持有之未實現收益或虧損之變動	-
		2016 二零一六年 Total 總計 HK\$ 港元
Description	描述	
At beginning of the reporting period	於報告期初	67,631,000
Depreciation debited to profit or loss	損益賬扣除之折舊	(1,969,746)
Fair value gain on revaluation credited to other comprehensive income	重估公平價值收益計入 其他全面收入	3,737,441
Exchange realignment	匯兌調整	(4,402,695)
At the end of the reporting period	於報告期末	64,996,000
Changes in unrealised gains or losses for the period included in profit or loss held at the end of the reporting period	本期間包括在損益賬而於報告期末持有之未實現收益或虧損之變動	-

37. 公平價值計量(續)

截至二零一七年及二零一六年十二月三十一日止年度內，公平價值計量第一級及第二級之間並無任何轉撥，且無第三級公平價值計量之轉入及轉出。

第三級公平價值計量之變動

37. FAIR VALUE MEASUREMENTS (continued)

Description of the valuation techniques and inputs used in Level 2 fair value measurement

Properties located in Hong Kong

The properties located in Hong Kong were revalued by Chung, Chan & Associates, independent professionally qualified valuers, on the basis of market value by the comparison approach, which is based on market observable transactions of similar properties and adjusted for differences in key valuation attributes, such as size and age to reflect the conditions of the subject properties.

Description of the valuation techniques and inputs used in Level 3 fair value measurement

Properties located in Mainland China

The fair value of the properties located in Mainland China was revalued by Chung, Chan & Associates, independent professionally qualified valuers, using depreciated replacement cost approach. The valuer considered the subject properties are specialised properties for which there is no readily market observable transaction of similar properties. The estimation of fair value of the subject properties took into account their current cost of replacement or reproduction, less deduction for physical deterioration and all relevant forms of obsolescence and optimisation.

37. 公平價值計量(續)

第二級公平價值計量之輸入數據及估值方法描述

位於香港之物業

位於香港之物業由獨立專業合資格估值師衡量行採用比較市場價值的方式重新估值，且可觀察之市場類同物業交易及反映該物業狀況之主要估值方法如大小及樓齡，而對其作出差額調整。

第三級公平價值計量之輸入數據及估值方法描述

位於中國大陸之物業

位於中國大陸之物業由獨立專業合資格估值師衡量行採用折舊重置成本法重新估值。估值師考慮到該物業之獨特性，市場上並無可觀察之類同物業交易。故估計該物業之公平價值是參考現時的重置或重建成本、扣減實質退化及全部相關型式的廢置及優化。

Notes to Consolidated Financial Statements (continued)

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

37. FAIR VALUE MEASUREMENTS (continued)

Quantitative information of the significant unobservable inputs and description of valuation techniques used in Level 3 fair value measurement

The quantitative information of the significant unobservable input and description of valuation techniques used in Level 3 fair value measurement, including the description of the sensitivity to changes in unobservable inputs for recurring Level 3 fair value measurements, are as follows:

Description	Fair value at 31 December 2017 於二零一七年十二月三十一日之公平價值	Valuation techniques 估值方法	Unobservable input 不可觀察輸入數據	Sensitivity of fair value to changes in unobservable inputs 不可觀察輸入數據之公平價值敏感度變動
Asset				
Property, plant and equipment – Properties included in land and building: Industrial outside Hong Kong	HK\$71,193,000	Depreciated replacement cost approach	Estimated costs of construction (HK\$147 per sq. ft.) of similar type of industrial premises with adjustment on age, condition, utility, etc.	Assuming other factors remain unchanged, the higher the estimated cost of construction, the higher the fair value, and vice versa.
資產				
物業、廠房及設備 – 物業包括在土地及樓宇： 香港境外工業物業	71,193,000港元	折舊重置成本法	類同工業物業與樓齡、狀況、設施等調整之估計建築成本(147港元/平方呎)。	假設其他因素不變，估計建築成本越高，公平價值越高，反之亦然。

Valuation processes of the Group

The Group has a team headed by directors reviewing estimation of fair value of the properties. Fair values of the properties are estimated by the independent professionally qualified valuers on an annual basis. Discussions of the valuation process and results with the directors and the Audit Committee are held twice a year, for the Group's interim and annual reporting.

37. 公平價值計量(續)

第三等級公平價值計量所用之重大不可觀察輸入數據之量化資料及估值方法描述

第三級公平價值計量所用之重大不可觀察輸入數據之量化資料及估值方法描述，包括對經常性第三級公平價值計量之不可觀察輸入數據變動之敏感度描述如下：

集團估值程序

本集團物業之公平價值是由董事領導的小組檢討。該等物業之公平價值每年由獨立專業合資格估值師評估。估值程序及結果於每年兩次本集團的中期及年度報告與董事及審核委員會討論。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other borrowings, and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables, prepayments, deposits and other receivables, trade payables and accrued liabilities and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with a floating interest rate.

The Group's funding policy uses short term interest-bearing debts to finance its working capital requirements and interest-bearing debts over one year or internal generated resources to finance its capital investments. The Group borrows mainly at floating interest rates and the use of fixed rate interest-bearing debts over one year will only be considered for capital investments and under favourable market conditions.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit/(loss) before tax (through the impact on floating rate borrowings).

		2017 二零一七年		2016 二零一六年	
		Increase/ (decrease) in basis points 基點 增加/(減少)	(Decrease)/ increase in profit after tax 除稅後溢利 (減少)/增加 HK\$ 港元	Increase/ (decrease) in basis points 基點 增加/(減少)	(Increase)/ decrease in loss after tax 除稅後虧損 (增加)/減少 HK\$ 港元
Hong Kong dollar	港元	10	(2,856)	10	(14,146)
Hong Kong dollar	港元	(10)	2,856	(10)	14,146

38. 財務風險管理目標及政策

本集團之主要金融工具包括帶息銀行及其他借貸，以及現金及短期存款。該等金融工具之主要目的是為本集團營運籌集資金。本集團亦有多項直接以營運產生之其他金融資產及負債，例如應收賬項及票據、預付款項、按金及其他應收款項、應付賬項及應計負債及其他應付款項。

本集團金融工具涉及之主要風險為利率風險、外幣風險、信貸風險及流動資金風險。董事會審閱及同意每項管理該等風險之政策，概述如下。

利率風險

本集團的市場利率變動風險主要與長期債務之浮動利率有關。

本集團的資金政策是以短期帶息貸款提供經費作資本週轉及以一年以上的帶息貸款或內部資源提供資金作資本投資。本集團主要以浮動利率作借貸，一年以上的定率帶息貸款只會在有利的市場條件下才考慮用作資本投資。

以下表格展示於其他變數保持不變，而利率可能出現合理波動之情況下，本集團除稅後溢利/(虧損) (透過浮動利率借款影響)之敏感度分析。

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise mainly from (i) the operating units in Hong Kong which maintain cash in Hong Kong dollar, their functional currency, but make sales in United States dollar. (ii) the majority of the transactions of the operating units in Mainland China are denominated in RMB but their funds are mainly sourced from Hong Kong operating units.

In view of the fact that the Hong Kong dollar is pegged to the United States dollar and that the Group tries to match its assets and liabilities with the same currency, the Group's exposure to USD foreign currency risk is minimal. The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's profit/(loss) after tax (due to changes in the fair value of monetary assets and liabilities).

38. 財務風險管理目標及政策(續)

外幣風險

本集團有交易貨幣風險，此風險源自(i) 其在香港營運單位持有港幣現金，此為其功能貨幣，但銷售以美元作計算。(ii) 主要中國大陸營運交易單位為人民幣，但香港營運單位為其主要資金來源。

由於港元與美元掛鈎及本集團盡可能以相同貨幣配合其相關資產及負債，本集團所承擔的美元外幣風險甚微。以下表格展示於報告期末其他變數保持不變，而人民幣匯率可能出現合理波動之情況下，本集團除稅後溢利／(虧損)（因貨幣資產及負債的公平價值出現變動）之敏感度分析。

	2017			2016			
	二零一七年			二零一六年			
Exposure	Increase/ (decrease) in	Increase/ (decrease) in	Exposure	Increase/ (decrease) in	Decrease/ (increase) in		
	RMB rate	profit after tax		RMB rate	loss after tax		
風險	人民幣匯率	除稅後溢利	風險	人民幣匯率	除稅後虧損		
HK\$	(%)	HK\$	HK\$	(%)	HK\$		
港元		港元	港元		港元		
If Hong Kong dollar weakens against Renminbi	若港元兌人民幣走弱	324,040	5	13,529	408,846	5	17,069
If Hong Kong dollar strengthens against Renminbi	若港元兌人民幣走強	324,040	(5)	(13,529)	408,846	(5)	(17,069)

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, deposits and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. As at 31 December 2017, there is a significant concentration of credit risk as 26% (2016: 21%) of the balance representing a receivable from a single customer (2016: single customer), which was derived from sales by the precision parts and components segment.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables are disclosed in note 21 to the consolidated financial statements.

38. 財務風險管理目標及政策(續)

信貸風險

本集團僅與有信譽的第三者進行交易。按照本集團的政策，所有擬按信貸期進行交易的客戶，必須經過信貸核實程序後，方可落實。此外，本集團會持續監察應收結餘的情況，而本集團的壞賬風險並不重大。

本集團其他金融資產的信貸風險包括現金及現金等值項目、按金及其他應收款項，這些金融資產的信貸風險源自因交易對方違約，最大風險相等於這些工具的賬面值。

由於本集團僅與有信譽的第三者進行交易，故不需要任何抵押。集中信貸風險由客戶／交易對手、地區及行業類別管理。於二零一七年十二月三十一日，本集團存在重大集中信貸風險為26%（二零一六年：21%）之結餘來自精密零部件分類的一名客戶（二零一六年：一名客戶）之應收款項。

有關本集團因應收賬項及票據所產生信貸風險的進一步定量資料乃披露於財務報表附註21。

Notes to Consolidated Financial Statements (continued)

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

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The maturity profile of the Group's non-derivative and derivative financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments is as follows:

	2017 二零一七年			2016 二零一六年		
	Total amount	Within 1 year or on demand	In the 2 nd to 5 th years inclusive 第二至 第五年 (包括首尾 兩年)	Total amount	Within 1 year or on demand	In the 2 nd to 5 th years inclusive 第二至 第五年 (包括首尾 兩年)
	總額 HK\$ 港元	一年內或 按要求 HK\$ 港元		總額 HK\$ 港元	一年內或 按要求 HK\$ 港元	
Non-derivative:						
Trade payables						
Financial liabilities included in accrued liabilities and other payables (note 24)						
Interest-bearing bank borrowings						
Other borrowings						
	101,977,156	98,279,876	3,697,280	98,892,579	92,795,863	6,096,716

There was no contractual undiscounted payments of interest-bearing bank and other borrowings (2016: HK\$217,458) of which the loan agreements contain a repayment-on-demand clause giving the bank the unconditional right to call in the loans at any time.

Notwithstanding the repayment-on-demand clause, the directors consider that these loans will be repaid in accordance with the scheduled dates as set out in the loan agreements. This evaluation was made considering: the consolidated financial position of the Group at the date of approval of the consolidated financial statements; the Group's compliance with the loan covenants; the lack of events of default, and the fact that the Group has made all previously scheduled repayments on time.

38. 財務風險管理目標及政策(續)

流動資金風險

本集團於報告期末以訂約未折讓付款基準計算之非衍生及衍生金融負債如下：

並無帶息銀行及其他借貸之定約未折讓付款(二零一六年：217,458港元)的貸款協議包含貸款人擁有無附帶條件可隨時要求償還貸款權利的條款。

雖然有上述按要求償還條款，董事考慮到該等貸款將按貸款協議所載的日期支付。有關評估已考慮：本集團於批准此綜合財務報表當日之綜合財務狀況；本集團對貸款的契據之遵守；未有任何違反事項；及本集團一直按貸款協議所載的日期支付所有還款。

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

截至二零一七年十二月三十一日止年度

Year ended 31 December 2017

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirement. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2017 and 2016.

The Group monitors its capital using a gearing ratio, which is net debt divided by the total capital plus net debt. Net debt includes interest-bearing bank and other borrowings, trade payables, accrued liabilities and other payables less cash and cash equivalents. Capital includes equity attributable to owners of the Company. The gearing ratios as at the end of the reporting periods were as follows:

38. 財務風險管理目標及政策(續)

資本管理

本集團管理資本的首要目標是保障本集團的持續經營能力及維持穩健的資本比率，以支援其業務發展及為股東帶來更大的價值。

本集團會因應經濟環境變化管理其資本架構並對其作出調整。為維持或調整資本架構，本集團或會調整支付予股東的股息、發還資本予股東或發行新股份。本集團不需要遵從任何外部的附加資本要求。於截至二零一七年及二零一六年十二月三十一日止年度內，有關管理資本的目標、政策及過程並無作出任何變動。

本集團採用資本負債比率監察其資本情況，其乃債項淨值除以總資本加債項淨值計算。債項淨值包括帶息銀行及其他借貸、應付賬項、應計負債及其他應付款項，並扣除現金及現金等值項目。資本包括本公司擁有人所佔權益。於報告期末之資本負債比率如下：

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Interest-bearing bank and other borrowings	帶息銀行及其他借貸	39,124,859	42,293,724
Trade payables	應付賬項	54,679,126	46,443,046
Accrued liabilities and other payables	應計負債及其他應付款項	51,007,552	42,490,503
Less: Cash and cash equivalents	減：現金及現金等值項目	(42,285,169)	(24,384,156)
Net debt	債項淨值	102,526,368	106,843,117
Total equity	權益總額	266,838,875	233,060,992
Total capital and net debt	總資本及債項淨值	369,365,243	339,904,109
Gearing ratio	資本負債比率	28%	31%

綜合財務報表附註(續)

Notes to Consolidated Financial Statements (continued)

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

39. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

39. 公司級別之財務狀況表

		2017 二零一七年	2016 二零一六年
	Notes 附註	HK\$ 港元	HK\$ 港元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	附屬公司之投資	193,745,558	193,686,528
CURRENT ASSETS	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	296,920	295,229
Cash and cash equivalents	現金及現金等值項目	139,544	140,598
Total current assets	流動資產總計	436,464	435,827
CURRENT LIABILITIES	流動負債		
Accrued liabilities and other payables	應計負債及其他應付款項	370,450	232,880
Due to subsidiaries	應付附屬公司款項	88,770,308	88,773,095
		89,140,758	89,005,975
NET CURRENT LIABILITIES	流動負債淨值	(88,704,294)	(88,570,148)
Net assets	資產淨值	105,041,264	105,116,380
EQUITY	權益		
Issued capital	已發行股本	28 26,700,480	26,700,480
Reserves	儲備	30(b) 78,340,784	78,415,900
Total equity	權益總額	105,041,264	105,116,380

Approved and authorised for issue by the board of directors on 27 March 2018 and signed on its behalf by

董事會已於二零一八年三月二十七日批准及授權發佈，並由下列人士代表簽署

Lai Pei Wor
賴培和
Director
董事

Chan Yau Wah
陳友華
Director
董事

五年財務概要

Five-Year Financial Summary

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

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited consolidated financial statements, is set out below.

以下為本集團於過去五個財政年度之業績、資產及負債概要，此乃摘錄自經公佈審核綜合財務報表。

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2017	2016	2015	2014	2013
		二零一七年	二零一六年	二零一五年	二零一四年	二零一三年
		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
REVENUE	收入	422,925	431,017	431,757	465,277	419,520
PROFIT/(LOSS) BEFORE TAX	除稅前溢利/ (虧損)	9,146	(8,302)	205	11,552	23,695
Tax	稅項	(854)	192	(51)	(1,029)	2,330
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人 所佔溢利/ (虧損)	8,292	(8,110)	154	10,523	26,025

ASSETS AND LIABILITIES

資產及負債

		31 December 十二月三十一日				
		2017	2016	2015	2014	2013
		二零一七年	二零一六年	二零一五年	二零一四年	二零一三年
		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
Total assets	總資產	429,413	378,790	398,926	410,579	399,986
Total liabilities	總負債	(162,574)	(145,729)	(152,777)	(158,344)	(145,019)
		266,839	233,061	246,149	252,235	254,967



K & P International Holdings Limited
堅寶國際控股有限公司*

Units 2304-06
23rd Floor, Riley House, 88 Lei Muk Road
Kwai Chung, New Territories, Hong Kong

香港新界葵涌梨木道八十八號
達利中心二十三樓二零四至零六室