



明輝國際控股有限公司*

Ming Fai International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock Code 股份代號: 03828)

2017
ANNUAL REPORT
年報



* For identification purpose only 僅供識別

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors:

Mr. CHING Chi Fai (*Chairman*)
Mr. CHING Chi Keung
Mr. LIU Zigang
Mr. CHING Tsun Wah
Mr. KEUNG Kwok Hung

Non-executive Director:

Ms. CHAN Yim Ching

Independent non-executive Directors:

Mr. HUNG Kam Hung Allan
Mr. MA Chun Fung Horace
Mr. NG Bo Kwong
Mr. SUN Yung Tson Eric

EXECUTIVE COMMITTEE

Mr. CHING Chi Fai (*Chairman*)
Mr. CHING Chi Keung
Mr. LIU Zigang
Mr. CHING Tsun Wah
Mr. KEUNG Kwok Hung

AUDIT COMMITTEE

Mr. MA Chun Fung Horace (*Chairman*)
Mr. HUNG Kam Hung Allan
Mr. NG Bo Kwong
Mr. SUN Yung Tson Eric

REMUNERATION COMMITTEE

Mr. HUNG Kam Hung Allan (*Chairman*)
Mr. CHING Chi Fai
Mr. MA Chun Fung Horace
Mr. NG Bo Kwong
Mr. SUN Yung Tson Eric

NOMINATION COMMITTEE

Mr. CHING Chi Fai (*Chairman*)
Mr. MA Chun Fung Horace
Mr. SUN Yung Tson Eric

INVESTMENT COMMITTEE

Mr. CHING Chi Fai (*Chairman*)
Mr. MA Chun Fung Horace
Mr. KEUNG Kwok Hung

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Mr. KEUNG Kwok Hung *CPA*

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
DBS Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited

董事會

執行董事：

程志輝先生(主席)
程志強先生
劉子剛先生
程俊華先生
姜國雄先生

非執行董事：

陳艷清女士

獨立非執行董事：

孔錦洪先生
馬振峰先生
吳保光先生
孫榮聰先生

執行委員會

程志輝先生(主席)
程志強先生
劉子剛先生
程俊華先生
姜國雄先生

審核委員會

馬振峰先生(主席)
孔錦洪先生
吳保光先生
孫榮聰先生

薪酬委員會

孔錦洪先生(主席)
程志輝先生
馬振峰先生
吳保光先生
孫榮聰先生

提名委員會

程志輝先生(主席)
馬振峰先生
孫榮聰先生

投資委員會

程志輝先生(主席)
馬振峰先生
姜國雄先生

首席財務官兼公司秘書

姜國雄先生 · *CPA*

主要往來銀行

中國銀行(香港)有限公司
星展銀行(香港)有限公司
香港上海滙豐銀行有限公司

恒生銀行有限公司

AUDITOR

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

BRANCH SHARE REGISTRAR IN HONG KONG

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

For transfer of shares:
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong

REGISTERED OFFICE

P.O. Box 309GT
Ugland House
South Church Street
George Town, Grand Cayman
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit D3, 8/F, TML Tower
No. 3 Hoi Shing Road
Tsuen Wan, New Territories
Hong Kong

PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA (THE "PRC")

Bainikeng, Pinghu, Longgang
Shenzhen, the PRC

WEBSITE

www.mingfaigroup.com

STOCK CODE

03828

核數師

羅兵咸永道會計師事務所
香港
中環
太子大廈二十二樓

開曼群島主要股份過戶登記處

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

香港股份過戶登記分處

香港中央證券登記有限公司
投資者諮詢:
香港
灣仔皇后大道東183號
合和中心
17M樓

股份過戶:
香港
灣仔皇后大道東183號
合和中心
17樓1712–1716號舖

註冊辦事處

P.O. Box 309GT
Ugland House
South Church Street
George Town, Grand Cayman
Cayman Islands

總辦事處及香港主要營業地點

香港
新界荃灣
海盛路3號
TML廣場8樓D3室

中華人民共和國(「中國」) 主要營業地點

中國深圳市
龍崗區平湖白坭坑

網址

www.mingfaigroup.com

股份代號

03828

Highlights for the Year 2017

二零一七年摘要

- Revenue increased 9.8% to HK\$1,863.6 million (2016: HK\$1,698.0 million).
 - Gross profit decreased 2.7% to HK\$442.0 million (2016: HK\$454.2 million).
 - Gross profit margin decreased 3.1 percentage points to 23.7% (2016: 26.8%).
 - Operating profit is HK\$141.7 million (2016: HK\$123.1 million) and the profit for the year is HK\$108.8 million (2016: HK\$149.1 million).
- 收入增加9.8%至1,863.6百萬港元(二零一六年：1,698.0百萬港元)。
 - 毛利減少2.7%至442.0百萬港元(二零一六年：454.2百萬港元)。
 - 毛利率減少3.1個百分點至23.7%(二零一六年：26.8%)。
 - 經營溢利為141.7百萬港元(二零一六年：123.1百萬港元)及本年度溢利為108.8百萬港元(二零一六年：149.1百萬港元)。

To provide better information to the readers of the financial statements, additional financial information is presented below:

為向財務報表之讀者提供更完善資料，附加之財務資料呈列如下：

		2017 二零一七年	2016 二零一六年	
			Including fair value gains	Excluding [#] fair value gains
			包括 公平值收益	不包括 [#] 公平值收益
		HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元
Operating profit	經營溢利	141.7	123.1	123.1
Profit for the year	年度溢利	108.8	149.1	82.1
Profit attributable to owners of the Company	本公司擁有人應佔溢利	108.9	157.4	90.4
Basic earnings per share attributable to owners of the Company (HK cents)	本公司擁有人應佔每股基本盈利(港仙)	15.1	22.2	12.8

[#] This non-GAAP (generally accepted accounting principles) financial information is presented as additional information to readers.

[#] 此非公認會計原則財務資料之呈列為讀者附加資料。

- A proposed final dividend in respect of the year ended 31 December 2017 of HK5.0 cents per share of the Company (the "Share") was recommended, together with the interim dividend of HK2.0 cents per Share, representing a total of HK7.0 cents per Share (2016: HK6.0 cents per Share (excluding special dividend)) and the dividend payout ratio of 46.4% (2016: 46.9% (excluding fair value gains)).
- 截至二零一七年十二月三十一日止年度的建議末期股息為每股本公司股份(「股份」)5.0港仙，連同中期股息每股2.0港仙，總額為每股7.0港仙(二零一六年：每股6.0港仙(不包括特別股息))以及派息率為46.4%(二零一六年：46.9%(不包括公平值收益))。

Five Years Financial Summary

五年財務概要

CONSOLIDATED RESULTS

綜合業績

		Years ended 31 December				
		截至十二月三十一日止年度				
		2013	2014	2015	2016	2017
		二零一三年	二零一四年	二零一五年	二零一六年	二零一七年
		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	1,683,999	1,626,016	1,710,885	1,698,005	1,863,559
Profit/(loss) before income tax	未計所得稅前溢利／(虧損)	63,064	78,216	(199,299)	191,439	143,248
Income tax expenses	所得稅開支	(27,984)	(19,483)	(26,839)	(42,355)	(34,408)
Profit/(loss) for the year	年度溢利／(虧損)	35,080	58,733	(226,138)	149,084	108,840

CONSOLIDATED ASSETS, EQUITY AND LIABILITIES

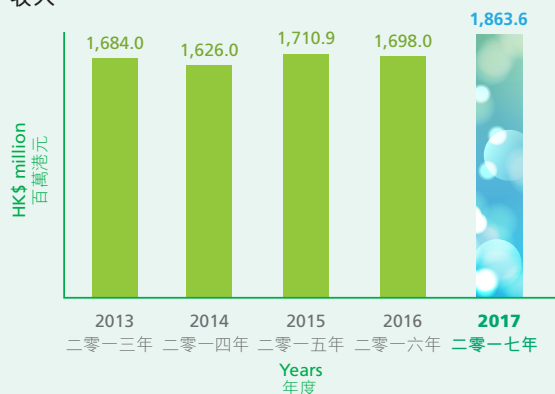
綜合資產、權益及負債

		As at 31 December				
		於十二月三十一日				
		2013	2014	2015	2016	2017
		二零一三年	二零一四年	二零一五年	二零一六年	二零一七年
		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
ASSETS	資產					
Non-current assets	非流動資產	843,195	828,410	546,604	331,064	380,180
Current assets	流動資產	1,055,629	1,094,901	1,075,041	1,322,931	1,269,650
Total assets	資產總額	1,898,824	1,923,311	1,621,645	1,653,995	1,649,380
EQUITY AND LIABILITIES	權益及負債					
Total equity	總權益	1,272,868	1,296,392	1,011,378	975,036	1,060,440
Non-current liabilities	非流動負債	38,356	31,526	22,179	2,612	2,792
Current liabilities	流動負債	587,600	595,393	588,088	676,347	586,598
Total liabilities	負債總額	625,956	626,919	610,267	678,959	589,390
Total equity and liabilities	總權益及負債	1,898,824	1,923,311	1,621,645	1,653,995	1,649,830

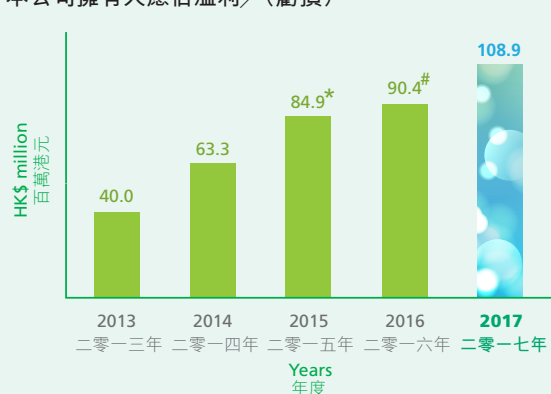
Key Shareholder Value Indices

主要股東價值指標

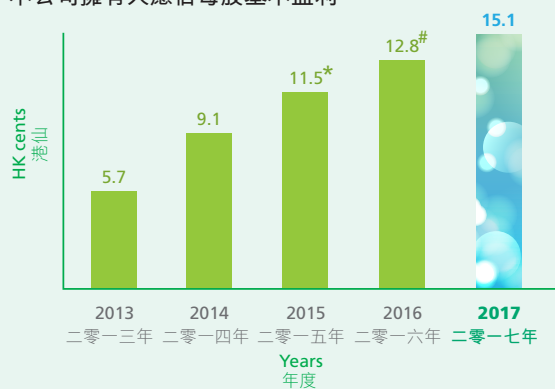
Revenue
收入



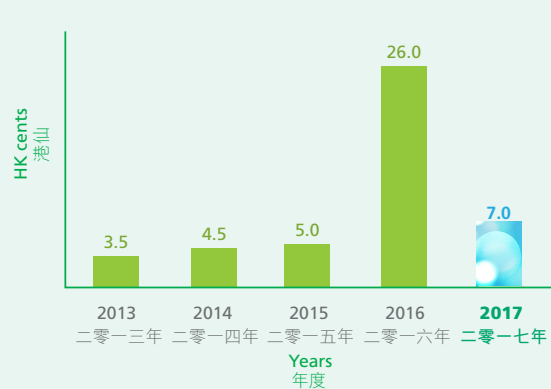
Profit/(loss) attributable to owners of the Company
本公司擁有人應佔溢利/(虧損)



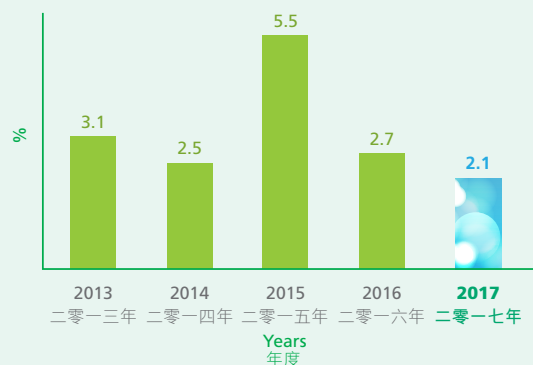
Basic earnings per Share attributable to owners of the Company
本公司擁有人應佔每股基本盈利



Dividend per Share
每股股息



Gearing ratio
資產負債比率



* Before recognition of significant non-recurring items
確認重大非經常性項目前

Excluding fair value gains
不包括公平值收益

Key Shareholder Value Indices (Continued)
主要股東價值指標(續)

		2013 二零一三年	2014 二零一四年	2015 二零一五年	2016 二零一六年	2017 二零一七年
Revenue (HK\$ million)	收入(百萬港元)	1,684.0	1,626.0	1,710.9	1,698.0	1,863.6
% Change	%變動	(0.1)%	(3.4)%	5.2%	-0.8%	9.8%
Profit/(loss) attributable to owners of the Company (HK\$ million)	本公司擁有人應佔溢利/(虧損)(百萬港元)	40.0	63.3	84.9*	90.4#	108.9
% Change	%變動	(46.9)%	58.1%	34.1%	6.5%	20.5%
Basic earnings per Share attributable to owners of the Company (HK cents)	本公司擁有人應佔每股基本盈利(港仙)	5.7	9.1	11.5*	12.8#	15.1
% Change	%變動	(50.0)%	59.6%	26.4%	11.3%	18.0%
Dividend per Share (HK cents)	每股股息(港仙)	3.5	4.5	5.0	26.0	7.0
% Change	%變動	0.0%	28.6%	11.1%	420.0%	(73.1)%
Gearing ratio (%)	資產負債比率(%)	3.1%	2.5%	5.5%	2.7%	2.1%

* Before recognition of significant non-recurring items
確認重大非經常性項目前

Excluding fair value gains
不包括公平值收益



**Chairman's
Statement**
主席報告

Chairman's Statement (Continued) 主席報告(續)

Dear Shareholders,

On behalf of Ming Fai International Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), I am pleased to present the audited annual results of the Group for the year ended 31 December 2017.

Our Group was developed with steady and firm footsteps in 2017 benefited by the remarkable global economic recovery under the relatively stable international political environment and the positive sentiment in global stock market. As a result of the optimistic economic environment the rejuvenated global tourism industry was rebounded with a strong momentum in 2017.

Hospitality supplies business, the Group's core business segment, achieved a satisfactory performance in 2017 benefited from the revitalised tourism industry and boosted up the Group's overall revenue. As a result, the Group recorded an overall revenue of HK\$1,863.6 million, indicating a 9.8% year-on-year increase compared to 2016. However, the Group still managed to maintain a relatively downturn in gross profit of HK\$442.0 million (2016: HK\$454.2 million) which was due to the aggressive pricing strategy on expanding our client network. The overall gross profit margin also descended by 3.1 percentage point to 23.7% (2016: 26.8%).

各位股東：

本人謹代表明輝國際控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)，欣然提呈本集團截至二零一七年十二月三十一日止年度的經審核年度業績。

於二零一七年，在相對穩定的國際政治環境及積極的全球股市氣氛下，受惠於全球經濟的顯著復甦，本集團的發展步伐得以穩健踏實。由於經濟環境樂觀，全球旅遊業於二零一七年憑藉強勁動量反彈復興。

本集團的核心業務分類—酒店供應品業務於二零一七年因旅遊業振興而受惠，表現令人滿意，並提升本集團整體收入。因此，本集團錄得整體收入1,863.6百萬港元，較二零一六年同期增加9.8%。然而，由於擴大客戶網絡的進取定價策略，本集團仍設法維持稍微下滑的毛利為442.0百萬港元(二零一六年：454.2百萬港元)。整體毛利率亦下降3.1個百分點至23.7%(二零一六年：26.8%)。



Chairman's Statement (Continued)

主席報告(續)

The profit attributable to owners of the Company stood at HK\$108.9 million (2016: HK\$157.4 million), recorded a decrease during 2017. Based on the financial performance in 2017, a final dividend of HK5.0 cents per Share is pleased to be suggested by the board of directors (the "Directors") of the Company (the "Board"), together with the interim dividend of HK2.0 cents per Share, making a total annual dividend of HK7.0 cents per Share (2016: HK6.0 cents per Share (excluding special dividend)), with a dividend payout ratio of 46.4% (2016: 46.9% (excluding fair value gains)).

Under the optimistic sentiment of the global tourism industry in 2017, the revenue of hospitality supplies business received a significantly rebound through a competitive pricing strategy to increase the number of customer orders. The satisfactory performance in the PRC, Hong Kong, Europe and other Asia Pacific regions in 2017 led the growth of revenue in the hospitality supplies business segment. Considering that China region obtains a ranking of one of the top greatest tourism arrivals in the worldwide according to the latest UN World Tourism Organization ("UNWTO") Tourism Highlight 2017, the Group pays intensive effort on the business in that region by optimising the well-developed customer network and enhancing cost efficiency.

At the same time, the Group is eager to extend clientele worldwide. To utilise the initiatives of "Belt and Road" Policy, the Group captured the opportunity to step towards the Southeast Asia market through the acquisition of new product line in the Kingdom of Cambodia ("Cambodia"). The Group expected for a better managed production process in Cambodia in order to cater for the potential growth in the Group's hospitality business.

Moreover, the Operating Supplies and Equipment ("OS&E") business, serving as another key driver to boost up the revenue for hospitality supplies business, will continue to pursue a robust and growth in the next financial year. The Group expected this segment will be well-developed to become a major contribution to the Group's revenue in future.

本公司擁有人應佔溢利於二零一七年錄得跌幅，並為108.9百萬港元(二零一六年：157.4百萬港元)。根據二零一七年的財務表現，本公司董事(「董事」)會(「董事會」)欣然建議派發末期股息每股5.0港仙，連同中期股息每股2.0港仙，年度股息總額為每股7.0港仙(二零一六年：每股6.0港仙(不包括特別股息))及派息率為46.4%(二零一六年：46.9%(不包括公平值收益))。

在二零一七年全球旅遊業的樂觀氣氛下，通過競爭性定價策略增加客戶訂單數目，酒店供應品業務的收入錄得大幅反彈。二零一七年中國、香港、歐洲及其他亞太地區的表現理想，帶動酒店供應品業務的分類收入增長。根據聯合國世界旅遊組織(「聯合國世界旅遊組織」)的最新旅遊摘要2017，經考慮中國地區榮獲全球其中最高旅客到訪量排名之一，本集團通過優化發展完善的客戶網絡及提高成本效益，為該地區的業務竭盡全力。

同時，本集團熱切希望擴大全球客戶。為利用「一帶一路」政策措施，本集團透過收購柬埔寨王國(「柬埔寨」)的新生產線，把握機會邁向東南亞市場。本集團預期在柬埔寨將有更好的管理生產過程以迎合本集團酒店業務之潛在增長。

此外，作為提高酒店供應品業務收入的另一主要來源，營運用品及設備(「營運用品及設備」)業務將於下一財政年度繼續追求強勁增長。本集團預期此分類將於未來發展完善並為本集團收入的主要來源。

Chairman's Statement (Continued) 主席報告(續)

Regarding the loss management, since the market proportion of traditional retail was diminished by the continuous escalation of the online retail market proportion in the PRC, the Group is inclined to continuously optimise our management progress by narrowing down the costs in operation and marketing promotion, in attempt to eliminate the loss making position. The number of physical retail stores was 42 as at 31 December 2017.

Looking forward, global economy may embrace a further growth in 2018. However, the Group will pay more attention to lower the risk of global economic downturn due to the impact of the United States ("U.S.") interest rate in a rising schedule and Brexit negotiations of the United Kingdom. Moreover, the unstable situation on the Korean Peninsula and the relation between China and the U.S. will cause unforeseeable impact on the global economy. To overcome the potential risks of the market, the Group will seize all the opportunities with an ultimate aim to generate greater returns to shareholders of the Company (the "Shareholders").

On behalf of the Board, I would be honored to express my sincere gratitude to all Shareholders, business partners and our dedicated, cautious and conscientious employees and management for their continued loyalty, professionalism and contribution to the Group.

CHING Chi Fai

Chairman

Hong Kong, 28 March 2018

就管理虧損而言，由於中國的線上零售市場比例不斷提升，令傳統零售市場比例下跌，本集團傾向透過縮減營運及市場推廣成本以持續優化我們的管理進度，試圖消除產生虧損的狀況。於二零一七年十二月三十一日，實體零售店數目為42家。

展望未來，全球經濟於二零一八年可能進一步增長。然而，由於美國(「美國」)利率上升及英國脫歐談判的影響，本集團將更關注降低全球經濟低迷的風險。此外，朝鮮半島的不穩定局勢及中美關係將對全球經濟造成不可預見的影響。為克服市場的潛在風險，本集團將把握一切機會以為本公司股東(「股東」)產生更大回報為最終目標。

本人謹此代表董事會，為全體股東、業務夥伴和敬業且認真謹慎的僱員及管理層一直以來對本集團的忠誠、專業精神及貢獻，致以誠摯的謝意。

主席

程志輝

香港，二零一八年三月二十八日



**Management
Discussion and
Analysis**
管理層討論及
分析



FINANCIAL REVIEW

For the year ended 31 December 2017, the total revenue recorded an increase of 9.8% to approximately HK\$1,863.6 million compared with HK\$1,698.0 million in 2016 as a result of the global economy recovery. The hospitality supplies business, the core business of the Group, displayed prominent contribution with a revenue of HK\$1,847.6 million for the year under review, which represented 99.1% of the Group's total revenue. The retail business revenue stood at HK\$16.0 million, comprising 0.9% of the total revenue.

Profit attributable to owners of the Company for the year ended 31 December 2017 was HK\$108.9 million (for the year ended 31 December 2016: HK\$157.4 million).

Basic earnings per Share attributable to owners of the Company for the year ended 31 December 2017 was HK15.1 cents (for the year ended 31 December 2016: HK22.2 cents).

Gross profit margin decreased 3.1 percentage points to 23.7% from 26.8% in the prior year due to the aggressive pricing strategy to increase the market share.

財務回顧

截至二零一七年十二月三十一日止年度，由於環球經濟復甦，總收入錄得增幅9.8%至約1,863.6百萬港元(二零一六年：1,698.0百萬港元)。於回顧年度內，酒店供應品業務(為本集團的核心業務)顯現突出貢獻，收入為1,847.6百萬港元，佔本集團總收入之99.1%。零售業務收入為16.0百萬港元，佔總收入之0.9%。

截至二零一七年十二月三十一日止年度，本公司擁有人應佔溢利為108.9百萬港元(截至二零一六年十二月三十一日止年度：157.4百萬港元)。

截至二零一七年十二月三十一日止年度，本公司擁有人應佔每股基本盈利為15.1港仙(截至二零一六年十二月三十一日止年度：22.2港仙)。

毛利率由去年26.8%減少3.1個百分點至23.7%，此乃歸因於以進取定價策略增加市場份額。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

The Board has resolved to propose a final dividend of HK5.0 cents per Share for the year ended 31 December 2017. A sum of the interim and year-end dividends is expected to be HK7.0 cents per Share (2016: HK6.0 cents per Share (excluding special dividend)). The proposed final dividend is subject to approval at the annual general meeting of the Company to be held on 30 May 2018 ("AGM").

董事會已議決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每股5.0港仙。預期中期及年末股息將合計為每股7.0港仙(二零一六年：每股6.0港仙(不包括特別股息))。建議末期股息須待將於二零一八年五月三十日舉行的本公司股東週年大會(「股東週年大會」)上批准後方可作實。

Set out below are the consolidated key financial highlights of the Group for the year ended 31 December 2017:

本集團截至二零一七年十二月三十一日止年度的綜合主要財務摘要載列如下：

Year ended 31 December

截至十二月三十一日止年度

		2017	2016	
		二零一七年	二零一六年	
		HK\$ million	HK\$ million	% Change
		百萬港元	百萬港元	變動百分比
Revenue	收入	1,863.6	1,698.0	9.8%
Gross profit	毛利	442.0	454.2	(2.7)%
Profit attributable to owners of the Company	本公司擁有人應佔溢利	108.9	157.4	(30.8)%
Net asset value	資產淨值	1,060.4	975.0	8.8%
Basic earnings per Share attributable to owners of the Company (HK cents)	本公司擁有人應佔每股基本盈利(港仙)	15.1	22.2	(32.0)%
Diluted earnings per Share attributable to owners of the Company (HK cents)	本公司擁有人應佔每股攤薄盈利(港仙)	14.9	21.9	(32.0)%

BUSINESS REVIEW

The Group achieved a satisfactory performance in overall revenue in the whole year of 2017 with core contribution of the hospitality supplies business benefited from the global economy recovery. The International Monetary Fund recorded that global economic growth increased 3.7% in 2017 due to a pickup in manufacturing and trade, rising market confidence and stabilising commodity prices. As the second largest economy, China recorded a satisfying Gross Domestic Product ("GDP") expansion to 6.9% in the year of 2017.

業務回顧

於二零一七年整個年度，本集團在整體收入方面取得滿意的表現，當中酒店供應品業務因受惠於全球經濟復甦而帶來主要貢獻。根據國際貨幣基金組織的記錄，由於製造及貿易好轉、市場信心增強及商品價格穩定，全球經濟增長於二零一七年上升3.7%。作為第二大經濟體，中國於二零一七年年錄得令人滿意的國內生產總值(「國內生產總值」)增長至6.9%。

The total revenue of the Group increased by 9.8% to HK\$1,863.6 million during the year ended 31 December 2017 (for the year ended 31 December 2016: HK\$1,698.0 million) due to promising performances in several major regions of the Group's hospitality supplies business. As the key driver of the revenue of the Group, the hospitality supplies business recorded a relative growth especially in the PRC and Hong Kong which were fueled by China's economic growth and the Group's market gains from high and mid-level hotels. The hospitality supplies business remained as the key contributors to the overall revenue of the Group, comprising 99.1% to the Group revenue. Under the optimised resources allocation, profit attributable to owners of the Company was HK\$108.9 million (for the year ended 31 December 2016: HK\$157.4 million), representing 30.8% decrease as compared to prior year.

However, the gross profit recorded a 2.7% decrease to HK\$442.0 million over the year of 2017 (for the year ended 31 December 2016: HK\$454.2 million) and the gross profit margin down to 23.7% (for the year ended 31 December 2016: 26.8%). The fluctuation of both gross profit and profit margin was due to our aggressive pricing strategy in attempt to attract more market share. On the other hand, even though the suffering from loss of retail business segment was narrowed down under the cost control strategy, the aggressive growth in online retail was the largest hinder on the recovery of traditional retail market.

Hospitality Supplies Business

According to the latest UNWTO World Tourism Barometer, international tourist arrivals worldwide grew by 7% during the year of 2017 compared to last year to reach a total of 1,322 million, representing the strongest result in the seven years. International arrivals in Asia and the Pacific were up 6%, while international arrivals in North America grew by 2%, which compared to remarkable growth up to 8% in Europe was not an outstanding performance.

Under the firm recovery of global tourism, the core hospitality supplies business contributed a satisfactory result of the Group's revenue. The revenue of the Group's hospitality supplies segment stood at HK\$1,847.6 million, representing an increase of 10.9% when compared to 2016 (for the year ended 31 December 2016: HK\$1,665.9 million). This was mainly attributable to the contribution from the satisfactory performance in the PRC, Hong Kong, Europe and other Asia Pacific regions. The gross profit of the hospitality supplies business achieved HK\$430.4 million, representing 5.7% decrease when compared to last year (for the year ended 31 December 2016: HK\$456.4 million). The gross profit margin of the segment decreased 4.1 percentage point to 23.3% (for the year ended 31 December 2016: 27.4%). This was mainly due to the fierce competition among global hospitality supplies sector, as well as a relatively aggressive pricing strategy adopted by the Group to attract more customers and generate additional sales.

截至二零一七年十二月三十一日止年度，由於本集團酒店供應品業務數個主要地區表現良好，本集團總收入增加9.8%至1,863.6百萬港元(截至二零一六年十二月三十一日止年度：1,698.0百萬港元)。作為本集團收入之主要來源，受惠於中國經濟增長及本集團於高檔及中檔酒店市場的收益推動，酒店供應品業務錄得相對增長，尤其於中國及香港地區。酒店供應品業務仍為本集團整體收入的主要貢獻者，佔本集團收入的99.1%。在優化資源分配下，本公司擁有人應佔溢利為108.9百萬港元(截至二零一六年十二月三十一日止年度：157.4百萬港元)，與去年相比下降30.8%。

然而，毛利於二零一七年年錄得2.7%下降至442.0百萬港元(截至二零一六年十二月三十一日止年度：454.2百萬港元)，而毛利率下跌至23.7%(截至二零一六年十二月三十一日止年度：26.8%)。毛利及毛利率之波動基於我們採用進取的定價策略以嘗試吸引更多市場份額。另一方面，儘管因零售分類業務而導致的損失於成本控制策略下收窄，惟線上零售激增為傳統零售市場復甦的最大障礙。

酒店供應品業務

根據聯合國世界旅遊組織世界旅遊晴雨表的最新報告，二零一七年年較去年相比，全球國際旅客總人數增長7%，達到合共1,322百萬人次，為七年來最佳成績。亞洲及太平洋地區國際旅遊人次增長6%，而於北美洲地區國際旅遊人次增長2%，其表現相比歐洲達8%之顯著增長並非突出。

在全球旅遊業穩健復甦的情況下，核心酒店供應品業務為本集團收入帶來令人滿意的成績。本集團酒店供應品分類收入為1,847.6百萬港元(截至二零一六年十二月三十一日止年度：1,665.9百萬港元)，較二零一六年增長10.9%。此乃主要歸因於中國、香港、歐洲及其他亞太地區的理想表現所帶來之貢獻。酒店供應品業務之毛利達到430.4百萬港元(截至二零一六年十二月三十一日止年度：456.4百萬港元)，較去年減少5.7%。該分類之毛利率下降4.1個百分點至23.3%(截至二零一六年十二月三十一日止年度：27.4%)。此乃主要由於全球酒店供應品版塊競爭激烈，同時本集團採用相對更進取之定價策略，以吸引更多客戶及產生更多銷售。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

The OS&E business, cultivated since the second half of 2014 continued its significant expansion by achieving a growth of 30.6% to HK\$117.3 million in revenue in the year of 2017 (for the year ended 31 December 2016: HK\$89.8 million). Though still accounting for a relatively small proportion of the hospitality supplies segment, OS&E business expanded its clientele base among both high and mid-level hotels. The global economic recovery also boosted the travel sentiment which resulted in an incremental trend of demand for the Group's OS&E business.

Breaking things down, revenue from the PRC and Hong Kong, which altogether remains the Group's key focus market on hospitality supplies business, increased by 15.8% and 14.3% respectively to HK\$602.4 million and HK\$300.2 million for the year ended of 31 December 2017 (for the year ended 31 December 2016: HK\$520.0 million and HK\$262.6 million respectively). It accounted for 32.6% and 16.2% of the total revenue of hospitality supplies business respectively. The economic recovery in the PRC led to increasing disposable incomes and intriguing the optimistic purchasing sentiment during China inbound travel.

For the year ended 31 December 2017, the second largest business region of the Group's hospitality supplies business, North America, recorded a revenue of HK\$404.0 million (for the year ended 31 December 2016: HK\$402.3 million), accounted for 21.9% (2016: 24.1%) of the hospitality supplies segment revenue, followed by Europe which registered a revenue of HK\$198.1 million (for the year ended 31 December 2016: HK\$174.4 million) and 10.7% (2016: 10.5%) of the segment revenue for the year under review. Regarding other Asia Pacific market, it recorded a revenue of HK\$287.5 million for the year ended 31 December 2017 (for the year ended 31 December 2016: HK\$251.8 million) which comprised 15.6% (2016: 15.1%) of the hospitality supplies segment revenue. For Australia market, it recorded a revenue of HK\$51.3 million for the year under review (for the year ended 31 December 2016: HK\$49.8 million), representing 2.8% (2016: 3.0%) of the hospitality supplies segment revenue.

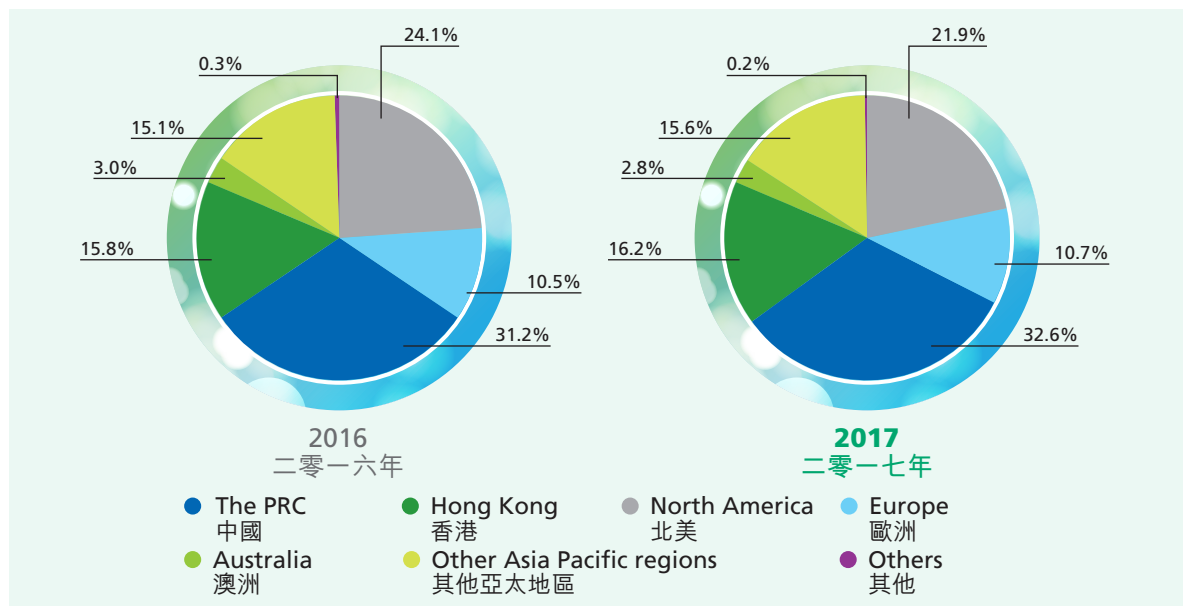
營運用品及設備業務自二零一四年下半年以來持續其大幅度增長，於二零一七年度之收入達30.6%的增長至117.3百萬港元(截至二零一六年十二月三十一日止年度：89.8百萬港元)。儘管仍僅佔酒店供應品分類中相對較小的部分，營運用品及設備業務於高檔及中檔酒店的客戶基礎均得以擴展。全球經濟復甦亦帶動旅遊熱潮，促使本集團營運用品及設備業務需求呈上升趨勢。

截至二零一七年十二月三十一日止年度，中國及香港地區繼續為本集團酒店供應品業務的主要重點市場，其收入分別增加15.8%及14.3%至602.4百萬港元及300.2百萬港元(截至二零一六年十二月三十一日止年度：分別為520.0百萬港元及262.6百萬港元)。其分別佔酒店供應品業務收入總額之32.6%及16.2%。中國經濟復甦帶動可支配收入增加及激發中國境內旅遊之樂觀購物氣氛。

截至二零一七年十二月三十一日止年度，北美屬本集團酒店供應品業務的第二大業務地區，錄得404.0百萬港元(截至二零一六年十二月三十一日止年度：402.3百萬港元)的收入，佔酒店供應品分類收入的21.9%(二零一六年：24.1%)，隨後為歐洲，其於回顧年度內錄得198.1百萬港元(截至二零一六年十二月三十一日止年度：174.4百萬港元)的收入，佔該分類收入的10.7%(二零一六年：10.5%)。至於其他亞太地區市場，其於截至二零一七年十二月三十一日止年度錄得287.5百萬港元(截至二零一六年十二月三十一日止年度：251.8百萬港元)的收入，佔酒店供應品分類收入的15.6%(二零一六年：15.1%)。至於澳洲市場，其於回顧年度錄得51.3百萬港元(截至二零一六年十二月三十一日止年度：49.8百萬港元)的收入，佔酒店供應品分類收入的2.8%(二零一六年：3.0%)。

Revenue by geographical location

按地域劃分之收入



To supplement the growth of the hospitality supplies business, the Group planned to acquire land and buildings for production and a manufacturing company in Cambodia. Management expects that it will provide a relatively lower cost on manpower and manufacturing overhead to boost up productivity and cost efficiency of the Group's hospitality supplies business.

為補充酒店供應品業務之增長，本集團已計劃收購作生產之土地及樓宇及一間於柬埔寨的生產公司。管理層預期此將提供相對較低的人力成本及生產營運費用以提升本集團酒店供應品業務的生產力及成本效益。

The new production line specialised in the manufacturing process for airline operators and hotels with multiple products to upgrade entire efficiency and enlarge potential capacity. As a result of the start of new factory, the Group will pursue the opportunities to capture the potential customer network in Cambodia as well as the countries nearby.

新生產線的生產程序專為航空營運商及酒店不同產品而設，提升整體效率及擴大潛在產能。由於工廠為新開設，本集團將追求機遇以取得柬埔寨以及鄰近國家的潛在客戶網絡。

Retail business

During the year of 2017, the Group retail business in PRC market still struggled along due to the strong competition including but not limited to the aggressively growth of online sales. As the result that younger generation ("Generation Z") in the PRC tremendously shifted their consuming priorities from offline to online, the traditional retail market slumped and struggled with the weak market sentiment.

零售業務

於二零一七年內，由於競爭激烈，包括但不限於線上銷售激增，以致本集團於中國市場的零售業務仍舉步維艱。中國年輕一代(「Z一代」)之消費優次大幅從線下轉往線上，傳統零售市場低迷，並因市場氣氛疲弱而陷入困境。

According to China's National Bureau of Statistics, China's online sales dramatically surged a year-on-year growth of 32.2% in the year of 2017. The Group's retail business recorded a segment profit before income tax of HK\$1.5 million for the year ended 31 December 2017 (for the year ended 31 December 2016: segment loss before income tax of HK\$37.5 million). The number of the PRC retail chain outlets was 42 as at 31 December 2017 (as at 31 December 2016: 387).

根據中國國家統計局的資料，中國線上銷售於二零一七年年顯著急升，同比增長32.2%。本集團零售業務於截至二零一七年十二月三十一日止年度錄得1.5百萬港元的未計所得稅前分類溢利(截至二零一六年十二月三十一日止年度：未計所得稅前分類虧損37.5百萬港元)。中國零售連鎖店的數目於二零一七年十二月三十一日為42家(於二零一六年十二月三十一日：387家)。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

During the year under review, the Group maintained its operation strategy to retail business, such as limit marketing and promotion expenditure, which contributes a further narrowed down of loss, comparing to previous financial year.

PROSPECTS

According to International Monetary Fund's forecasts, global growth for the coming year is at 3.9% with 2 percentage points increase. The recovery of economy has led the strong momentum of the international tourism industry and the experts keep an optimistic view in 2018. According to UNWTO Panel of Tourism Experts Confidence Index, the current strong momentum of international tourism, led by European, is expected to continue the escalation in the coming year.

In a relatively stable global economic environment, looking ahead, management of the Group maintains an optimistic stance towards the business conditions of the year of 2018 and focusing the business in Asia region, especially in the PRC and Hong Kong, with a steady expanding trend travel market is expected to maintain continuous growth.

Considering the long-term gross profit growth, the Group adopts a new production facilities in Cambodia for a satisfying cost efficiency in manpower and manufacturing overhead, besides the existing product line in Shenzhen, Guangdong, the PRC. The Group is optimistic that it will strengthen the competitiveness of the Group and benefit our hospitality customers as a whole. Moreover, the OS&E business is expected to be one of the key drivers of the Group's revenue in target of an outstanding result.

Given the aggressive growth of online sales in the PRC region, the dominant of e-commerce as a vast and complex ecosystem, the Group will continue executing conservative strategies to maintain its retail business while keep exploring a better financial performance of this segment.

The Group will continue to maintain flexible strategies to pursue more opportunities and enhance our market proportion in the hospitality supplies business while allocating resources in different business segments to capture a fruitful result in the coming year.

於回顧年度內，本集團於零售業務方面保持其營運策略，如控制營銷及推廣開支，相比上一個財政年度虧損進一步收窄。

前景

根據國際貨幣基金組織的預測，來年的全球增長為3.9%，上升2個百分點。經濟復甦導致國際旅遊業動量強勁，而專家對二零一八年保持樂觀態度。根據聯合國世界旅遊組織旅遊專家信心指數，國際旅遊的目前強勁動量由歐洲人帶動，並預期將於來年持續加強。

於相對穩定的全球經濟環境中，展望未來，本集團管理層對二零一八年年度的業務狀況保持樂觀態度，並將專注於亞洲地區的業務，尤其於中國及香港地區，呈穩定擴展趨勢的旅遊市場預期將維持持續增長。

經考慮長期毛利增長，本集團除採用於中國廣東深圳的現有生產線外，亦採用柬埔寨的新生產設施，以於人力及生產營運方面達致理想的成本效益。本集團對此於加強本集團之競爭力及讓我們酒店客戶整體得益表示樂觀。此外，營運用品及設備業務預期將成為本集團收入的主要來源之一並旨在達成卓越業績。

鑒於中國地區的線上銷售激增，電子商貿作為廣大且複雜的生態系統主導市場，本集團將繼續執行保守策略維持其零售業務，同時繼續為此分類探索更佳之財務表現。

本集團將繼續維持彈性的策略以追求更多機遇，並加強我們於酒店供應品業務的市場比例，同時亦分配資源至不同業務分類，以於來年取得豐碩的成果。

DISCLOSEABLE TRANSACTION

On 21 October 2017, a wholly-owned subsidiary of the Company, Ming Fai Holdings Limited, entered into (i) a share sale and purchase agreement and (ii) a land and building sale and purchase agreement with independent third parties in relation to (i) the acquisition of the entire issued share capital in, and the shareholders' loan due by, the target company, which is registered under the laws of Cambodia (the "Share Acquisition"); and (ii) the acquisition of a land parcel and the properties on that land parcel located in Cambodia (the "Land Acquisition"), respectively. The consideration for the Share Acquisition and the Land Acquisition is US\$3,500,000 and US\$3,500,000 respectively.

Details of the Share Acquisition and the Land Acquisition are set out in the announcements of the Company dated 22 October 2017 and 19 January 2018.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2017, the Group's cash and cash equivalents amounted to HK\$367.8 million (as at 31 December 2016: HK\$508.6 million).

In September and October 2015, the Group obtained two Hong Kong dollars ("HK\$") denominated mortgage loans and certain banking facilities, which bore interest at the higher of 1.7% per annum over one-month HIBOR or the cost to the bank of funding the facilities, for acquiring certain properties in Hong Kong. These properties were pledged against the mortgage loans and certain banking facilities and included in property, plant and equipment in the consolidated financial statements of the Group, with net carrying value of approximately HK\$52.4 million as at 31 December 2017 (as at 31 December 2016: HK\$54.7 million). As at 31 December 2017, the outstanding borrowings of these mortgage loans and facilities amounted to approximately HK\$16.5 million (as at 31 December 2016: approximately HK\$18.5 million).

In October 2015, the Group obtained a HK\$ denominated loan which bore interest at 1.7% per annum over one-month HIBOR for its working capital. The banking facilities were secured by property, plant and equipment in the consolidated financial statements of the Group, with net carrying value of approximately HK\$3.6 million as at 31 December 2017 (as at 31 December 2016: HK\$4.1 million). As at 31 December 2017, the outstanding borrowing of this facility amounted to approximately HK\$5.7 million (as at 31 December 2016: approximately HK\$7.7 million).

須予披露交易

於二零一七年十月二十一日，本公司之全資附屬公司明輝控股有限公司與獨立第三方訂立(i)一份股份買賣協議及(ii)一份土地及樓宇買賣協議，分別有關(i)收購根據柬埔寨法律註冊的目標公司全部已發行股本及其應付的股東貸款(「股份收購事項」)；及(ii)收購一幅位於柬埔寨的地塊及位於該地塊的物業(「土地收購事項」)。股份收購事項及土地收購事項的代價分別為3,500,000美元及3,500,000美元。

股份收購事項及土地收購事項的詳情載於本公司日期為二零一七年十月二十二日及二零一八年一月十九日的公告。

流動資金及財務資源

於二零一七年十二月三十一日，本集團的現金及現金等值項目為367.8百萬港元(於二零一六年十二月三十一日：508.6百萬港元)。

於二零一五年九月及十月，本集團就收購香港若干物業取得兩項以港元(「港元」)計值的按揭貸款及若干銀行融資，按一個月的香港銀行同業拆息率加年利率1.7厘或銀行撥付融資之費用(以較高者為準)計息。按揭貸款及若干銀行融資以此等物業作抵押並計入本集團綜合財務報表之物業、廠房及設備，於二零一七年十二月三十一日之賬面淨值約為52.4百萬港元(於二零一六年十二月三十一日：54.7百萬港元)。於二零一七年十二月三十一日，此等按揭貸款及融資之未償還借貸約為16.5百萬港元(於二零一六年十二月三十一日：約18.5百萬港元)。

於二零一五年十月，本集團就其營運資金取得一項以港元計值之貸款，此貸款按一個月的香港銀行同業拆息率加年利率1.7厘計息。此等銀行融資乃以本集團之綜合財務報表中之物業、廠房及設備作抵押，於二零一七年十二月三十一日之賬面淨值約為3.6百萬港元(於二零一六年十二月三十一日：4.1百萬港元)。於二零一七年十二月三十一日，該項融資之未償還借貸約為5.7百萬港元(於二零一六年十二月三十一日：約7.7百萬港元)。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Details of the borrowings are set out in Note 20 to the consolidated financial statements.

The gearing ratio as at 31 December 2017, calculated on the basis of borrowings over total equity, was 2.1% as compared with 2.7% as at 31 December 2016.

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi (“RMB”). The Group currently does not deploy a foreign currency hedging policy.

The Group primarily sourced its raw materials in the PRC. The related currency exposure with respect to RMB is managed through increasing sales denominated in the same currency.

With the current level of cash and cash equivalents as well as available banking facilities, the Group’s liquidity position remains strong and has sufficient financial resources to meet its current working capital requirement and future expansion.

CHARGES ON GROUP ASSETS

As at 31 December 2017, certain subsidiaries of the Company pledged assets with aggregate carrying value of approximately HK\$56.1 million (as at 31 December 2016: approximately HK\$58.8 million) to secure drawn bank borrowings.

CAPITAL COMMITMENTS, OPERATING LEASE COMMITMENTS AND CONTINGENT LIABILITIES

Details of the capital commitments and operating lease commitments are set out in Note 33 to the consolidated financial statements. The Group has no material contingent liabilities as at 31 December 2017.

EMPLOYEES

As at 31 December 2017, the total number of employees of the Group was approximately 3,700 and the employee benefit expenses including Directors’ emoluments were approximately HK\$378.6 million. The Group offers a comprehensive remuneration package which is reviewed by management on a regular basis. The Group also invests in continuing education and training programs for its management staff and other employees with a view to constantly upgrading their skills and knowledge.

借貸詳情載於綜合財務報表附註20。

於二零一七年十二月三十一日之資產負債比率為2.1%，計算基準為借貸除總權益，而於二零一六年十二月三十一日之資產負債比率為2.7%。

本集團面對受以人民幣(「人民幣」)為主的各種外匯風險。本集團目前並無制定外匯對沖政策。

本集團主要於中國採購其原材料。有關人民幣之貨幣風險乃透過增加以相同貨幣計值之銷售額進行管理。

按照現有現金及現金等值項目以及可動用銀行融資的水平，本集團的流動資金狀況仍然保持穩健，並具備充足財務資源應付現時營運資金需求及未來擴充所需。

集團資產抵押

於二零一七年十二月三十一日，本公司若干附屬公司抵押總賬面值約56.1百萬港元(於二零一六年十二月三十一日：約58.8百萬港元)之資產，作為已提取銀行借貸之擔保。

資本承擔、營運租賃承擔及或然負債

資本承擔及營運租賃承擔之詳情載於綜合財務報表附註33。於二零一七年十二月三十一日，本集團概無重大或然負債。

僱員

於二零一七年十二月三十一日，本集團的僱員總數約為3,700名，僱員福利開支(包括董事酬金)約378.6百萬港元。本集團提供完善的薪酬待遇，並由管理層定期作出檢討。本集團亦撥資為其管理層人員及其他僱員提供持續教育和培訓課程，旨在不斷提升彼等的技能和知識水平。

The Group values employees as our most valuable assets and believes effective employee engagement is an integral part of business success. In this context, effective communication with employees at all levels is highly valued with the ultimate goal to enhance the efficiency in providing quality service to the customers. The Group also has Commendation Annual Award Scheme to motivate its employees and recognise their outstanding performance.

Corporate Social Responsibilities

The Group is committed to the principle of sustainable development and fulfill corporate social responsibilities (“CSR”) by applying commercial morality, being good to people and protecting our environment.

The Group sets environmental policies and complies with internationally certified environmental management systems and standards, such as International Organisation for Standardisation (“ISO”) 14001:2004 and Hong Kong Green Mark Certification Scheme.

Being one of the world’s leading hotel amenities suppliers, our Group actively concerns environmental protection. We are committed to building an environmental-friendly corporation that devotes to conserving natural resources. We endeavor to minimise our environmental impact by reducing the consumption of energy and natural resources in our manufacture and design of products, saving electricity and encouraging recycle of office supplies and other materials. We choose suppliers who can meet our environmental protection requirements. We also encourage employees to switch off all computers and office equipment, electrical and air-conditioner at the end of each working day. Besides, since 2015, our Group has started the cooperation with and make donation to Soap Cycling, a non-profit organisation based in Hong Kong engaging in collecting, sanitising and recycling slightly used soaps. These life-saving items are then distributed to underprivileged families and schools in disadvantaged communities around the world, particularly in Asia. Moreover, during the year, the Group has continued to develop strategies to monitor and manage emission contributors usage in all aspects of the facility. The Group also continues to engage in charitable activities.

The Group believes that CSR is not just about philanthropy, but also a responsibility towards the community and being able to provide a good platform to contribute in any way that is meaningful, fulfilling and sustainable. CSR will remain a prominent feature in the Group’s agenda, and environmental management is always an integral part of the Group’s business planning and daily operations.

本集團視僱員為最寶貴的資產，並深信提升僱員的歸屬感乃成功經營之核心。為此本集團十分重視與各級僱員保持有效溝通，務求最終能更有效地向客戶提供優質服務。本集團亦籌辦了一項「年度嘉勉狀計劃」以激勵員工士氣及表彰彼等突出的工作表現。

企業社會責任

本集團秉承可持續發展原則，努力遵循行商有道、與人為善、保護環境的企業社會責任（「企業社會責任」）。

本集團擬定了環保政策並實施國際認可的環境管理系統及準則，如國際標準化組織（「ISO」）14001:2004及香港Q綠環保管理計劃。

作為世界領先的酒店賓客用品供應商之一，本集團積極關注環保。我們致力成為一間環保企業，盡力保護天然資源。我們力求透過在製造及設計產品過程中減低能源及天然資源消耗，節約用電及鼓勵辦公用品及其他材料的循環利用，以降低對環境造成的影響。我們選擇符合我們環保要求的供應商。我們亦鼓勵僱員在每天工作結束時關掉所有電腦及辦公設備、電器及空調。此外，自二零一五年起，本集團開始與香港非牟利機構再皂福（Soap Cycling）合作並對其進行捐贈，該機構從事收集、消毒和回收稍微使用過的香皂。此等香皂再分發到世界各地（特別是亞洲）弱勢社區的貧困家庭及學校。此外，本集團於年內繼續制訂策略以全面監控和管理設施的排放量。本集團亦繼續從事慈善活動。

本集團深信企業社會責任不僅是慈善事業，亦為本集團對社區的責任及可為本集團提供平台，以有意義、可行及可持續的方式回饋社會。企業社會責任將繼續為本集團議程中之重要特點及環境管理乃本集團業務規劃及日常營運中的主要部分。

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷詳情

EXECUTIVE DIRECTORS

Mr. CHING Chi Fai, aged 56, is an executive Director and chairman of the Company. He is the chairman of the Nomination Committee, the Executive Committee and the Investment Committee of the Company. He is also a member of the Remuneration Committee of the Company. Mr. CHING Chi Fai is also a founder of the Group. He has been responsible for sales and marketing, production of our products and the formulation of the overall corporate direction and business strategies of our Group. Mr. CHING Chi Fai has over 20 years of experience in the hospitality amenity industry. Mr. CHING Chi Keung is a brother of Mr. CHING Chi Fai and Mr. CHING Tsun Wah is the son of Mr. CHING Chi Fai.

Mr. CHING Chi Keung, aged 53, is an executive Director. He is a member of the Executive Committee of the Company. Mr. CHING Chi Keung is also a founder of the Group. He has been responsible for human resources and administrative matters. Mr. CHING Chi Keung has over 20 years of experience in the hospitality amenity industry. Mr. CHING Chi Fai is a brother of Mr. CHING Chi Keung and Mr. CHING Tsun Wah is a nephew of Mr. CHING Chi Keung.

Mr. LIU Zigang, aged 52, is an executive Director. He is a member of the Executive Committee of the Company. Mr. LIU has been responsible for sales and marketing since he joined our Group in May 1995. He oversees direct sales in the Greater China Region as well as the Southeast Asia markets. Mr. LIU has over 20 years of experience in the hospitality amenity industry. Mr. LIU holds a diploma from Shenzhen University, the PRC. Mr. LIU completed a course on International Business Management of Tsinghua University organised by Yangtze Delta Region Institute of Tsinghua University, the PRC.

Mr. CHING Tsun Wah, aged 36, is an executive Director and a member of the Executive Committee of the Company. He is currently the business development director of the Company. He graduated in Seneca College Toronto of Canada in marketing administration in 2003. He joined the Group since 2006 to assist in production and has been actively involved in both the business and product development of the Group. Mr. CHING Tsun Wah has extensive experience in the hospitality amenity industry. Mr. CHING Tsun Wah is the son of Mr. CHING Chi Fai and a nephew of Mr. CHING Chi Keung.

執行董事

程志輝先生，56歲，為執行董事兼本公司之主席。彼為本公司提名委員會、執行委員會及投資委員會主席。彼亦為本公司薪酬委員會成員。程志輝先生亦為本集團之始創人。彼負責銷售及市場推廣、產品生產以及制定企業整體方向及本集團業務策略。程志輝先生於酒店賓客用品業擁有逾20年經驗。程志強先生為程志輝先生之胞弟及程俊華先生為程志輝先生之兒子。

程志強先生，53歲，為執行董事。彼為本公司執行委員會成員。程志強先生亦為本集團之始創人。彼負責人力資源及行政事務。程志強先生於酒店賓客用品業擁有逾20年經驗。程志輝先生為程志強先生之胞兄及程俊華先生為程志強先生之侄子。

劉子剛先生，52歲，為執行董事。彼為本公司執行委員會成員。自彼於一九九五年五月加盟本集團以來，劉先生一直負責銷售及市場推廣工作。彼負責監督大中華區以及東南亞市場的直銷業務。劉先生於酒店賓客用品業擁有逾20年經驗。劉先生持有中國深圳大學的文憑。劉先生完成由中國清華長三角研究院舉辦的清華大學國際工商管理課程。

程俊華先生，36歲，為執行董事及本公司之執行委員會成員。彼現為本公司的業務發展部總監。彼於二零零三年畢業於加拿大多倫多聖力嘉學院的市場管理學系。彼於二零零六年加盟本集團以協助生產，並積極參與本集團的業務及產品開發。程俊華先生於酒店賓客用品業擁有豐富經驗。程俊華先生為程志輝先生的兒子及程志強先生的侄子。

Biographical Details of Directors and Senior Management (Continued) 董事及高級管理人員之履歷詳情(續)

Mr. KEUNG Kwok Hung, aged 45, is an executive Director, the chief financial officer and the company secretary of the Company. He is also a member of the Executive Committee and the Investment Committee of the Company. He joined the Group in July 2010 and he is responsible for finance and accounting matters. He has over 20 years of experience in accounting and financial management. He holds a bachelor degree in Accountancy from the Hong Kong Polytechnic University and is a fellow member of the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the Association of Chartered Certified Accountants (“ACCA”). Mr. KEUNG is an independent non-executive director of Milestone Builder Holdings Limited, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

NON-EXECUTIVE DIRECTOR

Ms. CHAN Yim Ching, aged 50, is a non-executive Director. Ms. CHAN was responsible for sales and marketing when she joined our Group in 1995 and she oversaw export sales to overseas markets when she acted as an executive Director from 2007 to 2015. Ms. CHAN has over 20 years of experience in the hospitality amenity industry. Prior to joining our Group, she worked in several companies engaged in hospitality amenity business.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. HUNG Kam Hung Allan, aged 63, is an independent non-executive Director since 2007. He is the chairman of the Remuneration Committee and a member of the Audit Committee of the Company. Mr. HUNG has over 20 years of senior management experience in managing hotel operations and hotel investments. In 1992, he was a deputy managing director of Top Glory International Holdings Limited (“Top Glory”), a former Hong Kong listed company which was privatised in August 2003 and acted as its executive director from July 1997 to January 2001. During the period with Top Glory, Mr. HUNG assisted Top Glory to develop and manage hotels/resorts. He resigned from such positions due to the restructuring of Top Glory (by its holding company). In 2005, Mr. HUNG started a hotel development consultancy service to work with various hotel developers and prestigious hotel chains on design and project management.

姜國雄先生，45歲，為執行董事、本公司之首席財務官及公司秘書。彼亦為本公司執行委員會及投資委員會成員。彼於二零一零年七月加盟本集團並負責財務及會計事宜。彼擁有逾20年會計及財務管理經驗。彼持有香港理工大學授予之會計學學士學位，並為香港會計師公會（「香港會計師公會」）及英國特許公認會計師公會（「英國特許公認會計師公會」）之資深會員。姜先生為進階發展集團有限公司（其股份於香港聯合交易所有限公司（「聯交所」）主板上市）之獨立非執行董事。

非執行董事

陳艷清女士，50歲，為非執行董事。陳女士於一九九五年加盟本集團時負責銷售及市場推廣工作，且彼於二零零七年至二零一五年曾擔任執行董事，監督出口銷售至海外市場。陳女士於酒店賓客用品業擁有逾20年經驗。在加盟本集團前，彼曾任職數間從事酒店賓客用品業務的公司。

獨立非執行董事

孔錦洪先生，63歲，自二零零七年為獨立非執行董事。彼為本公司薪酬委員會主席及審核委員會成員。孔先生於酒店營運及酒店投資方面擁有逾20年的資深管理經驗。彼於一九九二年為鵬利國際集團有限公司（「鵬利」）（前香港上市公司，其於二零零三年八月私有化）之副董事總經理，並於一九九七年七月至二零零一年一月為其執行董事。在鵬利任職期間，孔先生協助鵬利發展及管理酒店／度假村。彼因鵬利之控股公司重組而辭任上述職位。於二零零五年，孔先生開始酒店發展顧問服務，於設計及項目管理方面與多個酒店發展商及知名酒店連鎖集團合作。

Biographical Details of Directors and Senior Management (Continued)

董事及高級管理人員之履歷詳情(續)

Mr. MA Chun Fung Horace, aged 47, is an independent non-executive Director since 2007. He is the chairman of the Audit Committee and a member of each of the Remuneration Committee, the Nomination Committee and the Investment Committee of the Company. Mr. MA is a seasoned accountant with extensive experience in risk and internal control. Mr. MA is a Certified Public Accountant (Practicing) registered with the HKICPA, a fellow member of the ACCA, a Certified Internal Auditor registered with the Institute of Internal Auditors and holder of Certification of Control Self-Assessment of the Institute of Internal Auditors. Mr. MA also holds various degrees including Master of Science and Bachelor of Business Administration conferred by The Chinese University of Hong Kong and Bachelor of Laws conferred by the University of London.

Mr. NG Bo Kwong, aged 61, is an independent non-executive Director since 13 June 2013. He was a non-executive Director from 9 July 2007 to 31 December 2012. He is a member of the Audit Committee and the Remuneration Committee of the Company. Mr. NG has over 20 years of management experience in different industries (including the hospitality amenity industry). He is the chairman of the International Quality Service Management Promotion Association (國際優質服務管理促進會) and a full member of the Hong Kong Management Association (香港管理專業協會). He had assisted a number of medium to large sized enterprises in formulating company development strategies and establishing management systems in the areas of sales and marketing, human resources and production management. Mr. NG is also a guest lecturer of Master of Business Administration programs and senior executive development programs of several universities. He had been a director of a number of non-listed companies and is currently a director of Advance Management Consultants Limited and Guangzhou Advance Cultural Events Limited. He received a master degree of Business Administration from the University of East Asia and a doctor degree of Philosophy in Business Administration from Tarlac State University.

馬振峰先生，47歲，自二零零七年為獨立非執行董事。彼為本公司審核委員會主席，亦為本公司薪酬委員會、提名委員會及投資委員會成員。馬先生為一名經驗豐富之會計師並於風險及內部監控方面擁有豐富經驗。馬先生為香港會計師公會註冊會計師(執業)、英國特許公認會計師公會資深會員、內部核數師公會之註冊內部核數師及控制自我評價專業認證持有人。馬先生亦持有多個大學學位，包括香港中文大學所頒授的理學碩士學位及工商管理學士學位，以及倫敦大學所頒授的法律學士學位。

吳保光先生，61歲，自二零一三年六月十三日起為獨立非執行董事。彼自二零零七年七月九日至二零一二年十二月三十一日為非執行董事。彼為本公司審核委員會及薪酬委員會成員。吳先生於不同行業(包括酒店賓客用品業)擁有逾20年管理經驗。彼為國際優質服務管理促進會之主席，並為香港管理專業協會的正式會員。彼協助多間中型至大型企業制定公司發展策略，並於銷售及市場推廣、人力資源及生產管理等領域建立管理制度。吳先生亦兼任數間大學工商管理碩士課程及高級管理人員培訓課程的客席講師。彼曾擔任多間非上市公司的董事，現為艾雲斯管理顧問有限公司及廣州艾雲斯文化活動策劃有限公司的董事。彼持有東亞大學工商管理碩士學位及太歷國立大學工商管理哲學博士學位。

Biographical Details of Directors and Senior Management (Continued) 董事及高級管理人員之履歷詳情(續)

Mr. SUN Yung Tson Eric, aged 41, is an independent non-executive Director since 2016. He is also a member of the Nomination Committee, the Remuneration Committee and the Audit Committee of the Company. He graduated with Bachelor degree of Commerce in the University of New South Wales, Australia in July 2000. He has been the managing director of Kin Hip Metal & Plastic Factory, Limited and KINOX Trading Limited since 2006 whom succeeded the family business from his father Mr. SUN Kai Lit Cliff, a former independent non-executive Director. "KINOX" is a famous international quality manufacturer of fashionable cookware, houseware, insulated beverage servers, grills and electrical appliances in household and catering industries, especially in European and American countries. Mr. SUN Yung Tson Eric has been involved in investing KINOX products and pioneering KINOX brand exposure in emerging markets. Mr. SUN Yung Tson Eric is the chairman of a brand joint venture named Hong Kong Quality Brands Alliance Limited (HKQBA) (香港名牌薈萃有限公司) where he devotes his utmost in joining force with the second and the third manufacturers' generations with the aims of enhancing local brand exposure. Mr. SUN Yung Tson Eric is the honorary and founding president of Youth Executive Council (青年委員會) of Federation of Hong Kong Industries (香港工業總會) ("FHKI") which aimed to facilitate communication platform for expertise exchange among young industrialists as well as the founding Vice Chairman and Secretary General of Hong Kong O2O E-Commerce Federation (香港O2O電子商務總會) stimulating digitalisation and O2O business development of Hong Kong Industries. His effort on social responsibility also dedicates to his positions of committee member of FHKI Hong Kong Q-Mark Council (香港優質標誌局) and committee member of FHKI Pearl River Delta Council (珠三角工業協會). Mr. SUN Yung Tson Eric is the Chairman of Hong Kong Plastics Manufacturers Association Limited (香港塑膠業廠商會有限公司) and the Vice Chairman of The Hong Kong Exporters' Association (香港出口商會). Mr. SUN Yung Tson Eric practices active roles in different public services in both Hong Kong and China.

SENIOR MANAGEMENT

Ms. CHAN Yick Ning, aged 55, is our research and development director. Ms. CHAN is responsible for overseeing various aspects of our chemical production such as chemical production quality control, research and development of product formulations, the operations of the chemical and microbiological laboratory, the performance of the senior chemists and technicians, quality control and research and development. Ms. CHAN is also our vice chairman of company compliance committee to provide the technical expertise in vary aspects to ensure the regulatory compliance and product safety. Ms. CHAN joined our Group in 2005 and has over 20 years of experience in cosmetics production and laboratory operation. Ms. CHAN was awarded a Master of Science degree from University of Warwick in 2013 and a Diploma in Management Studies jointly by The Hong Kong Polytechnic University and Hong Kong Management Association in 1992. Ms. CHAN is also a founder member and the President of Hong Kong Society of Cosmetic Chemists, which is affiliate member of The International Federation Societies of Cosmetic Chemists in the United States.

孫榮聰先生，41歲，自二零一六年為獨立非執行董事。彼亦為本公司提名委員會、薪酬委員會及審核委員會成員。彼於二零零零年七月於澳洲新南威爾斯大學畢業及獲頒商學學士學位。彼從其父親孫啟烈先生(前獨立非執行董事)繼承家族企業，自二零零零年起擔任建業五金塑膠廠有限公司及KINOX Trading Limited之董事總經理。「KINOX」涉足家居及餐飲行業，乃國際著名之優質時尚廚具、家居用品、保溫及保冷飲用壺、燒烤爐及電器製造商，尤其專注於歐洲及美洲國家。孫榮聰先生一直參與投資KINOX產品及提升KINOX品牌於新興市場之知名度。孫榮聰先生為品牌聯營企業香港名牌薈萃有限公司之主席，致力與第二及第三代製造商通力合作，旨在提高本土品牌之知名度。孫榮聰先生為香港工業總會(「香港工業總會」)青年委員會(旨在為年輕工業家提供技術交流平台)之榮譽及創會主席以及香港O2O電子商務總會(旨在推動香港工業的數碼化及O2O業務發展)之創會副主席兼秘書長。彼專注於社會責任，同時擔任香港工業總會香港優質標誌局委員及香港工業總會珠三角工業協會執委。孫榮聰先生為香港塑膠業廠商會有限公司之主席及香港出口商會之副主席。孫榮聰先生積極參與香港及中國各項公共事務。

高級管理人員

陳亦寧女士，55歲，本集團之研發部總監。陳女士主管本集團之各類化工生產事務，如化工生產之質量監控、配製產品之研究及開發、日化及微生物實驗室之運作、高級化學工程師及技術員之表現、質量監控及研究與開發。陳女士亦為公司合規委員會之副主席，於不同範疇提供技術專業知識以確保遵守法規及產品的安全。陳女士於二零零五年加盟本集團及於化妝品生產及實驗室運作方面擁有逾20年經驗。陳女士於二零一三年獲得University of Warwick頒發理學碩士學位及於一九九二年獲香港理工大學與香港管理專業協會聯合頒發管理學文憑。陳女士亦為國際化妝品化學家協會聯合會之附屬會員香港化妝品化學師協會(Hong Kong Society of Cosmetic Chemists)之創會會員兼主席。

Directors' Report

董事會報告

The Directors of Ming Fai International Holdings Limited are pleased to present their annual report together with the audited financial statements of the Group for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the supply and manufacture of quality amenity products and accessories to internationally recognised or branded operators, and distribution and retail of the cosmetics products and fashion accessories in the PRC. The Company acts as an investment holding company. Details of the principal activities of the principal subsidiaries of the Group are set forth in Note 28 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The Group's results for the year ended 31 December 2017 are set out in the consolidated financial statements on pages 67 to 172 of this annual report.

The Board intend to strike a balance between maintaining sufficient capital to grow our business and rewarding the Shareholders. The declaration and payment of any dividends would be subject to the Board's decision and any final dividend for a financial year would be subject to the Shareholders' approval. The decision to declare or to pay any dividend, and the amount of any dividends, will depend on our earnings, financial condition, cash requirements and availability, and any other factors the Board may consider relevant. As these factors and the payment of dividends is at the discretion of the Board, which reserves the right to change its plan on any future payment of dividends.

During 2017, an interim dividend of HK2.0 cents per Share for the six months ended 30 June 2017, amounting to a total dividend of approximately HK\$14,531,000 was paid on 6 October 2017, including dividend paid to Shares held for the share award scheme (the "Share Award Scheme").

The Directors recommend the payment of a final dividend of HK5.0 cents per Share for the year ended 31 December 2017. Subject to the approval by the Shareholders at the annual general meeting of the Company to be held on 30 May 2018, the final dividend will be paid on or around 19 June 2018 to the Shareholders whose names appear on the register of members of the Company on 7 June 2018.

明輝國際控股有限公司董事欣然提呈本集團截至二零一七年十二月三十一日止年度的年報及經審核財務報表。

主要業務

本集團主要從事向國際認可或著名營運商供應及製造優質賓客產品及配套用品，以及於中國從事化妝品及時尚配飾之分銷及零售業務。本公司為一間投資控股公司。本集團主要附屬公司的主要業務詳情載於綜合財務報表附註28。

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的業績載於本年報第67至172頁的綜合財務報表內。

董事會有意於業務發展維持充足資本與股東回報之間取得平衡。任何股息之宣派及派發均取決於董事會的決定，而財政年度之任何末期股息將取決於股東的批准。宣派或派發任何股息以及任何股息之金額的決策將取決於我們的盈利、財務狀況、現金需求及可動用現金，以及董事會可能認為有關的任何其他因素。由於此等因素及股息之派發乃由董事會酌情決定，其保留更改任何未來股息派發計劃之權利。

於二零一七年，本公司已於二零一七年十月六日支付截至二零一七年六月三十日止六個月之中期股息每股2.0港仙，股息總額約為14,531,000港元，包括就股份獎勵計劃（「股份獎勵計劃」）下持有股份獲派發之股息。

董事建議派發截至二零一七年十二月三十一日止年度的末期股息為每股股份5.0港仙。待股東在將於二零一八年五月三十日舉行的本公司股東週年大會上批准後，末期股息將於二零一八年六月十九日或前後，向於二零一八年六月七日名列本公司股東名冊的股東派發。

CLOSURE OF REGISTER OF MEMBERS

For ascertaining the eligibility of the Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 25 May 2018 to Wednesday, 30 May 2018 (both dates inclusive), during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the AGM, all documents in respect of transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 24 May 2018.

For ascertaining the entitlement of the Shareholders to the proposed final dividend, the register of members of the Company will be closed from Tuesday, 5 June 2018 to Thursday, 7 June 2018 (both dates inclusive), during which period no transfer of Shares will be effected. In order to qualify for the proposed final dividend, all documents in respect of transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 4 June 2018.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2017 is set out in the "Chairman's Statement" and "Management Discussion and Analysis" on pages 8 to 11 and pages 12 to 21 respectively of this annual report.

Analysis of key financial performance indicators

For details of the key financial performance indicators to the performance the Group's business, please refer to "Five Years Financial Summary" on page 5 of this annual report.

暫停辦理股份過戶登記手續

為釐定股東出席股東週年大會並於會上投票的資格，本公司之股份過戶登記手續將於二零一八年五月二十五日(星期五)至二零一八年五月三十日(星期三)(包括首尾兩日)暫停辦理，期間將不會進行股份過戶。為符合出席股東週年大會並於會上投票的資格，所有有關股份過戶文件連同有關股票須於二零一八年五月二十四日(星期四)下午四時三十分前，送達本公司於香港之股份過戶登記分處香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-16號舖)登記。

為釐定股東享有建議末期股息之資格，本公司之股份過戶登記手續將於二零一八年六月五日(星期二)至二零一八年六月七日(星期四)(包括首尾兩日)暫停辦理，期間將不會進行股份過戶。為符合獲派建議末期股息的資格，所有有關股份過戶文件連同有關股票須於二零一八年六月四日(星期一)下午四時三十分前，送達本公司於香港之股份過戶登記分處香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-16號舖)登記。

業務回顧

本集團截至二零一七年十二月三十一日止年度之業務回顧分別載於本年報第8至11頁及第12至21頁之「主席報告」及「管理層討論及分析」。

主要財務表現指標分析

有關本集團業務表現之主要財務表現指標之詳情，請參閱本年報第5頁之「五年財務概要」。

Principal risks and uncertainties facing the Group

Risks pertaining to the reliance on direct sales customers and distributors for the sale of products

Our hospitality products are sold either by direct sales to our customers of mainly hotels and airline operators or to distributors supplying other end-users. There is no assurance that such customers will continue to purchase or maintain their purchase volumes of our products in the future. In addition, there is no assurance that we will be able to maintain business relationship with our customers. In the event that any of our customers ceases to purchase from us or reduces the purchase volume of orders placed with us and we are unable to obtain replacement orders, our business and profitability may be adversely affected.

Risks pertaining to raw material price fluctuations

The principal raw materials used in our production may be subject to substantial price volatility and periodic shortages caused by external conditions, such as fluctuations in commodity prices and foreign exchange. There is no guarantee that raw material costs will be stable in the future. To the extent that we are unable to cover any increased raw material costs by either reductions in other production costs or increases in our product prices, our profits will be adversely affected.

Operation risks

The operation of the Group is subject to a number of risk factors distinctive to the respective markets. Default on the part of the Group's customers, distributors, suppliers and business partners, and inadequacies or failures of internal processes, people and systems or other external factors may have various levels of negative impact on the results of operations. Additionally, accidents may happen despite systems and policies set up for their prevention, which may lead to finance loss, litigation or damage in reputation.

Market risks

The Group is also subject to market risks such as currency fluctuations, volatility of interest rates, credit risks and liquidity risks in the normal course of the Group's businesses. Particulars of financial risk management of the Group are set out in Note 3 to the consolidated financial statements.

Risks relating to compliance with laws and regulations

We are required to comply with all relevant laws and regulations promulgated by the governments of the respective jurisdictions. There is no assurance that the existing laws and regulations will not be changed or additional or more stringent requirement will not be imposed, compliance with which may cause us to incur significant expenditure. Moreover, if we fail to comply with the present or future laws and regulations, we may be required to pay substantial fines, suspend production or cease operations. Consequently, our financial condition, business and reputation may be adversely affected.

本集團面對的主要風險及不確定因素

倚賴直銷客戶及分銷商進行產品銷售的相關風險

我們的酒店用品產品透過直接銷售予客戶(主要為酒店及航空公司)或供應其他最終用戶的分銷商進行銷售。我們無法保證該等客戶於未來將持續購買我們的產品或維持其購買量。此外,我們亦無法保證將能夠與客戶維持業務關係。倘任何我們的客戶終止向我們購買或減少購買訂單數量而我們亦無法獲得替代訂單,我們的業務及盈利能力或會受到不利影響。

原材料價格波動的相關風險

我們生產所用的主要原材料可能受商品價格及匯率波動等外在條件所引起的價格大幅波動及週期性短缺所影響。我們無法保證原材料成本將於未來維持穩定。倘我們未能透過降低其他生產成本或提高產品價格以彌補任何上漲的原材料成本,我們的溢利將受到不利影響。

營運風險

本集團的營運受相關市場若干特有的風險因素所影響。本集團客戶、分銷商、供應商及業務夥伴的違約、內部流程、人員及系統不足或故障或失職或其他外在因素或會對營運業績構成不同程度的負面影響。此外,儘管本集團已設立預防意外的系統及政策,意外仍有可能發生,從而可能引致財務損失、訴訟或聲譽受損。

市場風險

本集團在其正常業務過程中亦面臨貨幣波動、利率波動、信貸風險及流動資金風險等市場風險。本集團財務風險管理之詳情載於綜合財務報表附註3。

遵守法律及法規的相關風險

我們須遵守相關司法權區政府頒佈的所有相關法律及法規。我們無法保證現有法律及法規將維持不變或不會施加額外或更嚴厲的規定,而遵守有關規定可能導致我們產生重大支出。此外,倘我們未能遵守現行或未來之法律及法規,我們或可能須支付重大罰款、停產或終止營運。因此,我們的財務狀況、業務及聲譽或可能受到不利影響。

Compliance with laws and regulations

The Group strives to enhance governance, promote employee benefits and development, protect the environment, fulfill social responsibility in order to achieve sustainable growth. The Group has complied with the relevant laws and regulations that have significant impact on the operations of the Group.

Environmental policies and performance

The Group's environmental policies and performance was set out in the section headed "Corporate Social Responsibilities" in the "Management Discussion and Analysis" on page 21 of this annual report.

The Environmental, Social and Governance Report 2017 is being prepared with reference to Appendix 27 Environmental, Social and Governance Reporting Guide to the Listing Rules and will be published on the HKEXnews website of the Stock Exchange and the Company's website.

Key relationships with employees, customers and suppliers

The Group recognises the accomplishment of the employees by providing comprehensive benefit package, career development opportunities and internal training appropriate to individual needs. The Group provides a healthy and safe workplace for all employees. No strikes and cases of fatality due to workplace accidents are found in the year under review.

The Group maintains working relationships with suppliers to meet our customers' needs in an effective and efficient manner. Our departments work closely to make sure the tendering and procurement process is conducted in an open, fair and just manner. The Group's requirements and standards are also well-communicated to suppliers.

The Group values the views and opinions of all customers through various means and channels to understand customer trends and needs and regularly analyses on customer feedback. The Group also conducts comprehensive tests and checks to ensure that only quality products and services are offered to the customers.

遵守法律及法規

本集團致力於提升管治、促進僱員福利及發展、保護環境及履行社會責任，從而實現可持續發展。本集團已遵守對本集團營運構成重大影響的相關法律及法規。

環保政策及表現

本集團之環保政策及表現載於本年報第21頁「管理層討論及分析」之「企業社會責任」一節。

根據上市規則附錄二十七環境、社會及管治報告指引編製之二零一七年環境、社會及管治報告正在預備中，並將於聯交所披露易網站及本公司網站刊載。

與僱員、客戶及供應商之主要關係

本集團為僱員提供全面福利待遇、事業發展機會及就個別需要提供適當的內部培訓，以肯定僱員的貢獻。本集團為所有僱員提供一個健康而安全的工作環境。於回顧年度內，概無出現罷工或因職場意外而致命的個案。

本集團與供應商維持合作關係，有效及高效地滿足我們客戶的需要。我們各部門緊密合作以確保招標及採購過程公開、公平及公正。本集團亦向供應商清楚說明規定及標準。

本集團重視所有客戶的觀點及意見，並透過各種方式及渠道了解客戶傾向及需要並定期分析客戶反饋。本集團亦進行全面測試及檢驗以確保僅向客戶提供優質產品及服務。

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections headed "Share Option Scheme" and "Share Award Scheme" on pages 39 to 43 of this report, neither the Company nor any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate at the end of the year or at any time during the year ended 31 December 2017.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the sections headed "Share Option Scheme" and "Share Award Scheme" on pages 39 to 43 of this report, no equity-linked agreement was entered into or subsisted during the year ended 31 December 2017.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (whether made by the Company or otherwise) was in force during the year ended 31 December 2017 and up to the date of this report.

Pursuant to the Company's Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director in defending any proceedings, whether civil or criminal, in which judgement is given in his favour, or in which he is acquitted. There is appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

GROUP FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five years is set out on page 5.

SHARES AND DEBENTURES ISSUED

Details of the Shares issued during the year ended 31 December 2017 are set out in Note 19 to the consolidated financial statements.

The Group did not issue any debentures during the year ended 31 December 2017.

購入股份或債權證的安排

除本報告第39至43頁之「購股權計劃」及「股份獎勵計劃」各節所披露者外，本公司或其任何附屬公司概無於年末或截至二零一七年十二月三十一日止年度內任何時間訂立任何安排，以使董事可藉購入本公司或任何其他法人團體的股份或債權證而獲益。

股票掛鈎協議

除本報告第39至43頁之「購股權計劃」及「股份獎勵計劃」各節所披露者外，於截至二零一七年十二月三十一日止年度內概無訂立或存續任何股票掛鈎協議。

獲准許之彌償條文

截至二零一七年十二月三十一日止年度內及截至本報告日期，獲准許之彌償條文(不論是否由本公司訂立)正生效。

根據本公司之組織章程細則，每位董事將有權就其作為董事因抗辯任何判其勝訴或裁定無罪之民事或刑事法律訴訟而產生或蒙受之一切損失或責任從本公司資產中獲得彌償。本集團董事及高級職員已有適當的董事及高級職員責任保險作為保障。

本集團的財務概要

本集團最近五年的業績及資產與負債概要載於第5頁。

已發行股份及債權證

截至二零一七年十二月三十一日止年度，已發行股份之詳情載於綜合財務報表附註19。

截至二零一七年十二月三十一日止年度，本集團概無發行任何債權證。

RESERVES

Details of the movements in the reserves of the Group and the Company during the year ended 31 December 2017 are set out in the consolidated statement of changes in equity on page 71 and Note 17 and Note 35 to the consolidated financial statements respectively.

As at 31 December 2017, distributable reserves of the Company amounted to approximately HK\$1,014,479,000.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2017, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company, except that the trustee of the Share Award Scheme, pursuant to the terms of the scheme rules and trust deed of the Share Award Scheme, purchased on behalf of the Group on the Stock Exchange a total of 1,010,000 Shares at a total consideration of approximately HK\$1.1 million.

儲備

本集團及本公司截至二零一七年十二月三十一日止年度的儲備變動詳情分別載於第71頁之綜合權益變動表及綜合財務報表附註17及附註35。

於二零一七年十二月三十一日，本公司之可供分派儲備約為1,014,479,000港元。

優先購買權

本公司組織章程細則或開曼群島法律並無訂明本公司須按比例向現有股東發售新股份的優先購買權規定。

購買、出售或贖回本公司上市證券

截至二零一七年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券，惟股份獎勵計劃的受託人根據股份獎勵計劃的計劃規則及信託契據的條款，代表本集團於聯交所以總代價約1.1百萬港元購買合共1,010,000股股份除外。

DIRECTORS

The Directors during the year ended 31 December 2017 and up to the date of this report were as follows:

Executive Directors

Mr. CHING Chi Fai (*Chairman*)
Mr. CHING Chi Keung
Mr. LIU Zigang
Mr. CHING Tsun Wah
Mr. KEUNG Kwok Hung

Non-executive Director

Ms. CHAN Yim Ching

Independent non-executive Directors

Mr. HUNG Kam Hung Allan
Mr. MA Chun Fung Horace
Mr. NG Bo Kwong
Mr. SUN Yung Tson Eric

In accordance with article 130 of the Company's Articles of Association, Messrs. LIU Zigang, CHING Tsun Wah, KEUNG Kwok Hung, SUN Yung Tson Eric shall retire at the AGM and being eligible, shall offer themselves for re-election.

Confirmation of independence of independent non-executive Directors

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company considers that Messrs. HUNG Kam Hung Allan, MA Chun Fung Horace, NG Bo Kwong and SUN Yung Tson Eric are independent. The reasons for considering Mr. SUN Yung Tson Eric independent are set out in the section headed "Board responsibilities and delegation" in the "Corporate Governance Report" on page 46.

董事

截至二零一七年十二月三十一日止年度內及截至本報告日期之董事如下：

執行董事

程志輝先生(主席)
程志強先生
劉子剛先生
程俊華先生
姜國雄先生

非執行董事

陳艷清女士

獨立非執行董事

孔錦洪先生
馬振峰先生
吳保光先生
孫榮聰先生

根據本公司的組織章程細則第130條，劉子剛先生、程俊華先生、姜國雄先生、孫榮聰先生將於股東週年大會上退任，並合資格及願意膺選連任。

獨立非執行董事的獨立性確認

本公司已收到每位獨立非執行董事根據聯交所證券上市規則(「上市規則」)第3.13條就其獨立性作出的年度確認書。本公司認為孔錦洪先生、馬振峰先生、吳保光先生及孫榮聰先生均具獨立性。孫榮聰先生具獨立性之原因載於第46頁之「企業管治報告」內「董事職責及授權」一節。

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming AGM has a service contract which is not determinable by the employer within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance in which a Director or an entity connected with a Director had a material interest, either directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2017.

MANAGEMENT CONTRACTS

Other than Directors' service contracts and employment contracts with the Group's senior management in full-time employment, no contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence during the year ended 31 December 2017.

CONNECTED TRANSACTIONS

A summary of the related party transactions entered into by the Group during the year ended 31 December 2017 is contained in Note 34 to the consolidated financial statements. There are no other connected transactions or continuing connected transactions that require the Company to be disclosed under Chapter 14A of the Listing Rules.

董事的服務合約

建議於應屆股東週年大會上重選的董事概無訂立僱主不可於一年內不付賠償(法定賠償除外)而終止的服務合約。

董事於重要交易、安排或合約之權益

於年末或截至二零一七年十二月三十一日止年度內任何時間，概無存續與董事或與董事有關連之實體直接或間接擁有重大權益的重要交易、安排或合約。

管理合約

除董事服務合約及本集團高級管理層的全職僱傭合約外，截至二零一七年十二月三十一日止年度，並無訂立或存在與本集團業務全部或任何重大部分有關的管理及行政合約。

關連交易

本集團於截至二零一七年十二月三十一日止年度訂立之關聯方交易概要載於綜合財務報表附註34。概無其他關連交易或持續關連交易須本公司根據上市規則第14A章作出披露。

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

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

Long positions in Shares and underlying Shares

Name of Directors 董事姓名	Number of Shares held 持有股份數目			Corporate Interests (interests of controlled corporation) 法團權益 (受控法團權益)	Number of underlying Shares held under equity derivatives (Note 1) 以股本衍生 工具持有之 相關股份數目 (附註1)	Personal Interests (beneficial owner) 個人權益 (實益擁有人)	Total 總計	Approximate percentage of issued Shares as at 31 December 2017 於二零一七年 十二月三十一日 已發行股份之 概約百分比
	Personal Interests (beneficial owner) 個人權益 (實益擁有人)	Family Interests (interests of spouse) 家族權益 (配偶權益)						
Mr. CHING Chi Fai 程志輝先生	15,444,000	—	197,666,200 (Note 2 & 3) (附註2 & 3)	—	213,110,200	29.33%		
Mr. CHING Chi Keung 程志強先生	2,000,000	—	32,499,600 (Note 3) (附註3)	2,000,000	36,499,600	5.02%		
Mr. LIU Zigang 劉子剛先生	2,000,000	—	20,057,200 (Note 4) (附註4)	2,000,000	24,057,200	3.31%		
Mr. CHING Tsun Wah 程俊華先生	3,734,000	775,000 (Note 5) (附註5)	—	—	4,509,000	0.62%		
Mr. KEUNG Kwok Hung 姜國雄先生	—	—	—	1,158,000	1,158,000	0.16%		
Ms. CHAN Yim Ching 陳艷清女士	—	—	32,499,600 (Note 3) (附註3)	—	32,499,600	4.47%		

董事於本公司及其相聯法團股份、相關股份及債權證之權益及淡倉

於二零一七年十二月三十一日，董事於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」))之股份、相關股份及債權證中，擁有記入根據證券及期貨條例第352條須予備存之登記冊中或已根據上市發行人董事進行證券交易的標準守則(「標準守則」)通知本公司及聯交所之權益及淡倉如下：

於股份及相關股份之好倉

Name of Directors 董事姓名	Number of Shares held 持有股份數目			Number of underlying Shares held under equity derivatives (Note 1) 以股本衍生工具持有之相關股份數目 (附註1)	Total 總計	Approximate percentage of issued Shares as at 31 December 2017 於二零一七年十二月三十一日已發行股份之概約百分比
	Personal Interests (beneficial owner)	Family Interests (interests of spouse)	Corporate Interests (interests of controlled corporation)			
	個人權益 (實益擁有人)	家族權益 (配偶權益)	法團權益 (受控法團權益)			
Mr. HUNG Kam Hung Allan 孔錦洪先生	—	—	—	600,000	600,000	0.08%
Mr. MA Chung Fung Horace 馬振峰先生	600,000	—	—	—	600,000	0.08%
Mr. NG Bo Kwong 吳保光先生	600,000	—	—	—	600,000	0.08%

Notes:

- These underlying Shares held under equity derivatives represented the share options granted by the Company (being regarded as unlisted physically settled equity derivatives). Details of the share options granted to the Directors are set out in the section headed "Share Option Scheme" below.
- 165,166,600 Shares were held by Prosper Well International Limited, which was wholly-owned by Mr. CHING Chi Fai.
- 32,499,600 Shares were held by Targetwise Trading Limited, which was owned as to 50%, 31.54% and 18.46% by Mr. CHING Chi Keung, Ms. CHAN Yim Ching and Mr. CHING Chi Fai respectively.
- 20,057,200 Shares were held by Favour Power Limited, which was wholly-owned by Mr. LIU Zigang.
- 775,000 Shares were held by Ms. SO Wai Yin Tracy, the spouse of Mr. CHING Tsun Wah.

Save as disclosed above, as at 31 December 2017, none of the Directors had any interest or short positions in shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

附註:

- 此等以股本衍生工具持有之相關股份乃本公司授出之購股權(被視為以實物結算之非上市股本衍生工具)。授予董事之購股權詳情載於下文「購股權計劃」一節。
- 165,166,600股股份由Prosper Well International Limited持有，而該公司由程志輝先生全資擁有。
- 32,499,600股股份由Targetwise Trading Limited持有，而該公司由程志強先生、陳艷清女士及程志輝先生分別擁有50%、31.54%及18.46%權益。
- 20,057,200股股份由Favour Power Limited持有，而該公司由劉子剛先生全資擁有。
- 775,000股股份由程俊華先生之配偶蘇瑋賢女士持有。

除上文所披露者外，於二零一七年十二月三十一日，概無董事於本公司或其任何相聯法團(定義見證券及期貨條例)之股份、相關股份及債權證中擁有任何記入根據證券及期貨條例第352條規定須予備存之登記冊中或根據標準守則須通知本公司及聯交所之權益或淡倉。

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

大股東及其他人士於本公司股份及相關股份之權益及淡倉

As at 31 December 2017, so far as it was known by or otherwise notified by any Director, the interests and short positions of the substantial Shareholders and other persons (other than a Director), in Shares and underlying Shares as recorded in the register required to be kept under Section 336 of the SFO were as follows:

於二零一七年十二月三十一日，就任何董事所知悉或彼等以其他方式獲通知，大股東及其他人士(董事除外)於股份及相關股份中擁有記入根據證券及期貨條例第336條須予備存的登記冊中之權益及淡倉如下：

Long positions in Shares

於股份之好倉

Name 名稱/姓名	Number of Shares held 持有股份數目					Corporate Interests (interests of controlled corporation)	Approximate percentage of issued Shares as at Total 31 December 2017 於二零一七年 十二月三十一日 已發行股份之 概約百分比
	Personal Interests (beneficial owner)	Family Interests (interests of spouse)	Corporate Interests (beneficial owner)	Corporate Interests (investment manager)	Corporate Interests (beneficial owner)		
	個人權益 (實益擁有人)	家族權益 (配偶權益)	法團權益 (實益擁有人)	法團權益 (投資經理)	法團權益 (受控法團權益)	總計	
Prosper Well International Limited (Note 1) Prosper Well International Limited (附註1)	—	—	165,166,600	—	—	165,166,600	22.73%
Ms. LO Kit Ling (Note 1) 盧潔玲女士(附註1)	—	213,110,200	—	—	—	213,110,200	29.33%
Ms. PO Fung Kiu (Note 2) 布鳳嬌女士(附註2)	—	36,499,600	—	—	—	36,499,600	5.02%
Mr. David Michael WEBB (Note 3) David Michael WEBB 先生(附註3)	29,975,335	—	—	—	58,035,665	88,011,000	12.11%
Preferable Situation Assets Limited (Note 3) Preferable Situation Assets Limited (附註3)	—	—	58,035,665	—	—	58,035,665	7.99%
Wykeham Capital Asia Value Fund (Note 4) Wykeham Capital Asia Value Fund (附註4)	—	—	44,570,000	—	—	44,570,000	6.13%
Wykeham Capital Limited (Note 4) Wykeham Capital Limited (附註4)	—	—	—	44,570,000	—	44,570,000	6.13%
Mr. Howel Gruffudd Rhys THOMAS (Note 4) Howel Gruffudd Rhys THOMAS 先生(附註4)	—	—	—	—	44,570,000	44,570,000	6.13%

Notes:

1. 165,166,600 Shares were held by Prosper Well International Limited, which was wholly-owned by Mr. CHING Chi Fai (an executive Director and the Chairman of the Company). 32,499,600 Shares were held by Targetwise Trading Limited, which was owned as to 18.46% by Mr. CHING Chi Fai. Mr. CHING Chi Fai also beneficially held 15,444,000 Shares. Ms. LO Kit Ling, being the spouse of Mr. CHING Chi Fai, was deemed to be interested in the 213,110,200 Shares in which Mr. CHING Chi Fai interested.
2. Ms. PO Fung Kiu, being the spouse of Mr. CHING Chi Keung (an executive Director), was deemed to be interested in the 36,499,600 Shares in which Mr. CHING Chi Keung interested.
3. Based on the disclosure of interests notice of Preferable Situation Assets Limited with the date of relevant event on 10 July 2017 received by the Company, 58,035,665 Shares were held by Preferable Situation Assets Limited, which was wholly-owned by Mr. David Michael WEBB, representing 8.00% of the issued Shares as at that day. Based on the disclosure of interests notice of Mr. David Michael WEBB with the date of relevant event on 11 May 2017 received by the Company, Mr. David Michael WEBB beneficially held 29,975,335 Shares. Save as disclosed above, no further respective disclosure of interests notices of Mr. David Michael WEBB and Preferable Situation Assets Limited with the date of relevant event on or before 31 December 2017 were received by the Company.
4. Based on the disclosure of interests notices with the date of relevant event on 17 May 2017 received by the Company, Mr. Howel Gruffudd Rhys THOMAS was deemed to be interested in the 44,570,000 Shares owned by Wykeham Capital Asia Value Fund by virtue of his 100% shareholding interest in Wykeham Capital Limited (which was the investment manager of Wykeham Capital Asia Value Fund). Save as disclosed above, no further respective disclosure of interests notices of Wykeham Capital Asia Value Fund, Wykeham Capital Limited and Mr. Howel Gruffudd Rhys THOMAS with the date of relevant event on or before 31 December 2017 were received by the Company.

Save as disclosed above and in the section headed "Directors' interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations", as at 31 December 2017, so far as it was known by or otherwise notified by any Director, none of the substantial Shareholders and other persons (other than a Director), had any interest or short positions in Shares and underlying Shares as recorded in the register required to be kept under Section 336 of the SFO.

附註：

1. 165,166,600股股份由Prosper Well International Limited持有，而該公司由執行董事兼本公司主席程志輝先生全資擁有。32,499,600股股份由Targetwise Trading Limited持有，而該公司由程志輝先生擁有18.46%權益。程志輝先生亦實益持有15,444,000股股份。盧潔玲女士為程志輝先生的配偶，被視為於程志輝先生擁有權益的213,110,200股股份中擁有權益。
2. 布鳳嬌女士為執行董事程志強先生的配偶，被視為於程志強先生擁有權益的36,499,600股股份中擁有權益。
3. 根據本公司收到Preferable Situation Assets Limited於有關事件日期為二零一七年七月十日之權益披露通知，Preferable Situation Assets Limited（由David Michael WEBB先生全資擁有）持有58,035,665股股份，佔當天已發行股份之8.00%。根據本公司收到David Michael WEBB先生於有關事件日期為二零一七年五月十一日之權益披露通知，David Michael WEBB先生實益持有29,975,335股股份。除以上披露者外，本公司概無收到David Michael WEBB先生及Preferable Situation Assets Limited各自於有關事件日期為二零一七年十二月三十一日或以前之進一步權益披露通知。
4. 根據本公司收到有關事件日期為二零一七年五月十七日之權益披露通知，Howel Gruffudd Rhys THOMAS先生因持有Wykeham Capital Limited（為Wykeham Capital Asia Value Fund之投資經理）之100%股權，故其被視為於Wykeham Capital Asia Value Fund所持有的44,570,000股股份中擁有權益。除以上披露者外，本公司概無收到Wykeham Capital Asia Value Fund、Wykeham Capital Limited及Howel Gruffudd Rhys THOMAS先生各自於有關事件日期為二零一七年十二月三十一日或以前之進一步權益披露通知。

除上文及「董事於本公司及其相聯法團股份、相關股份及債權證之權益及淡倉」一節所披露者外，於二零一七年十二月三十一日，就任何董事所知悉或彼等以其他方式獲通知，概無大股東及其他人士（董事除外）於股份及相關股份中擁有任何記入根據證券及期貨條例第336條須予備存的登記冊中之權益或淡倉。

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the year ended 31 December 2017, none of the Directors has any interest in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 34 to the consolidated financial statements, no contract of significance between the Company or any of its subsidiaries and a controlling Shareholder or any of its subsidiaries were entered into or subsisted during the year ended 31 December 2017.

REMUNERATION POLICY

Remuneration of our employees (including the Directors) are generally structured by reference to market terms and individual merits. Salaries are reviewed annually with reference to market conditions and the performance, qualifications and experience of individual employees. Discretionary bonuses are paid on an annual basis based on the results of the Group, individual performance and other relevant factors. The Company has also introduced the key performance indicators assessment scheme to boost performance and operational efficiency.

The Company has also adopted a share option scheme (the "Share Option Scheme") and the Share Award Scheme to recognise and reward the eligible employees for their contributions to the business and development of the Group.

董事於競爭業務之權益

截至二零一七年十二月三十一日止年度，概無董事於任何與本集團業務以外之業務(直接或間接構成競爭或可能構成競爭)中擁有任何權益。

重要合約

除綜合財務報表附註34所披露者外，截至二零一七年十二月三十一日止年度內，本公司或其任何附屬公司與控股股東或其任何附屬公司之間概無訂立或存續重要合約。

薪酬政策

本集團僱員(包括董事)的薪酬一般乃參考市場條款及個人資歷釐定。薪金乃參照市場情況及個別僱員的表現、資歷及經驗每年檢討。酌情花紅乃根據本集團業績、個人表現及其他相關因素按年發放。本公司亦引進關鍵績效指標評核計劃以提升表現及營運效率。

本公司亦採納購股權計劃(「購股權計劃」)及股份獎勵計劃以肯定及獎勵合資格僱員對本集團業務及發展的貢獻。

SHARE OPTION SCHEME

The Company has conditionally adopted the Share Option Scheme on 5 October 2007. Particulars of movements in the share options during the year ended 31 December 2017 were as follows:

購股權計劃

本公司於二零零七年十月五日有條件採納購股權計劃。截至二零一七年十二月三十一日止年度，購股權之變動詳情如下：

Grantee	Date of grant	Exercise period	Exercise price HK\$ 港元	Number of share options 購股權數目					Outstanding as at 31 December 2017 於二零一七年 十二月三十一日 尚未行使	
				Outstanding as at 1 January 2017 於二零一七年 一月一日 尚未行使	Granted during the year 年內 授出	Exercised during the year 年內 行使	Cancelled during the year 年內 註銷	Lapsed during the year 年內 失效		
Directors 董事										
Mr. CHING Chi Keung 程志強先生	04-09-2012 二零一二年九月四日	23-06-2013 to 22-06-2019 二零一三年六月二十三日至 二零一九年六月二十二日	0.62	2,000,000	—	—	—	—	2,000,000	
Mr. LIU Zigang 劉子剛先生	04-09-2012 二零一二年九月四日	23-06-2013 to 22-06-2019 二零一三年六月二十三日至 二零一九年六月二十二日	0.62	2,000,000	—	—	—	—	2,000,000	
Mr. KEUNG Kwok Hung 姜國雄先生	04-09-2012 二零一二年九月四日	09-09-2012 to 08-09-2021 二零一二年九月九日至 二零二一年九月八日	0.62	579,000	—	—	—	—	579,000	
	04-09-2012 二零一二年九月四日	09-09-2013 to 08-09-2021 二零一三年九月九日至 二零二一年九月八日	0.62	579,000	—	—	—	—	579,000	
Ms. CHAN Yim Ching 陳艷清女士	04-09-2012 二零一二年九月四日	23-06-2013 to 22-06-2019 二零一三年六月二十三日至 二零一九年六月二十二日	0.62	1,800,000	—	(1,800,000)	—	—	—	
Mr. HUNG Kam Hung Allan 孔錦洪先生	04-09-2012 二零一二年九月四日	04-09-2012 to 22-06-2019 二零一二年九月四日至 二零一九年六月二十二日	0.62	300,000	—	—	—	—	300,000	
	04-09-2012 二零一二年九月四日	23-06-2013 to 22-06-2019 二零一三年六月二十三日至 二零一九年六月二十二日	0.62	300,000	—	—	—	—	300,000	
Employees 僱員										
In aggregate 合計	04-09-2012 二零一二年九月四日	04-09-2012 to 22-06-2019 二零一二年九月四日至 二零一九年六月二十二日	0.62	1,825,000	—	(388,000)	—	—	1,437,000	
	04-09-2012 二零一二年九月四日	23-06-2013 to 22-06-2019 二零一三年六月二十三日至 二零一九年六月二十二日	0.62	2,518,000	—	(388,000)	—	—	2,130,000	
	04-09-2012 二零一二年九月四日	09-09-2012 to 08-09-2021 二零一二年九月九日至 二零二一年九月八日	0.62	994,000	—	(50,000)	—	—	944,000	
	04-09-2012 二零一二年九月四日	09-09-2013 to 08-09-2021 二零一三年九月九日至 二零二一年九月八日	0.62	994,000	—	(50,000)	—	—	944,000	
	04-09-2012 二零一二年九月四日	04-09-2013 to 03-09-2022 二零一三年九月四日至 二零二二年九月三日	0.62	404,500	—	—	—	—	404,500	
	04-09-2012 二零一二年九月四日	04-09-2014 to 03-09-2022 二零一四年九月四日至 二零二二年九月三日	0.62	516,500	—	—	—	—	516,500	
	Total 總計				14,810,000	—	(2,676,000)	—	—	12,134,000

The weighted average closing price of the Shares immediately before the dates on which the share options were exercised for the year ended 31 December 2017 was HK\$1.20 per Share (for the year ended 31 December 2016: HK\$1.17 per Share).

於截至二零一七年十二月三十一日止年度，股份在緊接購股權行使日期之前的加權平均收市價為每股1.20港元(截至二零一六年十二月三十一日止年度：每股1.17港元)。

The following is a summary of the principal terms of the rules of the Share Option Scheme:

(1) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme was to enable the Board to grant options to selected employees (whether full time or part time including the Directors) of any member of the Group (the "Eligible Persons") as incentives or rewards for their contribution or potential contribution to the Group.

The terms of the Share Option Scheme provided that in granting options under the Share Option Scheme, the Board was entitled to determine whether there is any minimum holding period, and whether there is any performance target which must be achieved, before an option granted under the Share Option Scheme is exercised. The Board was also entitled to determine the option price per Share payable on the exercise of an option (the "Exercise Price") according to the terms of the Share Option Scheme. Such terms, together with the incentives that the option will bring about, the Board believed, would serve the purpose of the Share Option Scheme.

(2) Period of the Share Option Scheme

The Share Option Scheme was effective during the period of 10 years commencing on 2 November 2007 (the date on which the Share Option Scheme become unconditional) and the Share Option Scheme was expired on 1 November 2017. On expiry of the Share Option Scheme, no further option shall be granted but in all other respects the provisions of the Share Options Scheme shall remain in force. All options granted and accepted prior to such expiry shall continue to be valid and exercisable in accordance with their terms and terms of the Share Option Scheme.

(3) Basis of eligibility

The Board at its absolute discretion and on such terms as it might think fit, granted options to any Eligible Person to subscribe at the Exercise Price for such number of Shares as determined in accordance with the terms of the Share Option Scheme.

The basis of eligibility of any of the Eligible Persons to the grant of options were determined by the Board on the basis of his contribution or potential contribution to the development and growth of the Group.

以下為購股權計劃規則之主要條款概要：

(1) 購股權計劃的目的

購股權計劃旨在讓董事會向本集團任何成員公司之獲選僱員(不論是全職或兼職,包括董事在內)(「合資格人士」)授出購股權,作為彼等對本集團作出貢獻或潛在貢獻的獎勵或報酬。

購股權計劃條款規定,在根據購股權計劃授出購股權時,董事會有權決定就根據購股權計劃所授出之購股權於行使前,是否設定任何最少持有期限,及是否達到任何表現目標。董事會亦有權釐定根據購股權計劃條款行使購股權時應付的每股股份購股權價格(「行使價」)。該等條款加上購股權將產生的鼓勵,董事會相信將可實現購股權計劃的目的。

(2) 購股權計劃期限

購股權計劃於二零零七年十一月二日(購股權計劃變為無條件之日)起計的十年期間內有效,且購股權計劃已於二零一七年十一月一日到期。於購股權計劃屆滿時,概將不會進一步授出購股權,惟購股權計劃之條文於所有其他方面仍維持有效。於該屆滿前已授出及接納之所有購股權將根據購股權計劃之條款及彼等之條款將繼續有效及可予行使。

(3) 合資格的準則

董事會可全權酌情及根據其可能認為適合的條款,向任何合資格人士授出購股權,以供彼等按行使價認購根據購股權計劃的條款所釐定數目的股份。

董事會決定任何合資格人士獲授購股權的合資格準則,並根據彼對本集團的發展及增長所作出的貢獻或潛在的貢獻釐定。

(4) Price for subscription of Shares

The Exercise Price was determined by the Board at the higher of:

- (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant of the option which must be a business day; and
- (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant,

provided that the Exercise Price shall in no event be less than the nominal amount of one Share.

(5) Acceptance of offers

The amount payable to the Company as acceptance of the offer for the grant of an option was HK\$1.00.

(6) Maximum number of Shares

The maximum number of Shares which might be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of the Shares in issue on the listing date (i.e. 2 November 2007) (the "Scheme Limit").

The Scheme Limit could be refreshed at any time subject to Shareholders' approval provided that such limit as refreshed should not exceed 10% of the Shares in issue as at the date of approval of the renewed limit. Share options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed or exercised) would not be counted for the purpose of calculating the Scheme Limit as refreshed. On 23 May 2013, the refreshment of the Scheme Limit was approved by the Shareholders at the annual general meeting. As at the date of this annual report, the number of Shares available for issue under the Share Option Scheme is 11,646,000 which represents approximately 1.60% of the total number of issued Shares.

(4) 股份的認購價

行使價按以下之較高者由董事會釐定：

- (a) 聯交所日報表所載股份於授出購股權當日(須為營業日)的收市價；及
- (b) 聯交所日報表所載股份於緊接授出日期前五個營業日的平均收市價，

惟行使價無論如何不得低於一股股份的面值。

(5) 接納要約

就接納授出每份購股權的要約須向本公司支付的金額為1.00港元。

(6) 股份數目上限

因行使根據購股權計劃及本公司任何其他購股權計劃所授出之所有購股權(就此而言，並不包括根據購股權計劃或本公司任何其他購股權計劃的條款而已失效的購股權)而可發行的股份數目上限，合共不得超過於上市日期(即二零零七年十一月二日)已發行股份的10%(「計劃上限」)。

計劃上限可在股東批准的任何時間予以更新，惟更新後該上限不得超過批准更新上限當日已發行股份的10%。就計算更新計劃上限而言，過往根據購股權計劃授出之購股權(包括尚未行使、已註銷、已失效或已行使之購股權)將不會計算在內。於二零一三年五月二十三日，股東在股東週年大會上批准更新計劃上限。於本年報日期，根據購股權計劃可發行之股份數目為11,646,000股，相當於已發行股份總數約1.60%。

(7) Maximum entitlement of each Eligible Person

The maximum number of Shares issued and to be issued upon the exercise of options granted under the Share Option Scheme and any other share option schemes of the Company to any Eligible Person (including cancelled, exercised and outstanding options), in any 12-month period should not exceed 1% of the Shares in issue from time to time.

(7) 每位合資格人士的最高權益

在任何12個月期間內，任何合資格人士因行使根據購股權計劃及本公司任何其他購股權計劃而已授出的購股權(包括已註銷、已行使及尚未行使的購股權)而發行及將發行的股份數目上限，不得超過不時已發行股份的1%。

SHARE AWARD SCHEME

On 23 September 2016, the Company adopted the Share Award Scheme in which the Group's employees, directors, consultants or advisers will be entitled to participate. During the year ended 31 December 2017, a sum of approximately HK\$1.1 million has been used to acquire 1,010,000 Shares from the market by the independent trustee (Bank of Communications Trustee Limited) which is independent and not connected with the Company. No Shares have been granted to eligible persons under the Share Award Scheme up to the date of this report.

The objectives of the Share Award Scheme are (i) to recognise the contributions by certain eligible persons; and (ii) to offer suitable incentives to attract and retain targeted talent and personnel for the continuance of operations and future development of the Group.

The Share Award Scheme shall be subject to the administration of the Board and the independent trustee in accordance with the scheme rules and the trust deed of the Share Award Scheme. Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on its adoption date (i.e. 23 September 2016).

股份獎勵計劃

於二零一六年九月二十三日，本公司採納股份獎勵計劃，而本集團的僱員、董事、諮詢人或顧問將有權參與其中。截至二零一七年十二月三十一日止年度，獨立受託人(交通銀行信託有限公司)乃獨立於本公司且與本公司概無關連，以合共約1.1百萬港元於市場上購買1,010,000股股份。直至本報告日期為止，概無向根據股份獎勵計劃下之合資格人士授出任何股份。

股份獎勵計劃之目標為(i)肯定某些合資格人士所作出的貢獻；及(ii)提供適當獎勵以吸引及挽留目標人才及人員以讓本集團持續經營及發展未來。

根據股份獎勵計劃的計劃規則及信託契據，股份獎勵計劃須受董事會及獨立受託人管理。股份獎勵計劃之有效期及生效期自其採納日期(即二零一六年九月二十三日)起計為期10年，惟董事會或可決定提前終止。

The Board shall not make any further award of awarded Shares which will result in the nominal value of the Shares awarded by the Board under the Share Award Scheme exceeding 5% of the issued share capital of the Company from time to time. The maximum number of Shares which may be awarded to a selected person under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

Details of the Share Award Scheme were set out in the announcement of the Company dated 23 September 2016.

MAJOR SUPPLIERS AND CUSTOMERS

The aggregate purchases attributable to the Group's five largest suppliers accounted for less than 30% of the Group's total purchases for the year ended 31 December 2017.

The aggregate revenue attributable to the Group's five largest customers accounted for less than 30% of the Group's total revenue for the year ended 31 December 2017.

SUFFICIENCY OF PUBLIC FLOAT

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

CHARITABLE DONATIONS

During the year ended 31 December 2017, the Group made charitable donations amounting to approximately HK\$154,000.

倘董事會授出獎勵股份後將導致董事會根據股份獎勵計劃下授出的股份面值超過本公司不時已發行股本之5%，董事會將不得進一步授出任何獎勵股份。獲選人士根據股份獎勵計劃可獲授的最高股份數目不得超過本公司不時已發行股本之1%。

股份獎勵計劃的詳情載列於本公司日期為二零一六年九月二十三日的公告。

主要供應商及客戶

本集團於截至二零一七年十二月三十一日止年度向五大供應商之合計採購額，佔本集團採購總額少於30%。

本集團於截至二零一七年十二月三十一日止年度於五大客戶之合計收入，佔本集團收入總額少於30%。

足夠公眾持股量

根據本公司從公眾所得資料及據董事所知，於本報告日期，本公司已發行股份總數最少25%由公眾人士持有。

慈善捐款

截至二零一七年十二月三十一日止年度內，本集團的慈善捐款約為154,000港元。

AUDITOR

The Company's auditor, PricewaterhouseCoopers who shall retire and, being eligible, offer themselves for re-appointment at the AGM.

On behalf of the Board

CHING Chi Fai

Chairman

Hong Kong, 28 March 2018

核數師

本公司核數師羅兵咸永道會計師事務所將於股東週年大會退任，符合資格並願意被重選續聘。

代表董事會

主席

程志輝

香港，二零一八年三月二十八日

Corporate Governance Report

企業管治報告

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices. The corporate governance principles of the Company emphasise accountability and transparency and are adopted in the best interest of the Company and its Shareholders. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of Shareholders and to fulfill its commitment to excellence in corporate governance.

During the year ended 31 December 2017, the Board has reviewed its policies and practices on corporate governance, and policies and practices on compliance with legal and regulatory requirements.

CORPORATE GOVERNANCE CODE

The Group has complied with all the code provisions set out in the Corporate Governance Code (the “CG Code”) during the year ended 31 December 2017, as set out in Appendix 14 to the Listing Rules, except the deviation of code provision A.2.1 of the CG Code that the Board has not appointed an individual to the post of chief executive officer up to the date of this report and the role of the chief executive officer has been performed collectively by all the executive Directors, including the chairman of the Company. The Board considers that this arrangement allows contributions from all executive Directors with different expertise and is beneficial to the continuity of the Company’s policies and strategies.

本公司致力維持及確保高標準的企業管治常規。本公司之企業管治原則強調問責性及透明度，符合本公司及其股東之最佳利益而獲採納。董事會不時審閱其企業管治常規，以配合股東不斷提升之期望，同時履行其達致卓越企業管治之承諾。

於截至二零一七年十二月三十一日止年度，董事會已檢討其企業管治之政策及常規，以及遵守法律及監管規定之政策及常規。

企業管治守則

截至二零一七年十二月三十一日止年度，本集團已遵守上市規則附錄十四所載之企業管治守則（「企管守則」）之所有守則條文，惟偏離企管守則之守則條文第A.2.1條規定：董事會於截至本報告日期尚未委任一名人士擔任行政總裁之職務及行政總裁之職責由全體執行董事（包括本公司主席）共同履行。董事會認為此安排有利於全體執行董事利用不同專長為本公司作出貢獻，並有利於保持本公司一貫政策及策略。

BOARD OF DIRECTORS

During the year and up to the date of this report, the Board comprises the following Directors:

Executive Directors

Mr. CHING Chi Fai (*Chairman*)
Mr. CHING Chi Keung
Mr. LIU Zigang
Mr. CHING Tsun Wah
Mr. KEUNG Kwok Hung

Non-executive Director

Ms. CHAN Yim Ching

Independent non-executive Directors

Mr. HUNG Kam Hung Allan
Mr. MA Chun Fung Horace
Mr. NG Bo Kwong
Mr. SUN Yung Tson Eric

Board responsibilities and delegation

The Board collectively determines the overall strategies of the Company, and monitors performance and risks in pursuit of the strategic objectives of the Company. Day-to-day management of the Company is delegated to the executive Directors or the senior management in charge of each division. All Directors (including non-executive Director and independent non-executive Directors) have been consulted on all major and material matters of the Group.

The Board has delegated some of its function to the board committees, details of which are set out below. Matters specifically reserved for the Board, including convening Shareholders' meetings, implementing the Shareholders' resolutions, determining the Group's business plans and strategies, formulating the Group's annual budget and final accounts, formulating proposals for dividend and bonus distributions and for increase or reduction of share capital, determining the Group's corporate structure, formulating investment plans as well as exercising other powers, functions and duties as conferred by the Articles of Association of the Company.

董事會

年內及截至本報告日期，董事會包括下列董事：

執行董事

程志輝先生 (*主席*)
程志強先生
劉子剛先生
程俊華先生
姜國雄先生

非執行董事

陳艷清女士

獨立非執行董事

孔錦洪先生
馬振峰先生
吳保光先生
孫榮聰先生

董事會職責及授權

董事會共同釐定本公司之整體策略，及監察本公司尋求戰略目標時之業績及風險。本公司日常管理下放予執行董事或領導各部門之高級管理人員。就本集團所有主要及重大事項均已徵詢全體董事 (包括非執行董事及獨立非執行董事)。

董事會已將其部分職能下放予董事委員會，其詳情載於下文。特定保留給董事會之職務，包括召開股東會議、執行股東決議案、釐定本集團的業務計劃及策略、編製本集團的年度預算及全年賬目、制定派息、分紅和增加或削減股本的方案、釐定本集團的企業架構、制定投資計劃，以及行使本公司組織章程細則所賦予之其他權力、職能及職責。

The attendance of the Directors at Board meetings, committee meetings and annual general meeting of the Company during the year ended 31 December 2017 were as follows:

截至二零一七年十二月三十一日止年度，於本公司董事會會議、委員會會議及股東週年大會的董事出席率如下：

		Number of meetings attended/held 會議出席次數/舉行次數						
		Executive Board Meeting 董事會會議	Executive Committee Meeting 執行委員會會議	Audit Committee Meeting 審核委員會會議	Remuneration Committee Meeting 薪酬委員會會議	Nomination Committee Meeting 提名委員會會議	Investment Committee Meeting 投資委員會會議	Annual General Meeting 股東週年大會
Executive Directors 執行董事								
Mr. CHING Chi Fai	程志輝先生	7/7	5/5	—	2/2	1/1	2/2	1/1
Mr. CHING Chi Keung	程志強先生	7/7	5/5	—	—	—	—	1/1
Mr. LIU Zigang	劉子剛先生	7/7	5/5	—	—	—	—	1/1
Mr. CHING Tsun Wah	程俊華先生	7/7	4/5	—	—	—	—	1/1
Mr. KEUNG Kwok Hung	姜國雄先生	7/7	5/5	—	—	—	2/2	1/1
Non-executive Director 非執行董事								
Ms. CHAN Yim Ching	陳艷清女士	6/7	—	—	—	—	—	1/1
Independent non-executive Directors 獨立非執行董事								
Mr. HUNG Kam Hung Allan	孔錦洪先生	7/7	—	2/2	2/2	—	—	1/1
Mr. MA Chun Fung Horace	馬振峰先生	7/7	—	2/2	2/2	1/1	2/2	1/1
Mr. NG Bo Kwong	吳保光先生	7/7	—	2/2	1/2	—	—	1/1
Mr. SUN Yung Tson Eric	孫榮聰先生	7/7	—	2/2	2/2	1/1	—	1/1

Each executive Director has entered into a service contract with the Company for a term of three years while each non-executive Director and independent non-executive Director has entered into an appointment letter with the Company for a term of one year. All the Directors are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company. All the service contracts or appointment letters of Directors with the Company may be terminated by either party giving written notice in accordance with the terms of service contracts or appointment letters.

各執行董事均已與本公司簽訂為期三年之服務合約，而各非執行董事及獨立非執行董事均已與本公司簽訂為期一年之委任書。全體董事均須按本公司組織章程細則於本公司股東週年大會上輪值退任，並重選連任。根據董事與本公司所訂服務合約或委任書之條款，所有服務合約或委任書均可由任何一方以書面通知終止。

The Company has appointed sufficient number of independent non-executive Directors in accordance to the requirements of the Listing Rules and Mr. MA Chun Fung Horace has appropriate accounting professional qualifications. The Company has received from each independent non-executive Director, namely Messrs. HUNG Kam Hung Allan, MA Chun Fung Horace, NG Bo Kwong and SUN Yung Tson Eric, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Directors are of the view that all independent non-executive Directors meet the independence requirements as set out in Rule 3.13 of the Listing Rules.

Save that Mr. SUN Yung Tson Eric is the son of Mr. SUN Kai Lit Cliff, who was a former independent non-executive Director, Mr. SUN Yung Tson Eric is not and was not connected with any of the Director, the chief executive of the Company or a substantial Shareholder within two years immediately prior to the date of his appointment and up to the date of this report. Both Mr. SUN Kai Lit Cliff and Mr. SUN Yung Tson Eric met the requirements of independence as set out in Rule 3.13 of the Listing Rules. Therefore, the Board considered that Mr. SUN Yung Tson Eric was independent and his independence should not be affected by reason of only being the son of Mr. SUN Kai Lit Cliff who was a former independent non-executive Director.

Mr. CHING Chi Keung, an executive Director, is a brother of Mr. CHING Chi Fai who is the chairman of the Company and an executive Director. Mr. CHING Tsun Wah, an executive Director, is the son of Mr. CHING Chi Fai and a nephew of Mr. CHING Chi Keung.

During the year ended 31 December 2017, seven Board meetings were held. Minutes of the Board meetings are being kept by the company secretary of the Company and are available for inspection by the Directors.

本公司已根據上市規則的規定委任足夠數目的獨立非執行董事，而馬振峰先生具有適當的會計專業資格。本公司已收到每位獨立非執行董事(即孔錦洪先生、馬振峰先生、吳保光先生及孫榮聰先生)根據上市規則第3.13條就其獨立性作出的年度確認書。董事認為，全體獨立非執行董事均符合上市規則第3.13條所載的獨立性規定。

除孫榮聰先生為孫啟烈先生(前獨立非執行董事)之兒子外，孫榮聰先生於緊接其委任日期前兩年內及直至本報告日期，與任何董事、本公司主要行政人員或大股東概無關連。孫啟烈先生及孫榮聰先生均已符合上市規則第3.13條所載之獨立性規定。因此，董事會認為，孫榮聰先生為獨立人士且其獨立性並不因僅作為孫啟烈先生(前獨立非執行董事)之兒子而受影響。

執行董事程志強先生為本公司主席兼執行董事程志輝先生的胞弟。執行董事程俊華先生為程志輝先生的兒子及程志強先生的侄子。

截至二零一七年十二月三十一日止年度，董事會已舉行七次會議。董事會的會議記錄由本公司之公司秘書存檔，並可供董事查閱。

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions on 5 October 2007. Having made specific enquiries to all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code for the year ended 31 December 2017.

BOARD COMMITTEES

The Board has established the following committees:

- Executive Committee;
- Audit Committee;
- Remuneration Committee;
- Nomination Committee; and
- Investment Committee.

Executive Committee

The chairman of the Executive Committee is Mr. CHING Chi Fai and the members of the Executive Committee are Messrs. CHING Chi Keung, LIU Zigang, CHING Tsun Wah and KEUNG Kwok Hung, all are executive Directors.

Other than the matters reserved for the Board and other committees, the Executive Committee has been delegated with the general powers to deal with the daily operations and management of the Company, including but not limited to opening bank accounts, arranging banking facilities, affixing the Common Seal, issue of Shares upon exercise of any subscription or conversion rights under any share option scheme, warrants or convertible notes and setting up new companies.

Five meetings were held by the Executive Committee during the year ended 31 December 2017.

董事進行證券交易的標準守則

於二零零七年十月五日，本公司採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事進行證券交易之操守準則。經向全體董事作出特定查詢後，全體董事確認彼等已於截至二零一七年十二月三十一日止年度遵守標準守則所載之規定。

董事委員會

董事會已成立下列委員會：

- 執行委員會；
- 審核委員會；
- 薪酬委員會；
- 提名委員會；及
- 投資委員會。

執行委員會

執行委員會的主席為程志輝先生及執行委員會的成員為程志強先生、劉子剛先生、程俊華先生及姜國雄先生(全部均為執行董事)。

除應由董事會及其他委員會處理的事宜外，執行委員會已獲授一般權力以處理本公司日常營運及管理工作，包括但不限於開立銀行賬戶、安排銀行融資、加蓋公司印鑑、於任何購股權計劃、認股權證或可換股票據項下的任何認購權或兌換權獲行使時發行股份，以及開設新公司。

截至二零一七年十二月三十一日止年度內，執行委員會已舉行五次會議。

Audit Committee

The chairman of the Audit Committee is Mr. MA Chun Fung Horace, who possesses professional accounting qualifications and relevant accounting experience and the members of the Audit Committee are Messrs. HUNG Kam Hung Allan, NG Bo Kwong and SUN Yung Tson Eric (all are independent non-executive Directors).

The principal responsibilities of the Audit Committee include:

- to make recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditors;
- to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process;
- to develop and implement policy on engaging external auditors to supply non-audit services;
- to monitor integrity of the interim and annual financial statements;
- to review significant financial reporting judgements, in particular, to focus on any changes in accounting policies and practices;
- to review the Group's financial control, internal control and risk management systems;
- to ensure that management has performed its duties to have effective risk management and internal control systems and to consider any major investigations findings on risk management and internal control matters;
- to review the external auditors' management letter, any material queries raised by the external auditors to management about the accounting records, financial accounts or systems of control and management's response;
- to ensure co-ordination between the internal and external auditors and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness; and
- to review arrangements by which employees of the Company may, in confidence, raise concerns about possible improprieties in financial reporting, internal control or other matters.

審核委員會

審核委員會的主席為馬振峰先生，彼擁有專業會計資格及相關會計經驗及審核委員會成員為孔錦洪先生、吳保光先生及孫榮聰先生（全部均為獨立非執行董事）。

審核委員會的主要職責包括：

- 就外聘核數師的委任、重新委任及罷免向董事會提供推薦意見；
- 檢討及監察外聘核數師之獨立性及客觀性以及核數程序的有效性；
- 制定及執行就委聘外聘核數師提供非核數服務之政策；
- 監察中期及全年財務報表的完整性；
- 審閱財務申報的重要判斷，並特別針對會計政策及實務的任何更改；
- 審閱本集團的財務監控、內部監控及風險管理系統；
- 確保管理層已履行其職責建立有效的風險管理及內部監控系統，以及考慮風險管理及內部監控事宜的任何重要調查結果；
- 檢討外聘核數師給予管理層的審核情況說明函件、外聘核數師就會計記錄、財務賬目或監控系統向管理層提出之任何重大疑問及管理層作出的回應；
- 確保內部與外聘核數師的工作得到協調，及確保內部審核功能在本公司內部有足夠資源運作及有適當地位，並檢討及監察其成效；及
- 檢討本公司僱員就財務匯報、內部監控或其他方面可能發生的不正當行為提出關注的保密安排。

The Audit Committee has performed the following work during the year ended 31 December 2017:

- reviewed the interim and annual results of the Group, and the relevant statements and reports prior to Board approval and reviewed the external auditor's reports and findings on the work performed;
- reviewed the external auditor's audit plan, terms of engagement for the audit and determined and reported the key audit matters;
- considered and approved the audit fee payable to the external auditor;
- reviewed the independency and objectivity of the external auditors, and the non-audit service fee payable to the external auditor;
- reviewed the effectiveness of the risk management and internal control systems of the Group involving financial, operational and compliance control; and
- considered and reviewed the proposals of internal audit plan.

Two meetings were held by the Audit Committee during the year ended 31 December 2017.

Remuneration Committee

The chairman of the Remuneration Committee is Mr. HUNG Kam Hung Allan and the members of the Remuneration Committee are Messrs. CHING Chi Fai, MA Chun Fung Horace, NG Bo Kwong and SUN Yung Tson Eric (save that Mr. CHING Chi Fai is an executive Director, all are independent non-executive Directors).

The primary duties of the Remuneration Committee are as follows:

- to make recommendations to the Board on the Group's policy and structure for all remuneration of Directors and senior management;
- to review and determine the remuneration packages, bonuses and other compensation payable to the executive Directors and senior management and make recommendations to the Board; and
- to recommend to the Board the remuneration of non-executive Director and independent non-executive Directors.

截至二零一七年十二月三十一日止年度內，審核委員會已履行下列工作：

- 於董事會批准前審閱本集團的中期及全年業績及有關報表及報告，以及審閱外聘核數師就已完成的工作所作出的報告及結果；
- 檢討外聘核數師的審核方案、委聘進行審核的條款以及釐定及匯報關鍵審計事項；
- 考慮及批准應付予外聘核數師的核數費用；
- 檢討外聘核數師的獨立性及客觀性，以及應付予外聘核數師的非核數服務費用；
- 檢討本集團之風險管理及內部監控系統之有效性，包括財務、營運及合規監控；及
- 考慮及檢討內部審核計劃方案。

截至二零一七年十二月三十一日止年度內，審核委員會已舉行兩次會議。

薪酬委員會

薪酬委員會的主席為孔錦洪先生及薪酬委員會的成員為程志輝先生、馬振峰先生、吳保光先生及孫榮聰先生(除程志輝先生為執行董事外，全部均為獨立非執行董事)。

薪酬委員會的主要職責如下：

- 就本集團全體董事及高級管理人員的薪酬政策及架構向董事會提出推薦意見；
- 檢討及釐定應付予執行董事及高級管理人員的薪酬待遇、花紅及其他報酬及向董事會提出推薦意見；及
- 就非執行董事及獨立非執行董事之薪酬提出建議。

The Remuneration Committee has performed the following work during the year ended 31 December 2017:

- considered and reviewed the remuneration packages and the performance of each Director and the senior management and recommended the adjustments of remuneration of Directors;
- considered and reviewed the Group's remuneration policy in relation to that of comparable companies, time commitment and responsibilities of the Directors and the senior management and desirability of performance-based remuneration; and
- reviewed and recommended to the Board the appointment letters of non-executive Director and each independent non-executive Director.

The Remuneration Committee considered that the existing terms of remunerations of each Director and the senior management were fair and reasonable.

Two meetings were held by the Remuneration Committee during the year ended 31 December 2017.

The remuneration of senior management by band for the year ended 31 December 2017 is as follows:

截至二零一七年十二月三十一日止年度內，薪酬委員會已履行下列工作：

- 考慮及檢討每位董事及高級管理人員的薪酬待遇及表現，並就董事的薪酬調整提出建議；
- 考慮及檢討本集團與可比較公司相關的薪酬政策、董事及高級管理人員付出的時間及職責，以及按表現釐訂薪酬可取性的本集團薪酬政策；及
- 審閱及向董事會建議非執行董事及每位獨立非執行董事的委任書。

薪酬委員會認為各董事及高級管理人員現時之薪酬條款屬公平合理。

截至二零一七年十二月三十一日止年度內，薪酬委員會已舉行兩次會議。

截至二零一七年十二月三十一日止年度按範圍組別劃分的高級管理人員薪酬載列如下：

		Number of individuals 人數 2017 二零一七年
Nil to HK\$1,000,000	零至1,000,000港元	—
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	—

Nomination Committee

The Chairman of the Nomination Committee is Mr. CHING Chi Fai and the members of the Nomination Committee are Messrs. MA Chun Fung Horace and SUN Yung Tson Eric (save that Mr. CHING Chi Fai is an executive Director, all are independent non-executive Directors).

The Nomination Committee is responsible for identification and recommendation to the Board of possible appointees as Directors, making recommendations to the Board on matters relating to appointment or re-appointment of Directors, succession planning for Directors and assessing the independence of the independent non-executive Directors.

The Nomination Committee has performed the following work during the year ended 31 December 2017:

- reviewed the structure, size and composition of the Board and make recommendations to the Board on any proposed changes to complement the Company's corporate strategy;
- considered the re-election of Directors at the annual general meeting; and
- assessed the independence of the independent non-executive Directors.

One meeting was held by the Nomination Committee during the year ended 31 December 2017.

Investment Committee

The chairman of the Investment Committee is Mr. CHING Chi Fai and the members of the Investment Committee are Messrs. MA Chun Fung Horace and KEUNG Kwok Hung (save that Mr. MA Chun Fung Horace is an independent non-executive Director, all are executive Directors).

The Investment Committee has been delegated by the Board to deal with investments and divestments of the Group which are less than US\$20 million or 5% of the total market capitalisation of the Company in aggregate, whichever is lower. Each investment shall not exceed 10% of the aforesaid amount.

Two meetings were held by the Investment Committee during the year ended 31 December 2017.

提名委員會

提名委員會的主席為程志輝先生及提名委員會的成員為馬振峰先生及孫榮聰先生(除程志輝先生為執行董事外，全部均為獨立非執行董事)。

提名委員會負責為董事會物色及推薦董事人選，並就委任或重新委任董事、董事繼任計劃，以及評估獨立非執行董事的獨立性向董事會提出建議。

截至二零一七年十二月三十一日止年度內，提名委員會已履行下列工作：

- 檢討董事會之架構、人數及組成，並就任何為配合本公司之公司策略而擬對董事會作出之變動提出建議；
- 考慮於股東週年大會上重選之董事；及
- 評核獨立非執行董事的獨立性。

截至二零一七年十二月三十一日止年度內，提名委員會已舉行一次會議。

投資委員會

投資委員會的主席為程志輝先生及投資委員會的成員為馬振峰先生及姜國雄先生(除馬振峰先生為獨立非執行董事外，全部均為執行董事)。

董事會已授權予投資委員會，以處理本集團涉及少於20百萬美元或合共佔本公司總市值之5%(以較低者為準)的投資及撤資項目。每項投資不得超逾上述金額之10%。

截至二零一七年十二月三十一日止年度內，投資委員會已舉行兩次會議。

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

Pursuant to code provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. All the Directors also understand the importance of continuous professional development and are committed to participating any suitable training or read relevant materials in order to develop and refresh their knowledge and skills. The Company has received from each Director a confirmation of their participation in continuous professional development by the following means:

董事之持續專業發展

根據企管守則之守則條文第A.6.5條，全體董事應參與持續專業發展以發展並更新其知識及技能。此乃為確保其繼續在具備全面資訊及切合所需之情況下對董事會作出貢獻。全體董事亦知悉持續專業發展之重要性，並承諾參與任何適合的培訓或閱讀相關資料，以發展並更新其知識及技能。本公司已接獲每位董事有關其以下列方式參與持續專業發展之確認：

		Attending seminar(s) 參加研討會	Reading materials 閱讀資料
Executive Directors	執行董事		
Mr. CHING Chi Fai	程志輝先生	✓	—
Mr. CHING Chi Keung	程志強先生	✓	—
Mr. LIU Zigang	劉子剛先生	✓	—
Mr. CHING Tsun Wah	程俊華先生	✓	—
Mr. KEUNG Kwok Hung	姜國雄先生	✓	—
Non-executive Director	非執行董事		
Ms. CHAN Yim Ching	陳艷清女士	✓	—
Independent non-executive Directors	獨立非執行董事		
Mr. HUNG Kam Hung Allan	孔錦洪先生	✓	—
Mr. MA Chun Fung Horace	馬振峰先生	✓	✓
Mr. NG Bo Kwong	吳保光先生	✓	✓
Mr. SUN Yung Tson Eric	孫榮聰先生	✓	—

BOARD DIVERSITY POLICY

The Board has adopted a Board diversity policy setting out the approach to achieve diversity on the Board. The Company considered diversity of Board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Board will also take into account factors based on the Group's business model and specific needs from time to time. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code. The Board reviewed the Company's corporate governance policies and practices, continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Listing Rules, the compliance of the Model Code by the Directors and employees and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report. During the year ended 31 December 2017, the Board has reviewed the aforesaid Company's compliance of corporate governance policies and practices.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board has overall responsibility for maintaining a sound and effective risk management and internal control systems of the Group. The Group's internal control system includes a well defined management structure with limits of authority which is designed for the achievement of business objectives, safeguarding assets against unauthorised use or disposition, ensuring proper maintenance of books and records for the provision of reliable financial information for internal use or publication, and ensuring compliance with relevant legislations and regulations. In addition, the Group has established risk management procedures to identify and prioritise risks for the business to be addressed by management. At least on an annual basis, management identifies risks that would adversely affect the achievement of the Group's objectives, and assesses and prioritises the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners are then established for those risks considered to be significant.

The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

董事會多元化政策

董事會已採納載有達致董事會多元化方針之董事會多元化政策。本公司作出多方面考慮以達致董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。董事會亦將根據本集團業務模式及不時之特定需要考慮各種因素。最終將按所選候選人之優點及其將為董事會帶來之貢獻而作出決定。

企業管治職能

董事會負責履行企管守則之守則條文第D.3.1條所載之職能。董事會檢討本公司之企業管治政策及常規、董事及高級管理人員之持續專業發展、本公司在遵守法律及監管規定方面之政策及常規、遵守上市規則之情況、董事及僱員遵守標準守則之情況，以及本公司遵守企管守則之情況及於本企業管治報告內之披露。於截至二零一七年十二月三十一日止年度內，董事會已檢討上述本公司遵守企業管治政策及常規之情況。

內部監控及風險管理

董事會的整體責任為維持本集團的穩健和有效的風險管理及內部監控系統。本集團的內部監控系統包括清晰明確且權限分明的管理架構，以助達致業務目標、保障資產以防止未經授權的使用或出售、確定妥善保存賬目及記錄以提供可靠的財務資料供內部使用或公佈，以及確保符合相關法律及法規。再者，本集團已建立風險管理程序以識別和排列須提請管理層注意的業務風險的優先次序。管理層至少每年識別對達致本集團目標造成不利影響的風險，並根據一套標準準則評估及排列所識別風險的優先次序，從而對被視為重大的風險制定風險緩解計劃及指定風險負責人。

設計風險管理及內部監控系統旨在管理而非消除未能達致業務目標的風險，且僅可就重大失實陳述或損失提供合理而非絕對的保證。

During the year ended 31 December 2017, the Board appointed a professional consulting firm with the responsibility to conduct internal audit function and assess risks of the Company and perform the agreed-upon procedures in relation to the internal controls of the business of the Group. The Audit Committee and the management will follow up the suggestions from the aforesaid professional consulting firm to further improve the internal control system. The Group is committed to the identification, monitoring and management of risks associated with its business activities.

The Board has conducted a review of the effectiveness of risk management and internal control systems of the Group for the year ended 31 December 2017 and is satisfied with the scope and effectiveness of the systems. The review included but was not limited to the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's review on risk management and internal control systems; result of internal audit work; the extent and frequency of communication with the Board in relation to result of risks and internal control review; significant failures or weaknesses identified and their related implications; and status of compliance with the Listing Rules. The Board considers the Group's risk management and internal control systems are effective and adequate.

Procedures and internal controls for the handling and dissemination of inside information

The Group complies with requirements of 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 will immediately disclose the information to the public. The Group is committed to ensuring that information contained in announcements 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.

COMMUNICATION WITH SHAREHOLDERS

Communication with Shareholders is given high priority by the Group. A Shareholder communication policy has been adopted for the purpose of ensuring that the Shareholders are provided with ready, equal and timely access to the balanced and understandable information about the Company.

於截至二零一七年十二月三十一日止年度內，董事會已委聘專業顧問公司負責履行內部審核功能及評估本公司的風險，並履行有關本集團業務的內部監控的商定程序。審核委員會及管理層將跟進前述專業顧問公司的建議，以進一步改善其內部監控系統。本集團致力辨識、監測及管理有關其商業活動的風險。

截至二零一七年十二月三十一日止年度，董事會已檢討本集團風險管理及內部監控系統之有效性，並對系統的涵蓋範圍和有效性感到滿意。檢討包括但不限於本集團適應其業務轉型及不斷轉變的外在環境的能力；管理層檢討風險管理及內部監控系統的涵蓋範疇及素質；內部審計工作結果；就風險及內部監控檢討結果與董事會溝通的詳盡程度及次數；已識別的重大失誤或缺陷及其有關影響；以及上市規則的合規情況。董事會認為本集團風險管理及內部監控系統屬有效及足夠。

處理及發佈內幕消息的程序及內部監控

本集團遵守證券及期貨條例及上市規則的規定。本集團於合理切實可行情況下盡快向公眾披露內幕消息，除非有關消息屬證券及期貨條例下任何安全港範圍內。在向公眾全面披露有關消息前，本集團確保消息嚴格保密。倘本集團認為無法保持必要的保密度，或可能已違反保密措施，本集團將即時向公眾披露消息。本集團致力確保公告中所載資料就重大事實而言並不屬虛假或具誤導性，或鑑於以清晰平衡的方式呈列消息(就正面及負面事實需要相等披露而言)並不因遺漏重大事實而屬虛假或具誤導性。

與股東的溝通

本集團高度重視與股東的溝通。本集團採納股東通訊政策，旨在確保股東可適時取得全面、相同及容易理解的本公司資料。

Extensive information about the Group's activities has been provided in the annual reports and the interim reports which are sent to the Shareholders and are available on the Company's website (www.mingfaigroup.com). All Shareholders are encouraged to attend the general meetings of the Company to discuss the businesses of the Group with the Directors and senior management in the general meetings. External auditor is also invited to attend the AGM to answer questions about the conduct of the audit, the preparation and content of the independent auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and independence of the auditor in relation to the conduct of the audit.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting by the Shareholders

The procedures of convening an extraordinary general meeting by the Shareholders are as follows:

Pursuant to article 79 of the Articles of Association of the Company, general meetings may be convened on the written requisition of any two or more members of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office, specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member of the Company which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office, specifying the objects of the meeting and signed by the requisitioner, provided that such requisitioner held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitioner(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board, provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

年報及中期報告均已提供大量有關本集團業務的資料，該等報告將寄發予股東及載於本公司網站(www.mingfaigroup.com)。本集團鼓勵所有股東出席本公司的股東大會，以於會上與董事及高級管理人員商討本集團業務。外聘核數師亦獲邀請出席股東週年大會，以回答有關核數工作、獨立核數師報告之編製及內容、本公司就編製財務報表所採納之會計政策及核數師就審核工作之獨立性之問題。

股東權利

股東召開股東特別大會

股東召開股東特別大會之程序如下：

根據本公司的組織章程細則第79條，股東大會可應本公司任何兩名或以上股東的書面要求而召開，有關要求須送達本公司於香港的主要辦事處(或倘本公司不再設置上述主要辦事處，則為註冊辦事處)，當中列明大會的主要商議事項並由請求人簽署，惟該等請求人於送達要求之日須持有本公司附帶於本公司股東大會投票權的不少於十分一的繳足股本。股東大會亦可應本公司任何一名股東(為一間認可結算所(或其代名人))的書面要求而召開，有關要求須送達本公司於香港的主要辦事處(或倘本公司不再設置上述主要辦事處，則為註冊辦事處)，當中列明大會的主要商議事項並由請求人簽署，惟該請求人於送達要求之日須持有本公司附帶於本公司股東大會投票權的不少於十分一的繳足股本。倘董事會於送達要求之日起計21日內並無按既定程序召開將予在其後的21日內舉行的大會，請求人自身或代表彼等所持全部投票權一半以上的任何請求人可按盡量接近董事會召開大會的相同方式召開股東大會，惟按上述方式召開的任何大會不得於送達要求之日起計三個月屆滿後召開，且本公司須向請求人償付因應董事會未有召開大會而致使彼等須召開大會所合理產生的所有開支。

Putting forward proposals at Shareholders' meetings

There are no provisions allowing Shareholders to move new resolution at general meetings under the Articles of Association of the Company. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

Making enquires to the Board

Shareholders may make enquires to the Board in writing to the principal place of business of the Company in Hong Kong at Unit D3, 8/F, TML Tower, No. 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong.

DIRECTORS' AND AUDITOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibilities for overseeing the preparation of the financial statements for each financial period which give a true and fair view of the state of affairs of the Group, and of results and cash flow for the period. In preparing the financial statements for the year ended 31 December 2017, the Directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made prudent and reasonable judgements and estimates and have prepared the financial statements on a going concern basis. The Directors also warrant that the Group's financial statements will be published in a timely manner.

The statement of the auditor of the Company about their reporting responsibilities on the financial statements of the Group is set out in the section headed "Independent Auditor's Report" on pages 60 to 66 of this annual report.

AUDITOR'S REMUNERATION

The external auditor of the Company is PricewaterhouseCoopers. For the year ended 31 December 2017, the fees payable by the Company to the external auditor are HK\$2,680,000 for the performance of audit services and HK\$761,000 for provision of non-audit services.

於股東大會上提呈建議

本公司之組織章程細則並無列明股東可在股東大會上提呈任何新決議案。有意提呈決議案之股東可按上文所載程序要求本公司召開股東大會。

向董事會作出查詢

股東可向董事會作出書面查詢，該書面查詢可送至本公司香港主要營業地點，地址為香港新界荃灣海盛路3號TML廣場8樓D3室。

董事及核數師對財務報表的責任

董事確認須負責監督各財政期間編製財務報表工作，以確保能真實及公正地反映本集團的財務狀況、期內業績與現金流量。在編製截至二零一七年十二月三十一日止年度的財務報表時，董事已選擇並貫徹應用合適的會計政策；採納合適的香港財務報告準則及香港會計準則；作出審慎而合理的判斷和估計，以及按持續營運基準編製財務報表。董事亦須保證本集團的財務報表將依時刊發。

本公司核數師就彼等對本集團財務報表的申報責任聲明已載於本年報第60至66頁的「獨立核數師報告」一節內。

核數師酬金

本公司的外聘核數師為羅兵咸永道會計師事務所。截至二零一七年十二月三十一日止年度，本公司應付外聘核數師的費用，就核數服務為2,680,000港元及就提供非核數服務為761,000港元。

The Audit Committee is responsible for making recommendations to the Board as to the appointment, re-appointment and removal of the external auditors, which is subject to the approval by the Board and the Shareholders at general meetings of the Company.

The Audit Committee will take into account certain factors including the audit performance, quality, objectivity and independence of the auditor, when assessing the external auditor.

審核委員會負責就外聘核數師的委任、重新委任及罷免向董事會提供推薦意見，但須經董事會及股東於本公司股東大會通過，方可作實。

審核委員會評審外聘核數師時考慮若干因素，包括審核的表現、質素以及核數師的客觀性和獨立性。

CONSTITUTIONAL DOCUMENTS

There is no change in the Company's constitutional documents during the year ended 31 December 2017.

On behalf of the Board

CHING Chi Fai

Chairman

Hong Kong, 28 March 2018

組織章程文件

截至二零一七年十二月三十一日止年度內，本公司組織章程文件並無變動。

代表董事會

主席

程志輝

香港，二零一八年三月二十八日

Independent Auditor's Report

獨立核數師報告



**TO THE SHAREHOLDERS OF
MING FAI INTERNATIONAL HOLDINGS LIMITED**
(incorporated in the Cayman Islands with limited liability)

致明輝國際控股有限公司股東
(於開曼群島註冊成立的有限公司)

OPINION

意見

What we have audited

我們已審核之內容

The consolidated financial statements of Ming Fai International Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 67 to 172, which comprise:

明輝國際控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第67至172頁的綜合財務報表，包括：

- the consolidated balance sheet as at 31 December 2017;
 - the consolidated statement of comprehensive income for the year then ended;
 - the consolidated statement of changes in equity for the year then ended;
 - the consolidated statement of cash flows for the year then ended; and
 - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
- 於二零一七年十二月三十一日的綜合資產負債表；
 - 截至該日止年度的綜合全面收益表；
 - 截至該日止年度的綜合權益變動表；
 - 截至該日止年度的綜合現金流量表；及
 - 綜合財務報表之附註，其中包括重大會計政策概要。

PricewaterhouseCoopers
22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888
www.pwchk.com

羅兵咸永道會計師事務所
香港中環太子大廈廿二樓
總機：+852 2289 8888，傳真：+852 2810 9888
www.pwchk.com

Our opinion

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

BASIS FOR OPINION

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

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

Independence

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

我們的意見

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

意見的基礎

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

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

獨立性

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

KEY AUDIT MATTERS

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

Key Audit Matter

Provision for impairment of trade receivables

Refer to Notes 4 and 12 to the consolidated financial statements for the related disclosures.

As at 31 December 2017, the provision for impairment of trade receivables amounted to HK\$38.7 million, of which HK\$38.0 million was attributable to customers located in the People's Republic of China (the "PRC").

Customers located in the PRC generally has a slower settlement pattern and may settle after the contractual credit period. Management performed credit monitoring, which included the periodic review of customers' credit worthiness, collection of outstanding balances, latest business development and individual credit terms. If there is indicator that the trade receivables are impaired, such as defaults of the debtors or if debtors encounter significant financial difficulties, management would individually assess trade receivables for impairment with reference to the recoverable amount.

We focused on this area due to the estimation and judgement involved in the collectability of trade receivables.

How our audit addressed the Key Audit Matter

We understood and validated the credit control procedures performed by management, including its procedures on periodic review on aged trade receivables, and assessment on recoverability of these receivables. We have reviewed the aging profile on trade receivables, including focusing on the aged trade receivables for which no provision had been made. We tested the subsequent settlement of these balances. For unsettled trade receivables, we enquired management on the reasons for which receivables being outstanding, and if actions had been taken in recovering the long outstanding receivables, and assessed if additional provision should be made.

Based upon the above, we found that the estimation and judgement made by management in respect of the collectability of trade receivables were supportable by the available evidence.

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最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

關鍵審計事項

應收貿易賬款減值撥備

有關相關事項的披露，請參閱綜合財務報表附註4及12。

於二零一七年十二月三十一日，應收貿易賬款的減值撥備為38.7百萬港元，其中38.0百萬港元來自位於中華人民共和國（「中國」）的客戶。

位於中國的客戶清償速度一般較慢，其亦可能於合約信貸期後方清償款項。管理層執行信貸監控，包括定期審查客戶的信用可靠程度、賬款的收回情況、最新業務發展及個別客戶的信貸期。倘有跡象顯示應收貿易賬款出現減值，例如債務人拖欠還款或倘債務人遇上重大財務困難，管理層會參考可收回金額就應收貿易賬款的減值進行個別評估。

我們集中於此範疇，乃由於對應收貿易賬款的可收回性涉及估計及判斷。

我們的審計如何處理關鍵審計事項

我們了解和驗證管理層執行的信用監控程序，包括其對逾期應收貿易賬款的定期審查程序，以及該等應收款項的可收回性評估。我們已審閱應收貿易賬款的賬齡組合，包括重點關注未有作出撥備的逾期應收貿易賬款。我們已測試該等結餘的期後償付情況。對於仍未清繳的應收貿易賬款，我們已向管理層查詢該等應收款項尚未償還的原因，以及是否有採取行動以收回此等長期未清償的應收款項，並評估是否應作出額外撥備。

根據上文所述，我們發現管理層就應收貿易賬款的可收回性所作出的估計及判斷有可得的憑證支持。

OTHER INFORMATION

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

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

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

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

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the 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.

其他信息

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

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

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

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

董事及管理層就綜合財務報表須承擔的責任

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

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

管理層須負責監督 貴集團的財務報告過程。

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

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

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

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

核數師就審計綜合財務報表承擔的責任

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

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

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

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

Independent Auditor's Report (Continued)

獨立核數師報告(續)

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Tak Wai, Daniel.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 March 2018

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

出具本獨立核數師報告的審計項目合夥人是陳德威。

羅兵咸永道會計師事務所
執業會計師

香港，二零一八年三月二十八日

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 於十二月三十一日

			2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		Note 附註		
ASSETS	資產			
Non-current assets	非流動資產			
Land use rights	土地使用權	6	39,888	38,006
Property, plant and equipment	物業、廠房及設備	7	269,492	265,164
Investment properties	投資物業	8	14,289	13,285
Intangible assets	無形資產	9	1,886	1,852
Long-term prepayments and deposits	長期預付款項及按金	14	44,700	4,272
Investment in an associated company	於一間聯營公司的投資		3,602	2,256
Investment in a joint venture	於一間合營企業的投資		212	210
Deferred income tax assets	遞延所得稅資產	10	6,111	6,019
Total non-current assets	非流動資產總額		380,180	331,064
Current assets	流動資產			
Inventories	存貨	11	261,695	238,296
Trade and bills receivables	應收貿易賬款及票據	12	580,573	533,381
Amount due from an associated company	應收一間聯營公司款項	13	8,138	5,175
Amount due from a joint venture	應收一間合營企業款項		59	54
Tax recoverable	可收回稅項		1,722	3,909
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	14	49,626	33,432
Short-term bank deposit	短期銀行存款	15	78	68
Cash and cash equivalents	現金及現金等值項目	16	367,759	508,616
Total current assets	流動資產總額		1,269,650	1,322,931
Total assets	資產總額		1,649,830	1,653,995
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	19	7,265	7,238
Reserves	儲備		1,045,149	966,483
Final dividend proposed	建議末期股息	31	36,350	28,985
			1,088,764	1,002,706
Non-controlling interests	非控股權益		(28,324)	(27,670)
Total equity	總權益		1,060,440	975,036

Consolidated Balance Sheet (Continued)
綜合資產負債表(續)

As at 31 December 於十二月三十一日

		Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Deferred income tax liabilities	遞延所得稅負債	10	2,792	2,612
Total non-current liabilities	非流動負債總額		2,792	2,612
Current liabilities	流動負債			
Bank borrowings	銀行借貸	20	22,170	26,244
Trade payables	應付貿易賬款	21	230,530	208,895
Accruals and other payables	應計費用及其他應付款項	22	289,969	263,427
Current income tax liabilities	即期所得稅負債		29,335	19,514
Loans from non-controlling interests	來自非控股權益之貸款	23	14,492	13,592
Dividends payable	應付股息		102	144,675
Total current liabilities	流動負債總額		586,598	676,347
Total liabilities	負債總額		589,390	678,959
Total equity and liabilities	總權益及負債		1,649,830	1,653,995

The consolidated financial statements on pages 67 to 172 were approved by the Board of Directors on 28 March 2018 and were signed on its behalf.

第67至172頁的綜合財務報表於二零一八年三月二十八日經董事會批准並由以下董事代表簽署。

CHING Chi Fai

程志輝

Director

董事

CHING Tsun Wah

程俊華

Director

董事

The notes on pages 73 to 172 are an integral part of these consolidated financial statements.

第73至172頁的附註為此等綜合財務報表的整體部份。

Consolidated Statement of Comprehensive Income

綜合全面收益表

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

		Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收入	5	1,863,559	1,698,005
Cost of sales	銷售成本	24	(1,421,565)	(1,243,783)
Gross profit	毛利		441,994	454,222
Distribution costs	分銷成本	24	(207,567)	(186,065)
Administrative expenses	行政開支	24	(97,220)	(157,223)
Other income	其他收入	25	4,474	12,177
Operating profit	經營溢利		141,681	123,111
Finance income	財務收入	27	834	750
Finance costs	財務成本	27	(613)	(905)
Share of profit of an associated company	應佔一間聯營公司溢利		1,344	1,476
Share of profit of joint ventures	應佔合營企業溢利		2	11
Fair value gains on investment properties	投資物業之公平值收益	8	—	66,996
Profit before income tax	未計所得稅前溢利		143,248	191,439
Income tax expenses	所得稅開支	29	(34,408)	(42,355)
Profit for the year	年度溢利		108,840	149,084
Other comprehensive income/(loss)	其他全面收益/(虧損)			
<i>Items that may be subsequently reclassified to profit or loss</i>	<i>其後可能重新分類至損益之項目</i>			
Currency translation differences	貨幣換算差額		19,385	(15,828)
Total comprehensive income for the year	年度全面收益總額		128,225	133,256
Profit/(loss) attributable to:	應佔溢利/(虧損)：			
Owners of the Company	本公司擁有人		108,923	157,443
Non-controlling interests	非控股權益		(83)	(8,359)
			108,840	149,084
Total comprehensive income/(loss) attributable to:	應佔全面收益/(虧損)總額：			
Owners of the Company	本公司擁有人		128,879	141,290
Non-controlling interests	非控股權益		(654)	(8,034)
			128,225	133,256
Earnings per share attributable to owners of the Company (expressed in HK cents)	本公司擁有人應佔每股盈利(以港仙列示)			
Basic	基本	30(a)	15.1	22.2
Diluted	攤薄	30(b)	14.9	21.9

The notes on pages 73 to 172 are an integral part of these consolidated financial statements.

第73至172頁的附註為此等綜合財務報表的整體部份。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 截至十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔						Non-controlling interests	Total equity
		Share capital	Shares held for the share award scheme (the "Scheme")	Share premium	Other reserves	Sub-total			
		股本	股份獎勵計劃 (「計劃」) 下持有之股份	股份溢價	其他儲備	小計	非控股權益	總權益	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Balance at 1 January 2016	於二零一六年一月一日之結餘	7,054	—	595,679	428,281	1,031,014	(19,636)	1,011,378	
Comprehensive income/(loss)	全面收益/(虧損)								
Profit/(loss) for the year	本年度溢利/(虧損)	—	—	—	157,443	157,443	(8,359)	149,084	
Other comprehensive (loss)/income	其他全面(虧損)/收益								
Currency translation differences	貨幣換算差額	—	—	—	(16,153)	(16,153)	325	(15,828)	
Total comprehensive income/(loss)	全面收益/(虧損)總額	—	—	—	141,290	141,290	(8,034)	133,256	
Exercise of share options (Note 19)	行使購股權 (附註19)	184	—	11,226	—	11,410	—	11,410	
Purchase of shares for the Scheme (Note 18(b))	計劃下購入之股份 (附註18(b))	—	(1,038)	—	—	(1,038)	—	(1,038)	
Final dividend relating to 2015	二零一五年度之末期股息	—	—	—	(21,173)	(21,173)	—	(21,173)	
Interim dividend relating to 2016	二零一六年度之中期股息	—	—	—	(14,200)	(14,200)	—	(14,200)	
Special dividend relating to 2016 (Note 31)	二零一六年度之特別股息 (附註31)	—	—	—	(144,597)	(144,597)	—	(144,597)	
Balance at 31 December 2016	於二零一六年十二月三十一日之結餘	7,238	(1,038)	606,905	389,601	1,002,706	(27,670)	975,036	

The notes on pages 73 to 172 are an integral part of these consolidated financial statements.

第73至172頁的附註為此等綜合財務報表的整體部份。

Consolidated Statement of Changes in Equity (Continued)
綜合權益變動表(續)

For the year ended 31 December 截至十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔					Non- controlling interests	Total equity
		Share capital	Shares held for the Scheme 計劃下	Share premium	Other reserves	Sub-total		
		股本 HK\$'000 千港元	持有之股份 HK\$'000 千港元	股份溢價 HK\$'000 千港元	其他儲備 HK\$'000 千港元	小計 HK\$'000 千港元	非控股權益 HK\$'000 千港元	總權益 HK\$'000 千港元
Balance at 1 January 2017	於二零一七年 一月一日之結餘	7,238	(1,038)	606,905	389,601	1,002,706	(27,670)	975,036
Comprehensive income/ (loss)	全面收益/(虧損)							
Profit/(loss) for the year	本年度溢利/(虧損)	—	—	—	108,923	108,923	(83)	108,840
Other comprehensive income/(loss)	其他全面收益/ (虧損)							
Currency translation differences	貨幣換算 差額	—	—	—	19,956	19,956	(571)	19,385
Total comprehensive income/(loss)	全面收益/(虧損) 總額	—	—	—	128,879	128,879	(654)	128,225
Exercise of share options (Note 19)	行使購股權 (附註19)	27	—	1,633	—	1,660	—	1,660
Purchase of shares for the Scheme (Note 18(b))	計劃下購入之股份 (附註18(b))	—	(1,051)	—	—	(1,051)	—	(1,051)
Final dividend relating to 2016 (Note 31)	二零一六年度之 末期股息(附註31)	—	—	—	(28,930)	(28,930)	—	(28,930)
Interim dividend relating to 2017 (Note 31)	二零一七年度之 中期股息(附註31)	—	—	—	(14,500)	(14,500)	—	(14,500)
Balance at 31 December 2017	於二零一七年 十二月三十一日 之結餘	7,265	(2,089)	608,538	475,050	1,088,764	(28,324)	1,060,440

The notes on pages 73 to 172 are an integral part of these consolidated financial statements.

第73至172頁的附註為此等綜合財務報表的整體部份。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 截至十二月三十一日止年度

		Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cash flows from operating activities	經營活動的現金流量			
Cash generated from operations	經營業務所得的現金	32(a)	130,394	45,128
Interest paid	已付利息	27	(613)	(905)
Income tax paid	已繳所得稅		(23,595)	(33,785)
Net cash generated from operating activities	經營活動所得現金淨額		106,186	10,438
Cash flows from investing activities	投資活動的現金流量			
Purchase of property, plant and equipment	購入物業、廠房及設備		(26,987)	(40,158)
Purchase of land use rights	購入土地使用權		(105)	—
Purchase of intangible assets	購入無形資產		(1,566)	(397)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的所得款項	32(b)	498	4,795
Prepayment for acquisition of a subsidiary	收購一間附屬公司的預付款項		(38,252)	—
Net cash inflow arising from disposal of a subsidiary	出售一間附屬公司產生之現金流入淨額	32(c)	—	259,511
Interest received	已收利息	27	834	750
Dividends received from an associated company	已收一間聯營公司股息		180	192
Net cash inflow arising from dissolution of a joint venture	解散一間合營企業所產生之現金流入淨額		—	14
Net cash (used in)/generated from investing activities	投資活動(所用)/所得現金淨額		(65,398)	224,707
Cash flows from financing activities	融資活動的現金流量			
Purchase of shares under the Scheme	根據計劃購買之股份		(1,051)	(1,038)
Proceeds from borrowings	借貸所得款項	32(d)	30,000	60,000
Repayments of borrowings	償還借貸	32(d)	(34,074)	(89,734)
Short-term bank deposit with maturity over 3 months	到期日超過三個月的短期銀行存款		(10)	(69)
Dividends paid to owners of the Company	已付本公司擁有人股息		(188,003)	(35,339)
Proceeds from loans from non-controlling interests	來自非控股權益貸款的所得款項	32(d)	900	1,005
Decrease in restricted cash	受限制現金減少		—	34,998
Proceeds from exercise of share options	行使購股權所得款項	18(a)	1,660	11,410
Net cash used in financing activities	融資活動所用現金淨額		(190,578)	(18,767)
Net (decrease)/increase in cash and cash equivalents	現金及現金等值項目(減少)/增加淨額		(149,790)	216,378
Cash and cash equivalents at the beginning of the year	年初的現金及現金等值項目		508,616	295,693
Exchange gain/(loss) on cash and cash equivalents	現金及現金等值項目的匯兌收益/(虧損)		8,933	(3,455)
Cash and cash equivalents at the end of the year	年末的現金及現金等值項目	16	367,759	508,616

The notes on pages 73 to 172 are an integral part of these consolidated financial statements.

第73至172頁的附註為此等綜合財務報表的整體部份。

Notes to the Consolidated Financial Statements

綜合財務報表附註

1 GENERAL INFORMATION

Ming Fai International Holdings Limited (the “Company”) is an investment holding company. Its subsidiaries are principally engaged in the manufacturing and sales of amenity products and accessories and the distribution and retail business of cosmetics and fashion accessories in the People’s Republic of China (the “PRC”).

The Company was incorporated in the Cayman Islands on 29 May 2007 as an exempted company with limited liability under the Companies Law (2007 Revision) of the Cayman Islands. Its registered address is at the offices of M&C Corporate Services Limited, P.O. Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands.

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK\$’000), unless otherwise stated. These consolidated financial statements have been approved for issue by the board of directors (the “Board”) on 28 March 2018.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries.

1 一般資料

明輝國際控股有限公司(「本公司」)為一間投資控股公司，其附屬公司主要從事製造及銷售賓客用品及配件以及於中華人民共和國(「中國」)從事分銷及零售化妝品及時尚配飾業務。

本公司根據開曼群島公司法(二零零七年修訂版)於二零零七年五月二十九日在開曼群島註冊成立為獲豁免有限責任公司。其註冊地址為M&C Corporate Services Limited, P.O. Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands的辦事處。

本公司於香港聯合交易所有限公司(「聯交所」)主板進行第一上市。

除另有所指外，此等綜合財務報表乃按千港元(千港元)列值。此等綜合財務報表已於二零一八年三月二十八日獲董事會(「董事會」)批准刊發。

2 重大會計政策概要

本附註載列編製此等綜合財務報表所採用的主要會計政策清單。除另有所指外，此等政策已於所有呈報年度貫徹採用。財務報表為本集團(由本公司及其附屬公司組成)編製。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, which are carried at fair values.

(b) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2017:

- Recognition of Deferred Tax Assets for Unrealised Losses — Amendments to HKAS 12,
- Annual improvements to HKFRSs 2014–2016 cycle — Amendments to HKFRS 12, and
- Disclosure initiative — amendments to HKAS 7.

The adoption of these amendments did not have any impact on the amounts recognised in prior periods. Most of the amendments will also not affect the current or future periods. The amendments to HKAS 7 require disclosure of changes in liabilities arising from financing activities, see Note 32(d).

2 重大會計政策概要(續)

(a) 編製基準

本集團的綜合財務報表乃按香港會計師公會(「香港會計師公會」)頒佈之所有適用香港財務報告準則(「香港財務報告準則」)編製。綜合財務報表乃按歷史成本法編製，並經按公平值列賬之投資物業之重估予以修訂。

(b) 本集團採納之新訂及經修訂準則

本集團已於二零一七年一月一日開始的年報期首次採納以下準則及修訂：

- 確認遞延稅項資產的未變現虧損 — 香港會計準則第12號(修訂本)；
- 香港財務報告準則二零一四年至二零一六年週期的年度改進 — 香港財務報告準則第12號(修訂本)；及
- 披露計劃 — 香港會計準則第7號(修訂本)。

採納此等修訂本不會對過往期間已確認的數額造成任何影響。大部分修訂本亦將不會影響現時或往後之期間。香港會計準則第7號(修訂本)規定須披露自融資活動所產生負債的變動(見附註32(d))。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

HKFRS 9, 'Financial instruments'

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

The Group has reviewed its financial assets and liabilities and does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets. There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 *Financial Instruments: Recognition and Measurement* and have not been changed. Further, the new rules introduced for hedge accounting is not relevant as the Group currently does not apply hedge accounting.

The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets under HKFRS 15 *Revenue from contracts with customers*, lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessment undertaken to date, the Group expects it may result in an earlier recognition of credit losses.

2 重大會計政策概要(續)

(c) 未採納之新訂準則及詮釋

若干新會計準則及詮釋已頒佈，其並未於截至二零一七年十二月三十一日止報告期間強制生效，而本集團尚未提早採納該等準則及詮釋。本集團評估此等新準則及詮釋的影響載列於下文。

香港財務報告準則第9號「金融工具」

新準則針對金融資產及金融負債的分類、計量及終止確認，引入對沖會計新規定和金融資產的新減值模型。

本集團已審閱其金融資產及負債，並預期新指引不會對其金融資產的分類及計量有重大影響。由於新規定僅影響指定須按公平值計入損益的金融負債的會計處理，而本集團並無任何有關負債，故不會影響本集團對金融負債的會計處理。終止確認規則由香港會計準則第39號*金融工具：確認及計量轉移及無變動*。此外，由於本集團現時並無應用對沖會計處理，故對沖會計處理所引入的新規則並不相關。

新減值模型要求以預期信用虧損，而非香港會計準則第39號下僅以已產生信用虧損確認減值撥備。該規定適用於按攤銷成本分類的金融資產、按公平值計入其他全面收益計量的債務工具、香港財務報告準則第15號*來自客戶合同之收入*下的合約資產、應收租賃款、貸款承擔及若干財務擔保合約。根據迄今所進行的評估，本集團預期其可能導致提前確認信用虧損。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) New standards and interpretations not yet adopted (Continued)

HKFRS 9, 'Financial instruments' (Continued)

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

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

HKFRS 15, 'Revenue from contracts with customers'

The HKICPA has issued a new standard for the recognition of revenue. This will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts and the related literature. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

2 重大會計政策概要(續)

(c) 未採納之新訂準則及詮釋(續)

香港財務報告準則第9號「金融工具」(續)

新準則亦引入延伸的披露要求及呈列方式變動。此等變動預期將更改本集團有關其金融工具披露的性質及程度，尤其是於採納新準則的年度。

香港財務報告準則第9號須於二零一八年一月一日或之後開始之財政年度採用。本集團將追溯自二零一八年一月一日起應用新規定及準則所允許的可行權宜處理。二零一七年的比較數字將不予重列。

香港財務報告準則第15號「來自客戶合同之收入」

香港會計師公會已頒佈確認收入之一項新準則。此準則將取代香港會計準則第18號所涵蓋有關貨品及服務合同及香港會計準則第11號所涵蓋有關建造合同及相關文獻的規定。新準則的原則乃基於收入於貨品或服務的控制權已轉移至客戶時確認。此準則允許全面追溯或經修訂追溯方式採納。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) New standards and interpretations not yet adopted (Continued)

HKFRS 15, 'Revenue from contracts with customers' (Continued)

Management is currently assessing the effects of applying the new standard on the Group's consolidated financial statements and has identified the application of HKFRS 15 may result in the identification of separate performance obligations which could affect the timing of the recognition of revenue.

More detailed assessment will be carried out by the Group to estimate the impact of the new rules on the Group's consolidated financial statements.

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

HKFRS 16, 'Leases'

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

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK\$18,578,000, see Note 33(b).

2 重大會計政策概要(續)

(c) 未採納之新訂準則及詮釋(續)

香港財務報告準則第15號「來自客戶合同之收入」(續)

管理層現正評估應用新準則對本集團綜合財務報表之影響，並已識別應用香港財務報告準則第15號或可導致識別單獨履行義務，從而可能影響確認收入的時間。

本集團將進行更為詳盡的評估，以估計新規則對本集團綜合財務報表的影響。

香港財務報告準則第15號於二零一八年一月一日或以後開始之財政年度為強制性規定。本集團擬採納使用經修訂追溯方式之準則，換言之，採納之累計影響將自二零一八年一月一日起確認為保留盈利，而有關比較數字將不予重列。

香港財務報告準則第16號「租賃」

香港財務報告準則第16號於二零一六年一月頒佈。在營運及融資租賃之間的差異遭取消的情況下，其將導致近乎所有租約均於綜合資產負債表中確認。根據新準則，以資產(租賃項目的使用權)及金融負債繳納租金均獲確認，唯一例外者為短期及低價值租賃。

出租人會計處理將不會有重大變動。

此準則將主要影響本集團營運租賃的會計處理。截至報告日期，本集團的不可撤銷營運租賃承擔為18,578,000港元，見附註33(b)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) New standards and interpretations not yet adopted (Continued)

HKFRS 16, 'Leases' (Continued)

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

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

(d) Principles of consolidation and equity accounting

(i) *Subsidiaries*

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

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2(e)).

2 重大會計政策概要(續)

(c) 未採納之新訂準則及詮釋(續)

香港財務報告準則第16號「租賃」(續)

然而，本集團尚未評估例如因租期定義的改變及對可變租賃付款及延長及終止選項的不同處理方法而需要作出之其他調整(如有)。因此，仍未能估計在採納新準則時將予確認的使用權資產及租賃負債的金額，以及期後或影響本集團綜合全面收益表及現金流量的分類。

新準則於二零一九年一月一日或以後開始的財政年度為強制性規定。於此階段，本集團無意於其生效日期前採納此準則。本集團擬應用簡單過渡方式，且將不會重列首次採納之前年度的比較數字。

(d) 合併及權益會計原則

(i) *附屬公司*

附屬公司指本集團對其有控制權之所有實體(包括結構性實體)。本集團對實體有控制權，是指本集團因參與該實體之營運而承受風險或有權享有其可變回報，並能夠運用其對實體活動之直接權力影響上述回報。附屬公司的業績乃自控股權轉至本集團當日起全面綜合計算，並自該控股權終止當日起不再綜合計算。

本集團的業務合併使用收購會計法會計入賬(請參閱附註2(e))。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Principles of consolidation and equity accounting (Continued)

(i) Subsidiaries (Continued)

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

(ii) Associates

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

(iii) Joint arrangements

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

Joint ventures

Investments in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

2 重大會計政策概要(續)

(d) 合併及權益會計原則(續)

(i) 附屬公司(續)

集團內公司間的交易、本集團成員公司之間的交易結餘及未變現收益會予以對銷。除非有證據顯示交易所轉移的資產出現減值，否則未變現虧損亦會對銷。附屬公司的會計政策已按需要作出改變，以確保與本集團所採納者一致。

非控股權益的業績及附屬公司的權益分別於綜合全面收益表、綜合權益變動表及綜合資產負債表中獨立呈列。

(ii) 聯營公司

聯營公司指本集團對其有重大影響力但不擁有控制權或共同控制權之所有實體。本集團通常持有其20%至50%的投票權。於初步按成本確認後，聯營公司的投資採用會計權益法列賬(見下文(iv))。

(iii) 合營安排

根據香港財務報告準則第11號合營安排，於合營安排的投資分類為共同經營或合營企業。分類視乎各投資者的合約權益及責任(而非合營安排的法律架構)而定。本集團已於合營企業作出投資。

合營企業

初步按成本於綜合資產負債表中確認後，於合營企業的投資使用權益法會計入賬(見下文(iv))。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Principles of consolidation and equity accounting (Continued)

(iv) Equity accounting

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

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

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2(m).

2 重大會計政策概要(續)

(d) 合併及權益會計原則(續)

(iv) 權益會計

根據權益會計法，投資初步按成本確認，並隨後於損益中作出調整以確認本集團收購後應佔被投資者溢利或虧損，於其他全面收益中作出調整以確認本集團應佔被投資者其他全面收益變動。自聯營公司及合營企業已收取或應收的股息確認為自投資賬面值扣除。

倘本集團應佔股權投資虧損等於或超過其於實體的權益（包括任何其他無抵押長期應收款項），本集團不會確認進一步虧損，除非其代表其他實體承擔責任或支付款項。

本集團與其聯營公司及合營企業間所進行交易的未變現收益按本集團佔此等實體的權益予以抵銷。未變現虧損亦會抵銷，除非交易能提供證據表明所轉撥資產出現減值。被股權投資者的會計政策已於必要時作出變動，以確保與本集團採納之政策一致。

股權投資賬面值已根據附註2(m)所述的政策作出減值測試。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Principles of consolidation and equity accounting (Continued)

(v) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2 重大會計政策概要(續)

(d) 合併及權益會計原則(續)

(v) 擁有權權益變動

集團將不會導致喪失控股權的非控股權益交易視為與集團股權擁有人進行交易。倘擁有權權益出現變動，將於控股及非控股權益的賬面值作出調整，以反映其各自於附屬公司擁有的權益。於非控股權益作出調整的任何差額及任何已付或應收代價於本集團擁有人應佔權益中確認為獨立儲備。

倘本集團因喪失控制權、共同控制權或重大影響力而不再就投資綜合入賬或自權益中入賬，其於該實體的任何保留權益按其公平值重新計量，而賬面值變動則於損益內確認。就隨後入賬列作聯營公司、共同控制實體或金融資產的保留權益而言，公平值指初步賬面值。此外，先前於其他全面收入內確認與該實體有關的任何金額按猶如集團已直接出售有關資產或負債的方式入賬。這可能意味著先前在其他全面收入內確認的金額重新劃分為溢利或虧損，或轉移至適用香港財務報告準則所指定/允許的另一類別權益。

倘於合營企業或聯營公司的擁有權權益減少，惟共同控制或重大影響力獲保留，則先前於其他全面收入內確認的金額僅有一定比例部分重新劃分為溢利或虧損(如適用)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Business combinations

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

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

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

2 重大會計政策概要(續)

(e) 業務合併

所有業務合併均使用收購會計法會計入賬，而不論是否收購股本工具或其他資產。收購附屬公司的代價包括：

- 轉讓資產的公平值；
- 收購業務前擁有人所產生的負債；
- 本集團所發行的股權；
- 或然代價安排所產生的任何資產或負債公平值；及
- 該附屬公司的任何先前存在的股權公平值。

在業務合併中所收購的可識別資產、所承擔的負債及或然負債，(在有限的例外情況下)均於收購當日按其公平值作出初步計量。集團以個別收購的公平值或非控股權益分佔收購實體淨可識別資產的部分為基準確認於收購實體的任何非控股權益。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Business combinations (Continued)

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

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

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

2 重大會計政策概要(續)

(e) 業務合併(續)

收購相關成本在產生時支銷。

倘

- 所轉讓代價；
- 所收購實體之任何非控股權益金額；及
- 任何先前於所收購實體之股權於收購日期之公平值

超逾所收購可識別淨資產公平值之差額，則入賬列作商譽。倘該等金額均低於所收購業務的淨可識別資產公平值，則差額於直接於損益中確認為議價收購。

或然代價被分類為權益或金融負債。分類為金融負債的金額其後重新計量為公平值，而公平值的變動於損益中確認。

倘業務合併分階段進行，則收購方先前持有被收購方的股權的收購日賬面價值在收購日重新計量為公平值。有關重新計量所產生的任何收益或虧損均於損益中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Separate financial statements

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

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

(g) Segment reporting

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

(h) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

2 重大會計政策概要(續)

(f) 獨立財務報表

於附屬公司之投資按成本減減值列賬。成本包括投資的直接應佔費用。附屬公司的業績由本公司按已收股息及應收股息基準入賬。

當收取有關投資之股息時，倘有關股息高於宣派股息期間該附屬公司之全面收入總額，或倘有關投資於獨立財務報表之賬面值高於綜合財務報表內被投資公司資產淨值(包括商譽)的賬面值，則須對於該等附屬公司之投資進行減值測試。

(g) 分類報告

分類報告業務分類的呈報方式與向主要營運決策者提供的內部報告貫徹一致。主要營運決策者(負責分配資源及評估業務分類的表現)被確認為作出策略性決策的董事會。

(h) 外幣換算

(i) 功能及呈列貨幣

本集團內各實體的財務報表所載的項目以該實體經營所在的主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以本公司的功能及本集團的呈列貨幣港元(「港元」)呈列。

(ii) 交易及結餘

外幣交易採用交易日期或項目重新計量時的估值日期所通用匯率換算為功能貨幣。

因結算該等交易及按年末匯率換算以外幣計值的貨幣資產及負債而產生的匯兌盈虧乃於綜合全面收益表中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Foreign currency translation (Continued)

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

2 重大會計政策概要(續)

(h) 外幣換算(續)

(iii) 集團公司

功能貨幣有別於呈列貨幣的所有集團實體(其中並無任何實體持有通脹嚴重的經濟體系的貨幣)的業績及財務狀況,均按以下方式換算為呈列貨幣:

- 於各資產負債表呈列的資產及負債乃按有關結算日的收市匯率換算;
- 各綜合全面收益表的收支乃按平均匯率換算(除非該平均值並非合理地貼近交易日通行匯率的累積影響,在該情況下,收支於有關交易日期當日換算);及
- 所有因而產生的貨幣匯兌差額於其他全面收益中確認。

收購海外實體所產生的商譽及公平值調整視為海外實體的資產及負債處理,並按收市匯率換算。產生的貨幣換算差額於其他全面收益中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Foreign currency translation (Continued)

(iv) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

(i) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

2 重大會計政策概要(續)

(h) 外幣換算(續)

(iv) 出售海外業務及出售部分權益

於出售海外業務(即出售本集團於一項海外業務的全部權益;或涉及失去包含海外業務的附屬公司控制權的出售;或涉及失去包含海外業務的合營企業共同控制權的出售;或涉及失去對包含海外業務的聯營公司重大影響力的出售)時,本公司擁有人應佔就有關業務於權益累計的所有貨幣換算差額重新分類至損益。

如出售部分權益不會導致本集團失去對包含海外業務的附屬公司控制權,按比例所分佔的累計貨幣換算差額重新撥歸非控股權益,且不會於損益確認。就所有其他部分權益出售(即本集團於聯營公司或合營企業的擁有權權益減少,而並無導致本集團失去重大影響力或共同控制),按比例所分佔的累計匯兌差額重新分類至損益。

(i) 物業、廠房及設備

物業、廠房及設備按歷史成本減累計折舊及累計減值虧損入賬。歷史成本包括收購項目直接產生的開支。

僅當與該項目有關之日後經濟利益可能流入本集團,且該項目成本能可靠計量時,其後成本方會計入資產的賬面值或確認為一項獨立資產(如適用)。單獨資產中任何組成部分的賬面價值在更換時確認。所有其他維修及保養於產生的財政年度在綜合全面收益表內列賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Property, plant and equipment (Continued)

Leasehold land classified as finance lease commences amortisation from the time when the land interest becomes available for its intended use and is amortised on a straight-line basis over the period of the lease.

Depreciation for buildings is calculated using the straight-line method to allocate cost over its estimated useful lives of 20 years.

Depreciation for other property, plant and equipment is calculated using the straight-line method to allocate their cost over their estimated useful lives, at the following rates per annum:

Leasehold improvements	Shorter of 10 years or lease period
Plant and machinery	10%–33%
Motor vehicles	20%
Furniture and fixtures	33%
Computer equipment	33%

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the consolidated statement of comprehensive income.

Construction in progress represents property, plant and equipment under construction or pending installation, and is stated at cost less impairment losses. Cost comprises direct costs of construction including borrowing costs attributable to the construction during the period of construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use.

2 重大會計政策概要(續)

(i) 物業、廠房及設備(續)

分類為融資租賃的租賃土地於土地權益可供原定用途使用時開始攤銷，並按直線基準於租期內攤銷。

樓宇的折舊是以直線法將成本按其估計可使用年期(20年)分攤而計算得出。

其他物業、廠房及設備的折舊概以直線法將其成本按其估計可使用年期分攤而計算得出，所採用之年率如下：

租賃物業裝修	10年或租賃期 兩者之較短者
廠房及機器	10%–33%
汽車	20%
傢俬及裝置	33%
電腦設備	33%

資產之剩餘價值及可使用年期會在各結算日予以檢討並加以調整(如適用)。

倘資產的賬面值較其估計可收回金額為高，該資產之賬面值會立即撇減至其可收回金額。

出售的盈虧按所得款項與賬面值的差額釐定，並於綜合全面收益表確認。

在建工程指興建中或有待安裝之物業、廠房及設備，乃按成本減減值虧損列賬。成本包括直接工程成本(包括於工程進行期間來自工程的借貸成本)。於有關資產完工及可作擬定用途前，不會就在建工程作出折舊撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Land use rights

Land use rights are stated at cost less accumulated amortisation and impairment losses. Cost represents up-front prepayments made for the rights to use the land for periods varying from 20 to 50 years.

Amortisation of land use rights is expensed in the consolidated statement of comprehensive income on a straight-line basis over the period of the lease or when there is impairment, the impairment is expensed in the consolidated statement of comprehensive income.

(k) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both and is not occupied by the Group, is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value, representing open market value determined annually by the external valuer. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices from less active markets or discounted cash flow projections. These valuations are reviewed annually by the external valuer with changes in fair values recorded in the consolidated statement of comprehensive income.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the consolidated statement of comprehensive income.

2 重大會計政策概要(續)

(j) 土地使用權

土地使用權乃按成本減累計攤銷及減值虧損列賬。成本指就使用土地之權利(為期20至50年不等)而支付之預付款項。

土地使用權之攤銷於租期內按直線法於綜合全面收益表支銷，或當出現減值時，減值亦會於綜合全面收益表支銷。

(k) 投資物業

本集團為獲得長期租金收益或為資本升值或兩者兼備而持有但並無佔用之物業分類為投資物業。

投資物業初步按其成本計量，包括相關之交易成本。在初步確認後，投資物業按公平值列賬，為外聘估值師每年所釐定之公開市值。公平值以活躍市場價格為依據，並在有需要時就個別資產之性質、地點或狀況差異作出調整。倘無法取得此方面資料，本集團則另覓其他可行估值方法，如參考活躍程度稍遜之市場最近期之價格或貼現現金流量預測等。此等估值每年由外聘估值師加以檢討，而有關公平值變動則計入綜合全面收益表內。

倘物業、廠房及設備項目因用途變更而成為投資物業，則該項目於轉撥當日的賬面值與公平值的任何差額於權益內確認為物業、廠房及設備的重估。然而，倘公平值收益將先前的減值虧損撥回，則該收益於綜合全面收益表內確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Intangible assets

(i) Trademarks, club debentures and software licence

Separately acquired trademarks, investment in club debentures and software licences are shown at historical cost. These assets have a finite useful life and are carried at cost less accumulated amortisation and impairment losses.

Amortisation is calculated using the straight-line method to allocate the cost of trademarks, investment in club debentures and software licences over their estimated useful lives of 5 to 10 years.

(ii) Brandname

Brandname acquired in a business combination is recognised at fair value at the acquisition date. The brand name has a finite useful life and is carried at cost less accumulated amortisation and impairment.

Amortisation is calculated using the straight-line method over the expected life of the brand name of 10 years.

2 重大會計政策概要(續)

(I) 無形資產

(i) 商標、會所債券及軟件特許權

單獨收購的商標、會所債券投資及軟件特許權按歷史成本列值。此等資產可使用年期有限，並按成本減累計攤銷及減值虧損列賬。

攤銷乃使用直線法計算，以於其估計可使用年期5至10年內分攤商標、會所債券投資及軟件特許權的成本。

(ii) 品牌名稱

於業務合併時獲得的品牌名稱按於收購日期的公平值確認。品牌名稱的可使用年期有限及按成本減累計攤銷及減值列賬。

於品牌名稱的攤銷預計年期10年內採用直線法計算。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

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

2 重大會計政策概要(續)

(m) 非金融資產的減值

無確定使用年期的資產毋須攤銷，惟須每年或(倘有事件或變動顯示其可能已減值)更頻密地進行減值測試。如出現任何事件或情況有變，顯示可能無法收回賬面值時，其他資產便會進行減值測試。當資產賬面值超過其可收回金額時則會就有關差額確認減值虧損。可收回金額乃資產公平值減出售成本與使用價值兩者之間的較高者。就評估減值而言，資產按獨立可識別的最小現金流入(現金產生單位)分類，而有關現金流入大致上獨立於其他資產或資產組別的現金流入。商譽以外的非金融資產如出現減值，則於各結算日檢討可否撥回減值。

倘投資附屬公司、聯營公司或合營企業收取的股息超過附屬公司或聯營公司於股息宣派期間的全面收益總額或倘獨立財務報表中的投資的賬面值超過投資對象資產淨值(包括商譽)於綜合財務報表中的賬面值，則於從此等投資收到股息時須對附屬公司、聯營公司或合營企業的投資進行減值測試。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Financial assets — loans and receivables

(i) Classification

The Group's financial assets are loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. The Group's loans and receivables comprise trade and bills receivables, amount due from an associated company, amount due from a joint venture, deposits and other receivables, short-term bank deposit and cash and cash equivalents in the consolidated balance sheet.

(ii) Recognition and derecognition

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

2 重大會計政策概要(續)

(n) 金融資產 — 貸款及應收款項

(i) 分類

本集團之金融資產為貸款及應收款項。貸款及應收款項乃具有固定或可釐定付款但在活躍市場並無報價之非衍生金融資產。倘預期該等款項於一年或以內收回，則分類為流動資產，否則呈列為非流動資產。本集團的貸款及應收款項包括綜合資產負債表內的應收貿易賬款及票據、應收一間聯營公司款項、應收一間合營企業款項、按金及其他應收款項、短期銀行存款以及現金及現金等值項目。

(ii) 確認及終止確認

定期收購及出售的金融資產於交易日確認，該日為本集團承諾收購或出售資產當日。當應收金融資產現金流量之權利已屆滿或轉讓而本集團已轉讓該項金融資產擁有權之絕大部分風險及回報時，有關金融資產會取消確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Financial assets — loans and receivables (Continued)

(iii) Measurement

Loans and receivables are initially recognised at fair values plus transaction costs and are subsequently carried at amortised cost using the effective interest method. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

(o) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(p) Impairment of financial assets

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

2 重大會計政策概要(續)

(n) 金融資產 — 貸款及應收款項(續)

(iii) 計量

貸款及應收款項初步按公平值加交易成本確認，並於其後採用實際利息法按攤銷成本列賬。本集團於各結算日評估是否有客觀憑證顯示金融資產或一組金融資產出現減值。

(o) 抵銷金融工具

當有法定可強制執行權利可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在綜合資產負債表報告其淨額。法定可強制執行權利必須不得依賴未來事件而定，而在一般業務過程中以及倘公司或對手方一旦出現違約、無償債能力或破產時，亦必須具有約束力。

(p) 金融資產的減值

本集團於各報告期末評估是否有客觀證據顯示金融資產或金融資產組別出現減值。倘初步確認資產後發生一項或多項事件(「減值事件」)，而該減值事件(或該等事件)對能可靠地估計金融資產或金融資產組別的估計未來現金流量造成影響，導致出現減值的客觀證據，金融資產及金融資產組別方會出現減值或減值虧損。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Impairment of financial assets (Continued)

Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated statement of comprehensive income. When a receivable is uncollectible, it is written off against the allowance accounts for the receivables.

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

(q) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is assigned to individual items of inventory on the basis of weighted average method. The cost of finished goods and work in progress comprises raw material, direct labour, other direct costs and related production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling and distribution costs necessary to make the sale.

2 重大會計政策概要(續)

(p) 金融資產的減值(續)

按攤銷成本列賬的資產

就貸款及應收款項而言，虧損金額乃根據資產賬面值與按金融資產原實際利率貼現的估計未來現金流量(不包括仍未產生的未來信用虧損)的現值兩者的差額計量。資產賬面值通過使用撥備賬予以削減，而虧損金額則於綜合全面收益表確認。當應收款項無法收回，則與應收款項撥備賬撇銷。

如減值虧損的數額在往後期間減少，而此減少可客觀地聯繫至減值確認後發生的事件(如債務人的信用評級有所改善)，則先前確認的減值虧損可於綜合全面收益表撥回。

(q) 存貨

存貨乃按成本及可變現淨值兩者中之較低者列賬。成本乃按加權平均法分配至存貨的個別項目。製成品和在製品的成本包括原材料、直接人工、其他直接成本和按一般營運產能計算的相關生產費用。

可變現淨值指日常業務過程中之估計售價減適用可變銷售及銷售所必需的分銷成本。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Trade, bills and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade, bills and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade, bills and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. See Note 2(n) for further information about the Group's accounting for the recognition and measurement of receivables and Note 2(p) for a description of the Group's impairment policies.

(s) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks with original maturities of three months or less.

(t) Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. Trade payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

2 重大會計政策概要(續)

(r) 應收貿易賬款、票據及其他應收款項

應收貿易賬款為日常業務過程中就銷售商品或提供服務應收客戶的金額。若預期於一年或以內(或若更長,則在業務的正常經營週期內)能收回應收貿易賬款、票據及其他應收款項,則會獲分類為流動資產。否則,則獲呈列為非流動資產。

應收貿易賬款、票據及其他應收款項初步按公平值確認,其後則使用實際利息法按攤銷成本扣除減值撥備計量。有關確認及計量本集團應收款項會計方法之進一步資料,請參閱附註2(n),而有關本集團減值政策之說明,請參閱附註2(p)。

(s) 現金及現金等值項目

現金及現金等值項目包括原到期日為三個月或以內的現金及銀行通知存款。

(t) 應付貿易及其他賬款

應付貿易及其他賬款指於財政年末前向本集團提供商品或服務且尚未付款的負債。若應付款項在一年或以內(或若更長,則在業務的正常經營週期內)到期,則應付貿易賬款獲分類為流動負債。否則,則獲呈列為非流動負債。

應付貿易及其他賬款並無抵押,初步按公平值確認,並於隨後使用實際利息法按攤銷成本計量。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Borrowings

Borrowings are recognised initially at fair values, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

2 重大會計政策概要(續)

(u) 借貸

借貸初步按公平值扣除已產生的交易成本確認。借貸其後按攤銷成本列值，所得款項(扣除交易成本)與贖回價值間之任何差額於借貸期間使用實際利息法在綜合全面收益表確認。

在貸款融資將很有可能部分或全部被提取的情況下，就設立貸款融資支付的費用乃確認為貸款交易成本。在此情況下，該費用將遞延至提取發生為止。在並無跡象顯示該貸款將很有可能部分或全部提取的情況下，該費用撥充資本作為流動資金服務的預付款項，並於相關融資期間內予以攤銷。

當合約中規定的責任解除、取消或屆滿時，借貸從資產負債表中剔除。已消除或轉讓予另一方的金融負債的賬面值與已支付代價(包括已轉讓的非現金資產或所承擔的負債)之間的差額，在損益中確認為其他收入或財務成本。

借貸分類為流動負債，除非本集團具無條件權利遞延負債還款期至結算日起計最少十二個月後則作別論。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Current and deferred income tax

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

Current income tax

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

Deferred income tax

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

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on temporary differences arising on investments in subsidiaries, an associated company and joint ventures, except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2 重大會計政策概要(續)

(v) 即期及遞延所得稅

期內所得稅開支或抵免指本期間按各司法權區適用所得稅稅率計算應課稅收入，並由遞延稅項資產及負債變動應佔暫時性差異及尚未動用稅項虧損所調整得出的應付稅項。

即期所得稅

即期所得稅開支按於結算日本公司、其附屬公司及聯營公司營運以及產生可課稅收入之國家已頒佈或實質頒佈之稅法基準計算。管理層就適用稅務規例受詮釋規限的情況定期對申報於報稅表中的狀況進行評估。管理層在適當情況下按預期將支付予稅務部門的款項計提撥備。

遞延所得稅

遞延所得稅乃採用負債法就資產及負債之稅基與其於綜合財務報表內賬面值之暫時差額確認。然而，倘若於初步確認一項交易(業務合併除外)之資產或負債所產生之遞延所得稅於交易時不會對會計或應課稅溢利或虧損造成影響，則該等遞延所得稅並不會列賬。遞延所得稅乃根據於結算日已頒佈或實質頒佈，且預期相關之遞延所得稅資產變現或遞延所得稅負債清償時適用之稅率(及法例)釐定。

遞延所得稅資產之確認以日後可能產生可動用暫時差額抵銷應課稅溢利之情況為限。

遞延所得稅負債按附屬公司、一間聯營公司及合營企業投資所產生之暫時差額作出撥備，惟遞延稅項負債於暫時差額撥回之時間由本集團控制及暫時差額於可見未來可能不會撥回時除外。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Current and deferred income tax (Continued)

Deferred income tax (Continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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

(w) Employee benefits

(i) *Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

(ii) *Bonus entitlements*

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

2 重大會計政策概要(續)

(v) 即期及遞延所得稅(續)

遞延所得稅(續)

當有法定可強制執行權利將當期稅項資產與當期稅項負債抵銷，且遞延所得稅資產和負債與同一稅務機關就應課稅實體或不同應課稅實體(倘有意按淨額基準結付餘額)徵收的所得稅有關時，則可將遞延所得稅資產與負債互相抵銷。

即期及遞延稅項在損益中確認，惟與在其他全面收益內或直接在權益內確認的項目有關之稅項除外。於此情況下，稅項亦分別在其他全面收益內或直接在權益內確認。

(w) 僱員福利

(i) *僱員應享假期*

僱員享有年假和長期服務休假之權利，並在僱員享有有關權利時確認。本集團為截至結算日止僱員已提供之服務而產生之年假和長期服務休假之估計負債作出撥備。

(ii) *應享花紅*

當本集團因僱員提供服務而即時產生法律或推定責任，而有關責任可以可靠地估計時，則支付花紅之預期成本確認為負債。

花紅負債預期於十二個月內支付，並按清償時預期支付之數額計算。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Employee benefits (Continued)

(iii) Pension obligations

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

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The Group companies in the PRC participate in defined contribution retirement benefit plans organised by relevant government authorities for its employees in the PRC and contribute to these plans based on certain percentage of the salaries of the employees on a monthly basis, up to a maximum fixed monetary amount, as stipulated by the relevant government authorities.

The government authorities undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans.

The group companies in Hong Kong participate in a mandatory provident fund scheme ("MPF Scheme") for its employees in Hong Kong. MPF Scheme is a defined contribution scheme in accordance with the Mandatory Provident Fund Scheme Ordinance. Under the rules of MPF Scheme, the employer and its employees are required to contribute 5% of the employees' salaries, up to a maximum of HK\$1,500 per employee per month. The assets of MPF Scheme are held separately from those of the group companies in an independently administered fund.

2 重大會計政策概要(續)

(w) 僱員福利(續)

(iii) 退休金責任

界定供款計劃為一項本集團向一個獨立實體支付固定供款之退休金計劃。倘該基金並無持有足夠資產，向所有僱員就其在當期及以往期間之僱用服務提供福利，則本集團亦無法定或推定責任作出進一步供款。界定福利計劃為退休金計劃並非界定供款計劃。

界定福利計劃一般會釐定僱員在退休時可收取的退休福利金額，通常視乎年齡、服務年限及薪酬補償等一個或多個因素而定。

本集團位於中國之公司為其中國僱員參與有關政府當局舉辦之界定供款退休福利計劃，並根據僱員月薪之若干百分比每月向此等計劃供款，但供款金額不會超過有關政府當局規定之最高固定金額。

根據此等計劃，政府當局承擔所有現有及未來退休僱員之應付退休福利責任。

集團位於香港之公司為其香港僱員參與強制性公積金計劃(「強積金計劃」)。根據《強制性公積金計劃條例》，強積金計劃為界定供款計劃。根據強積金計劃規則，僱主及僱員須按僱員薪金的5%供款，惟每月就每名僱員作出的供款以1,500港元為上限。強積金計劃的資產與集團公司的資產分開並由獨立管理的基金持有。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Employee benefits (Continued)

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employee without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after balance sheet date are discounted to their present value.

(v) Share-based compensation

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

2 重大會計政策概要(續)

(w) 僱員福利(續)

(iv) 離職福利

離職福利是指員工在正常退休日前被本集團終止聘用或員工接受自願離職以換取此等福利時支付之福利。本集團在能證明以下承諾時確認離職福利：根據一項詳細的正式計劃終止現有職工的僱用而設有撤回的可能。在提出要約以鼓勵自願離職的情況下，離職福利乃根據預期接受要約的僱員人數計量。在結算日後超過12個月到期支付之福利應貼現為現值。

(v) 以股份支付的酬金

本集團設有以股權結算、以股份支付的酬金計劃，據此，有關實體接受僱員之服務作為本公司之授出股本工具(購股權)之代價。按僱員所提供服務以換取授出購股權之公平值乃確認為開支。將予支銷之總額乃參考所授出購股權之公平值釐定：

- 包括任何市場表現狀況(如一間實體的股價)；
- 不包括任何服務及非市場表現歸屬條件之影響(例如有關實體於特定期間之盈利能力、銷售增長目標及繼續為僱員)；及
- 包括任何非歸屬條件之影響(如挽留僱員之規定)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Employee benefits (Continued)

(v) *Share-based compensation (Continued)*

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

When the options are cancelled during vesting periods the Group recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

2 重大會計政策概要(續)

(w) 僱員福利(續)

(v) 以股份支付的酬金(續)

非市場歸屬條件包括在有關預期可予歸屬的購股權數目的假設中。總開支於歸屬期間確認，而所有特定歸屬條件於該期間內達成。於每個申報期末，實體修訂其對預期根據非市場歸屬條件可予歸屬購股權數目的估計。本公司在綜合全面收益表確認對原估計修訂(如有)的影響，並對權益作出相應調整。

本公司於購股權獲行使時發行新股份。當購股權獲行使時，所獲所得款項(扣除任何直接應佔交易成本)計入股本(面值)及股份溢價。

當購股權於歸屬期間內註銷時，本集團會即時確認就於餘下歸屬期間內接獲之服務原應確認之金額。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Employee benefits (Continued)

(v) *Share-based compensation (Continued)*

When the options are modified, the Group will include the incremental fair value granted in the measurement of the amount recognised for services received as consideration for the equity instruments granted. The incremental fair value granted is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognised for services received over the period from the modification date until the date when the modified equity instruments vest, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognised over the remainder of the original vesting period. If the modification occurs after vesting date, the incremental fair value granted is recognised immediately.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

2 重大會計政策概要(續)

(w) 僱員福利(續)

(v) 以股份支付的酬金(續)

當購股權被修改時，本集團將計入於計量就作為已授出之股本工具之代價已收取服務之已確認金額時已授出之公平值增額。已授出公平值增額為已修改股本工具的公平值與原有股本工具公平值的差額，兩者均於修改日期作出估計。倘該修改於歸屬期間發生，則已授出公平值增額計入於修改日期直至已修改股本工具歸屬之日止之期間之就已收取服務確認之金額之計量，不包括根據授出日期原有股本工具的公平值金額，該公平值金額於餘下原有歸屬期間內確認。倘該修改於歸屬日期後發生，則已授出公平值增額將即時確認。

本公司向為本集團工作之附屬公司僱員所授出其股本工具之購股權乃視為資本出資。所獲得僱員服務之公平值乃參考授出日期之公平值計量，於歸屬期內確認為增加對附屬公司業務之投資，並相應計入母公司實體賬目內之權益。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

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

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

(y) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminated sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2 重大會計政策概要(續)

(x) 撥備

撥備於本集團因過去的事件而產生現有之法律或推定責任；可能導致資源流出以清償該項責任；及有關金額能可靠估計時確認。重組撥備包括租賃終止罰款及終止聘用賠款。日後經營虧損則不會確認撥備。

倘出現若干類似責任，償還有關責任所需之資源流出的可能性，乃經考慮責任總體類別後釐定。即使同一責任類別之任何一個項目導致資源流出的可能性不大，仍須確認撥備。

撥備按管理層於報告期末對履行現有責任所需的開支現值的最佳估計計量。用以釐定現值的折扣率為反映現時市場對貨幣時間價值的評估以及負債特定風險的稅前比率。隨時間流逝而產生之撥備增加確認為利息開支。

(y) 收入之確認

收入包括本集團日常業務過程中就銷售貨品及服務所收取或應收取代價之公平值。收入於扣除增值稅、回報、回扣及折扣以及對銷本集團內部銷售後呈列。

當收入金額能可靠計量時，以及未來可能有經濟利益流入實體及以下所述本集團各項業務均已符合特定標準時，本集團便會確認收入。除非與銷售有關之所有或然事項均已解決，否則收入金額不視為可以可靠計量。本集團根據歷史業績進行估計，並計入客戶類型、交易類型及每項安排之特性。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Revenue recognition (Continued)

(i) Sales of goods

Sales of goods are recognised when the title to the goods has been passed to the customer, which is at the date when the customer receives and accepts the goods, and collectability of the related receivables is reasonably assured.

Revenue is stated net of provision for sales returns. Provision for sales returns is made by the Group upon the delivery of goods to the customers when the significant risks and rewards of ownership of the goods are transferred to the customers.

(ii) Rental income

Rental income from investment properties is recognised in the consolidated statement of comprehensive income on a straight-line basis over the period of the lease term.

(iii) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

(z) Lease (as the lessee for operating leases)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentive received from the lessor) are expensed in the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

2 重大會計政策概要(續)

(y) 收入之確認(續)

(i) 銷售貨品

銷售貨品在貨品之所有權已轉讓予客戶，即客戶接收及接受貨品，並可合理確定能收到有關應收款項之日確認。

收入扣除退貨撥備後呈列。本集團於貨品交付予客戶，而貨品所有權的重大風險及回報已於當時轉讓予客戶時，作出退貨撥備。

(ii) 租金收入

來自投資物業之租金收入在租賃期間按直線法基準於綜合全面收益表中確認。

(iii) 利息收入

利息收入採用實際利息法按時間比例基準確認。

(z) 租賃(作為營運租賃的承租人)

出租人保留擁有權之大部分風險及回報之租賃分類為營運租賃。營運租賃之租金(扣除收取出租人提供之任何優惠後)在租約年期內按直線法在綜合全面收益表內支銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(aa) Share capital

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

Where the Company's shares are acquired from the market by the Scheme (Note 18(b)), the total consideration of shares acquired from the market (including any directly attributable incremental costs) is presented as shares held for the Scheme and deducted from total equity.

(ab) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

3 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

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

2 重大會計政策概要(續)

(aa) 股本

普通股分類為權益。發行新股份直接產生的增加成本在權益內列值作為所得款項的除稅後扣減。

倘根據計劃(附註18(b))於市場上收購公司的股份，於市場上所收購股份的總收代價(包括任何直接應佔增加成本)乃呈列為於計劃下持有之股份，並自總權益中扣除。

(ab) 股息分派

向本公司股東分派之股息於股息獲本公司股東或董事(倘適用)批准期間在本集團及本公司之財務報表中確認為負債。

3 財務風險管理

(a) 財務風險因素

本集團業務承受多種財務風險：市場風險(包括外匯風險、利率風險及價格風險)、信貸風險及流動資金風險。本集團之整體風險管理計劃專注於金融市場之不可預測性，務求盡量減低對本集團財務表現可能構成的不利影響。

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(i) Foreign exchange risk

The Group's foreign currency transactions are mainly denominated in Renminbi ("RMB"), HK\$ and US dollar ("US\$"). The majority of assets and liabilities are denominated in RMB, HK\$ and US\$, and there are no significant assets and liabilities denominated in other currencies. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in a currency other than HK\$ or RMB, which are the functional currencies of the major operating companies within the Group.

As HK\$ is pegged to US\$, management believes that the exchange rate risk for translations between HK\$ and US\$ do not have a material impact to the Group. The exchange rate of RMB to HK\$ is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

This currency exposure is managed primarily through sourcing raw materials denominated in the same currency. The Group has not considered it appropriate to substantially hedge against currency risks through forward exchange contracts upon consideration of the currency risk involved and the cost of obtaining such cover.

At 31 December 2017, if HK\$ had strengthened/weakened by 5% against the RMB, with all other variables held constant, post-tax profit for the year would have been approximately HK\$2,545,000, higher or lower (for the year ended 31 December 2016: post-tax profit of HK\$2,257,000, higher or lower), mainly as a result of foreign exchange differences on translation of RMB denominated net payables.

3 財務風險管理(續)

(a) 財務風險因素(續)

(i) 外匯風險

本集團的外幣交易主要以人民幣(「人民幣」)、港元及美元(「美元」)計值。大部分資產及負債以人民幣、港元及美元計值，及概無重大資產及負債以其他貨幣計值。本集團因以港元或人民幣(本集團旗下主要營運公司的功能貨幣)以外貨幣計值的未來商業交易及已確認資產及負債而承受外匯匯率風險。

由於港元與美元掛鈎，管理層相信，港元及美元進行換算的匯率風險對本集團並無重大影響。人民幣兌港元的匯率須遵守中國政府頒佈的外匯管制規則及條例。

此貨幣風險主要透過採購以相同貨幣計值的原材料進行管理。經考慮所涉及貨幣風險代價及取得有關保障的成本後，本集團認為不適宜透過遠期外匯合約就貨幣風險進行大量對沖。

於二零一七年十二月三十一日，倘港元兌人民幣匯率升/跌5%，而所有其他變數不變，本年度的除稅後溢利將增加或減少約2,545,000港元(截至二零一六年十二月三十一日止年度：除稅後溢利增加或減少2,257,000港元)，主要由於換算以人民幣計值的應付款項淨額而引致匯兌差額所致。

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(i) Foreign exchange risk (Continued)

At 31 December 2017, if RMB had strengthened/weakened by 5% against the US\$, with all other variables held constant, post-tax profit for the year would have been approximately HK\$9,176,000, higher or lower (for the year ended 31 December 2016: post-tax profit of HK\$11,758,000, higher or lower), mainly as a result of foreign exchange differences on translation of US\$ denominated net payables.

(ii) Interest rate risk

The Group has cash balances placed with reputable banks and financial institutions, which generate interest income for the Group.

Borrowings at variable rates expose the Group to cash flow interest-rate risk. Borrowings at fixed rates expose the Group to fair value interest-rate risk. Details of the Group's borrowings have been disclosed in Note 20 to the consolidated financial statements.

The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration of refinancing, renewal of existing positions, and alternative financing. Based on these scenarios, the Group calculates the impact on profit of a defined interest rate shift. For each simulation, the same interest rate shift is used. The scenarios are run only for assets and liabilities that represent the major interest-bearing positions.

3 財務風險管理(續)

(a) 財務風險因素(續)

(i) 外匯風險(續)

於二零一七年十二月三十一日，倘人民幣兌美元匯率升/跌5%，而所有其他變數不變，本年度的除稅後溢利將增加或減少約9,176,000港元(截至二零一六年十二月三十一日止年度：除稅後溢利增加或減少11,758,000港元)，主要由於換算以美元計值的應付款項淨額而引致匯兌差額所致。

(ii) 利率風險

本集團於多家信譽良好的銀行及金融機構存放的現金結餘為本集團帶來利息收入。

按可變利率計息之借貸令本集團承受現金流量利率風險。按固定利率計息之借貸則令本集團承受公平值利率風險。本集團借貸詳情已於綜合財務報表附註20中披露。

本集團並無使用任何利率掉期對沖其利率風險。

本集團按動態基準分析其利率風險，並考慮再融資、更新現時持倉及其他融資之多個模擬情況。根據此等模擬情況，本集團計算界定利率調整之溢利之影響。就各模擬情況而言，均採用相同利率調整。模擬情況僅就反映主要計息持倉之資產及負債而作出。

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(ii) Interest rate risk (Continued)

Based on the simulations performed, the impact on post-tax profit of a 100 basis-point shift would be a maximum increase/decrease of HK\$940,000 for the year ended 31 December 2017 (for the year ended 31 December 2016 HK\$285,000) mainly as a result of change in interest rates on short-term bank deposits and bank borrowings.

(iii) Price risk

The Group is not exposed to equity securities price risk and commodity price risk.

(iv) Credit risk

Credit risk arises from cash and cash equivalents, short-term bank deposits, restricted cash, amount due from an associated company, amount due from a joint venture, as well as credit exposures to trade and bills receivables and other receivables. Credit risk is managed on a group basis, management has policies in place to monitor the exposures to these credit risks on an ongoing basis.

The Group has put in place policies to ensure that sales of products are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers based on their past repayment patterns, latest business developments and other factors. The Group's historical experience in collection of trade and bills receivables falls within the recorded allowances.

3 財務風險管理(續)

(a) 財務風險因素(續)

(ii) 利率風險(續)

根據所作出之模擬情況，截至二零一七年十二月三十一日止年度，100個基準點調整之除稅後溢利之影響將最多增加／減少940,000港元(截至二零一六年十二月三十一日止年度：285,000港元)，乃主要由於短期銀行存款及銀行借貸利率變動。

(iii) 價格風險

本集團並無承受股本證券價格風險及商品價格風險。

(iv) 信貸風險

信貸風險來自現金及現金等值項目、短期銀行存款、受限制現金、應收一間聯營公司款項、應收一間合營企業款項，以及應收貿易賬款及票據及其他應收款項。信貸風險乃按組合基準管理，管理層已制定政策，持續監察此等信貸風險的水平。

本集團已制定政策確保產品銷售予信貸記錄良好之客戶，而本集團依據客戶過往的還款模式、最新業務發展及其他因素而對其客戶進行定期信用評估。本集團在收取應收貿易賬款及票據方面之過往經驗並無超出已記錄撥備之範圍。

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iv) Credit risk (Continued)

The table below shows the credit limit and balance of the five major debtors at 31 December 2017 and 31 December 2016.

Counterparty 對應方	As at 31 December 於十二月三十一日			
	2017 二零一七年		2016 二零一六年	
	Credit limit 信貸限額	Utilised 已使用	Credit limit 信貸限額	Utilised 已使用
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
A	38,000	36,409	27,000	26,258
B	32,000	28,539	32,000	31,312
C	32,000	26,549	32,000	31,069
D	26,000	25,255	24,000	23,782
E	26,000	24,041	12,000	10,852
F	22,000	16,295	22,000	20,307

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to the counterparty's default history. The current portion of trade and bills receivables which are not impaired are analysed below:

未過期亦無減值的金融資產之信貸質素可參照對應方過往的拖欠記錄作出評估。無減值的應收貿易賬款及票據的流動部份分析如下：

		As at 31 December 於十二月三十一日	
		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
		千港元	千港元
Trade and bills receivables	應收貿易賬款及票據		
Customers accepted within the past 12 months	於過去12個月內接納的客戶	48,428	14,182
Customers accepted beyond the past 12 months	於過去12個月以前接納的客戶	311,134	287,197
Total	總計	359,562	301,379

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iv) Credit risk (Continued)

The short-term bank deposit and cash and cash equivalents are analysed below:

		As at 31 December	
		於十二月三十一日	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Cash and cash equivalents	現金及現金等值項目		
Cash at banks and bank deposits	銀行現金及銀行存款		
Listed financial institutions	上市金融機構	365,663	503,182
Unlisted financial institutions	非上市金融機構	630	4,211
		366,293	507,393
Cash on hand	現金	1,466	1,223
Total	總計	367,759	508,616
Short-term bank deposit	短期銀行存款		
Listed financial institution	上市金融機構	78	68

(v) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. The Group aims to maintain flexibility in funding by keeping sufficient cash.

3 財務風險管理(續)

(a) 財務風險因素(續)

(iv) 信貸風險(續)

短期銀行存款以及現金及現金等值項目分析如下：

(v) 流動資金風險

審慎之流動資金風險管理包括維持充裕現金及透過足夠之承諾信貸融資提供所需資金。本集團旨在透過保留足夠現金維持資金之靈活性。

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(v) Liquidity risk (Continued)

As at 31 December 2017, the cash and cash equivalents of the Group approximated HK\$367,759,000 (31 December 2016: HK\$508,616,000).

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

Specifically, as at 31 December 2017, for bank borrowings which contained a repayment on demand clause which could be exercised at the banks' sole discretion, the balances had been reclassified as current liabilities. The analysis shows the cash outflow based on earliest period in which the Group can be required to pay, that is if the lender were to invoke their unconditional rights to call the loans with immediate effect.

3 財務風險管理(續)

(a) 財務風險因素(續)

(v) 流動資金風險(續)

於二零一七年十二月三十一日，本集團的現金及現金等值項目約為367,759,000港元(二零一六年十二月三十一日：508,616,000港元)。

下表為將按相關到期組別將本集團的金融負債分類後作出的分析，分類方法基於結算日至合約到期日的剩餘期間。下表內披露的金額為合約未貼現現金流量及本集團可能被要求付款的最早日期。由於貼現的影響不大，於十二個月內到期的結餘與其賬面值相等。

其中，於二零一七年十二月三十一日，就包含須按要求償還條款(可由銀行全權酌情決定行使)的銀行借貸而言，結餘已重新分類為流動負債。該分析按本集團可能被要求付款的最早期間(即放債人要即時援引其無條件權利以拆借)顯示現金流出。

3 FINANCIAL RISK MANAGEMENT (Continued)

3 財務風險管理(續)

(a) Financial risk factors (Continued)

(a) 財務風險因素(續)

(v) Liquidity risk (Continued)

(v) 流動資金風險(續)

		On demand	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
		按 要求 償還	1年 內	1至 2年 之間	2至 5年 之間	5年 以上	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千 港 元	千 港 元	千 港 元	千 港 元	千 港 元	千 港 元
At 31 December 2017	於二零一七年 十二月三十一日						
Borrowings	借貸						
— principal portion	— 本金部分	22,170	—	—	—	—	22,170
Trade payables	應付貿易賬款	—	230,530	—	—	—	230,530
Accruals and other payables	應計費用及其他應付款項	—	157,300	—	—	—	157,300
Loans from non-controlling interests	來自非控股權益之貸款	14,492	—	—	—	—	14,492
Dividends payable	應付股息	—	102	—	—	—	102
At 31 December 2016	於二零一六年 十二月三十一日						
Borrowings	借貸						
— principal portion	— 本金部分	26,244	—	—	—	—	26,244
Trade payables	應付貿易賬款	—	208,895	—	—	—	208,895
Accruals and other payables	應計費用及其他應付款項	—	141,481	—	—	—	141,481
Loans from non-controlling interests	來自非控股權益之貸款	13,592	—	—	—	—	13,592
Dividends payable	應付股息	—	144,675	—	—	—	144,675

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(v) Liquidity risk (Continued)

The table below analyses the bank borrowings of the Group into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date without taking into consideration the effect of repayment on demand clause, while interest payments are computed using contractual rates.

3 財務風險管理(續)

(a) 財務風險因素(續)

(v) 流動資金風險(續)

下表按照於報告期末至合約到期日的餘下期間分析本集團分類至相關到期組別的銀行借貸，當中並無計及按要求償還條款的影響，而利息付款以合約利率計算。

		Within 1 year 1年內 HK\$'000 千港元	Between 1 and 2 years 1至2年 之間 HK\$'000 千港元	Between 2 and 5 years 2至5年 之間 HK\$'000 千港元	Over 5 years 5年以上 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 December 2017	於二零一七年 十二月三十一日					
Borrowings:	借貸：					
— principal portion	— 本金部分	3,921	3,976	10,168	4,105	22,170
— interest portion	— 利息部分	585	473	1,010	111	2,179
		4,506	4,449	11,178	4,216	24,349
As at 31 December 2016	於二零一六年 十二月三十一日					
Borrowings:	借貸：					
— principal portion	— 本金部分	4,083	3,977	9,854	8,330	26,244
— interest portion	— 利息部分	543	430	810	346	2,129
		4,626	4,407	10,664	8,676	28,373

3 FINANCIAL RISK MANAGEMENT (Continued)

(b) Capital risk management

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

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

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as borrowings divided by total equity. Management considers a gearing ratio of not more than 30% as reasonable.

3 財務風險管理(續)

(b) 資金管理風險

本集團的資金管理旨在保障本集團按持續經營基準繼續營運之能力，從而為股東帶來回報，同時兼顧其他權益持有人的利益，並維持最佳的資本結構以減低資金成本。

為維持或調整資本結構，本集團可能會調整支付予股東的股息金額、向股東發還資金、發行新股或出售資產以減低債務。

本集團利用資本負債比率監察其資本。此比率按照借貸除以總權益計算。管理層認為合理的資本負債比率應不高於30%。

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Borrowings	借貸	22,170	26,244
Total equity	總權益	1,060,440	975,036
Gearing ratio	資本負債比率	2.1%	2.7%

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to interest bearing current accounts and time deposits, with appropriate maturities to manage its overall liquidity position. As at 31 December 2017, the Group maintains cash and cash equivalents of approximately HK\$367,759,000 (31 December 2016: approximately HK\$508,616,000) that are expected to be readily available to meet the cash outflows of its financial liabilities.

經營實體所持超過營運資金管理所需的現金盈餘，乃轉撥入具合適到期日之計息往來賬戶及定期存款，以管理其總體流動資金狀況。於二零一七年十二月三十一日，本集團之現金及現金等值項目約為367,759,000港元(二零一六年十二月三十一日：約508,616,000港元)，預期足以滿足其金融負債之現金流出。

3 FINANCIAL RISK MANAGEMENT (Continued)

(c) Fair value estimation

The carrying amounts of the Group's financial assets and liabilities including cash and cash equivalents, short-term bank deposit, trade and bills receivables, deposits and other receivables, amount due from an associated company, amount due from a joint venture, borrowings, trade payables, dividends payable, accruals and other payables and loans from non-controlling interests, approximate their fair values due to their short maturities.

See Note 8 for disclosures of investment properties that are measured at fair values at 31 December 2017.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the consolidated financial statements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addresses below.

3 財務風險管理(續)

(c) 公平值估計

本集團之金融資產及負債之賬面值包括現金及現金等值項目、短期銀行存款、應收貿易賬款及票據、按金及其他應收款項、應收一間聯營公司款項、應收一間合營企業款項、借貸、應付貿易賬款、應付股息、應計費用及其他應付款項及來自非控股權益之貸款，由於到期日短促，故上述各項的賬面值與其公平值相若。

有關於二零一七年十二月三十一日按公平值計量之投資物業的披露詳情敬請參閱附註8。

4 重大會計估計及判斷

編製綜合財務報表時使用的估計及判斷會不斷評估，並按過往經驗及其他因素(包括於有關情況下相信為合理之未來事件之預測)而作出。

本集團對未來作出估計及假設。顧名思義，由此產生之會計估計於極少情況下會與其實際結果相同。極可能導致須對下個財政年度之資產及負債賬面值作出重大調整之估計及假設載列如下。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Impairment of trade and bills receivables

The Group makes provision for impairment of trade and bills receivables based on an assessment of the recoverability of trade and bills receivables. Provisions are applied to trade and bills receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment requires the use of judgement and estimates.

Where the expectation is different from the original estimate, such difference will impact the carrying value of trade receivables and provision for impaired receivables in the year in which such estimate has been changed.

5 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board. The Board reviews the Group's internal reports in order to assess performance and allocate resources. The Board has determined the operating segments based on these reports.

The Group is principally engaged in the manufacturing and distribution of amenity products. From a geographical perspective, the Board assesses the performance based on the Group's revenue by geographical location in which the customer is located. The Group is also engaged in the distribution and retail business of cosmetics products and fashion accessories in the PRC through retail chain outlets. Altogether, the Group has two reportable segments: (a) manufacturing and distribution business of amenity products and (b) distribution and retail business of cosmetics and fashion accessories.

The Board assesses the performance of the operating segments based on a measure of profit before income tax, share of profit of an associated company, share of profit of joint ventures and fair value gains on investment properties.

4 重大會計估計及判斷(續)

應收貿易賬款及票據減值

本集團根據應收貿易賬款及票據可收回情況的評估為應收貿易賬款及票據的減值撥備。倘出現事項或情況有變而顯示不一定可收回餘款時，則須就應收貿易賬款及票據計提撥備。識別減值須運用判斷及作出估計。

倘預期金額有別於原先估計數值，則有關差額將影響有關估計數值出現變動年度應收貿易賬款的賬面值及應收賬款減值撥備。

5 分類資料

董事會為主要營運決策者。董事會檢討本集團的內部報告以評估業績及分配資源。董事會基於此等報告確定經營分類。

本集團主要從事製造及分銷賓客用品業務。從地理區域角度，董事會評估業績時會依據本集團的客戶所在地域之收入來釐定。本集團亦透過零售連鎖店於中國從事分銷及零售化妝品及時尚配飾業務。綜上，本集團擁有兩項可供呈報的分類：(a)製造及分銷賓客用品業務及(b)分銷及零售化妝品及時尚配飾業務。

董事會以未計所得稅前溢利、應佔一間聯營公司溢利、應佔合營企業溢利及投資物業之公平值收益為衡量基準以評估經營分類的表現。

Notes to the Consolidated Financial Statements (Continued)
綜合財務報表附註(續)

5 SEGMENT INFORMATION (Continued)

Information provided to the Board is measured in a manner consistent with that of the consolidated financial statements.

Sales between segments are carried out at normal commercial terms. Depreciation and amortisation charges are apportioned with reference to respective segment revenue from external customers. Assets and liabilities of the Group are allocated by reference to the principal markets in which the Group operates.

Geographical

		Manufacturing and distribution business of amenity products							Distribution and retail business of cosmetics and fashion accessories			Others		Total	
		製造及分銷賓客用品業務							分銷及零售化妝品及時尚配飾業務			其他			
		North America	Europe	The PRC	Hong Kong	Australia	Other Asia Pacific regions	Others	Sub-total	The PRC	Hong Kong	Sub-total	HK\$'000		HK\$'000
							(Note i)	(Note ii)							
北美洲	歐洲	中國	香港	澳洲	亞太地區	其他	小計	中國	香港	小計	千港元	千港元			
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
Year ended 31 December 2017	截至二零一七年十二月三十一日止年度	404,047	198,146	603,291	300,168	51,262	287,491	4,051	1,848,456	16,124	210	16,334	—	1,864,790	
Segment revenue	分類收入	404,047	198,146	603,291	300,168	51,262	287,491	4,051	1,848,456	16,124	210	16,334	—	1,864,790	
Inter-segment revenue	分類間收入	—	—	(863)	—	—	—	—	(863)	(368)	—	(368)	—	(1,231)	
Revenue from external customers	來自外部客戶的收入	404,047	198,146	602,428	300,168	51,262	287,491	4,051	1,847,593	15,756	210	15,966	—	1,863,559	
Earnings/(loss) before interest, taxes, depreciation and amortisation	未計利息、稅項、折舊及攤銷前的盈利/(虧損)	47,339	21,578	37,615	27,885	4,186	39,286	819	178,708	3,158	(765)	2,393	(60)	181,041	
Depreciation	折舊	(7,296)	(3,578)	(10,878)	(5,420)	(926)	(5,191)	(73)	(33,362)	(506)	(8)	(514)	(2,861)	(36,737)	
Amortisation	攤銷	(479)	(235)	(712)	(356)	(61)	(341)	(5)	(2,189)	(267)	(70)	(337)	(97)	(2,623)	
Finance income	財務收入	—	—	365	462	—	3	—	830	3	—	3	1	834	
Finance costs	財務成本	—	—	(27)	(557)	—	(29)	—	(613)	—	—	—	—	(613)	
Segment profit/(loss) before income tax	未計所得稅前分類溢利/(虧損)	39,564	17,765	26,363	22,014	3,199	33,728	741	143,374	2,388	(843)	1,545	(3,017)	141,902	
Share of profit of an associated company	應佔一間聯營公司溢利	—	—	—	—	—	—	—	—	—	—	—	—	1,344	
Share of profit of a joint venture	應佔一間合營企業溢利	—	—	—	—	—	—	—	—	—	—	—	—	2	
Income tax expenses	所得稅開支	—	—	—	—	—	—	—	—	—	—	—	—	(34,408)	
Profit for the year	本年度溢利	—	—	—	—	—	—	—	—	—	—	—	—	108,840	

5 分類資料(續)

向董事會呈報的資料採用與綜合財務報表一致的方式計量。

分類間的銷售按一般商業條款進行。折舊及攤銷費用乃參考來自外部客戶的各分類收入予以分配。本集團的資產及負債乃參照本集團所經營業務的主要市場進行分配。

地區

5 SEGMENT INFORMATION (Continued)

5 分類資料(續)

Geographical (Continued)

地區(續)

	Manufacturing and distribution business of amenity products					Distribution and retail business of cosmetics and fashion accessories			Others	Inter-segment elimination	Total
	製造及分銷賓客用品業務					分銷及零售化妝品及時尚配飾業務			其他		
	The PRC	Hong Kong	Australia	Other locations (Note iii)	Sub-total	The PRC	Hong Kong	Sub-total			
中國	香港	澳洲	其他地區 (附註iii)	小計	中國	香港	小計		抵銷	總計	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
As at 31 December 2017	於二零一七年十二月三十一日										
Total assets	1,001,271	691,349	1,484	99,388	1,793,492	49,764	1,843	51,607	47,088	(242,357)	1,649,830
Include:	資產總額 包括:										
Investment in an associated company	—	3,602	—	—	3,602	—	—	—	—	—	3,602
Investments in a joint venture	—	—	—	212	212	—	—	—	—	—	212
Additions to non-current assets (other than deferred income tax assets)	24,516	2,915	—	39,459	66,890	—	20	20	—	—	66,910
Total liabilities	404,562	141,834	160	51,814	598,370	125,887	52,722	178,609	54,768	(242,357)	589,390

Notes to the Consolidated Financial Statements (Continued)
綜合財務報表附註(續)

5 SEGMENT INFORMATION (Continued)

Geographical (Continued)

		Manufacturing and distribution business of amenity product							Distribution and retail business of cosmetics and fashion accessories			Others		Total			
		製造及分銷賓客用品業務							分銷及零售化妝品及時尚配飾業務			其他					
		North America	Europe	The PRC	Hong Kong	Australia	Other Asia Pacific regions (Note i)	Others (Note ii)	Sub-total	The PRC	Hong Kong	Sub-total					
		北美洲	歐洲	中國	香港	澳洲	其他(附註i)	其他(附註ii)	小計	中國	香港	小計					
	Year ended 31 December 2016	截至二零一六年十二月三十一日止年度	分類收入	分類間收入	Revenue from external customers	Earnings/(loss) before interest, taxes, depreciation, amortisation and fair value gains on investment properties	折舊、攤銷及投資物業之公平值收益前的盈利/(虧損)	Depreciation	Amortisation	Finance income	Finance costs	Segment profit/(loss) before income tax	Share of profit of an associated company	Share of profit of joint ventures	Fair value gains on investment properties (Note 8)	Income tax expenses	Profit for the year
	402,317	174,442	521,249	262,730	49,787	251,791	4,929	1,667,245	32,187	300	32,487	—	1,699,732				
	—	—	(1,208)	(118)	—	—	—	(1,326)	(401)	—	(401)	—	(1,727)				
	402,317	174,442	520,041	262,612	49,787	251,791	4,929	1,665,919	31,786	300	32,086	—	1,698,005				
	60,211	18,990	39,735	33,626	3,361	32,679	810	189,412	(33,652)	(1,757)	(35,409)	7,651	161,654				
	(7,038)	(3,052)	(9,098)	(4,594)	(871)	(4,405)	(86)	(29,144)	(1,555)	(146)	(1,701)	(5,314)	(36,159)				
	(468)	(203)	(605)	(305)	(58)	(293)	(6)	(1,938)	(270)	(78)	(348)	(98)	(2,384)				
	—	—	623	124	—	—	—	747	3	—	3	—	750				
	—	—	(21)	(605)	—	(39)	—	(665)	—	—	—	(240)	(905)				
	52,705	15,735	30,634	28,246	2,432	27,942	718	158,412	(35,474)	(1,981)	(37,455)	1,999	122,956				
													1,476				
													11				
													66,996				
													(42,355)				
													149,084				

5 分類資料(續)

地區(續)

5 SEGMENT INFORMATION (Continued)

Geographical (Continued)

		Manufacturing and distribution business of amenity products					Distribution and retail business of cosmetics and fashion accessories			Others		Inter-segment elimination	Total
		製造及分銷賓客用品業務					分銷及零售化妝品及時尚配飾業務			其他			
		The PRC	Hong Kong	Australia	Other locations (Note iii)	Sub-total	The PRC	Hong Kong	Sub-total	HK\$'000	HK\$'000		
中國	香港	澳洲	其他地區 (附註iii)	小計	中國	香港	小計	千港元	千港元	千港元	千港元		
As at 31 December 2016	於二零一六年十二月三十一日												
Total assets	資產總額	895,131	818,990	1,558	54,872	1,770,551	56,532	1,796	58,328	113,851	(288,735)	1,653,995	
Include:	包括:												
Investment in an associated company	於一間聯營公司的投資	—	2,256	—	—	2,256	—	—	—	—	—	2,256	
Investments in joint ventures	於合營企業的投資	—	—	—	210	210	—	—	—	—	—	210	
Additions to non-current assets (other than deferred income tax assets)	非流動資產添置(遞延所得稅資產除外)	25,245	8,638	10	6,636	40,529	836	—	836	—	—	41,365	
Total liabilities	負債總額	339,281	313,300	16	8,414	661,011	122,686	53,655	176,341	130,342	(288,735)	678,959	

Notes:

- (i) Other Asia Pacific regions mainly include the Macau Special Administrative Region of the PRC, Japan, United Arab Emirates, Thailand, the Philippines, Malaysia, Singapore, Dubai and India.
- (ii) Others mainly include Morocco and Algeria.
- (iii) Other locations mainly include Singapore and India.

Additions to non-current assets comprise additions to land use rights, property, plant and equipment, intangible assets and long-term prepayments and deposits.

5 分類資料(續)

地區(續)

Distribution and retail business of cosmetics and fashion accessories
分銷及零售化妝品及時尚配飾業務

The PRC	Hong Kong	Sub-total	Others	Inter-segment elimination	Total
中國	香港	小計	其他	分類間抵銷	總計
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元

附註:

- (i) 其他亞太地區主要包括中國澳門特別行政區、日本、阿拉伯聯合酋長國、泰國、菲律賓、馬來西亞、新加坡、迪拜及印度。
- (ii) 其他主要包括摩洛哥及阿爾及利亞。
- (iii) 其他地區主要包括新加坡及印度。

非流動資產添置包括添置土地使用權、物業、廠房及設備、無形資產及長期預付款項及按金。

6 LAND USE RIGHTS

The Group's interests in land use rights represent prepaid operating lease payments.

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	38,006	41,740
Additions	添置	105	—
Amortisation (Note 24)	攤銷(附註24)	(1,059)	(1,068)
Exchange differences	匯兌差額	2,836	(2,666)
At 31 December	於十二月三十一日	39,888	38,006

Amortisation of the Group's land use rights has been charged to the consolidated statement of comprehensive income as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cost of sales	銷售成本	230	232
Distribution costs	分銷成本	732	738
Administrative expenses	行政開支	97	98
		1,059	1,068

As at 31 December 2017, certain land use rights of aggregate net carrying value of approximately HK\$1,820,000 (31 December 2016: HK\$1,744,000) were pledged as securities for banking facility of the Group (Note 20).

6 土地使用權

本集團於土地使用權之權益指預付經營租賃付款。

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	38,006	41,740
Additions	添置	105	—
Amortisation (Note 24)	攤銷(附註24)	(1,059)	(1,068)
Exchange differences	匯兌差額	2,836	(2,666)
At 31 December	於十二月三十一日	39,888	38,006

本集團土地使用權之攤銷已於綜合全面收益表扣除，詳情如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cost of sales	銷售成本	230	232
Distribution costs	分銷成本	732	738
Administrative expenses	行政開支	97	98
		1,059	1,068

於二零一七年十二月三十一日，總賬面淨值約1,820,000港元(二零一六年十二月三十一日：1,744,000港元)之若干土地使用權予以抵押，作為本集團銀行融資的擔保(附註20)。

7 PROPERTY, PLANT AND EQUIPMENT

7 物業、廠房及設備

		Land	Buildings	Leasehold improvements	Motor vehicles	Furniture and fixtures	Computer equipment	Plant and machinery	Construction in progress	Total
		土地	樓宇	租賃物業裝修	汽車	傢俬及裝置	電腦設備	廠房及機器	在建工程	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2016	於二零一六年一月一日									
Cost	成本	35,208	190,056	92,287	20,645	16,721	18,585	209,655	1,408	584,565
Accumulated depreciation and impairment	累計折舊及減值	(1,032)	(61,624)	(64,792)	(14,948)	(13,453)	(16,269)	(132,784)	—	(304,902)
Net book amount	賬面淨值	34,176	128,432	27,495	5,697	3,268	2,316	76,871	1,408	279,663
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度									
Opening net book amount	年初賬面淨值	34,176	128,432	27,495	5,697	3,268	2,316	76,871	1,408	279,663
Additions	添置	—	—	8,748	5,719	2,011	224	22,502	1,046	40,250
Disposals (Note 32(b))	出售(附註32(b))	—	—	(387)	—	(49)	—	(4,606)	—	(5,042)
Depreciation (Note 24)	折舊(附註24)	(1,086)	(9,193)	(5,927)	(2,685)	(2,080)	(1,156)	(14,032)	—	(36,159)
Transfer upon completion	完成後轉讓	—	2,421	—	—	—	—	—	(2,421)	—
Exchange differences	匯兌差額	—	(6,352)	(1,687)	(218)	(218)	(105)	(4,935)	(33)	(13,548)
Closing net book amount	年末賬面淨值	33,090	115,308	28,242	8,513	2,932	1,279	75,800	—	265,164
At 31 December 2016	於二零一六年十二月三十一日									
Cost	成本	35,208	181,900	90,732	24,177	17,475	17,748	182,706	—	549,946
Accumulated depreciation and impairment	累計折舊及減值	(2,118)	(66,592)	(62,490)	(15,664)	(14,543)	(16,469)	(106,906)	—	(284,782)
Net book amount	賬面淨值	33,090	115,308	28,242	8,513	2,932	1,279	75,800	—	265,164

7 PROPERTY, PLANT AND EQUIPMENT (Continued) 7 物業、廠房及設備(續)

		Land	Buildings	Leasehold improvements	Motor vehicles	Furniture	Computer equipment	Plant and machinery	Total
						and fixtures			
		土地	樓宇	租賃物業裝修	汽車	傢俬及裝置	電腦設備	廠房及機器	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Year ended	截至二零一七年								
31 December 2017	十二月三十一日止年度								
Opening net book amount	年初賬面淨值	33,090	115,308	28,242	8,513	2,932	1,279	75,800	265,164
Additions	添置	—	368	3,704	2,569	553	1,582	18,211	26,987
Disposals (Note 32(b))	出售(附註32(b))	—	—	—	(128)	(2)	(4)	(386)	(520)
Depreciation (Note 24)	折舊(附註24)	(1,085)	(9,477)	(6,443)	(3,063)	(1,064)	(1,025)	(14,580)	(36,737)
Exchange differences	匯兌差額	—	6,479	1,749	240	225	111	5,794	14,598
Closing net book amount	年末賬面淨值	32,005	112,678	27,252	8,131	2,644	1,943	84,839	269,492
At 31 December 2017	於二零一七年十二月三十一日								
Cost	成本	35,208	193,849	99,385	25,277	19,173	20,342	210,118	603,352
Accumulated depreciation and impairment	累計折舊及減值	(3,203)	(81,171)	(72,133)	(17,146)	(16,529)	(18,399)	(125,279)	(333,860)
Net book amount	賬面淨值	32,005	112,678	27,252	8,131	2,644	1,943	84,839	269,492

7 PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation of the Group's property, plant and equipment has been charged to the consolidated statement of comprehensive income as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cost of sales	銷售成本	22,585	20,943
Distribution costs	分銷成本	4,482	3,966
Administrative expenses	行政開支	9,670	11,250
		36,737	36,159

As at 31 December 2017, certain property, plant and equipment with aggregate net carrying value of approximately HK\$67,154,000 (31 December 2016: HK\$71,049,000) were pledged as securities for banking facilities of the Group (Note 20).

本集團的物業、廠房及設備的折舊已於綜合全面收益表扣除，詳情如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	22,585	20,943
	4,482	3,966
	9,670	11,250
	36,737	36,159

於二零一七年十二月三十一日，總賬面淨值約67,154,000港元(二零一六年十二月三十一日：71,049,000港元)之若干物業、廠房及設備予以抵押，作為本集團銀行融資之擔保(附註20)。

8 INVESTMENT PROPERTIES

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	13,285	207,104
Revaluation gain	重估收益	—	66,996
Disposal (Note 32(c))	出售(附註32(c))	—	(260,000)
Exchange differences	匯兌差額	1,004	(815)
At 31 December	於十二月三十一日	14,289	13,285

8 投資物業

8 INVESTMENT PROPERTIES (Continued)

The following amounts have been recognised in the consolidated statement of comprehensive income:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Rental income (Note 25)	租金收入(附註25)	278	6,848
Direct operating expense arising from investment properties that generate rental income (Note 24)	來自產生租金收入之投資物業之直接營運開支(附註24)	48	31

(a) Independent valuation of the Group's investment properties was performed by the valuer, Asset Appraisal Limited, to determine the fair value of the investment properties as at 31 December 2017 and 2016. The following table analyses the investment properties carried at fair value.

Fair value hierarchy

Description 說明	Fair value measurements at 31 December 2017 using 於二零一七年十二月三十一日 公平值計量所使用		
	Quoted price in active markets for identical assets (Level 1) 可識別資產在 活躍市場的報價 (第一級) HK\$'000 千港元	Significant other observable inputs (Level 2) 其他重要的 可觀察輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重要的不可 觀察輸入數據 (第三級) HK\$'000 千港元
Recurring fair value measurements: 經常性公平值計量: Investment property 投資物業	—	14,289	—

8 投資物業(續)

以下款項已於綜合全面收益表確認：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Rental income (Note 25)	租金收入(附註25)	278	6,848
Direct operating expense arising from investment properties that generate rental income (Note 24)	來自產生租金收入之投資物業之直接營運開支(附註24)	48	31

(a) 本集團投資物業已由估值師中誠達資產評估顧問有限公司進行獨立估值，以釐定投資物業於二零一七年及二零一六年十二月三十一日之公平值。下表乃對按公平值列賬之投資物業所作分析。

公平值層級

Fair value measurements at
31 December 2017 using
於二零一七年十二月三十一日
公平值計量所使用

Description 說明	Fair value measurements at 31 December 2017 using 於二零一七年十二月三十一日 公平值計量所使用		
	Quoted price in active markets for identical assets (Level 1) 可識別資產在 活躍市場的報價 (第一級) HK\$'000 千港元	Significant other observable inputs (Level 2) 其他重要的 可觀察輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重要的不可 觀察輸入數據 (第三級) HK\$'000 千港元
Recurring fair value measurements: 經常性公平值計量: Investment property 投資物業	—	14,289	—

8 INVESTMENT PROPERTIES (Continued)

(a) (Continued)

Fair value hierarchy (Continued)

Description 說明	Quoted price in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	可識別資產在 活躍市場的報價 (第一級) HK\$'000 千港元	其他重要的 可觀察輸入數據 (第二級) HK\$'000 千港元	重要的不可 觀察輸入數據 (第三級) HK\$'000 千港元
Recurring fair value measurements: 經常性公平值計量:			
Investment property 投資物業	—	13,285	—

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between Levels 1, 2 and 3 during the year.

Level 2 fair values of completed investment properties have been generally derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

本集團之政策是於導致轉移之事件或情況變化發生之日確認公平值層級之轉入及轉出。於年內，第一、二及三級之間概無轉移。

已竣工投資物業之第二級公平值一般以銷售比較法得出。鄰近可資比較物業的銷售價格因應物業規模等主要因素的差異予以調整。此估值方法最重要的輸入數據為每平方尺的價格。

8 投資物業(續)

(a) (續)

公平值層級(續)

Fair value measurements at
31 December 2016 using
於二零一六年十二月三十一日
公平值計量所使用

Description 說明	Quoted price in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	可識別資產在 活躍市場的報價 (第一級) HK\$'000 千港元	其他重要的 可觀察輸入數據 (第二級) HK\$'000 千港元	重要的不可 觀察輸入數據 (第三級) HK\$'000 千港元
Recurring fair value measurements: 經常性公平值計量:			
Investment property 投資物業	—	13,285	—

8 INVESTMENT PROPERTIES (Continued)

(b) Details of the investment properties:

Address of investment property 投資物業地址	Existing use 目前用途	Tenure 租期
Room 101, Chuntian Garden, No. 6, Lane 999, Loushanguan Road, Changning District, Shanghai City, the PRC 中國上海市長寧區婁山關路999里6號春天花園101室	31 December 2017: Rental (31 December 2016: Rental) 二零一七年十二月三十一日：租賃 (二零一六年十二月三十一日：租賃)	The property is held under long term lease 物業乃根據長期租賃持有

(c) At 31 December 2017, the future aggregate minimum lease receipts under non-cancellable operating leases of investment properties not recognised in the consolidated financial statements, which are receivable by the Group as follows:

8 投資物業(續)

(b) 投資物業之詳情：

(c) 於二零一七年十二月三十一日，本集團根據不可註銷投資物業營運租賃之應收未來最低租賃收入總額(未於綜合財務報表確認)如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year 一年內		168	590
Later than one year but no later than 5 years 遲於一年但不遲於五年		—	633
		168	1,223

9 INTANGIBLE ASSETS

9 無形資產

		Trademarks 商標 HK\$'000 千港元	Investment in club debentures 會所債券投資 HK\$'000 千港元	Brandname 品牌名稱 HK\$'000 千港元	Software licence 軟件特許權 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日					
Cost	成本	1,277	968	16,636	6,996	25,877
Accumulated amortisation and impairment	累計攤銷 及減值	(769)	(968)	(16,636)	(4,699)	(23,072)
Net book amount	賬面淨值	508	—	—	2,297	2,805
Year ended 31 December 2016	截至二零一六年 十二月三十一日止年度					
Opening net book amount	年初賬面淨值	508	—	—	2,297	2,805
Additions	添置	311	—	—	86	397
Amortisation (Note 24)	攤銷(附註24)	(193)	—	—	(1,123)	(1,316)
Exchange differences	匯兌差額	—	—	—	(34)	(34)
Closing net book amount	年末賬面淨值	626	—	—	1,226	1,852
At 31 December 2016	於二零一六年 十二月三十一日					
Cost	成本	1,588	968	15,555	7,082	25,193
Accumulated amortisation and impairment	累計攤銷 及減值	(962)	(968)	(15,555)	(5,856)	(23,341)
Net book amount	賬面淨值	626	—	—	1,226	1,852
Year ended 31 December 2017	截至二零一七年 十二月三十一日止年度					
Opening net book amount	年初賬面淨值	626	—	—	1,226	1,852
Additions	添置	20	—	—	1,546	1,566
Amortisation (Note 24)	攤銷(附註24)	(179)	—	—	(1,385)	(1,564)
Exchange differences	匯兌差額	—	—	—	32	32
Closing net book amount	年末賬面淨值	467	—	—	1,419	1,886
At 31 December 2017	於二零一七年 十二月三十一日					
Cost	成本	1,608	968	16,731	8,628	27,935
Accumulated amortisation and impairment	累計攤銷 及減值	(1,141)	(968)	(16,731)	(7,209)	(26,049)
Net book amount	賬面淨值	467	—	—	1,419	1,886

9 INTANGIBLE ASSETS (Continued)

Amortisation of the Group's intangible assets have been charged to the consolidated statement of comprehensive income as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Administrative expenses	行政開支	1,564	1,316

10 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes related to the same fiscal authority. The offsetting amounts are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Deferred income tax assets	遞延所得稅資產	6,111	6,019
Deferred income tax liabilities	遞延所得稅負債	(2,792)	(2,612)
Deferred income tax assets, net	遞延所得稅資產淨額	3,319	3,407

9 無形資產(續)

本集團無形資產的攤銷已於綜合全面收益表扣除，詳情如下：

10 遞延所得稅

當有法定可強制執行權利將即期稅項資產與即期稅項負債抵銷，而遞延所得稅涉及同一財政機關時，可將遞延所得稅資產與負債互相抵銷。抵銷金額如下：

10 DEFERRED INCOME TAX (Continued)

The net movement on the deferred income tax account is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	3,407	4,862
Recognised in the consolidated statement of comprehensive income (Note 29)	於綜合全面收益表內確認 (附註29)	(396)	(1,874)
Derecognised by disposal of a subsidiary (Note 32(c))	出售一間附屬公司時終止確認 (附註32(c))	—	729
Exchange differences	匯兌差額	308	(310)
At 31 December	於十二月三十一日	3,319	3,407

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred income tax liabilities

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Revaluation of investment properties 投資物業重估 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	(719)	(2,021)	(2,740)
Recognised in the consolidated statement of comprehensive income	於綜合全面收益表 內確認	(912)	188	(724)
Derecognised by disposal of a subsidiary (Note 32(c))	出售一間附屬公司時終止確認 (附註32(c))	729	—	729
Exchange differences	匯兌差額	—	123	123
At 31 December 2016	於二零一六年十二月三十一日	(902)	(1,710)	(2,612)
Recognised in the consolidated statement of comprehensive income	於綜合全面收益表 內確認	(51)	—	(51)
Exchange differences	匯兌差額	—	(129)	(129)
At 31 December 2017	於二零一七年十二月三十一日	(953)	(1,839)	(2,792)

遞延所得稅賬戶之變動淨額如下：

不考慮於同一稅務司法權區產生的餘額互相抵銷的情況，年內遞延所得稅資產及負債之變動如下：

遞延所得稅負債

10 DEFERRED INCOME TAX (Continued)

Deferred income tax assets

		Decelerated tax depreciation 減速稅項折舊 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	7,602
Recognised in the consolidated statement of comprehensive income	於綜合全面收益表 內確認	(1,150)
Exchange differences	匯兌差額	(433)
At 31 December 2016	於二零一六年十二月三十一日	6,019
Recognised in the consolidated statement of comprehensive income	於綜合全面收益表 內確認	(345)
Exchange differences	匯兌差額	437
At 31 December 2017	於二零一七年十二月三十一日	6,111

Deferred income tax liabilities of HK\$10,529,000 as at 31 December 2017 (31 December 2016: HK\$9,329,000) have not been recognised for the withholding tax that would be payable on the remittance of earnings of PRC subsidiaries. The related unremitted earnings totaled HK\$210,588,000 at 31 December 2017 (31 December 2016: HK\$186,585,000), and the Group does not intend to remit these unremitted earnings from the relevant subsidiary to the Company in the foreseeable future.

於二零一七年十二月三十一日，本集團並未就中國附屬公司的匯出盈利的應付預扣稅確認遞延所得稅負債為10,529,000港元(二零一六年十二月三十一日：9,329,000港元)。於二零一七年十二月三十一日，相關未匯出盈利合共為210,588,000港元(二零一六年十二月三十一日：186,585,000港元)，本集團無意於可見未來將來自相關附屬公司的此等未匯出盈利匯出至本公司。

11 INVENTORIES

11 存貨

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Raw materials	原材料	107,518	87,559
Work in progress	在製品	10,895	9,941
Finished goods	製成品	160,715	156,789
		279,128	254,289
Less: Provision for obsolete inventories	減：陳舊存貨撥備	(17,433)	(15,993)
Inventories, net	存貨淨額	261,695	238,296

The cost of inventories included in cost of sales during the year amounted to approximately HK\$1,044,838,000 (for the year ended 31 December 2016: approximately HK\$900,472,000).

於年內計入銷售成本的存貨成本約為1,044,838,000港元(截至二零一六年十二月三十一日止年度：約900,472,000港元)。

Direct written off of and provision made for obsolete inventories for the year ended 31 December 2017 amounted to HK\$2,979,000 (2016: HK\$5,800,000) and HK\$2,473,000 (2016: HK\$10,943,000) respectively. These were recognised as an expense and included in 'cost of sales' in the consolidated statement of comprehensive income.

截至二零一七年十二月三十一日止年度，直接撇銷及就陳舊存貨計提的撥備分別為2,979,000港元(二零一六年：5,800,000港元)及2,473,000港元(二零一六年：10,943,000港元)。此等確認為開支，並計入綜合全面收益表中的「銷售成本」。

12 TRADE AND BILLS RECEIVABLES

12 應收貿易賬款及票據

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade receivables	應收貿易賬款	616,689	582,444
Bills receivables	應收票據	2,619	2,466
		619,308	584,910
Less: provision for impairment of receivables	減：應收款項減值撥備	(38,735)	(51,529)
Trade and bills receivables, net	應收貿易賬款及票據淨額	580,573	533,381

12 TRADE AND BILLS RECEIVABLES (Continued)

Ageing analysis of trade and bills receivables by invoice date is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
1–30 days	1–30日	322,842	309,669
31–60 days	31–60日	136,471	99,866
61–90 days	61–90日	50,667	50,008
91–180 days	91–180日	62,853	59,525
Over 180 days	180日以上	46,475	65,842
		619,308	584,910

The credit period granted by the Group ranges from 15 days to 120 days.

應收貿易賬款及票據按發票日期的賬齡分析如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		619,308	584,910

本集團所授予的信貸期介乎15日至120日。

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Denominated in:	按以下貨幣列值：		
— RMB	— 人民幣	319,358	312,479
— US\$	— 美元	226,290	207,612
— HK\$	— 港元	52,497	46,013
— Other currencies	— 其他貨幣	21,163	18,806
		619,308	584,910

The fair value of trade and bills receivables are as follows:

應收貿易賬款及票據的公平值如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade and bills receivables	應收貿易賬款及票據	580,573	533,381

12 TRADE AND BILLS RECEIVABLES (Continued)

As at 31 December 2017, trade and bills receivables of approximately HK\$38,735,000 (31 December 2016: approximately HK\$51,529,000) are impaired and have been provided for. See Note 2(r) for information about how impairment losses are calculated. Impairment losses are recognised in consolidated statement of comprehensive income within administrative expenses. Subsequent recoveries of amounts previously impaired and provided for are credited against administrative expenses. Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash. As at 31 December 2017, the individually impaired receivables mainly represent sales proceeds receivable of HK\$38,015,000 (31 December 2016: HK\$51,230,000) from PRC customers which have remained long overdue and management considered the recoverability is remote.

As at 31 December 2017, trade and bills receivables of approximately HK\$221,011,000 (31 December 2016: approximately HK\$232,002,000) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default. The ageing analysis of these trade receivables by due date is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Up to 90 days	90日或以下	178,836	175,885
91 to 180 days	91至180日	28,999	29,478
Over 180 days	180日以上	13,176	26,639
		221,011	232,002

12 應收貿易賬款及票據(續)

於二零一七年十二月三十一日，應收貿易賬款及票據約38,735,000港元(二零一六年十二月三十一日：約51,529,000港元)已出現減值及作出撥備。有關計算減值虧損方法的資料請參閱附註2(r)。減值虧損於綜合全面收益表的行政開支中確認。收回先前已減值並計提撥備的款項後於行政開支扣除。倘預期無法收回額外現金，則已確認減值撥備的應收款項於撥備中撇銷。於二零一七年十二月三十一日，個別出現減值的應收款項主要指應收中國客戶逾期已久的銷售所得款項38,015,000港元(二零一六年十二月三十一日：51,230,000港元)且管理層認為可收回性甚微。

於二零一七年十二月三十一日，已逾期但並無減值的應收貿易賬款及票據約221,011,000港元(二零一六年十二月三十一日：約232,002,000港元)。此等與最近並無違約紀錄的多名客戶有關。按到期日此等應收貿易賬款的賬齡分析如下：

12 TRADE AND BILLS RECEIVABLES (Continued)

Movements on the provision for impairment of trade and bills receivables are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	51,529	36,337
(Reversal of provision)/provision for impairment of trade and bills receivables recognised during the year	年內應收貿易賬款及票據的減值(撥備撥回)/撥備	(1,136)	18,331
Write-off of provision for impairment of trade and bills receivables	撤銷應收貿易賬款及票據的減值撥備	(14,913)	—
Exchange differences	匯兌差額	3,255	(3,139)
At 31 December	於十二月三十一日	38,735	51,529

The creation and release of provision for impaired receivables have been included in administrative expenses in the consolidated statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the balance sheet date is the fair values of trade and bills receivables disclosed above.

12 應收貿易賬款及票據(續)

應收貿易賬款及票據的減值撥備的變動如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	51,529	36,337
(Reversal of provision)/provision for impairment of trade and bills receivables recognised during the year	年內應收貿易賬款及票據的減值(撥備撥回)/撥備	(1,136)	18,331
Write-off of provision for impairment of trade and bills receivables	撤銷應收貿易賬款及票據的減值撥備	(14,913)	—
Exchange differences	匯兌差額	3,255	(3,139)
At 31 December	於十二月三十一日	38,735	51,529

已減值應收款項撥備的計提及解除已計入綜合全面收益表內之行政開支。計入撥備賬戶的款項一般於預期不會收回額外現金時撤銷。

於結算日的最高信貸風險亦即上文所披露的應收貿易賬款及票據的公平值。

13 AMOUNT DUE FROM AN ASSOCIATED COMPANY

The amount represents trade receivables from an associated company. The carrying value of the amount approximates its fair value. The amount is mainly denominated in HK\$. The credit period granted is 90 days. The ageing analysis of amount by invoice date is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
1–30 days	1–30日	3,006	1,281
31–60 days	31–60日	2,107	809
61–90 days	61–90日	1,266	712
Over 90 days	90日以上	1,759	2,373
		8,138	5,175

13 應收一間聯營公司款項

該款項為應收一間聯營公司的貿易賬款。該款項之賬面值與其公平值相若。該款項主要以港元計值。授予的信貸期為90日。按發票日期的賬齡分析如下：

14 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current:	即期：		
Deposits	按金	2,650	2,302
Prepayments	預付款項	16,879	12,579
Other receivables	其他應收款項	30,097	18,551
		49,626	33,432
Non-current:	非即期：		
Long-term prepayments and deposits (Note)	長期預付款項及按金(附註)	44,700	4,272
		94,326	37,704

14 按金、預付款項及其他應收款項

14 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

The fair values of deposits and other receivables are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current:	即期：		
Deposits	按金	2,650	2,302
Other receivables	其他應收款項	30,097	18,551
Non-current:	非即期：		
Long-term deposits	長期按金	38,383	115
		71,130	20,968
Denominated in:	按以下貨幣列值：		
— RMB	— 人民幣	17,603	7,709
— HK\$	— 港元	13,683	11,562
— Other currencies	— 其他貨幣	39,844	1,697
		71,130	20,968

Note:

Included in long-term prepayments and deposits, an amount of HK\$94,000 (31 December 2016: HK\$220,000) represents prepayment to iBridge Technology (Shenzhen) Limited, a joint venture of the Group, arising from purchases of information services. Such balances are unsecured in nature, bear no interest and denominated in RMB.

On 21 October 2017, the Group entered into a sale and purchase agreement (“Agreement”) with independent third parties (“Vendors”) in relation to the acquisition of a company and land and properties in Cambodia. As at 31 December 2017, US\$4,900,000 (approximately HK\$38,252,000) were paid to the Vendors according to the Agreement.

14 按金、預付款項及其他應收款項(續)

按金及其他應收款項的公平值如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current:	即期：		
Deposits	按金	2,650	2,302
Other receivables	其他應收款項	30,097	18,551
Non-current:	非即期：		
Long-term deposits	長期按金	38,383	115
		71,130	20,968
Denominated in:	按以下貨幣列值：		
— RMB	— 人民幣	17,603	7,709
— HK\$	— 港元	13,683	11,562
— Other currencies	— 其他貨幣	39,844	1,697
		71,130	20,968

附註：

長期預付款項及按金包括金額94,000港元(二零一六年十二月三十一日：220,000港元)，指購買資訊服務之預付本集團合營企業恩博哲科技(深圳)有限公司款項。該等結餘性質屬無抵押、不計息及以人民幣計值。

於二零一七年十月二十一日，本集團與獨立第三方(「賣方」)就收購於柬埔寨一間公司及土地及物業訂立買賣協議(「協議」)。於二零一七年十二月三十一日，本集團已根據協議向賣方支付4,900,000美元(約38,252,000港元)。

15 SHORT-TERM BANK DEPOSIT

As at 31 December 2016, short-term bank deposit of approximately HK\$68,000 represented bank deposit of the Group with original maturity over three months which are placed as guarantee deposit for payment of custom duty for goods stored in a warehouse located in India and the short-term bank deposit is denominated in Indian Rupee. This arrangement expired and the amount has been released back to the Group during the year ended 31 December 2017. As at 31 December 2017, the Group has short-term bank deposit with original maturity over three months of approximately HK\$78,000.

15 短期銀行存款

於二零一六年十二月三十一日，短期銀行存款約68,000港元(原到期日超過三個月之本集團銀行存款，該筆款項乃存放為保證金，以為貯存於印度倉庫的貨品支付關稅，而短期銀行存款以印度盧比計值)。此安排已於截至二零一七年十二月三十一日止年度內到期，且該筆款項已退回予本集團。於二零一七年十二月三十一日，本集團原到期日超過三個月之短期銀行存款約為78,000港元。

16 CASH AND CASH EQUIVALENTS

16 現金及現金等值項目

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cash at banks and on hand	銀行結餘及現金	262,615	253,601
Short-term bank deposits (original maturities of less than three months)	短期銀行存款(原到期日少於三個月)	105,144	255,015
		367,759	508,616
Denominated in:	按以下貨幣列值：		
— US\$	— 美元	56,463	88,336
— RMB	— 人民幣	105,388	67,802
— HK\$	— 港元	153,266	310,565
— Other currencies	— 其他貨幣	52,642	41,913
		367,759	508,616

The Group's cash and bank balances and short-term bank deposit as at 31 December 2017 amounted to approximately HK\$108,237,000 (31 December 2016: HK\$86,936,000) and approximately HK\$1,419,000 (31 December 2016: HK\$1,184,000) are deposited with banks in the PRC and India respectively, where the remittance of funds is subject to foreign exchange control.

於二零一七年十二月三十一日，本集團之現金及銀行結餘以及短期銀行存款約108,237,000港元(二零一六年十二月三十一日：86,936,000港元)及約1,419,000港元(二零一六年十二月三十一日：1,184,000港元)分別存於中國及印度的銀行，資金匯款受外匯管制規限。

17 RESERVES

Other reserves

		Merger reserve	Statutory reserve fund 法定 儲備金	Share- based compensation reserve 以股份支付的 酬金儲備	Other reserves 其他儲備	Exchange reserves 匯兌儲備	Retained earnings 保留盈利	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Balance at 1 January 2016	於二零一六年 一月一日的結餘	61,510	29,989	31,866	39,349	39,202	226,365	428,281
Comprehensive income	全面收益							
Profit for the year	本年度溢利	—	—	—	—	—	157,443	157,443
Other comprehensive loss	其他全面虧損							
Currency translation differences	貨幣折算 差額	—	—	—	—	(16,153)	—	(16,153)
Realisation of revaluation reserve upon disposal of a subsidiary	出售附屬公司時 變現重估 儲備	—	—	—	(34,116)	—	34,116	—
Total comprehensive income/(loss)	全面收益/(虧損) 總額	—	—	—	(34,116)	(16,153)	191,559	141,290
Final dividends relating to 2015	二零一五年度之 末期股息	—	—	—	—	—	(21,173)	(21,173)
Interim dividends relating to 2016	二零一六年度之 中期股息	—	—	—	—	—	(14,200)	(14,200)
Special dividends in 2016 (Note 31)	二零一六年之 特別股息(附註31)	—	—	—	—	—	(144,597)	(144,597)
Exercise of share options	行使購股權	—	—	(8,206)	—	—	8,206	—
Profit appropriation of PRC statutory reserve	向中國法定儲備 作出的溢利分配	—	3,739	—	—	—	(3,739)	—
Balance at 31 December 2016	於二零一六年 十二月三十一日的 結餘	61,510	33,728	23,660	5,233	23,049	242,421	389,601

17 儲備

其他儲備

17 RESERVES (Continued)

17 儲備(續)

Other reserves (Continued)

其他儲備(續)

		Merger reserve	Statutory reserve fund	Share- based compensation reserve	Other reserves	Exchange reserves	Retained earnings	Total
		合併儲備	法定 儲備金	以股份支付的 酬金儲備	其他儲備	匯兌儲備	保留盈利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1 January 2017	於二零一七年 一月一日的結餘	61,510	33,728	23,660	5,233	23,049	242,421	389,601
Comprehensive income	全面收益							
Profit for the year	本年度溢利	—	—	—	—	—	108,923	108,923
Other comprehensive income	其他全面收益							
Currency translation differences	貨幣折算 差額	—	—	—	—	19,956	—	19,956
Total comprehensive income	全面收益 總額	—	—	—	—	19,956	108,923	128,879
Final dividends relating to 2016 (Note 31)	二零一六年度之 末期股息(附註31)	—	—	—	—	—	(28,930)	(28,930)
Interim dividends relating to 2017 (Note 31)	二零一七年度之 中期股息(附註31)	—	—	—	—	—	(14,500)	(14,500)
Exercise of share options	行使購股權	—	—	(1,396)	—	—	1,396	—
Balance at 31 December 2017	於二零一七年 十二月三十一日的 結餘	61,510	33,728	22,264	5,233	43,005	309,310	475,050
Representing: Reserves	代表: 儲備							438,700
Final dividend proposed (Note 31)	建議末期股息 (附註31)							36,350
Balance at 31 December 2017	於二零一七年 十二月三十一日的 結餘							475,050

17 RESERVES (Continued)

Other reserves (Continued)

Nature and purposes

Merger reserve

Merger reserve of the Group represents the difference between the cost of investment in subsidiaries and nominal value of the share capital and share premium of the subsidiaries in 2007 arising from the application of merger accounting in consolidating the financial information of the affected entities.

Statutory reserve fund

Under the relevant PRC laws and regulations, PRC companies are required to allocate 10% of the companies' net profit to the fund until such fund reaches 50% of the companies' registered capital. The statutory reserve fund can be utilised, upon approval by the relevant authorities, to offset against accumulated losses or to increase registered capital of the companies, provided that such fund is maintained at a minimum of 25% of the companies' registered capital.

Share-based compensation reserve

The share-based compensation reserve is used to recognise the grant date fair value of options issued to employees but not exercised (Note 18).

Other reserves

During the years ended 31 December 2010 and 2012, certain land and buildings and leasehold improvements were reclassified from property, plant and equipment to investment properties due to the change in usage. Difference between the fair values and net book amounts were recognised in the revaluation reserve at the date of transfer. As a result of the disposal of an indirect wholly-owned subsidiary, Chartered Properties Limited ("CPL") during the year ended 31 December 2016, revaluation reserve of its underlying investment properties of approximately HK\$34,116,000 was recycled to retained earnings.

17 儲備(續)

其他儲備(續)

性質及用途

合併儲備

本集團的合併儲備指於附屬公司的投資成本及股本面值與附屬公司於二零零七年合併受影響實體財務資料時採用合併會計法所產生的股份溢價的差額。

法定儲備金

根據有關中國法律及規例，中國公司必須將公司純利的10%分配至該儲備金，直至該儲備金達至公司註冊資本的50%為止。法定儲備金經有關當局批准後可用於抵銷累計虧損或增加公司的註冊資本，惟該儲備金至少須維持於公司註冊資本25%的水平。

以股份支付的酬金儲備

以股份支付的酬金儲備乃用於確認授予僱員但尚未行使的購股權於授出日的公平值(附註18)。

其他儲備

截至二零一零年及二零一二年十二月三十一日止年度，若干土地及樓宇以及租賃物業裝修因用途改變，由物業、廠房及設備重新分類至投資物業。於轉讓日期，公平值與賬面淨值之間的差額於重估儲備中確認。截至二零一六年十二月三十一日止年度，由於出售一間間接全資附屬公司特許置業有限公司(「特許置業」)，其相關投資物業的重估儲備約34,116,000港元回收至保留盈利。

18 SHARE-BASED PAYMENT COMPENSATION

(a) Share options

As at 31 December 2017, 12,134,000 share options (31 December 2016: 14,810,000 share options) were outstanding and all of them are exercisable (as at 31 December 2016: same). Among the outstanding share options, 8,167,000 (31 December 2016: 10,743,000), 3,046,000 (31 December 2016: 3,146,000) and 921,000 (31 December 2016: 921,000) share options will lapse on 23 June 2019, 9 September 2021 and 4 September 2022, respectively.

During the year ended 31 December 2017, 2,676,000 share options (for the year ended 31 December 2016: 18,404,000 share options) were exercised at proceeds of approximately HK\$1,660,000 (for the year ended 31 December 2016: approximately HK\$11,410,000). Share options exercised during the year ended 31 December 2017 were issued at a weighted average exercise price of HK\$0.62 (2016: HK\$0.62) per share. The related weighted average closing price at the time of exercise for the year ended 31 December 2017 was HK\$1.19 (2016: HK\$1.17) per share.

During the year ended 31 December 2017, no share options were forfeited (for the year ended 31 December 2016: 594,000 share options).

As all the share options were fully vested, no share-based payment expense was recognised during the year ended 31 December 2017 (for the year ended 31 December 2016: Nil).

18 以股份支付的酬金

(a) 購股權

於二零一七年十二月三十一日，12,134,000份購股權(二零一六年十二月三十一日：14,810,000份購股權)尚未行使，且全部均可予行使(於二零一六年十二月三十一日：相同)。在尚未行使購股權中，8,167,000份(二零一六年十二月三十一日：10,743,000份)、3,046,000份(二零一六年十二月三十一日：3,146,000份)及921,000份(二零一六年十二月三十一日：921,000份)購股權分別於二零一九年六月二十三日、二零二一年九月九日及二零二二年九月四日將告失效。

截至二零一七年十二月三十一日止年度，2,676,000份購股權(截至二零一六年十二月三十一日止年度：18,404,000份購股權)按所得款項約1,660,000港元(截至二零一六年十二月三十一日止年度：約11,410,000港元)已行使。於截至二零一七年十二月三十一日止年度所行使之購股權按加權平均行使價每股0.62港元(二零一六年：0.62港元)發行。截至二零一七年十二月三十一日止年度，行使時相關加權平均收市價為每股1.19港元(二零一六年：1.17港元)。

截至二零一七年十二月三十一日止年度，概無購股權被沒收(截至二零一六年十二月三十一日止年度：594,000份購股權)。

由於所有購股權均獲悉數歸屬，故截至二零一七年十二月三十一日止年度並無確認以股份支付的開支(截至二零一六年十二月三十一日止年度：無)。

18 SHARE-BASED PAYMENT COMPENSATION (Continued)

(a) Share options (Continued)

Movements in the number of share options outstanding and their related exercise prices are as follows:

		2017 二零一七年		2016 二零一六年	
		Average exercise price in HK\$ per share 平均行使價 每股港元	Number of share options (thousands) 購股權數目 (千份)	Average exercise price in HK\$ per share 平均行使價 每股港元	Number of share options (thousands) 購股權數目 (千份)
At 1 January	於一月一日	0.62	14,810	0.62	33,808
Granted	授出	—	—	—	—
Forfeited	沒收	—	—	0.62	(594)
Exercised	行使	0.62	(2,676)	0.62	(18,404)
Expired	到期	—	—	—	—
Cancelled	註銷	—	—	—	—
At 31 December	於十二月三十一日	0.62	12,134	0.62	14,810

(b) Shares award

On 23 September 2016, the Company has adopted the Scheme, to (i) recognise the contributions by employees, directors, consultants or advisers of or to the Group (the "Eligible Persons"); and (ii) offer suitable incentives to attract and retain targeted talent and personnel for the continuance of operations and future development of the Group. Subject to the rules as set under the Scheme, the Board may at its absolute discretion to elect any Eligible Persons to participate in the Scheme (the "Selected Persons") and to award the Company's shares (the "Awarded Shares") to these Selected Persons, subject to vesting conditions, if any. These Awarded Shares will be transferred to the Selected Persons upon their fulfillment of all relevant vesting conditions.

18 以股份支付的酬金(續)

(a) 購股權(續)

尚未行使購股權之數目及其相關行使價變動如下：

(b) 股份獎勵

於二零一六年九月二十三日，本公司已採納計劃，以(i)肯定本集團的僱員、董事、諮詢人或顧問(「合資格人士」)所作出的貢獻；及(ii)提供適當獎勵以吸引及挽留目標人才及人員以讓本集團持續經營及發展未來。受限於計劃所載規則，董事會可全權酌情挑選任何合資格人士參與計劃(「獲選人士」)及向此等獲選人士授出本公司股份(「獎勵股份」)，惟須遵守歸屬條件(如有)。此等獎勵股份將於所有相關歸屬條件獲履行時轉讓至獲選人士。

18 SHARE-BASED PAYMENT COMPENSATION (Continued)

(b) Shares award (Continued)

In connection with the implementation of the Scheme, the Group has signed a trust deed with an independent third party to act as the trustee (the "Trustee") to hold certain shares on behalf of the Group and the Selected Persons before these Awarded Shares are granted and/or vested. The Group may from time to time instruct the Trustee to purchase the Company's shares from the market on the Stock Exchange and to hold them in trust for the benefit of the Selected Persons.

During the year ended 31 December 2017, 1,010,000 shares (2016: 864,000 shares) were purchased on the Stock Exchange at a consideration of HK\$1,051,000 (2016: HK\$1,038,000) by the Trustee on behalf of the Group. No shares were granted to Eligible Persons under the Scheme during the year ended 31 December 2017 (2016: same).

18 以股份支付的酬金(續)

(b) 股份獎勵(續)

就執行計劃而言，本集團已與獨立第三方(於若干獎勵股份獲授出及/或歸屬前，作為代表本集團及獲選人士持有此等股份的受託人(「受託人」))簽訂信託契據。本集團可不時指示受託人在聯交所市場購買本公司股份，並以獲選人士利益為依歸以信託持有有關股份。

截至二零一七年十二月三十一日止年度，1,010,000股(二零一六年：864,000股)股份已由受託人代表本集團按代價1,051,000港元(二零一六年：1,038,000港元)於聯交所購買。截至二零一七年十二月三十一日止年度，概無股份根據計劃向合資格人士授出(二零一六年：相同)。

19 SHARE CAPITAL

19 股本

		Number of shares 股份數目	HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股0.01港元的普通股		
Authorised:	法定：		
At 1 January 2016, 31 December 2016, 1 January 2017 and 31 December 2017	於二零一六年一月一日、 二零一六年十二月三十一日、 二零一七年一月一日及 二零一七年十二月三十一日	10,000,000,000	100,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2016	於二零一六年一月一日	705,439,697	7,054
Exercise of share options	行使購股權	18,404,000	184
At 31 December 2016	於二零一六年十二月三十一日	723,843,697	7,238
Exercise of share options	行使購股權	2,676,000	27
At 31 December 2017	於二零一七年十二月三十一日	726,519,697	7,265

20 BORROWINGS

20 借貸

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Bank borrowings, secured	有抵押之銀行借貸		
Current	即期		
— With repayment on demand clause	— 具有按要求償還條款	22,170	26,244

20 BORROWINGS (Continued)

At 31 December 2017, the Group's borrowings are denominated in HK\$. The repayment terms of the bank borrowings without taking into account the effect of repayment on demand clause are as follow:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within 1 year	於1年內	3,921	4,083
Between 1 and 2 years	1至2年之間	3,976	3,977
Between 2 and 5 years	2至5年之間	10,168	9,854
Over 5 years	超過5年	4,105	8,330
		22,170	26,244

The weighted average effective interest rate per annum of the Group's borrowings at 31 December 2017 and 2016 are set out as follows:

		2017 二零一七年	2016 二零一六年
HK\$ (Note)	港元(附註)	2.19%	1.97%

20 借貸(續)

於二零一七年十二月三十一日，本集團的借貸乃以港元計值。在並無計及按要求償還條款的影響下，銀行借貸的還款期如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within 1 year	於1年內	3,921	4,083
Between 1 and 2 years	1至2年之間	3,976	3,977
Between 2 and 5 years	2至5年之間	10,168	9,854
Over 5 years	超過5年	4,105	8,330
		22,170	26,244

於二零一七年及二零一六年十二月三十一日，本集團借貸的加權平均實際年利率載列如下：

		2017 二零一七年	2016 二零一六年
HK\$ (Note)	港元(附註)	2.19%	1.97%

20 BORROWINGS (Continued)

Note: In September and October 2015, the Group obtained two HK\$ denominated mortgage loans and certain banking facilities, which bore interest at the higher of 1.7% per annum over one-month HIBOR or the cost to the bank of funding the facilities, for acquiring certain properties in Hong Kong. These properties were pledged against the mortgage loans and certain banking facilities and included in property, plant and equipment in the consolidated financial statements of the Group, with net carrying value of HK\$52,438,000 as at 31 December 2017 (31 December 2016: HK\$54,733,000).

In October 2015, the Group obtained a HK\$ denominated loan which bore interest at 1.7% per annum over one-month HIBOR for its working capital. The banking facilities were secured by property, plant and equipment in the consolidated financial statements of the Group, with net carrying values of approximately HK\$3,630,000 as at 31 December 2017 (31 December 2016: HK\$4,076,000).

Other than the above mentioned, the Group also entered into banking facilities which were secured by land use rights and property, plant and equipment with net carrying values of approximately HK\$1,820,000 (31 December 2016: HK\$1,744,000) and HK\$11,086,000 (31 December 2016: HK\$12,240,000), respectively as at 31 December 2017.

The Group has complied with the financial covenants of its borrowing facilities during the years ended 31 December 2017 and 2016.

Interest expenses on borrowings for the year ended 31 December 2017 was approximately HK\$613,000 (for the year ended 31 December 2016: HK\$905,000).

The carrying amounts of bank borrowings approximate their fair values as the impact of discounting is not significant.

20 借貸(續)

附註：於二零一五年九月及十月，本集團就收購香港若干物業取得兩項以港元計值的按揭貸款及若干銀行融資，按一個月的香港銀行同業拆息率加年利率1.7厘或銀行撥付融資之費用(以較高者為準)計息。按揭貸款及若干銀行融資以此等物業作抵押並計入本集團綜合財務報表之物業、廠房及設備，於二零一七年十二月三十一日之賬面淨值為52,438,000港元(二零一六年十二月三十一日：54,733,000港元)。

於二零一五年十月，本集團就其營運資金取得一項以港元列值之貸款，此貸款按一個月的香港銀行同業拆息率加年利率1.7厘計息。此等銀行融資乃以本集團之綜合財務報表中之物業、廠房及設備作抵押，於二零一七年十二月三十一日之賬面淨值約為3,630,000港元(二零一六年十二月三十一日：4,076,000港元)。

除上述者外，本集團亦訂立銀行融資，此銀行融資乃以土地使用權以及物業、廠房及設備作抵押，於二零一七年十二月三十一日之賬面淨值分別約為1,820,000港元(二零一六年十二月三十一日：1,744,000港元)及11,086,000港元(二零一六年十二月三十一日：12,240,000港元)。

截至二零一七年及二零一六年十二月三十一日止年度，本集團已遵守其借貸融資的財務契諾。

截至二零一七年十二月三十一日止年度的借貸利息開支約為613,000港元(截至二零一六年十二月三十一日止年度：905,000港元)。

由於折現的影響並不重大，銀行借貸的賬面值與其公平值相若。

20 BORROWINGS (Continued)

At the balance sheet date, the Group had the following undrawn banking facilities:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Floating rate	浮動利率		
— Expiring within one year	— 於一年內到期	242,660	235,760

20 借貸(續)

於結算日，本集團尚未提取的銀行融資如下：

21 TRADE PAYABLES

The ageing analysis of trade payables by invoice date is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
1–30 days	1至30日	218,017	196,712
31–60 days	31至60日	6,632	2,258
61–90 days	61至90日	4,251	1,284
Over 90 days	90日以上	1,630	8,641
		230,530	208,895
Denominated in:	按以下貨幣列值：		
— RMB	— 人民幣	181,602	156,796
— HK\$	— 港元	12,076	11,499
— US\$	— 美元	35,016	38,056
— Other currencies	— 其他貨幣	1,836	2,544
		230,530	208,895

21 應付貿易賬款

應付貿易賬款按發票日期的賬齡分析如下：

22 ACCRUALS AND OTHER PAYABLES

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Advance from customers	客戶預付款	16,578	18,333
Other payables	其他應付款項	136,461	127,571
Accruals	應計費用	136,930	117,523
		289,969	263,427

The carrying values of these balances approximate their fair values.

此等結餘的賬面值與其公平值相若。

23 LOANS FROM NON-CONTROLLING INTERESTS

Loans from non-controlling interests are unsecured, interest free and repayable on demand. The carrying value of these liabilities approximate their fair values.

The balances are denominated in HK\$.

23 來自非控股權益之貸款

來自非控股權益之貸款為無抵押、免息及須按要求償還。此等負債的賬面值與其公平值相若。

結餘以港元計值。

24 EXPENSES BY NATURE

The following expenses/(gains) are included in cost of sales, distribution costs and administrative expenses:

24 按性質呈列之開支

計入銷售成本、分銷成本及行政開支內的開支/(收益)列述如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Changes in inventories (Note 11)	存貨變動(附註11)	1,044,838	900,472
Auditor's remuneration	核數師酬金		
— Audit services	— 核數服務	2,680	2,600
— Non-audit services	— 非核數服務	761	661
Amortisation of land use rights (Note 6)	土地使用權的攤銷(附註6)	1,059	1,068
Depreciation of property, plant and equipment (Note 7)	物業、廠房及設備的折舊(附註7)	36,737	36,159
Amortisation of intangible assets (Note 9)	無形資產的攤銷(附註9)	1,564	1,316
Operating lease rental in respect of buildings	樓宇的營運租賃租金	14,101	17,282
Provision for obsolete inventories (Note 11)	陳舊存貨的撥備(附註11)	2,473	10,943
Direct written off of obsolete inventories (Note 11)	直接撇銷陳舊存貨(附註11)	2,979	5,800
(Reversal of provision)/provision for impairment of trade and bills receivables (Note 12)	應收貿易賬款及票據的減值(撥備撥回)/撥備(附註12)	(1,136)	18,331
Direct written off of trade and bills receivables	直接撇銷應收貿易賬款及票據	922	257
Employee benefit expenses (Note 26)	僱員福利開支(附註26)	378,633	346,582
Transportation expenses	運輸費用	70,985	63,089
Exchange (gain)/loss, net	匯兌(收益)/虧損淨額	(18,594)	12,164
Advertising costs	廣告成本	11,885	12,990
Loss on disposal of property, plant and equipment (Note 32(b))	出售物業、廠房及設備的虧損(附註32(b))	22	247
Direct operating expenses arising from investment properties that generate rental income (Note 8)	來自產生租金收入之投資物業之直接營運開支(附註8)	48	31
Utilities expenses	公用開支	23,024	22,365

25 OTHER INCOME

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Rental income (Note 8)	租金收入(附註8)	278	6,848
Income from sales of scrap materials	銷售廢料收入	1,359	1,301
Gain on disposal and dissolution of subsidiaries	出售及解散附屬公司之收益	—	11
Others	其他	2,837	4,017
		4,474	12,177

25 其他收入

26 EMPLOYEE BENEFIT EXPENSES

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries, wages and bonuses	薪金、工資及花紅	343,426	320,229
Pension costs — defined contribution plans	退休金成本—界定供款計劃	1,781	1,428
Welfare and other expenses	福利及其他開支	33,426	24,925
		378,633	346,582

26 僱員福利開支

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2017 include five directors (for the year ended 31 December 2016: five directors) whose emoluments are reflected in the analysis shown in Note 36.

No emoluments have been paid to the individual or the directors as an inducement to join or upon joining the Group or as compensation for loss of office for the year ended 31 December 2017 (for the year ended 31 December 2016: Nil).

五名最高薪酬人士

截至二零一七年十二月三十一日止年度，本集團五名最高薪酬人士包括五名董事(截至二零一六年十二月三十一日止年度：五名董事)，其薪酬已於附註36所示分析中反映。

截至二零一七年十二月三十一日止年度，本集團並無對個別人士或董事給予酬金以吸引其加入本集團或作為加盟本集團之獎勵或離職補償(截至二零一六年十二月三十一日止年度：無)。

27 FINANCE INCOME AND FINANCE COSTS

27 財務收入及財務成本

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Finance costs on bank borrowings	銀行借貸之財務成本	(613)	(905)
Finance income	財務收入	834	750
Finance income, net	財務收入淨額	221	(155)

28 SUBSIDIARIES

28 附屬公司

As at 31 December 2017, the Company had direct and indirect interests in the following principal subsidiaries:

於二零一七年十二月三十一日，本公司於下列主要附屬公司擁有直接及間接權益：

Name of company 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及 法律實體類型	Principal activities and place of operation 主要業務及 經營所在地	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本之 詳情	Proportion of ordinary shares held directly 所持普通股比例		Proportion of ordinary shares held by non- controlling interests 非控股權益 所持普通股之 比例
				by parent 由母公司 直接持有	by the Group 由本集團 直接持有	
Ming Fai Holdings Limited 明輝控股有限公司	British Virgin Islands, limited liability company 英屬處女群島， 有限責任公司	Investment holding; Hong Kong 投資控股； 香港	US\$100 100美元	100%	—	—
Ming Fai Asia Pacific Company Limited 明輝亞太有限公司	Hong Kong, limited liability company 香港， 有限責任公司	Trading of amenity products and accessories; Hong Kong 賓客用品及配件 貿易； 香港	HK\$10,000,000 10,000,000港元	—	100%	—

28 SUBSIDIARIES (Continued)

28 附屬公司(續)

Name of company 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及 法律實體類型	Principal activities and place of operation 主要業務及 經營所在地	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本之 詳情	Proportion of ordinary shares held directly 所持普通股比例		Proportion of ordinary shares held by non- controlling interests 非控股權益 所持普通股之 比例
				by parent 由母公司 直接持有	by the Group 由本集團 直接持有	
Ming Fai Enterprise International Company Limited	Hong Kong, limited liability company	Trading of amenity products and accessories; Hong Kong	HK\$3	—	100%	—
明輝實業國際有限公司	香港， 有限責任公司	賓客用品及配件 貿易； 香港	3港元	—	100%	—
Ming Fai Industrial (Shenzhen) Company Limited	The PRC, limited liability company	Manufacturing and sales of amenity products and accessories; the PRC	HK\$50,000,000	—	100%	—
明輝實業(深圳) 有限公司	中國， 有限責任公司	製造及銷售賓客 用品及配件； 中國	50,000,000港元	—	100%	—
Quality Amenities Supply Limited	Hong Kong, limited liability company	Trading of amenity products and accessories; Hong Kong	HK\$1,000,000	—	100%	—
Quality Amenities Supply Limited	香港， 有限責任公司	賓客用品及配件 貿易； 香港	1,000,000港元	—	100%	—

28 SUBSIDIARIES (Continued)

28 附屬公司(續)

Name of company 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及 法律實體類型	Principal activities and place of operation 主要業務及 經營所在地	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本之 詳情	Proportion of ordinary shares held directly 所持普通股比例		Proportion of ordinary shares held by non- controlling interests 非控股權益 所持普通股之 比例
				by parent 由母公司 直接持有	by the Group 由本集團 直接持有	
Quality Amenities Supply Pte. Ltd.	Singapore, limited liability company	Trading of amenity products and accessories; Singapore	SG\$100,000	—	100%	—
Quality Amenities Supply Pte. Ltd.	新加坡· 有限責任公司	賓客用品及配件 貿易； 新加坡	100,000坡元	—	100%	—
Everybody Labo Limited	Hong Kong, limited liability company	Retailing and trading of cosmetics and skin care products; Hong Kong	HK\$2,000,000	—	51%	49%
體研研究所有限公司	香港· 有限責任公司	零售及貿易化妝品 及護膚品； 香港	2,000,000港元	—	51%	49%
Oriental Lotus Hotel Supplies Private Limited (previously known as "Telefield (Hotel Supplies) Private Limited")	India, limited liability company	Manufacturing and sales of amenity products and accessories; India	Indian Rupee ₹38,300,530	—	51%	49%
Oriental Lotus Hotel Supplies Private Limited (前稱 「Telefield (Hotel Supplies) Private Limited」)	印度· 有限責任公司	製造及銷售賓客 用品及配件； 印度	38,300,530 印度盧比	—	51%	49%

29 INCOME TAX EXPENSES

The amount of income tax charged/(credited) to the consolidated statement of comprehensive income represents:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current income tax:	即期所得稅：		
— Hong Kong profits tax	— 香港利得稅	17,551	16,753
— PRC enterprise income tax	— 中國企業所得稅	17,867	24,388
— Singapore income tax	— 新加坡所得稅	656	839
Adjustments in respect of prior year	過往年度調整	(2,062)	(1,499)
		34,012	40,481
Deferred income tax (Note 10)	遞延所得稅(附註10)	396	1,874
		34,408	42,355

Taxation has been provided at the appropriate rates prevailing in the countries in which the Group operates.

Hong Kong profits tax, PRC enterprise income tax and Singapore income tax are calculated at 16.5% (2016: 16.5%), 25% (2016: 25%) and 17% (2016: 17%) on the estimated assessable profits for the year ended 31 December 2017 respectively.

29 所得稅開支

於綜合全面收益表扣除/(撥回)的所得稅金額為：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current income tax:	即期所得稅：		
— Hong Kong profits tax	— 香港利得稅	17,551	16,753
— PRC enterprise income tax	— 中國企業所得稅	17,867	24,388
— Singapore income tax	— 新加坡所得稅	656	839
Adjustments in respect of prior year	過往年度調整	(2,062)	(1,499)
		34,012	40,481
Deferred income tax (Note 10)	遞延所得稅(附註10)	396	1,874
		34,408	42,355

稅項乃按本集團經營所在國家通用的適用稅率計提撥備。

香港利得稅、中國企業所得稅及新加坡所得稅乃按照截至二零一七年十二月三十一日止年度估計應課稅溢利分別以16.5%(二零一六年:16.5%)、25%(二零一六年:25%)及17%(二零一六年:17%)計算。

29 INCOME TAX EXPENSES (Continued)

The difference between the actual income tax charged to the consolidated statement of comprehensive income and the amounts which would result from applying the enacted tax rates to profit before income tax can be reconciled as follows:

29 所得稅開支(續)

綜合全面收益表中實際所得稅支出與按已生效稅率就未計所得稅前溢利計稅所得金額之差額對賬如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profit before income tax	未計所得稅前溢利	143,248	191,439
Tax calculated at domestic tax rates applicable to profits in the respective countries	按適用於各個國家的溢利的當地稅率計算的稅項	27,553	33,906
Income not subject to tax	毋須課稅的收入	(3,391)	(14,839)
Expenses not deductible for tax purposes	不可抵扣稅項的開支	7,882	16,277
Utilisation of prior year tax losses	動用過往年度之稅務虧損	(293)	(160)
Adjustments in respect of prior year	過往年度調整	(2,062)	(1,499)
Tax losses for which no deferred income tax asset was recognised	不涉確認遞延所得稅資產的稅項虧損	4,719	8,670
Tax charge	稅項支出	34,408	42,355

The weighted average applicable tax rate was 19% per annum for the year ended 31 December 2017 (for the year ended 31 December 2016: 18% per annum). The change is caused by a change in the profitability of the Group's subsidiaries in respective countries.

於截至二零一七年十二月三十一日止年度的加權平均適用稅率為每年19% (截至二零一六年十二月三十一日止年度：每年18%)。稅率改變乃因為本集團附屬公司在有關國家的盈利率改變。

29 INCOME TAX EXPENSES (Continued)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxation profits is probable. The Group has unrecognised tax losses of approximately HK\$176,928,000 (31 December 2016: HK\$185,255,000) as at 31 December 2017 to offset against future taxable income. These tax losses expire in the following years:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
In the first to fifth years inclusive	第一年至第五年 (包括首尾兩年)	127,966	136,635
No expiry date	無屆滿日期	48,962	48,620
		176,928	185,255

29 所得稅開支(續)

遞延所得稅資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅項虧損作確認。於二零一七年十二月三十一日，本集團之未確認稅項虧損約為176,928,000港元(二零一六年十二月三十一日：185,255,000港元)，可抵銷未來應課稅收入。此等稅項虧損將於下列年期屆滿：

30 EARNINGS PER SHARE

(a) Basic

Basic earnings per share attributable to owners of the Company is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

30 每股盈利

(a) 基本

本公司擁有人應佔每股基本盈利以本公司擁有人應佔溢利除以年內已發行普通股加權平均數計算。

		2017 二零一七年	2016 二零一六年
Profit attributable to owners of the Company (HK\$'000)	本公司擁有人應佔溢利 (千港元)	108,923	157,443
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數 (千股)	723,696	708,509
Basic earnings per share attributable to owners of the Company (HK cents)	本公司擁有人應佔 每股基本盈利(港仙)	15.1	22.2

30 EARNINGS PER SHARE (Continued)

(b) Diluted

Diluted earnings per share attributable to owners of the Company is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has share options as dilutive potential shares. A calculation was done to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above was compared with the number of shares that would have been issued assuming the exercise of the share options.

30 每股盈利(續)

(b) 攤薄

本公司擁有人應佔每股攤薄盈利以假設所有可攤薄的潛在普通股被兌換後，調整已發行普通股的加權平均數計算。本公司之購股權屬可攤薄的潛在股份。計算方法為根據尚未行使購股權所附的認購權的貨幣價值，釐定按公平值(釐定為股份的平均全年市場價格)可購入的股份數目。按以上方式計算的股份數目，與假設購股權獲行使而應發行的股份數目作出比較。

		2017 二零一七年	2016 二零一六年
Profit attributable to owners of the Company (HK\$'000)	本公司擁有人應佔溢利(千港元)	108,923	157,443
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權平均數(千股)	723,696	708,509
Adjustment for: — Share options (thousands)	調整： — 購股權(千份)	5,984	10,576
Weighted average number of ordinary shares for diluted earnings per share (thousands)	每股攤薄盈利普通股的加權平均數(千股)	729,680	719,085
Diluted earnings per share attributable to owners of the Company (HK cents)	本公司擁有人應佔每股攤薄盈利(港仙)	14.9	21.9

31 DIVIDENDS

On 16 December 2016, a special dividend of HK20.0 cents per share was approved by the Board. Total dividend of approximately HK\$144,769,000 was paid out, including dividend paid to the shares held for the Scheme.

On 25 May 2017, a final dividend of HK4.0 cents per share for the year ended 31 December 2016 was approved by the Company's shareholders. Total dividend of approximately HK\$29,005,000 was paid out, including dividend paid to the shares held for the Scheme.

On 29 August 2017, the Board resolved to approve an interim dividend of HK2.0 cents per share for the six months ended 30 June 2017. Total dividend of approximately HK\$14,531,000 was paid out, including dividend paid to the shares held for the Scheme.

The final dividend in respect of the year ended 31 December 2017 of HK5.0 cents per share, amounting to a total dividend of approximately HK\$36,350,000 was resolved by the Board to propose on 28 March 2018, which is subject to approval at the annual general meeting to be held on 30 May 2018 (the "AGM"). This proposed dividend is not reflected as a dividend payable in the consolidated financial statements, but reflected as an appropriation of retained earnings for the year ended 31 December 2017.

31 股息

於二零一六年十二月十六日，董事會批准派發特別股息每股20.0港仙。約144,769,000港元之股息總額已獲派發，包括就計劃下持有之股份獲派發之股息。

於二零一七年五月二十五日，本公司股東已批准派發截至二零一六年十二月三十一日止年度的末期股息每股4.0港仙。約29,005,000港元之股息總額已獲派發，包括就計劃下持有之股份獲派發之股息。

於二零一七年八月二十九日，董事會議決批准截至二零一七年六月三十日止六個月之中期股息每股2.0港仙。約14,531,000港元之股息總額已獲派發，包括就計劃下持有之股份獲派發之股息。

於二零一八年三月二十八日，董事會議決建議派發截至二零一七年十二月三十一日止年度的末期股息為每股5.0港仙，股息總額約為36,350,000港元，惟須待將於二零一八年五月三十日舉行的股東週年大會（「股東週年大會」）上獲批准後，方可作實。此建議股息尚未於綜合財務報表反映為應付股息，但反映為截至二零一七年十二月三十一日止年度的分配保留盈利。

32 NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS

32 綜合現金流量表附註

(a) Reconciliation of profit before income tax for the year to cash generated from operations

(a) 年內未計所得稅前溢利與經營業務所得現金的對賬

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profit before income tax	未計所得稅前溢利	143,248	191,439
Adjustments for:	已作出下列調整：		
— Amortisation of land use rights (Note 6)	— 土地使用權攤銷(附註6)	1,059	1,068
— Depreciation of property, plant and equipment (Note 7)	— 物業、廠房及設備折舊(附註7)	36,737	36,159
— Amortisation of intangible assets (Note 9)	— 無形資產攤銷(附註9)	1,564	1,316
— Loss on disposal of property, plant and equipment (Note 32(b))	— 出售物業、廠房及設備的虧損(附註32(b))	22	247
— Finance income (Note 27)	— 財務收入(附註27)	(834)	(750)
— Finance costs (Note 27)	— 財務成本(附註27)	613	905
— Provision for obsolete inventories (Note 11)	— 陳舊存貨的撥備(附註11)	2,473	10,943
— Direct written off of obsolete inventories (Note 11)	— 直接撇銷陳舊存貨(附註11)	2,979	5,800
— (Reversal of provision)/provision for impairment of trade and bills receivables (Note 12)	— 應收貿易賬款及票據的減值(撥備撥回)/撥備(附註12)	(1,136)	18,331
— Direct written off of trade and bill receivables	— 直接撇銷應收貿易賬款及票據	922	257
— Amortisation of incentive	— 獎勵攤銷	—	2,381
— Share of profit of an associated company	— 應佔一間聯營公司溢利	(1,344)	(1,476)
— Share of profit of joint ventures	— 應佔合營企業溢利	(2)	(11)
— Fair value gains on investment properties (Note 8)	— 投資物業之公平值收益(附註8)	—	(66,996)
— Gain on disposal and dissolution of subsidiaries (Note 25)	— 出售及解散附屬公司之收益(附註25)	—	(11)
— Provision for impairment of other receivables	— 其他應收款項減值撥備	—	1,002
Changes in working capital:	營運資金變動：		
— Inventories	— 存貨	(16,488)	(54,894)
— Trade and bills receivables	— 應收貿易賬款及票據	(32,011)	(85,065)
— Deposits, prepayments and other receivables	— 按金、預付款項及其他應收款項	(20,190)	10,791
— Trade payables	— 應付貿易賬款	6,941	(18,956)
— Accruals and other payables	— 應計費用及其他應付款項	8,809	(10,771)
— Amount due from an associated company	— 應收一間聯營公司款項	(2,963)	3,452
— Amount due from a joint venture	— 應收一間合營企業款項	(5)	(33)
Cash generated from operations	經營業務所得的現金	130,394	45,128

32 NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Proceeds from disposal of property, plant and equipment

In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

32 綜合現金流量表附註(續)

(b) 出售物業、廠房及設備所得款項

於綜合現金流量表中，出售物業、廠房及設備所得款項包括：

		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Net book amount:	賬面淨值：		
— Property, plant and equipment (Note 7)	— 物業、廠房及設備(附註7)	520	5,042
Loss on disposal of property, plant and equipment (Note 24)	出售物業、廠房及設備之虧損(附註24)	(22)	(247)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	498	4,795

32 NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(c) Net cash inflow arising from disposal of a subsidiary

On 29 August 2016, the Group has signed a sales and purchase agreement (the "Agreement") with Target Insurance Company (the "Purchaser"), to dispose of the entire share capital of CPL and related shareholder's loan at a consideration of HK\$263,000,000. HK\$20,004,000 of the consideration was used to settle the outstanding borrowing of CPL on the date of completion. Net assets of CPL being disposed of amounted to approximately HK\$259,500,000. As a result of the disposal, a gain of HK\$11,000 was recognised by the Group.

32 綜合現金流量表附註(續)

(c) 出售附屬公司所產生之現金流入淨額

於二零一六年八月二十九日，本集團已與泰加保險有限公司(「買方」)簽訂買賣協議(「協議」)，以出售特許置業之全部股本及相關股東貸款，代價為263,000,000港元。於完成日期，20,004,000港元的代價已用作結清特許置業之尚未償還借貸。所出售的特許置業資產淨值約為259,500,000港元。由於該項出售，本集團確認收益11,000港元。

		2016 二零一六年 HK\$'000 千港元
Cash consideration received	已收取現金代價	263,000
Net assets disposed of:	所出售的資產淨值：	
— Investment properties	— 投資物業	260,000
— Other receivables	— 其他應收款項	229
— Deferred tax liabilities	— 遞延稅項負債	(729)
		3,500
Transaction costs incurred	所產生之交易成本	(3,489)
Gain on disposal	出售收益	11
Net cash inflow arising from disposal of a subsidiary	出售一間附屬公司所產生之現金流入淨額	
— Cash and cash equivalent received	— 已收取現金及現金等值項目	263,000
— Transaction costs paid	— 已付交易成本	(3,489)
		259,511

32 NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(d) Net debt reconciliation

32 綜合現金流量表附註(續)

(d) 淨負債之對賬

		Liabilities from financing activities 來自融資活動之負債				
		Cash and cash equivalents 現金及現金等值項目 HK\$'000 千港元	Borrowings due within 1 year 1年內到期的借貸 HK\$'000 千港元	Borrowings due after 1 year 1年後到期的借貸 HK\$'000 千港元	Loan from non-controlling interests 非控股權益的貸款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Net debt as at 1 January 2016	於二零一六年一月一日之淨負債	295,693	(10,446)	(45,532)	(12,587)	227,128
Cash flows	現金流量	216,378	6,363	23,371	(1,005)	245,107
Foreign exchange adjustments	外匯調整	(3,455)	—	—	—	(3,455)
Net debt as at 31 December 2016	於二零一六年十二月三十一日之淨負債	508,616	(4,083)	(22,161)	(13,592)	468,780
Cash flows	現金流量	(149,790)	162	3,912	(900)	(146,616)
Foreign exchange adjustments	外匯調整	8,933	—	—	—	8,933
Net debt as at 31 December 2017	於二零一七年十二月三十一日之淨負債	367,759	(3,921)	(18,249)	(14,492)	331,097

33 COMMITMENTS

(a) Capital commitments

As at 31 December 2017, the capital commitments of the Group were approximately HK\$24,810,000 (2016: HK\$4,317,000).

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Contracted but not provided for in the consolidated financial statements	經訂約惟並未於綜合財務報表內撥備	24,810	4,317

(b) Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases of the Group are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
No later than one year	一年內	11,392	10,000
Later than one year and no later than five years	遲於一年但不遲於五年	7,186	10,659
		18,578	20,659

33 承擔

(a) 資本承擔

於二零一七年十二月三十一日，本集團的資本承擔約為24,810,000港元(二零一六年：4,317,000港元)。

(b) 營運租賃承擔

根據不可撤銷營運租賃，本集團於未來的最低租賃付款總額如下：

34 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

The ultimate controlling parties of the Group are Mr. CHING Chi Fai, Mr. CHING Chi Keung, Mr. LIU Zigang and Ms. CHAN Yim Ching.

(a) Significant related party transactions

The Group has carried out significant transactions with the following related parties:

Name of related party 關聯方姓名／名稱	Principal business activities 主要業務活動	Relationship with the Group 與本集團之關係
Mr. LIU Zigang 劉子剛先生	Not applicable 不適用	A shareholder and an executive Director of the Company 本公司之一位股東兼執行董事
Ming Fai Plastic Industrial Company 明輝塑膠實業公司	Manufacturing of plastic products (Ceased manufacturing of plastic products since April 2003) 製造塑膠產品(自二零零三年四月起終止製造塑膠產品)	Partnership owned by Mr. CHING Chi Fai (a shareholder and an executive Director of the Company), Mr. YEUNG Tin Loi and Mr. CHING Chi Keung (a shareholder and an executive Director of the Company) 由程志輝先生(本公司之一位股東兼執行董事)、楊天來先生及程志強先生(本公司之一位股東兼執行董事)所擁有的合夥企業
Quality Amenities Supply (M) Sdn. Bhd. Quality Amenities Supply (M) Sdn. Bhd.	Trading of hotel amenities and accessories 酒店賓客用品及配件貿易	Associated company of the Group 本集團的聯營公司
iBridge Technology (Shenzhen) Limited (“iBridge Technology”) 恩博哲科技(深圳)有限公司 (「恩博哲科技」)	Provision of information technology services 提供資訊科技服務	Joint venture of the Group 本集團的合營企業

34 關聯方交易

倘任何一方能控制另一方，或於其財政及經營決策上行使重大影響力，即為關聯方。受到共同控制的有關方亦被視為關聯方。

本集團之最終控制方為程志輝先生、程志強先生、劉子剛先生及陳艷清女士。

(a) 重大關聯方交易

本集團曾與以下關聯方進行重大交易：

34 RELATED PARTY TRANSACTIONS (Continued)

(a) Significant related party transactions (Continued)

In addition to those disclosed elsewhere in the consolidated financial statements, the Group had the following significant transactions with related parties:

34 關聯方交易(續)

(a) 重大關聯方交易(續)

除於綜合財務報表其他部分所披露者外，本集團與關聯方進行的重大交易如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
(i) Sales of goods	(i) 銷售貨品		
— to Quality Amenities Supply (M) Sdn. Bhd.	— 予 Quality Amenities Supply (M) Sdn. Bhd.	19,817	11,429
— to iBridge Technology	— 予恩博哲科技	123	—
(ii) Purchase of goods	(ii) 購買貨品		
— from iBridge Technology	— 自恩博哲科技	182	—
(iii) Rental charged	(iii) 下列各方收取的租金		
— by Ming Fai Plastic Industrial Company	— 明輝塑膠實業公司	844	851
— by Mr. LIU Zigang	— 劉子剛先生	—	64
(iv) Purchases of services rendered from	(iv) 購買下列各方提供的服務		
— freight and administrative charges from Quality Amenities Supply (M) Sdn. Bhd.	— Quality Amenities Supply (M) Sdn. Bhd. 之運費及行政費	—	31
— information technology services rendered from iBridge Technology	— 恩博哲科技提供之資訊科技服務	111	304
(v) Purchase of intangible assets	(v) 購買無形資產		
— software from iBridge Technology	— 自恩博哲科技的軟件	158	—

34 RELATED PARTY TRANSACTIONS (Continued)

(a) Significant related party transactions (Continued)

Sales of goods are transacted at prices mutually agreed between the parties.

Purchases of goods and services are transacted at prices mutually agreed between the parties.

The Group leased certain properties from Ming Fai Plastic Industrial Company as one of its production bases in the PRC. The transaction is carried out at prices agreed between the parties.

The Group leased one office premise in the PRC from Mr. LIU Zigang. The transaction is carried out at prices as agreed between the parties.

Purchase of intangible assets are transacted at prices mutually agreed between the parties.

34 關聯方交易(續)

(a) 重大關聯方交易(續)

銷售貨品乃按訂約方之間互相協定的價格進行交易。

購買貨品及服務乃按訂約方之間互相協定的價格進行交易。

本集團從明輝塑膠實業公司租賃若干物業作為其於中國的其中一個生產基地。交易乃按訂約方協定的價格進行。

本集團向劉子剛先生租賃一處位於中國的寫字樓物業。交易乃按訂約方協定的價格進行。

購買無形資產乃按訂約方之間相互協定之價格進行交易。

34 RELATED PARTY TRANSACTIONS (Continued)

34 關聯方交易(續)

(b) Key management compensation

(b) 主要管理人員酬金

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Basic salaries, housing allowances, other allowances and benefits-in-kind	底薪、住房津貼、其他津貼及 非金錢利益	10,329	9,808
Contributions to pension plans	退休金計劃供款	115	115
		10,444	9,923

(c) Year end balances arising from sales and purchases of goods

(c) 銷售及購買貨品的年終結餘

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Prepayment to iBridge Technology (Note)	預付恩博哲科技款項(附註)	94	220
Amounts due from	應收以下各方款項		
— Quality Amenities Supply (M) Sdn. Bhd. (Note 13)	— Quality Amenities Supply (M) Sdn. Bhd.(附註13)	8,138	5,175
— iBridge Technology (Note)	— 恩博哲科技(附註)	59	54

Note: The balance represents prepayment to iBridge Technology of HK\$94,000 (31 December 2016: HK\$220,000) arising from purchases of information services and amount due from it of HK\$59,000 (31 December 2016: HK\$54,000). These balances are unsecured in nature, bear no interest and denominated in RMB.

附註：結餘指購買資訊服務之預付恩博哲科技款項94,000港元(二零一六年十二月三十一日：220,000港元)及應收恩博哲科技款項59,000港元(二零一六年十二月三十一日：54,000港元)。此等結餘性質屬無抵押、不計息及以人民幣計值。

35 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance sheet of the Company as at 31 December 2017

35 本公司資產負債表及儲備變動

於二零一七年十二月三十一日
之本公司資產負債表

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
ASSETS	資產		
Non-current asset	非流動資產		
Investment in a subsidiary	於一間附屬公司的投資	235,673	235,673
Total non-current assets	非流動資產總額	235,673	235,673
Current assets	流動資產		
Amount due from a joint venture	應收一間合營企業款項	12	10
Amounts due from subsidiaries	應收附屬公司款項	719,628	772,913
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	231	242
Cash and cash equivalents	現金及現金等值項目	74,525	34,653
Total current assets	流動資產總額	794,396	807,818
Total assets	資產總額	1,030,069	1,043,491
EQUITY	權益		
Equity attributable to the owners of the Company	本公司擁有人應佔權益		
Share capital	股本	7,265	7,238
Shares held for the Scheme	計劃下持有之股份	(2,089)	(1,038)
Share premium	股份溢價	608,538	606,905
Other reserves	其他儲備	405,941	275,642
Total equity	總權益	1,019,655	888,747
LIABILITIES	負債		
Current liabilities	流動負債		
Amounts due to subsidiaries	應付附屬公司款項	9,119	9,139
Tax payable	應付稅項	146	121
Accruals and other payables	應計費用及其他應付款項	1,047	809
Dividends payable	應付股息	102	144,675
Total current liabilities	流動負債總額	10,414	154,744
Total liabilities	負債總額	10,414	154,744
Total equity and liabilities	總權益及負債	1,030,069	1,043,491

The balance sheet of the Company was approved by the Board of Directors on 28 March 2018 and was signed on its behalf.

本公司資產負債表於二零一八年三月二十八日經董事會批准並由以下董事代表簽署。

CHING Chi Fai
程志輝
Director
董事

CHING Tsun Wah
程俊華
Director
董事

Note A: Reserve movement of the Company for the year ended 31 December 2017.

附註A: 截至二零一七年十二月三十一日止年度之本公司儲備變動。

35 BALANCE SHEET AND RESERVE MOVEMENT
OF THE COMPANY (Continued)

35 本公司資產負債表及儲備
變動(續)

		Merger reserve (Note) 合併儲備 (附註) HK\$'000 千港元	Share-based compensation reserve 以股份支付的 酬金儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Balance at 1 January 2016	於二零一六年 一月一日之結餘	224,147	35,424	26,368	285,939
Comprehensive income	全面收益				
Profit for the year	本年度溢利	—	—	169,673	169,673
Total comprehensive income	全面收益總額	—	—	169,673	169,673
Final dividends relating to 2015	二零一五年度之末期股息	—	—	(21,173)	(21,173)
Interim dividends relating to 2016	二零一六年度之中期股息	—	—	(14,200)	(14,200)
Special dividend relating to 2016 (Note 31)	二零一六年之特別股息 (附註31)	—	—	(144,597)	(144,597)
Exercise of share options	行使購股權	—	(1,696)	1,696	—
Balance at 31 December 2016	於二零一六年 十二月三十一日之結餘	224,147	33,728	17,767	275,642
Balance at 1 January 2017	於二零一七年 一月一日之結餘	224,147	33,728	17,767	275,642
Comprehensive income	全面收益				
Profit for the year	本年度溢利	—	—	173,729	173,729
Total comprehensive income	全面收益總額	—	—	173,729	173,729
Final dividends relating to 2016 (Note 31)	二零一六年度之末期股息 (附註31)	—	—	(28,930)	(28,930)
Interim dividends relating to 2017 (Note 31)	二零一七年度之中期股息 (附註31)	—	—	(14,500)	(14,500)
Exercise of share options	行使購股權	—	(1,396)	1,396	—
Balance at 31 December 2017	於二零一七年 十二月三十一日之結餘	224,147	32,332	149,462	405,941
Representing: Reserve	代表: 儲備				369,591
Final dividend proposed	建議末期股息				36,350
Balance at 31 December 2017	於二零一七年 十二月三十一日之結餘				405,941

35 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

Note: Merger reserve of the Group represents the difference between the cost of investment in subsidiaries and nominal value of the share capital and share premium of the subsidiaries in 2007 arising from the application of merger accounting in consolidating the financial information of the affected entities.

35 本公司資產負債表及儲備變動(續)

附註：本集團的合併儲備指於附屬公司的投資成本及股本面值與附屬公司於二零零七年合併受影響實體財務資料時採用合併會計法所產生的股份溢價的差額。

36 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The aggregate amounts of emoluments paid/payable to Directors of the Company by the Group are as follows:

36 董事及主要行政人員之酬金

本集團已付／應付本公司董事的酬金總額如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Fees	袍金	1,320	1,322
Basic salaries, housing allowances, other allowances and benefits-in-kind	底薪、住房津貼、其他津貼及非金錢利益	9,969	9,689
Contributions to pension plans	退休金計劃供款	115	115
		11,404	11,126

36 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

The emoluments of each Director and chief executive of the Company for the year ended 31 December 2017 are as follows:

36 董事及主要行政人員之酬金 (續)

截至二零一七年十二月三十一日止年度本公司各董事及主要行政人員的酬金如下：

Name of Directors	Fees	Salary	Discretionary bonuses	Share-based payment expense	Employer's contribution to a retirement benefit scheme	Total
董事姓名	袍金	薪金	酌情花紅	以股份支付的開支	僱主就退休福利計劃的供款	總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Executive Directors (Note (i))	執行董事(附註(i))					
Mr. CHING Chi Fai	120	1,224	1,201	—	18	2,563
Mr. CHING Chi Keung	120	739	743	—	18	1,620
Mr. LIU Zigang	120	896	1,003	—	43	2,062
Mr. CHING Tsun Wah	120	739	753	—	18	1,630
Mr. KEUNG Kwok Hung	120	1,325	1,106	—	18	2,569
Independent non-executive Directors	獨立非執行董事					
Mr. HUNG Kam Hung Allan	150	—	—	—	—	150
Mr. MA Chun Fung Horace	150	—	—	—	—	150
Mr. NG Bo Kwong	150	—	—	—	—	150
Mr. SUN Yung Tson Eric (Note (ii))	150	—	—	—	—	150
Non-executive Director	非執行董事					
Ms. CHAN Yim Ching	120	240	—	—	—	360
Total	1,320	5,163	4,806	—	115	11,404

36 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

The emoluments of each Director and chief executive of the Company for the year ended 31 December 2016 are as follows:

Name of Directors	Fees	Salary	Discretionary bonuses	Share-based payment expense	Employer's contribution to a retirement benefit scheme	Total
董事姓名	袍金	薪金	酌情花紅	以股份支付的開支	僱主就退休福利計劃的供款	總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Executive Directors (Note (i)) 執行董事(附註(i))						
Mr. CHING Chi Fai 程志輝先生	120	1,204	1,161	—	18	2,503
Mr. CHING Chi Keung 程志強先生	120	726	681	—	18	1,545
Mr. LIU Zigang 劉子剛先生	120	885	805	—	43	1,853
Mr. CHING Tsun Wah 程俊華先生	120	726	674	—	18	1,538
Mr. KEUNG Kwok Hung 姜國雄先生	120	1,304	1,042	—	18	2,484
Independent non-executive Directors 獨立非執行董事						
Mr. HUNG Kam Hung Allan 孔錦洪先生	150	—	—	—	—	150
Mr. MA Chun Fung Horace 馬振峰先生	150	—	—	—	—	150
Mr. NG Bo Kwong 吳保光先生	150	—	—	—	—	150
Mr. SUN Yung Tson Eric (Note (ii)) 孫榮聰先生 (附註(ii))	114	—	—	—	—	114
Mr. SUN Kai Lit Cliff (Note (iii)) 孫啟烈先生 (附註(iii))	38	—	—	—	—	38
Non-executive Director 非執行董事						
Ms. CHAN Yim Ching 陳艷清女士	120	330	150	—	—	600
Total 總額	1,322	5,175	4,513	—	115	11,125

Notes:

- (i) The roles of chief executive officer have been performed collectively by all the executive directors, including the chairman of the Company.
- (ii) Mr. SUN Yung Tson Eric was appointed as an independent non-executive Director on 29 March 2016.
- (iii) Mr. SUN Kai Lit Cliff retired as an independent non-executive Director on 29 March 2016.

附註:

- (i) 行政總裁之職責由全體執行董事(包括本公司主席)共同履行。
- (ii) 孫榮聰先生於二零一六年三月二十九日獲委任為獨立非執行董事。
- (iii) 孫啟烈先生於二零一六年三月二十九日退任獨立非執行董事。



明輝國際控股有限公司*

Ming Fai International Holdings Limited