



合豐集團控股有限公司

HOP FUNG GROUP 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: 2320



Annual Report **2016** 年報



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Hui Sum Kwok (*Chairman*)
Mr. Hui Sum Ping (*Vice Chairman*)
Mr. Hui Sum Tai (*Chief Executive Officer*)
Ms. Hui Yuen Li (*Chief Financial Officer*)

Independent Non-Executive Directors

Mr. Chee Man Sang, Eric
Mr. Yip Kwok Kwan
Mr. Wong Chu Leung

AUDIT COMMITTEE

Mr. Chee Man Sang, Eric (*Chairman*)
Mr. Yip Kwok Kwan
Mr. Wong Chu Leung

REMUNERATION COMMITTEE

Mr. Chee Man Sang, Eric (*Chairman*)
Mr. Yip Kwok Kwan
Mr. Wong Chu Leung
Ms. Hui Yuen Li

NOMINATION COMMITTEE

Mr. Yip Kwok Kwan (*Chairman*)
Mr. Chee Man Sang, Eric
Mr. Wong Chu Leung
Ms. Hui Yuen Li

AUTHORISED REPRESENTATIVES

Mr. Hui Sum Kwok
Ms. Hui Yuen Li

COMPANY SECRETARY

Ms. Hui Yuen Li

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

HONG KONG OFFICE

Workshops E, F and H, 22nd Floor
Superluck Industrial Centre (Phase 2)
No. 57 Sha Tsui Road and
Nos. 30-38 Tai Chung Road, Tsuen Wan
New Territories
Hong Kong

董事會

執行董事

許森國先生 (*主席*)
許森平先生 (*副主席*)
許森泰先生 (*行政總裁*)
許婉莉女士 (*財務總監*)

獨立非執行董事

池民生先生
葉國均先生
黃珠亮先生

審核委員會

池民生先生 (*主席*)
葉國均先生
黃珠亮先生

薪酬委員會

池民生先生 (*主席*)
葉國均先生
黃珠亮先生
許婉莉女士

提名委員會

葉國均先生 (*主席*)
池民生先生
黃珠亮先生
許婉莉女士

授權代表

許森國先生
許婉莉女士

公司秘書

許婉莉女士

核數師

德勤•關黃陳方會計師行
執業會計師
香港

香港辦事處

香港
新界
荃灣沙咀道57號及
大涌道30-38號
荃運工業中心 (第二期)
22樓E、F及H座



REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

SHARE REGISTRARS AND TRANSFER AGENTS

Principal share registrar and transfer agent in the Cayman Islands

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road
P.O. Box 1586, Grand Cayman
KY1-1110
Cayman Islands

Branch share registrar and transfer agent in Hong Kong

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

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited
DBS Bank (Hong Kong) Limited
Agricultural Bank of China Limited
Fubon Bank (Hong Kong) Limited
Bank of China (Hong Kong) Limited
China CITIC Bank International Limited
Citibank, N.A.
OCBC Wing Hang Bank Limited

STOCK CODE

2320

WEBSITE

www.hopfunggroup.com

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

股份過戶登記處

開曼群島主要股份過戶登記處

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road
P.O. Box 1586, Grand Cayman
KY1-1110
Cayman Islands

股份過戶登記處香港分處

卓佳雅柏勤有限公司
香港
皇后大道東183號
合和中心
22樓

主要往來銀行

渣打銀行(香港)有限公司
星展銀行(香港)有限公司
中國農業銀行股份有限公司
富邦銀行(香港)有限公司
中國銀行(香港)有限公司
中信銀行(國際)有限公司
花旗銀行
華僑永亨銀行有限公司

股份代號

2320

網址

www.hopfunggroup.com



CHAIRMAN'S STATEMENT

主席報告

On behalf of the board of directors (the "Board" or "Directors"), I am pleased to present the 2016 full year results of Hop Fung Group Holdings Limited (the "Company", and including subsidiaries, the "Group", "we" or "us").

The Group delivered results ahead of expectations in 2016, benefiting from environmental protection and supply-side reforms implemented by the Chinese government on many industries including the paper manufacturing industry. The aggressive elimination of outdated capacity resulted in notable improvements towards the supply-demand imbalance in the corrugated paper packaging industry. In the latter half of the fourth quarter, buoyant demand for corrugated paper were resulted in extremely short supply and a recovery in selling prices, first to more reasonable levels and later to new highs not seen in years, generating better than expected profits for the Group.

Since the global financial crisis in 2008, the Group has lived through an uncertain global financial and political environment, with the economic recovering at an anemic pace. Chinese economic growth has also slowed down in recent years, and the Renminbi went from a trend of appreciation to one of depreciation, creating a very difficult business environment. The Group transformed its business model and marketing strategy as a result of these sentiment and market changes, shifting our focus from exports to domestic sales, as well as focusing on corrugated paper products with shorter production and sales cycles. Our upstream corrugating medium and linerboard were originally designed to be fully internally utilized for the downstream business for manufacturing corrugated paper boards and carton boxes, but in recent years some of these have been directly sold to end customers. These measures, in addition to the Chinese government's supply-side reforms in recent years, have brought about a turnaround in the Group's business.

Aside from the above changes, the Group continues to improve production processes and implement technical upgrades to production equipment, which allow us to control costs and reduce wastage, and at the same time increase production capacity at minimal cost, resulting in peak production efficiency for our production equipment. The Group's new series of environmental protection equipment started operations over the course of 2016. All engineering works were completed at the end of the year, and the new equipment are now in operation. Our new equipment would be able to meet new standards in the event the Ministry of Environmental Protection raises environmental protection requirements.

本人謹代表董事會欣然向各位股東提呈合豐集團控股有限公司（「本公司」，連同其附屬公司，統稱「本集團」、「集團」或「我們」）的二零一六年度全年業績報告。

本集團於二零一六年的業績表現比預期佳，主要受惠於中國政府對多個行業包括造紙業實施環保及供給側改革，積極淘汰落後產能，其顯著成效使瓦楞紙包裝業之供需失衡情況得到改善。於第四季之中後期，瓦楞紙品需求殷切，不單只供不應求，銷售價格更在回升至合理水平後再上漲至多年來新高，使集團錄得較理想的盈利。

回顧集團自二零零八年環球金融危機至今，一直經歷環球金融及政治動蕩，期間經濟復甦極之緩慢，近年中國經濟增長也開始減慢，人民幣更由升值演變至貶值，營商環境非常嚴峻。集團因應環境及市場變化作出了營運模式及營銷策略的轉變，由專注外銷轉為專注內銷，並專注生產及銷售週期較短的瓦楞紙產品，而上游業務生產的瓦楞芯紙及牛咭原預計完全供應予下游業務用於生產瓦楞紙板及紙箱，近年集團也將部分供應予客戶，加上中國政府近年實施供給側改革，令集團業務走出陰霾。

除上述改變外，集團亦不斷改進生產流程及進行生產設備技術改造，在控制成本及降低損耗的同時，以最低成本將產能提升，使生產設備達至最高效率及效益。環保方面，集團增加的一系列設施於年間已逐步投入服務，所有工程剛於年底完成，新設施現已全面運行。若國家環保部再提高環保要求，新設施也可達至其標準。

CHAIRMAN'S STATEMENT

主席報告



The Group's financial situation remained healthy throughout 2016. Although the Group did not receive the remaining proceeds from the disposal of a subsidiary until the end of the year, the Group had adequate working capital to fund additions to environmental protection equipment and technical improvements to production equipment. Due to the spike in demand for corrugated paper ware in the latter half of the fourth quarter, selling prices jumped several times and customers had to partially pre-pay for orders to be accepted. This meant a rise in the Group's cash position. At the end of the year, the Group's net gearing ratio fell below zero and our balance sheet went into net cash. The Group was also once able to keep bad debts at negligible levels, and our financial situation remains highly prudent.

Looking ahead to 2017, we expect interest rate increases in the United States, the elimination of outdated capacity in China and the depreciation of the Renminbi would continue to impact economic development. That said, the Chinese government should be able to implement effective measures from time to time to maintain stable economic growth. In addition, supply-side reforms have brought about continued improvements to the over-supply situation in the corrugated paper packaging industry. We thus believe the industry has climbed out of the slump and the situation should further improve.

In 2017, the Group expects to continue with technical improvements to production equipment and to add to auxiliary equipment in order to increase production capacity by around 20% at minimal cost. This should result in productivity improvements and will allow the Group to provide more high quality corrugated paper products to customers. We will strive to continue to utilize our competitive advantage as a vertically integrated company, and tightly control costs in order to offset the pressure of rising operating costs and deliver stable long term growth in profits for the Group.

Lastly, I would like to take this opportunity to thank the management team and staff and to give thanks to their unity and support against various challenges and issues, and to give thanks to our customers, suppliers, bankers and investors for their unending support. We will continue to strive to bring better returns to our shareholders.

集團的財務狀況於二零一六年一直處於健康狀態，縱使集團在年底才收取出售一間附屬公司的餘下代價，但年間仍有足夠營運資金用於增加環保設施及進行生產設備技術改造。由於在第四季之中後期瓦楞紙品需求大增，銷售價格連番跳升，客戶需預付部分貨款才獲接受訂單，此舉令集團之現金增加不少。於年底集團之淨負債率少於零，出現淨現金狀況，集團也再一次錄得幾乎零壞賬的記錄，財務非常穩健。

展望二零一七年，我們預期美國加息、中國淘汰落後產能及人民幣貶值等因素將繼續影響經濟發展，但中國政府定必不時推出有效措施來維持經濟穩定增長，加上供給側改革下瓦楞紙包裝業供需失衡情況持續改善，我們相信行業已走出谷底，形勢將進一步好轉。

集團已計劃在二零一七年繼續進行生產設備技術改造，並增加有關輔助設備，準備以最低成本將產能提升約20%，屆時生產效率亦進一步提升，集團將可提供更多優質的瓦楞紙產品予客戶。我們承諾會盡力繼續抓緊縱向整合的競爭優勢，以及嚴格監控成本以抵抗經營成本上漲的壓力，使集團之盈利維持長遠穩定的增長。

最後，本人謹藉此機會向管理層及員工致謝，感謝各位團結一致地面對重重挑戰與考驗；並感謝客戶、供應商、銀行界及投資者多年來的支持，我們定必繼續努力為股東帶來更佳回報。

Hui Sum Kwok
Chairman
31st March, 2017

主席
許森國
二零一七年三月三十一日



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

In 2016, the supply and demand situation in the corrugated paper packaging industry became more balanced, and the Group's sales volume and average selling prices both made gains, lifting overall revenue by 10.6% compared to 2015. Domestic sales and exports accounted for 80% and 20% of revenue. Revenue in the first half rose by 3% compared to the first half of 2015. Revenue in the second half rose by 27% compared to the first half, and by 17% compared to the second half of 2015, primarily due to increases in both sales volume and pricing in the latter half of the fourth quarter of the year.

The Group's upstream containerboard business produces corrugating medium and linerboard primarily for the Group's downstream corrugated packaging business, making corrugated paper boards and carton boxes, but the Group can also sell upstream products directly to customers depending on market conditions. Due to improvements in production capacity and efficiency after technical improvements, more than 40% of upstream products could be directly sold to customers. Upstream and downstream sales accounted for 38% and 62% of revenue respectively, with upstream sales rising 32% and equipment utilization reaching nearly 90%; downstream sales rose slightly by 0.4% with equipment utilization reaching nearly 60%. Excluding the impact of Renminbi depreciation, revenue growth exceeded 20%.

The Group's main raw material, waste paper, is sourced from both domestic and overseas markets. Although average price for waste paper rose by around 10% compared to 2015, and wages and related costs also faced upward pressure, the technical improvements resulted in improved productivity and reduced wastage. This combined with improved working capital for the Group and the resulting reduction in financing costs meant the Group was able to deliver 103% growth in profit from operation for the full year.

業務回顧

於二零一六年，瓦楞紙包裝業供求漸趨平衡，集團之銷量及平均銷售價格均錄得增長，年度收益比二零一五年上升10.6%。內銷收益與出口收益分別佔80%及20%，而上半年之收益比二零一五年同期上升3%，下半年收益較上半年高出27%，對比二零一五年同期則上升17%，收益增長主要由於第四季中後期間量價齊升所致。

集團上游箱板紙業務生產之瓦楞芯紙及牛咕，主要提供予集團下游的瓦楞包裝業務製造瓦楞紙板及紙箱，另因應市場需求變化而直接售予客戶。由於上游之產能及效率在技改後提升了，約有四成多上游產品可直接售予客戶。上下游業務分別佔收益的38%及62%，上游之銷售上升32%，設備使用率接近九成；而下游之銷售輕微上升0.4%，設備使用率接近六成。如撇除人民幣貶值影響，收益增長超過20%。

集團之主要原材料廢紙分別在國內及海外採購，其平均價格與二零一五年相比上漲約一成，工資及相關費用均有上漲壓力，然而技改提高了生產效益並減少損耗，加上集團營運資金充裕令財務成本下降，最終集團錄得103%的營運利潤增長。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



FINANCIAL REVIEW

Operating results

Despite Renminbi depreciation in 2016, surge in demand in the latter half of the fourth quarter of 2016 led to steep rise in selling prices and sales volume, resulting in growth in revenue by 10.6%. Revenue climbed from HK\$1,066.5 million in 2015 to HK\$1,179.4 million in 2016.

Cost of sales rose 6.8% from HK\$853.9 million to HK\$911.7 million. The rise in costs of sales was less than the rise in revenue on account of improvement in production process, contributing 25.9% increase to gross profit. Gross profit soared from HK\$212.7 million to HK\$267.7 million. Gross profit margin rose from 19.9% to 22.7%.

The increase in other income from HK\$13.3 million to HK\$14.7 million was primarily due to exchange gain arising from fixed deposits.

Selling and distribution costs increased 10.1% from HK\$61.4 million to HK\$67.6 million. The change was in line with the growth in revenue.

There was an increase of 9.7% in administrative expenses from HK\$88.6 million to HK\$97.2 million. It was predominantly due to increment in staff cost and performance bonus.

Other expenses rose HK\$1.4 million from HK\$23.2 million to HK\$24.6 million. The increase was mainly attributed to the exchange loss arising from receivables from disposal of a subsidiary, from HK\$3.9 million to HK\$5.3 million.

A decline in finance costs of HK\$5.7 million, from HK\$10.7 million to HK\$5.0 million, was owing to less bank borrowings required throughout the year.

Profit from operation (profit for the year excluding the change in present value in respect of receivables from disposal of a subsidiary and the corresponding exchange difference) climbed from HK\$40.2 million to HK\$81.7 million, representing an increase of 103.2%. Profit margin from operation improved from 3.8% to 6.9%.

Profit for the year surged HK\$40.1 million, from HK\$36.3 million in 2015 to HK\$76.4 million in 2016.

財務回顧

經營業績

儘管二零一六年人民幣貶值，二零一六年第四季下半季之需求激增導致售價及銷量大幅上升，帶動收益增加10.6%。收益由二零一五年之1,066,500,000港元攀升至二零一六年之1,179,400,000港元。

銷售成本由853,900,000港元增加6.8%至911,700,000港元。由於生產流程改善，銷售成本之升幅低於收益增長，毛利因而增加25.9%。毛利由212,700,000港元增加至267,700,000港元。毛利率由19.9%增加至22.7%。

其他收入由13,300,000港元增加至14,700,000港元，主要由於定期存款產生匯兌收益。

銷售及分銷成本由61,400,000港元增加10.1%至67,600,000港元。有關變動與收益增長一致。

行政開支由88,600,000港元增加9.7%至97,200,000港元，主要由於員工成本及績效花紅增加所致。

其他開支由23,200,000港元增加1,400,000港元，至24,600,000港元，主要由於出售附屬公司之應收款項產生之匯兌虧損由3,900,000港元增加至5,300,000港元所致。

財務成本由10,700,000港元減少5,700,000港元，至5,000,000港元，乃由於年內所需之銀行借貸減少所致。

營運利潤（年度利潤減出售附屬公司之應收款項之現值變動及匯兌差額）由40,200,000港元增加至81,700,000港元，增幅103.2%。營運利潤率由3.8%增加至6.9%。

年度利潤由二零一五年之36,300,000港元激增40,100,000港元至二零一六年之76,400,000港元。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Liquidity, financial and capital resources

At 31st December, 2016, the Group's total cash and cash equivalents were HK\$547.6 million (31st December, 2015: HK\$151.6 million), mostly denominated in Renminbi. The tremendous increase was mainly due to the remaining 49% cash consideration received near year end of 2016 in respect of the disposal of a subsidiary.

Total bank borrowings increased from HK\$194.8 million to HK\$286.5 million in view of the restriction imposed by the Chinese government in transferring Renminbi out of the PRC. Current bank borrowings rose HK\$152.5 million while non-current bank borrowings dropped HK\$60.8 million. At 31st December, 2016, net gearing ratio (net bank borrowings to total equity) fell from 2.9% to -17.9%. The group recorded net cash (total cash and cash equivalents less total bank borrowings) of HK\$261.1 million.

Net current assets and current ratio of the Group were HK\$259.2 million (31st December, 2015: HK\$316.2 million) and 1.46 (31st December, 2015: 1.94) respectively.

The Group spent HK\$131.4 million on capital expenditures for maintenance, environmental protection facilities, and technical upgrade to the production lines and the ancillary facilities.

Debtors turnover days improved from 64 days to 47 days. It was mainly contributed by cash received in advance from customers in December 2016 for the surge in sales orders. Stock and creditors turnover days were regarded as stable, being 42 days (2015: 56 days) and 52 days (2015: 42 days) respectively.

Contingent liabilities

The tax audits conducted by the Inland Revenue Department ("IRD") on the Company and its subsidiaries for the years of assessment 2004/2005 to 2010/2011 are still on-going. The IRD had issued protective assessments for the years of assessment 2004/2005 to 2010/2011 to certain subsidiaries of the Group. Objections were lodged against all these assessments. The Directors believe that no additional provision for Hong Kong profits tax is necessary at the present stage. The outcome and impact of this matter cannot be determined with reasonable certainty.

流動資金、財務及資本資源

於二零一六年十二月三十一日，本集團大部分以人民幣列值之現金及現金等值總額為547,600,000港元（二零一五年十二月三十一日：151,600,000港元），此顯著增長主要由於在接近二零一六年底已收回就出售附屬公司餘下49%之現金代價。

由於中國政府限制人民幣轉出中國，銀行借貸總額由194,800,000港元增加至286,500,000港元。即期銀行借貸增加152,500,000港元，而非即期銀行借貸減少60,800,000港元。於二零一六年十二月三十一日，淨負債比率（淨銀行借貸對總權益）由2.9%下降至-17.9%。本集團錄得淨現金（現金及現金等值減銀行借貸總額）為261,100,000港元。

本集團之流動資產淨值及流動比率分別為259,200,000港元（二零一五年十二月三十一日：316,200,000港元）及1.46（二零一五年十二月三十一日：1.94）。

本集團之資本開支為131,400,000港元，用於為維修、環保設施、生產線及配套設施的技術升級。

應收賬款之流轉率由64日減少至47日，主要由於二零一六年十二月之銷售訂單激增而預收客戶現金所致。存貨及應付賬款之流轉率均視為穩定，分別為42日（二零一五年：56日）及52日（二零一五年：42日）。

或然負債

香港稅務局（「稅務局」）仍在就本公司及其附屬公司之二零零四年／二零零五年至二零一零年／二零一一年課稅年度進行稅務稽查。稅務局曾就二零零四年／二零零五年至二零一零年／二零一一年之課稅年度向本集團若干附屬公司發出保障性評稅。本集團已就所有該等評稅提出反對。董事認為現階段無需就香港利得稅作出額外撥備，亦未能合理確定此事宜之結果及影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



OUTLOOK

We expect the global economy to continue to improve but at a slow pace, and Renminbi depreciation is expected to be on a more limited scale. Although selling prices fell in the first quarter of 2017, the over-supply situation in the industry has seen improvements, and we expect to regain pricing power and reasonably transfer increases in operating costs to our customers. We will stay the course with our core strategy to improve production efficiency, increase sales volume, reduce raw materials wastage and energy use in order to alleviate cost increases, and strive to improve the Group's earnings.

HUMAN RESOURCES

As at 31st December, 2016, the Group and the processing factory employed a total workforce of around 1,100 full time staff (2015: 1,100). Competitive remuneration packages were offered to employees. The Group may also grant share options and discretionary bonuses to eligible employees based on the performance of the Group and individuals.

展望

我們預期環球經濟將會逐漸改善，但步伐較緩慢，而人民幣貶值的波幅也相對小。縱使二零一七年第一季銷售價格已下降，但產能過剩問題已逐漸改善，我們相信可爭取在價格上的主導性，並把經營成本合理地轉嫁予客戶。我們承諾繼續以提升生產效率、增加銷量、降低原料損耗及能源消耗以抗衡成本上漲為重點策略，竭力提高集團的利潤。

人力資源

於二零一六年十二月三十一日，本集團及加工廠房僱用總共約1,100名全職員工（二零一五年：1,100名）。本集團向僱員提供具競爭力之薪酬福利。本集團可能亦會授出購股權及酌情花紅予合資格僱員，授出之基準按本集團及個人之表現而釐定。



MANAGEMENT PROFILE

管理層履歷

BOARD OF DIRECTORS

Executive Directors

Mr. Hui Sum Kwok, aged 57, is the chairman of the Board, an executive Director of the Company and a co-founder of the Group. Mr. Hui is responsible for the overall corporate planning, business development and management of the Group. Mr. Hui has over 32 years of experience in the corrugated paper packaging industry in Hong Kong and the People's Republic of China (the "PRC").

Mr. Hui Sum Kwok is a brother of Mr. Hui Sum Ping (vice chairman of the Board, executive Director, and substantial shareholder of the Company) and Mr. Hui Sum Tai (executive Director and chief executive officer of the Company). Mr. Hui did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

Mr. Hui Sum Ping, aged 55, is the vice chairman of the Board, an executive Director of the Company and a co-founder of the Group. Mr. Hui is responsible for the business development of the Group. Mr. Hui has over 32 years of experience in the corrugated paper packaging industry in Hong Kong and the PRC.

Mr. Hui Sum Ping is a brother of Mr. Hui Sum Kwok (chairman of the Board, executive Director, and substantial shareholder of the Company), and Mr. Hui Sum Tai (executive Director and chief executive officer of the Company). Mr. Hui did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

Mr. Hui Sum Tai, aged 50, is an executive Director and the chief executive officer of the Company. Mr. Hui has joined the Group since its establishment and is responsible for the strategic planning and day-to-day management of the Group. Mr. Hui has over 30 years of experience in the corrugated paper packaging industry in Hong Kong and the PRC.

Mr. Hui Sum Tai is a brother of Mr. Hui Sum Kwok (chairman of the Board, executive Director, and substantial shareholder of the Company) and Mr. Hui Sum Ping (vice chairman of the Board, executive Director, and substantial shareholder of the Company). Mr. Hui did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

董事會

執行董事

許森國先生，57歲，為本公司董事會主席兼執行董事，並為本集團聯合創辦人。許先生負責本集團整體企業規劃、業務發展及管理。許先生於香港及中華人民共和國（「中國」）之瓦楞紙包裝行業積逾三十二年經驗。

許森國先生為本公司董事會副主席、執行董事兼主要股東許森平先生及本公司執行董事兼行政總裁許森泰先生之兄弟。許先生於過去三年並無於香港或海外上市公司出任任何其他董事職務。

許森平先生，55歲，為董事會副主席兼本公司執行董事，並為本集團聯合創辦人。許先生負責本集團之業務發展。許先生於香港及中國之瓦楞紙包裝行業積逾三十二年經驗。

許森平先生為本公司董事會主席、執行董事兼主要股東許森國先生及本公司執行董事兼行政總裁許森泰先生之兄弟。許先生於過去三年並無於香港或海外上市公司出任任何其他董事職務。

許森泰先生，50歲，為本公司之執行董事兼行政總裁。許先生自集團成立起已加入本集團，負責本集團策略規劃及日常管理。許先生於香港及中國之瓦楞紙包裝行業積逾三十年經驗。

許森泰先生為本公司董事會主席、執行董事兼主要股東許森國先生及本公司董事會副主席、執行董事兼主要股東許森平先生之兄弟。許先生於過去三年並無於香港或海外上市公司出任任何其他董事職務。



BOARD OF DIRECTORS (continued)

Executive Directors (continued)

Ms. Hui Yuen Li, aged 46, is an executive Director, the chief financial officer, the company secretary and a member of the Remuneration Committee and the Nomination Committee of the Company. Ms. Hui is responsible for the financial management of the Group. Ms. Hui is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Ms. Hui worked in an international accounting firm prior to joining the Group in May 1997.

Ms. Hui obtained a Degree of Bachelor of Arts with Honours in Accountancy from the City University of Hong Kong in 1992. Ms. Hui did not have any relationship with any Directors, substantial shareholders and senior management of the Company. Ms. Hui did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

Independent Non-executive Directors

Mr. Chee Man Sang, Eric, aged 55, is an independent non-executive Director, the chairman of the Audit Committee and the Remuneration Committee and a member of the Nomination Committee of the Company. Mr. Chee is a practising Certified Public Accountant in Hong Kong and a senior partner of Chan Chee Cheng & Co., a firm of Certified Public Accountants. Mr. Chee had worked in two international accounting firms in Canada and Hong Kong. Mr. Chee is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants of Ontario, Canada.

Mr. Chee obtained a Bachelor's Degree of Commerce (Accounting) with Honours from Birmingham University in 1984. Mr. Chee used to be a non-executive director of Tai United Holdings Limited (formerly known as Bestway International Holdings Limited) and an executive director of Global Mastermind Capital Limited (formerly known as Mastermind Capital Limited), both companies listed on The Stock Exchange of Hong Kong Limited. Mr. Chee did not have any relationship with any Directors, substantial shareholders and senior management of the Company.

董事會 (續)

執行董事 (續)

許婉莉女士，46歲，為本公司之執行董事、財務總監、公司秘書以及薪酬委員會及提名委員會成員。許女士負責本集團財務管理。許女士為英國特許公認會計師公會資深會員及香港會計師公會會員。許女士於一九九七年五月加盟本集團前，曾於一間國際會計師行工作。

許女士於一九九二年獲得香港城市大學會計學榮譽文學士學位。許女士與本公司之任何董事、主要股東及高級管理層概無任何關係。許女士於過去三年並無於香港或海外上市公司出任任何其他董事職務。

獨立非執行董事

池民生先生，55歲，為本公司之獨立非執行董事、審核委員會及薪酬委員會主席以及提名委員會成員。池先生為香港執業會計師，及執業會計師陳池鄭會計師事務所之高級合夥人。池先生曾任職加拿大及香港兩間國際會計師行。池先生乃香港會計師公會及加拿大Institute of Chartered Accountants of Ontario會員。

池先生於一九八四年獲得伯明翰大學商業學士榮譽學位（主修會計）。池先生曾任太和控股有限公司（前稱百威國際控股有限公司）之非執行董事及環球大通投資有限公司（前稱慧德投資有限公司）之執行董事（該等公司均為香港聯合交易所有限公司上市之公司）。池先生與本公司之任何董事、主要股東及高級管理層概無任何關係。



MANAGEMENT PROFILE

管理層履歷

BOARD OF DIRECTORS *(continued)*

Independent Non-executive Directors *(continued)*

Mr. Yip Kwok Kwan, aged 67, is an independent non-executive Director, the chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee of the Company. Mr. Yip is a managing director of the investment banking department of Orient Capital (Hong Kong) Limited. Mr. Yip has over 35 years of experience in investment, corporate finance, financial advisory and business management. Mr. Yip has a long track record of working with various financial institutions, including UOB Asia (Hong Kong) Limited as a chief executive officer, and the investment banking department of China Investment Securities International Capital Ltd., Hong Kong, Guosen Securities (HK) Capital Company Limited, DBS Asia Capital Ltd, Hong Kong, DBS Securities (Hong Kong) Ltd., Hong Kong and First Chicago Hong Kong Limited as a managing director.

Mr. Yip obtained a Degree of Bachelor of Business Administration with Honours from the National University of Singapore (formerly known as the University of Singapore) in 1971. Mr. Yip used to be an independent non-executive director of Powerwell Pacific Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited. Mr. Yip did not have any relationship with any Directors, substantial shareholders and senior management of the Company.

Mr. Wong Chu Leung, aged 69, is an independent non-executive Director and a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr. Wong has over 32 years of experience in enterprise management and manufacturing operation management. Mr. Wong is a shareholder and a director of a metal ware manufacturing company with manufacturing plant located in the PRC.

Mr. Wong did not have any relationship with any Directors, substantial shareholders and senior management of the Company. Mr. Wong did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

董事會 (續)

獨立非執行董事 (續)

葉國均先生，67歲，為本公司獨立非執行董事、提名委員會主席及審核委員會及薪酬委員會成員。葉先生乃東方融資(香港)有限公司投資銀行部之董事總經理。葉先生於投資、企業融資、財務顧問及業務管理方面積逾三十五年經驗。葉先生擁有豐富行業經驗，曾為不同財務機構服務，包括新加坡大華亞洲(香港)有限公司之行政總裁，以及香港中投證券國際融資有限公司投資銀行部、國信證券(香港)融資有限公司、香港星展亞洲融資有限公司、星展證券(香港)有限公司及美國芝加哥第一香港有限公司之董事總經理。

葉先生於一九七一年獲得新加坡國立大學(前稱新加坡大學)工商管理學榮譽學士學位。葉先生曾任宏峰太平洋集團有限公司之獨立非執行董事，該公司於香港聯合交易所有限公司上市。葉先生與本公司之任何董事、主要股東及高級管理層概無任何關係。

黃珠亮先生，69歲，為本公司之獨立非執行董事以及審核委員會、薪酬委員會及提名委員會成員。黃先生於企業管理及製造業務管理方面積逾三十二年經驗。黃先生為一間於中國設有生產廠房之金屬製品公司之股東及董事。

黃先生與本公司之任何董事、主要股東及高級管理層概無任何關係。黃先生於過去三年並無於香港或海外上市公司出任任何其他董事職務。

MANAGEMENT PROFILE

管理層履歷



SENIOR MANAGEMENT

Mr. Tsui Yung Wai, aged 54, is the deputy general manager of the Group. Mr. Tsui is responsible for the supervision of procurement, logistics and human resources of the Group. Mr. Tsui has over 21 years of experience in corrugated paper packaging industry in Hong Kong and the PRC. Prior to joining the Group in February 2008, Mr. Tsui was a shareholder and a director of a corrugated packaging manufacturing company.

Mr. Tsui is a brother-in-law of Mr. Hui Sum Kwok (chairman of the Board, executive Director, and substantial shareholder of the Company), Mr. Hui Sum Ping (vice chairman of the Board, executive Director and substantial shareholder of the Company) and Mr. Hui Sum Tai (executive Director and chief executive officer of the Company).

Ms. Wong Yuk Kwan, aged 45, is the senior accounting manager of the Group. Ms. Wong is responsible for overseeing accounting operations of the Group. Ms. Wong obtained a Degree of Bachelor of Business Administration majoring in accounting from the University of Houston – Downtown in the United States in 1994. Ms. Wong worked in an international accounting firm prior to joining the Group in May 2002.

高級管理層

徐勇為先生，54歲，本集團副總經理。徐先生負責監督本集團之採購、運輸物流及人力資源。徐先生於香港及中國之瓦楞紙包裝行業積逾二十一年經驗。徐先生於二零零八年二月加盟本集團之前，曾為一間瓦楞包裝製造公司之股東及董事。

徐先生為本公司董事會主席、執行董事兼主要股東許森國先生、本公司董事會副主席、執行董事兼主要股東許森平先生之妹夫，以及本公司執行董事兼行政總裁許森泰先生之姐夫。

黃玉君女士，45歲，本集團高級會計經理。黃女士負責監察本集團日常會計職務。黃女士於一九九四年獲得美國University of Houston – Downtown工商管理學士學位，主修會計。黃女士於二零零二年五月加盟本集團之前，曾於一間國際會計師行工作。



CORPORATE GOVERNANCE REPORT

企業管治報告

The Board is pleased to present this Corporate Governance Report in the Group's annual report for the year ended 31st December, 2016.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high corporate governance standards to safeguard the interests of shareholders and enhance corporate value.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

The Company has applied the principles set out in the CG Code.

The Board is of the view that throughout the year ended 31st December, 2016, the Company has complied with all the code provisions as set out in the CG Code, except for code provisions A.2.1, B.1.2 and C.3.3.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding Directors' dealings in the Company's securities (the "Code of Conduct") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code and the Code of Conduct throughout the year ended 31st December, 2016.

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

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

董事會欣然於本集團截至二零一六年十二月三十一日止年度之年報呈列本企業管治報告。

企業管治常規

董事會致力於維持高標準的企業管治，以保障股東權益及提升其企業價值。

本公司之企業管治常規乃根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載之企業管治守則（「企管守則」）所載之原則及守則條文而制定。

本公司已應用企管守則所載之原則。

董事會認為，於截至二零一六年十二月三十一日止年度期間，本公司已遵守企管守則所載之所有守則條文，惟守則條文第A.2.1、B.1.2及C.3.3條除外。

證券交易標準守則

本公司已採納有關董事進行本公司證券交易之守則（「操守守則」），其條款嚴謹程度不低於上市規則附錄10載列之上市發行人董事進行證券交易標準守則（「標準守則」）之規定。

已向所有董事作出具體查詢並獲彼等確認，彼等已於截至二零一六年十二月三十一日止年度遵守標準守則及操守守則之規定。

本公司亦就可能獲得本公司內幕資料之僱員進行證券交易訂立其條款嚴謹程度不低於標準守則之書面指引（「僱員書面指引」）。

就本公司所知，並無僱員未遵守僱員書面指引之事件。



BOARD OF DIRECTORS

Board Composition

The Board currently comprises seven Directors, consisting of four Executive Directors and three Independent Non-executive Directors as follows:

Executive Directors

Hui Sum Kwok	<i>Chairman</i>
Hui Sum Ping	<i>Vice Chairman</i>
Hui Sum Tai	<i>Chief Executive Officer</i>
Hui Yuen Li	<i>Chief Financial Officer, Company Secretary and Member of the Remuneration Committee and the Nomination Committee</i>

Independent Non-executive Directors

Chee Man Sang, Eric	<i>Chairman of the Audit Committee and the Remuneration Committee and Member of the Nomination Committee</i>
Yip Kwok Kwan	<i>Chairman of the Nomination Committee and Member of the Audit Committee and the Remuneration Committee</i>
Wong Chu Leung	<i>Member of the Audit Committee, the Remuneration Committee and the Nomination Committee</i>

The relationships between the Directors are disclosed under "Management Profile" on pages 10 to 13.

Chairman and Chief Executive Officer

The positions of Chairman and Chief Executive Officer are held by Mr. Hui Sum Kwok and Mr. Hui Sum Tai respectively. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The Chief Executive Officer focuses on the Company's business development and daily management and operations generally.

The Board considers that the responsibilities of the Chairman and the Chief Executive Officer respectively are clear and distinctive and hence, written terms thereof are not necessary. This deviates from the code provision A.2.1 of the CG Code which stipulates that the division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

董事會

董事會的組成

董事會現時由七名董事組成，包括下列四名執行董事及三名獨立非執行董事：

執行董事

許森國	主席
許森平	副主席
許森泰	行政總裁
許婉莉	財務總監、公司秘書、薪酬委員會及提名委員會成員

獨立非執行董事

池民生	審核委員會主席、薪酬委員會主席及提名委員會成員
葉國均	提名委員會主席、審核委員會及薪酬委員會成員
黃珠亮	審核委員會、薪酬委員會及提名委員會成員

董事之間之關係已於第10至13頁之「管理層履歷」披露。

主席及行政總裁

主席及行政總裁之職位分別由許森國先生及許森泰先生擔任。主席發揮領導作用並負責董事會之有效運作及領導董事會。行政總裁主要負責本公司之業務發展、日常管理及一般營運。

董事會認為，主席與行政總裁各自之職責均有清楚及明確界定，故毋須以書面劃分兩者之職權範圍。此舉偏離企管守則之守則條文第A.2.1條，該條文規定應清楚地制定主席與行政總裁之職責範圍，並以書面列出。



CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS *(continued)*

Independent Non-executive Directors

During the year ended 31st December, 2016, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the Independent Non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company considers all Independent Non-executive Directors are independent.

Appointment and Re-election of Directors

The Independent Non-executive Directors of the Company are appointed for a specific term of two years, subject to renewal after the expiry of the current term.

The Company's Articles of Association provides that all Directors appointed to fill a casual vacancy shall be subject to election by shareholders at the first general meeting after appointment.

Under the Articles of Association of the Company, at each annual general meeting, one-third of the Directors for the time being, or if their number is not a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The retiring Directors shall be eligible for re-election.

董事會 (續)

獨立非執行董事

於截至二零一六年十二月三十一日止年度，董事會一直遵守上市規則有關委任最少三名獨立非執行董事，相當於三分之一董事會成員，而其中一名獨立非執行董事須擁有適當專業資格或會計或相關財務管理專長。

本公司已根據上市規則第3.13條所載之獨立性指引，從各獨立非執行董事接獲有關彼等之獨立性之年度書面確認書。本公司認為全體獨立非執行董事均為獨立人士。

委任及重選董事

本公司之獨立非執行董事之特定委任年期為兩年，並須於現有期限屆滿後重續。

本公司之組織章程細則規定，就填補臨時空缺所委任之所有董事均須於獲委任後首個股東大會上接受股東選舉。

根據本公司之組織章程細則，於每屆股東周年大會上，當時三分之一的董事（或倘若董事人數並非三的倍數，則為最接近但不少於三分之一的人數）須輪值告退，惟各董事須最少每三年輪值告退一次。退任董事符合資格膺選連任。



BOARD OF DIRECTORS *(continued)*

Responsibilities of the Directors

The Board is responsible for leadership and control of the Company and overseeing the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including Independent Non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

董事會 (續)

董事之職責

董事會負責領導及控制本公司並監管本集團之業務、策略決策及表現以及集體負責透過指導及監管本公司之事務推動其成功發展。

董事會直接和間接通過其委員會，通過制定戰略和監督其實施、監督集團的營運和財務績效，並確保建立健全的內部控制和風險管理系統，為管理層提供引導及方向。

全體董事(包括獨立非執行董事)均為董事會帶來不同範疇之寶貴業務經驗、知識及專長，使其高效及有效運作。

董事須向本公司披露彼等擔任之其他職務之詳情，而董事會亦會定期審閱各董事向本公司履行其職責時作出之貢獻。

董事會負責決定所有重要事宜，當中涉及政策事宜、策略及預算、內部監控及風險管理、重大交易(特別是或會涉及利益衝突之事宜)、財務資料、委任董事及本公司其他重大營運事宜。有關執行董事會決策、指導及協調本公司日常營運及管理之職責轉授予管理層。



CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (continued)

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Such induction shall be supplemented by visits to the Company's key plant sites and meetings with senior management of the Company.

Directors should participate in appropriate continuous professional development ("CPD") to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading materials on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant external training courses at the Company's expenses.

During the year ended 31st December, 2016, the Company organized two in-house briefings on updates on Listing Rules and related matters for all Directors. In addition, relevant reading materials including directors' manual, legal and regulatory update and seminar handouts have been provided to the Directors for their reference and studying.

The records of CPD relating to Director's duties and regulatory and business development that have been received by the Directors for the year ended 31st December, 2016 are summarized as follows:

Directors	Type of Training ^{Note}
<i>Executive Directors</i>	
Hui Sum Kwok	A and B
Hui Sum Ping	A and B
Hui Sum Tai	A and B
Hui Yuen Li	A and B
<i>Independent Non-executive Directors</i>	
Chee Man Sang, Eric	A and B
Yip Kwok Kwan	A and B
Wong Chu Leung	A and B

董事會 (續)

董事之持續專業發展

董事應緊隨了解最新的監管發展和變化，以有效履行其職責，並確保其對董事會作出全面和相關的貢獻。

每名新任董事均於首次獲委任時獲提供入職培訓，確保新董事可適當掌握本公司業務及營運，並充分明白上市規則及相關法規下其須承擔之董事職責及責任。有關入職培訓還包括考察本公司之主要廠房場地及與本公司之高級管理層會面。

董事應參與適當的持續專業發展（「持續專業發展」），發展並更新其知識及技能。本公司將在適當時候在公司內部為董事安排簡介會並向董事提供相關課題之閱讀材料。本公司鼓勵所有董事出席相關外部培訓課程，費用由本公司繳付。

截至二零一六年十二月三十一日止年度，本公司為全體董事舉辦了兩次有關更新上市規則及相關事宜之內部簡報。此外，本公司已向董事提供相關閱讀材料以供參考及學習，包括董事手冊、最新法律及監管資料及研討會講義。

截至二零一六年十二月三十一日止年度，董事已收到有關董事職責及監管與業務發展的持續專業發展紀錄摘要如下：

董事	培訓類型 ^{附註}
<i>執行董事</i>	
許森國	A及B
許森平	A及B
許森泰	A及B
許婉莉	A及B
<i>獨立非執行董事</i>	
池民生	A及B
葉國均	A及B
黃珠亮	A及B



BOARD OF DIRECTORS (continued)

Continuous Professional Development of Directors (continued)

Note

A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

BOARD COMMITTEES

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

The list of the chairman and members of each Board committee is set out under "Corporate Information" on page 2.

Audit Committee

The Audit Committee consists of three Independent Non-executive Directors, namely Mr. Chee Man Sang, Eric, Mr. Yip Kwok Kwan and Mr. Wong Chu Leung. Mr. Chee Man Sang, Eric is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code.

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditor, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

董事會 (續)

董事之持續專業發展 (續)

附註

A: 出席培訓課程，包括但不限於簡報、研討會、會議和工作坊

B: 閱讀相關新聞重點、報紙、期刊、雜誌及相關刊物

董事委員會

董事會已設立三個委員會，即審核委員會、薪酬委員會及提名委員會，以監督本公司具體事務。本公司所有董事委員會均按書面界定之職權範圍履行工作。董事委員會之職權範圍已刊載於本公司網站及聯交所網站，並可應要求時供股東查閱。

各董事委員會之主席及成員名單載於第2頁之「公司資料」內。

審核委員會

審核委員會由三名獨立非執行董事組成，分別為池民生先生、葉國均先生及黃珠亮先生。池民生先生為審核委員會主席。

審核委員會的職權範圍不遜於企管守則所載的職權範圍。

審核委員會之主要職責為協助董事會審閱財務資料及申報程序、風險管理及內部監控制度、內部審核職能成效、審核範圍及委任外聘核數師，以及檢討安排致使本公司僱員可以秘密方式舉報本公司財務申報、內部監控或其他方面之可能不當行為。



CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (continued)

Audit Committee (continued)

The Audit Committee held three meetings to review, in respect of the year ended 31st December, 2016, the interim and annual financial results and reports and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, appointment of external auditor and engagement of non-audit services and relevant scope of works.

Since the Company has not engaged its auditor to review the financial information in its interim report, the Audit Committee has met with the Company's auditor once to discuss matters arising from the audit of the Company's annual results and other matters the auditor may wish to raise during the year ended 31st December, 2016. This deviates from the code provision C.3.3 of the CG Code which stipulates that the Audit Committee must meet, at least twice a year, with the Company's auditor.

Remuneration Committee

The Remuneration Committee consists of four members, namely Ms. Hui Yuen Li, Executive Director, Mr. Chee Man Sang, Eric, Mr. Yip Kwok Kwan, and Mr. Wong Chu Leung, Independent Non-executive Directors. Mr. Chee Man Sang, Eric is the chairman of the Remuneration Committee.

The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual Executive Directors, the remuneration policy and structure for all Directors; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

The Remuneration Committee met once to review the Directors' remuneration policy and structure of the Company, and the remuneration packages of the Executive Directors and the remuneration of the Non-executive Directors.

Currently, the remuneration of the senior management is attended by the Chairman and/or the Chief Executive Officer of the Company. This deviates from the code provision B.1.2 of the CG Code which stipulates that the Remuneration Committee should make recommendations to the Board on the Company's policy and structure for all the Directors' and senior management remuneration.

董事委員會 (續)

審核委員會 (續)

審核委員會共舉行了三次會議，以審閱截至二零一六年十二月三十一日止年度之中期及年度財務業績及報告以及有關財務申報、經營及合規監控、風險管理及內部監控制度以及內部審核職能之成效、委任外聘核數師及進行非審計服務及相關工作範疇之重大事宜。

由於本公司並無委聘其核數師審閱其中期報告之財務資料，截至二零一六年十二月三十一日止年度，審核委員會與本公司核數師舉行一次會議以討論審計本公司全年業績時出現之事宜及核數師可能提出之其他事宜。此偏離企管守則之守則條文第C.3.3條有關審核委員會與本公司核數師須每年至少舉行兩次會議之規定。

薪酬委員會

薪酬委員會由四名成員組成，分別為執行董事許婉莉女士以及獨立非執行董事池民生先生、葉國均先生及黃珠亮先生。池民生先生為薪酬委員會主席。

薪酬委員會之主要職責包括審閱個別執行董事之薪酬待遇、全體董事之薪酬政策及架構並就此向董事會提供意見；及設立透明的程序以制定薪酬政策及架構，從而確保概無董事或任何彼等之聯繫人士可參與釐定彼等自身之薪酬。

薪酬委員會已舉行一次會議，以審閱本公司之董事薪酬政策及架構、執行董事之薪酬待遇及非執行董事之薪酬。

目前，高級管理層之薪酬由本公司主席及／或行政總裁釐定。此偏離企管守則之守則條文第B.1.2條規定薪酬委員會須就公司全體董事及高級管理層之薪酬政策及架構向董事會提出建議。



BOARD COMMITTEES (continued)

Remuneration Committee (continued)

Details of the remuneration paid to the members of the senior management by band for the year ended 31st December, 2016 are set out below:

Remuneration band

薪酬組別

Number of senior management

高級管理層數目

Nil – HK\$1,000,000

0 – 1,000,000港元

2

Nomination Committee

The Nomination Committee consists of four members, namely Ms. Hui Yuen Li, Executive Director, Mr. Chee Man Sang, Eric, Mr. Yip Kwok Kwan and Mr. Wong Chu Leung, Independent Non-executive Directors. Mr. Yip Kwok Kwan is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code.

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of Independent Non-executive Directors.

In reviewing and assessing the Board composition, the Nomination Committee would consider a number of aspects as well as factors concerning Board diversity as set out in the Company's Board diversity policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience etc. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience and independence to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

董事委員會 (續)

薪酬委員會 (續)

截至二零一六年十二月三十一日止年度，已付高級管理層成員之薪酬按組別劃分之詳情載列如下：

提名委員會

提名委員會由四名成員組成，分別為執行董事許婉莉女士以及獨立非執行董事池民生先生、葉國均先生及黃珠亮先生。葉國均先生為提名委員會主席。

提名委員會的職權範圍不遜於企管守則所載的職權範圍。

提名委員會之主要職責包括審閱董事會之組成、制定及擬定提名及委任董事之相關程序、就董事委任及繼任計劃向董事會提供意見，以及評估獨立非執行董事之獨立性。

於審閱及評估董事會的組成時，提名委員會將考慮本公司董事會成員多元化政策所載有關董事會多元化的多個方面及因素，包括但不限於性別、年齡、文化及教育背景、專業資格、技術、知識以及行業及地方經驗等。提名委員會將討論及協定有關董事會成員多元化的可計量目標及(如需要)向董事會提供建議以供採納。

在物色甄選合適董事人選時，提名委員會在推薦予董事會前，會考慮候選人的性格、資歷、經驗及獨立性以配合公司策略和達致董事會多元化(如適用)。



CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (continued)

Nomination Committee (continued)

The Nomination Committee met once to review annually the structure, size and composition of the Board and the independence of the Independent Non-executive Directors, and to consider the qualifications of the retiring Directors standing for re-election at the forthcoming annual general meeting of the Company. The Nomination Committee considers an appropriate balance of diversity perspectives of the Board is maintained and has not set any measurable objective implementing the Board diversity policy.

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, training and CPD of the Directors and the senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Employee Written Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

ATTENDANCE RECORDS OF DIRECTORS

The attendance record of each Director at the Board, the Board Committee meetings and the general meeting of the Company held during the year ended 31st December, 2016 is set out in the table below:

Name of Director 董事姓名		Board 董事會	Attendance/Number of Meetings 出席／會議數目			Annual General Meeting 股東週年大會
			Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	
Hui Sum Kwok	許森國	4/4	N/A不適用	N/A不適用	N/A不適用	1/1
Hui Sum Ping	許森平	4/4	N/A不適用	N/A不適用	N/A不適用	1/1
Hui Sum Tai	許森泰	4/4	N/A不適用	N/A不適用	N/A不適用	1/1
Hui Yuen Li	許婉莉	4/4	N/A不適用	1/1	1/1	1/1
Chee Man Sang, Eric	池民生	4/4	3/3	1/1	1/1	1/1
Yip Kwok Kwan	葉國均	4/4	3/3	1/1	1/1	1/1
Wong Chu Leung	黃珠亮	4/4	3/3	1/1	1/1	1/1

Apart from regular Board meetings, the Chairman also held meetings with the Independent Non-executive Directors without the presence of Executive Directors during the year ended 31st December, 2016.

董事委員會(續)

提名委員會(續)

提名委員會已舉行一次會議，以每年檢討董事會之架構、規模及組成以及獨立非執行董事之獨立性，以及考慮於本公司應屆股東週年大會上重選之退任董事之資格。提名委員會認為董事會已在成員多元化方面保持適當平衡，且並無就實施董事會多元化政策方面制定任何可計量目標。

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。

董事會已檢討本公司之企業管治政策及常規、董事及高級管理層之培訓及持續專業發展、本公司在遵守法例及監管規定之政策及常規、遵守標準守則及僱員書面指引以及遵守企管守則及於本企業管治報告中作出的披露。

董事之出席會議記錄

各董事於截至二零一六年十二月三十一日止年度舉行之董事會會議、董事委員會會議及本公司股東大會之出席記錄載列於下表：

除定期董事會會議外，於截至二零一六年十二月三十一日止年度期間，主席亦與獨立非執行董事在並無執行董事出席之情況下舉行會議。



RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such 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.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions including project management, sales and leasing, financial reporting, human resources and information technology.

All divisions/departments conduct internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division/department.

The management, in coordination with division/department heads, assesses the likelihood of risk occurrence, provides treatment plans, and monitors the risk management progress, and reports to the Audit Committee and the Board on all findings and the effectiveness of the systems.

The management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended 31st December, 2016.

The Internal Audit Department is responsible for performing independent review of the adequacy and effectiveness of the risk management and internal control systems.

風險管理及內部監控

董事會確認其有關風險管理及內部監控制度，以及檢討其成效之責任。該等制度乃旨在管理而非消除未能達成業務目標之風險，而且只能就不會有重大失實陳述或損失作出合理而非絕對保證。

董事會全權負責評估及釐定本公司為達成策略目標所願承擔的風險性質及程度，並建立及維持適當及有效的風險管理及內部監控制度。

審核委員會協助董事會領導風險管理及內部監控制度的管理及監督其構成、執行及監管情況。

本公司已制定並採用多項風險管理程序及指引，通過關鍵業務流程及辦公職能（包括項目管理、銷售及租賃、財務申報、人力資源及信息技術）明確授權實施。

所有分部／部門定期進行內部監控評估，以識別可能影響本集團業務以及主要營運及財務流程、監管合規及信息安全等方面的風險。各分部／部門於每年進行自我評估，以確認其妥善遵守監控政策。

管理層在分部／部門主管協調下，評估風險發生概率、提供應對計劃及監察風險管理進程，並向審核委員會及董事會報告所有結果及系統成效。

管理層已向董事會及審核委員會匯報截至二零一六年十二月三十一日止年度風險管理及內部監控制度的成效。

內部審計部負責獨立檢討風險管理及內部監控系統的充足性及成效。



CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROLS (continued)

The Board, as supported by the Audit Committee as well as the management report, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 31st December, 2016, and considers that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31st December, 2016.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 44 to 49.

AUDITOR'S REMUNERATION

An analysis of the remuneration payable/paid to the external auditor of the Company, Deloitte Touche Tohmatsu, in respect of audit services and non-audit services for the year ended 31st December, 2016 is set out below:

Service Category 服務類別

Fees Payable/Paid 應付／已付費用 HK\$ 港元

Audit Services	審核服務	1,550,000
Non-audit Services	非審核服務	143,000
		1,693,000

風險管理及內部監控(續)

董事會在審核委員會的支持下，並經參考管理層報告，檢討截至二零一六年十二月三十一日止年度之風險管理及內部監控制度（包括財務、營運及合規監控），且認為該制度有效及足夠。年度檢討亦涵蓋財務申報及內部審計職能，以及員工資格、經驗及相關資源。

董事有關財務報表之責任

董事確認其編製本公司截至二零一六年十二月三十一日止年度財務報表之責任。

董事並不知悉任何重大不確定因素涉及可能對本公司持續經營能力造成重大疑惑之事件或情況。

本公司獨立核數師有關其申報財務報表之責任之聲明載於第44至49頁「獨立核數師報告」內。

核數師之薪酬

就截至二零一六年十二月三十一日止年度之審核服務及非審核服務向本公司外聘核數師德勤•關黃陳方會計師行之應付／已付薪酬分析載列如下：



SHAREHOLDERS' RIGHTS

The Company engages with shareholders through various communication channels and a shareholders' communication policy is in place to ensure that shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

To safeguard shareholders' interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Convening an Extraordinary General Meeting by Shareholders

Under Article 58 of the Company's Articles of Association, any one or more shareholders holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company may at all times have the right, by written requisition to the Board or the company secretary of the Company, to require the convening of an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Putting Forward Proposals at General Meetings

The Board does not aware of any provisions allowing the shareholders of the Company to put forward proposals at general meetings of the Company under the Company's Articles of Association and the Cayman Islands Law (2016 Revision). Shareholders who wish to put forward proposals at general meeting may refer to the preceding paragraph to make a written requisition to require the convening of an extraordinary general meeting of the Company.

Detailed procedures for shareholders to propose a person for election as a Director of the Company are published on the Company's website.

股東之權利

本公司以各種溝通渠道與股東接觸，股東溝通政策亦得到落實，確保股東意見及關注事宜得到妥善解決。該政策定期檢討，以確保行之有效。

為保障股東之利益及權利，本公司會就各項獨立重大問題（包括選舉個別董事）於股東大會提呈獨立決議案。根據上市規則，所有於股東大會上提呈之決議案須以投票方式表決，投票結果將於進行投票表決之各股東大會舉行後在本公司及聯交所之網站上刊登。

股東召開股東特別大會

根據本公司之組織章程細則第58條，一名或多名於遞呈請求當日持有不少於本公司有權於股東大會上投票之繳足股本十分之一的股東，於任何時候均有權以書面形式向本公司之董事會或公司秘書提呈請求，以要求董事會就該請求書所指定之任何事務交易召開股東特別大會，而該大會須於遞呈該請求書後兩個月內舉行。倘於有關遞呈後21日內，董事會未有召開該大會，則遞呈請求人士可以相同方式召開大會，而本公司須向遞呈請求人士償付所有由遞呈請求人士因董事會未能召開大會而產生之所有合理開支。

於股東大會上提呈議案

董事會並不知悉本公司之組織章程細則及開曼群島法例（2016年修訂本）有任何條文允許本公司股東於本公司之股東大會上提呈議案。股東擬於股東大會上提呈議案，可參照前段所述遞呈請求書以要求召開本公司股東特別大會。

有關股東提名候選董事的程序詳情已刊載於本公司網站。



CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS (continued)

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, shareholders may send written enquiries to the Company.

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

Contact Details

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

Address: Workshops E, F and H, 22nd Floor
Superluck Industrial Centre (Phase 2)
No. 57 Sha Tsui Road
and Nos. 30–38 Tai Chung Road
Tsuen Wan
New Territories, Hong Kong
(For the attention of the Chief Executive Officer/
Company Secretary)
Fax: (852) 2414 5508
Email: hopfung@hopfunggroup.com

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

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an ongoing dialogue with shareholders and in particular, through annual general meetings and other general meetings.

The Chairman of the Board, all the Independent Non-executive Directors, and the chairmen of all Board committees (or their delegates) will make themselves available at the annual general meetings to meet shareholders and answer their enquiries.

During the year ended 31st December, 2016, there was no significant change in the Company's constitutional documents and these documents are available on the websites of the Company and of the Stock Exchange.

股東之權利(續)

向董事會作出查詢

關於向本公司董事會作出任何查詢，股東可將書面查詢發送至本公司。

附註：本公司通常不會處理口頭或匿名的查詢。

聯絡資料

就上述而言，股東可發送其查詢或要求到下列的聯絡方法：

地址：香港新界荃灣沙咀道57號及
大涌道30-38號
荃運工業中心(第二期)
22樓E、F及H座
(註明收件人為行政總裁／
公司秘書)
傳真：(852) 2414 5508
電子郵件：hopfung@hopfunggroup.com

為免生疑，股東須發出正式簽署之書面要求、通知或聲明或查詢(視情況而定)之正本到上述地址，並提供彼等全名、聯絡詳情及身份，以便本公司回覆。股東資料可能根據法律規定而予以披露。

與股東溝通及投資者關係

本公司深信，與股東保持有效溝通，對促進投資者關係及加深投資者對本集團業務表現及策略瞭解至為重要。本公司盡力保持與股東之間的對話，尤其是透過股東週年大會及其他股東大會。

董事會主席、全體獨立非執行董事及所有董事委員會之主席(或彼等之代表)將出席股東週年大會，與股東見面並回答彼等之提問。

截至二零一六年十二月三十一日止年度，本公司之憲章文件並無重大變動，而該等文件已刊載於本公司及聯交所網站。



The Directors have pleasure in presenting their report and the audited consolidated financial statements of the Group for the year ended 31st December, 2016.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in note 32 to the consolidated financial statements.

A business review of the Group, with description of the principal risks and uncertainties and the likely future development, are set out in Chairman's Statement and Management Discussion and Analysis on pages 4 to 9, this Directors' Report on pages 27 to 43, and in notes 4, 5, 6, 7 and 29 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December, 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on page 50.

The Directors recommend the payments of a final dividend of HK1.5 cents per ordinary share and a special final dividend of HK3.0 cents per ordinary share payable to the shareholders of the Company whose names appear on the register of members on 5th June, 2017.

Subject to the approval of shareholders at the forthcoming annual general meeting, it is expected that the payments of final dividend and special final dividend will be made on 22nd June, 2017.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the years from 2012 to 2016 is set out on page 124.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 22 to the consolidated financial statements.

董事欣然提呈彼等就本集團截至二零一六年十二月三十一日止年度之報告及經審核綜合財務報表。

主要業務及業務回顧

本公司為一間投資控股公司，其主要附屬公司之主要業務刊載於綜合財務報表附註32。

本集團之業務回顧，及主要風險及不明朗因素以及可能進行之未來發展之概述，載於第4頁至9頁之主席報告及管理層討論及分析及第27頁至43頁之本董事會報告以及綜合財務報表附註4、5、6、7及29。

業績及分配

本集團截至二零一六年十二月三十一日止年度之業績載於第50頁之綜合損益及其他全面收益表內。

董事建議向於二零一七年六月五日名列本公司股東名冊之股東派付末期股息每股普通股1.5港仙及特別末期股息每股普通股3.0港仙。

待股東於應屆股東週年大會上批准後，預期將於二零一七年六月二十二日派付末期股息及特別末期股息。

財務概要

本集團由二零一二年至二零一六年之業績及資產與負債概要載於第124頁。

物業、廠房及設備

有關本集團物業、廠房及設備於年內之變動詳情，載於綜合財務報表附註15。

股本

本公司股本之詳情載於綜合財務報表附註22。



DIRECTORS' REPORT

董事會報告

SHARE PREMIUM AND RESERVES

Details of the movement in the share premium and reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 52.

DIRECTORS

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

Executive Directors

Mr. Hui Sum Kwok, *Chairman*
Mr. Hui Sum Ping, *Vice Chairman*
Mr. Hui Sum Tai, *Chief Executive Officer*
Ms. Hui Yuen Li, *Chief Financial Officer*

Independent Non-executive Directors

Mr. Chee Man Sang, Eric
Mr. Yip Kwok Kwan
Mr. Wong Chu Leung

In accordance with Article 87(1) of the Company's Articles of Association, Mr. Hui Sum Kwok, Mr. Chee Man Sang, Eric and Mr. Wong Chu Leung shall retire from office by rotation at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

Each of the executive Directors has entered into a service agreement with the Company for a term of two years commencing on 15th September, 2016, which may be terminated by not less than three months' notice in writing served by either party.

Save as disclosed above, no Director proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to the Listing Rules. The Company considers all the independent non-executive Directors are independent.

The biographical details of the Directors and senior management of the Company are set out in Management Profile on pages 10 to 13.

股份溢價及儲備

本集團股份溢價及儲備於年內之變動詳情載於第52頁之綜合權益變動表內。

董事

年內及截至本報告日止，本公司之在任董事如下：

執行董事

許森國先生，*主席*
許森平先生，*副主席*
許森泰先生，*行政總裁*
許婉莉女士，*財務總監*

獨立非執行董事

池民生先生
葉國均先生
黃珠亮先生

根據本公司之組織章程細則第87(1)條，許森國先生、池民生先生及黃珠亮先生將於本公司應屆股東週年大會輪值告退，惟彼等符合資格並願膺選連任。

各執行董事已經與本公司訂立服務協議，由二零一六年九月十五日起為期兩年，可於任何一方發出不少於三個月書面通知後終止。

除上文披露者外，擬於本公司應屆股東週年大會重選連任之董事概無與本公司或其任何附屬公司訂立本集團如不作出賠償（法定賠償除外）則不能在一年內終止之服務合約。

本公司已接獲各獨立非執行董事根據上市規則就其獨立性作出之年度確認書。本公司認為，全體獨立非執行董事均為獨立人士。

本公司董事及高級管理層履歷詳情載於第10至13頁之管理層履歷。



SHARE OPTIONS

購股權

Particulars of the old and new share option schemes of the Company are set out in note 24 to the consolidated financial statements.

本公司之舊及新購股權計劃之詳情載於綜合財務報表附註24。

The following table discloses movements in the Company's share options during the year:

下表披露本公司購股權於年內之變動：

Category	Option type	Date of grant	Exercise price per share	Outstanding at beginning of the year	Granted during the year	Exercised during the year	Cancelled during the year	Outstanding at end of the year
類別	購股權種類 (Note) (附註)	授出日期	每股行使價 HK\$ 港元	年初 尚未行使	年內授出	年內行使	年內註銷	年終 尚未行使
Directors								
董事								
Mr. Hui Sum Kwok 許森國先生	F	24.10.2013	0.280	4,750,000	-	(4,750,000)	-	-
Mr. Hui Sum Ping 許森平先生	F	24.10.2013	0.280	4,750,000	-	(4,750,000)	-	-
Mr. Hui Sum Tai 許森泰先生	F	24.10.2013	0.280	4,750,000	-	(4,750,000)	-	-
Ms. Hui Yuen Li 許婉莉女士	F	24.10.2013	0.280	750,000	-	(750,000)	-	-
Mr. Chee Man Sang, Eric 池民生先生	F	24.10.2013	0.280	500,000	-	(500,000)	-	-
Mr. Yip Kwok Kwan 葉國均先生	F	24.10.2013	0.280	500,000	-	(500,000)	-	-
Mr. Wong Chu Leung 黃珠亮先生	F	24.10.2013	0.280	500,000	-	(500,000)	-	-
				16,500,000	-	(16,500,000)	-	-
Other employees	F	24.10.2013	0.280	1,611,000	-	(1,611,000)	-	-
其他僱員								
Total for all categories				18,111,000	-	(18,111,000)	-	-
全部類別總計								



DIRECTORS' REPORT

董事會報告

SHARE OPTIONS (continued)

Note:

The vesting period of the share options granted is determined by Directors at each time when the options are granted. Holders of share options granted under the Company's share option scheme may only exercise their options during the exercisable periods as follows:

Granted under new scheme

根據新計劃授出

Option type F

F類購股權

1.5.2014 – 30.4.2015

1.5.2015 – 30.4.2016

1.5.2016 – 30.4.2017

As at 31st December, 2016, no outstanding share options were available for issue under the Company's share option scheme.

購股權 (續)

附註：

授出購股權之歸屬期由董事於每次授出購股權時釐定。本公司購股權計劃下購股權持有人僅可於以下行使期行使彼等之購股權：

Maximum% of share options exercisable
可行使購股權之最高百分比

up to 50%
最高可達50%

up to 75% (to the extent not already exercised)
最高可達75% (以尚未行使者為限)

up to 100% (to the extent not already exercised)
最高可達100% (以尚未行使者為限)

於二零一六年十二月三十一日，並無根據本公司購股權計劃可供發行之尚未行使購股權。



DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Save as disclosed above, as at 31st December, 2016, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

(a) Shares

Name of Director 董事姓名	Company/ Name of associated corporation 本公司／相聯法團名稱	Capacity 身份	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Hui Sum Kwok 許森國先生	Company 本公司	Interest of controlled corporations 受控法團權益	385,058,793 shares Long position (Note 1) 385,058,793股股份 好倉(附註1)	48.32%
Mr. Hui Sum Kwok 許森國先生	Company 本公司	Beneficial owner 實益擁有人	26,581,411 shares Long position 26,581,411股股份 好倉	3.33%
Mr. Hui Sum Kwok 許森國先生	Company 本公司	Interest of spouse 配偶之權益	750,000 shares Long position 750,000股股份 好倉	0.09%
Mr. Hui Sum Ping 許森平先生	Company 本公司	Founder of a discretionary trust/interest of controlled corporations 全權信託創立人／ 受控法團權益	385,058,793 shares Long position (Note 1) 385,058,793股股份 好倉(附註1)	48.32%

董事於股份、相關股份及債券之權益

除上文披露者外，於二零一六年十二月三十一日，按照本公司根據證券及期貨條例(「證券及期貨條例」)第352條之規定置存之登記冊所記錄，或根據上市發行人董事進行證券交易的標準守則已知會本公司及聯交所者，董事於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中擁有之權益及淡倉如下：

(a) 股份



DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

董事於股份、相關股份及債券之權益 (續)

(a) Shares (continued)

(a) 股份 (續)

Name of Director 董事姓名	Company/ Name of associated corporation 本公司／相聯法團名稱	Capacity 身份	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Hui Sum Ping 許森平先生	Company 本公司	Beneficial owner 實益擁有人	43,178,000 shares Long position 43,178,000股股份 好倉	5.41%
Mr. Hui Sum Ping 許森平先生	Company 本公司	Interest of spouse 配偶之權益	2,188,000 shares Long position 2,188,000股股份 好倉	0.27%
Mr. Hui Sum Tai 許森泰先生	Company 本公司	Interest of a controlled corporation 受控法團權益	Nil (Note 1) 無 (附註1)	—
Mr. Hui Sum Tai 許森泰先生	Company 本公司	Beneficial owner 實益擁有人	21,878,189 shares Long position 21,878,189股股份 好倉	2.74%
Ms. Hui Yuen Li 許婉莉女士	Company 本公司	Beneficial owner 實益擁有人	750,000 shares Long position 750,000股股份 好倉	0.09%
Mr. Chee Man Sang, Eric 池民生先生	Company 本公司	Beneficial owner 實益擁有人	96,000 shares Long position 96,000股股份 好倉	0.01%
Mr. Yip Kwok Kwan 葉國均先生	Company 本公司	Beneficial owner 實益擁有人	300,000 shares Long position 300,000股股份 好倉	0.03%
Mr. Yip Kwok Kwan 葉國均先生	Company 本公司	Interest of spouse 配偶之權益	400,000 shares Long position 400,000股股份 好倉	0.05%



DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

董事於股份、相關股份及債券之權益 (續)

(a) Shares (continued)

(a) 股份 (續)

Name of Director 董事姓名	Company/ Name of associated corporation 本公司／相聯法團名稱	Capacity 身份	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Wong Chu Leung 黃珠亮先生	Company 本公司	Beneficial owner 實益擁有人	1,000,000 shares Long position 1,000,000股股份 好倉	0.12%
Mr. Hui Sum Kwok 許森國先生	Hop Fung Industries Limited ("Hop Fung Industries")	Interest of a controlled corporation 受控法團權益	7,474 shares of US\$0.01 each Long position (Notes 1 and 2) 7,474股每股面值0.01美元之股份 好倉(附註1及2)	74.74%
Mr. Hui Sum Ping 許森平先生	Hop Fung Industries	Founder of a discretionary trust/interest of controlled corporations 全權信託創立人／ 受控法團權益	7,474 shares of US\$0.01 each Long position (Notes 1 and 2) 7,474股每股面值0.01美元之股份 好倉(附註1及2)	74.74%
Mr. Hui Sum Tai 許森泰先生	Hop Fung Industries	Beneficial owner 實益擁有人	2,526 shares of US\$0.01 each Long position (Notes 1 and 2) 2,526股每股面值0.01美元之股份 好倉(附註1及2)	25.26%
Mr. Hui Sum Kwok 許森國先生	Hop Fung Industries (Holdings) Limited ("Hop Fung Industries BVI")	Beneficial owner 實益擁有人	5,000 shares of US\$0.01 each Long position (Notes 1 and 3) 5,000股每股面值0.01美元之股份 好倉(附註1及3)	50%
Mr. Hui Sum Ping 許森平先生	Hop Fung Industries BVI	Beneficial owner/founder of a discretionary trust/interest of a controlled corporation 實益擁有人／ 全權信託創立人／ 受控法團權益	5,000 shares of US\$0.01 each Long position (Notes 1 and 3) 5,000股每股面值0.01美元之股份 好倉(附註1及3)	50%



DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

董事於股份、相關股份及債券之權益 (續)

(a) Shares (continued)

(a) 股份 (續)

Name of Director 董事姓名	Company/ Name of associated corporation 本公司／相聯法團名稱	Capacity 身份	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Hui Sum Kwok 許森國先生	Gong Ming Hop Fung Paper Ware Factory Limited ("Hop Fung GM") 公明合豐紙品廠有限公司 (「合豐公明」)	Interest of controlled corporations 受控法團權益	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Notes 1 and 4) 3,000,000股每股面值 1港元之無投票權遞延股 好倉及淡倉(附註1及4)	100%
Mr. Hui Sum Ping 許森平先生	Hop Fung GM 合豐公明	Founder of a discretionary trust/ interest of controlled corporations 全權信託創立人／ 受控法團權益	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Notes 1 and 4) 3,000,000股每股面值 1港元之無投票權遞延股 好倉及淡倉(附註1及4)	100%
Mr. Hui Sum Tai 許森泰先生	Hop Fung GM 合豐公明	Interest of a controlled corporation/short position of a controlled corporation 受控法團權益／ 受控法團淡倉	Nil (Notes 1 and 4) 無(附註1及4)	—



DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(a) Shares (continued)

Notes:

1. The 385,058,793 shares are owned by Hop Fung Industries. The issued share capital of Hop Fung Industries is owned as to 74.74% and 25.26% by Hop Fung Industries BVI and Mr. Hui Sum Tai respectively.

The issued share capital of Hop Fung Industries BVI is owned as to 50%, 11.81% and 38.19% by Mr. Hui Sum Kwok, Mr. Hui Sum Ping and Goldspeed Holdings Limited ("Goldspeed") respectively. Goldspeed is wholly owned by Goldkeen Assets Management Limited ("Goldkeen") and Goldkeen is wholly owned by HSBC International Trustee Limited ("HSBC") in its capacity as the trustee of HSP 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Ping and the discretionary objects of which include family members of Mr. Hui Sum Ping. Accordingly, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is deemed to be interested in the 385,058,793 shares under the SFO.

2. Hop Fung Industries is a holding company of the Company and therefore an associated corporation of the Company under the SFO. The entire issued share capital of Hop Fung Industries is US\$100 divided into 10,000 shares of US\$0.01 each which is owned as to 7,474 and 2,526 shares by Hop Fung Industries BVI and Mr. Hui Sum Tai respectively. Under the SFO, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is deemed to be interested in the 7,474 shares of US\$0.01 each in Hop Fung Industries.
3. Hop Fung Industries BVI is a holding company of Hop Fung Industries and therefore an associated corporation of the Company under the SFO. The entire issued share capital of Hop Fung Industries BVI is US\$100 divided into 10,000 shares of US\$0.01 each which is owned as to 5,000, 1,181 and 3,819 shares by Mr. Hui Sum Kwok, Mr. Hui Sum Ping, and Goldspeed respectively. Under the SFO, Mr. Hui Sum Ping is interested and deemed to be interested in an aggregate of 5,000 shares of US\$0.01 each in Hop Fung Industries BVI.

董事於股份、相關股份及債券之權益 (續)

(a) 股份 (續)

附註：

1. 該385,058,793股股份由Hop Fung Industries擁有。Hop Fung Industries已發行股本分別由Hop Fung Industries BVI及許森泰先生擁有74.74%及25.26%。

Hop Fung Industries BVI之已發行股本分別由許森國先生、許森平先生及Goldspeed Holdings Limited (「Goldspeed」) 擁有50%、11.81%及38.19%。Goldspeed由Goldkeen Assets Management Limited (「Goldkeen」) 全資擁有，而Goldkeen由HSBC International Trustee Limited (「HSBC」)以HSP 2004 Family Trust受託人之身份全資擁有。該信託為一項全權信託，其創立人為許森平先生，全權信託對象包括許森平先生之家族成員。因此，根據證券及期貨條例，許森國先生及許森平先生各自被視為擁有該385,058,793股股份之權益。

2. Hop Fung Industries乃本公司之控股公司，因此根據證券及期貨條例，屬本公司之相聯法團。Hop Fung Industries之全部已發行股本為100美元，分為10,000股每股面值0.01美元之股份，分別由Hop Fung Industries BVI及許森泰先生擁有7,474股及2,526股。根據證券及期貨條例，許森國先生及許森平先生均被視為擁有Hop Fung Industries 7,474股每股面值0.01美元股份之權益。
3. Hop Fung Industries BVI乃Hop Fung Industries之控股公司，因此根據證券及期貨條例，屬本公司之相聯法團。Hop Fung Industries BVI之全部已發行股本為100美元，分為10,000股每股面值0.01美元之股份，分別由許森國先生、許森平先生及Goldspeed擁有5,000、1,181及3,819股。根據證券及期貨條例，許森平先生擁有及被視為擁有Hop Fung Industries BVI合共5,000股每股面值0.01美元股份之權益。



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DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

(a) Shares (continued)

Notes: (continued)

4. Hop Fung GM is a subsidiary of the Company and therefore an associated corporation of the Company under the SFO. The entire issued share capital of Hop Fung GM is HK\$3,000,100 divided into 100 ordinary shares of HK\$1 each and 3,000,000 non-voting deferred shares of HK\$1 each. The 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung GM are beneficially owned by Hop Fung Group (HK) Limited ("Hop Fung Group HK") which is owned as to 91.43% and 8.57% by Hop Fung Holdings Limited ("Hop Fung Holdings (BVI)"), and Mr. Hui Sum Tai respectively.

The issued share capital of Hop Fung Holdings (BVI) is owned as to 50%, 11.81% and 38.19% by Mr. Hui Sum Kwok, Mr. Hui Sum Ping and Goldspeed respectively. Under the SFO, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is deemed to be interested in the 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung GM.

Pursuant to an option deed dated 19th August, 2003, Hop Fung Group HK and its nominee granted to Hop Fung Group Company Limited ("Hop Fung Group (BVI)"), a wholly owned subsidiary of the Company, an option to purchase from them such 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung GM. Accordingly, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is deemed to have a short position in the underlying shares of the option granted under the option deed pursuant to the SFO.

(b) Share options

Details of the Directors' and their associates' interests in share options of the Company are set out in the section headed "Share Options" in this report.

Other than as disclosed above, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 31st December, 2016.

董事於股份、相關股份及債券之權益 (續)

(a) 股份 (續)

附註： (續)

4. 合豐公明乃本公司之附屬公司，因此根據證券及期貨條例，屬本公司之相聯法團。合豐公明之全部已發行股本為3,000,100港元，分為100股每股面值1港元之普通股及3,000,000股每股面值1港元之無投票權遞延股。該3,000,000股每股面值1港元之合豐公明無投票權遞延股由合豐集團（香港）有限公司（「合豐集團香港」）實益擁有，而合豐集團香港則分別由Hop Fung Holdings Limited（「Hop Fung Holdings (BVI)」）及許森泰先生擁有91.43%及8.57%。

Hop Fung Holdings (BVI)之已發行股本分別由許森國先生、許森平先生及Goldspeed擁有50%、11.81%及38.19%。根據證券及期貨條例，許森國先生及許森平先生均被視為擁有合豐公明3,000,000股每股面值1港元無投票權遞延股之權益。

根據日期為二零零三年八月十九日之購股權契據，合豐集團香港及其代名人向本公司之全資附屬公司Hop Fung Group Company Limited（「Hop Fung Group (BVI)」）授出購股權，以向彼等購買3,000,000股每股面值1港元之合豐公明無投票權遞延股。因此，根據證券及期貨條例，許森國先生及許森平先生均被視為擁有根據購股權契據所授出購股權涉及之相關股份之淡倉。

(b) 購股權

董事及彼等之聯繫人士於本公司購股權之權益詳情載於本報告「購股權」一節。

除上文披露者外，於二零一六年十二月三十一日，董事及彼等之聯繫人士概無於本公司或其任何相聯法團之任何股份、相關股份或債券中擁有任何權益或淡倉。



SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

主要股東於股份、相關股份及債券之權益

As at 31st December, 2016, the following shareholders had interests or short positions in shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or as otherwise notified to the Company:

於二零一六年十二月三十一日，根據本公司按照證券及期貨條例第336條存置之登記冊所記錄或另行知會本公司，下列股東於本公司股份或相關股份中擁有權益或淡倉：

Name of shareholder 股東名稱／姓名	Capacity 身份	Number of issued shares held 持有已發行 股份數目	Number of share options held 所持 購股權數目	Note(s) 附註	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Hop Fung Industries	Beneficial owner 實益擁有人	385,058,793	–	1	48.32%
Hop Fung Industries BVI	Interest of a controlled corporation 受控法團權益	385,058,793	–	1, 2	48.32%
Goldspeed	Interest of controlled corporations 受控法團權益	385,058,793	–	1, 2, 3, 4	48.32%
Goldkeen	Interest of controlled corporations 受控法團權益	385,058,793	–	1, 2, 3, 4	48.32%
HSBC	Trustee of discretionary trust 全權信託受託人	385,058,793	–	1, 2, 3, 4	48.32%
Mr. Hui Sum Kwok 許森國先生	Beneficial owner/interest of controlled corporations/interest of spouse 實益擁有人／受控法團權益／ 配偶之權益	412,390,204	–	1, 2, 3, 5	51.75%
Mr. Hui Sum Ping 許森平先生	Beneficial owner/founder of a discretionary trust/interest of controlled corporations/ interest of spouse 實益擁有人／全權信託創立人／ 受控法團權益／配偶之權益	430,424,793	–	1, 2, 3, 4, 6	54.01%



DIRECTORS' REPORT

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SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

Notes:

1. The 385,058,793 shares are owned by Hop Fung Industries.
2. The issued share capital of Hop Fung Industries is owned as to 74.74% and 25.26% by Hop Fung Industries BVI and Mr. Hui Sum Tai respectively and Hop Fung Industries BVI is deemed to be interested in the 385,058,793 shares under the SFO.
3. The issued share capital of Hop Fung Industries BVI is owned as to 50%, 11.81% and 38.19% by Mr. Hui Sum Kwok, Mr. Hui Sum Ping, and Goldspeed respectively.
4. The entire issued share capital of Goldspeed is indirectly held by HSBC through its 100% controlled corporation, Goldkeen in its capacity as the trustee of HSP 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Ping and the discretionary objects of which include family members of Mr. Hui Sum Ping. Accordingly, each of Goldspeed, Goldkeen, HSBC and Mr. Hui Sum Ping is deemed to be interested in the 385,058,793 shares under the SFO.
5. Of 412,390,204 shares, Ms. Wong Mui is directly interested in 750,000 shares and is deemed to be interested in 411,640,204 shares of the Company under the SFO as she is the spouse of Mr. Hui Sum Kwok, a Director and a substantial shareholder of the Company.
6. Of 430,424,793 shares, Ms. Jian Jian Yi is directly interested in 2,188,000 shares and is deemed to be interested in 428,236,793 shares of the Company under the SFO as she is the spouse of Mr. Hui Sum Ping, a Director and a substantial shareholder of the Company.

Other than as disclosed above, the Company had not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31st December, 2016.

主要股東於股份、相關股份及債券之權益 (續)

附註：

1. 該385,058,793股股份由Hop Fung Industries擁有。
2. Hop Fung Industries之已發行股本由Hop Fung Industries BVI及許森泰先生分別擁有74.74%及25.26%，而根據證券及期貨條例，Hop Fung Industries BVI被視為擁有該385,058,793股股份之權益。
3. Hop Fung Industries BVI之已發行股本分別由許森國先生、許森平先生及Goldspeed擁有50%、11.81%及38.19%。
4. Goldspeed之全部已發行股本由HSBC透過其100%受控法團Goldkeen以HSP 2004 Family Trust之受託人身份間接持有。HSP 2004 Family Trust乃一項全權信託，其創立人為許森平先生；而全權信託對象包括許森平先生之家族成員。因此，根據證券及期貨條例，Goldspeed、Goldkeen、HSBC及許森平先生各自被視為擁有該385,058,793股股份之權益。
5. 於412,390,204股股份中，黃梅女士直接持有本公司750,000股股份權益，以及由於彼為本公司之董事及主要股東許森國先生之配偶，根據證券及期貨條例，黃梅女士被視為擁有本公司411,640,204股股份之權益。
6. 於430,424,793股股份中，簡健儀女士直接持有本公司2,188,000股股份權益，以及由於彼為本公司之董事及主要股東許森平先生之配偶，根據證券及期貨條例，簡健儀女士被視為擁有本公司428,236,793股股份之權益。

除上文披露者外，於二零一六年十二月三十一日，本公司並無獲悉任何其他人士於本公司已發行股本中擁有相關權益或淡倉。



PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year ended 31st December, 2016.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the heading "Share Options" above, at no time during the year was the Company, any of its holding companies, fellow subsidiaries or 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. In addition, save as disclosed above, none of the Directors, and any of their respective associates were granted any right to subscribe for the securities of the Company or had exercised any such right during the year.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Other than the transactions set out in note 30 to the consolidated financial statements, no other transactions, arrangements and contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company is or was materially interested, either directly or indirectly, subsisted at the end of the year or at any time during the year.

購買、出售或贖回本公司上市股份

截至二零一六年十二月三十一日止年度，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

購買股份或債券之安排

除上文「購股權」一節披露者外，本公司、其任何控股公司、同系附屬公司或附屬公司並無於年內任何時間參與訂立任何安排，致使董事可透過收購本公司或任何其他法人團體之股份或債券而獲益。此外，除上文披露者外，董事及彼等各自之聯繫人士亦無獲授或於年內行使任何可認購本公司證券之權利。

董事於交易、安排及重要合約之權益

除綜合財務報表附註30所載之交易外，本公司或其任何附屬公司概無訂立任何於本年度完結時或年內任何時間仍然生效而本公司董事於當中直接或間接擁有重大權益之交易、安排及重要合約。



DIRECTORS' REPORT

董事會報告

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors or any of their respective associates were interested in any business apart from the Group's business, that competes or competed or are or were likely to compete, either directly or indirectly, with the Group's business at any time during the year ended 31st December, 2016 and up to the date of this report.

MANAGEMENT CONTRACTS

No contract, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business was entered into or existed during 2016.

PERMITTED INDEMNITY PROVISION

Pursuant to Article 167(1) of the Company's Articles of Association, every Director shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses incurred by him or her in the execution and discharge of his or her duties.

The Company maintained appropriate directors and officers liability insurance during 2016 and up to the date of this report.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

董事於競爭業務的權益

截至二零一六年十二月三十一日止年度以及直至本報告日期內，董事及彼等各自之聯繫人士概無於本集團業務以外，且現時或過往直接或間接與本集團業務競爭或可能競爭的任何業務中擁有權益。

管理合同

於二零一六年，概無訂立或存在任何與本公司業務整體或任何重大部分的管理及行政有關的合同（僱傭合同除外）。

獲准許彌償條文

根據本公司組織章程細則第167(1)條，各董事應就執行及履行其職責時可能招致之所有行動、成本、費用、損失、損害及開支獲得本公司資產及溢利作出彌償保證及免受損害。

於二零一六年及直至本報告日期，本公司維持適當之董事及高級職員責任保險。

遵守法律及法規

年內，本集團並未重大違反或不遵守適用法律及法規。



MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st December, 2016, the aggregate amount of revenue attributable to the Group's five largest customers accounted for around 12% of the Group's revenue.

The aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 50% of the Group's total purchases and the purchases attributable to the Group's largest supplier accounted for approximately 15% of the Group's total purchases.

None of the Directors, their associates or any shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) has any interest in the Group's five largest suppliers.

CONNECTED TRANSACTIONS

During the year, the Group did not enter into any related party transactions or continuing related party transactions which fall under the definition of "Connected Transaction" or "Continuing Connected Transaction" in Chapter 14A of the Listing Rules.

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 shall oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

DONATIONS

During the year, the Group made charitable donations amounting to approximately HK\$135,000.

主要客戶及供應商

於截至二零一六年十二月三十一日止年度，本集團五大客戶之收益合共佔本集團收益約12%。

本集團五大供應商之購貨額合共佔本集團購貨總額約50%，而本集團最大供應商之購貨額則佔本集團購貨總額約15%。

各董事、其聯繫人士或就董事所知擁有本公司股本5%以上之股東概無在本集團五大供應商中擁有任何權益。

關連交易

年內，本集團並無訂立任何屬上市規則第14A章所界定「關連交易」或「持續關連交易」之關連人士交易或持續關連人士交易。

優先購買權

本公司之組織章程細則或開曼群島法例並無有關優先購買權之條文，規定本公司須按比例向現有股東提呈發售新股。

捐款

年內，本集團作出慈善捐款約135,000港元。



DIRECTORS' REPORT

董事會報告

CORPORATE GOVERNANCE

The Directors strive to maintain high standards of corporate governance to enhance shareholder value and safeguard shareholder interests. The corporate governance principles of the Company emphasise the importance of a quality Board, effective internal controls and accountability to shareholders. The Company has met the code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange throughout the year ended 31st December, 2016, except with the following deviations:

Code Provision A.2.1

- Code provision A.2.1 stipulates that the division of responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing.
- There are no written terms on division of responsibilities between the Chairman and the Chief Executive Officer. The Directors consider that the responsibilities of the Chairman and the Chief Executive Officer respectively are clear and distinctive and hence written terms thereof are not necessary.

Code Provision B.1.2

- A deviation from the code provision B.1.2 is that the Remuneration Committee of the Company reviews and makes recommendations to the Directors on the remuneration packages of the executive Directors only but not the senior management.
- Currently, the remuneration of the senior management is attended by the Chairman and/or the Chief Executive Officer of the Company.

Code Provision C.3.3

- Code provision C.3.3 stipulates that the audit committee must meet, at least twice a year, with the Company's auditor.
- Since the Company has not engaged its auditor to review the financial information in its interim report, the Audit Committee has met with the Company's auditor once a year to discuss matters arising from the audit of the Company's annual results and other matters the auditor may wish to raise. The Audit Committee has met with the Company's auditor once during the year ended 31st December, 2016.

企業管治

董事致力維持高水平企業管治，以提升股東價值及保障股東權益。本公司之企業管治原則強調高質董事會、有效內部監控及向股東負責之重要性。截至二零一六年十二月三十一日止年度，本公司已符合聯交所證券上市規則附錄14中企業管治守則所載之守則條文，惟以下之偏離除外：

守則條文A.2.1條

- 守則條文A.2.1條規定主席與行政總裁之職責範圍應清楚地制定，並以書面列出。
- 本公司並無書面列出主席與行政總裁之職責範圍。董事認為，主席與行政總裁各自之職責均有明確界定，故毋須明文編製彼等之職權範圍。

守則條文B.1.2條

- 偏離為守則條文B.1.2條，當中規定本公司薪酬委員會僅就執行董事（而非就高級管理層）之薪酬方案進行檢討及向董事作出建議。
- 目前，高級管理層之薪酬由本公司主席及／或行政總裁處理。

守則條文C.3.3條

- 守則條文C.3.3條規定審核委員會須每年與本公司核數師舉行最少兩次會議。
- 由於本公司並無委聘其核數師審閱中期報告之財務資料，審核委員會每年與本公司核數師舉行一次會議，以討論審計本公司全年業績所產生之事宜及核數師可能提出之其他事宜。截至二零一六年十二月三十一日止年度期間，審核委員會已與本公司核數師舉行一次會議。



ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to achieving continuous improvement in environmental performance and complying with the relevant environmental regulations and rules. 100% wastepaper (old containerboard cardboard) is used by the Group for producing containerboard in the upstream business.

Environmental protection measures are implemented by the Group to minimize the impact on the environment including waste water treatment, installation of dust filtration and desulphurization equipment, and replacement of wood with natural gas. Two of the manufacturing facilities of the Group have been accredited with the ISO14001 certification for its environmental management system.

The environmental, social and governance ("ESG") report of the Group disclosing detailed discussion on the Group's environmental policies and performance will be prepared in accordance with Appendix 27 Environmental, Social and Governance Reporting Guide issued by the Stock Exchange. The ESG report will be published in July 2017 on the Company's website (www.hopfunggroup.com) and the Stock Exchange's website (www.hkexnews.hk).

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 were held by the public as at the date of this report.

AUDITOR

Messrs. Deloitte Touche Tohmatsu has acted as auditor of the Company since its incorporation.

A resolution will be submitted to the forthcoming annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Hui Sum Kwok

Chairman

31st March, 2017

環境政策及表現

本集團承諾致力持續改善環保表現，並遵守相關環保條例及規則。本集團之上游業務使用百份百廢紙（舊箱板紙）以製造箱板紙。

本集團已實施環保方法以盡量減少對環境的影響，包括廢水處理、安裝煙塵過濾及脫硫設施，及以天然氣代替木柴。本集團有兩間生產廠房榮獲ISO14001的環保管理系統認證。

本集團將根據聯交所頒佈之附錄27《環境、社會及管治報告指引》編製環境、社會及管治（「環境、社會及管治」）報告，以披露有關本集團環保政策及表現的詳細討論。環境、社會及管治報告將於二零一七年七月在本公司網站(www.hopfunggroup.com)及聯交所網站(www.hkexnews.hk)刊載。

公眾持股量

根據本公司公開可得之資料及就董事所知，於本報告日，本公司至少25%之已發行股本總數乃由公眾人士持有。

核數師

德勤•關黃陳方會計師行自本公司註冊成立以來，一直擔任本公司核數師。

本公司將於應屆股東週年大會提呈續聘德勤•關黃陳方會計師行為本公司核數師之決議案。

代表董事會

主席

許森國

二零一七年三月三十一日



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Deloitte.

德勤

TO THE SHAREHOLDERS OF HOP FUNG GROUP HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

致合豐集團控股有限公司全體股東

(於開曼群島註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of Hop Fung Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 50 to 123, which comprise the consolidated statement of financial position as at 31st December, 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31st December, 2016, 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 ("HKSAAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

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

意見

本核數師行已審核載於第50頁至第123頁的合豐集團控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)綜合財務報表，當中包括於二零一六年十二月三十一日的綜合財務狀況報表及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括主要會計政策概要。

本核數師行認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實且公平地反映貴集團於二零一六年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例之披露準則妥為編製。

意見基準

本核數師行已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審核工作。本核數師行於該等準則下的責任在本行的報告內核數師就審核綜合財務報表須承擔的責任部分詳述。根據香港會計師公會的專業會計師道德守則(「守則」)，本核數師行獨立於貴集團，並已遵循守則履行其他道德責任。本核數師行相信，本行所獲得的審核憑證能充足及適當地為本行的意見提供基礎。

關鍵審核事項

根據本核數師行的專業判斷，關鍵審核事項為本行於本期間的綜合財務報表中最重要的事項。本核數師行在審核綜合財務報表及就此達致意見時處理此等事項，而不會就此等事項單獨發表意見。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



KEY AUDIT MATTER (continued)

Key audit matter

Contingent liabilities in relation to the tax audits on the Group conducted by Hong Kong Inland Revenue Department (the "IRD")

We identified the determination of the contingent liabilities in relation to the tax audits on the Group conducted by the IRD as a key audit matter due to significant judgements made by the Group's management.

The IRD is conducting tax audits on the Company and certain of its subsidiaries in respect of the years of assessment 2004/2005 to 2010/2011. The Group appointed a tax representative to respond to the IRD on its behalf and the directors have determined the potential tax liability based on their judgement, which may be different from the IRD's opinion.

The Group only recognises liabilities for tax and tax-related expense when the potential tax liabilities are probable. Since the directors consider that whilst the tax audits are still on-going, the IRD has issued the protective assessments for the years of assessment from 2004/2005 to 2010/2011 to the Group in order not to jeopardise the assessment powers of the IRD which will be time-barred after 6 years of assessment. The directors believe the Group is more likely than not to successfully pursue the offshore claims and their tax filing position, therefore it is not probable for the Group to be required eventually to settle the potential tax liabilities. Accordingly, the directors consider that no additional provision for Hong Kong Profits Tax in respect of the tax audits for the years of assessment 2004/2005 to 2010/2011 is necessary as at 31st December, 2016. However, the ultimate outcome of the tax audits is uncertain and the potential tax liability cannot be ascertained with certainty at the present stage.

The details of the tax audits and the uncertainty related to the ultimate tax determination in relation to the tax audits are set out in notes 4 and 29 to the consolidated financial statements.

關鍵審核事項(續)

關鍵審核事項

有關香港稅務局（「稅務局」）進行稅務審核之或然負債

本核數師行已確認釐定稅務局就 貴集團進行稅務審核之或然負債為關鍵審核事項，因為 貴集團管理層須運用重大判斷。

稅務局正就 貴公司及其若干附屬公司二零零四年／二零零五年至二零一零年／二零一一年課稅年度進行稅務審核。 貴集團已委聘稅務代表回應稅務局，董事根據其判斷釐定潛在稅務負債，當中可能與稅務局之意見有所不同。

貴集團僅於很有可能產生潛在稅務負債時確認稅務負債及稅務相關開支。由於董事認為稅務審計工作仍在進行中，稅務局向 貴集團發出二零零四年／二零零五年至二零一零年／二零一一年課稅年度之保護性評稅是為免影響稅務局於六個評稅年度的時效後喪失其評稅權力。董事相信 貴集團很大可能成功獲得離岸申索及彼等的報稅情況，因而最終可能毋須償付潛在稅務負債。因此，董事認為於二零一六年十二月三十一日無需就二零零四年／二零零五年至二零一零年／二零一一年課稅年度之稅務審核為香港利得稅作出撥備。然而，董事認為，無法確定稅務審核的最終結果，而於現階段未能確定潛在稅務負債。

有關稅務審核及釐定稅務審核最終稅項之不明朗因素已載於綜合財務報表附註4及29。



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTER (continued)

How our audit addressed the key audit matter

Our procedures in relation to evaluating the contingent liabilities in relation to the tax audits on the Group conducted by the IRD and the sufficiency of the relevant disclosures in the consolidated financial statements included:

- Obtaining and reviewing all relevant documents and correspondence between the Group/authorised tax representative of the Group and the IRD;
- Engaging our tax specialists to evaluate the appropriateness of management's assessment;
- Assessing whether the accounting treatment of the tax position is in accordance with the HKFRSs; and
- Considering the adequacy of the relevant disclosures in the consolidated financial statements.

OTHER INFORMATION

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

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

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

關鍵審核事項(續)

本核數師行於審核中處理關鍵審核事項之方式

本核數師行就稅務局對 貴集團進行稅務審核之或然負債評估及於綜合財務報表之相關披露是否足夠的程序包括：

- 取得及審閱 貴集團／授權稅務代表與稅務局之間的所有相關文件及通信；
- 委聘本核數師行的稅務專員評估管理層評估的合適性；
- 評估稅務狀況的會計處理是否符合香港財務報告準則之規定；及
- 考慮綜合財務報表中有關披露是否足夠。

其他資料

貴公司董事負責其他資料。其他資料包括年報所載資料，惟不包括綜合財務報表及本核數師行就此發出之核數師報告。

本核數師行對綜合財務報表的意見並不涵蓋其他資料，本核數師行亦不對該等其他資料發表任何形式的鑒證結論。

當本核數師行審核綜合財務報表時，本核數師行的責任為閱讀該等其他資料，於此過程中，考慮其他資料是否與綜合財務報表或本核數師行於審核過程中所得知的情況有重大抵觸，或者有重大錯誤陳述。基於吾等已執行的工作，倘本核數師行認為該等其他資料有重大錯誤陳述，本核數師行須報告該事實。就此而言，本核數師行並無任何報告。



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.

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

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

董事及管治層對綜合財務報表須承擔的責任

本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，編製真實且公平的綜合財務報表，及落實其認為編製綜合財務報表所必要的內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

管治層須負責監督 貴集團之財務申報程序。

核數師對綜合財務報表須承擔的責任

本核數師行的目標為對綜合財務報表是否不存在由欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括本行意見的核數師報告。本報告乃根據委聘之協定條款僅向整體股東（作為法人）作出報告，並無作其他用途。本核數師行不會就本報告內容向任何其他人士負上或承擔任何責任及債務。合理核證是高水平的核證，但不能保證按香港審計準則進行的審核在某一重大錯誤陳述存在時總能發現。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據該等綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

核數師對綜合財務報表須承擔的責任(續)

本核數師行根據香港審計準則執行審核的工作之一，是在審核的過程中運用職業判斷及保持職業懷疑。本核數師行亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及獲取充足和適當的審核憑證，作為本核數師行意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，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。
- 了解與審核相關的內部監控，以設計適當的審計程序，惟並非旨在對貴集團內部監控的有效性發表意見。
- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基準的恰當性作出結論，並根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘本核數師行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。倘有關披露不足，則修訂本行意見。本核數師行的結論乃基於截至本核數師行的核數師報告日期止所得的審核憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否公平反映相關交易和事項。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Tsang Chi Wai.

核數師對綜合財務報表須承擔的責任(續)

- 就 貴集團內實體或業務活動的財務資料獲取充足及適當的審核憑證，以便對綜合財務報表發表意見。本核數師行負責集團審核的方向、監督及執行。本核數師行為審核意見承擔全部責任。

本核數師行與管治層溝通，其中包括審核的計劃範圍、時間安排及重大審核發現，該等發現包括本行在審核過程中識別的內部監控的任何重大缺陷。

本核數師行亦向管治層作出聲明，指出本行已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理地認為會影響本行獨立性的所有關係及其他事宜，以及相關防範措施(如適用)。

從與管治層溝通的事項中，本核數師行釐定對本期間綜合財務報表審核至關重要的事項，因而構成關鍵審核事項。本核數師行在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極少數情況下，倘合理預期在本行的報告中溝通某事項造成的負面後果超出產生的公眾利益，則本核數師行決定不應在報告中溝通該事項。

出具本獨立核數師報告之審核項目合夥人為曾志偉。

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
31st March, 2017

德勤•關黃陳方會計師行
執業會計師
香港
二零一七年三月三十一日



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

FOR THE YEAR ENDED 31ST DECEMBER, 2016

截至二零一六年十二月三十一日止年度

		NOTES 附註	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Revenue	收益	7	1,179,444	1,066,541
Cost of sales	銷售成本		(911,748)	(853,879)
Gross profit	毛利		267,696	212,662
Other income	其他收入	8	14,710	13,319
Selling and distribution costs	銷售及分銷成本		(67,590)	(61,400)
Administrative expenses	行政開支		(97,243)	(88,619)
Other expenses	其他開支		(24,571)	(23,170)
Finance costs	財務成本	9	(5,045)	(10,698)
Changes in fair value of derivative financial instruments	衍生金融工具 公平值之變動		–	323
Profit before taxation	稅前利潤		87,957	42,417
Income tax expense	所得稅開支	10	(11,570)	(6,129)
Profit for the year, attributable to owners of the Company	本公司擁有人 應佔年度利潤	11	76,387	36,288
Other comprehensive expense for the year:	年度其他全面開支：			
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類 至損益之項目：</i>			
Exchange differences arising from translation of foreign operations	換算海外業務 之匯兌差額		(93,352)	(94,074)
Total comprehensive expense for the year, attributable to owners of the Company	本公司擁有人 應佔年度 全面開支總額		(16,965)	(57,786)
			HK cents	HK cents
			港仙	港仙
Earnings per share	每股盈利	14		
– basic	– 基本		9.66	4.77
– diluted	– 攤薄		9.62	4.52

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AT 31ST DECEMBER, 2016

於二零一六年十二月三十一日

		NOTES 附註	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	1,250,511	1,267,429
Prepaid lease payments on land use rights	土地使用權預付租賃款項	16	21,876	23,982
			1,272,387	1,291,411
Current assets	流動資產			
Inventories	存貨	17	117,262	91,348
Trade and other receivables	貿易及其他應收款項	18	129,198	174,784
Receivables from disposal of a subsidiary	出售附屬公司之應收款項	28	-	225,201
Deposits and prepayments	按金及預付款		22,288	8,249
Prepaid lease payments on land use rights	土地使用權預付租賃款項	16	544	433
Bank balances and cash	銀行結餘及現金	19	547,601	151,589
			816,893	651,604
Current liabilities	流動負債			
Trade, bills and other payables	貿易、票據及其他應付款項	20	282,207	211,803
Taxation payable	應付稅項		11,638	12,222
Unsecured bank borrowings	無抵押銀行借貸	21	263,889	111,415
			557,734	335,440
Net current assets	流動資產淨值		259,159	316,164
Total assets less current liabilities	總資產減流動負債		1,531,546	1,607,575
Capital and reserves	股本及儲備			
Share capital	股本	22	79,682	77,871
Reserves	儲備		1,377,063	1,402,467
Total equity, attributable to owners of the Company	本公司擁有人應佔權益總額		1,456,745	1,480,338
Non-current liabilities	非流動負債			
Unsecured bank borrowings	無抵押銀行借貸	21	22,617	83,404
Deferred taxation	遞延稅項	23	52,184	43,833
			74,801	127,237
			1,531,546	1,607,575

The consolidated financial statements on pages 50 to 123 were approved and authorised for issue by the Board of Directors on 31st March, 2017 and are signed on its behalf by:

於第50至123頁之綜合財務報表已於二零一七年三月三十一日經董事會批准及授權發表，並由下列董事代表簽署：

HUI SUM KWOK 許森國
DIRECTOR 董事

HUI SUM PING 許森平
DIRECTOR 董事



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

FOR THE YEAR ENDED 31ST DECEMBER, 2016

截至二零一六年十二月三十一日止年度

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元 (note) (附註)	Translation reserve 匯兌儲備 HK\$'000 千港元	Share options reserve 購股權儲備 HK\$'000 千港元	Retained profits 保留利潤 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st January, 2015	於二零一五年一月一日	72,831	444,000	(107,444)	155,706	23,500	945,856	1,534,449
Profit for the year	年度利潤	-	-	-	-	-	36,288	36,288
Exchange differences arising from translation of foreign operations and total other comprehensive expense for the year	換算海外業務之匯兌差額及年度其他全面開支總額	-	-	-	(94,074)	-	-	(94,074)
Total comprehensive expense for the year	年度全面開支總額	-	-	-	(94,074)	-	36,288	(57,786)
Recognition of equity-settled share-based payments	確認以股權結算以股份支付之支出	-	-	-	-	1,171	-	1,171
Exercise of share options	行使購股權	5,040	9,074	-	-	-	-	14,114
Transfer upon exercise of share options	於行使購股權時轉撥	-	17,289	-	-	(17,289)	-	-
2014 final dividend paid	已付二零一四年末期股息	-	-	-	-	-	(11,610)	(11,610)
At 31st December, 2015	於二零一五年十二月三十一日	77,871	470,363	(107,444)	61,632	7,382	970,534	1,480,338
Profit for the year	年度利潤	-	-	-	-	-	76,387	76,387
Exchange differences arising from translation of foreign operations and total other comprehensive expense for the year	換算海外業務之匯兌差額及年度其他全面開支總額	-	-	-	(93,352)	-	-	(93,352)
Total comprehensive expense for the year	年度全面開支總額	-	-	-	(93,352)	-	76,387	(16,965)
Recognition of equity-settled share-based payments	確認以股權結算以股份支付之支出	-	-	-	-	253	-	253
Exercise of share options	行使購股權	1,811	3,260	-	-	-	-	5,071
Transfer upon exercise of share options	於行使購股權時轉撥	-	7,635	-	-	(7,635)	-	-
2015 final dividend paid	已付二零一五年末期股息	-	-	-	-	-	(11,952)	(11,952)
At 31st December, 2016	於二零一六年十二月三十一日	79,682	481,258	(107,444)	(31,720)	-	1,034,969	1,456,745

Note: Special reserve represents the difference between the costs of investments in subsidiaries of the Company and the aggregate amount of the non-voting deferred share capital of the subsidiaries and the nominal value of the share capital of the subsidiaries acquired as a result of the group reorganisation in 2003.

附註：特別儲備指本公司於附屬公司之投資成本與附屬公司無投票權遞延股本總額及因二零零三年集團重組而收購之附屬公司之股本面值之差額。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31ST DECEMBER, 2016

截至二零一六年十二月三十一日止年度

	NOTE 附註	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Operating activities	經營活動		
Profit before taxation	稅前利潤	87,957	42,417
Adjustments for:	經作出以下調整：		
Finance costs	財務成本	5,045	10,698
(Reversal of) provision for impairment losses on trade receivables	貿易應收款項之(撥回)撥備減值虧損	(973)	2,858
Allowance for inventories	存貨撥備	40	—
Depreciation of property, plant and equipment	物業、廠房及設備折舊	70,661	74,952
Release of prepaid lease payments on land use rights	撥回土地使用權預付租賃款項	563	445
Interest income	利息收入	(1,534)	(2,722)
Change of present value in respect of receivables from disposal of a subsidiary	出售附屬公司應收款項之現值變動	(8,335)	(7,914)
Exchange difference on receivables from disposal of a subsidiary	出售附屬公司應收款項之匯兌差額	13,616	11,781
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	(311)	(124)
Share-based payment expense	以股份支付之支出	253	1,171
Changes in fair value of derivative financial instruments	衍生金融工具公平值之變動	—	(323)
Operating cash flows before movements in working capital	流動資金變動前營運現金流量	166,982	133,239
(Increase) decrease in inventories	存貨(增加)減少	(25,912)	20,013
Decrease in trade and other receivables	貿易及其他應收款項減少	46,480	33,249
Increase in deposits and prepayments	按金及預付款增加	(14,039)	(2,467)
Increase (decrease) in trade, bills and other payables	貿易、票據及其他應付款項增加(減少)	71,704	(19,112)
Settlement of derivative financial instruments, net	以衍生金融工具結算，淨額	—	343
Cash generated from operations	營運產生之現金	245,215	165,265
Income tax paid	已繳付所得稅	(3,801)	(991)
Income tax refunded	退回所得稅	2	210
Net cash from operating activities	經營活動產生之現金淨額	241,416	164,484
Investing activities	投資活動		
Cash consideration receivable from disposal of a subsidiary received	已收出售附屬公司之應收現金代價	219,920	—
Interest received	已收利息	1,534	2,722
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	792	455
Purchases of property, plant and equipment	收購物業、廠房及設備	(141,095)	(56,402)
Net cash from (used in) investing activities	投資活動產生(使用)之現金淨額	81,151	(53,225)



CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31ST DECEMBER, 2016

截至二零一六年十二月三十一日止年度

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Financing activities	融資活動		
Other bank borrowings drawn	提取其他銀行借貸	323,102	682,607
New bank loans raised	新增銀行貸款	91,300	205,531
Proceeds from issue of shares	發行股份所得款項	5,071	14,114
Repayment of other bank borrowings	償還其他銀行借貸	(241,216)	(832,442)
Repayment of bank loans	償還銀行貸款	(79,219)	(365,530)
Dividend paid	已付股息	(11,952)	(11,610)
Interest paid	已付利息	(5,045)	(10,698)
Decrease in trust receipt loans	信託收據貸款減少	–	(7,364)
Net cash from (used in) financing activities	融資活動產生(使用)之現金淨額	82,041	(325,392)
Net increase (decrease) in cash and cash equivalents	現金及現金等值增加(減少)淨額	404,608	(214,133)
Cash and cash equivalents at 1st January	於一月一日現金及現金等值	151,589	393,988
Effect of foreign exchange rate changes	匯率變動之影響	(8,596)	(28,266)
Cash and cash equivalents at 31st December	於十二月三十一日現金及現金等值	547,601	151,589
represented by bank balances and cash	銀行結餘及現金		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2016

截至二零一六年十二月三十一日止年度



1. GENERAL

The Company is an exempted company with limited liability incorporated in the Cayman Islands under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its parent is Hop Fung Industries Limited, a company incorporated in the British Virgin Islands ("BVI") and its ultimate parent is Hop Fung Industries (Holdings) Limited, a company also incorporated in the BVI. The address of the registered office of the Company is disclosed under Corporate Information section of the annual report.

The consolidated financial statements are presented in Hong Kong dollars ("HKD"), which is also the functional currency of the Company.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 32.

1. 一般資料

本公司根據開曼群島法例第22章公司法(一九六一年第3條法例,經綜合及修訂)於開曼群島註冊成立為獲豁免有限公司,其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司之母公司為於英屬處女群島(「英屬處女群島」)註冊成立之Hop Fung Industries Limited,而最終母公司則為於英屬處女群島註冊成立之Hop Fung Industries (Holdings) Limited。本公司之註冊辦事處之地址載於本年報公司資料部份內。

綜合財務報表均以港元(「港元」)呈列,港元為本公司之功能貨幣。

本公司為投資控股公司,其主要附屬公司之主要業務載於附註32。

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations
Amendments to Hong Kong Accounting Standards ("HKAS") 1	Disclosure initiative
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception
Amendments to HKFRSs	Annual improvements to HKFRSs 2012–2014 cycle

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及香港財務報告準則之修訂

於本年度強制生效之香港財務報告準則之修訂

在本年度,本集團已採用下列由香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則之修訂。

香港財務報告準則第11號之修訂	收購於合營業務之權益之會計法
香港會計準則(「香港會計準則」)第1號之修訂	披露主動性
香港會計準則第16號及香港會計準則第38號之修訂	折舊及攤銷的可接受方法的澄清
香港會計準則第16號及香港會計準則第41號之修訂	農業:生產性植物
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號之修訂	投資實體:應用綜合入賬之例外情況
香港財務報告準則之修訂	二零一二年至二零一四年週期的香港財務報告準則的年度改進



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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

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

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

Amendments to HKAS 1 “Disclosure initiative”

The Group has applied the amendments to HKAS 1 “Disclosure Initiative” for the first time in the current year. The amendments to HKAS 1 clarify that an entity need not provide a specific disclosure required by an HKFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in HKFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity’s financial position and financial performance.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂（續）

於本年度強制生效之香港財務報告準則之修訂（續）

除下文所述者外，本年度應用香港財務報告準則之修訂對本集團於本年度及過往年度之財務表現及狀況及／或於該等綜合財務報表所載之披露事項並無重大影響。

香港會計準則第1號之修訂「披露主動性」

本集團於本年度首次應用香港會計準則第1號之修訂「披露主動性」。香港會計準則第1號之修訂釐清，倘披露的資料並不重要，則實體毋須按香港財務報告準則規定提供具體披露，並提供有關合併及分列資料基礎的指引。然而，該修訂重申倘在符合香港財務報告準則的具體要求下仍不足以令使用財務報表的人士理解特定交易、事件及狀況對實體的財務狀況及財務表現的影響，則實體應考慮提供額外披露。

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 9	Financial instrument ¹
HKFRS 15	Revenue from contracts with customers and the related amendments ¹
HKFRS 16	Leases ²
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial investments with HKFRS 4 Insurance contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ³
Amendments to HKAS 7	Disclosure initiative ⁴
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses ⁴
Amendments to HKFRSs	Annual improvements to HKFRSs 2014–2016 cycle ⁵

- ¹ Effective for annual periods beginning on or after 1st January, 2018.
- ² Effective for annual periods beginning on or after 1st January, 2019.
- ³ Effective for annual periods beginning on or after a date to be determined.
- ⁴ Effective for annual periods beginning on or after 1st January, 2017.
- ⁵ Effective for annual periods beginning on or after 1st January, 2017 or 1st January 2018, as appropriate.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及香港財務報告準則之修訂(續)

已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂

本集團並無提前應用下列已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂：

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	來自客戶合約的收入及相關修訂 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第2號之修訂	以股份支付之支出的分類及計量 ¹
香港財務報告準則第4號之修訂	與香港財務報告準則第4號保險合約一併應用香港財務報告準則第9號金融工具 ¹
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間的資產出售或注資 ³
香港會計準則第7號之修訂	披露主動性 ⁴
香港會計準則第12號之修訂	就未變現虧損確認遞延稅項資產 ⁴
香港財務報告準則之修訂	二零一四年至二零一六年週期的香港財務報告準則的年度改進 ⁵

- ¹ 於二零一八年一月一日或之後開始之年度期間生效。
- ² 於二零一九年一月一日或之後開始之年度期間生效。
- ³ 於有待釐定日期或之後開始之年度期間生效。
- ⁴ 於二零一七年一月一日或之後開始之年度期間生效。
- ⁵ 於二零一七年一月一日或二零一八年一月一日(視情況而定)或之後開始之年度期間生效。



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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

HKFRS 9 "Financial instruments"

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

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

- All recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂（續）

香港財務報告準則第9號「金融工具」

香港財務報告準則第9號引入有關金融資產、金融負債、一般對沖會計法的分類及計量新要求及金融資產的減值要求。

香港財務報告準則第9號中與本集團有關之主要規定：

- 符合香港財務報告準則第9號範圍內的所有已確認財務資產其後須按攤銷成本或公平值計量。具體而言，目的為收集合約現金流量的業務模式中所持有及合約現金流量僅為償還本金及尚未償還本金所產生利息之債務投資，一般於其後會計期間結束時按攤銷成本計量。目的為收集合約現金流量及銷售財務資產的業務模式中所持有及含有合約條款令於特定日期產生的現金流量純粹為支付本金及尚未償還本金之利息之債務工具，通常以公平值計入其他全面收益計量。所有其他債務投資及股本投資均於其後報告期間結束時按公平值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回的選擇，於其他全面收益呈列股本投資（並非持作買賣）之其後公平值變動，且一般僅於損益中確認股息收入。
- 就財務資產的減值而言，與香港會計準則第39號項下按已發生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式需要實體於各報告日期將預期信貸虧損及該等預期信貸虧損的變動入賬，以反映信貸風險自初始確認以來的變動。換言之，毋須再待信貸事件發生才可確認信貸虧損。

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 9 “Financial instruments” (continued)

Management of the Group anticipate that the initial application of the new HKFRS 9 will result in changes to the accounting policies relating to the impairment provisions of financial assets and liabilities. Management will consider whether a lifetime or 12-month expected credit losses on financial assets and liabilities should be recognised, which is dependent on whether there has been a significant increase in the credit risk of the assets and liabilities from initial recognition to the date of initial application of HKFRS 9. Additional disclosures will also be made in respect of financial instruments including any significant judgement and estimation made. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group’s financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new HKFRS 9.

HKFRS 15 “Revenue from contracts with customers”

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction contracts” and the related interpretations when it becomes effective.

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂（續）

香港財務報告準則第9號「金融工具」（續）

集團之管理層預期，初次應用新訂香港財務報告準則第9號將會導致財務資產及負債之減值撥備相關之會計政策變更。管理層將考慮應否確認財務資產及負債之永久或12個月預期信貸虧損，取決於有關資產及負債於初始確認起至初次應用新訂香港財務報告準則第9號當日之信貸風險是否大幅增加。此外亦須就金融工具作出額外披露，包括所作出之任何重大判斷及估計。目前由於管理層並未完成其詳細評估，披露首次採納期間對本集團財務報表的已知或合理估計影響的任何進一步資料並不可行。管理層並無計劃提早採納新訂香港財務報告準則第9號。

香港財務報告準則第15號「來自客戶合約的收入」

香港財務報告準則第15號已頒佈，其制定一項單一全面模式供實體用於將來自客戶合約所產生之收入入賬。當香港財務報告準則第15號生效時，將取代現時之收入確認指引，包括香港會計準則第18號「收入」、香港會計準則第11號「建築合約」及相關詮釋。

香港財務報告準則第15號之核心原則為實體應確認收入以描述向客戶轉讓承諾之貨物或服務，金額應為能反映該實體預期就交換該等貨物或服務有權獲得之代價。具體而言，該準則引入了一個包含五個確認收入步驟之方法：



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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

HKFRS 15 "Revenue from contracts with customers" (continued)

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

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂（續）

香港財務報告準則第15號「來自客戶合約的收入」（續）

- 第一步：識別與客戶之合約
- 第二步：識別合約中之履約責任
- 第三步：釐定交易價格
- 第四步：將交易價格分配至合約中之履約責任
- 第五步：當（或隨著）實體履行履約責任時確認收入

根據香港財務報告準則第15號，當（或隨著）實體履行履約責任時（即於特定履約責任相關之貨物或服務之「控制權」轉讓予客戶時）確認收入。香港財務報告準則第15號已加入更多規定性指引以處理特定情況。此外，香港財務報告準則第15號要求作出廣泛之披露。

於二零一六年，香港會計師公會頒佈有關香港財務報告準則第15號識別履約責任、委托人與代理的考量及許可證申請指引之澄清。

本公司董事預期，於日後應用香港財務報告準則第15號可能會需要作更多披露。然而，本公司董事預期應用香港財務報告準則第15號將不會對各報告期間已確認的收益時間及金額造成重大影響。

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 16 “Leases”

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

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

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

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂（續）

香港財務報告準則第16號「租賃」

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

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

使用權資產初次按成本計量，隨後以成本（惟若干情況除外）減累計折舊及減值虧損計量，並就租賃負債的任何重新計量而作出調整。租賃負債初次按租賃款項（非當日支付）之現值計量。隨後，租賃負債會就（其中包括）利息及租賃款項以及租賃修訂的影響作出調整。就現金流量分類而言，本集團目前將預付租賃款項呈列為與自用租賃土地及分類為投資物業的租賃土地有關的投資現金流量，其他經營租賃款項則呈列為經營現金流量。根據香港財務報告準則第16號，有關租賃負債的租賃款項將分配至本金及利息部分，並分別以融資及經營現金流量呈列。

根據香港會計準則第17號，本集團作為承租人就融資租賃安排及租賃土地之預繳租賃款項，已確認為資產及相關融資租賃負債。採用香港財務報告準則第16號可能導致該等資產之分類發生潛在變動，其分類視乎本集團是否分開呈列使用權資產或按將呈列相應相關資產（倘擁有）的相同項目內呈列。



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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

HKFRS 16 "Leases" (continued)

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

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31st December, 2016, the Group has non-cancellable operating lease commitments of HK\$27,424,000 as disclosed in note 25. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the directors complete a detailed review.

Amendments to HKAS 7 "Disclosure initiative"

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including both changes arising from cash flows and non-cash changes. Specially, the amendments require the following changes in liabilities arising from financing activities to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

The amendments apply prospectively for annual periods beginning on or after 1st January, 2017 with earlier application permitted. The application of the amendments will result in additional disclosures on the Group's financing activities, specifically reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities will be provided on application.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂（續）

香港財務報告準則第16號「租賃」（續）

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

此外，香港財務報告準則第16號亦要求較廣泛的披露。

於二零一六年十二月三十一日，本集團有不可撤銷的經營租賃承擔27,424,000港元，於附註25披露。初步評估表明，該等安排符合香港財務報告準則第16號下的租賃定義，因此，本集團將就所有該等租賃確認為使用權資產及相應負債，除非在應用香港財務報告準則第16號後其符合低價值或短期租賃。此外，如上述所示，應用新的規定或會導致計量、呈列及披露變化。然而，在董事完成詳細審閱之前，未能對財務影響作出合理估計。

香港會計準則第7號之修訂「披露主動性」

該等修訂要求實體披露資料，以便財務報表的使用者能夠評估融資活動引起的負債變動，包括現金流量引致之變動及非現金變動。尤其是，該等修訂要求披露以下來自融資活動的負債變動：(i) 來自融資現金流量的變動；(ii) 來自取得或失去附屬公司或其他業務的控制權的變動；(iii) 外幣匯率變動的影響；(iv) 公平值變動；及(v) 其他變動。

該等修訂前瞻性地適用於二零一七年一月一日或之後開始的年度期間，並可提早應用。應用該等修訂將會導致有關本集團融資活動的額外披露，尤其是融資活動產生的負債於綜合財務狀況表的期初及期末結餘的對賬，將於應用該等修訂時提供。

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

Amendments to HKAS 7 "Disclosure initiative" (continued)

The management anticipates that the application of amendments to HKAS 7 in the future may result in more disclosures, however, the management does not anticipate that the application of HKAS 7 will have a material impact on the consolidated financial statements.

Other than as described above, the management anticipates that the application of the other new and amendments to HKFRSs will have no material impact on the result and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂（續）

香港會計準則第7號之修訂「披露主動性」(續)

管理層預期於未來應用香港會計準則第7號之修訂可能導致更多披露。然而，管理層預期應用香港會計準則第7號將不會對綜合財務報表造成重大影響。

除上述者外，管理層預期，應用其他新訂香港財務報告準則及香港財務報告準則之修訂將不會對本集團的業績及財務狀況構成重大影響。

3. 主要會計政策

綜合財務報表已根據由香港會計師公會頒佈之香港財務報告準則而編製。此外，綜合財務報表載列香港聯合交易所有限公司證券上市規則（「上市規則」）及香港公司條例（「公司條例」）規定之適用披露。

綜合財務報表按歷史成本基準編製，惟若干金融工具於各報告期末按公平值計算者除外，詳情載於下文之會計政策。

歷史成本一般按交換貨品及服務代價之公平值釐定。



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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

The principal accounting policies are set out below.

3. 主要會計政策 (續)

公平值是指市場參與者之間在計量日進行的有序交易中出售一項資產所收取的價格或轉移一項負債所支付的價格，無論該價格是直接觀察到的結果還是採用其他估值技術作出的估計。在對資產或負債的公平值作出估計時，本集團考慮了市場參與者在計量日為該資產或負債進行定價時將會考慮的那些特徵。在本綜合財務報表中計量和／或披露的公平值均在此基礎上予以確定，但香港財務報告準則第2號「以股份支付之支出」範圍內的以股份支付之支出交易、香港會計準則第17號「租賃」範圍內的租賃交易、以及與公平值類似但並非公平值的計量（例如，香港會計準則第2號「存貨」中的可變現淨值或香港會計準則第36號「資產減值」中的使用價值）除外。

非財務資產的公平值計量需計及市場參與者通過使用該資產的最高及最佳用途或將該資產出售予將使用其最高及最佳用途的另一市場參與者而產生經濟效益的能力。

此外，就財務報告而言，公平值計量根據公平值計量的輸入數據的可觀察程度及公平值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級 輸入數據是實體於計量日可以取得的相同資產或負債於活躍市場之報價（未經調整）；
- 第二級 輸入數據是資產或負債的直接或間接地可觀察之輸入數據（第一級內包括的報價除外）；及
- 第三級 輸入數據是資產或負債的不可觀察輸入數據。

主要會計政策載列於下文。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation

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

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

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

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. 主要會計政策 (續)

綜合基準

綜合財務報表包括本公司及受本公司及其附屬公司控制之實體之財務報表。當本公司符合以下要素時，則本公司取得控制權：

- 對被投資方具有權力；
- 因參與被投資方業務而承擔可變回報之風險或享有可變回報之權利；及
- 可對被投資方使用權力以影響其回報。

倘事實及情況顯示上文所示三項控制權因素其中一項或多項有變，則本集團會重估是否仍然控制被投資方。

附屬公司之綜合入賬於本集團取得有關附屬公司之控制權起開始，並於本集團失去有關附屬公司之控制權時終止。具體而言，年內所收購或出售附屬公司之收入及開支乃自本集團取得控制權之日期起計入綜合損益及其他全面收益表，直至本集團不再控制有關附屬公司之日期為止。

如有需要，本集團會對附屬公司財務報表作出調整，以使彼等之會計政策與本集團之會計政策一致。

本集團內公司間之所有資產及負債、權益、收入、開支及有關本集團成員之間交易的現金流量，已於綜合賬目時悉數對銷。



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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in the Group's ownership interests in existing subsidiaries

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable HKFRSs).

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

Service income is recognised when services are provided.

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

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

3. 主要會計政策 (續)

本集團於現有附屬公司之所有權權益變動

倘本集團失去對一家附屬公司的控制權，收益或虧損乃於損益內確認，並按下列兩者的差額計算：(i)已收代價公平值與任何保留權益公平值的總和及(ii)本公司擁有人應佔該附屬公司的資產(包括商譽)及負債的先前賬面值。過往就該附屬公司於其他全面收益確認的全部款額，將如本集團已直接出售該附屬公司的相關資產或負債般入賬(即按適用香港財務報告準則所規定／准許重新分類至損益或轉撥至另一類別的權益)。

收益確認

收益按已收或應收代價之公平值計算。收益已減去估計客戶退貨、回扣及其他類似津貼。

當收益的數額能夠可靠地計量、未來經濟利益很有可能流入本集團，而本集團每項活動均符合具體條件時(如下文所述)，本集團即確認收益。

銷售貨品收益於交付貨品及轉讓所有權時確認。

服務收入於提供服務時確認。

利息收入乃按時間基準，並參照尚未償還本金及按所適用之實際利率累計，而實際利率為透過財務資產之預期可用年期將估計日後所收現金折讓至該資產於初步確認之賬面淨值之利率。

本集團有關確認經營租賃收益之會計政策載於下文有關租賃之會計政策內。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment including leasehold land and buildings held for use in the production or for administrative purposes, other than construction in progress as described below, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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

3. 主要會計政策 (續)

物業、廠房及設備

物業、廠房及設備(包括作生產或行政用途而持有之租賃土地及樓宇,下文所述之在建工程除外)按成本減其後之累計折舊以及其後累計減值虧損(如有)於綜合財務狀況表呈列。

確認物業、廠房及設備項目(在建工程除外)之折舊乃根據其估計可使用年期,於計及其估計殘值後,以直線法攤銷其成本。估計可使用年期、殘值及折舊方法乃於各報告期末檢討,任何估計變動之影響按預先計提之基準列賬。

在建工程包括就生產或自用目的之在建物業、廠房及設備。在建工程按成本減任何已確認之減值虧損入賬。在建工程於其完成及可作擬定用途時分類為合適之物業、廠房及設備類別。此等資產之折舊乃按其他物業資產之相同基準,於可作擬定用途開始時計算。

根據融資租賃持有之資產以與自置資產相同之基準,按其預計可使用年期折舊。然而,倘無法合理確定擁有權將於租賃期結束時取得,則按租賃期及可使用年期(以較短者為準)折舊。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時取消確認。出售或廢置物業、廠房及設備項目產生之任何收益或虧損乃按資產之出售所得款項及其賬面值之差額計算,並於損益確認。



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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. 主要會計政策 (續)

存貨

存貨以成本及可變現淨值之較低者列賬。存貨成本採用先進先出法計算。可變現淨值指存貨之估計售價減完成之全部估計成本及作出銷售所需之成本。

有形資產減值虧損

於報告期末，本集團會審閱其有形資產賬面值，以確定有否任何跡象顯示該等資產出現減值虧損。倘出現任何該等跡象，則會估計資產之可收回金額以釐定減值虧損（如有）之幅度。如不可能估計某單一資產之可收回金額，本集團會估計該資產所屬之現金產生單位之可收回金額。如能確認以合理及統一的依據分配，企業的資產亦分配至單一現金產生單位，或分配至其他能確認以合理及統一的依據分配的最小現金產生單位組別。

可收回金額乃公平值扣除銷售成本與使用價值之較高者。於評估使用價值時，估計未來現金流量乃使用除稅前折現率折現至其現值，該折現率反映現行市場對貨幣時間值之評估及該資產（其估計未來現金流未經調整）特有之風險。

倘資產（或現金產生單位）之可收回金額估計低於其賬面值，則將該資產（或現金產生單位）賬面值減至其可收回金額。減值虧損即時於損益確認。

倘其後撥回減值虧損，則將該資產（或現金產生單位）之賬面值增至經修訂之估計可收回金額，惟增加的賬面值不得超過假如該資產（或現金產生單位）於過往年度未有確認減值虧損而原應釐定之賬面值。減值虧損之撥回即時於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. 主要會計政策 (續)

撥備

當本集團因過往事件而承擔現有責任(法律或推定)，而本集團可能須履行該項責任及可以可靠地估計該項責任之金額時，則會確認撥備。


確認為撥備之金額是於報告期間結束日經計入有關責任之風險及不明朗因素後，對償付現有責任之所需代價之最佳估計。倘撥備使用償付現有責任之估計現金流量計量，則其賬面值為該等現金流量之現值(當其貨幣時間值的影響屬重大)。

如果清償撥備所需流出的經濟利益之一部分或全部預期會得到第三方補償，則應收款項只有在補償金額基本確定能夠收到及應收款項能夠可靠計量時，才確認為資產。

金融工具

當某集團實體成為工具合約條文之訂約方時，財務資產及財務負債便會在綜合財務狀況表上被確認。

財務資產及財務負債按公平值初步計量。首次確認時，收購或發行財務資產及財務負債產生之直接交易成本(以公平值計入損益之財務資產或財務負債除外)將視乎情況加入或扣除財務資產或財務負債之公平值。收購以公平值計入損益之財務資產或財務負債產生之直接交易成本即時在損益確認。



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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets

The Group's financial assets comprise financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is included in changes in fair value of derivative financial instruments.

Financial assets at fair value through profit or loss

Financial assets at FVTPL comprise financial assets held for trading.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The changes in fair value of derivative financial instruments recognised in profit or loss include any dividend or interest earned on the financial assets.

3. 主要會計政策 (續)

金融工具 (續)

財務資產

本集團之財務資產包括以公平值計入損益(「以公平值計入損益」)之財務資產及貸款及應收款項。分類乃根據財務資產的性質及目的，並於首次確認時決定。所有常規購買或出售財務資產乃按交易日基準確認及取消確認。常規購買或出售財務資產是指按市場上規則或慣例設定之時間框架內付運資產的購買或出售財務資產。

實際利率法

實際利率法為計算債務工具的攤銷成本以及分配相關期間的利息收入的方法。實際利率是可準確透過債務工具的預計可用年期或(倘適用)在較短期間內對估計未來現金收入(包括所支付或收取能構成整體實際利率的所有費用或差價、交易成本及其他溢價或折算)予以折算至初步確認之賬面淨值的利率。

債務工具之利息收入按實際利率法確認，惟該等以公平值計入損益之財務資產除外，其利息收入乃計入衍生金融工具公平值之變動。

以公平值計入損益之財務資產

以公平值計入損益之財務資產包括持作交易之財務資產。

如屬下列者則分類為持作交易之財務資產：

- 購入財務資產的主要目的是於短期內出售；或
- 於初始確認時，該財務資產屬本集團共同管理的已識別金融工具組合的一部分，並有近期證據顯示其短線獲利模式；或
- 該財務資產為並非指定及實際作為對沖工具之衍生工具。

以公平值計入損益之財務資產按公平值計算，來自重新計量公平值之變動於產生期間直接於損益確認。於損益中確認的衍生金融工具公平值之變動包括從財務資產賺取的任何股息或利息。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including receivables from disposal of a subsidiary, trade and other receivables, and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period ranged from 5 to 150 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

3. 主要會計政策 (續)

金融工具 (續)

財務資產 (續)

貸款及應收款項

貸款及應收款項乃於活躍市場並無報價之固定或可釐定付款之非衍生財務資產。於初步確認後，貸款及應收款項（包括出售附屬公司之應收款項、貿易及其他應收款項及銀行結餘及現金）均按採用實際利率法計算之已攤銷成本減任何已識別減值虧損入賬（見下文有關財務資產減值之會計政策）。

利息收入透過應用實際利率確認，惟確認利息影響不大的短期應收款項除外。

財務資產減值

除以公平值計入損益之財務資產外，其他財務資產於各報告期末需被評估是否出現減值。倘有客觀證據顯示財務資產之估計未來現金流量受首次確認該等財務資產後發生之一項或多項事件影響時，則財務資產將考慮被視為減值。

減值的客觀證據可能包括：

- 發行人或交易夥伴出現重大財政困難；或
- 違反合約，例如拖欠或逾期支付利息或本金；或
- 借款人有可能會破產或進行財務重組；或
- 由於財政困難引致該財務資產之活躍市場消失。

對某些類別的財務資產而言，如貿易應收款項，經個別評估不會單獨作出減值的資產會額外以整體方式評估有否減值。應收款項組合的減值客觀證據包括本集團之過往收款經驗、組合中超過平均信用期限5至150日的逾期付款數目增加，以及有關國家或當地經濟狀況出現明顯變動導致應收賬款未能償還。



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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

3. 主要會計政策 (續)

金融工具 (續)

財務資產 (續)

財務資產減值 (續)

對按攤銷成本入賬的財務資產而言，減值虧損金額按資產賬面值與估計未來現金流量現值（以財務資產的原實際利率折現）的差額確認。

所有財務資產的減值虧損會直接於財務資產的賬面值中作出扣減，惟貿易應收賬款除外，其賬面值會透過撥備賬戶作出扣減。減值撥備賬戶的賬面值變動於損益確認。當貿易應收款項被視為不可收回，則於減值撥備賬戶內撇銷。過往撇銷的金額於其後收回時計入損益。

對按攤銷成本入賬的財務資產而言，於往後期間，如減值虧損金額減少且有關減少可客觀地與確認減值後所發生的事件相關，則過往確認的減值虧損可於損益回撥，惟有關資產於撥回減值當日的賬面值不得超過未有確認減值虧損下原應釐定的攤銷成本。

財務負債及權益工具

分類為債項或權益

集團實體發行之債務及權益工具乃根據所訂立合同安排之性質與財務負債及權益工具之定義分類為財務負債或權益。

權益工具

權益工具乃證明本集團於扣減所有負債後之資產中擁有剩餘權益之任何合同。本公司所發行之權益工具乃按已收取之所得款項減直接發行成本確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis other than those financial liability classified as at FVTPL, of which the interest expense is included in changes in fair value of derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL comprise financial liabilities held for trading.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Other financial liabilities

Other financial liabilities (including trade, bills and other payables and unsecured bank borrowings) are subsequently measured at amortised cost, using the effective interest method.

3. 主要會計政策 (續)

金融工具 (續)

財務負債及權益工具 (續)

實際利率法

實際利率法為計算財務負債的攤銷成本以及分配相關期間的利息開支的方法。實際利率指在財務負債的預計到期日或較短期間(如適用)內能夠準確折算預計未來現金付款(包括構成整體部份的實際利率所付或所收的所有費用及差價、交易成本及其他溢價或折扣)與其於首次確認時賬面值之比率。

利息開支按實際利率基準確認，惟該等以公平值計入損益之財務負債除外，其利息開支乃計入衍生金融工具公平值之變動。

以公平值計入損益之財務負債

以公平值計入損益之財務負債包括持作交易之財務負債。

如屬下列者則分類為持作交易之財務負債：

- 產生財務負債的主要目的是於短期內購回；或
- 於初始確認時，該財務負債屬本集團共同管理的已識別金融工具組合的一部分，並有近期證據顯示其短線獲利模式；或
- 該財務負債為並非指定及實際作為對沖工具的衍生工具。

其他財務負債

其他財務負債(包括貿易、票據及其他應付款項及無抵押銀行借貸)其後乃採用實際利率法按已攤銷成本計量。



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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 主要會計政策 (續)

金融工具 (續)

財務負債及權益工具 (續)

衍生金融工具

衍生工具首次按於衍生工具合約訂立日之公平值確認，其後於報告期末以其公平值重新計量。所得收益或虧損即時於損益確認。

取消確認

僅於財務資產現金流量的合約權利屆滿時，或將財務資產所有權的絕大部分風險及回報轉讓予另一實體時，本集團方會取消確認財務資產。倘本集團並未轉讓亦未保留所有權的絕大部分風險及回報，並繼續控制已轉讓資產，則本集團繼續確認其於資產的保留權益及可能需要支付的相關負債款項。倘本集團保留已轉讓財務資產所有權的絕大部分風險及回報，則本集團繼續確認該財務資產，並亦確認已收所得款項為有抵押借款。

於取消確認整項財務資產時，該項資產賬面值與已收及應收代價及於其他全面收入確認並於權益中累計的累計損益總額的差額在損益確認。

本集團僅於其責任被解除、註銷或屆滿時，才取消確認財務負債。已取消確認的財務負債的賬面值與已付或應付代價間差額於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

3. 主要會計政策 (續)

以股份支付之支出交易

以權益結算以股份支付之支出交易

授予僱員之購股權

向僱員及其他提供類似服務之人士作出之以權益結算以股份支付之支出乃於授出日期按權益工具之公平值計量。

於授出以權益結算以股份支付之支出之日期所釐定之公平值乃按直線法於整個歸屬期支銷，並按本集團對於最終將歸屬之權益工具之估計於權益(購股權儲備)中作相應增加。於各報告期末，本集團修訂其預算歸屬權益工具數量之估計。修訂原先估計之影響(如有)於損益確認，並使累計開支反映經修訂估計，及於購股權儲備中作相對應之調整。就於授出日期隨即歸屬之購股權而言，已授出購股權之公平值即時於損益支銷。

購股權獲行使時，之前於購股權儲備中確認之數額將轉移至股份溢價。當購股權於歸屬期後被收回或於屆滿日仍未獲行使，之前於購股權儲備中確認之數額將轉撥至保留溢利內。

租賃

當租賃條款將有關資產擁有權之絕大部分風險及收益轉移給承租人，租賃便列為融資租賃。所有其他租賃列為經營租賃。

本集團作為承租人

根據融資租賃持有之資產首先按租賃資產於租賃開始時之公平值或最低應付租金之現值兩者之較低者確認為本集團資產。出租人承擔之相關負債乃計入綜合財務狀況表，列為融資租賃承擔。



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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing (continued)

The Group as lessee (continued)

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments on land use rights” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease.

3. 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

租賃付款按比例分攤為財務費用及減少租賃承擔，從而得出負債餘額之常數定期利率。財務費用隨即於損益確認。

經營租賃付款（包括經營租賃項下持有收購土地之成本）按有關租賃年期以直線法確認為開支，惟另有系統基準更能代表租賃資產經濟利益消耗之時間模式除外。經營租賃項下產生之或然租金乃於產生期間確認為開支。

倘於訂立經營租賃時收取租賃優惠，則有關優惠確認為負債。優惠總利益以直線法確認為租金開支減少，惟另有系統基準更能代表租賃資產經濟利益消耗之時間模式除外。

租賃土地及樓宇

當租賃同時包括土地及樓宇部分時，本集團以租賃資產之擁有權所承擔之絕大部分風險及回報是否已轉移至本集團為依據用作獨立評估每一部份的分類是屬於融資或經營租賃，除非兩個部分均明確定為經營租賃，於此情況下，全部租賃會分類為經營租賃。特別是，最低租賃款項（包括任何一次性預付款）被分配到的土地及樓宇部分的比例，以其租賃開始時土地租賃和樓宇租賃權益的公平值比例分配。

倘能可靠地分配租賃款項，則列為經營租賃之租賃土地權益將作為「土地使用權預付租賃款項」，並於綜合財務狀況表列賬及按租賃年期以直線法攤銷。當租賃款項不能在土地及樓宇之間作可靠分配，則全數租賃款項均被納入融資租賃。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before taxation' as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3. 主要會計政策 (續)

稅項

所得稅開支為即期應付稅項及遞延稅項之總和。

即期應付稅項乃按本年度應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表中的「稅前利潤」不同，乃由於其不包括在其他年度應課稅或可扣稅收入或開支，亦不包括不用課稅或不可扣稅之項目。本集團之即期稅項負債乃按報告期末已實行或實質已實行之稅率計算。

遞延稅項指就綜合財務報表資產及負債賬面值與計算應課稅溢利所用相應稅基間之暫時差額而確認。遞延稅項負債一般就所有應課稅暫時差額確認。遞延稅項資產則一般於很可能以可扣稅暫時差額對銷應課稅溢利時就所有可扣稅暫時差額確認。如暫時差額由初次確認一項不影響應課稅溢利或會計溢利之交易之資產及負債所產生，有關資產及負債則不予確認。

遞延稅項負債按於附屬公司之投資所引致之應課稅暫時差額而確認，惟若本集團可控制暫時差額之撥回而暫時差額於可見將來應不會撥回之情況除外。與該等投資相關之可扣稅暫時差額所產生之遞延稅項資產僅於可能產生足夠的應課稅溢利以抵銷暫時差額之得益且預計於可見將來撥回時確認。

遞延稅項資產之賬面值於報告期末檢討，並予以相應扣減，直至並無足夠應課稅溢利以收回全部或部分遞延稅項資產為止。



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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產及負債乃根據於報告期末已實行或實質已實行之稅率(及稅法)，按預期適用於清償負債或變現資產期間之稅率計量。

遞延稅項負債及資產之計量反映本集團預期於報告期末收回或清償其資產及負債賬面值之方式所產生之稅務結果。

即期及遞延稅項於損益確認，除非這些稅項涉及於其他全面收入或直接於權益確認之項目，在該情況下，即期及遞延稅項亦分別於其他全面收入或直接於權益確認。

外幣

在編製個別集團實體之財務報表時，凡以其功能貨幣以外之貨幣(外幣)計算之交易，均按交易日期之匯率入賬。以外幣計值之貨幣項目於報告期末按該日之匯率重新換算；以外幣結算並按歷史成本計量之非貨幣項目則不作重新換算。

於結算及重新換算貨幣項目時產生之匯兌差額均於彼等產生期間內於損益中確認。

就呈列綜合財務報表而言，本集團海外業務之資產及負債乃按於各報告期末之適用匯率換算為本集團之列賬貨幣(即港元)。收入及支出乃按該年度之平均匯率進行換算，除非匯率於該期間內出現大幅波動則作別論，於此情況下，則採用於交易當日之適用匯率。所產生之匯兌差額(如有)於其他全面收入確認，並於匯兌儲備項下之權益累積。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme/ state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

3. 主要會計政策 (續)

借貸成本

購置、建造或生產合資格資產(即需要較長時間方可用於擬定用途或銷售之資產)之直接應佔借貸成本計入該等資產之成本，直至該等資產已充份就緒並可作擬定用途或可供銷售時為止。

特定借貸有待用於合資格資產時作臨時投資所賺取之投資收入，於可撥充資本之借貸成本扣除。

所有其他借貸成本乃於產生之期間於損益內確認。

退休福利成本

向強制性公積金計劃／國家管理退休福利計劃作出之供款於僱員提供服務而獲得供款之權利時列作開支確認。

短期及其他長期僱員福利

當僱員提供服務，短期僱員福利按預期支付的福利的未折現金額確認。所有短期僱員福利確認為支出，惟其他香港財務報告準則規定或允許將其計入資產成本的情況則除外。

僱員福利(如工資及薪金、年假及病假)於扣除已支付之任何金額後確認為負債。

其他長期僱員福利確認之負債按本集團就僱員直至報告日期所提供服務預期將作出的估計未來現金流出之現值計量。由服務成本、利息及重新計量產生的負債賬面值的任何變動於損益確認，惟其他香港財務報告準則規定或允許將其計入資產成本的情況則除外。



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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Contingent liabilities in relation to the tax audits on the Group conducted by Hong Kong Inland Revenue Department (the "IRD")

As set out in note 29, the IRD is conducting tax audits of the Company and certain of its subsidiaries in respect of year of assessments 2004/2005 to 2010/2011. The Group appointed a tax representative to respond to the IRD on its behalf and the directors have determined the potential tax liability based on their judgement, which may be different from the IRD's opinion.

4. 估計不明朗因素之主要來源

在應用本集團載述於附註3的會計政策時，本公司董事須對未能輕易地從其他來源確定的資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設是根據過往經驗及被認為相關的其他因素而作出。實際結果或會與該等估計有所不同。

該等估計及相關假設會持續地檢討。若估計修訂只影響該時期，會計估計的修訂會於該期內確認；或如該估計修訂影響本期及未來期間，則會計估計的修訂會於修訂期及未來期間確認。

於報告期末，有關未來主要假設以及用以估計不明朗因素之其他主要來源如下，該等假設存有導致下一財政年度資產及負債賬面值需作大幅調整的重大風險。

香港稅務局（「稅務局」）就本集團進行稅務審核之或然負債

誠如附註29所載，稅務局正就本公司及其若干附屬公司二零零四年／二零零五年至二零一零年／二零一一年課稅年度進行稅務審核。本集團已委聘稅務代表代其回應稅務局，董事根據其判斷釐定潛在稅務負債，當中可能與稅務局之意見有所不同。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Contingent liabilities in relation to the tax audits on the Group conducted by Hong Kong Inland Revenue Department (the "IRD") (continued)

The Group only recognises liabilities for tax and tax-related expense when the potential tax liabilities are probable. Since the directors consider that whilst the tax audits are still on-going, the IRD issued the protective assessments for the years of assessment from 2004/2005 to 2010/2011 to the Group in order not to jeopardise the assessment powers of the IRD which will be time-barred after 6 years of assessment. The directors believe the Group is more likely than not to successfully pursue the offshore claims and their tax filing position, therefore it is not probable for the Group to be required eventually to settle the potential tax liabilities. Accordingly, the directors consider that no additional provision for Hong Kong Profits Tax in respect of the tax audits for the years of assessment 2004/2005 to 2010/2011 is necessary as at 31st December, 2016. However, the ultimate outcome of the tax audits is uncertain and the potential tax liability cannot be ascertained with certainty at the present stage. Where the final tax outcome of the tax audits is different from the directors' assessment, further tax provision may be required.

Allowance for inventories

In determining the amount of allowance required for obsolete and slow-moving inventories, the directors of the Company would evaluate ageing analysis of inventories and compare the carrying value of inventories to their respective net realisable values based on latest market prices and current economic conditions. A considerable amount of judgement is required in determining such allowance. If conditions which have an impact on the net realisable value of inventories deteriorate/improve, additional allowances/reversal of allowances already made may be required.

The carrying amount of inventories as at 31st December, 2016 was HK\$117,262,000 (net of allowance for inventories of HK\$699,000) (2015: HK\$91,348,000 (net of allowance for inventories of HK\$701,000)).

4. 估計不明朗因素之主要來源 (續)

香港稅務局(「稅務局」)就本集團進行稅務審核之或然負債 (續)

本集團僅於很有可能產生潛在稅務負債時確認稅務負債及稅務相關開支。由於董事認為稅務審計工作仍在進行中，稅務局向本集團發出二零零四年／二零零五年至二零一零年／二零一一年課稅年度之保護性評稅是為免影響稅務局於六個評稅年度的時效後喪失其評稅權力。董事相信本集團很大可能成功獲得離岸申索及彼等的報稅情況，因而最終可能毋須償付潛在稅務負債。因此，董事認為於二零一六年十二月三十一日無需就二零零四年／二零零五年至二零一零年／二零一一年課稅年度之稅務審核為香港利得稅作出撥備。然而，董事認為，無法確定稅務審核的最終結果，而於現階段未能確定潛在稅務負債。倘稅務審核的最終稅務結果與董事之估計有所差異，可能需進一步作稅務撥備。

存貨撥備

本公司董事在釐定陳舊及滯銷之存貨撥備金額時，會評估存貨之賬齡分析，並根據最近期之市價及目前經濟情況，比較存貨之賬面值與其相關之可變現淨值。釐定該等撥備需要作出大量判斷。倘對存貨可變現淨值有影響之情況轉壞／好轉，則可能須作出額外撥備／撥回撥備。

於二零一六年十二月三十一日，存貨之賬面值為117,262,000港元(扣除存貨撥備699,000港元)(二零一五年：91,348,000港元，扣除存貨撥備701,000港元)。



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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Allowance for trade receivables

When there is objective evidence of impairment loss, the directors of the Company take into consideration the estimation of future cash flows. The amount of the impairment 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 (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise.

The carrying amount of trade receivables as at 31st December, 2016 was HK\$127,814,000 (net of allowance for doubtful debts of HK\$2,406,000) (2015: HK\$174,691,000 (net of allowance for doubtful debts of HK\$3,625,000)).

Useful lives of property, plant and equipment

In applying the accounting policy on property, plant and equipment with respect to depreciation, the directors of the Company estimate the useful lives of various categories of property, plant and equipment according to their experiences over the usage of property, plant and equipment and also by reference to the relevant industrial norm. The useful lives of property, plant and equipment are reviewed annually. If the expectations differ from the previous estimates, the changes will be accounted for prospectively as changes in accounting estimates.

The carrying amount of property, plant and equipment as at 31st December, 2016 was HK\$1,250,511,000 (2015: HK\$1,267,429,000).

4. 估計不明朗因素之主要來源 (續)

貿易應收款項撥備

當具備減值虧損之客觀證明時，本公司董事會考慮未來現金流量之估計。減值虧損金額按資產賬面值與按財務資產以原實際利率（即於首次確認時之實際利率）折現之估計未來現金流量（不包括尚未產生之未來信貸虧損）現值之差額計算。倘實際未來現金流量低於預期，則可能產生重大減值虧損。

於二零一六年十二月三十一日，貿易應收款項之賬面值為127,814,000港元（扣除呆賬撥備2,406,000港元）（二零一五年：174,691,000港元，扣除呆賬撥備3,625,000港元）。

物業、廠房及設備之可用年期

在應用有關物業、廠房及設備折舊之會計政策時，本公司董事會根據彼等使用物業、廠房及設備之經驗，並參考相關行業於物業、廠房及設備所採用之折舊標準來評估各類物業、廠房及設備之可用年期。物業、廠房及設備之可用年期每年均會進行檢討。倘有關預期與先前之評估相異，則有關變動將作為會計評估變動，並預先進行會計處理。

於二零一六年十二月三十一日，物業、廠房及設備之賬面值為1,250,511,000港元（二零一五年：1,267,429,000港元）。

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5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the unsecured bank borrowings disclosed in note 21, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

<i>Financial assets</i>	<i>財務資產</i>
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等值)
<i>Financial liabilities</i>	<i>財務負債</i>
Amortised cost	攤銷成本

5. 資本風險管理

為確保本集團旗下各實體可繼續持續經營，本集團對其資本實行管理，並透過使債務及股本達致最佳平衡而為股東取得最大回報。本集團的整體策略自往年起維持不變。

本集團的資本架構包括減去現金及現金等值後之債務淨額（當中包括附註21所披露之無抵押銀行借貸），以及本公司擁有人應佔權益（包括已發行股本及儲備）。

本公司董事定期檢討資本架構。作為檢討的一部分，本公司董事已考慮資金成本及每類資本的相關風險。根據本公司董事的建議，本集團將透過派付股息、發行新股、購回股份以及發行新債項或贖回現有債項，藉以平衡整體資本架構。

6. 金融工具

(a) 金融工具之類別

2016 HK\$'000 千港元	2015 HK\$'000 千港元
676,799	551,574
568,285	405,831



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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include receivables from disposal of a subsidiary, trade and other receivables, bank balances and cash, trade, bills and other payables and unsecured bank borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The directors of the Company manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Foreign currency risk

Non-derivative foreign currency monetary assets and monetary liabilities

A significant portion of the Group's sales is denominated in Renminbi ("RMB") and HKD and significant portion of the Group's purchases is denominated in RMB and United States dollars ("USD"). The Group's manufacturing operations are located in the People's Republic of China (the "PRC").

Several subsidiaries of the Group have foreign currency sales and purchases, which expose the Group to foreign currency risk. Certain bank balances, receivables from disposal of a subsidiary, trade receivables, trade, bills and other payables and unsecured bank borrowings are denominated in the foreign currencies of the relevant group entities. The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging foreign exposure should the need arises.

6. 金融工具(續)

(b) 財務風險管理目標及政策

本集團之主要金融工具包括出售附屬公司之應收款項、貿易及其他應收款項、銀行結餘及現金、貿易、票據及其他應付款項以及無抵押銀行借貸。該等金融工具之詳情載於各有關附註內。該等金融工具涉及之風險包括市場風險(外幣風險及利率風險)、信貸風險及流動資金風險。下文載列降低該等風險之政策。本公司董事管理及監察該等風險，確保適時和有效地採取適當措施。

市場風險

外幣風險

非衍生外幣貨幣資產與貨幣負債

本集團大部份銷售以人民幣(「人民幣」)及港元列值，而本集團大部份採購乃以人民幣及美元(「美元」)列值。本集團之製造業務位於中華人民共和國(「中國」)。

本集團的多間附屬公司以外幣進行買賣，令本集團承受外幣風險。若干銀行結餘、出售附屬公司之應收款項、貿易應收款項、貿易、票據及其他應付款項以及無抵押銀行借貸以相關集團實體之外幣列值。本集團現時並無外匯對沖政策。然而，本集團管理層會監察外匯風險及於有需要時考慮對沖外匯風險。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Foreign currency risk (continued)

Non-derivative foreign currency monetary assets and monetary liabilities (continued)

At the reporting date, the carrying amounts of the Group's monetary assets and monetary liabilities denominated in currencies other than the respective functional currencies of the relevant group entities are as follows:

		Assets 資產		Liabilities 負債	
		2016 HK\$'000 千港元	2015 HK\$'000 千港元	2016 HK\$'000 千港元	2015 HK\$'000 千港元
RMB	人民幣	57,740	262,457	307	79
HKD	港元	47,890	5,482	–	616
USD	美元	55,025	3,341	75,392	40,022
Macao Patacas ("MOP")	澳門幣	108	317	–	–

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currencies of the relevant group entities against the relevant foreign currencies. Sensitivity rate of 5% represents the assessment of the directors of the Company of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. In the opinion of the directors of the Company, the foreign currency exposure in relation to the HKD and USD exchange rate fluctuation is not significant as HKD is pegged to USD. For this reason, the sensitivity analysis below does not reflect this.

6. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

外幣風險 (續)

非衍生外幣貨幣資產與貨幣負債 (續)

於報告日，本集團以有關集團實體各自功能貨幣以外之貨幣列值的貨幣資產及貨幣負債之賬面值如下：

外幣敏感度分析

下表詳列本集團對有關集團實體之功能貨幣兌相關外幣升值及貶值5%之敏感度。敏感度率5%為本公司董事對匯率可能變動之合理評估。敏感度分析僅包括以外幣計算之尚未平倉貨幣項目，並於年末調整其兌換以反映匯率之5%變動。本公司董事認為，由於港元與美元掛鈎，有關港元及美元匯率波動之外幣風險微乎其微。就此而言，下文之敏感度分析並無反映此情況。



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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Foreign currency risk (continued)

Non-derivative foreign currency monetary assets and monetary liabilities (continued)

Foreign currency sensitivity analysis (continued)

The sensitivity analysis below shows the impact relates to monetary assets or liabilities that are denominated in RMB, HKD or MOP against the functional currencies of relevant group entities, HKD or RMB respectively.

In relation to monetary assets, where the functional currency of the relevant group entity strengthens 5% against the currency in which the assets are denominated, there would be a decrease in profit for the year. However, in relation to monetary liabilities, where the functional currency of the relevant group entity strengthens 5% against the currency in which the liabilities are denominated, there would be an increase in profit for the year. A 5% weakening of the functional currency would have an equal but opposite impact on the pre-tax profit for the year.

RMB Impact 人民幣之影響		HKD Impact 港元之影響		MOP Impact 澳門幣之影響	
2016 HK\$'000 千港元	2015 HK\$'000 千港元	2016 HK\$'000 千港元	2015 HK\$'000 千港元	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Decrease in profit	利潤減少	(2,872)	(13,119)	(5)	(16)

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

6. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

外幣風險 (續)

非衍生外幣貨幣資產與貨幣負債 (續)

外幣敏感度分析 (續)

下文之敏感度分析顯示以人民幣、港元或澳門幣計值之貨幣資產或負債分別兌相關集團實體功能貨幣港元或人民幣之影響。

就貨幣資產而言，倘相關集團實體之功能貨幣較資產所採納計值之貨幣升值5%，則年度利潤將會減少。然而，就貨幣負債而言，倘相關集團實體之功能貨幣較負債所採納計值之貨幣升值5%，則年度利潤將會增加。功能貨幣貶值5%，本年度稅前利潤會受到相同數額但相反之影響。

本公司董事認為，由於年末風險並不能反映年內之風險，故敏感度分析並不代表固有之外匯風險。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank borrowings (see note 21 for details of these borrowings), bank balances and deposits. The directors consider that the interest rate risk on bank balances and deposits are minimal, accordingly, no sensitivity analysis is performed.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk section of this note. The Group cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong Interbank Offered Rate ("HIBOR"), London Interbank Offered Rate, prevailing interest rates offered by the People's Bank of China ("PBOC") and prime rate arising from the Group's borrowings denominated in HKD and RMB respectively.

Interest rate sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rates for non-derivatives instruments. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. Increase or decrease in a 50 basis point represents the assessment of the directors of the Company of the reasonably possible change in interest rates. For the Group's exposure to interest rates on its variable-rate bank borrowings, if interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the year would decrease/increase by HK\$1,433,000 (2015: HK\$974,000).

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the interest rate risk as the year end exposure does not reflect the exposure during the year.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

利率風險

本集團承受與浮息銀行借貸(該等借貸之詳情載於附註21)、銀行結餘及存款有關之現金流量利率風險。董事認為，銀行結餘及存款之利率風險極低。因此，無須進行敏感度分析。

本集團承受財務負債之利率風險詳述於本附註之流動資金風險部份內。由於本集團的借貸分別以港元及人民幣列值，本集團的現金流量利率風險主要集中於香港銀行同業拆息(「香港銀行同業拆息」)、倫敦銀行同業拆息、中國人民銀行(「人行」)公佈之現行利率及最優惠利率之波動。

利率敏感度分析

以下敏感度分析乃根據非衍生工具所承受之利率風險而作出，此分析乃假設於報告期末未償還的金融工具乃於整個年度未償還。增加或減少50個基點為本公司董事對利率可能合理變動之評估。本集團的浮息銀行借貸面對利率風險，如利率增加／減少50個基點，而所有其他變數維持不變，則本集團之年度稅前利潤將會減少／增加1,433,000港元(二零一五年：974,000港元)。

本公司董事認為，由於年末風險並不能反映年內之風險，故敏感度分析並不代表利率風險。



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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk

As at 31st December, 2016, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the directors of the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have significant concentration of credit risk. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險

於二零一六年十二月三十一日，本集團因交易夥伴未能履行責任造成本集團財務損失而面對之最高信貸風險，乃源自於綜合財務狀況表所示相關已確認財務資產之賬面值。

為盡量降低信貸風險，本公司董事已委派一組人員負責制訂信貸限額、信貸審批及其他監控程序，以確保採取跟進措施收回逾期未付之債項。此外，於各報告期末，本集團會評估每項個別貿易債項之可收回金額，以確保就不可收回金額所作出之減值虧損已足夠。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

由於交易夥伴為獲國際信貸評級機構評為高信貸評級之銀行，故流動資金之信貸風險有限。

除把流動資金存放於獲高信貸評級之數家銀行內所涉及之信貸風險集中外，本集團並無重大集中之信貸風險。貿易應收款項涉及大量客戶，並跨越不同行業以及地區。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As at 31st December, 2016, the Group has available undrawn borrowing facilities of approximately HK\$242,954,000 (2015: HK\$319,839,000). The Group monitors its current and expected liquidity requirements regularly and ensuring sufficient liquid cash and adequate committed lines of funding from reputable financial institutions to meet the Group's liquidity requirements in the short and long term.

The following table details the Group's remaining contractual maturity for its financial liabilities. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險

在管理流動資金風險時，本集團監控及維持管理層認為充足之現金及現金等值水平，從而為本集團營運提供資金及減低現金流量波動之影響。管理層監控銀行借貸之動用情況，並確保符合貸款契約之規定。

本集團依賴銀行借貸作為其流動資金之主要來源。於二零一六年十二月三十一日，本集團有未提取的借貸融資約242,954,000港元(二零一五年：319,839,000港元)。本集團會定期監控其當前及預期流動資金需求，確保其維持充足之流動現金及從信譽良好之金融機構獲得足夠之承諾貸款額以應付本集團之短期及長期流動資金需求。

下表詳列本集團之財務負債之剩餘合約到期期限。就非衍生財務負債而言，該表乃按本集團可被要求付款的最早到期日的財務負債未折現現金流量列示。特別是，包含可隨時要求償還條款之銀行借貸，不論銀行會否行使其權利，均納入最早到期期間。其他非衍生財務負債之到期日則按照議定還款日期。表中包括利息及本金現金流量。



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6. FINANCIAL INSTRUMENTS (continued)

6. 金融工具 (續)

(b) Financial risk management objectives and policies (continued)

(b) 財務風險管理目標及政策 (續)

Liquidity risk (continued)

流動資金風險 (續)

Liquidity and interest risk tables

流動資金及利息風險表

		Weighted average effective interest rate 加權平均 實際利率 %	On demand or less than 1 month 按要求或 一個月內 HK\$'000 千港元	1-3 month(s) 一個月至 三個月 HK\$'000 千港元	3 months to 1 year 三個月 至一年 HK\$'000 千港元	1-2 year(s) 一年至兩年 HK\$'000 千港元	2-5 years 兩年至五年 HK\$'000 千港元	Total undiscounted cash flows 未折現現金 流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
2016 Non-derivative financial liabilities	二零一六年 非衍生財務負債								
Trade, bills and other payables	貿易、票據及 其他應付款項	-	281,779	-	-	-	-	281,779	281,779
Unsecured bank borrowings - variable rate	無抵押銀行借貸 - 浮息	1.9	138,409	31,443	96,039	22,042	822	288,755	286,506
			420,188	31,443	96,039	22,042	822	570,534	568,285
		Weighted average effective interest rate 加權平均 實際利率 %	On demand or less than 1 month 按要求或 一個月內 HK\$'000 千港元	1-3 month(s) 一個月至 三個月 HK\$'000 千港元	3 months to 1 year 三個月 至一年 HK\$'000 千港元	1-2 year(s) 一年至兩年 HK\$'000 千港元	2-5 years 兩年至五年 HK\$'000 千港元	Total undiscounted cash flows 未折現現金 流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
2015 Non-derivative financial liabilities	二零一五年 非衍生財務負債								
Trade, bills and other payables	貿易、票據及 其他應付款項	-	191,996	-	19,016	-	-	211,012	211,012
Unsecured bank borrowings - variable rate	無抵押銀行借貸 - 浮息	2.7	11,360	39,572	64,334	36,151	51,340	202,757	194,819
			203,356	39,572	83,350	36,151	51,340	413,769	405,831

Bank loans with a repayment on demand clause are included in the "on demand or less than 1 month" time band in the above maturity analysis. As at 31st December, 2016, the aggregate undiscounted principal amounts of these bank loans amounted to HK\$87,000,000 (2015: HK\$10,000,000). Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment.

包含可隨時要求償還條款之銀行貸款均歸入上述到期日分析中的「按要求或一個月內」期間。於二零一六年十二月三十一日，該等銀行貸款的主要未折現現金總額為87,000,000港元（二零一五年：10,000,000港元）。經慮及本集團財務狀況後，董事相信銀行應不會行使其可要求即時還款之酌情權利。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity and interest risk tables (continued)

For the purpose of managing liquidity risk, the management reviews the expected cash flow information of the Group's bank loans with a repayment on demand clause based on the scheduled repayment dates set out in the agreement as set out in the table below:

2016	二零一六年
Bank borrowings with a repayment on demand clause	包含可隨時要求償還條款之銀行借貸
2015	二零一五年
Bank borrowings with a repayment on demand clause	包含可隨時要求償還條款之銀行借貸

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

(c) Fair value

The fair values of the Group's financial assets and financial liabilities, that are grouped in category 3 and are not measured at fair value on a recurring basis, are determined in accordance with generally accepted pricing models based on discounted cash flow analysis with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

6. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金及利息風險表 (續)

為管理流動資金風險，管理層根據下表所載協議內之預定還款日期對包含可隨時要求償還條款之本集團銀行貸款的預計現金流量資料進行檢討：

Weighted average effective interest rate 加權平均實際利率 %	On demand or less than 1 month 按要求或一個月內 HK\$'000 千港元	Total undiscounted cash flows 未折現現金流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
1.79	87,139	87,139	87,000
1.47	10,012	10,012	10,000

倘浮動利率於報告期末之變動不同於已釐定之利率估計，則以上關於非衍生財務負債浮動利率工具的金額須作出變更。

(c) 公平值

本集團分類為第三級別且並非按公平值以經常性基準計量之財務資產及財務負債之公平值，乃根據基於貼現現金流量分析的公認定價模型釐定，大部分重大輸入數據為反映交易夥伴信貸風險的貼現率。

本公司董事認為綜合財務報表內以攤銷成本記錄之財務資產及財務負債之賬面值與其公平值相若。



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7. REVENUE AND SEGMENT INFORMATION

Revenue

Revenue represents the gross proceeds received and receivable on the sale of goods during the year, net of discounts and sales related tax.

Segment information

The Group's manufacturing operations are located in the PRC.

The Group's operations are organised based on the differences in products. Information reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purpose of resource allocation and assessment of segment performance is analysed based on the difference in products. No operating segments identified by CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments are categorised into the manufacture and sale of:

- Containerboard – corrugating medium and linerboard
- Corrugated packaging – corrugated paper boards and carton boxes

Information regarding the above segments is reported below.

The following is an analysis of the Group's revenue and results by operating and reportable segments:

7. 收益及分部資料

收益

收益指年內銷售貨品扣除折扣及銷售相關稅項後已收及應收所得款項總額。

分部資料

本集團之製造業務位於中國。

本集團之業務乃按不同產品類別劃分。就資源分配及評估分部表現向本公司執行董事（即主要營運決策者（「主要營運決策者」））呈報之資料乃按不同產品類別分析。本集團之可呈報分部，並無將主要營運決策者已識別的經營分部滙合呈報。

具體而言，本集團之可呈報及經營分部可分為製造及銷售：

- 箱板紙 – 瓦楞芯紙及牛咭
- 瓦楞包裝 – 瓦楞紙板及紙箱

有關上述分部之資料呈報於下文。

以下為按經營及可呈報分部劃分之本集團收益及業績分析：

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7. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Segment revenues and results

For the year ended 31st December, 2016

		Containerboard 箱板紙 HK\$'000 千港元	Corrugated Packaging 瓦楞包裝 HK\$'000 千港元	Segment total 分部總計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益					
External sales	對外銷售	450,297	729,147	1,179,444	-	1,179,444
Inter-segment sales	分部間銷售	524,385	-	524,385	(524,385)	-
Total	總計	974,682	729,147	1,703,829	(524,385)	1,179,444
RESULT	業績					
Segment profit	分部利潤	56,324	36,678	93,002	-	93,002
Finance costs	財務成本					(5,045)
Profit before taxation	稅前利潤					87,957

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		Containerboard 箱板紙 HK\$'000 千港元	Corrugated Packaging 瓦楞包裝 HK\$'000 千港元	Segment total 分部總計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益					
External sales	對外銷售	340,356	726,185	1,066,541	-	1,066,541
Inter-segment sales	分部間銷售	584,136	-	584,136	(584,136)	-
Total	總計	924,492	726,185	1,650,677	(584,136)	1,066,541
RESULT	業績					
Segment profit	分部利潤	34,698	18,094	52,792	-	52,792
Finance costs	財務成本					(10,698)
Changes in fair value of derivative financial instruments	衍生金融工具 公平值之變動					323
Profit before taxation	稅前利潤					42,417



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7. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Segment revenues and results (continued)

The accounting policies adopted in preparing the reportable segment information are the same as the Group's accounting policies described in note 3.

Segment profit represents the profit earned by each segment without allocation of finance costs and changes in fair value of derivative financial instruments. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

No revenue from any single customer during the year contributed over 10% of the total revenue of the Group for both years.

Other segment information

For the year ended 31st December, 2016

Amounts included in the measurement of segment profit:

Interest income	利息收入
Release of prepaid lease payments on land use rights	撥回土地使用權預付租賃款項
Depreciation	折舊

For the year ended 31st December, 2015

Amounts included in the measurement of segment profit:

Interest income	利息收入
Release of prepaid lease payments on land use rights	撥回土地使用權預付租賃款項
Depreciation	折舊

7. 收益及分部資料 (續)

分部資料 (續)

分部收益及業績 (續)

編製可呈報分部資料時採用之會計政策與附註3所載之本集團會計政策相同。

分部利潤代表各分部所賺取之利潤，但未分配財務成本及衍生金融工具公平值之變動。此乃為分配資源及評估表現而匯報給主要營運決策者之方法。

分部間銷售乃參照現行市價計算。

於兩個年度內，均無任何單一客戶於年內之收益貢獻超過本集團收益總額10%。

其他分部資料

截至二零一六年十二月三十一日止年度

計算分部利潤時包括之金額：

Containerboard 箱板紙 HK\$'000 千港元	Corrugated Packaging 瓦楞包裝 HK\$'000 千港元	Total 總計 HK\$'000 千港元
942	592	1,534
502	61	563
58,931	11,730	70,661

截至二零一五年十二月三十一日止年度

計算分部利潤時包括之金額：

Containerboard 箱板紙 HK\$'000 千港元	Corrugated Packaging 瓦楞包裝 HK\$'000 千港元	Total 總計 HK\$'000 千港元
2,000	722	2,722
384	61	445
61,430	13,522	74,952

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7. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Geographical information

The following table sets out information about (i) the Group's revenue from external customers by location of delivery destination of the goods and (ii) the Group's non-current assets by location of assets:

		Revenue from external customers 外來客戶收益		Non-current assets 非流動資產	
		2016 HK\$'000 千港元	2015 HK\$'000 千港元	2016 HK\$'000 千港元	2015 HK\$'000 千港元
PRC	中國	1,179,444	1,066,541	1,248,535	1,287,915
Hong Kong	香港	—	—	22,244	1,740
Macau	澳門	—	—	1,608	1,756
		1,179,444	1,066,541	1,272,387	1,291,411

Segment assets and liabilities

The measure of the segment reporting of the Group reported to the CODM for the purpose of resources allocation and performance assessment does not include any assets and liabilities. Accordingly, no segment assets and liabilities are presented.

7. 收益及分部資料 (續)

分部資料 (續)

地區資料

下表載列有關(i)本集團按貨品交付目的地劃分之外來客戶收益及(ii)本集團按資產所在地區劃分之非流動資產之資料：

分部資產及負債

計算供主要營運決策者作資源分配及表現評估之用之本集團分部報告時並無計入任何資產及負債。因此，並無呈列分部資產及負債。

8. OTHER INCOME

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Other income includes:	其他收入包括：		
Exchange gains, net	匯兌收益，淨額	3,436	—
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	311	124
Interest income	利息收入	1,534	2,722
Scrap sales	廢品銷售	228	436
Service income	服務收入	8,086	8,899
Sundry income	雜項收入	1,115	1,138
		14,710	13,319

8. 其他收入



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9. FINANCE COSTS

9. 財務成本

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Interest on bank borrowings	銀行借貸之利息	5,045	10,698

10. INCOME TAX EXPENSE

10. 所得稅開支

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Current tax:	即期稅項：		
Hong Kong Profits Tax	香港利得稅	465	425
PRC Enterprise Income Tax	中國企業所得稅	2,754	1,074
		3,219	1,499
Deferred tax (note 23)	遞延稅項（附註23）	8,351	4,630
		11,570	6,129

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

香港利得稅乃按兩個年度估計應課稅利潤之16.5%計算。

A portion of the Group's profits are earned by the Macau subsidiaries of the Group incorporated under the Macau SAR's Offshore Law. Pursuant to the Macau SAR's Offshore Law, such portion of profits are exempted from Macau complementary tax, which is currently at 12% of the profits. Further, in the opinion of the directors of the Company, that portion of the Group's profit is not at present subject to taxation in any other jurisdiction in which the Group operates.

本集團部分利潤乃由本集團根據澳門特別行政區離岸法律註冊成立之澳門附屬公司所賺取。根據澳門特別行政區離岸法律，該部分利潤毋須繳納澳門補充稅（目前按利潤之12%徵收）。此外，本公司董事認為，目前本集團該部分利潤亦毋須於本集團經營所在之任何其他司法權區內繳納稅項。

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1st January, 2008 onwards.

根據中國企業所得稅法（「企業所得稅法」）及企業所得稅法實施條例，自二零零八年一月一日起，中國附屬公司之稅率為25%。

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10. INCOME TAX EXPENSE (continued)

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

10. 所得稅開支(續)

年度稅項支出與綜合損益及其他全面收益表所示稅前利潤之對賬如下：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Profit before taxation	稅前利潤	87,957	42,417
Tax at Hong Kong Profits Tax rate of 16.5% (2015:16.5%)	按香港利得稅率16.5%(二零一五年：16.5%)計算之稅項	14,513	6,999
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(3,630)	(6,337)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	1,275	2,637
Utilisation of tax losses previously not recognised	使用先前未確認之稅項虧損	(18)	(44)
Effect of tax different tax rate of PRC subsidiaries	中國附屬公司稅率不同之影響	2,539	1,200
Effect of tax exemption granted to Macau subsidiaries	澳門附屬公司獲豁免稅項之影響	(7,337)	(1,752)
Tax effect of undistributed earnings of PRC subsidiaries (note 23)	中國附屬公司未分派盈利之稅務影響(附註23)	4,334	3,156
Others	其他	(106)	270
Tax charge for the year	年度稅項支出	11,570	6,129



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11. PROFIT FOR THE YEAR

11. 年度利潤

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Profit for the year has been arrived at after charging (crediting):	年度利潤已扣除 (計入) 下列各項：		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊		
– included in “cost of sales”	– 計入「銷售成本」	67,016	70,972
– included in “other expenses”	– 計入「其他開支」	3,645	3,980
		70,661	74,952
Allowance for inventories (included in “cost of sales” and “cost of inventories recognised as expenses”)	存貨撥備 (計入「銷售成本」及「確認為開支之存貨成本」)	40	–
Auditor's remuneration	核數師酬金	1,550	1,550
Change of present value in respect of receivables from disposal of a subsidiary*	出售附屬公司應收款項之現值變動*	(8,335)	(7,914)
Cost of inventories recognised as expenses	確認為開支之存貨成本	911,748	853,879
Exchange difference on receivables from disposal of a subsidiary*	出售附屬公司應收款項之匯兌差額*	13,616	11,781
Exchange gains, net	匯兌收益，淨額	(3,436)	–
Exchange losses, net*	匯兌虧損，淨額*	–	1
Operating lease rental for warehouse and office premises	倉庫及辦公室物業之經營租賃租金	1,264	1,209
Release of prepaid lease payments on land use rights	撥回土地使用權預付租賃款項	563	445
(Reversal of) provision for impairment losses on trade receivables*	貿易應收款項之 (撥回) 撥備減值虧損*	(973)	2,858
Staff costs	員工成本		
Directors' emoluments (note 12)	董事酬金 (附註12)	29,708	21,272
Other staff	其他員工		
– salaries and other allowances	– 薪金及其他津貼	92,400	89,456
– retirement benefit scheme contributions	– 退休福利計劃供款	10,643	10,761
– share-based payments	– 以股份支付之支出	24	104
		132,775	121,593

* Amounts included in “other expenses”

* 金額計入「其他開支」

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12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' EMOLUMENTS

12. 董事及主要行政人員酬金及僱員薪酬

Directors

董事

		Other emoluments 其他酬金				
		Fees	Salaries and other benefits	Bonus	Retirement benefit scheme contributions	Share-based payments
		袍金	薪金及其他福利	花紅	退休福利計劃供款	以股份支付之支出
		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
Mr. Hui Sum Kwok	許森國先生	–	4,431	5,000	18	66
Mr. Hui Sum Ping	許森平先生	–	4,431	5,000	18	66
Mr. Hui Sum Tai	許森泰先生	–	4,142	5,000	18	66
Ms. Hui Yuen Li	許婉莉女士	–	826	100	18	10
Mr. Chee Man Sang, Eric	池民生先生	159	–	–	–	7
Mr. Yip Kwok Kwan	葉國均先生	159	–	–	–	7
Mr. Wong Chu Leung	黃珠亮先生	159	–	–	–	7
		477	13,830	15,100	72	229
		29,708				



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12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' EMOLUMENTS (continued)

Directors (continued)

		Other emoluments 其他酬金					
		Fees	Salaries and other benefits	Bonus	Retirement benefit scheme contributions	Share-based payments	2015 Total
		袍金	薪金及其他福利	花紅	退休福利計劃供款	以股份支付之支出	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Mr. Hui Sum Kwok	許森國先生	–	2,399	4,000	18	307	6,724
Mr. Hui Sum Ping	許森平先生	–	2,399	4,000	18	307	6,724
Mr. Hui Sum Tai	許森泰先生	–	2,114	4,000	18	307	6,439
Ms. Hui Yuen Li	許婉莉女士	–	785	–	18	48	851
Mr. Chee Man Sang, Eric	池民生先生	146	–	–	–	32	178
Mr. Yip Kwok Kwan	葉國均先生	146	–	–	–	32	178
Mr. Wong Chu Leung	黃珠亮先生	146	–	–	–	32	178
		438	7,697	12,000	72	1,065	21,272

Mr. Hui Sum Tai is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

During the year, no emoluments were paid by the Group to these directors as an inducement to join or upon joining the Group or as compensation for loss of office and no director had waived any emoluments.

12. 董事及主要行政人員酬金及僱員薪酬 (續)

董事 (續)

		Other emoluments 其他酬金					
		Fees	Salaries and other benefits	Bonus	Retirement benefit scheme contributions	Share-based payments	2015 Total
		袍金	薪金及其他福利	花紅	退休福利計劃供款	以股份支付之支出	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Mr. Hui Sum Kwok	許森國先生	–	2,399	4,000	18	307	6,724
Mr. Hui Sum Ping	許森平先生	–	2,399	4,000	18	307	6,724
Mr. Hui Sum Tai	許森泰先生	–	2,114	4,000	18	307	6,439
Ms. Hui Yuen Li	許婉莉女士	–	785	–	18	48	851
Mr. Chee Man Sang, Eric	池民生先生	146	–	–	–	32	178
Mr. Yip Kwok Kwan	葉國均先生	146	–	–	–	32	178
Mr. Wong Chu Leung	黃珠亮先生	146	–	–	–	32	178
		438	7,697	12,000	72	1,065	21,272

許森泰先生亦為本公司主要行政人員，於上文所披露之酬金已包括其出任主要行政人員提供服務所享有之酬金。

年內，本集團概無支付任何酬金予此等董事作為招攬其加入或作為其加入本集團之獎勵金或作為其離職補償金，亦無董事放棄任何酬金。

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12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' EMOLUMENTS (continued)

Employees

Of the five individuals with the highest emoluments in the Group, four (2015: four) were directors of the Company whose emoluments are set out above. The emoluments of the remaining individual for the year ended 31st December, 2016 amounted to HK\$814,000 (2015: HK\$864,000), representing salaries and other benefits of HK\$518,000 (2015: HK\$550,000), bonus of HK\$290,000 (2015: HK\$308,000) and retirement benefits scheme contributions of HK\$6,000 (2015: HK\$6,000), for his/her service rendered to the Group.

Bonuses to directors and employees were determined based on the financial performance of the Group for the years ended 31st December, 2016 and 31st December, 2015.

12. 董事及主要行政人員酬金及僱員薪酬 (續)

僱員

本集團五位最高薪酬人士中，其中四位（二零一五年：四位）為本公司董事，彼等之薪酬已於上文載列。截至二零一六年十二月三十一日止年度，餘下一位人士之酬金為814,000港元（二零一五年：864,000港元），包括就彼向本集團提供服務所享有之薪金及其他福利518,000港元（二零一五年：550,000港元）、花紅290,000港元（二零一五年：308,000港元）及退休福利計劃供款6,000港元（二零一五年：6,000港元）。

董事及僱員之花紅乃參考截至二零一六年十二月三十一日及二零一五年十二月三十一日止年度本集團之財務表現釐定。

13. DIVIDENDS

13. 股息

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Dividends for ordinary shareholders of the Company recognised as distribution during the year:	於本年度確認為分派之本公司普通股股東之股息：		
2015 final – HK1.5 cents per share	二零一五年末期 – 每股1.5港仙	11,952	11,610

The final dividend of HK1.5 cents (2015: HK1.5 cents) per ordinary share and special final dividend of HK3.0 cents (2015: nil) per ordinary share in respect of the year ended 31st December, 2016 have been proposed by the directors and are subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

董事建議派付截至二零一六年十二月三十一日止年度之末期股息每股普通股1.5港仙（二零一五年：1.5港仙）及特別末期股息每股普通股3.0港仙（二零一五年：無），惟須待本公司股東於應屆股東週年大會上批准後，方可作實。



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14. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

14. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃按以下數據計算：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Earnings	盈利		
Earnings for the purposes of basic and diluted earnings per share	計算每股基本及攤薄盈利之盈利	76,387	36,288
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利之普通股加權平均數	790,594,074	761,329,439
Effect of dilutive potential ordinary shares in respect of share options	與購股權有關之潛在攤薄普通股之影響	3,498,358	41,590,183
Weighted average number of ordinary shares for the purpose of diluted earnings per share	計算每股攤薄盈利之普通股加權平均數	794,092,432	802,919,622

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Factory premises in the PRC 中國廠房 HK\$'000 千港元	Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Furniture, fixtures and office equipment 傢俬、裝置 及辦公室設備 HK\$'000 千港元	Plant, machinery and equipment 廠房、機器 及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本								
At 1st January, 2015	二零一五年一月一日	491,711	2,758	51,562	16,886	1,437,549	12,062	-	2,012,528
Exchange adjustments	匯兌調整	(26,876)	(95)	(1,813)	(494)	(72,852)	(320)	-	(102,450)
Additions	增添	-	-	375	215	23,279	1,283	21,265	46,417
Disposals	出售	-	-	-	(9)	(1,963)	(1,138)	-	(3,110)
At 31st December, 2015	二零一五年十二月三十一日	464,835	2,663	50,124	16,598	1,386,013	11,887	21,265	1,953,385
Exchange adjustments	匯兌調整	(28,171)	(99)	(1,922)	(528)	(77,767)	(336)	(1,354)	(110,177)
Additions	增添	-	20,461	6,612	515	37,598	1,293	64,882	131,361
Reclassification	重新分類	-	-	-	-	74,513	-	(74,513)	-
Disposals	出售	-	-	-	-	(7,441)	(712)	-	(8,153)
At 31st December, 2016	二零一六年十二月三十一日	436,664	23,025	54,814	16,585	1,412,916	12,132	10,280	1,966,416
DEPRECIATION	折舊								
At 1st January, 2015	二零一五年一月一日	146,160	929	47,148	12,239	424,639	10,008	-	641,123
Exchange adjustments	匯兌調整	(8,044)	(34)	(1,630)	(312)	(17,044)	(276)	-	(27,340)
Provided for the year	年度撥備	18,975	109	2,005	1,055	51,918	890	-	74,952
Eliminated on disposals	出售時註銷	-	-	-	(5)	(1,752)	(1,022)	-	(2,779)
At 31st December, 2015	二零一五年十二月三十一日	157,091	1,004	47,523	12,977	457,761	9,600	-	685,956
Exchange adjustments	匯兌調整	(9,595)	(40)	(1,827)	(376)	(20,913)	(289)	-	(33,040)
Provided for the year	年度撥備	17,914	173	1,731	909	49,025	909	-	70,661
Eliminated on disposals	出售時註銷	-	-	-	-	(7,000)	(672)	-	(7,672)
At 31st December, 2016	二零一六年十二月三十一日	165,410	1,137	47,427	13,510	478,873	9,548	-	715,905
CARRYING VALUES	賬面值								
At 31st December, 2016	二零一六年十二月三十一日	271,254	21,888	7,387	3,075	934,043	2,584	10,280	1,250,511
At 31st December, 2015	二零一五年十二月三十一日	307,744	1,659	2,601	3,621	928,252	2,287	21,265	1,267,429



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15. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line basis at the following rates per annum:

Factory premises in the PRC	4% or remaining lease term of the land element, if shorter
Leasehold land and buildings	4% or remaining lease term of the land element, if shorter
Leasehold improvements	20%
Furniture, fixtures and office equipment	10%
Plant, machinery and equipment	3 $\frac{1}{3}$ % – 33 $\frac{1}{3}$ %
Motor vehicles	20%

The carrying amount of the above-mentioned factory premises in the PRC does not include any land element which is presented as “prepaid lease payments on land use rights” separately.

15. 物業、廠房及設備 (續)

上述物業、廠房及設備項目(在建工程除外)以直線法按以下年率折舊：

中國廠房	4%或土地部分之餘下租期(以較短者為準)
租賃土地及樓宇	4%或土地部分之餘下租期(以較短者為準)
租賃物業裝修	20%
傢俬、裝置及辦公室設備	10%
廠房、機器及設備	3 $\frac{1}{3}$ %–33 $\frac{1}{3}$ %
汽車	20%

上文所述中國廠房之賬面值並不包括任何土地部分，該部份已獨立呈列為「土地使用權預付租賃款項」。

16. PREPAID LEASE PAYMENTS ON LAND USE RIGHTS

The Group's prepaid lease payments on land use rights comprise:	本集團土地使用權預付租賃款項包括：
Land use rights in the PRC	位於中國之土地使用權
Analysed for reporting purposes as:	就呈報而作分析：
Non-current assets	非流動資產
Current assets	流動資產

Included in the Group's prepaid lease payments on land use rights is HK\$1,567,000 (2015: HK\$1,628,000) prepayments under processing arrangement which represents the prepaid amount under an operating lease for land use rights.

16. 土地使用權預付租賃款項

2016 HK\$'000 千港元	2015 HK\$'000 千港元
22,420	24,415
21,876	23,982
544	433
22,420	24,415

本集團之土地使用權預付租賃款項中包括1,567,000港元(二零一五年：1,628,000港元)之加工安排預付款，為土地使用權經營租賃下之預付金額。

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17. INVENTORIES

17. 存貨

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Raw materials	原材料	109,313	82,473
Work in progress	在製品	824	468
Finished goods	製成品	7,125	8,407
		117,262	91,348

18. TRADE AND OTHER RECEIVABLES

18. 貿易及其他應收款項

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Trade receivables	貿易應收款項	130,220	178,316
Less: allowance for doubtful debts	減：呆賬撥備	(2,406)	(3,625)
		127,814	174,691
Other receivables	其他應收款項	1,384	93
Total trade and other receivables	貿易及其他應收款項總額	129,198	174,784

The Group allows credit periods ranging from 5 to 150 days to its trade customers which may be extended to selected trade customers depending on their trade volume and history of settlement with the Group. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period:

本集團給予貿易客戶5至150日信貸期，且可以根據特定貿易客戶與本集團之貿易量及過往付款記錄而予以延長該信貸期。下列為於報告期末基於發票日期（與各自之收益確認日期相近）扣除呆賬撥備後而呈列之貿易應收款項之賬齡分析：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Within 30 days	30日內	123,091	166,494
31–60 days	31至60日	2,361	4,986
61–90 days	61至90日	2,073	1,112
Over 90 days	超過90日	289	2,099
		127,814	174,691



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18. TRADE AND OTHER RECEIVABLES (continued)

Before accepting any new customer, the Group uses an external litigation search to assess the potential customer's credit quality and defines credit limits on a customer-by-customer basis. Limits and scoring attributed to customers are reviewed monthly. Trade receivables that are neither past due nor impaired relate to customers for whom there was no recent history of default.

Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of HK\$4,434,000 (2015: HK\$38,748,000) which were past due at the reporting date for which the Group has not provided for impairment loss. Such amount relates to a number of independent customers that have good trade and payment records with the Group. There has not been a significant change in credit quality of the relevant customers and the Group believes that the balances are still recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 47 days (2015: 64 days) based on invoice dates.

Ageing of trade receivables which are past due but not impaired

18. 貿易及其他應收款項 (續)

在接納任何新客戶前，本集團會採用外部訴訟搜索，評估每名潛在客戶之信貸質素及為每名客戶設定信貸限額。顧客之信貸限額及評級會每月作出檢討。既未逾期又未減值之貿易應收款項與近期並無延期付款記錄之客戶有關。

本集團之貿易應收款項結餘中包括賬面值總額為4,434,000港元之應收款項（二零一五年：38,748,000港元），該等款項於報告日已逾期，而本集團並無就減值虧損進行撥備。該等款項與多名和本集團保持良好貿易及付款紀錄之獨立客戶有關。該等客戶之信貸質素並無重大改變，且本集團相信仍可收回有關結餘。本集團並無就該等結餘而持有任何抵押品。根據發票日期，該等應收款項的平均賬齡為47日（二零一五年：64日）。

已逾期但未減值之貿易應收款項之賬齡

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Overdue by 1 to 30 days	逾期1至30日	4,434	38,748

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18. TRADE AND OTHER RECEIVABLES (continued)

Movement in the allowance for doubtful debts

Balance at beginning of the year	年初結餘
Exchange adjustments	匯兌調整
(Reversal of) provision for impairment losses recognised on trade receivables	貿易應收款項之 已確認(撥回)撥備 減值虧損
Balance at end of the year	年末結餘

Impairment losses were recognised based on the Group's historical experience, aged analysis and internal assessment of the recoverability of the debt. The Group does not hold any collateral over these balances.

18. 貿易及其他應收款項(續)

呆賬撥備之變動

2016 HK\$'000 千港元	2015 HK\$'000 千港元
3,625	907
(246)	(140)
(973)	2,858
2,406	3,625

減值虧損乃根據本集團對債項之過往經驗、賬齡分析及收回機會的內部評估而確認。本集團並無就該等結餘而持有任何抵押品。

19. BANK BALANCES AND CASH

Bank balances and cash including time deposits of RMB2,500,000 (equivalent to HK\$2,793,000) (2015: RMB2,500,000 (equivalent to HK\$2,983,000)) and USD6,437,000 (equivalent to HK\$50,017,000) (2015: Nil) carry interest at prevailing interest rate from 0.530% to 3.250% per annum (2015: 3.250% per annum). Remaining bank balances and cash carry interest at prevailing market rates from 0.001% to 0.350% (2015: 0.001% to 0.800%).

Included in the carrying amount of the Group's bank balances, approximately HK\$57,206,000 (2015: HK\$36,431,000), HK\$54,205,000 (2015: HK\$2,912,000), HK\$46,001,000 (2015: HK\$3,009,000) and HK\$108,000 (2015: HK\$317,000) denominated in RMB, USD, HKD and MOP respectively are the currencies other than the functional currencies of the relevant group entities.

19. 銀行結餘及現金

銀行結餘及現金包括按現行年利率0.530%至3.250% (二零一五年：年利率3.250%) 計息之定期存款人民幣2,500,000元(相當於2,793,000港元)(二零一五年：人民幣2,500,000元(相當於2,983,000港元))及6,437,000美元(相當於50,017,000港元)(二零一五年：無)。餘下銀行結餘及現金乃按現行市場利率0.001%至0.350% (二零一五年：0.001%至0.800%)計息。

本集團以相關集團實體之功能貨幣以外之貨幣人民幣、美元、港元及澳門幣列值之銀行結餘之賬面值分別約為57,206,000港元(二零一五年：36,431,000港元)、54,205,000港元(二零一五年：2,912,000港元)、46,001,000港元(二零一五年：3,009,000港元)及108,000港元(二零一五年：317,000港元)。



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20. TRADE, BILLS AND OTHER PAYABLES

The suppliers of the Group grant credit periods ranging from 30 to 90 days. The following is an aged analysis of trade and bills payables presented based on the invoice date at the end of the reporting period:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Current	即期	103,290	71,778
Overdue 1 to 30 days	逾期1至30日	2,893	1,050
Overdue 31 to 60 days	逾期31至60日	1,185	256
Overdue for more than 60 days	逾期60日以上	2,720	1,709
		110,088	74,793
Payables for the acquisition of property, plant and equipment	購置物業、廠房及設備之應付款項	24,149	14,415
Other payables and accrued charges (note)	其他應付款項及應計支出（附註）	147,970	122,595
		282,207	211,803

Note: As at 31st December, 2016 included in other payables and accrued charges, amount of HK\$5,700,000 (2015: HK\$19,807,000) represents transaction costs incurred for the disposal of a subsidiary during the year ended 31st December, 2014.

The average credit period on purchases of goods is 52 days (2015: 42 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

20. 貿易、票據及其他應付款項

本集團之供應商授出介乎30至90日的信貸期。下列為於報告期末基於發票日期而呈列之貿易及票據應付款項之賬齡分析：

附註：於二零一六年十二月三十一日計入其他應付款項及應計支出之5,700,000港元（二零一五年：19,807,000港元）為截至二零一四年十二月三十一日止年度出售附屬公司所產生之交易成本。

購買貨物之平均信貸期為52日（二零一五年：42日）。本集團訂有財務風險管理政策，以確保所有應付款項均在信貸期限內清還。

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21. UNSECURED BANK BORROWINGS

21. 無抵押銀行借貸

Unsecured bank borrowings comprise:

無抵押銀行借貸包括：

		Effective interest rate 實際利率	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Bank loans	銀行貸款	1.353% – 5.115% (2015: 1.488% – 5.250%)	146,460	136,659
Other bank borrowings	其他銀行借貸	1.159% – 1.950% (2015: 1.490% – 1.700%)	140,046	58,160
			286,506	194,819
			2016 HK\$'000 千港元	2015 HK\$'000 千港元
Carrying amount repayable*:	應償還賬面值*：			
Within one year	一年內		176,889	101,415
More than one year, but not exceeding two years	一年以上但不超過兩年		21,797	33,555
More than two years, but not exceeding five years	兩年以上但不超過五年		820	49,849
			199,506	184,819
Carrying amount of bank loans that contain a repayment on demand clause	包含可隨時要求償還條款之銀行貸款之賬面值		87,000	10,000
			286,506	194,819
Less: Amount due within one year shown under current liabilities	減：於流動負債列示之一年內到期金額		(263,889)	(111,415)
Amounts due after one year shown as non-current liabilities	於非流動負債列示之一年後到期金額		22,617	83,404

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

* 到期金額乃根據載於貸款協議之議定預定還款日期釐定。

As at 31st December, 2016 and 31st December, 2015, the unsecured bank borrowings carry interest at floating rates, thus exposing the Group to cash flow interest rate risk. The interest rates are linked to HIBOR, prevailing interest rates offered by PBOC, plus a margin, and prime minus a margin.

於二零一六年十二月三十一日及二零一五年十二月三十一日，無抵押銀行借貸按浮動利率計息，因此本集團須承擔現金流量利率風險。有關利率與香港銀行同業拆息、人行公佈之現行利率加上溢價及最優惠利率減溢價計算。



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22. SHARE CAPITAL

22. 股本

		Number of shares 股份數目		Share capital 股本	
		2016	2015	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Ordinary shares of HK\$0.10 each	每股面值0.10港元 之普通股股份				
Authorised:	法定股本：				
At the beginning and the end of the year	於年初及年終	1,000,000,000	1,000,000,000	100,000	100,000
Issued and fully paid:	已發行及繳足股本：				
At the beginning of the year	於年初	778,713,000	728,305,000	77,871	72,831
Exercise of share options (note 24)	行使購股權(附註24)	18,111,000	50,408,000	1,811	5,040
At the end of the year	於年終	796,824,000	778,713,000	79,682	77,871

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23. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The followings are the deferred tax liabilities (assets) recognised by the Group and movements thereon during the current and prior reporting years:

		Accelerated tax depreciation 加速 稅項折舊 HK\$'000 千港元	Undistributed earnings of PRC subsidiaries 中國附屬公司 之未分派盈利 HK\$'000 千港元	Write-down of inventories 存貨撇減 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st January, 2015	於二零一五年一月一日	30,909	8,326	(32)	39,203
Charge to profit or loss	在損益扣除	1,474	3,156	–	4,630
At 31st December, 2015	於二零一五年十二月三十一日	32,383	11,482	(32)	43,833
Charge to profit or loss	在損益扣除	4,017	4,334	–	8,351
At 31st December, 2016	於二零一六年十二月三十一日	36,400	15,816	(32)	52,184

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1st January, 2008 onwards.

23. 遞延稅項

就呈列綜合財務狀況表而言，若干遞延稅項資產及負債經已抵銷。以下為本集團確認之遞延稅項負債（資產）及於本報告年度及以往報告年度之變動：

根據中國企業所得稅法，預扣稅乃向中國附屬公司自二零零八年一月一日起所賺取之利潤而宣派之股息徵稅。

24. SHARE-BASED PAYMENTS

Equity-settled share option scheme

The Company's share option scheme (the "Old Scheme") was adopted pursuant to a resolution passed on 4th September, 2003 for the primary purpose of providing incentives or rewards to selected participants for their contribution to the Group. The Old Scheme expired on 3rd September, 2013 and all options previously granted under the Old Scheme have been lapsed.

The Company approved and adopted a new share option scheme (the "New Scheme") on 3rd June, 2013 for the primary purpose of providing incentive or rewards to selected participants for their contribution to the Group.

24. 以股份支付之支出

股權支付交易購股權計劃

根據於二零零三年九月四日通過之決議案，本公司已採納之購股權計劃（「舊計劃」）主要目的為對本集團作出貢獻之指定參與者作出鼓勵或獎賞。舊計劃已於二零一三年九月三日屆滿，而先前根據舊計劃授出之所有購股權經已失效。

本公司已於二零一三年六月三日批准及採納新購股權計劃（「新計劃」），主要目的為對本集團作出貢獻之指定參與者作出鼓勵或獎賞。



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24. SHARE-BASED PAYMENTS (continued)

Equity-settled share option scheme (continued)

Under the New Scheme, the Board of directors of the Company may grant options to eligible employees, including executive or non-executive directors (including independent non-executive directors), of the Company, its subsidiaries, or any entity ("Invested Entity") in which any member of the Group holds any equity interest, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to any supplier of goods or services to any member of the Group or any Invested Entity, any customer of the Group or any Invested Entity, and any consultants, advisers, managers, officers or entities that provides research, development or other technological support to the Group or any Invested Entity.

The total number of shares which may be issued upon exercise of all options to be granted under the New Scheme must not in aggregate exceed 10% of the shares of the Company in issue as at the date of the passing of the ordinary resolution for adoption of the New Scheme. The number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised at any time under the New Scheme shall not exceed 30% of the issued share capital of the Company from time to time.

The number of shares in respect of which options may be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders in accordance with the New Scheme. Where any grant of options to a substantial shareholder or an independent non-executive director or any of their respective associates would result in the shares in the Company issued and to be issued upon exercise of all options to such person in the 12-month period up to and including the date of grant in excess of 0.1% of the shares of the Company in issue and with a value (based on the closing price of the shares of the Company at the offer date of each offer) in excess of HK\$5,000,000, such grant of options must be approved in advance by the Company's shareholders in accordance with the New Scheme.

24. 以股份支付之支出(續)

股權支付交易購股權計劃(續)

根據新計劃，本公司董事會可向本公司、其附屬公司或本集團任何成員公司持有任何股權之任何機構(「所投資機構」)之合資格僱員(包括執行董事或非執行董事或獨立非執行董事)授出購股權，以認購本公司股份。另外，本公司有權不時授出購股權予任何向本集團之成員公司或任何所投資機構提供貨物或服務之任何供應商、本集團或任何所投資機構之任何客戶，以及向本集團或任何所投資機構提供研究、開發或其他技術支援服務之任何諮詢人、顧問、經理、高層人員或機構。

根據新計劃授出之購股權獲全數行使時可予發行之股份總數，合共不得超逾採納新計劃之普通決議案獲通過當日本公司已發行股份之10%。於任何時間因行使根據新計劃授出而未行使之全部購股權而可予發行股份之數目，不得超過本公司不時已發行股本之30%。

未經本公司股東根據新計劃事先批准，向任何個人可能授出之購股權涉及之股份數目，於任何十二個月期間，均不得超過本公司於任何時間已發行股份之1%。倘向一名主要股東或獨立非執行董事或任何彼等各自之聯繫人士授出任何購股權，會導致因授予該人士之所有購股權獲行使而於截至授出日期(包括當日)止十二個月期間，已經及將予發行之本公司股份，合共佔本公司已發行股份超過0.1%，且價值(根據本公司股份於每次授出購股權日期之收市價計算)超過5,000,000港元，則根據新計劃該項授出購股權須事先得到本公司股東批准。

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24. SHARE-BASED PAYMENTS (continued)

Equity-settled share option scheme (continued)

An option may be exercised at any time during the period to be determined and notified by the directors to the grantee and in the absence of such determination, from the date of acceptance of an offer of the grant of such option to the earlier of the date on which such option lapses and ten years from the date of offer of that option. A consideration of HK\$1 is payable upon acceptance of the offer.

The exercise price is determined by the directors of the Company, and will not be less than the higher of the nominal value of the share; the closing price of the Company's shares on the date of offer; and the average closing price of the shares for the five business days immediately preceding the date of offer.

The following table discloses details of the Company's share options held by the directors and other employees and movements in such holdings during the year:

Option type	Date of grant	Exercise price	Outstanding at 1.1.2015 於二零一五年一月一日 尚未行使	Exercised during the year	Outstanding at 31.12.2015 於二零一五年十二月三十一日 尚未行使	Exercised during the year	Outstanding at 31.12.2016 於二零一六年十二月三十一日 尚未行使
購股權類別	授出日期	行使價 HK\$ 港元		年內行使		年內行使	
Granted under New Scheme 根據新計劃授出							
F	24.10.2013	0.28	68,519,000	(50,408,000)	18,111,000	(18,111,000)	-
Exercisable at the end of the year 於年終可行使			32,300,000		981,000		-
Weighted average exercise price (HKD) 加權平均行使價 (港元)			0.28	0.28	0.28	0.28	-

Note: The vesting period, which is the period from the date of grant to the exercisable date, of the share options granted is determined by directors of the Company at each time when the options are granted. Holders of share options granted under the Scheme may only exercise their options during the exercisable periods as follows:

附註：授出購股權之歸屬期為授出日期至可行使日期期間，乃由本公司董事於每次授出購股權時釐定。根據舊計劃及新計劃授出之購股權之持有人僅可於以下可行使期間行使其購股權：

Option type F F類購股權

Maximum% of share options exercisable 可行使購股權最高百分比

1.5.2014–30.4.2015

up to 50%
最高可達50%

1.5.2015–30.4.2016

up to 75%
最高可達75%

1.5.2016–30.4.2017

up to 100% (to the extent not already exercised)
最高可達100% (以尚未行使者為限)



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24. SHARE-BASED PAYMENTS (continued)

Equity-settled share option scheme (continued)

During the year ended 31st December, 2016, 18,111,000 (2015: 50,408,000) ordinary shares were issued at the subscription price of HK\$0.28 (2015: HK\$0.28) each for a cash consideration of HK\$5,071,000 (2015: HK\$14,114,000) upon the exercise of the share options type F.

The following table discloses the details of options type F exercised during the year ended 31st December, 2016 and 31st December, 2015:

For the year ended 31st December, 2016

Exercise date		Number exercised	Share price at exercise date
行使日期		行使數目	於行使日期之股份價格 HK\$ 港元
3rd May, 2016	二零一六年五月三日	12,861,000	0.55
13th May, 2016	二零一六年五月十三日	5,250,000	0.60
		<u>18,111,000</u>	

For the year ended 31st December, 2015

Exercise date		Number exercised	Share price at exercise date
行使日期		行使數目	於行使日期之股份價格 HK\$ 港元
8th April, 2015	二零一五年四月八日	12,000,000	0.76
10th April, 2015	二零一五年四月十日	1,000,000	0.80
22nd April, 2015	二零一五年四月二十二日	19,000,000	0.95
6th May, 2015	二零一五年五月六日	13,158,000	0.89
8th June, 2015	二零一五年六月八日	500,000	1.02
21st September, 2015	二零一五年九月二十一日	4,750,000	0.62
		<u>50,408,000</u>	

24. 以股份支付之支出(續)

股權支付交易購股權計劃(續)

截至二零一六年十二月三十一日止年度，因F類購股權獲行使而按認購價每股0.28港元(二零一五年：0.28港元)發行18,111,000股(二零一五年：50,408,000股)普通股股份，以換取現金代價5,071,000港元(二零一五年：14,114,000港元)。

下表披露於截至二零一六年十二月三十一日及截至二零一五年十二月三十一日止年度已行使之F類購股權之詳情：

截至二零一六年十二月三十一日止年度

截至二零一五年十二月三十一日止年度

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24. SHARE-BASED PAYMENTS (continued)

Equity-settled share option scheme (continued)

The fair values of the share options at the grant date were calculated using the Binomial model. The inputs into the model were as follows:

Share price on the date of grant
Exercise price
Expected volatility
Expected life from date of grant
Risk free rate
Expected dividend yield

於授出日期之股價
行使價
預期波幅
由授出日期起計預計年期
無風險利率
預計股息率

HK\$0.280港元
HK\$0.280港元
53%
3 years年
0.538%
0%

Expected volatility was determined by using the historical volatility of the Company's 875-day share prices before the date of grant. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

The Group recognised total expense of HK\$253,000 for the year ended 31st December, 2016 (2015: HK\$1,171,000) in relation to share options granted by the Company.

24. 以股份支付之支出(續)

股權支付交易購股權計劃(續)

於授出日期之購股權的公平值乃使用二項式模式計算。該模式之輸入數據如下：

預期波幅根據本公司於授出日期前875日期間之股價於過往之波幅釐定。該模式使用之預計年期已按管理層就不可轉讓性、行使限制及行為代價之影響作出之最佳估計調整。

本集團確認截至二零一六年十二月三十一日止年度與本公司所授出之購股權有關之總支出為253,000港元(二零一五年：1,171,000港元)。

25. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating lease which fell due as follows:

Within one year	一年內
In the second to fifth years inclusive	第二年至第五年(包括首尾兩年)

25. 經營租賃承擔

於報告期末，本集團根據不可取消經營租賃有未來最低租賃付款承擔，且於下列期間到期：

2016 HK\$'000 千港元	2015 HK\$'000 千港元
10,067	341
17,357	113
27,424	454

Operating lease payments represent rentals payable by the Group for certain of its warehouse, ancillary office properties and car parks. Lease is negotiated for an average term of two years (2015: two years) with fixed monthly rentals over the term of the lease.

經營租賃付款指本集團若干用作倉庫、輔助辦公物業及停車位之應付租金。租賃之平均年期議定為兩年(二零一五年：兩年)，並於租約期間支付固額月租。



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26. CAPITAL COMMITMENTS

26. 資本承擔

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Capital expenditure in respect of the acquisition of plant and equipment contracted for but not provided in the consolidated financial statements	已訂約但未於綜合財務報表提撥之廠房及設備收購資本開支	8,035	17,916

27. RETIREMENT BENEFIT SCHEME

27. 退休福利計劃

Hong Kong

香港

The Group has joined a Mandatory Provident Fund Scheme (the "MPF Scheme") for its employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Scheme Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the MPF Scheme.

本集團為其香港僱員加入強制性公積金計劃（「強積金計劃」）。強積金計劃根據強制性公積金計劃條例於強制性公積金計劃管理局註冊。強積金計劃之資產與本集團資產分開，並由獨立受託人控制之基金託管。根據強積金計劃規則，僱主及其僱員各自須按規則指定的比率向強積金計劃繳付供款。本集團就強積金計劃之唯一責任是向強積金計劃繳付規定的供款。

The retirement benefit scheme contributions arising from the MPF Scheme charged to the consolidated statement of profit or loss and other comprehensive income represent contributions payable to the funds by the Group at rates specified in the rules of the scheme.

於綜合損益及其他全面收益表支銷之強積金計劃退休福利計劃供款為本集團按計劃規定之比率應付基金之供款。

PRC

中國

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute a certain percentage of the salaries of their employees to the state-managed retirement benefit scheme. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

本集團之中國附屬公司僱員為中國政府營運之國家管理退休福利計劃成員。附屬公司須將彼等僱員之薪酬某一百分比率向國家管理之退休福利計劃供款。本集團就退休福利計劃之唯一責任為向該計劃繳付規定的供款。

During the year, the retirement benefit scheme contributions amounted to approximately HK\$10,715,000 (2015: HK\$10,831,000).

年內，退休福利計劃供款約為10,715,000港元（二零一五年：10,831,000港元）。

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28. DISPOSAL OF A SUBSIDIARY

On 24th October, 2014, Hop Fung Group Company Limited ("HFGC"), a wholly-owned subsidiary of the Company, entered into two equity transfer agreements (the "Equity Transfer Agreements") with two independent third parties (the "Purchasers"). Pursuant to the Equity Transfer Agreements, HFGC agreed to sell and the Purchasers agreed to purchase 51% and 49% equity interests in Fung Kong Hop Fung Paper Ware Factory Limited ("FKHF"), a wholly-owned subsidiary of HFGC, respectively for each purchaser, at an aggregate cash consideration of RMB380,000,000 (equivalent to HK\$481,173,000). A cash consideration of HK\$235,857,000 was received and a cash consideration receivable of HK\$229,068,000 was recognised at fair value during the year ended 31st December, 2014.

The entire equity transfer would be completed by two stages and within two years after completion of the first stage. The first stage of the transactions for transfer of 49% equity interest was completed on 23rd December, 2014, and the remaining 51% interests was transferred on 21st December, 2016. Along with those Equity Transfer Agreements, there were contractual arrangements between HFGC and the Purchasers, limiting those HFGC's controlling power on FKHF after the completion of the first stage.

Based on all the terms and conditions of the arrangements (which were entered into at the same time and in contemplation of each other) and their economic effects, the directors of the Company considered the overall commercial effect of the two transactions was to dispose of FKHF. Furthermore, the Group ceased to exercise powers to direct the relevant activities of FKHF after the completion of the first stage of the transactions. Accordingly, the transactions were treated as a single transaction whereby the Group lost control over FKHF at the date of completion of the first stage of the transactions. Gain on disposal of FKHF of HK\$378,802,000, which was calculated as the difference between the fair value of the consideration, net of transaction costs, and the previous carrying amount of the assets and liabilities of FKHF, was recognised in profit or loss during the year ended 31st December, 2014.

During the year ended 31st December, 2016, change of present value in respect of the receivables from disposal of FKHF and the corresponding exchange difference amounting to HK\$8,335,000 (2015: HK\$7,914,000) and HK\$13,616,000 (2015: HK\$11,781,000) respectively, were recognised in other expenses and the whole amount of cash consideration receivable from disposal of a subsidiary was received during the year ended 31st December 2016.

28. 出售附屬公司

於二零一四年十月二十四日，本公司全資附屬公司Hop Fung Group Company Limited(「HFGC」)與兩名獨立第三方(「該等買方」)訂立兩份股權轉讓協議(「股權轉讓協議」)。根據股權轉讓協議，HFGC同意出售及該等買方同意各自購買HFGC全資附屬公司-鳳崗合豐紙品廠有限公司(「鳳崗合豐」)之51%及49%股權，總現金代價為人民幣380,000,000元(相當於481,173,000港元)。截至二零一四年十二月三十一日止年度期間已收取現金代價235,857,000港元，並已按公平值確認應收現金代價229,068,000港元。

股權轉讓將分兩個階段進行，並將於第一階段完成後兩年內完成。交易之第一階段(轉讓49%股權)已於二零一四年十二月二十三日完成，餘下51%權益已於二零一六年十二月二十一日轉讓。隨著簽訂該等股權轉讓協議，HFGC與該等買方訂立合約安排，限制了於第一階段完成後HFGC於鳳崗合豐之控制權。

根據該等安排(乃於同時及於經考慮彼此影響之情況下訂立)之所有條款及條件以及彼等之經濟利益，本公司董事認為兩項交易之整體商業影響為出售鳳崗合豐。此外，本集團於交易之第一階段完成後不再具有權力指示鳳崗合豐之相關業務。因此，該等交易被視為單一交易，而本集團於交易之第一階段完成日期失去對鳳崗合豐之控制權。截至二零一四年十二月三十一日止年度，出售鳳崗合豐之收益378,802,000港元(按代價之公平值減交易成本及鳳崗合豐資產及負債先前之賬面值之差額計算)已於損益確認。

截至二零一六年十二月三十一日止年度，就出售鳳崗合豐的應收款項之現值變動及相應的匯兌差額分別為8,335,000港元(二零一五年：7,914,000港元)及13,616,000港元(二零一五年：11,781,000港元)，乃確認為其他開支，而出售附屬公司之應收現金代價已於截至二零一六年十二月三十一日止年度期間全數收取。



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29. CONTINGENT LIABILITIES

The tax audits conducted by the IRD on the Company and certain of its subsidiaries in respect of the years of assessment 2004/2005 to 2010/2011 are still on-going.

The IRD had previously issued estimated/additional assessments to the Company and certain subsidiaries of the Company in June 2006, October 2006, March 2011, March 2012, March 2013, March 2014, September 2014, March 2015 and December 2015 amounting to HK\$30,441,000 in aggregate. The Group had lodged valid objections with the IRD against the relevant estimated/additional assessments.

Subsequent to the lodgement of the objections of the Group, tax payment of HK\$1,993,000 was made during the year ended 31st December, 2006. Also, banker's undertakings of HK\$3,828,000 were arranged by the Group and had been accepted by the IRD as security for the payment of the above-mentioned tax. Further, tax reserve certificates of HK\$3,499,000 in aggregate, in respect of 2005/2006 and 2007/2008 to 2010/2011, pending the outcome of the tax audits and the objections, were purchased in December 2006, June 2014, November 2014, June 2015 and March 2016.

As for the other estimated/additional assessments, the directors are of the view that the Group is more likely than not to successfully argue that the income of these subsidiaries was not sourced in Hong Kong and also these subsidiaries were not carrying on business in Hong Kong, hence, it is not probable for the Group to be required eventually to settle the taxes demanded under those assessments.

In March 2017, the IRD further issued estimated/additional assessments to the Company and certain subsidiaries of the Company in respect of year of assessment 2010/2011 demanding for tax in dispute of HK\$30,030,000 in aggregate, including an aggregate of HK\$29,700,000 in four assessments issued with the same amount of assessable profit to the Company and these subsidiaries, in the opinion of the directors, pending for ascertaining of which of them should be taxed (if any). The Group will lodge objections with the IRD against these estimated assessments in April 2017 (i.e. by the deadlines).

29. 或然負債

就二零零四年／二零零五年至二零一零年／二零一一年課稅年度而言，稅務局就本公司及其若干附屬公司之稅務審核仍在進行中。

稅務局早前於二零零六年六月、二零零六年十月、二零一一年三月、二零一二年三月、二零一三年三月、二零一四年三月、二零一四年九月、二零一五年三月及二零一五年十二月向本公司及本公司之若干附屬公司發出估計／額外評稅，稅額合共為30,441,000港元。本集團已就相關估計／額外評稅向稅務局提出有效反對。

截至二零零六年十二月三十一日止年度，本集團遞交反對書後，已支付稅項1,993,000港元。再者，本集團已安排銀行承擔3,828,000港元作為支付上述稅款之抵押，而稅務局已接受該抵押。此外，於二零零六年十二月、二零一四年六月、二零一四年十一月、二零一五年六月及二零一六年三月就二零零五年／二零零六年及二零零七年／二零零八年至二零一零年／二零一一年購買儲稅券合共3,499,000港元，以待稅務審核及提出反對之結果。

就其他估計／額外評稅而言，董事認為本集團很大可能成功證明該等附屬公司之收入並非源自香港，及該等附屬公司並無於香港經營業務，因此，本集團最終可能毋須就該等評稅繳付稅項。

於二零一七年三月，稅務局就二零一零年／二零一一年課稅年度之稅務糾紛向本公司及本公司若干附屬公司發出估計／額外評稅合共30,030,000港元，包括就本公司及該等附屬公司的相同款額應課稅溢利發出四份評稅合共29,700,000港元，董事認為，以待確認哪一間公司須予繳稅（如有）。本集團將於二零一七年四月（即最後期限前）就該等估計評稅向稅務局遞交反對書。

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29. CONTINGENT LIABILITIES (continued)

The directors consider that whilst the tax audits are still on-going, the IRD has issued the protective assessments for the years of assessment from 2004/2005 to 2010/2011 to the Group in order not to jeopardise the assessment powers of the IRD which will be time-barred after 6 years of assessment. The directors believe the Group is more likely than not to successfully pursue the offshore claims and their tax filing position, therefore it is not probable for the Group to be required eventually to settle the potential tax liabilities. Accordingly, the directors consider that no additional provision for Hong Kong Profits Tax in respect of the tax audits for the years of assessment 2004/2005 to 2010/2011 is necessary as at 31st December, 2016. However, the ultimate outcome of the tax audits is uncertain and the potential tax liability cannot be ascertained with certainty at the present stage.

30. RELATED PARTY TRANSACTIONS

The remuneration of directors, who are key management of the Group, during the year are disclosed in note 12. The remuneration of executive directors, who are also the key executives of the Group, is determined by the remuneration committee having regard to the performance of individuals and market trends.

29. 或然負債(續)

董事認為稅務審計工作仍在進行中，稅務局向本集團發出二零零四年／二零零五年至二零一零年／二零一一年課稅年度之保護性評稅是為免影響稅務局於六個評稅年度的時效後喪失其評稅權力。董事相信本集團很大可能成功獲得離岸申索及彼等的報稅情況，因而最終可能毋須償付潛在稅務負債。因此，董事認為於二零一六年十二月三十一日無需就二零零四年／二零零五年至二零一零年／二零一一年課稅年度之稅務審核為香港利得稅作出撥備。然而，董事認為，無法確定稅務審核的最終結果，而於現階段未能確定潛在稅務負債。

30. 關連人士交易

身為本集團主要管理人員之董事於年內之酬金於附註12披露。執行董事亦身兼本集團主要行政人員，彼等之酬金由薪酬委員會視乎個人表現及市場趨勢釐定。



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31. SUMMARISED STATEMENT OF FINANCIAL POSITION OF THE COMPANY

31. 本公司財務狀況表摘要

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Investment in subsidiaries	於附屬公司之投資	576,332	561,013
Amounts due from subsidiaries	應收附屬公司款項	1,435,489	1,395,621
Deposits and prepayments	按金及預付款	2,008	962
Bank balances and cash	銀行結餘及現金	21,043	4,579
Amounts due to subsidiaries	應付附屬公司款項	(1,174,640)	(1,144,936)
Other payables and accrued charges	其他應付款項及應計支出	(28,166)	(22,548)
Taxation payable	應繳稅項	(10)	(906)
		832,056	793,785
Share capital	股本	79,682	77,871
Share premium	股份溢價	481,258	470,363
Share options reserve	購股權儲備	–	7,382
Retained profits (note)	保留利潤（附註）	271,116	238,169
		832,056	793,785

Note:

附註：

Details of the movement in the Company's retained profits are set out below:

本公司保留利潤之變動詳情載列如下：

		HK\$'000 千港元
At 1st January, 2015	於二零一五年一月一日	207,293
Profit and total comprehensive income for the year	年度利潤及全面收益總額	42,486
Dividend paid	已付股息	(11,610)
At 31st December, 2015	於二零一五年十二月三十一日	238,169
Profit and total comprehensive income for the year	年度利潤及全面收益總額	44,899
Dividend paid	已付股息	(11,952)
At 31st December, 2016	於二零一六年十二月三十一日	271,116

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32. PARTICULARS OF PRINCIPAL SUBSIDIARIES 32. 主要附屬公司資料

Particulars of the principal subsidiaries as at 31st December, 2016 and 31st December, 2015 are as follows:

於二零一六年十二月三十一日及二零一五年十二月三十一日之主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立/ 營業地點	Issued and fully paid share capital/ contributed capital 已發行及繳足股本/ 實繳股本	Proportion of nominal value of issued capital/ registered capital and voting right held by the Company 本公司所持有已發行股本/ 註冊資本及投票權之面值比例		Principal activities 主要業務
			2016 %	2015 %	
Chun Yik (Macao Commercial Offshore) Limited 進益(澳門離岸商業服務)有限公司	Macau 澳門	Ordinary shares MOP100,000 普通股100,000澳門幣	100	100	Trading of corrugated packaging 瓦楞包裝貿易
Fung Kong Shing Fung Paper Ware Factory Limited 鳳崗誠豐紙品廠有限公司	Hong Kong 香港	Ordinary shares HK\$2 普通股2港元	100	100	Investment holding 投資控股
Gong Ming Hop Fung Paper Ware Factory Limited 公明合豐紙品廠有限公司	Hong Kong 香港	Ordinary shares HK\$100 普通股100港元	100	100	Provision of management service 提供管理服務
		Non-voting deferred shares HK\$3,000,000 (note) 無投票權遞延股 3,000,000港元(附註)			
Green Forest (QingXin) Paper Industrial Limited*	PRC	Contributed capital US\$112,247,803 (equivalent to approximately HK\$764,494,899)	100	100	Manufacturing and trading of containerboard and corrugated packaging 箱板紙及瓦楞包裝之製造及貿易
森葉(清新)紙業有限公司*	中國	實繳股本112,247,803美元 (約相當於764,494,899港元)			
Hop Fung Consultants Limited 合豐顧問有限公司	Hong Kong 香港	Ordinary shares HK\$2 普通股2港元	100	100	Provision of management service 提供管理服務
Hop Fung Group Company Limited	BVI/Hong Kong 英屬處女群島/香港	Ordinary shares US\$600 普通股600美元	100	100	Investment holding 投資控股
Hop Fung International Enterprise Limited 合豐國際企業有限公司	Hong Kong 香港	Ordinary shares HK\$2 普通股2港元	100	100	Provision of accounting service 提供會計服務



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32. PARTICULARS OF PRINCIPAL SUBSIDIARIES 32. 主要附屬公司資料(續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立/ 營業地點	Issued and fully paid share capital/ contributed capital 已發行及繳足股本/ 實繳股本	Proportion of nominal value of issued capital/ registered capital and voting right held by the Company 本公司所持有已發行股本/ 註冊資本及投票權之面值比例		Principal activities 主要業務
			2016 %	2015 %	
Man Shung (Macao Commercial Offshore) Limited	Macau	Ordinary shares MOP100,000	100	100	Manufacturing and trading of corrugated packaging
萬順(澳門離岸商業服務)有限公司	澳門	普通股100,000澳門幣			瓦楞包裝之製造及貿易
Top Develop Limited	BVI	Ordinary shares US\$1	100	100	Investment holding and trading of containerboard
拓展有限公司	英屬處女群島	普通股1美元			投資控股及箱板紙貿易
東莞進益紙品有限公司*	PRC	Contributed capital HK\$23,000,000	100	100	Manufacturing and trading of corrugated packaging
	中國	實繳股本 23,000,000港元			瓦楞包裝之製造及貿易
合豐紙品(深圳)有限公司*	PRC	Contributed capital HK\$25,000,000	100	100	Manufacturing and trading of corrugated packaging
	中國	實繳股本 25,000,000港元			瓦楞包裝之製造及貿易

Note: The non-voting deferred shares, which are not held by the Group, practically carry no right to dividends or to receive notice of or to attend or vote at any annual general meeting of the company. On winding up, the holders of the deferred shares are entitled to the distribution after the distribution of HK\$100,000,000 million to holders of ordinary shares, as specified in the articles of association.

Other than Hop Fung Group Company Limited, all subsidiaries are indirectly held by the Company.

None of the subsidiaries had any debt securities subsisting at 31st December, 2016 and 31st December, 2015 or at any time during the year.

* Green Forest (QingXin) Paper Industrial Limited, 東莞進益紙品有限公司 and 合豐紙品(深圳)有限公司 are wholly foreign owned enterprises.

附註：無投票權遞延股並非由本集團持有，且實際上並無附帶獲派股息、收取公司任何股東週年大會通知、出席或於會上投票之權利。於清盤時，根據公司組織章程細則規定，遞延股份持有人可於向普通股持有人分派100,000,000,000,000港元後參與分派。

除Hop Fung Group Company Limited外，其他所有附屬公司均由本公司間接持有。

於二零一六年十二月三十一日及二零一五年十二月三十一日或年內任何時間，各附屬公司均無債務證券。

* 森葉(清新)紙業有限公司、東莞進益紙品有限公司及合豐紙品(深圳)有限公司均為全資外資企業。

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32. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

The above table lists the subsidiaries of the Group which, in the opinion of directors of the Company, principally affected the results and assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. These subsidiaries are operated in Hong Kong or BVI. The principal activities of these subsidiaries are summarized as follows:

32. 主要附屬公司資料(續)

上表列出本公司董事認為對本集團業績及資產有重要影響之本集團附屬公司。董事認為，將其他附屬公司資料列出會導致篇幅過於冗長。

於報告期末，本公司擁有對本集團而言不屬重大之附屬公司。該等附屬公司於香港或英屬處女群島營運。該等附屬公司之主要業務概要如下：

Principal activities 主要業務	Principal place of business 主要營業地點	Number of subsidiaries 附屬公司數目	
		2016	2015
Investment holding 投資控股	BVI 英屬處女群島	1	1
Inactive 閒置	BVI 英屬處女群島	1	1
	Hong Kong 香港	2	2
		3	3
		4	4



FINANCIAL SUMMARY

財務概要

Year ended 31st December, 截至十二月三十一日止年度

		2012 HK\$'000 千港元	2013 HK\$'000 千港元	2014 HK\$'000 千港元	2015 HK\$'000 千港元	2016 HK\$'000 千港元
RESULTS	業績					
Revenue	收益	1,051,097	1,026,623	1,097,102	1,066,541	1,179,444
Cost of sales	銷售成本	(880,542)	(853,037)	(913,496)	(853,879)	(911,748)
Gross profit	毛利	170,555	173,586	183,606	212,662	267,696
Other income	其他收入	11,556	12,666	15,888	13,319	14,710
Selling and distribution costs	銷售及分銷成本	(55,714)	(60,423)	(63,522)	(61,400)	(67,590)
Administrative expenses	行政開支	(68,878)	(71,602)	(75,178)	(88,619)	(97,243)
Other expenses	其他開支	(23,717)	(23,735)	(24,707)	(23,170)	(24,571)
Finance costs	財務成本	(25,412)	(24,737)	(21,499)	(10,698)	(5,045)
Changes in fair value of derivative financial instruments	衍生金融工具 公平值之變動	18,444	4,329	147	323	—
Gain on disposal of a subsidiary	出售附屬公司 之收益	—	—	378,802	—	—
Profit before taxation	稅前利潤	26,834	10,084	393,537	42,417	87,957
Income tax expense	所得稅開支	(6,245)	(4,186)	(4,365)	(6,129)	(11,570)
Profit for the year, attributable to owners of the Company	本公司擁有人 應佔年度利潤	20,589	5,898	389,172	36,288	76,387

At 31st December, 於十二月三十一日

		2012 HK\$'000 千港元	2013 HK\$'000 千港元	2014 HK\$'000 千港元	2015 HK\$'000 千港元	2016 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債					
Total assets	總資產	2,044,395	2,024,335	2,335,806	1,943,015	2,089,280
Total liabilities	總負債	(929,988)	(874,537)	(801,357)	(462,677)	(632,535)
Total equity attributable to owners of the Company	本公司擁有人 應佔權益總額	1,114,407	1,149,798	1,534,449	1,480,338	1,456,745



HOP FUNG GROUP

合豐集團控股有限公司
HOP FUNG GROUP HOLDINGS LIMITED