



Perfect Optronics Limited 圓美光電有限公司

(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 : 8311

2017

Annual Report

年報

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BOARD OF DIRECTORS

Executive Directors

Mr. Cheng Wai Tak
(Chairman & Chief Executive Officer)
Mr. Liu Ka Wing
Mr. Tse Ka Wing

Independent non-executive Directors

Mr. Wong Yik Chung John
Mr. Wong Chi Chiu
Mr. Li Shui Yan

BOARD COMMITTEES

Audit Committee

Mr. Wong Yik Chung John (Chairman)
Mr. Wong Chi Chiu
Mr. Li Shui Yan

Remuneration Committee

Mr. Wong Chi Chiu (Chairman)
Mr. Cheng Wai Tak
Mr. Wong Yik Chung John

Nomination Committee

Mr. Cheng Wai Tak (Chairman)
Mr. Wong Yik Chung John
Mr. Li Shui Yan

COMPANY SECRETARY

Mr. Tse Ka Wing

COMPLIANCE OFFICER

Mr. Liu Ka Wing

AUTHORISED REPRESENTATIVES

Mr. Cheng Wai Tak
Mr. Tse Ka Wing

AUDITOR

PricewaterhouseCoopers

董事會

執行董事

鄭偉德先生
(主席及行政總裁)
廖嘉榮先生
謝家榮先生

獨立非執行董事

黃翼忠先生
黃智超先生
李瑞恩先生

董事會委員會

審核委員會

黃翼忠先生(主席)
黃智超先生
李瑞恩先生

薪酬委員會

黃智超先生(主席)
鄭偉德先生
黃翼忠先生

提名委員會

鄭偉德先生(主席)
黃翼忠先生
李瑞恩先生

公司秘書

謝家榮先生

監察主任

廖嘉榮先生

授權代表

鄭偉德先生
謝家榮先生

核數師

羅兵咸永道會計師事務所

REGISTERED OFFICE

Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

註冊辦事處

Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Flat 903, 9/F
New Lee Wah Centre
No. 88 Tokwawan Road
Tokwawan, Kowloon
Hong Kong

總部及香港主要營業地點

香港
九龍土瓜灣
土瓜灣道88號
新利華中心
9樓903室

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Trust (Cayman) Limited
Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

股份過戶登記總處

Estera Trust (Cayman) Limited
Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

PRINCIPAL BANKERS

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

主要往來銀行

中國銀行(香港)有限公司
香港上海滙豐銀行有限公司

STOCK CODE

8311

股份代號

8311

COMPANY WEBSITE

www.perfect-optronics.com

公司網站

www.perfect-optronics.com

Chairman's Statement

主席報告

On behalf of the Board, I present the annual results of Perfect Optronics Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2017 (the "Year") to all shareholders.

REVIEW OF OPERATING RESULTS

During the Year, China mobile phone market has been experiencing a saturation. In 2017, China's domestic mobile phone shipments reached 491.1 million units and the number of new model release reached 1,054, down 12.3% and 27.1% year-over-year, respectively. The Group struggled through a difficult time in 2017. The Group's revenue for the Year amounted to approximately HK\$371.5 million, representing a decrease of 68% as compared with 2016. The Group recorded a consolidated loss attributable to equity holders of the Company for the Year of approximately HK\$98.3 million (2016: profit of approximately HK\$90.7 million, excluding the non-recurring items of gain on disposal of subsidiaries of approximately HK\$26.5 million and gain on profit guarantee of approximately HK\$21.2 million in 2016, profit for 2016 amounted to approximately HK\$43.0 million).

The Group faced fierce market competition. China domestic display panel manufacturers, supported by government policies, possessed an apparent advantage of price over the market. Further leverage with their improving technologies, market share taken up by China domestic display panel manufacturers continues to increase, which rapidly affected the Group's display panel business, which mainly supplies imported goods. In addition, the Company understood that one of the Group's major suppliers increased its direct supply of display modules to mobile phone manufacturers in China, which further affected the Group's revenue during the Year.

Market demand on traditional 16:9 aspect ratio display panel was declined while the new 18:9 display panel was introduced in 2017, which caused a great impact to the performance of the Group during the Year. Both sales volume and selling price of traditional 16:9 display panels dropped significantly. The significant drop in revenue, together with inventories provision and provision for onerous contract made in respect of the drop in market price of display panels, led to the significant loss of the Group during the Year.

本人謹此代表董事會向各股東提呈圓美光電有限公司(「本公司」)及其附屬公司(「本集團」)截至二零一七年十二月三十一日止年度(「本年度」)的全年業績。

經營業績回顧

於本年度，中國手機市場經歷飽和。於二零一七年，中國國內手機的付運量達491,100,000部，而新機型發行量則達1,054款，分別按年下跌12.3%及27.1%。本集團於艱難的二零一七年中拼搏。本年度本集團的收入約為371,500,000港元，較二零一六年減少68%。本集團錄得本年度本公司權益持有人應佔綜合虧損約98,300,000港元(二零一六年：利潤約90,700,000港元，不包括二零一六年的非經常性項目：出售附屬公司收益約26,500,000港元及溢利保證收益約21,200,000港元，二零一六年的利潤約為43,000,000港元)。

本集團面對激烈的市場競爭。中國國內顯示面板製造商得到政府政策的支持，在市場上擁有顯著的價格優勢。進一步借助其日臻完善的技術，中國國內顯示面板製造商佔據的市場份額繼續增加，並迅速波及本集團主要供應進口貨品的顯示面板業務。此外，本公司知悉本集團其中一家主要供應商增加其向中國手機製造商的顯示模組直接供應量，進一步影響本集團於本年度的收入。

隨著18:9新顯示面板於二零一七年面世，市場對傳統16:9長寬比顯示面板的需求逐漸減少，對本集團於本年度的表現造成極大影響。傳統16:9顯示面板不論在銷量抑或售價均大幅下跌。收入大幅下降，加上因應顯示面板市價下跌而計提存貨撥備，並就虧損性合約作撥備，導致本集團於本年度錄得重大虧損。

During the Year, the Group continued its business in the applied optics-related products market by promoting its self-developed virtual reality ("VR") entertainment headset and automotive head up display device, and trading optics products components. However, this market needs a longer time on product content innovation to boost up.

In order to explore more potential business opportunities, in 2017, the Group invested approximately HK\$2.6 million (representing 3.33% equity interest) in a Taiwan company which is principally engaged in the business of the separator, a key component in lithium battery, in research and development, manufacturing and sale aspects. As lithium battery is widely applied in different areas such as portable electronics, vehicles, medical devices etc., the Group expects that the investment will bring a good opportunity in the long run.

For the investment in Mobvoi Inc. ("Mobvoi") that the Group invested in early 2015, Volkswagen AG ("Volkswagen") completed another round of new preferred shares subscription of Mobvoi in March 2017 to develop and expand into the market of automotive related devices and systems. Such a subscription by Volkswagen encouraged a promised future development of Mobvoi. The Group expects sound potential opportunities from this investment.

OUTLOOK

With the increasing market competition and saturated market demand, the mobile phone display components market is expected to become more challenging. To face the market challenges, the Group will diversify its products, exploring new customers and suppliers from different locations, to widen its revenue base and reduce the reliance on mobile phone display products.

於本年度，本集團繼續透過推廣其自家研發的虛擬實境(「虛擬實境」)娛樂頭盔和車用抬頭型顯示器，及買賣光學產品部件繼續其於應用光學產品市場的業務。然而，該市場需要在產品內容創新方面投放更長時間方能刺激銷量。

為了發掘更多潛在商機，本集團於二零一七年對一間主要從事研發、製造及銷售隔離膜(為鋰電池的主要部分)業務的台灣公司投資約2,600,000港元(相當於3.33%股權)。由於鋰電池廣泛應用於便攜式電子設備、汽車、醫療儀器等不同範疇，本集團預期是次投資長遠將帶來良好的機遇。

至於本集團於二零一五年初對Mobvoi Inc. (「Mobvoi」)作出的投資，Volkswagen AG (「Volkswagen」)在二零一七年三月已完成Mobvoi另一輪新優先股認購，以發展及擴展至汽車相關設備及系統市場。Volkswagen的是次認購助長了Mobvoi明朗的發展前景。本集團預計該投資將帶來大量潛在機遇。

展望

隨著市場競爭愈演愈烈以及市場需求日益飽和，手機顯示組件市場預期將更具挑戰性。為應對市場挑戰，本集團將多元化發展其產品、探索不同區域的新客戶和供應商，以擴闊其收入基礎及降低對手機顯示產品的依賴。

APPRECIATION

I, on behalf of the Board, would like to present my cordial gratitude to our shareholders, business partners and customers for their support and trust over the years. I am also highly appreciated the contribution and dedication of our professional management and staff members.

Cheng Wai Tak
Chairman
Perfect Optronics Limited

Hong Kong
22 March 2018

致謝

本人謹此代表董事會衷心感謝股東、業務夥伴及客戶多年來的支持及信賴。本人亦非常感激我們專業管理層和全體員工所作的貢獻和付出。

鄭偉德
主席
圓美光電有限公司

香港
二零一八年三月二十二日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW AND PROSPECTS

Business Review

The Group is principally engaged in the trading of display components for electronics, many of which are applied on mobile phones. In addition, it is also engaged in the development and sale of optics products and related electronic components. The Group also processes some of the products which it trades.

Under the increasing challenges of the business environment for the sales of mobile phone display components, the Group recorded a significant decrease in revenue and incurred significant loss during the year ended 31 December 2017. During the year, the Group's revenue amounted to approximately HK\$371,518,000, down by approximately 68% as compared to previous year (2016: HK\$1,149,998,000). Affected by the significant drop in revenue, the Group recorded a consolidated loss attributable to equity holders of the Company during the year ended 31 December 2017, which amounted to approximately HK\$98,329,000, as compared with the consolidated profit attributable to equity holders of the Company of approximately HK\$90,729,000 for the year ended 31 December 2016 (excluding the non-recurring items of gain on disposal of subsidiaries of approximately HK\$26,481,000 and gain on profit guarantee of approximately HK\$21,238,000 in 2016, profit for 2016 amounted to approximately HK\$43,010,000).

Display products segment

The Group recorded a revenue of approximately HK\$354,739,000 from its display products segment during 2017, down by approximately 68% as compared with approximately HK\$1,123,950,000 in 2016. Sales of thin film transistor liquid crystal display ("TFT-LCD") panels and modules showed a drop of 69% and amounted to approximately HK\$330,304,000 in 2017 (2016: HK\$1,051,095,000). Driver integrated circuits and polarisers recorded revenue of approximately HK\$11,400,000 (2016: HK\$58,032,000) and HK\$5,896,000 (2016: HK\$7,871,000), respectively.

業務回顧及前景

業務回顧

本集團主要經營電子產品顯示組件的貿易，大部分應用於手機。此外，本集團亦從事光學產品及相關電子部件的開發及銷售。本集團亦為其買賣的部分產品進行加工。

銷售手機顯示部件的營商環境挑戰越來越大，在此環境下，本集團於截至二零一七年十二月三十一日止年度錄得收入大幅減少並產生重大虧損。於本年度，本集團收入約為371,518,000港元，較去年下降約68%（二零一六年：1,149,998,000港元）。受收入大幅下降的影響，截至二零一七年十二月三十一日止年度，本集團錄得本公司權益持有人應佔綜合虧損約98,329,000港元，而截至二零一六年十二月三十一日止年度本公司權益持有人應佔綜合利潤約為90,729,000港元（不包括二零一六年的非經常性項目：出售附屬公司收益約26,481,000港元及溢利保證收益約21,238,000港元，二零一六年利潤約為43,010,000港元）。

顯示產品分部

於二零一七年，本集團顯示產品分部錄得收入約354,739,000港元，較二零一六年的約1,123,950,000港元下降約68%。於二零一七年，薄膜電晶體液體顯示（「TFT-LCD」）面板及模組的銷售額下降69%，約為330,304,000港元（二零一六年：1,051,095,000港元）。驅動器集成電路及偏光板分別錄得收入約11,400,000港元（二零一六年：58,032,000港元）及5,896,000港元（二零一六年：7,871,000港元）。

The revenue drop in this segment was mainly due to the fierce competition in the market and the changes in specification of smartphone display panels during the year. As driven by government policy support and technological improvement, domestic China display panel manufacturers continued to increase their market share in the mobile phone display panels market. Market advantages in both product superiority and pricing of imported display panels began to decrease which affected the Group's display panel business which mainly supplies imported products.

According to the report published by China Academy of Information and Communications Technology, in 2017, China's domestic mobile phone shipments reached 491.1 million units and the number of new model release reached 1,054, down 12.3% and 27.1% year-over-year, respectively. It indicated that the period of flourishing mobile phone brands in mainland China had passed and the market share had been concentrated to several major brands. The decrease in scattered non-mainstream or second-tier mobile phones manufacturers in the market affected the supply chain which the Group is involved. In addition, bargaining power of major brands mobile phone manufacturers towards panel manufacturers continue to increase. The Company understood that one of the Group's major suppliers increased its direct supply of display modules to major brand mobile phone manufacturers in China, which further affected the Group's revenue.

Another factor which contributed to the Group's sluggish performance was that the introduction of new 18:9 aspect ratio display panels to smartphone market during the year has weakened the demand of traditional 16:9 display panels. Sales volume of traditional 16:9 display panels dropped rapidly. As worsened by the price war in the market happened during the year, prices of traditional 16:9 display panels dropped significantly during the year. These seriously affected the Group's financial performance during the year. Due to the rapid price drop in the market, the Group made a provision of obsolete inventories of approximately HK\$37,609,000 (2016: HK\$14,390,000) during the year. Meanwhile, provision for onerous contract of approximately HK\$10,530,000 was made for certain non-cancellable 16:9 display panels purchase orders of which the expected selling price of the relevant display panels as at end of year 2017 was lower than the committed purchase price. Such amounts were included in the cost of sales of the Group's consolidated income statement for the year ended 31 December 2017, which contributed to the gross loss of the Group during the year.

本年度，該分部收入下滑主要由於市場競爭激烈及智能手機顯示面板規格有變。在政府政策支持及科技進步的推動下，中國國內顯示面板製造商繼續增加其於手機顯示面板市場的市場份額。進口顯示面板在產品優越及定價兩方面的市場優勢開始下降，影響了本集團的顯示面板業務（主要供應進口產品）。

根據中國信息通信研究院發表的報告，於二零一七年，中國國內手機市場出貨量達4.911億部，上市新機型達1,054款，同比分別下降12.3%和27.1%。這顯示中國內地手機品牌百花齊放的時期已過，市場份額集中於少數大品牌。市場上分散的非主流或二線手機製造商減少，對本集團參與其中的供應鏈造成影響。此外，大品牌手機製造商對面板製造商的影響力繼續增大。本公司知悉本集團其中一家主要供應商增加其向中國主要品牌手機製造商的顯示模組直接供應量，進一步影響本集團的收入。

本集團表現低迷的另一原因為年內智能手機市場推出新的屏幕比例18:9的顯示面板削弱傳統16:9顯示面板的需求。傳統16:9顯示面板銷量急速下滑。加上年內市場上發生的價格戰爭，傳統16:9顯示面板的價格於本年度大幅下降。該等因素嚴重影響本集團於本年度的財務表現。由於市場價格急速下跌，本集團已於本年度計提陳舊存貨撥備約37,609,000港元（二零一六年：14,390,000港元）。同時，由於二零一七年年末相關顯示面板的預期售價低於承諾的採購價，已就若干不可撤銷的16:9顯示面板採購訂單作虧損性合約撥備約10,530,000港元。該等金額已計入本集團截至二零一七年十二月三十一日止年度綜合收益表之銷售成本內，驅使本集團於本年度出現毛損。

Optics products segment

In 2017, the Group continued to promote its self-developed automotive head-up display devices and virtual reality (“VR”) entertainment headsets, as well as trading optics products components. However, the market is expected to take longer time for content development and technical support to become more mature which dragged down its performance during the year. Although the optics products segment still recorded profit in 2017, the Group’s optics products segment revenue amounted to approximately HK\$16,779,000 in 2017, represented a 36% decrease as compared with segment revenue of approximately HK\$26,048,000 in 2016.

Investment

To explore potential business opportunities, the Group made a new investment in 2017. In May 2017, the Group invested in a private company in Taiwan at approximately HK\$2,606,000, representing approximately 3.33% of the shareholding of the investee company. The investee company is principally engaged in the research and development, manufacture and sale of the separator, which is a key component in the lithium battery. The high demand for lithium batteries in different industries such as portable electronics, electric vehicles, medical devices etc. is estimated to lead to the market growth. This investment is expected to facilitate appropriate business opportunities or cooperation to the Group.

光學產品分部

於二零一七年，本集團繼續推廣其自家研發的車用抬頭型顯示器設備及虛擬實境（「虛擬實境」）娛樂頭盔及買賣光學產品部件。然而，市場預計需要更多時間方能讓內容發展及技術支援變得更為成熟，拖累其於年內的表現。雖然光學產品分部於二零一七年仍然錄得溢利，惟本集團於二零一七年的光學產品分部收入約16,779,000港元，較於二零一六年的分部收入約26,048,000港元減少36%。

投資

為發掘潛在商機，本集團於二零一七年作出一項全新投資。於二零一七年五月，本集團對台灣一間私人公司投資約2,606,000港元，相當於被投資公司約3.33%的股權。該被投資公司主要從事研發、製造及銷售隔離膜（為鋰電池的主要部分）。便攜式電子產品、電動汽車、醫療設備等各行各業對鋰電池的需求高企，估計將帶動市場增長。該投資預期將為本集團促成適當商機或合作。

The Group subscribed for certain preferred shares of Mobvoi Inc. (“Mobvoi”) in early 2015. Mobvoi is a private company principally engaged in the business of developing and providing voice search systems on mobile, smart wearable and other devices. The Group’s investment in Mobvoi is classified as available-for-sale financial asset and is carried at fair value on the Group’s consolidated statement of financial position. No dividend has been received by the Group from Mobvoi since its investment. In March 2017, Volkswagen AG (“Volkswagen”) (through its affiliate) subscribed for another round of new preferred shares of Mobvoi and the Group’s shareholding proportion in Mobvoi was diluted to approximately 1.53% (on a fully diluted and as converted basis). The latest investment by Volkswagen enabled Mobvoi to obtain capital for developing new products and expanding into the market of automotive related devices and systems, by forming a joint venture in the People’s Republic of China (the “PRC”) on artificial intelligence car-sharing and on-demand and ride-sharing transportation services business with an affiliate of Volkswagen. The fair value of the Group’s investment in Mobvoi increased following the investment by Volkswagen. To date, Mobvoi has raised several rounds of funding, led by firms including SIG, Sequoia Capital, Zhenfund, Google and Volkswagen. Current consumer products launched by Mobvoi included its self-developed Android wear watches and portable smart speakers with virtual assistant built-in. Through its creation of critically acclaimed consumer products in wearables, automobile and home product categories, Mobvoi’s rich accumulation of experience in the application of Artificial Intelligence has in turn driven continued innovation in its core voice-based technologies. The Group expects potential opportunities from this investment in the long run.

在二零一五年年初，本集團認購Mobvoi Inc. (「Mobvoi」)若干優先股。Mobvoi為私人公司，主要從事開發及提供手機、智能穿戴式設備及其他設備之語音搜索系統業務。本集團在Mobvoi的投資歸類為可供出售金融資產，並於本集團綜合財務狀況表以公允價值入賬。自本集團作出相關投資起，本集團並無從Mobvoi收到任何股息。於二零一七年三月，Volkswagen AG (「Volkswagen」)(透過其聯屬公司)認購Mobvoi另一輪新優先股，本集團持有之Mobvoi股權比例攤薄至約1.53%(按全面攤薄及已轉換基準)。Volkswagen的最近期投資可讓Mobvoi獲得開發新產品之資金，以及藉與Volkswagen之聯屬公司就人工智能汽車共享及自選及共乘運輸服務業務在中華人民共和國(「中國」)成立合營公司，而擴展至汽車相關設備及系統市場。因此，在Volkswagen的投資後，本集團在Mobvoi的投資的公允價值有所增加。Mobvoi迄今已籌辦若干輪集資，參與公司包括SIG、Sequoia Capital、Zhenfund、Google及Volkswagen。目前由Mobvoi推出的消費產品包括其自家研發的Android穿戴式手錶及附有內置虛擬助理便攜式智能喇叭。透過創造出備受好評的穿戴式設備、汽車及家居產品類別消費品，Mobvoi在人工智能應用方面累積了豐富經驗，從而推動其核心語音技術不斷創新。本集團預期該投資長遠將帶來潛在機遇。

Prospects

The display products market is expected to become more challenging in the coming years, the Group will make more efforts to improve the revenue performance by executing flexible market strategies.

Display products segment is expected to remain as the Group's core business and the Group will take effective strategies to face the market challenges. In order to widen its revenue base and minimise the impact of the difficult situation of the mobile phone display components market, the Group has begun to expand its business channels to various display products, such as display modules for computer notebooks, monitors, as well as televisions. The Group will dedicate to enhance the product diversity, widen customer base and introduce new suppliers to turnaround.

For optics products segment, despite the fact that the markets for augmented reality ("AR") and VR are not yet mature, according to an international research firm, the market size of the global AR/VR market is expected to surge to approximate US\$215 billion until 2021, compared to US\$9.4 billion in 2017. The Group is optimistic towards the market development in the long run.

Meanwhile, the Group will maintain a flexible business strategy to explore new business opportunities for the development of the Group.

前景

放眼未來，預期顯示產品市場將更具挑戰。本集團將投入更多精力執行靈活市場策略以提升收入表現。

預期顯示產品分部仍是本集團核心業務，本集團將採取有效策略應對市場挑戰。為擴闊其收入基礎及盡量減輕手機顯示部件市場艱難環境的衝擊，本集團經已著手擴展其業務渠道至多類顯示產品，例如手提電腦、顯示器及電視的顯示模組。本集團將致力於提高產品多樣性、擴大客戶基礎及引進新供應商，力求轉虧為盈。

就光學產品分部而言，雖然擴展實境（「擴展實境」）及虛擬實境市場尚未發展成熟，惟根據一間國際研究公司，全球擴展實境／虛擬實境市場的市場規模預期將由二零一七年的94億美元急增至二零二一年約2,150億美元。本集團對於長遠市場發展持樂觀態度。

與此同時，本集團將維持靈活的業務策略，為本集團發展探索新商機。

PRINCIPAL RISKS AND UNCERTAINTIES

主要風險及不確定因素

Global economic condition

A slowdown in the global economy, including the PRC economic climate, which has been one of the major markets for display products, would affect the results of the Group. A decrease in market demand may put significant downward pressure on the average selling prices. Reduced corporate and commercial activities also has a negative impact on the demand for and prices of the Group's products. If the economy continues to grow at a slower rate, or experiences a prolonged recession, the Group's business and results of operations will be adversely affected.

全球經濟狀況

全球經濟放緩(包括中國經濟環境, 此乃其中一個顯示產品主要市場)將影響本集團業績。市場需求下跌可能令平均售價受到巨大下行壓力。企業及商業活動減少亦對本集團產品的需求及價格造成不利影響。倘經濟增長率繼續緩慢或持續蕭條, 本集團的業務及經營業績將受到不利影響。

Inventory risk

The Group places orders with its suppliers based on the Group's forecast of future procurement, customers' intentions and indicated orders, customers' recent purchase orders and the Group's inventory levels. Any unanticipated drop in sales could cause the Group's inventories to accumulate. As technology evolves quickly, the Group's inventories may become obsolete and may adversely affect the Group's financial position and results of operations.

存貨風險

本集團根據未來採購預測、客戶意向及指示訂單、客戶近期採購訂單及現有存貨銷售水平而向供應商下達訂單。超出預期的銷售下跌或會導致存貨累積。由於科技瞬息萬變, 本集團的存貨可能會過時及可能會對本集團的財務狀況和經營業績構成不利影響。

Prices fluctuation risk

Product trends, industry trends and other factors beyond the Group's control may cause fluctuations in selling prices and raw material prices, which could have a drastic and adverse effect on the Group's gross profit and net profit.

價格波動風險

產品趨勢、行業趨勢及其他本集團無法控制的因素可以導致銷售價格及原材料價格波動, 繼而可能會對本集團的毛利及淨利潤造成嚴重及不利的影響。

Financial risks

The Group's activities expose to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. Details of which are set out in Note 3 to the consolidated financial statements.

財務風險

本集團的業務承受各種財務風險: 市場風險(包括外匯風險及現金流量, 公允價值利率風險及價格風險)、信貸風險及流動資金風險。詳情載於綜合財務報表附註3。

FINANCIAL REVIEW

The following discussion should be read in conjunction with the Group's financial statements and its notes, which are included in this report.

Revenue

Total revenue of the Group for the year ended 31 December 2017 amounted to approximately HK\$371,518,000, decreased by approximately 68% as compared to approximately HK\$1,149,998,000 in 2016. Decrease in total revenue was mainly attributable to the significant decrease in revenue from the Group's sales of display products, including TFT-LCD panels and modules, driver integrated circuits and polarisers.

Cost of sales

Cost of sales during the year mainly consisted of purchase costs, processing and subcontracting charges, scrap loss, provision for obsolete inventories, provision for onerous contracts and other direct costs. Except for provision for obsolete inventories and provision for onerous contract which amounted to approximately HK\$37,609,000 (2016: HK\$14,390,000) and HK\$10,530,000 (2016: Nil) respectively, during the year ended 31 December 2017, associated with the decrease in revenue, purchase costs, processing and subcontracting charges, scrap loss and other direct costs decreased during the year ended 31 December 2017. Total cost of sales for the year ended 31 December 2017 amounted to approximately HK\$425,311,000, decreased by approximately 59% as compared to approximately HK\$1,037,263,000 in 2016.

Gross loss/profit

Gross loss amounted to approximately HK\$53,793,000 was recorded for the year ended 31 December 2017 as compared with gross profit of approximately HK\$112,735,000 for the year ended 31 December 2016. The significant drop in the Group's revenue and market prices of the Group's major products during the year and provision of obsolete inventories of approximately HK\$37,609,000 and provision for onerous contract of approximately HK\$10,530,000 charged to the Group's consolidated cost of sales led to the gross loss during the year ended 31 December 2017.

財務回顧

以下討論應與載於本報告的本集團財務報表及其附註一併閱讀。

收入

截至二零一七年十二月三十一日止年度，本集團的總收入約為371,518,000港元，較二零一六年的約1,149,998,000港元下跌約68%。總收入下跌，主要由於本集團顯示產品包括TFT-LCD面板及模組、驅動器集成電路及偏光板的銷售收入大幅減少所致。

銷售成本

本年度的銷售成本主要包括採購成本、加工及外包費用、廢料損失、陳舊存貨撥備、虧損性合約撥備及其他直接成本。除截至二零一七年十二月三十一日止年度的陳舊存貨撥備約37,609,000港元(二零一六年：14,390,000港元)及虧損性合約撥備10,530,000港元(二零一六年：無)外，截至二零一七年十二月三十一日止年度，採購成本、加工及外包費用、廢料及其他直接成本因收入減少而有所下跌。截至二零一七年十二月三十一日止年度，總銷售成本較二零一六年的約1,037,263,000港元下跌約59%至約425,311,000港元。

毛損／利

截至二零一七年十二月三十一日止年度錄得約53,793,000港元的毛損，而截至二零一六年十二月三十一日止年度錄得毛利約112,735,000港元。本集團在本年度收入及本集團主要產品的市價大幅下滑；及為陳舊存貨作出約37,609,000港元的撥備及為虧損性合約撥備約10,530,000港元，兩者已計入本集團的綜合銷售成本中，繼而導致截至二零一七年十二月三十一日止年度錄得毛損。

Other losses/gains, net

Net other losses of approximately HK\$47,000 (2016: net gains of HK\$47,067,000) was recorded during the year ended 31 December 2017. The net other losses for the year ended 31 December 2017 mainly comprised exchange losses, while the net other gains for the year ended 31 December 2016 included the gain on disposal of subsidiaries of approximately HK\$26,481,000, gain on profit guarantee of approximately HK\$21,238,000, after deducting exchange losses incurred.

Distribution and selling expenses

The Group's distribution and selling expenses for the year ended 31 December 2017 amounted to approximately HK\$11,939,000, representing an approximately 28% decrease as compared to approximately HK\$16,636,000 in 2016. The decrease was mainly due to the decrease in staff costs attributable to decrease in headcount and the reduced sales activities during the year ended 31 December 2017.

General and administrative expenses

The Group's general and administrative expenses decreased by approximately 23% from approximately HK\$37,729,000 in 2016 to approximately HK\$28,973,000 in 2017. The decrease was mainly attributable to the decrease in staff costs, bank charges and professional fees during the year ended 31 December 2017. More professional fees, including compliance adviser fee and expenses related to the application for transfer of listing of the Company's shares from GEM to Main Board of the Stock Exchange, were incurred in 2016.

Research and development expenses

The Group's research and development ("R&D") expenses amounted to approximately HK\$2,565,000 in 2017, representing an approximately 61% decrease as compared with 2016 of approximately HK\$6,559,000. The decrease was mainly due to the disposal in late 2016 of a subsidiary, Shinyoptics Corporation, which incurred much R&D expenses.

其他虧損／收益淨額

截至二零一七年十二月三十一日止年度錄得其他虧損淨額約47,000港元(二零一六年：收益淨額為47,067,000港元)。截至二零一七年十二月三十一日止年度的其他虧損淨額主要包括匯兌虧損，而截至二零一六年十二月三十一日止年度的其他收益淨額包括出售附屬公司收益約26,481,000港元、溢利保證收益約21,238,000港元，扣除所產生的匯兌虧損。

分銷及銷售開支

截至二零一七年十二月三十一日止年度，本集團的分銷及銷售開支約11,939,000港元，即較二零一六年約16,636,000港元減少約28%。減幅乃主要由於截至二零一七年十二月三十一日止年度人手減少，令員工成本下降及銷售活動減少所致。

一般及行政開支

本集團於二零一七年的一般及行政開支由二零一六年約37,729,000港元減少約23%，至二零一七年約28,973,000港元。減幅主要由於截至二零一七年十二月三十一日止年度的員工成本、銀行費用及專業費用減少所致。更多專業費用(包括合規顧問費用及涉及申請本公司股份由GEM轉移至主板上市的費用)於二零一六年產生。

研究及開發開支

於二零一七年，本集團研究及開發(「研發」)成本約為2,565,000港元，較二零一六年的約6,559,000港元減少約61%。研發開支減少乃主要由於在二零一六年年末時，出售產生大額研發開支的一間附屬公司尚立光電股份有限公司。

Finance costs, net

The Group's finance costs for the year ended 31 December 2017 mainly represented factoring charges. Net finance costs of approximately HK\$434,000 was recorded in 2017, representing a decrease of approximately 68% as compared with 2016 of approximately HK\$1,348,000, mainly due to the decrease in factoring charges attributable to the decrease in sales and decrease in interest income during the year.

Income tax expense

Income tax expense of the Group during the year ended 31 December 2017 mainly represented income tax incurred in Hong Kong. As the Group incurred loss in 2017, income tax expense decreased significantly as compared with 2016.

Loss/profit attributable to equity holders of the Company

Loss attributable to equity holders of the Company for the year ended 31 December 2017 amounted to approximately HK\$98,329,000, as compared with profit of approximately HK\$90,729,000 for the year ended 31 December 2016. It was mainly due to the significant decrease in the Group's revenue, provision for obsolete inventories and provision for onerous contract made in 2017. Moreover, profit attributable to equity holders of the Company for the year ended 31 December 2016 included the non-recurring items of gain on disposal of subsidiaries of approximately HK\$26,481,000 and gain on profit guarantee of approximately HK\$21,238,000.

Other comprehensive income — change in value of available-for-sale financial assets

Change in value of available-for-sale financial assets during the year ended 31 December 2017 amounted to approximately HK\$22,670,000, mainly attributable to the increase in fair value of the Group's unlisted equity investment in Mobvoi in 2017.

財務費用淨額

本集團截至二零一七年十二月三十一日止年度的財務費用主要為保理費用。二零一七年的財務費用淨額錄得約434,000港元，較二零一六年約1,348,000港元減少約68%，主要由於年內銷售下降導致保理費減少及利息收入減少所致。

所得稅費用

本集團於截至二零一七年十二月三十一日止年度的所得稅費用主要為於香港產生的所得稅。由於本集團於二零一七年產生虧損，故所得稅費用較二零一六年大幅減少。

本公司權益持有人應佔虧損／利潤

截至二零一七年十二月三十一日止年度，本公司權益持有人應佔虧損約98,329,000港元；而截至二零一六年十二月三十一日止年度則為利潤約90,729,000港元。此乃主要由於本集團於二零一七年收入大幅減少，並且作出陳舊存貨撥備及虧損性合約撥備。此外，截至二零一六年十二月三十一日止年度，本公司權益持有人應佔利潤包括出售附屬公司收益約26,481,000港元以及溢利保證收益約21,238,000港元之非經常性項目。

其他全面收益 — 可供出售金融資產之價值變動

截至二零一七年十二月三十一日止年度可供出售金融資產之價值變動約22,670,000港元，主要因本集團持有的Mobvoi非上市股權投資的公允價值於二零一七年增加所致。

FINANCIAL KEY PERFORMANCE INDICATORS

主要財務表現指標

The financial key performance indicators are analysed as follows: 主要財務表現指標分析如下：

		Year ended 31 December 截至十二月三十一日止年度			
		Note	2017	2016	Percentage change
		附註	二零一七年 HK\$'000 千港元	二零一六年 HK\$'000 千港元	Increase/ (decrease) 百分比變動 增加/(減少)
FINANCIAL PERFORMANCE	財務表現				
Revenue	收入		371,518	1,149,998	(68)%
Gross profit margin (%)	毛利率(%)	(i)	N/A 不適用	9.8%	N/A 不適用
(Loss)/earnings before interest, income tax, depreciation and amortisation ("EBITDA")	除利息、所得稅、折舊及攤銷前(虧損)/收益(「EBITDA」)	(ii)	(95,461)	53,803	N/A 不適用
EBITDA margin (%)	EBITDA率(%)	(i), (iii)	N/A 不適用	4.7%	N/A 不適用
(Loss)/profit for the year	年度(虧損)/利潤		(98,329)	88,335	N/A 不適用
(Loss)/profit attributable to equity holders of the Company	本公司權益持有人應佔(虧損)/利潤		(98,329)	90,729	N/A 不適用
Return on total assets (%)	總資產回報率(%)	(iv)	-33.0%	17.6%	N/A 不適用
Return on shareholders' equity (%)	股東權益回報率(%)	(v)	-37.8%	25.9%	N/A 不適用
Basic (loss)/earnings per share (HK cents)	每股基本(虧損)/盈利(港仙)		HK(6.63) cents (6.63)港仙	HK6.12 cents 6.12港仙	N/A 不適用

Management Discussion and Analysis

管理層討論及分析

		As at 31 December 於十二月三十一日		
	Note	2017	2016	Percentage change
	附註	二零一七年 HK\$'000 千港元	二零一六年 HK\$'000 千港元	Increase/ (decrease) 百分比變動 增加/(減少)
KEY FINANCIAL INDICATORS	主要財務指標			
Cash and cash equivalents	現金及現金等價物	88,025	174,126	(49)%
Net current assets	流動資產淨額	197,031	312,110	(37)%
Total assets	資產總額	298,353	502,122	(41)%
Bank borrowings	銀行借款	—	—	—
Total liabilities	負債總額	38,317	152,163	(75)%
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益	260,036	349,959	(26)%
Total equity	權益總額	260,036	349,959	(26)%
Current ratio (times)	流動比率(倍)	6.2 times 6.2倍	3.1 times 3.1倍	3.1 times 3.1倍
Quick ratio (times)	速動比率(倍)	4.1 times 4.1倍	2.0 times 2.0倍	2.1 times 2.1倍
Gearing ratio (%)	資本負債比率(%)	0%	0%	—
Debt-to-asset ratio (%)	負債資產比率(%)	0%	0%	—

Notes:

- (i) As the Group recorded gross loss and loss before interest, income tax, depreciation and amortisation during the year ended 31 December 2017, no gross profit margin and EBITDA margin are presented for the year ended 31 December 2017.
- (ii) EBITDA for the year ended 31 December 2016 excludes non-recurring items of gain on disposal of subsidiaries of approximately HK\$26,481,000 and gain on profit guarantee of approximately HK\$21,238,000.
- (iii) EBITDA margin = EBITDA/Revenue
- (iv) Return on total assets = (Loss)/profit for the year/Total assets
- (v) Return on shareholders' equity = (Loss)/profit attributable to equity holders of the Company/Equity attributable to equity holders of the Company
- (vi) Current ratio = Current assets/Current liabilities
- (vii) Quick ratio = (Current assets – Inventories)/Current liabilities
- (viii) Gearing ratio = Total interest-bearing debt/Total equity
- (ix) Debt-to-asset ratio = Total interest-bearing debt/Total assets

附註:

- (i) 由於截至二零一七年十二月三十一日止年度本集團錄得毛損及除利息、所得稅、折舊及攤銷前虧損，概無呈列截至二零一七年十二月三十一日止年度之毛利率及EBITDA率。
- (ii) 截至二零一六年十二月三十一日止年度之EBITDA不包括出售附屬公司收益約26,481,000港元及溢利保證收益約21,238,000港元之非經常性項目。
- (iii) EBITDA率=EBITDA/收入
- (iv) 總資產回報率=年度(虧損)/利潤/資產總額
- (v) 股東權益回報率=本公司權益持有人應佔(虧損)/利潤/本公司權益持有人應佔權益
- (vi) 流動比率=流動資產/流動負債
- (vii) 速動比率=(流動資產 – 存貨)/流動負債
- (viii) 資本負債比率=計息債務總額/權益總額
- (ix) 負債資產比率=計息債務總額/資產總額

LIQUIDITY AND FINANCIAL RESOURCES 流動資金及財務資源

The Group's funds are principally used to finance working capital, and the growth and expansion of the Group's operations and sales network. The Group's principal sources of funds are cash generated from operations and bank borrowings. An analysis of the Group's bank deposits, bank balances and cash is as follows:

本集團的資金主要用作撥付營運資金，及就本集團營運及銷售網絡的增長及擴展提供資金。本集團主要的資金來源為自營運產生的現金及銀行借款。本集團銀行存款、銀行結餘及現金之分析如下：

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Total bank deposits, bank balances and cash	銀行存款、銀行結餘及現金總額	108,973	198,828
Less: Restricted bank deposits included in current assets	減：計入流動資產的受限制銀行存款	(20,948)	(24,702)
Cash and cash equivalents	現金及現金等價物	88,025	174,126

The carrying amounts of the Group's bank deposits, bank balances and cash are denominated in the following currencies:

本集團的銀行存款、銀行結餘及現金的賬面值乃以下列貨幣計值：

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
United States dollars	美元	89,761	137,819
Hong Kong dollars	港元	15,424	55,135
Renminbi	人民幣	2,913	4,847
New Taiwan dollars	新台幣	875	1,027
		108,973	198,828

The Group has no bank borrowings as at 31 December 2017 and 31 December 2016.

本集團於二零一七年十二月三十一日及二零一六年十二月三十一日並無銀行借款。

CAPITAL STRUCTURE

The capital of the Company only comprises ordinary shares. There has been no change in the capital structure of the Group during the year ended 31 December 2017.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year.

The Group strives to reduce exposure to credit risk by monitoring on an ongoing basis with reference to the financial position of the debtors, past experience and other factors. The Group performs regular credit evaluations of its major customers. To manage liquidity risk, the management closely monitors the Group's liquidity position and maintains sufficient cash and an adequate amount of committed credit facilities to settle the payables of the Group.

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group's management policies, working environment, career prospects and employees' benefits have contributed to building a good employee relations and employee retention of the Group. The Group offers competitive remuneration packages commensurate with industry practice and provides various fringe benefits to employees including medical benefits, social insurance, provident funds, bonuses and a share option scheme. The management regularly reviews its employee's remuneration packages to ensure they are up to prevailing market standard.

As at 31 December 2017, the employee headcount of the Group was 98 (2016: 114) and the total staff costs, including directors' emoluments, amounted to approximately HK\$25,198,000 during the year (2016: HK\$34,356,000).

資本結構

本公司的資本僅包括普通股。截至二零一七年十二月三十一日止年度，本集團的資本結構概無轉變。

庫務政策

本集團已就其庫務政策採取審慎財務管理方法，因而於整個年度得以保持穩健之流動資金狀況。

本集團經參考債務人的財務狀況、過往經驗及其他因素而持續進行監控，務求致力減低信貸風險。本集團會定期為其主要客戶進行信貸評估。為管理流動資金風險，管理層會緊密監察本集團的流動資金狀況及持有足夠現金及充足的已承諾信貸融資，以償還本集團的應付款。

與僱員、供應商及客戶的關係

本集團的管理政策、工作環境、晉升前景及僱員福利有助本集團與僱員建立良好關係及留聘僱員。本集團為僱員提供符合行業慣例並具競爭力的薪酬待遇及各種僱員福利，包括醫療福利、社保、強積金、花紅及購股權計劃。管理層定期檢討其僱員薪酬組合，確保其符合現行市場水平。

於二零一七年十二月三十一日，本集團僱員總數為98人（二零一六年：114人），年內員工總成本（包括董事酬金）約25,198,000港元（二零一六年：34,356,000港元）。

The Group has established long term business relationships with its major suppliers for over ten years. The Group has entered into long term supply framework agreements with these suppliers. The Group will endeavor to maintain its established relationship with these existing suppliers.

本集團已與其主要供應商建立逾十年的長期業務關係。本集團與該等供應商訂立長期供應框架協議。本集團將致力與該等現有供應商維持既定關係。

The Group's customers are mainly TFT-LCD module manufacturers based in the PRC. The Group has a well-established business relationship with these customers and has gained recognition in the TFT-LCD panel industry in the PRC.

本集團的客戶主要為中國的TFT-LCD模組製造商。本集團與該等客戶擁有穩固業務關係，並於中國TFT-LCD面板行業廣獲認可。

CONTINGENT LIABILITIES

As at 31 December 2017, the Group had no material contingent liabilities (2016: Nil).

或然負債

於二零一七年十二月三十一日，本集團並無重大或然負債(二零一六年：無)。

CHARGE OF ASSETS

As at 31 December 2017, the Group had pledged its bank deposits of approximately HK\$20,948,000 (2016: HK\$24,702,000) to certain banks in Hong Kong to secure the banking facilities granted to the Group.

抵押資產

於二零一七年十二月三十一日，本集團已向香港若干銀行抵押其銀行存款約20,948,000港元(二零一六年：24,702,000港元)以取得授予本集團的銀行融資。

FOREIGN CURRENCY

The Group's business transactions, assets and liabilities are principally denominated in United States dollars, Hong Kong dollars, Renminbi and New Taiwan dollars. The Group currently does not have a foreign currency hedging policy. However, the Board will continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

外匯

本集團的業務交易、資產及負債均主要以美元、港元、人民幣及新台幣計值。目前，本集團並無外幣對沖政策。然而，董事會將持續監控相關外幣風險，並於有需要時考慮對沖重大的外幣風險。

CAPITAL COMMITMENTS

As at 31 December 2017, the Group did not have any significant capital commitments (2016: Nil).

資本承擔

於二零一七年十二月三十一日，本集團並無任何重大資本承擔(二零一六年：無)。

DIVIDEND

The Board does not recommend declaring any dividend for the year ended 31 December 2017.

股息

董事會不建議就截至二零一七年十二月三十一日止年度宣派任何股息。

SIGNIFICANT INVESTMENTS HELD

Save as the Group's investment in certain preferred shares of Mobvoi Inc., the Group did not hold any significant investment in equity interest in any other company as at 31 December 2017.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the Company's prospectus dated 24 January 2014 (the "Prospectus"), the Group did not have other plans for material investments and capital assets as at 31 December 2017.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies during the year ended 31 December 2017.

COMPARISON BETWEEN FUTURE PLANS WITH ACTUAL BUSINESS PROGRESS

A comparison of the Group's business plan as set out in the Prospectus with actual business progress for the period from 14 January 2014 (being the Latest Practicable Date as defined in the Prospectus) to 31 December 2017 (the "Review Period") is set out below. Capitalised terms used herein shall have the same meanings as those defined in the Prospectus unless the content requires otherwise.

所持重大投資

除本集團投資Mobvoi Inc.若干優先股外，於二零一七年十二月三十一日，本集團概無於任何其他公司持有任何重大股權投資。

重大投資及資本

資產的未來計劃除於本公司日期為二零一四年一月二十四日之招股章程(「招股章程」)所披露者外，於二零一七年十二月三十一日，本集團概無其他重大投資及資本資產的計劃。

重大收購及出售附屬公司及聯屬公司

截至二零一七年十二月三十一日止年度，除已披露者外，本集團概無任何重大收購及出售附屬公司及聯屬公司的事項。

未來計劃與實際業務進展之比較

下文載列招股章程所載有關本集團由二零一四年一月十四日(即招股章程內界定之最後實際可行日期)至二零一七年十二月三十一日期間(「回顧期間」)的業務計劃與實際業務進展之比較。除文義另有所指外，本年報所用之詞彙與招股章程所界定者具備相同涵義。

Business objectives for the Review Period
回顧期間的業務目標

Actual Business Progress for the Review Period
回顧期間的實際業務進展

- (a) Establishment or acquisition of panel processing plants in the PRC to expand our business vertically
於中國成立或收購面板加工廠以垂直擴展業務
- | | |
|--|--|
| <ul style="list-style-type: none"> • Perform technology and capacity forecast and planning
進行技術及產能預測及規劃 • Perform due diligence studies on target panel processing plant(s) or rules and compliance of operating panel processing plant(s) in the PRC
對目標面板加工廠房進行盡職審查或調查中國經營面板加工廠房的規則及合規情況 • Identify potential equipment supplier and carrying out evaluation
物色潛在設備供應商及評估 • Confirm expansion plan for cutting processing plant
確認切割加工廠房的擴展計劃 • Commence acquisition or establishment of cutting processing plant
開展收購或成立切割加工廠房 • Purchase equipment (if establish cutting processing plant)
購買設備(倘成立切割加工廠房) • Recruit staff
招聘員工 | <ul style="list-style-type: none"> • Technology and capacity forecast and planning had been performed
已進行技術及產能預測及規劃 • A potential existing panel processing plant had been identified and related due diligence work had commenced
已覓得一間潛在可行的現有面板加工廠房，並展開相關盡職審查工作 • The Group was identifying potential equipment supplier
本集團正在物色潛在設備供應商 • The Group had decided to expand through acquisition of panel processing plant
本集團已決定透過收購面板加工廠房擴展 |
|--|--|

Business objectives for the Review Period

回顧期間的業務目標

- Perform trial run for cutting processing plant
切割加工廠房展開試產
- Commence acquisition or establishment of slimming processing plant(s)
開展收購或成立薄化加工廠房
- Purchase equipment (if establish slimming processing plant)
購買設備(倘成立薄化加工廠房)
- Purchase additional equipment for the cutting processing plant
為切割加工廠房購買額外設備
- Commence full operation of cutting processing plant(s)
切割加工廠房開始全面運作
- Perform trial run for slimming processing plant
薄化加工廠房展開試產

Actual Business Progress for the Review Period

回顧期間的實際業務進展

Business objectives for the Review Period
回顧期間的業務目標

Actual Business Progress for the Review Period
回顧期間的實際業務進展

(b) Expansion of our sales support team in the PRC to provide high quality services to our customers
擴大中國銷售支援團隊，向客戶提供優質服務

- | | |
|---|--|
| <ul style="list-style-type: none">• Recruit staff
招聘員工• Continue to recruit staff if necessary
持續招聘員工(倘需要)• Arrange training to staff
安排員工培訓• Organise marketing activities
籌備市場推廣活動 | <ul style="list-style-type: none">• The Group had recruited additional sales and engineering staff to strengthen its sales support team in the PRC
本集團已聘請額外銷售及工程人員以強化其於中國的銷售支援團隊• Relevant training activities had been provided to new and existing staff
已為新入職及現有員工提供相關培訓活動• The Group had continuously organised various marketing activities to promote sales and strengthen its market position
本集團已持續組織多項市場推廣活動以促進銷售並加強其市場地位 |
|---|--|

(c) Expansion of our product portfolio to strengthen our product offerings
豐富產品組合，加強產品供應

- | | |
|--|---|
| <ul style="list-style-type: none">• Explore new products and suppliers
開拓新產品及供應商• Evaluate new products and perform due diligence on new supplier if necessary
評估新產品及對新供應商進行盡職審查(如需要) | <ul style="list-style-type: none">• The Group had introduced new products and new suppliers
本集團已引入新產品及新供應商• Due diligence works on new suppliers had been performed
已對新供應商進行盡職審查 |
|--|---|

USE OF PROCEEDS

The Company offered 330,000,000 shares for subscription by way of placing in 2014 (the "Placing"). The net proceeds from the Placing were approximately HK\$76 million. During the Review Period, the net proceeds from the Placing had been applied as follows:

所得款項用途

本公司於二零一四年透過配售方式提呈330,000,000股股份以供認購(「配售」)。配售所得款項淨額約76,000,000港元。於回顧期間，配售所得款項淨額已用於下列各項：

		Planned use of proceeds as stated in the Prospectus during the Review Period 招股章程載列 所得款項於 回顧期間的 計劃用途 HK\$'million 百萬港元	Actual use of proceeds during the Review Period 於回顧期間的 實際用途 HK\$'million 百萬港元
Establishment or acquisition of panel processing plants in the PRC to expand business vertically	於中國自設或收購面板加工廠房，以垂直擴展業務	40	—
Repayment of bank loans	償還銀行貸款	17	17
Expansion of sales support team in the PRC to provide high quality services to customers	擴大中國銷售支援團隊，向客戶提供優質服務	8	8
Expansion of product portfolio to strengthen product offerings	豐富產品組合，加強產品供應	4	4
General working capital	一般營運資金	7	7
		76	36

Notes:

The business objectives as stated in the Prospectus were based on the best estimation of the future market conditions made by the Group at the time of preparing the Prospectus. The uses of proceeds have been applied in accordance with the actual development of the market:

- The Group had identified a potential existing panel processing plant and negotiations with the vendor of the target plant had commenced. In view of the significant drop in revenue and the loss incurred by the Group during the year, the management of the Group is taking a more prudent approach in making progress on the possible acquisition.
- The remaining net proceeds as at 31 December 2017 had been placed on interest-bearing deposits in banks in Hong Kong.

附註：

招股章程所述的業務目標乃基於本集團在編製招股章程時對未來市況作出的最佳估計，而所得款項乃根據市場實際發展應用：

- 本集團已物色一間潛在可行的現有面板加工廠房，並已與該目標廠房的賣方展開磋商。鑑於本集團年內收益大幅下跌及產生虧損，故本集團管理層在推進可能收購事項方面採取更審慎措施。
- 於二零一七年十二月三十一日的餘下所得款項淨額已存入香港銀行作帶息存款。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES 企業管治常規

The Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of its shareholders. To accomplish this, save as set out below, the Company has adopted the principles and the code provisions of the Corporate Governance Code (the “CG Code”) contained in Appendix 15 of the Rules Governing the Listing of Securities (the “GEM Listing Rules”) on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Throughout the year ended 31 December 2017, the Company has complied with all the code provisions of the CG Code, except the deviation as disclosed under the section headed “Chairman and Chief Executive Officer” below.

COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the year.

本公司致力達至高水準的企業管治，旨在保障其股東利益。為達成此目標，除下文所載者外，本公司已採納香港聯合交易所有限公司（「聯交所」）GEM（「GEM」）證券上市規則（「GEM上市規則」）附錄15所載企業管治守則（「企業管治守則」）的原則及守則條文。

於截至二零一七年十二月三十一日止年度內，本公司已遵守企業管治守則的所有守則條文，惟下文「主席及行政總裁」一節所披露的偏離情況除外。

遵守董事進行證券交易的操守守則

本公司已採納一套有關董事進行證券交易之操守守則，該守則之條款與GEM上市規則第5.48至第5.67條所規定之交易標準同樣嚴謹。本公司已向全體董事作出具體查詢，全體董事於年內已遵守本公司所採納有關董事進行證券交易之所需交易標準及操守守則。

BOARD OF DIRECTORS

Composition of the Board

Up to the date of this annual report, the Board comprises three executive Directors and three independent non-executive Directors. The composition of the Board during the year and up to the date of this annual report was as follows:

Executive Directors:

Mr. Cheng Wai Tak (*Chairman & Chief Executive Officer*)
Mr. Liu Ka Wing
Mr. Tse Ka Wing

Independent non-executive Directors:

Mr. Wong Yik Chung John
Mr. Wong Chi Chiu
Mr. Li Shui Yan

The biographical details of all Directors and senior management of the Company are set out on pages 62 to 64 of this annual report. To the best knowledge of the Company, there is no financial, business, family or other material or relevant relationships among members of the Board.

FUNCTIONS OF THE BOARD AND MANAGEMENT

The Board is responsible for establishing the strategic direction of the Company and its subsidiaries; setting objectives and business development plans; monitoring the performance of the senior management; and assuming responsibility for corporate governance. The management, under the leadership of the Chief Executive Officer, is responsible for implementing the strategies and plans established by the Board and reporting on the Company's operations to the Board on a regular basis to ensure effective performance of the Board's responsibilities.

The management provided all members of the Board with monthly updates in accordance with the code provision C.1.2 of the CG Code.

董事會

董事會的組成

截至本年報日期止，董事會由三名執行董事及三名獨立非執行董事組成。於本年度及截至本年報日期，董事會的組成如下：

執行董事：

鄭偉德先生 (*主席及行政總裁*)
廖嘉榮先生
謝家榮先生

獨立非執行董事：

黃翼忠先生
黃智超先生
李瑞恩先生

全體董事及本公司高級管理層的履歷詳情載於本年報第62至64頁內。就本公司所深知，董事會成員之間概無任何財務、業務、家族或其他重大或相關關係。

董事會及管理層職能

董事會之職責為制訂本公司及其附屬公司之策略性方向；訂立目標及業務發展計劃；監督高級管理層之表現及負責企業管治。在行政總裁之領導下，管理層負責執行由董事會制訂之策略及計劃，及定時就本公司之運作向董事會報告以確保董事會之職責有效地執行。

根據企業管治守則守則條文第C.1.2條，管理層每月向董事會全體成員提供更新資訊。

DIRECTORS' AND OFFICERS' LIABILITIES 董事及高級職員的責任

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

本公司已就因公司活動而針對董事及高級管理層採取的任何法律行動，為董事及高級職員安排適當的責任保險。保險保障範圍每年檢討一次。

BOARD MEETINGS

The Directors can attend meetings in person or through other means of electronic communication in accordance with the Company's articles of association. All minutes of the Board meetings were recorded in sufficient detail of the matters considered by the Board and the decisions made.

董事會會議

董事可親身或以本公司組織章程細則所訂明的其他電子通訊方式出席會議。所有董事會會議記錄須詳細記錄董事會考慮之事宜及已達成之決定。

Four regular board meetings were held during the year. Its composition and the attendance of individual Directors at these board meetings were as follows:

董事會於年內舉行四次定期會議。其成員及個別董事出席董事會會議之情況如下：

Name		Number of regular board meetings attended/held 出席／舉行的董事會會議次數
姓名		
<i>Executive Directors:</i>		
Mr. Cheng Wai Tak (<i>Chairman</i>)	執行董事： 鄭偉德先生(主席)	4/4
Mr. Liu Ka Wing	廖嘉榮先生	4/4
Mr. Tse Ka Wing	謝家榮先生	4/4
<i>Independent non-executive Directors:</i>		
Mr. Wong Yik Chung John	獨立非執行董事： 黃翼忠先生	4/4
Mr. Wong Chi Chiu	黃智超先生	4/4
Mr. Li Shui Yan	李瑞恩先生	4/4

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Except for the service contract with Mr. Tse Ka Wing, which commenced on 26 March 2015, each of the executive Directors has entered into a service contract with the Company for an initial term of three years commencing on the 7 February 2014, the listing date of the shares of the Company (the "Listing Date") and has renewed for another term of three years commencing on 7 February 2017. Either party has the right to give not less than three months' written notice to terminate the respective service contract.

Each of the independent non-executive Directors has entered into an appointment letter with the Company for an initial term of three years commencing on the Listing Date and has renewed for another term of three years commencing on 7 February 2017.

In compliance with the code provision A.4.2 of the CG Code, all Directors appointed to fill a casual vacancy should be subject to election by the shareholders at the first general meeting after their appointment. By virtue of article 112 of the articles of association of the Company, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but the number of Directors so appointed shall not exceed the maximum number determined from time to time by the shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

委任及重選董事

除與謝家榮先生訂立之服務合約於二零一五年三月二十六日開始外，各執行董事與本公司均已訂立服務合約，初步年期由本公司股份上市日期(即二零一四年二月七日)(「上市日期」)起計為期三年，且已重續合約，自二零一七年二月七日起為期三年。任何一方有權在發出不少於三個月的書面通知後終止各自的服務合約。

各獨立非執行董事與本公司已訂立委任書，初步年期由上市日期起計為期三年，且獲重續，自二零一七年二月七日起為期三年。

為符合企業管治守則的守則條文第A.4.2條，獲委任填補臨時空缺的所有董事均須於其獲委任後的首屆股東大會上由股東選舉。根據本公司組織章程細則第112條，董事會有權不時及隨時委任任何人士為董事，以填補董事會臨時空缺或作為新增董事，惟如此獲委任的董事人數不得超過股東於股東大會上不時釐定的最高人數。任何獲董事會委任填補臨時空缺之董事之任期至其獲委任後的首次股東大會為止，並可於會上膺選連任。任何獲董事會委任作現有董事會的新增成員之董事，任期僅至本公司下屆股東週年大會為止，屆時有資格於會上膺選連任。

In compliance with the code provision in A.4.2 of the CG Code, all Directors are subject to retirement by rotation at least once every three years. Furthermore, pursuant to article 108(a) of 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 3 or a multiple of 3, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every 3 years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.

By virtue of article 108 of the articles of association of the Company, Mr. Cheng Wai Tak and Mr. Wong Chi Chiu will retire by rotation at the forthcoming annual general meeting and being eligible, will offer themselves for re-election.

INDEPENDENT NON-EXECUTIVE DIRECTORS

In compliance with Rules 5.05(1), 5.05(2) and 5.05A of the GEM Listing Rules, the Company has appointed three independent non-executive Directors representing more than one-third of the Board and with at least one of whom having appropriate professional qualifications, or accounting or related financial management expertise. The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the Rule 5.09 of the GEM Listing Rules. The Board considers all independent non-executive Directors to be independent in accordance with the independence guidelines set out in the GEM Listing Rules for the year.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

According to the code provision A.2.1 of the CG Code, the roles of the chairman and chief executive should be separate and should not be performed by the same individual.

為符合企業管治守則的守則條文第A.4.2條，所有董事須最少每三年輪值退任一次。此外，根據本公司組織章程細則第108(a)條，在每一屆的股東週年大會上，當時三分之一（或倘人數並非為三或三的倍數，則最接近但不少於三分之一的數目）的董事須輪值退任，惟各董事（包括具特定委任年期的董事）須最少每三年輪值退任一次。退任董事合資格膺選連任。本公司可於董事退任的股東大會上填補臨時空缺。

根據本公司組織章程細則第108條，鄭偉德先生及黃智超先生將於應屆股東週年大會輪席退任，且彼等符合資格並將願意重選連任。

獨立非執行董事

為符合GEM上市規則第5.05(1)、第5.05(2)及第5.05A條，本公司已委任三名獨立非執行董事，比例超過董事會成員的三分之一，且彼等當中至少有一名擁有合適的專業資格或會計或相關財務管理專業知識。根據GEM上市規則第5.09條的規定，本公司已接獲各獨立非執行董事的年度獨立確認書。董事會認為根據GEM上市規則所載的獨立指引，所有獨立非執行董事年內均屬獨立。

主席及行政總裁

根據企業管治守則的守則條文第A.2.1條，主席及行政總裁的職權應該分明，不應由同一人擔任。

Under the current management structure of the Company, Mr. Cheng Wai Tak (“Mr. Cheng”) is the Chairman and Chief Executive Officer. With Mr. Cheng’s extensive experience in the industry, the Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person would provide the Company with strong and consistent leadership, allow for effective and efficient planning and implementation of business decisions and strategies, and would be beneficial to the business prospects and management of the Group.

Although Mr. Cheng performs both the roles of Chairman and Chief Executive Officer, the division of responsibilities between the Chairman and Chief Executive Officer is clearly established. In general, the Chairman is responsible for supervising the functions and performance of the Board, while the Chief Executive Officer is responsible for the management of the business of the Group. The two roles are performed by Mr. Cheng distinctly. The Board also considers that the current management structure does not impair the balance of power and authority between the Board and the management of the Company given the appropriate delegation of the power of the Board and the effective functions of the independent non-executive Directors. However, it is the long-term objective of the Company to have these two roles performed by separate individuals when suitable candidates are identified.

BOARD COMMITTEES

The Board has established, with written terms of reference, three board committees, namely audit committee, remuneration committee and nomination committee, to oversee particular aspects of the Company’s affairs. The Board committees are provided with sufficient resources to discharge their duties. The written terms of reference for each Board committee are in line with the GEM Listing Rules and are available on the websites of the Stock Exchange and the Company, respectively.

根據目前本公司的管理架構，鄭偉德先生（「鄭先生」）為本公司的主席及行政總裁。因鄭先生具有豐富的業內經驗，董事會相信向同一人委以主席及行政總裁的職責，將可為本公司提供強而統一的領導，令業務決策及策略在規劃及實行時更加有效可取，且將對本集團的業務前景及管理有利。

儘管主席及行政總裁的角色同時由鄭先生擔任，主席及行政總裁之間的職權分工已清楚確立。總體而言，主席負責監管董事會職能及表現，而行政總裁則負責管理本集團業務。兩個職位均由鄭先生分別擔任。董事會亦認為目前的管理架構不會削弱董事會及本公司管理層的權力及權限制衡，因為董事會已有適當的權力分配，而且獨立非執行董事亦能有效發揮職能。然而，在本公司的長遠目標中，一旦物色到適當人選，兩個職位將會由不同人士分別擔當。

董事會委員會

董事會已成立三個董事會委員會，分別為審核委員會、薪酬委員會及提名委員會，並定有書面職責條款，以監管本公司特定方面的事務。本公司為董事會委員會提供足夠資源以履行其職務。各董事會委員會的書面職責條款符合GEM上市規則，可分別於聯交所及本公司網站查閱。

AUDIT COMMITTEE

The Company has established an audit committee on 20 January 2014 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and code provision C.3 of the CG Code. The audit committee consists of three independent non-executive Directors, namely, Mr. Wong Yik Chung John, who has the appropriate accounting and financial related management expertise and serves as the chairman of the audit committee, Mr. Wong Chi Chiu and Mr. Li Shui Yan.

The primary duties of the audit committee are (but without limitation) to assist the Board in providing an independent view of the effectiveness of the Company's financial reporting process, internal control and to review the Company's risk management and internal control systems, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

The audit committee held four meetings during the year. Its composition and attendance of individual members at these audit committee meetings are as follows:

Members of the audit committee		Number of audit committee meetings attended/held 出席／舉行的 審核委員會 會議次數
Mr. Wong Yik Chung John	黃翼忠先生	4/4
Mr. Wong Chi Chiu	黃智超先生	4/4
Mr. Li Shui Yan	李瑞恩先生	4/4

During the year, the audit committee reviewed the Company's annual financial statements, annual results announcement, interim and quarterly announcements and reports; discussed and reviewed the internal control and risk management systems of the Group; reviewed the effectiveness of the Company's internal audit function; met with the independent external auditors and reviewed report from the independent external auditors regarding their audit on annual financial statements.

審核委員會

本公司已於二零一四年一月二十日成立審核委員會，其書面職責條款符合GEM上市規則第5.28條及企業管治守則的守則條文第C.3條。審核委員會由三名獨立非執行董事組成，由具備合適會計及財政相關管理專業的黃翼忠先生出任審核委員會主席，其餘成員為黃智超先生及李瑞恩先生。

審核委員會的主要職責為(但不限於)協助董事會，就本公司財務申報過程、內部監控，以及檢討本公司的風險管理及內部控制系統的有效程度向其提供獨立意見，並監管審核過程以及進行董事會委派之其他職責及責任。

審核委員會於年內舉行四次會議。其成員及個別成員於該等審核委員會會議之出席率如下：

於年內，審核委員會審閱本公司之年度財務報表、年度業績公告、中期及季度公告及報告；討論及檢討本集團之內部監控及風險管理系統；檢討本公司的內部審核職能的有效性；會見獨立外部核數師及審閱獨立外部核數師關於其審核年度財務報表之報告。

REMUNERATION COMMITTEE

The Company established a remuneration committee on 20 January 2014 with written terms of reference in compliance with code provision B.1 of the CG Code. The remuneration committee consists of three members, the majority of whom are independent non-executive Directors, namely Mr. Wong Chi Chiu, who serves as the chairman of the remuneration committee, Mr. Cheng Wai Tak and Mr. Wong Yik Chung John.

The primary duties of the remuneration committee include (but without limitation): (i) making recommendations to the Directors on the policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) determining the terms of the specific remuneration package of the Directors and senior management; (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Directors from time to time.

During the year, the remuneration committee held one meeting for, inter alia, reviewing the policy and structure for all remuneration of Directors and senior management and made recommendations to the Board regarding the remuneration packages of executive directors and senior management and director's fee of independent non-executive directors. The remuneration committee satisfied the existing arrangement and there was no recommendation to the Board on change of such policy and structure. All the members of the remuneration committee, including Mr. Wong Chi Chiu, Mr. Cheng Wai Tak and Mr. Wong Yik Chung John, attended that meeting.

薪酬委員會

本公司已於二零一四年一月二十日成立薪酬委員會，其書面職責條款符合企業管治守則的守則條文第B.1條。薪酬委員會由三名委員組成，大部分為獨立非執行董事，黃智超先生出任薪酬委員會的主席，其餘成員為鄭偉德先生及黃翼忠先生。

薪酬委員會的主要職責包括(但不限於)：(i)就一切董事及高級管理層的薪酬政策及架構以及制訂正式及透明的薪酬政策訂立程序，向董事提供推薦意見；(ii)釐定董事及高級管理層特定薪酬配套之條款；(iii)按照董事不時決議的企業目標及方針審閱及批核按表現釐定的薪酬。

於年內，薪酬委員會舉行了一次會議。以(其中包括)審閱所有董事及高級管理層的薪酬政策及架構並就執行董事及高級管理層的薪酬方案以及獨立非執行董事的董事袍金向董事會作出推薦建議。薪酬委員會信納現有安排及概無就變更該等政策及架構而向董事會提出推薦建議。薪酬委員會全體成員(包括黃智超先生、鄭偉德先生及黃翼忠先生)已出席該會議。

REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

Each of the Directors will receive a fee which is subject to an annual adjustment at a rate to be reviewed by the remuneration committee and be determined at the discretion of the Board. The Company's policy concerning the remuneration of the Directors is that the amount of remuneration is determined by reference to the relevant Director's experience, responsibilities, workload and the time devoted to the Group. The Group has adopted incentive bonus schemes and continues to maintain these schemes, seeking to align the financial well-being of the Group with that of the employees, and to retain the Directors and staff of high caliber.

NOMINATION COMMITTEE

The Company established a nomination committee on 20 January 2014 with written terms of reference in compliance with code provision A.5 of the CG Code. The nomination committee consists of three members, the majority of whom are independent non-executive Directors, namely Mr. Cheng Wai Tak, who serves as the chairman of the nomination committee, Mr. Mr. Wong Yik Chung John and Mr. Li Shui Yan.

The primary function of the nomination committee includes making recommendations to the Board to fill vacancies on the same, assessing the independence of independent non-executive Directors and reviewing of the structure, size and composition of the Board.

During the year, the nomination committee held one meeting for, inter alia, reviewing the structure, size and composition of the Board and board diversity policy as well as discussing matters regarding the retirement and re-election of Directors and succession planning for directors and assesses the independence of independent non-executive Directors. All the members of the nomination committee, including Mr. Cheng Wai Tak, Mr. Wong Yik Chung John and Mr. Li Shui Yan, attended that meeting.

董事及高級管理層的薪酬政策

各董事所收取的費用會作出年度調整，比率由薪酬委員會審閱及董事會酌情決定。本公司的董事薪酬政策，是參考有關董事的經驗、職責、工作量及為本集團付出的時間而釐定薪酬。本集團採用獎勵花紅計劃，且會繼續沿用有關計劃，使本集團在財務上的利益與僱員的利益一致，以及挽留董事及高質素員工。

提名委員會

本公司已於二零一四年一月二十日成立提名委員會，其書面職責條款符合企業管治守則的守則條文第A.5條。提名委員會由三名委員組成，大部分為獨立非執行董事，鄭偉德先生出任提名委員會的主席，其餘成員為黃翼忠先生及李瑞恩先生。

提名委員會的主要職責包括向董事會推薦人選，以填補董事會空缺，評估獨立非執行董事的獨立性及檢討董事會的架構、規模及組成。

於年內，提名委員會已舉行一次會議，以(其中包括)審閱董事會的架構、規模及組成及董事會成員多元化政策，以及討論有關董事退任及重選的事宜及董事的承替計劃及評估獨立非執行董事之獨立性。提名委員會全體成員(包括鄭偉德先生、黃翼忠先生及李瑞恩先生)已出席該會議。

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy (the “Diversity Policy”) which sets out the approach to achieve diversity on the Board. The Company embraces the benefits of having a diverse Board to enhance the quality of its performance. Pursuant to the Diversity Policy, the Company seeks to achieve Board diversity through the consideration of a number of aspects, including (but not limited to) gender, regional and industry experience, skills, knowledge and educational background.

The Board will consider to set measurable objectives to implement the Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. At present, the Board has not set any measurable objectives.

The nomination committee will review the Diversity Policy, as appropriate, to ensure its effectiveness.

CORPORATE GOVERNANCE FUNCTION

The Company’s corporate governance function is carried out by the Board pursuant to a set of written terms of reference adopted by the Board, which include (a) develop and review the Company’s policies and practices on corporate governance and make recommendations to the Board; (b) review and monitor the training and continuous professional development of directors and senior management of the Company and its subsidiaries; (c) review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements; (d) develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the Company and its subsidiaries; (e) review the Company’s compliance with the CG Code and disclosures in the corporate governance report of the Company required to be prepared pursuant to the GEM Listing Rules; and (f) consider, review and decide any other topics, as authorised by the Board.

董事會成員多元化政策

本公司已採納董事會成員多元化政策（「多元化政策」），其載有達至董事會成員多元化的方法。本公司深信董事會成員多元化對提升本公司的表現素質裨益良多。根據多元化政策，本公司透過考慮多個範疇，包括（但不限於）性別、地區及行業經驗、技能、知識及教育背景，務求達致董事會成員多元化。

董事會將考慮制定可計量目標，以實行多元化政策，並不時審閱該等目標，確保其合適度及確定達成該等目標的進度。董事會目前尚未制定任何可計量目標。

提名委員會將審閱多元化政策（如適用），以確保其成效。

企業管治職能

董事會根據其所採納的書面職權範圍履行本公司的企業管治職能，有關職權範圍包括(a)制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；(b)制定及檢討本公司及其附屬公司的董事和高級管理層的培訓及持續專業發展；(c)檢討及監察本公司在遵守法律及監管規定方面的政策及常規；(d)制定、檢討及監察適用於本公司及其附屬公司僱員及董事的操守準則及合規手冊（如有）；(e)檢討本公司遵守企業管治守則情況及本公司須根據GEM上市規則編製的企業管治報告之披露；及(f)考慮、檢討及決定董事會批准的任何其他主題。

During the year, the Board reviewed and discussed the corporate governance policy of the Group and was satisfied with the effectiveness of its corporate governance policy.

於年內，董事會已審閱及討論本集團的企業管治政策，並信納其企業管治政策的成效。

CONTINUING PROFESSIONAL DEVELOPMENT

持續專業發展

According to the code provision A.6.5 of the CG Code, all directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

根據企業管治守則的守則條文第A.6.5條，全體董事將參與持續專業發展，以發展及更新彼等的知識及技能，確保彼等為董事會作出明智及適切貢獻。

During the year, the Company provided training materials for all the Directors to keep them abreast of the latest development of legal, regulatory and corporate governance. The Company has received the records of training from all Directors.

於年內，本公司已提供培訓材料予全體董事，使彼等得悉法律、監管及企業管治之最新發展。本公司已獲得全體董事提供之培訓記錄。

The Group, together with its legal advisers, continuously update the Directors on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

本集團及其法律顧問持續更新董事有關GEM上市規則及其他適用監管規定的最新發展，以確保合規及增強彼等對良好企業管治常規的意識。

ACCOUNTABILITY AND AUDIT

問責性及審核

Directors' and auditor's responsibilities for the consolidated financial statements

董事及核數師對綜合財務報表的責任

All Directors acknowledge their responsibility to prepare the Group's consolidated financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. The Directors continue to adopt the going concern approach in preparing the consolidated financial statements and 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.

所有董事均確認其有責任就每一個財政期間編製本集團綜合財務報表，以真實公平地反映本集團的事務狀況及於該期間的業績及現金流量。董事在編製綜合財務報表時繼續採用持續經營基準，並不知悉任何重大不明朗因素，其涉及可能對本公司的持續經營能力產生重大疑慮的事件或狀況。

The responsibilities of the external auditors about their financial reporting are set out in the independent auditor's report attached to the Company's financial statements for the year ended 31 December 2017 in this annual report.

外聘核數師對財務匯報的責任載於獨立核數師報告，其附於本年報內的本公司截至二零一七年十二月三十一日止年度財務報表。

AUDITOR'S REMUNERATION

For the year ended 31 December 2017, the remuneration paid or payable to PricewaterhouseCoopers in respect of audit and non-audit services provided is set out below:

Services rendered 所提供服務	Remuneration paid/payable 已付／應付酬金 HK\$'000 千港元
Audit services 審計服務	1,700
Non-audit services 非審計服務	96
Total 總計	1,796

核數師酬金

截至二零一七年十二月三十一日止年度，就所提供的審計及非審計服務已付或應付予羅兵咸永道會計師事務所的酬金載列如下：

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board acknowledges its responsibility to maintain an effective risk management and internal control systems in order to safeguard the Group's assets and investments and the shareholders' interest. The Board oversees the overall risk management of the Group and endeavors to identify, control impact of the identified risks and facilitate implementation of coordinated mitigating measures. Such internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has established a risk management policy set out the process of identification, evaluation and management of the principal risks affecting the business. Each division is responsible for identifying, assessing and managing risks within its divisions, identify and assess the principal risks on a quarterly basis with mitigation plans to manage those risks. The management is responsible for overseeing the risk management and internal control activities of the Group, quarterly meetings with each divisions to ensure principal risks are properly managed, and new or changing risks are identified and documented. Lastly, the Board is responsible for reviewing and approving the effectiveness and adequacy of the Group's risk management and internal control systems.

風險管理及內部監控系統

董事會清楚維持有效的風險管理及內部監控系統的責任，以保障本集團的資產及投資以及股東利益。董事會監督本集團的整體風險管理，並力求識別及控制已知風險的影響，促進執行協調緩解措施。該內部監控系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

本集團已建立風險管理政策，列明影響業務的主要風險之識別、評估及管理程序。各部門負責識別、評定及管理內部風險，按季度定期識別及評定主要風險，並設計減緩風險計劃以控制有關風險；管理層負責監督本集團的風險管理及內部監控活動，按季度定期與各部門進行會議，藉此確保主要風險得到妥善管理，而新增或變化中的風險已得到識別且最後記錄在案。董事會負責審閱及核准本集團風險管理及內部監控系統的有效性及足夠性。

The risk management framework, coupled with the Group's internal controls, ensures that the risks associated with different divisions are effectively controlled in line with the Group's risk appetite.

The risk assessment report was submitted to the audit committee and the Board for review.

The Group does not have an internal audit function within the Group. Nevertheless the Company engaged an external consultant, CT Partners Consultants Limited to carry out internal audit function and had during the year conducted review of the effectiveness of the Group's risk management and internal control systems. The review covering, inter alia, the sales, receipt and receivable cycle on trading of display products and optics products, and make recommendations for improvement and strengthening of internal control system. The internal control review report was submitted to the audit committee and the Board for review. The audit committee has requested the management to follow up the recommendations of the external consultant to remedy the control issues identified or to further improve the internal control system.

The Board has the overall responsibility to maintain the adequacy of resources, staff qualifications and experience, training programs and budget of accounting and financial reporting function and the Board has reached the conclusion that the Group's risk management and internal control systems were in place and effective. The Board will review and assess the risk management and internal control systems at least once a year. The Company has established a whistle-blowing policy and system for employees of the Group to raise concerns about possible improprieties in financial reporting, internal control and other matters. No significant areas of concern that may affect the financial, operational, compliance, controls and risk management of the Group have been identified.

With respect to the monitoring and disclosure of inside information, the Company has adopted a policy on disclosure of inside information, with an aim to ensure that the insiders abide by the confidentiality requirement and fulfill the disclosure obligation of the inside information. The policy describes clearly the decision trees to distinguish inside information and necessary actions.

風險管理框架，連同本集團的內部監控，確保與不同部門有關的風險得到有效控制至與本集團的風險承受能力一致。

風險評估報告已呈交予審核委員會及董事會以供審閱。

本集團並無內部審核職能部門。然而，本公司聘用外部顧問CT Partners Consultants Limited以進行擬定審核職能，於年內已對本集團的風險管理及內部監控系統成效進行檢討。有關檢討涵蓋(其中包括)買賣顯示產品及光學產品的銷售、收款及應收款項循環，並就改善及提升內部監控系統作出推薦意見。內部監控檢討報告已呈交予審核委員會及董事會，以供審閱。審核委員會已要求管理層跟進外部顧問作出的推薦意見，以補救已知的監控問題或進一步改善內部監控系統。

董事會對維持充足的資源、員工資歷及經驗、培訓項目、會計及財務報告職能預算負有全責，董事會已達成結論，本集團已建立有效的風險管理及內部監控系統。董事會每年至少進行一次風險管理及內部監控系統之評估。本公司已為本集團僱員訂立一項舉報政策及系統以識別有關財務報告、內部監控及其他事宜之潛在不當行為。概無識別可能影響本集團財務、營運、合規、監控及風險管理的重要關注事項。

有關內幕消息之監視及披露，本公司已採納內幕消息披露政策，旨在確保內部人士遵守保密要求，並履行內幕消息的披露責任。政策清晰載述辨別內幕消息及所需採取行動之決策樹。

Employees and other relevant parties are required to keep inside information in strict confidential. Once the inside information needs disclosure, the manner must be equal, truly and effective.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company aims to provide its shareholders and investors with high standards of disclosure and financial transparency. The Board is committed to provide clear and detailed information of the Group to its shareholders in a timely manner and on a regular basis, through the publication of quarterly, interim and annual reports and/or dispatching circulars, notices, and other announcements.

The general meetings of the Company provide a forum for communication between the Board and the Company's shareholders. The Chairman of the Board and other members of the respective committees are available to answer questions of the shareholders at the general meeting. The Company recognises the importance of maintaining on-going communications with the shareholders and encourages them to attend general meetings to stay informed of the Group's businesses and convey any concerns they may have to the Directors and senior management.

The Company maintains a website at <http://www.perfect-optronics.com> where extensive information and updates on the Company's financial information, corporate governance practices and other useful information are posted and available for access by the public investors.

2017 General meeting

At the annual general meeting held in 2017, separate resolutions were proposed by the chairman in respect of each separate issue, including re-election of directors and voted by way of poll. The Company announced the results of the poll in the manner prescribed under the GEM Listing Rules. The respective chairman of the Board, audit committee, remuneration committee and nomination committee had attended the annual general meeting held in 2017 to ensure effective communication with shareholders. All the Directors had attended the annual general meeting held in 2017.

僱員及其他相關方須對內幕消息嚴謹保密。倘就內幕消息作出披露，方法須為公平、真實及有效。

與股東及投資者的溝通

本公司旨在向其股東及投資者提供高水平的披露及財政透明度。董事會致力透過刊發季度、中期及年度報告及／或寄發通函、通知及其他公佈，及時及定期為股東提供清晰詳盡有關本集團的資訊。

本公司的股東大會為董事會與本公司股東提供溝通平台。董事會主席及各委員會的其他成員將出席股東大會以解答股東提問。本公司明白與股東維持溝通的重要性，並鼓勵股東出席股東大會，以得到關於本集團業務的資訊，並向董事及高級管理層提出彼等的關注。

本公司設有網站(網址為 <http://www.perfect-optronics.com>)，網站內載有大量資訊，亦有關於本公司財務資料、企業管治常規及其他有用資料的更新資訊，可供公眾投資者查閱。

二零一七年股東大會

於二零一七年舉行之股東週年大會上，主席就各獨立事項，包括重選董事，提呈獨立決議案，並以投票方式表決。本公司根據GEM上市規則規定之方式宣佈投票結果。董事會、審核委員會、薪酬委員會及提名委員會各主席已出席二零一七年舉行的股東週年大會，確保與股東作出有效溝通。所有董事均已出席於二零一七年舉行的股東週年大會。

SHAREHOLDERS' RIGHTS

Procedures for shareholders to convene an extraordinary general meeting and to put forward proposal at general meetings

Pursuant to Article 64 of the articles of association of the Company, the Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 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.

Article 113 of the articles of association of the Company provides that no person other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office. The period for lodgment of the notices required under this Article will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least 7 days. The written notice must state that person's biographical details as required by Rule 17.50(2) of the GEM Listing Rules. The procedures for shareholders of the Company to propose a person for election as director is posted on the Company's website.

股東權益

股東召開股東特別大會及於股東大會上提呈建議的程序

根據本公司組織章程細則第64條，董事會可在其認為適當的任何時候召開股東特別大會。倘一名或多名於提交請求日期共持有不少於本公司有權於股東大會上投票的繳足資本十分之一的股東提交請求，亦可召開股東特別大會。該請求須以書面形式向本公司董事會或公司秘書提交，以要求董事會召開股東特別大會，處理該請求所註明的任何事項。該會議須於提交該請求後兩個月內舉行。倘董事會未能於提交該請求後21天內召開該會議，則請求人可自行以同樣方式召開會議，而請求人因董事會未能召開會議而產生的所有合理開支將由本公司向請求人作出補償。

根據本公司組織章程細則第113條，除非獲董事會推薦參選，否則除會上退任董事外，概無任何人士合資格於任何股東大會上參選董事，除非表明有意提名該人士參選董事的書面通知，以及該人士表明其願意參選的書面通知，遞交至總部或註冊辦事處。根據此細則，發出通知的期間將不早於寄發舉行有關選舉的股東大會的通告翌日開始，亦不得遲於該股東大會舉行日期前7日結束，而向本公司發出該通知的期間須最少為7日。根據GEM上市規則第17.50(2)條所規定，該書面通知必須註明該名人士的個人資料。有關本公司股東提名人選參選董事之程序已於本公司網站刊載。

SHAREHOLDERS' ENQUIRIES TO THE BOARD

Shareholders may send their enquiries and concerns to the Board by addressing them to the Company Secretary by mail to the principal office of the Company in Hong Kong. The Company Secretary forwards communications relating to matters within the Board's purview to the Board and communications relating to ordinary business matters, such as suggestions, inquiries and complaints, to the Chief Executive Officer.

Shareholders may also make enquiries with the Board at the general meetings of the Company.

COMPANY SECRETARY

The Company Secretary, Mr. Tse Ka Wing ("Mr. Tse"), is an employee of the Company. He was appointed as an Executive Director with effect from 26 March 2015. He reports to the Chairman and is responsible for advising the Board on corporate governance matters. The biographical details of Mr. Tse are set out under the section headed "Biographical Details of Directors and Senior Management".

During the year, Mr. Tse has undertaken not less than 15 hours of relevant professional training in accordance with Rule 5.15 of the GEM Listing Rules.

CONSTITUTIONAL DOCUMENTS

During the year, there is no change in the Company's constitutional documents.

股東向董事會查詢

股東可向董事會提出彼等的查詢及疑問，方法為郵寄至本公司的香港主要辦事處，註明收件人為公司秘書。公司秘書會將與董事會負責之事宜有關的通訊轉交董事會，而有關日常業務事宜之通訊（例如建議、查詢及投訴）則會轉交本公司行政總裁。

股東亦可於本公司股東大會上向董事會作出查詢。

公司秘書

公司秘書謝家榮先生（「謝先生」）為本公司僱員。彼於二零一五年三月二十六日起獲委任為執行董事。彼向主席匯報，負責就企業管治事項向董事會提出建議。謝先生的個人資料載列於「董事及高級管理層個人資料」一節。

年內，謝先生按照GEM上市規則第5.15條進行不少於15小時的相關專業培訓。

憲章文件

於年內，本公司之憲章文件概無變動。

Environmental, Social and Governance Report

環境、社會及管治報告

INTRODUCTION

Perfect Optronics Limited (the “Company”) and its subsidiaries (collectively, the “Group”) reaffirms its commitment towards sustainability with the publication of its second Environmental, Social and Governance (“ESG”) Report 2017. This report is prepared in compliance with the ESG Reporting Guide set out in Appendix 20 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

REPORTING PERIOD AND SCOPE

This report covers all operations of the Group and describes its initiatives and progress in respect of ESG for the year from 1 January 2017 to 31 December 2017.

The Group has tried to make this report as clear, concise and accurate as possible. The board of directors of the Company (the “Board”) acknowledges its responsibility for ensuring the integrity of the ESG Report and to the best of its knowledge this report addresses all material issues and fairly presents ESG performance of the Company and its impacts. The Board confirms that it has reviewed and approved the report.

ESG MANAGEMENT APPROACH

The Group is mainly engaged in trading and processing of display panels, development and sales of optics products and trading of related electronic components. Striving for continued success, the Group is determined to establish a sustainable business model and create positive impacts for key stakeholder groups including employees, suppliers, sub-contractors, customers and the community, etc.

While our operations do not pose significant impact to the environment and our society, we strive to minimize any potential negative impacts. As we source display components from our suppliers and engage with service providers who process some of the products we trade in, supply chain management plays a major role in the Group’s sustainable development. Thus, we maintain close communication with our suppliers and processing service providers to monitor their sustainability performance and compliance with all applicable laws and regulations.

緒言

圓美光電有限公司(「本公司」)及其附屬公司(統稱「本集團」)刊發二零一七年環境、社會及管治(「環境、社會及管治」)報告。此乃其刊發的第二份報告，重申其對可持續發展的承擔。本報告乃遵守香港聯合交易所有限公司GEM證券上市規則附錄20所載之報告指引編製。

報告期間及範圍

本報告涵蓋本集團全部經營，並闡述其有關二零一七年一月一日至二零一七年十二月三十一日止年度環境、社會及管治的計劃及進展。

本集團竭力使本報告盡可能清晰、簡潔及精確。本公司董事會(「董事會」)深諳其確保環境、社會及管治報告公正誠實的責任，且就其所深知，本報告提及所有重大事項並公平地呈列本公司之環境、社會及管治表現及其影響。董事會確認其已審閱及通過本報告。

環境、社會及管治管理方法

本集團主要經營顯示面板之貿易及加工、光學產品之開發及銷售以及相關電子部件之貿易。為不斷取得成功，本集團立志建立一個可持續發展業務模式，並為主要持份者創造正面影響，包括僱員、供應商、分包商、客戶及社區等等。

雖然我們的經營並無對環境及社會造成重大影響，我們仍努力將任何潛在負面影響減至最低。由於我們向供應商採購顯示組件，並與服務供應商(加工我們買賣的若干產品)合作，供應鏈管理對本集團之可持續發展尤為關鍵。故此，我們與供應商及加工服務供應商保持密切聯繫，以監察其可持續發展表現及全部適用法律及法規的合規情況。

This year, we have taken a step further to implement a green office scheme, “Let’s GO”, aimed at ensuring that our operations are conducted in an environmentally responsible manner. Internally, we are devoted to protecting employees’ rights, providing employees with training for continuous development and creating a safe and healthy working environment. Externally, we are dedicated to helping the underprivileged of the community.

We believe sustainability requires a concerted effort from the Group and its stakeholders. We will continue to strike a balance between profit, planet and people, bearing our fair share of social responsibility.

LAWFUL OPERATION

The Group insists on integrity of its operations and tries to strengthen corporate discipline. At the same time, we strive to satisfy customer needs and maintain the highest level of security and confidentiality.

Supply Chain Management

A stable and efficient supply chain contributes to the Group’s success. We strive to maintain a reliable supply chain with high quality and trustworthy products by establishing mutually beneficial working relationships with suppliers and processing services providers.

We ensure that our procurement process is corruption-free, promoting fair competition to protect the interests of our suppliers. To maintain high safety standards in the materials we procure, we require our suppliers to provide evidence that they possess the licence or permit for production. All processing services providers are required to provide us with a copy of their business licence, as well as other relevant permits and approvals for operations.

We also encourage our major suppliers and processing services providers to commit to social responsibility, including environmental protection, human rights and product responsibility, etc.

本年度，我們已採取進一步措施，實行綠色辦公室計劃（「綠識空間」），旨在確保我們的業務經營乃以對環境負責的方式進行。內部方面，我們致力保障僱員權利、為僱員提供持續發展培訓及創造安全健康的工作環境。外部方面，我們竭力幫助社會中的弱勢群體。

我們相信可持續發展需要本集團及其持份者的共同努力才能達成。我們將繼續在利潤、地球及人們之間尋求平衡，承擔我們的社會責任。

合法經營

本集團堅守其業務誠信及努力強化公司紀律。同時，我們致力滿足客戶需求及維持高度安全性及機密性。

供應鏈管理

穩定及有效率的供應鏈乃本集團成功的關鍵之一。我們透過與供應商及加工服務供應商建立互利經營關係，致力維持可靠供應鏈，提供優質及可信賴產品。

我們確保採購過程廉潔公正，推行公平競爭以保障供應商利益。為了維持所採購材料的高安全水準，我們要求供應商提供其所持牌照或生產許可的證明。所有加工服務供應商須向我們提供其經營牌照副本，以及其他經營相關的許可證及批文。

我們亦鼓勵主要供應商及加工服務供應商承擔起社會責任，包括環保、人權及產品責任等等。

Product Responsibility

The Group strives to achieve customer satisfaction by meeting their expectations and is dedicated to ensuring the quality of services and products provided abide by related international standards.

We ensure our processing services providers meet the Group's standards. Their performance is regularly reviewed. In case of any problems found in the products, our technicians check the products to determine whether it is the responsibility of the suppliers or the processing services providers.

The Group respects the privacy of its customers and maintains the highest level of security and confidentiality. All our employees are responsible to protect customers' information against improper disclosure, misuse or unauthorized use, loss, damage or corruption.

During the year, the Group did not encounter any incidents of non-compliance with laws and regulations having a significant impact on the Group, relating to health and safety, advertising, labelling and privacy matters concerning products and services provided.

Anti-corruption

The Group emphasizes integrity and expects its employees and suppliers to share this value. We have set up an Anti-Fraud Management System which aims to prevent bribery, blackmail, fraud and money laundering. The Director and all employees are expected to strictly abide by the relevant laws, industry standards and guidelines, to establish integrity and to prevent damage to interests of the Group and its shareholders.

A Code of Conduct specifically communicates to all employees proper business practices and prohibited acts, including prohibition of soliciting advantages and accepting gifts. We strive to safeguard assets and interests of our shareholders and abide by all related laws and regulations, including the Prevention of Bribery Ordinance in Hong Kong. During the year, we were not aware of any breach of laws and regulations that had a significant impact on the Group relating to bribery, extortion, fraud and money laundering.

產品責任

本集團透過滿足客戶的期望力求客戶滿意，並確保所提供服務及產品的質量符合相關國際標準。

我們確保加工服務供應商達到本集團之標準。彼等之表現定期受到檢討。倘產品出現任何問題，我們的技術人員將檢查產品以判斷責任歸於供應商或加工服務供應商。

本集團尊重客戶私隱，並維持高度安全性及機密性。全體僱員有責任保護客戶的資訊，以防出現不正當披露、濫用或盜用、損失、損壞或貪污。

年內，本集團並無出現對本集團產生重大影響，且涉及健康及安全、廣告、標籤及有關所提供產品及服務的私隱事宜的任何違反法律法規事宜。

反貪污

本集團強調廉潔公正並期望其僱員及供應商能夠緊守此理念。我們已成立反欺詐管理系統，旨在防止賄賂、勒索、欺詐及洗黑錢。董事及全體僱員須嚴謹遵守相關法律、行業準則及指引，以建立一個誠信公正體制及防止損害本集團及其股東之利益。

行為準則向全體僱員傳達正確業務常規及被禁行為，包括禁止索取利益及收受禮物。我們竭力保障股東之資產及利益並遵守所有相關法律及法規，包括香港防止賄賂條例。年內，我們並不知悉任何涉及賄賂、勒索、欺詐及洗黑錢且對本集團有重大影響的違法違規事件。

Our employees should avoid engaging in business, investments or activities that might give rise to a conflict with the interests of the Group. If and when a conflict arises, employees are asked to sign a declaration form approved by the Chief Executive Officer.

Whistleblowing

To monitor and investigate suspicious acts related to bribery or dishonesty, the Group encourages whistleblowing. Any staff member who becomes aware of any existing or potential breach of the Code is encouraged to report promptly to the designated department via a reporting line or complaint mailbox. The Group then takes appropriate actions, including disciplinary action, termination of employment or preventive action. Cases of criminal offences are reported to appropriate authorities for the required legal action(s).

OUR PEOPLE AND COMMUNITY

Human capital is the Group's most valuable asset and one of the primary contributors to our success. We adopt people-oriented management to provide a safe and healthy workplace for all employees.

Employee Management

We have established a comprehensive personnel management procedural document, which clearly states our policies about salary and dismissal, recruitment, promotion, as well as working hours and holidays. Our personnel management system complies with relevant labour laws and regulations, including but not limited to Labour Law of PRC, Provisions on the Prohibition of Using Child Labor, Employment Ordinance (Chapter 57 of Laws of Hong Kong), Employees' Compensation Ordinance and Minimum Wage Ordinance. During the year, we did not come across any incidents of non-compliance with laws and regulations that had a significant impact on the Group, relating to employment and labour practices and occupational health and safety.

僱員應避免參與任何可能與本集團利益產生衝突的業務、投資或活動。倘出現衝突，僱員須簽署一份經行政總裁審批的申報表。

舉報

為監察及調查涉及賄賂或不實的可疑行為，本集團鼓勵舉報。倘員工發現任何現有或潛在違反準則的行為，鼓勵盡快透過舉報熱線或投訴郵箱向指定部門報告。本集團其後將採取適當行動，包括紀律處分、解僱或預防行動。刑事罪行個案將向有關當局報告以採取所需法律行動。

員工及社區

人力資源乃本集團最重要資產及本集團成功的主要因素之一。我們採納以人為本的管理，為全體僱員提供安全及健康的工作環境。

僱員管理

我們已建立一個全面的人事管理程序文件，清晰載述有關薪金及罷免、招聘、晉升以及工時及假期的政策。我們的人事管理系統遵守相關法律及法規，包括但不限於中國勞動法、禁止使用童工規定、僱傭條例（香港法例第57章）、僱員補償條例及最低工資條例。年內，我們並無任何涉及僱傭及勞工常規及職業健康與安全且對本集團有重大影響的違法違規事件。

The Group strives to create a harmonious and egalitarian workplace for all employees. Being an equal opportunity employer, the Group provides equal opportunities in all aspects of employment regardless of age, gender, family status, sexual orientation, ethnicity, creed and religion or other characteristics. The Group does not tolerate any form of harassment and has developed a Code of Conduct for employees to reinforce their awareness in this regard.

To attract and retain talents, the Group is committed to providing competitive remuneration packages and welfare benefits to employees, including medical benefits, social insurance, provident funds, bonus and a share option scheme. Other employee benefits include basic pension insurance fund, unemployment insurance fund, basic medical insurance fund, work-related injury insurance fund and maternity insurance fund, as required by the Social Insurance Law of the PRC are also provided. Our employees' remuneration packages are regularly reviewed to ensure that they match the prevailing market levels.

While the Group does not operate in locations where child labour risk is relatively high, we are striving hard to work with our suppliers and sub-contractors to ensure there is no forced labor or child labor working in their production facilities. During the year, the Group did not receive any reports relating to the use of child labour or forced labour.

本集團致力為全體僱員營造一個和諧及公平的工作環境。作為一個平等機會僱主，本集團為各層面的僱員提供平等機會，不論年齡、性別、家庭狀況、性取向、種族、信仰及宗教或其他特徵。本集團不能容忍任何形式的騷擾，並已建立行為守則，以加強僱員於此方面的意識。

為吸引及保留人才，本集團致力為僱員提供具競爭力的薪酬待遇及福利，包括醫療福利、社會保險、公積金、花紅及購股權。同時亦提供其他僱員福利，包括中國社會保險法規定的基本退休保險基金、失業保險基金、基本醫療保險基金、工傷保險基金及生育保險基金。我們定期審閱僱員的薪酬待遇，確保其符合現行市場水平。

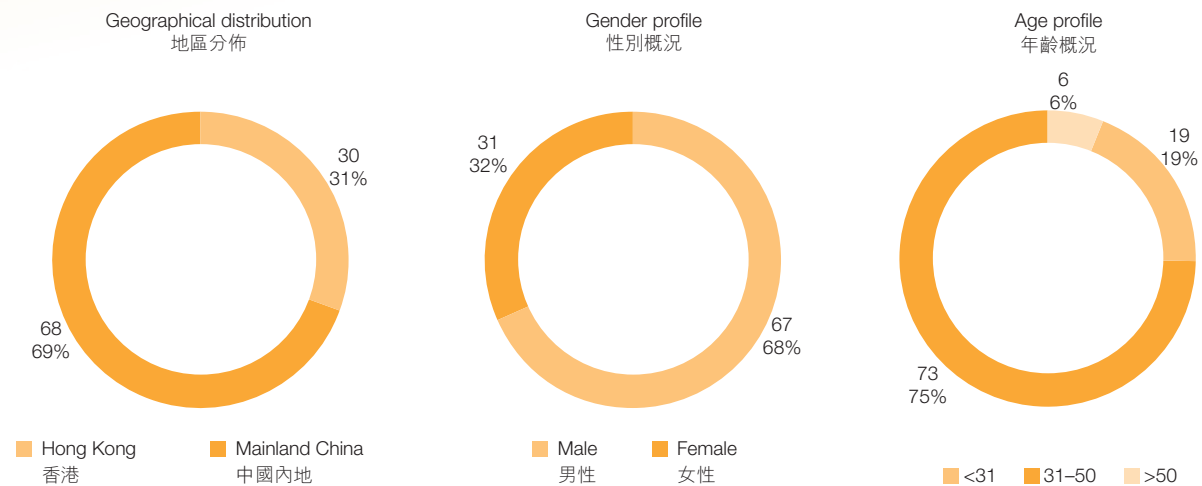
雖然本集團並非在童工風險較高地區經營，我們亦竭力與供應商及分包商合作，確保其生產廠房中概無強迫勞工或童工。年內，本集團並無收到有關僱用童工及強迫勞工的任何報告。

Employee Composition

As at 31 December 2017, there were 98 employees in total, most of which were in mainland China, accounting for 69%, with employees in Hong Kong accounting for the remaining 31%. The ratio of male to female is 68:32. Most of them (75%) are 31-50 years old.

僱員組成

於二零一七年十二月三十一日，員工總數為98名，大部分來自中國內地，佔69%，而餘下31%則為香港員工。男女比例為68:32，多數員工(75%)為31至50歲。



Occupational Health and Safety

Our operations are not related to any high-risk areas such as occupational health and safety. We strive to maintain a healthy and safe working environment for our employees and provide such information, training and supervision as they might need for this purpose. The Group also maintains satisfactory hygiene standards and follows safe working practices in its offices and warehouses by prohibiting smoking and drinking. We strictly complied with all occupational safety related laws, including the Occupational Safety and Health Ordinance, the Production Safety Law of PRC and Law on Prevention of Occupational Disease and Measures for the Supervision during the year under review.

職業健康與安全

我們的營運並無涉及任何高風險範疇，如職業健康與安全。我們致力為員工維持一個健康及安全的工作環境，並就此提供彼等需要的有關資訊、培訓及指導。本集團亦維持妥善衛生標準，並於辦公室及倉庫透過禁煙及禁酒以遵守安全工作程序。我們於回顧年內嚴格遵守所有職業安全相關法例，包括《職業安全及健康條例》、《中華人民共和國安全生產法》及《中華人民共和國職業病防治法》。

Training and Development

For assisting employees to realize their full potential, the Group considers training an important aspect for continuous development of the staff. We aim to provide opportunities for the employees to develop job-related knowledge and skills. For example, we arrange internal training to improve the technical understanding of our products, motivating our current employees to align their personal goals with our business needs.

培訓及發展

為協助員工充分發揮潛能，本集團認為培訓對員工的持續發展而言實屬重要。我們旨在向員工提供機會發展工作相關知識及技能。例如，我們安排內部培訓改善員工對產品技術上的認識，鼓勵現任員工將個人目標與我們的業務需要一致化。

The Group values the feedback from employees and has established various channels to collect feedback from employees for ongoing improvements.

Community Involvement

The Group aims to be considerate to the domestic community where our businesses are located by bringing positive impacts to the local community. We encourage our employees to get involved and take part in community development. In 2017, the Group donated HK\$200,000 to Heep Hong Society, aiming to support the organization's mission to assist children and youth with special education needs. In the future, we will continue to support activities that propel a harmonious community.

ENVIRONMENTAL MANAGEMENT

The Group is committed to continual improvement of its environmental performance, striving to mitigate its carbon footprint through adopting various environment-friendly approaches in the office and the supply chain.

We recognise the importance of environmental protection and put efforts in our daily operations to this end and also communicate this value to our suppliers and processing services providers. We are dedicated to reducing the environmental impacts associated with our business operations.

As the Group is not directly involved in any production process, the most significant environmental impact of our operations is emission of greenhouse gases and air pollutants generated by the energy used in office premises and vehicles. In 2017, we did not notice any material non-compliance of laws and regulations that could have had a significant impact related to air and greenhouse gas emissions, discharge into water and land or generation of hazardous and non-hazardous waste.

This section reports on the Group's resources consumption and emissions from its operations in Hong Kong and Shenzhen.

本集團重視員工的反饋，並已設立不同渠道收集員工意見，務求繼續進步。

社區參與

本集團致力顧及經營所在地社區，為當地社區帶來正面影響。我們鼓勵員工投身參與社區發展。於二零一七年，本集團為支持協康會工作而向該組織捐贈200,000港元，以協助有特別教育需要的小孩及青少年。未來，我們將繼續支持推動和諧社區的活動。

環境管理

本集團致力透過於辦公室及供應鏈採取多項環保措施，持續改善其環境績效及努力減少碳足跡。

我們肯定環境保護的重要性，為此在日常營運過程中作出努力，同時向供應商及加工服務供應商傳達此價值觀念。我們致力於減少與我們業務營運相關的環境影響。

由於本集團並無直接參與任何生產程序，我們業務最重要的環境影響為辦公場所和車輛使用能源所產生的溫室氣體和空氣污染物的排放。二零一七年，我們並無發現任何與廢氣及溫室氣體排放、向水及土地的排污或產生有害和無害廢棄物相關的重大違反法律及法規事件。

本節就本集團於香港及深圳營運導致的資源消耗及排放作出報告。

Resources Consumption

In 2017, total direct energy consumption arising from gasoline consumption by vehicles was 23,682 liters. Total direct consumption of electricity was approximately 118,609 kWh. Mainly for employees' daily consumption, the Group's total water usage was 519 tonnes. The Group has no issue in sourcing water and its operations did not involve material use of packaging materials.

資源消耗

二零一七年，汽車使用汽油產生的直接能源消耗總量為23,682公升。直接電力消耗總量約為118,609千瓦時。本集團的總耗水量為519噸，主要為員工日常消耗。本集團求取適用水源上沒有任何問題，其營運並不涉及大量使用包裝材料。

Types of Resources	資源種類	Unit 單位	2017 二零一七年	Intensity (per area) 密度 (單位面積)
Electricity	電力	kWh 千瓦時	118,609	40.95 kWh/m ² 40.95千瓦時/平方米
Gasoline	汽油	liters 公升	23,682	8.18 liter/m ² 8.18公升/平方米
Tap Water	自來水	tonnes 噸	519	0.55 tonne/m ² 0.55噸/平方米

Emissions

The Group's carbon emissions include direct emissions from gasoline used by its vehicles and indirect emissions due to consumption of purchased electricity. In 2017, total carbon emissions were 126 tonnes. The SO_x, NO_x and PM emissions from company vehicles were 0.3 kg, 12.3 kg and 0.9 kg respectively. Due to the Group's office-based operation, the volume of hazardous and non-hazardous waste generated is considered to be immaterial.

排放

本集團的碳排放包括其汽車使用汽油產生的直接排放及因消耗購入電力產生的間接排放。二零一七年，總碳排放量為126噸。產自公司汽車的硫氧化物、氮氧化物及懸浮微粒排放量分別為0.3公斤、12.3公斤及0.9公斤。由於本集團的營運位於辦公室，產生有害及無害廢棄物的數量被視為輕微。

Types of Emission	排放種類	Unit 單位	2017 二零一七年	Intensity (per area) 密度 (單位面積)
Direct (Scope I) Carbon Emission ¹	直接(範圍一)碳排放 ¹	tCO ₂ e 噸二氧化碳當量	63.0	0.02 tCO ₂ e/m ² 0.02噸二氧化碳當量/平方米
Indirect (Scope II) Carbon Emission ²	間接(範圍二)碳排放 ²	tCO ₂ e 噸二氧化碳當量	63.0	0.02 tCO ₂ e/m ² 0.02噸二氧化碳當量/平方米
Sulphur Oxides (SO _x)	硫氧化物(SO _x)	kg 公斤	0.3	
Nitrogen Oxides (NO _x)	氮氧化物(NO _x)	kg 公斤	12.3	
Particulate Matters (PM)	懸浮微粒(PM)	kg 公斤	0.9	

¹ Direct emissions from operations that are owned or controlled by the Group.

² Indirect emissions resulting from the generation of purchased electricity consumed within the Group.

¹ 本集團擁有或控制的營運所產生的直接排放。

² 本集團內消耗所購買電力所產生的間接排放。

Resources Conservation

節約資源





A greener office not only contributes to a better environment but also reduces operational costs. While the Group's operations are primarily office-based, we strive to promote the concept of energy-saving, resources conservation and pollution minimization in our office by participating in "Let's GO", a green office scheme designed by a third-party consulting firm.

綠色辦公室不僅能營造更優質的環境，亦能減低營運開支。由於本集團營運以辦公室為主，我們透過參與獨立顧問公司構建的綠色辦公室計劃「綠識空間」，致力於辦公室推廣節能、資源節約及減少污染的概念。

This scheme helps embed environmental sustainability in daily operations by recommending simple yet feasible initiatives regarding energy and resources conservation. The scheme evaluates environmental performance of our office and requires our staffs to sign an online green pledge about creating a greener workplace. Stickers and posters were provided to encourage staffs to develop green habits, such as switching off lights, air-conditioners and office equipment before leaving the office, recycling papers and plastics, using web-conferencing to avoid travel, conserve water resources and making repeated use of low-value consumables such as envelopes and clips.

本計劃透過推介簡單可行的能源和資源節約措施，有助於日常營運中實現環境可持續發展。計劃對我們辦公室的環境績效進行評估，並要求我們的員工簽署創建綠色工作場所的網上綠色保證書。我們還提供貼紙及海報，鼓勵員工建立綠色習慣，例如離開辦公室前關閉電燈、空調及辦公設備、回收紙張及塑料、使用網絡會議以避免差旅、節約用水以及重複使用信封及回形針等低價消耗品。





Energy Conservation

-  Lighting
-  Air Conditioning
-  Office Equipment

節約能源

-  照明
-  空調
-  辦公設備

Resources Conservation

-  Paper Use Conservation
-  Plastic Waste Reduction
-  WEEE Recycling
-  Water Conservation

節約資源

-  節約用紙
-  減少塑料廢棄物
-  廢棄電器及電子設備(WEEE)回收
-  節約用水

Striving for a Greener Supply Chain

A greener supply chain is crucial for the Group's sustainable development. We ensure all our products are sourced from suppliers that share our sustainability values and care about the environment. The Group encourages them to adopt measures required to conserve resources and mitigate pollution.

The Group has established stable and long-term business relationships with green and socially responsible suppliers for over ten years. Our major suppliers have obtained ISO 14001 Environmental Management System certification and some have also verified their greenhouse gas emissions and received IECQ¹ Certificate of Conformity for Hazardous Substances Process Management. We will continue to work closely with our suppliers to develop innovative technologies to create a greener environment in the future.

We have also established various internal control measures to monitor environmental performance of our processing services providers. We ensure that our processing services providers have registered with the relevant environmental protection authority in accordance with the PRC laws and have obtained a special licence before starting operations. For example, the slimming processing plant is required to provide relevant discharge permits as it generates pollutants during the process. In addition, the Group also undertakes regular site visits to check if the processing services providers' facilities meet our required environmental standards. We communicate closely with them to monitor their environmental compliance levels.

¹ International Electronic Component Quality Assessment System (IECQ) is a world-recognized certification system under The International Electrotechnical Commission that covers the supply and process of electronic component, related materials and components which including modules.

追求更環保的供應鏈

一個更環保的供應鏈對本集團的可持續發展尤為關鍵。我們確保所有產品乃採購自同樣秉持我們可持續發展理念及關愛環境的供應商。本集團鼓勵彼等採納所需措施節約資源及減少污染。

本集團亦與環保及對社會負責的供應商建立逾十年穩定及長期的業務關係。我們的主要供應商已獲得ISO 14001環境管理體系認證，且若干供應商已就其溫室氣體排放取得核證及取得IECQ¹有害物質過程管理合格證書。我們將繼續與供應商緊密合作，開發創新技術以於日後創造一個更綠色的環境。

我們亦已採取多項內部監控措施，以監管我們加工服務供應商的環保表現。我們確保加工服務供應商已根據中國法律於相關環保當局註冊並於開始經營前取得特別牌照。例如，薄化加工廠房須提供相關排放許可證，因其作業過程中產生污染物。此外，本集團亦定期進行實地考察，確保加工服務供應商的設備符合我們規定的環保標準。我們與加工服務供應商溝通緊密，以監察其環保合規水平。

¹ 國際電工委員會轄下國際電子元器件品質評定體系(IECQ)為世界公認的認證體系，涵蓋電子元器件及相關材料及組件(包括模組)的供應及工序。

PERFORMANCE DATA SUMMARY

表現數據摘要

		Unit		2017
		單位		二零一七年
Workforce Demographics 僱員人口統計	Total Headcount	員工總數		
	By Geographical Distribution	按地區劃分		
	Hong Kong	香港		30
	Mainland China	中國內地		68
	Total	總計		98
	By Age	按年齡劃分		
	<31	<31		19
	31-50	31-50		73
	>50	>50		6
	By Gender	按性別劃分		
	Male	男性		67
	Female	女性		31
Environment 環境	Total Resources Consumption	資源消耗總量		
	Electricity	電力	kWh 千瓦時	118,609
	Gasoline	汽油	liters 公升	23,682
	Tap Water	自來水	tonnes 噸	519
	Intensity (per area)	密度(單位面積)		
	Electricity	電力	kWh/m ² 千瓦時/ 平方米	40.95
	Gasoline	汽油	liter/m ² 公升/ 平方米	8.18
	Tap Water	自來水	tonne/m ² 噸/ 平方米	0.55
	Emissions	排放量		
	Sulphur Oxides (SOx)	硫氧化物(SOx)	kg 公斤	0.3
	Nitrogen Oxides (NOx)	氮氧化物(NOx)	kg 公斤	12.3
	Particulate Matters (PM)	懸浮微粒(PM)	kg 公斤	0.9

		Unit 單位	2017 二零一七年
Greenhouse Gases Emissions	溫室氣體排放量		
GHG emissions	溫室氣體排放量	tCO ₂ e 噸二氧 化碳當量	126
Scope I	範圍(一)	tCO ₂ e 噸二氧 化碳當量	63
Scope II	範圍(二)	tCO ₂ e 噸二氧 化碳當量	63
Intensity (per area)	密度(單位面積)		
GHG emissions	溫室氣體排放量	tCO ₂ e/m ² 噸二氧 化碳當量/ 平方米	0.04
Scope I	範圍(一)	tCO ₂ e/m ² 噸二氧 化碳當量/ 平方米	0.02
Scope II	範圍(二)	tCO ₂ e/m ² 噸二氧 化碳當量/ 平方米	0.02

ESG CONTENT INDEX

環境、社會及管治內容指標

KPIs	HKEX ESG Reporting Guide Requirements 香港聯交所之環境、社會及管治報告指引規定	Section/Remarks 章節／備註
A. Environmental	A.環境	
Aspect A1 層面A1	Emissions 排放物	
General disclosure 一般披露	Information on: 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer, (b) 遵守對發行人有重大影響的相關法律及規例 的資料。 relating to air and greenhouse gas emissions, discharges into water and land and generation of hazardous and non-hazardous waste.	Environmental Management 環境管理
KPI A1.1 關鍵績效指標A1.1	The types of emissions and the related emissions data. 排放物種類及相關排放數據。	Environmental Management — Emission 環境管理 — 排放
KPI A1.2 關鍵績效指標A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume in each facility). 溫室氣體總排放量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	Environmental Management — Emission 環境管理 — 排放
KPI A1.3 關鍵績效指標A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume in each facility). 所產生有害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	Environmental Management — Emission 環境管理 — 排放

KPIs	HKEX ESG Reporting Guide Requirements 香港聯交所之環境、社會及管治報告指引規定	Section/Remarks 章節／備註
關鍵績效指標		
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume in each facility).	Environmental Management — Emission
關鍵績效指標A1.4	所產生無害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	環境管理 — 排放
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Environmental Management — Resources Consumption
關鍵績效指標 A1.5	描述減低排放量的措施及所得成果。	環境管理 — 資源消耗
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Environmental Management — Resources Conservation
關鍵績效指標 A1.6	描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	環境管理 — 節約資源
Aspect A2 層面A2	Use of resources 資源使用	
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Management
一般披露	有效使用資源(包括能源、水及其他原材料)的政策。	環境管理
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume in each facility).	Environmental Management — Resources Consumption
關鍵績效指標 A2.1	按類型劃分的直接及／或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)。	環境管理 — 資源消耗
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume in each facility).	Environmental Management — Resources Consumption
關鍵績效指標 A2.2	總耗水量及密度(如以每產量單位、每項設施計算)。	環境管理 — 資源消耗

KPIs	HKEX ESG Reporting Guide Requirements 香港聯交所之環境、 社會及管治報告指引規定	Section/Remarks 章節／備註
關鍵績效指標		
KPI A2.3 關鍵績效指標 A2.3	Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。	Environmental Management — Resources Conservation 環境管理 — 節約資源
KPI A2.4 關鍵績效指標 A2.4	Description of whether there is any issue in sourcing water that is fit for the purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。	Environmental Management — Resources Consumption 環境管理 — 資源消耗
KPI A2.5 關鍵績效指標 A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit of production volume. 製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量。	Environmental Management — Resources Consumption 環境管理 — 資源消耗
Aspect A3 層面 A3	The environment and natural resources 環境及天然資源	
General disclosure 一般披露	Policies on minimizing the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	Environmental Management — Resources Conservation 環境管理 — 節約資源
KPI A3.1 關鍵績效指標 A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	Environmental Management — Resources Conservation 環境管理 — 節約資源

KPIs	HKEX ESG Reporting Guide Requirements 香港聯交所之環境、社會及管治報告指引規定	Section/Remarks 章節／備註
B. Social B. 社會		
Aspect B1 層面 B1	Working conditions 工作條件	
General disclosure 一般披露	Information on: 有關薪酬及解僱、招聘及晉升、工作時數、假期、多元化以及其他待遇及福利的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及規例的資料。 related to compensation and dismissal, recruitment and promotion, working hours, rest periods, diversity and other benefits and welfare.	Our People and Community — Employee Management 員工及社區 — 僱員管理
KPI B1.1 關鍵績效指標 B1.1	Total number of employees categorized by gender, age and regions. 按性別、年齡及地區劃分的僱員總數。	Our People and Community — Employee Composition 員工及社區 — 僱員組成
Aspect B2 層面 B2		
General disclosure 一般披露	Information on: 有關提供安全工作環境及保障僱員避免職業性危害的： (a) the policies; and 政策；及	Our People and Community — Occupational Health and Safety 員工及社區 — 職業健康與安全

KPIs	HKEX ESG Reporting Guide Requirements 香港聯交所之環境、 社會及管治報告指引規定	Section/Remarks 章節／備註
關鍵績效指標	<p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>(b) 遵守對發行人有重大影響的相關法律及規例的資料。</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p>	
Aspect B3 層面 B3	Development and training 發展及培訓	
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our People and Community — Training and Development
一般披露	有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	員工及社區 — 培訓及發展
Aspect B4 層面 B4	Labour standards 勞工準則	
General disclosure	Information on:	Our People and Community — Employee Management
一般披露	<p>有關防止童工及強制勞工的：</p> <p>(a) the policies; and (a) 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>(b) 遵守對發行人有重大影響的相關法律及規例的資料。</p>	員工及社區 — 僱員管理
	relating to preventing child or forced labour.	

KPIs	HKEX ESG Reporting Guide Requirements 香港聯交所之環境、社會及管治報告指引規定	Section/Remarks
關鍵績效指標		章節／備註
Aspect B5 層面 B5	Supply chain management 供應鏈管理	
General disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	Lawful Operation — Supply Chain Management 合法經營 — 供應鏈管理
Aspect B6 層面B6	Product responsibility 產品責任	
General disclosure 一般披露	Information on: 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer (b) 遵守對發行人有重大影響的相關法律及規例的資料。 relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Lawful Operation — Product Responsibility 合法經營 — 產品責任
Aspect B7 層面B7	Anti-Corruption 反貪污	
General disclosure 一般披露	Information on: 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) the policies; and (a) 政策；及	Lawful Operation — Anti-corruption 合法經營 — 反貪污

KPIs	HKEX ESG Reporting Guide Requirements 香港聯交所之環境、 社會及管治報告指引規定	Section/Remarks 章節／備註
關鍵績效指標	<p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>(b) 遵守對發行人有重大影響的相關法律及規例的資料。</p> <p>relating to bribery, extortion, fraud and money laundering.</p>	
Aspect B8 層面B8	Community investment 社區投資	
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Our People and Community — Community Involvement
一般披露	有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	員工及社區 — 社區參與
KPI B8.2	Resources reserved for the special category (e.g. fund and time).	Our People and Community — Community Involvement
關鍵績效指標 B8.2	於專注範疇所動用的資源(如資金及時間)。	員工及社區 — 社區參與

Biographical Details of Directors and Senior Management

董事及高級管理層個人資料

EXECUTIVE DIRECTORS

Mr. Cheng Wai Tak, aged 48, was appointed as director of the Company on 13 June 2013. He is the Chairman, Chief Executive Officer and executive Director of the Company. He is also the chairman of the Nomination Committee and a member of the Remuneration Committee of the Company. Mr. Cheng is also a founder of the Group. He has been in the business of trading TFT-LCD components for over 14 years and has established close relationships with various suppliers. He is responsible for formulating the Group's overall strategic planning and development, and management of the Group's business. He graduated from Hong Kong Baptist University with a bachelor of science in combined sciences in mathematical science degree. Save as disclosed above, Mr. Cheng is also a director of certain of the Group's subsidiaries incorporated in Hong Kong, the British Virgin Islands, Samoa and Taiwan.

Mr. Liu Ka Wing, aged 45, was appointed as an executive Director of the Company on 18 June 2013. He joined the Group in November 2008. He is responsible for overseeing the Group's administrative functions and compliance issue; and assisting in the management of the Group's business. Mr. Liu has about 23 years of experience in accounting. Prior to joining the Group, he worked in various certified public accountants firm and corporations, responsible for general accounting functions. Mr. Liu is also a director of certain subsidiaries of the Group.

Mr. Tse Ka Wing, aged 42, joined the Group in May 2013 and is the Company Secretary and Chief Financial Officer of the Company. He was appointed as an executive Director with effect from 26 March 2015. He is primarily responsible for the financial management, supervision of financial reporting and corporate finance matters of the Group. Mr. Tse graduated from The Chinese University of Hong Kong with a bachelor of business administration degree. He is an associate of the Hong Kong Institute of Certified Public Accountants and a member of the Association of Chartered Certified Accountants. Mr. Tse is a professional accountant with over 20 years of experience in accounting and had previously served as a senior manager of an international firm of certified public accountants. Mr. Tse was appointed in January 2015 and retired in May 2015 as an independent non-executive

執行董事

鄭偉德先生，48歲，於二零一三年六月十三日獲委任為本公司董事，為本公司的主席、行政總裁及執行董事。彼為本公司提名委員會主席及薪酬委員會成員。鄭先生亦為本集團創始人，在TFT-LCD部件貿易業務中有超過14年經驗，與多間供應商建立了緊密關係。彼負責制訂本集團整體策略規劃及發展，以及管理本集團業務。彼畢業於香港浸會大學，獲頒授綜合科學理學士學位，主修數學科學。除上文所披露者外，鄭先生亦為本集團若干於香港、英屬處女群島、薩摩亞及台灣註冊成立之附屬公司之董事。

廖嘉榮先生，45歲，於二零一三年六月十八日獲委任為本公司的執行董事。彼於二零零八年十一月加入本集團。彼負責監察本集團的行政職能及合規事務；以及協助管理本集團業務。廖先生於會計方面有約23年經驗。於加入本集團前，他曾於多間執業會計師事務所及企業工作，負責一般會計職能。廖先生亦為本集團若干附屬公司之董事。

謝家榮先生，42歲，於二零一三年五月加盟本集團，並擔任本公司的公司秘書及財務總監。彼於二零一五年三月二十六日起獲委任為執行董事。彼主要負責本集團之財務管理、財務申報之監督及企業融資事務。謝先生畢業於香港中文大學，持有工商管理學士學位。彼為香港會計師公會及英國特許公認會計師公會會員。謝先生為專業會計師，於會計界有超過20年經驗，彼過往曾於一間國際會計師事務所任職高級經理。於二零一五年一月，謝先生獲委任為中國集成控股有限公司（前稱：集成傘業控股有

director of China Jicheng Holdings Limited (formerly known as Jicheng Umbrella Holdings Limited) (stock code: 1027), a company whose shares are listed on The Stock Exchange of Hong Kong Limited.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Yik Chung John, aged 51, was appointed as an independent non-executive Director of the Company on 20 January 2014 and is responsible for providing independent judgment on issues of strategy, performance, resources and standard of conduct of the Company.

He is also the chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee of the Company. Mr. Wong graduated from the University of Melbourne, Australia with a degree of bachelor of commerce. He was a member of the Australian Society of Certified Practising Accountants in February 1992 and was admitted as an associate of the Hong Kong Institute of Certified Public Accountants in April 1997. Mr. Wong has more than 28 years of experience in auditing and corporate finance work. Over the past three years, he served as independent non-executive directors for the following companies listed on (i) the Shenzhen Stock Exchange, namely Yang Guang Co. Ltd (stock code: 000608); and (ii) the Stock Exchange, namely Golden Resources Development International Limited (stock code: 677), Beijing North Star Company Limited (stock code: 588) and Biosino Bio-Technology and Science Incorporation (stock code: 8247), Kee Holdings Company Limited (stock code: 2011) and Ascent International Holdings Limited (stock code: 264). He is currently serving as independent non-executive directors for the following companies which are listed on the Stock Exchange, namely EcoGreen International Group Limited (stock code: 2341), LongiTech Smart Energy Holding Limited (stock code: 1281) and Beijing Capital Land Ltd. (stock code: 2868).

限公司)(股份代號：1027，其股份於香港聯合交易所有限公司上市)之獨立非執行董事，並於二零一五年五月退任。

獨立非執行董事

黃翼忠先生，51歲，於二零一四年一月二十日獲委任為本公司的獨立非執行董事，負責提供有關本公司的策略、表現、資源及操守水準的獨立判斷。

彼亦為本公司審核委員會主席及提名委員會與薪酬委員會成員。黃先生畢業於澳洲墨爾本大學，持有商學士學位。彼於一九九二年二月獲接納為澳洲執業會計師公會會員，並於一九九七年四月獲接納為香港會計師公會的會員。黃先生於核數及企業融資工作有超過28年經驗。於過去三年，彼於下列(i)深圳證券交易所上市公司陽光新業地產股份有限公司(股份代號：000608)；及(ii)聯交所上市公司金源米業國際有限公司(股份代號：677)、北京北辰實業股份有限公司(股份代號：588)、中生北控生物科技股份有限公司(股份代號：8247)、開易控股有限公司(股份代號：2011)及中壘國際控股有限公司(股份代號：264)任職獨立非執行董事。彼目前擔任以下公司之獨立非執行董事，包括中怡國際集團有限公司(股份代號：2341)、隆基泰和智慧能源控股有限公司(股份代號：1281)及首創置業股份有限公司(股份代號：2868)。

Mr. Wong Chi Chiu, aged 47, was appointed as an independent non-executive Director of the Company on 20 January 2014 and is responsible for providing independent judgment on issues of strategy, performance, resources and standard of conduct of the Company. He is also the chairman of the Remuneration Committee and a member of the Audit Committee of the Company. Mr. Wong graduated from The Hong Kong Polytechnic University with a degree of bachelor of engineering in electrical engineering. He further received his master of science in engineering (building services engineering) degree from The University of Hong Kong. Mr. Wong was registered as a chartered engineer (CEng) at the Engineering Council in April 1998 and was registered as a registered professional engineer in electrical discipline at the Engineers Registration Board in July 1999. He has been a member of The Institution of Engineering and Technology since February 1998 and the Hong Kong Institution of Engineers since May 1998. Mr. Wong has over 25 years of experience in the engineering industry.

Mr. Li Shui Yan, aged 48, was appointed as an independent non-executive Director of the Company on 20 January 2014 and is responsible for providing independent judgment on issues of strategy, performance, resources and standard of conduct of the Company. He is also a member of the Audit Committee and Nomination Committee of the Company. Mr. Li graduated from National Chengchi University in Taiwan with a degree of bachelor of business administration. Mr. Li has more than 20 years of experience in corporate finance. Currently, he is the managing director of Dakin Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong.

Note: The executive Directors of the Company are also the senior management of the Company.

黃智超先生，47歲，於二零一四年一月二十日獲委任為本公司的獨立非執行董事，負責提供有關本公司的策略、表現、資源及操守水準事宜的獨立判斷。彼亦為本公司薪酬委員會主席及審核委員會成員。黃先生畢業於香港理工大學，取得工程學士學位，主修電機工程。彼其後獲香港大學頒授工程(屋宇工程)理學碩士學位。黃先生於一九九八年四月註冊為英國工程師學會(Engineering Council)的特許工程師(CEng)，並於一九九九年七月註冊為工程師註冊管理局的註冊專業電機工程師。彼由一九九八年二月起成為工程及科技學會的會員，又由一九九八年五月起為香港工程師學會會員。黃先生於工程界有超過25年的經驗。

李瑞恩先生，48歲，於二零一四年一月二十日獲委任為本公司的獨立非執行董事，負責提供有關本公司的策略、表現、資源及操守水準的獨立判斷。彼為本公司審核委員會及提名委員會的成員。李先生畢業於獲台灣國立政治大學，獲頒授企業管理學士學位。李先生於企業融資方面有超過20年經驗。彼目前為可進行香港法例第571章證券及期貨條例項下之第6類受規管活動(就機構融資提供意見)之持牌法團德健融資有限公司之董事總經理。

*附註：*本公司執行董事亦為本公司高級管理層。

Report of the Directors

董事會報告

The Directors of the Company present their report together with the audited financial statements for the year ended 31 December 2017.

CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 13 June 2013 under the Companies Law of the Cayman Islands. The Company's shares were listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 7 February 2014 (the "Listing Date").

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 13 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

Business review of the Group for the year ended 31 December 2017 as required by Schedule 5 to the Hong Kong Companies Ordinance, including a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business and the key performance indicators of the Group, can be found in the Management Discussion and Analysis set out on pages 8 to 26 of this annual report which forms part of this directors' report.

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

本公司董事謹此呈列年度報告連同截至二零一七年十二月三十一日止年度之經審核財務報表。

企業資料

本公司於二零一三年六月十三日根據開曼群島公司法於開曼群島註冊成立為一間獲豁免有限公司。本公司股份於二零一四年二月七日（「上市日期」）於香港聯合交易所有限公司（「聯交所」）GEM上市。

主要業務及業務回顧

本公司之主要業務為投資控股。附屬公司的主要業務載列於綜合財務報表附註13。年內，本集團主要業務性質概無重大改變。

《香港公司條例》附表5規定之本集團截至二零一七年十二月三十一日止年度之業務回顧，包括本集團面對之主要風險及不確定因素描述，以及預期本集團業務之未來發展及本集團的主要表現指標，載於本年報第8至26頁「管理層討論及分析」內，其構成本董事會報告一部分。

本年度按經營分部分類之本集團業績表現分析載列於綜合財務報表附註5。

ENVIRONMENTAL POLICIES AND PERFORMANCE

To help conserve the environment, the Group has implemented policies to encourage its employees for the efficient use of energy and resources. Besides, the Group has internal control measures in place to ensure its processing service providers to comply with the relevant environmental laws and regulations.

In addition, details regarding the Group's environmental policies and performance can be found in the Environmental, Social and Governance Report set out on pages 43 to 61 of this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of comprehensive income.

The board of directors of the Company (the "Board") do not recommend the payment of a dividend (2016: HK1.0 cent per ordinary share) for the year ended 31 December 2017.

SHARE CAPITAL

There were no movements in the Company's share capital during the year.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 December 2017 amounted to approximately HK\$480,153,000 (2016: HK\$495,310,000).

環保政策及表現

為協助保護環境，本集團已推行政策鼓勵僱員有效利用能源及資源。此外，本集團設有內部監控措施，確保其加工服務供應商符合相關環保法律及法規。

此外，關於本集團環境政策及表現之詳情，載於本年報第43至61頁的「環境、社會及管治報告」內。

業績及分派

本年度之本集團業績載列於綜合全面收益表。

本公司董事會（「董事會」）並不建議派付截至二零一七年十二月三十一日止年度之股息（二零一六年：每股普通股1.0港仙）。

股本

年內，本公司的股本概無發生變動。

可分派儲備

本公司於二零一七年十二月三十一日的可分派儲備約480,153,000港元（二零一六年：495,310,000港元）。

DONATIONS

Charitable and other donations made by the Group during the year amounted to HK\$200,000 (2016: HK\$4,000).

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association and there was no restriction against such rights under the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group, as extracted from the consolidated financial statements of the Company for the years ended 31 December 2013, 31 December 2014, 31 December 2015, 31 December 2016 and 31 December 2017, is set out on page 184 of the annual report. This summary does not form part of the audited financial statements.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year ended 31 December 2017, the Company did not redeem any of its shares, and neither did the Company nor any of its subsidiaries purchase or sell any of the Company's shares.

捐款

年內，本集團作出的慈善及其他捐款之金額為200,000港元(二零一六年：4,000港元)。

優先購買權

本公司之組織章程細則並無有關本公司須按比例向現有股東提呈發售新股份之優先購買權規定，而開曼群島法律並無有關此方面的權利限制。

財務資料摘要

本集團的公佈業績與資產、負債及非控股權益載列於年度報告第184頁，有關資料乃摘錄自本公司截至二零一三年十二月三十一日、二零一四年十二月三十一日、二零一五年十二月三十一日、二零一六年十二月三十一日及二零一七年十二月三十一日止年度的綜合財務報表。本摘要並不構成經審核財務報表的一部分。

購買、出售及贖回證券

於截至二零一七年十二月三十一日止年度，本公司並無贖回其任何股份，而本公司及其任何附屬公司亦無購買或出售本公司任何股份。

SHARE OPTION SCHEME

The Company has a share option scheme (the “Share Option Scheme”) which was approved and adopted pursuant to the written resolutions of the sole Shareholder passed on 20 January 2014 (the “Adoption Date”). The following is a summary of the principal terms of the Share Option Scheme. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Participants (as defined below) and for such other purposes as the Board may approve from time to time.

(b) Participants of the Share Option Scheme

On and subject to the terms of the Share Option Scheme and the requirements of the GEM Listing Rules, the Board may, at its discretion, invite:

- (i) any director of each member of the Group or of any entity in which any member of the Group holds any equity interest (“Invested Entity”);
- (ii) any employee (whether full-time or part-time) of each member of the Group or of any Invested Entity (the “Employee”);
- (iii) any discretionary objects of a discretionary trust established by any Employee or any director of each member of the Group or of any Invested Entity;
- (iv) a company beneficially owned by any Employee or any director of each member of the Group or of any Invested Entity;

購股權計劃

本公司的購股權計劃已根據本公司唯一股東於二零一四年一月二十日（「採納日期」）通過的書面決議案而獲通過及採納。下文為購股權計劃的主要條款概述。購股權計劃的條款乃按照香港聯合交易所有限公司GEM證券上市規則（「GEM上市規則」）第23章的規定。

(a) 購股權計劃的目的

購股權計劃旨在讓本公司以靈活的方法向參與者（定義見下文）給予激勵、獎勵、酬金、報酬及／或福利，以及達致董事會可能不時批准的其他目的。

(b) 購股權計劃的參加者

根據購股權計劃條款及GEM上市規則（或受其規限），董事會可酌情邀請：

- (i) 本集團各成員公司或任何本集團成員公司持有任何股權之任何實體（「被投資實體」）的任何董事；
- (ii) 本集團各成員公司或任何被投資實體的僱員（不論全職或兼職）（「僱員」）；
- (iii) 本集團各成員公司或任何被投資實體的任何僱員或任何董事成立的酌情信託的任何酌情受益人；
- (iv) 本集團各成員公司或任何被投資實體的任何僱員或任何董事實益擁有的公司；

- (v) any consultant, professional and other adviser to each member of the Group or any Invested Entity (including their employees or executives or any persons, firms or companies proposed to be appointed for providing such services);
- (vi) any chief executives or substantial shareholders of the Company;
- (vii) any supplier, customer, service provider, business or joint venture partner, contractor, of the Group or any Invested Entity; and
- (viii) any person who, at the absolute discretion of the Board, has contributed or may contribute to the Group or any Invested Entity, provided that the Board may at its absolute discretion determine whether or not one falls within the above categories,

(together, the “Participants” and each a “Participant”), to take up share options to subscribe for shares of the Company at a price determined in accordance with the terms of the Share Option Scheme.

In determining the basis of eligibility of each Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate.

(c) Duration

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date.

- (v) 本集團各成員公司或任何被投資實體(包括其僱員或行政人員或任何擬獲委任提供有關服務的任何人士、商號或公司)的任何諮詢人、專業人士及其他顧問;
- (vi) 本公司任何主要行政人員或主要股東;
- (vii) 本集團或任何被投資實體的任何供應商、客戶、服務供應商、業務或合營企業夥伴、承包商;及
- (viii) 董事會全權酌情認為對本集團或任何被投資實體作出貢獻或可能作出貢獻的任何人士,惟董事會可全權酌情決定該人士是否歸類為上述種類,

(上述人士均稱為及合稱為「參與者」),接納購股權,並根據購股權條款釐定的價格認購本公司的股份。

於決定每名參與者的資格時,董事會將考慮董事會酌情認為恰當的因素。

(c) 期限

購股權計劃自採納日期起計有效期為十年。

(d) Timing for exercising option

The period as the Board may in its absolute discretion determine and specify in relation to any particular option holder in his option agreement during which the option may be exercised (subject to such restriction on exercisability specified therein), which shall be not greater than the period prescribed by the GEM Listing Rules from time to time (which is, as at the date of adoption of the Share Option Scheme, a period of 10 years from the date of the granting of the option).

(e) Acceptance and payment on acceptance of option offer

The offer of a grant of share options may be accepted within the period from the date on which such offer is made by the Board in accordance with the Share Option Scheme to such date as the Board may determine and specify in the letter where such offer is made to a Participant in such form as the Board may from time to time determine, upon payment of a nominal consideration of HK\$1 in total by the grantee.

(f) Subscription Price

The subscription price in respect of each Share issued pursuant to the exercise of options granted hereunder shall be a price solely determined by the Board and notified to a Participant and shall be at least the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer, which must be a business day;
- (ii) a price being the average of the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of offer; and
- (iii) the nominal value of a Share.

(d) 行使購股權的時間

就任何特定購股權持有人於其購股權協議內由董事會全權酌情釐定及註明之有關期限，購股權可於此期限內行使（受購股權協議訂明之有關行使限制所限），不得超過GEM上市規則不時規定之期限（於採納購股權計劃當日為授出購股權日期起計10年之期限）。

(e) 接納及接納購權股要約所付的款項

授出之購股權可於董事會根據購股權計劃授出該購股權的日期起至董事會可能釐定及於提呈函件所訂明的某日期內獲接納，而董事會可按不時決定的形式向參與者授出購股權，惟承授人須支付總計1港元之名義代價。

(f) 認購價

根據本文授出的購股權獲行使而發行的每股股份的認購價將由董事會獨自釐定及知會參與者，而認購價最低為下列之最高者：

- (i) 於要約日聯交所每日報價表所列的股份收市價，該日須為營業日；
- (ii) 緊接要約日前五個營業日聯交所每日報價表所列的股份平均收市價的價格；及
- (iii) 一股股份的面值。

(g) Maximum number of Shares available for subscription

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue immediately following completion of the Placing and the Capitalisation Issue (as defined in the prospectus of the Company dated 24 January 2014) (being 132,000,000 Shares). The Company may renew this limit at any time, subject to shareholders' approval and the issue of a circular and in accordance with the GEM Listing Rules provided that the number of shares to be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes does not exceed 30% of the shares in issue from time to time.

As at the date of this report, the Company had 132,000,000 share options available to be granted under the Share Option Scheme, which represented approximately 8.9% of the Company's shares in issue as at that date.

(h) Maximum entitlement of Shares of each Participant

The total number of Shares issued and to be issued upon exercise of the options granted to each Participant under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding Options) in any 12-month period shall not exceed 1% of the total number of Shares in issue. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

(g) 可認購的股份數目上限

因行使根據購股權計劃及本公司任何其他購股權計劃授出的所有購股權可發行的股份總數，合共不得超過緊隨配售及資本化發行（定義見本公司日期為二零一四年一月二十四日之招股章程）完成後已發行股份總數的10%（即132,000,000股股份）。本公司可於任何時間在獲股東批准的情況下更新此限額，並須根據GEM上市規則刊發通函，惟根據所有購股權計劃已授出但尚未行使的所有未獲行使購股權獲行使而將予發行的股份數目，不得超過已發行股份的30%。

於本報告日期，本公司購股權計劃項下的132,000,000股購股權可予發行，相當於本公司於該日已發行股份約8.9%。

(h) 每名參與者可得的股份上限

於任何十二個月期間因行使根據購股權計劃及本公司其他購股權計劃授予每名參與者的購股權（包括已行使及尚未行使的購股權）而已發行及將予發行的股份總數，不得超過已發行股份總數的1%。進一步授出任何超過此項限制的購股權須獲股東於股東大會上批准。

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their respective associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their respective associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

No share option has been granted under the Share Option Scheme since its adoption.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as the Share Option Scheme, at no time during the year was the Company, its parent company, or any of its subsidiaries or fellow 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.

DIRECTORS

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

Executive Directors

Mr. Cheng Wai Tak (*Chairman*)
Mr. Liu Ka Wing
Mr. Tse Ka Wing

Independent non-executive Directors

Mr. Wong Yik Chung John
Mr. Wong Chi Chiu
Mr. Li Shui Yan

向本公司各董事、行政總裁或主要股東或彼等各自之任何聯繫人士授予購股權須事先取得本公司獨立非執行董事批准。此外，倘若於任何十二個月內，授予本公司主要股東或獨立非執行董事或彼等各自之任何聯繫人士之購股權超出本公司不時已發行股份之0.1%或總值（根據授出購股權當日本公司股份價格計算）超逾5,000,000港元，則須事先在股東大會上取得股東批准。

自購股權計劃獲採納起，概無根據購股權計劃授出的購股權。

董事購買股份或債權證之權利

除購股權計劃外，於年內任何時間，本公司、其母公司或其任何附屬公司或同系附屬公司均無訂立任何安排，使董事可透過收購本公司或任何企業股股份或債權證而取得利益。

董事

本公司於本年度至本報告日期的董事為：

執行董事：

鄭偉德先生(主席)
廖嘉榮先生
謝家榮先生

獨立非執行董事：

黃翼忠先生
黃智超先生
李瑞恩先生

By virtue of article 108 of the articles of association of the Company, Mr. Cheng Wai Tak and Mr. Wong Chi Chiu will retire by rotation at the forthcoming annual general meeting. Mr. Cheng Wai Tak and Mr. Wong Chi Chiu will, being eligible, offer themselves for re-election.

The Company has received annual confirmation of independence from each of the independent non-executive Directors pursuant to Rule 5.09 of the GEM Listing Rules. As at the date of this report, the Board considers them to be independent.

DIRECTORS' SERVICE CONTRACTS

Except for the service contract with Mr. Tse Ka Wing which commenced on 26 March 2015, each of the executive Directors has entered into a service contract with the Company for a term of three years commencing on the Listing Date except terminated by either party giving not less than three months' prior written notice to the other. The service contracts with Mr. Cheng Wai Tak and Mr. Liu Ka Wing are renewed for a term of three years commencing on 7 February 2017. They are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's articles of association.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for a term of three years commencing on the Listing Date, except terminated by not less than three months' notice in writing served by either party on the other. They are subject to retirement by rotation and re-election at the Company's annual general meeting. The aforementioned appointments are renewed for a term of three years commencing on 7 February 2017.

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

根據本公司之組織章程細則第108條，鄭偉德先生及黃智超先生將於應屆股東週年大會輪席退任。鄭偉德先生及黃智超先生將符合資格並願意重選連任。

本公司已接獲各獨立非執行董事根據GEM上市規則第5.09條之規定每年作出之獨立確認書。於本報告日期，董事會仍然視彼等屬獨立。

董事服務合約

除與謝家榮先生訂立由二零一五年三月二十六日起生效之服務合約外，各執行董事均與本公司訂立服務合約，自上市日期起計為期三年，除非其中一方向另一方發出不少於三個月的事先書面通知予以終止為止。該等與鄭偉德先生及廖嘉榮先生訂立的服務合約已獲重續，自二零一七年二月七日起為期三年。彼等須根據本公司的組織章程細則於本公司的股東週年大會上輪值退任及膺選連任。

各獨立非執行董事均與本公司訂立自上市日期起為期三年的委任函件，除非其中一方向另一方發出不少於三個月的事先書面通知予以終止。彼等須於本公司的股東週年大會上輪值退任及膺選連任。前述委任已獲重續，自二零一七年二月七日起為期三年。

擬於應屆股東週年大會上膺選連任之董事均無與本公司訂有任何不可於一年內免付補償(法定賠償除外)而終止之服務合約。

EMOLUMENT POLICY

In order to attract and retain high quality staff and to enable smooth operation within the Group, the Group offered competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The remuneration packages are subject to review on a regular basis.

The emoluments of the Directors are recommended by the remuneration committee of the Company, having regard to the Group's operating results, market competitiveness, individual performance and achievement, to the Board for determination.

Details of the Directors' remuneration and the five highest paid individuals are set out in Note 30 and Note 9 to the consolidated financial statements, respectively.

薪酬政策

為吸引及留用優秀員工以維持本集團的穩健營運，本集團提供具競爭力的薪酬待遇（參照市場情況及個人資歷及經驗）及多項內部培訓課程。薪酬計劃會有定期檢討。

本公司薪酬委員會經考慮本集團的經營業績、市場競爭力及個人表現而向董事會建議董事的薪酬供董事會釐定。

董事薪酬及五名最高薪酬人士的詳情已分別載列於綜合財務報表附註30及附註9。

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

On 22 January 2015, Rightone Resources Limited ("Rightone"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the "Agreement") to acquire the entire equity interest in Perfect Shiny Technology Limited ("Perfect Shiny") from Mr. Cheng Wai Tak ("Mr. Cheng"), a director and a controlling shareholder of the Company (the "Acquisition"). Pursuant to the Agreement, Mr. Cheng warranted and guaranteed to Rightone that the sum of the audited consolidated profit attributable to equity holders of Perfect Shiny for the two financial years ending 31 December 2016 shall be not less than HK\$34,000,000 ("Profit Guarantee"). Details of the Acquisition were disclosed in the announcement of the Company dated 22 January 2015 and the circular of the Company dated 6 March 2015. Based on the audited consolidated financial statements of Perfect Shiny for the financial years ended 31 December 2015 and 2016, the total sum of the audited consolidated profit attributable to equity holders of Perfect Shiny for the two financial years ended 31 December 2016 was approximately HK\$31,767,000, which fell short of amount of the Profit Guarantee by approximately HK\$2,233,000. Accordingly, Mr. Cheng was obliged to compensate an amount of approximately HK\$21,238,000 to the Group. Pursuant to the Agreement, part of the compensation amount, being HK\$10,000,000, was set off against the outstanding amount payable to Mr. Cheng by Rightone under a promissory note issued by Rightone. The remaining compensation amount of approximately HK\$11,238,000 receivable from Mr. Cheng was settled on 22 March 2017.

Save as disclosed, no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, any of its subsidiaries, fellow subsidiaries or its parent company was a party and in which a director of the Company or his connected entities had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事於重大交易、安排及合約之權益

於二零一五年一月二十二日，Rightone Resources Limited（「Rightone」）（本公司之全資附屬公司）訂立買賣協議（「該協議」），以向鄭偉德先生（「鄭先生」）（本公司之董事及控股股東）收購圓尚科技有限公司（「圓尚」）全部股權（「收購事項」）。根據該協議，鄭先生向Rightone作出保證及擔保，於截至二零一六年十二月三十一日止兩個財政年度，圓尚權益持有人應佔經審核綜合利潤金額之總和，將不少於34,000,000港元（「溢利保證」）。收購事項之詳情披露於本公司日期為二零一五年一月二十二日之公告及本公司日期為二零一五年三月六日之通函。根據圓尚截至二零一五年及二零一六年十二月三十一日止財政年度之經審核綜合財務報表，圓尚權益持有人於截至二零一六年十二月三十一日止兩個財政年度應佔經審核綜合利潤金額的總和約為31,767,000港元，較溢利保證金額少約2,233,000港元。據此，鄭先生須向本集團補償約21,238,000港元。根據該協議，部分補償款項，即10,000,000港元，將與Rightone發行予鄭先生的承兌票據中未付的金額抵銷。餘下應收鄭先生之補償款項約11,238,000港元已於二零一七年三月二十二日結付。

除所披露者外，於本年度為止或年內任何時間，本公司董事或其關連實體均無直接或間接於本公司或其任何附屬公司、同系附屬公司或母公司的有關本集團業務的其他重要交易、安排及合約中擁有重大權益。

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's articles of association, every director of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto. The Company maintains directors and officers liability insurance, which gives appropriate cover for any legal action brought against its directors. The level of the coverage is reviewed annually.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of Directors and senior management are set out on pages 62 to 64 of the annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

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

COMPETING INTERESTS

Based on the information available to the Company and within the knowledge and belief of the Directors, none of the Directors or the controlling shareholders of the Company (as defined under the GEM Listing Rules) have any business or interest which competes or may compete with the business of the Group, or have any other conflict of interest which any such person has or may have with the Group throughout the year ended 31 December 2017.

獲准彌償條文

根據本公司之組織章程細則，本公司各董事就其執行職務或與此有關所蒙受或招致之一切損失或責任，均有權從本公司資產獲得彌償。本公司已為董事及高級人員購買責任保險，覆蓋範圍包括對董事採取的任何法律行動。覆蓋範圍每年審視。

董事及高級管理層之履歷詳情

董事及高級管理層之履歷詳情載於年報第62頁至64頁。

遵守相關法律及法規

年內，本集團概無對適用法律及法規之嚴重違反或不合規情況。

競爭權益

根據本公司可得資料及就董事所知及所信，於截至二零一七年十二月三十一日止年度內，董事或本公司控股股東（定義見GEM上市規則）概無持有與本集團業務構成競爭或可能構成競爭之業務或權益，或任何該等人士亦概無與本集團存在或可能存在任何其他利益衝突。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

董事及主要行政人員於本公司或任何相聯法團的股份及相關股份及債券中的權益及／或淡倉

As at 31 December 2017, interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the standard of dealings by directors set out in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

於二零一七年十二月三十一日，董事及本公司主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及第8分部所規定，須知會本公司及聯交所的權益及淡倉（包括彼等根據證券及期貨條例的該等條文被當作或被視作擁有的權益及淡倉），或根據證券及期貨條例第352條所規定，須記錄在該條例所指的登記冊內的權益及淡倉，或根據GEM上市規則第5.46至5.67條所載之董事進行交易之準則所規定，須知會本公司及聯交所的權益及淡倉如下：

Long positions in shares of the Company:

於本公司股份的好倉：

Name of Director 董事姓名	Capacity 身份	Number of shares held 所持有股份數目	Percentage of the Company's issued share capital 本公司已發行股本百分比
Mr. Cheng Wai Tak 鄭偉德先生	Interest in controlled corporation 受控法團權益	923,427,151 (Note) (附註)	62.24%
	Beneficial owner 實益擁有人	2,220,000	0.15%

Note:

These 923,427,151 shares are held by Winful Enterprises Limited ("Winful Enterprises"), which in turn is wholly and beneficially owned by Mr. Cheng Wai Tak. As such, Mr. Cheng Wai Tak is deemed under the SFO to be interested in these 923,427,151 shares held by Winful Enterprises.

附註：

該等923,427,151股股份由Winful Enterprises Limited（「Winful Enterprises」）持有，而Winful Enterprises由鄭偉德先生全資及實益擁有。因此，根據證券及期貨條例，鄭偉德先生被視為於Winful Enterprises所持有的該等923,427,151股股份中擁有權益。

Save as disclosed above, as at 31 December 2017, none of the Directors and chief executives of the Company had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the standard of dealings by directors set out in Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 31 December 2017, other than the Director and chief executive of the Company, the following persons/entities have an interest or a short position in the shares or the underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO:

Long position in shares of the Company:

Name	Nature of interests	Number of shares held	Percentage of the Company's issued share capital 本公司已發行股本百分比
名稱	權益性質	所持有股份數目	股本百分比
Winful Enterprises	Directly beneficially owned	923,427,151	62.24%
Winful Enterprises	直接實益擁有	(Note) (附註)	

Note: Mr. Cheng Wai Tak is deemed under the SFO to be interested in these 923,427,151 shares held by Winful Enterprises.

除上文所披露者外，於二零一七年十二月三十一日，董事及本公司主要行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及8分部所規定，須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例的該等條文被當作或被視作擁有的權益及淡倉），或根據證券及期貨條例第352條所規定，須記錄在該條例所指的本公司登記冊內的權益或淡倉，或根據GEM上市規則第5.46條至第5.67條所載董事進行交易的標準所規定，而須知會本公司及聯交所的權益或淡倉。

主要股東於本公司的股份及相關股份中的權益及／或淡倉

就董事所知，於二零一七年十二月三十一日，除董事及本公司主要行政人員外，下列人士／實體於本公司的股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露或根據證券及期貨條例第336條所規定，須記錄在該條例所指的本公司登記冊內的權益或淡倉如下：

於本公司股份的好倉：

附註：根據證券及期貨條例，鄭偉德先生被視為擁有Winful Enterprises持有的該等923,427,151股股份中擁有權益。

Save as disclosed above, as at 31 December 2017, no other person had any interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO.

MANAGEMENT CONTRACTS

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

MAJOR SUPPLIERS AND CUSTOMERS

During the year ended 31 December 2017, sales to the Group's five largest customers accounted for approximately 59.2% (2016: 56.5%) of the total sales for the year and sales to the largest customer included therein amounted to approximately 30.5% (2016: 16.8%). Purchases from the Group's five largest suppliers accounted for approximately 86.1% (2016: 90.7%) of the total purchases for the year and purchase from the largest supplier included therein amounted to approximately 64.2% (2016: 64.5%).

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

除上文所披露者外，於二零一七年十二月三十一日，概無其他人士於本公司之股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露或根據證券及期貨條例第336條所規定，須記錄在該條例所指的本公司登記冊內的任何權益或淡倉。

管理合約

本年度概無簽訂或出現有關本公司業務的全部或主要部分的管理及行政合約。

主要供應商及客戶

截至二零一七年十二月三十一日止年度，本集團向其五大客戶作出的銷售佔年度總銷售額約59.2%（二零一六年：56.5%），其中向最大客戶作出的銷售佔年度總銷售額約30.5%（二零一六年：16.8%）。本集團向五大供應商的採購約佔年度總採購額約86.1%（二零一六年：90.7%），其中向最大供應商的採購佔年度總採購額約64.2%（二零一六年：64.5%）。

概無董事、彼等的聯繫人或任何就董事所知擁有本公司股本5%以上的股東於該等主要供應商或客戶中擁有任何權益。

CONNECTED TRANSACTIONS

During the year, the Group had the following connected transactions, certain details of which are disclosed in compliance with the requirements of Chapter 20 of the GEM Listing Rules.

Connected transaction

The material related party transactions in relation to the key management personnel remuneration as disclosed in Note 28(d) to the consolidated financial statements are connected transactions exempt from reporting, announcement and independent shareholders' approval requirements pursuant to Rule 20.31(6) of the GEM Listing Rules.

The Directors consider that those material related party transactions disclosed in Note 28 to the consolidated financial statements did not fall under the definition of "connected transactions" or "continuing connected transactions" (as the case may be) in Chapter 20 of the GEM Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the GEM Listing Rules.

關連交易

年內，本集團已進行以下關連及持續關連交易，若干詳情遵照GEM上市規則第20章之規定披露。

關連交易

誠如綜合財務報表附註28(d)中所披露，有關主要管理人員薪酬的重大關連方交易屬根據GEM上市規則第20.31(6)條獲豁免遵守申報、公佈及獨立股東批准規定的關連交易。

董事認為綜合財務報表附註28中所披露的該等重大關連方交易不屬於GEM上市規則第20章界定的「關連交易」或「持續關連交易」(視乎情況而定)，須遵守GEM上市規則下任何申報、公告或獨立股東批准規定。

USE OF PROCEEDS FROM THE COMPANY'S PLACING

The proceeds from the Company's issue of 330,000,000 new shares (the "Placing") at the time of the Listing amounted to approximately HK\$76 million, net of underwriting fees and other related expenses. Details of the use of proceeds from the Placing are set out on page 26 of the annual report.

SUFFICIENCY OF PUBLIC FLOAT

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

COMPLIANCE OF NON-COMPETITION UNDERTAKING

All the independent non-executive Directors were delegated with the authority to review on an annual basis the compliance with the non-competition undertaking given by each of Mr. Cheng Wai Tak and Winful Enterprises, the controlling shareholders of the Company (collectively, the "Covenantors") in favour of the Company dated 20 January 2014 (the "Non-Competition Deed"). The Covenantors has provided to the Company all information necessary for the annual review by the independent non-executive Directors and the Covenantors have confirmed to the Company that each of the Covenantors and his/its associates have not breached the terms of the undertakings contained in the Non-Competition Deed. All independent non-executive Directors confirmed that they are not aware of any non-compliance with the Non-Competition Deed by the Covenantors during the year.

Details of the Non-Competition Deed have been set out in the section headed "Relationship with Controlling Shareholders" of the prospectus of the Company dated 24 January 2014.

本公司配售所得款項用途

本公司上市時發行330,000,000股新股份(「配售」)的所得款項約為76,000,000港元(扣除包銷費用及其他相關開支)。配售之所得款項用途之詳情載於本年報第26頁。

足夠的公眾持股量

根據本公司可公開取得之資料及就董事所知，於本報告日期，本公司保持GEM上市規則所指定之公眾持股量。

不競爭承諾的遵守情況

全體獨立非執行董事獲授權每年審閱由鄭偉德先生及本公司的控股股東Winful Enterprises(統稱「契諾人」)各自於二零一四年一月二十日以本公司的利益為依歸的不競爭承諾(「不競爭契據」)之遵守情況。契諾人已向本公司提供所有所需資料供獨立非執行董事進行年度檢討，而契諾人已向本公司確認各契諾人及其各自的聯繫人並無違反不競爭契據所載承諾條款。年內，全體獨立非執行董事確認彼等並不知悉契諾人有不遵守不競爭契據的事宜。

不競爭契據的詳情已載列於本公司日期為二零一四年一月二十四日之招股章程「與控股股東的關係」一節。

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme, no equity-linked agreements were entered into during the year or subsisted at the end of the year.

CORPORATE GOVERNANCE

Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 27 to 42 of the annual report.

AUDITOR

The consolidated financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint PricewaterhouseCoopers as auditor of the Company.

On behalf of the Board
Perfect Optronics Limited

Cheng Wai Tak
Chairman
Hong Kong, 22 March 2018

權益掛鈎協議

除購股權計劃外，概無權益掛鈎協議於年內訂立或於年末仍然生效。

企業管治

本公司所採納之企業管治常規詳情，載於年報第27至42頁之企業管治報告內。

核數師

綜合財務報表已由羅兵咸永道會計師事務所審核，其將於應屆股東週年大會退任，並符合資格提呈續任。一項決議案會於本公司應屆股東週年大會上提呈，以續聘羅兵咸永道會計師事務所為本公司之核數師。

代表董事會
圓美光電有限公司

鄭偉德
主席
香港，二零一八年三月二十二日

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

To the Shareholders of Perfect Optronics Limited
(incorporated in the Cayman Islands with limited liability)

致圓美光電有限公司股東
(於開曼群島註冊成立的有限公司)

OPINION

意見

What we have audited

我們已審計的內容

The consolidated financial statements of Perfect Optronics Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 93 to 183, which comprise:

圓美光電有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第93至183頁的綜合財務報表，包括：

- the consolidated statement of financial position as at 31 December 2017;
 - the consolidated statement of comprehensive income for the year then ended;
 - the consolidated statement of changes in equity for the year then ended;
 - the consolidated statement of cash flows for the year then ended; and
 - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
- 於二零一七年十二月三十一日的綜合財務狀況表；
 - 截至該日止年度的綜合全面收益表；
 - 截至該日止年度的綜合權益變動表；
 - 截至該日止年度的綜合現金流量表；及
 - 綜合財務報表附註，包括主要會計政策概要。

Our opinion

我們的意見

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

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

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

BASIS FOR OPINION

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

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

Independence

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

KEY AUDIT MATTERS

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

Key audit matters identified in our audit are summarised as follows:

- Inventory valuation and provision
- Valuation of unlisted equity investments

意見的基礎

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

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

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

關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

- 存貨估值及撥備
- 非上市股權投資之估值

Key Audit Matter
關鍵審計事項

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

Inventory valuation and provision
存貨估值及撥備

Refer to Note 4.1(a) and Note 17 to the consolidated financial statements.

請參閱綜合財務報表附註4.1(a)及附註17。

As at 31 December 2017, the Group held inventories of HK\$77,333,000. As described in the accounting policies in Note 2.11 to the consolidated financial statements, inventories are carried at the lower of cost and net realisable value.

於二零一七年十二月三十一日，貴集團持有存貨77,333,000港元。誠如綜合財務報表附註2.11會計政策所述，存貨乃按成本及可變現淨值兩者之較低者列賬。

The Group operates in a market where new products releases are regular. There is a risk that inventories held will be sold below cost or become obsolete in light of technological advancement and changing market conditions. There is inherent judgement in the levels of sales the directors forecast when assessing the net realisable value ("NRV").

貴集團經營的市場定期有新產品推出。因此所持存貨將面對以低於成本的價格出售或因科技發展及市況變動而過時的風險。於評估可變現淨值（「可變現淨值」）時，董事對銷售水平的預測存在固有判斷。

We understood and tested the controls by which management determined the estimated selling price for different types of products based on a consistent process as in prior years where historically there were no material adjustments required as a result of the estimation process.

我們了解及測試管理層根據與往年貫徹的程序釐定不同類別產品的售價所依據的監控措施，而過往並無因估算程序而須作出重大調整。

In relation to the types of products which had material balances as at year end, we evaluated the assumptions applied by management on using the historical sales data which reflected the expected life cycle of similar products as the basis to estimate their future sales. We considered these assumptions appropriate based on the Group's historical sales pattern.

就於年末有重大結餘的產品類型而言，我們已評估管理層所應用的假設，該等假設使用反映同類產品預計週期的過往銷售數據作為估計其未來銷售的基準。根據貴集團過往的銷售模式，我們認為該等假設實屬適當。

Key Audit Matter

關鍵審計事項

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Inventory valuation and provision (*Continued*)

存貨估值及撥備(續)

Management calculates the NRV at each period end based on the estimated selling price less cost to sell, which requires significant judgements and assumptions to be made to determine the estimated selling price of individual products of similar nature and expectation of future sales based on current market conditions and available information. The estimations are also subject to uncertainty as a result of future changes of market trends, customer demands and technology development.

於各個期間末，管理層根據估計售價減銷售成本計算可變現淨值，釐定同類個別產品估計售價時，需要作出重大判斷及假設，而未來銷售預測則根據現行市況及可得資料釐定。估計亦受因市場趨勢、客戶需求及科技發展的未來變動而產生的不確定因素所限制。

We further discussed with management to understand the additional factors that were considered relevant based on the current market conditions that may require adjustments to the historical sales pattern for both the price and the quantity of the selected products and obtained evidence for these explanations. We independently evaluated the relevance of these factors and evidence supporting the estimation of the NRV by using our industry knowledge and external market analysis and found them to be reasonable. We further tested, on a sample basis, by comparing the estimated selling price and sales quantity with post year-end sales data of the selected products and found the estimated selling price and sales quantity in the NRV assessment to be within reasonable ranges.

我們與管理層進一步討論，以了解管理層基於現時市況所考慮的其他相關因素，而可能需要對所選擇產品價格及數量的過往銷售趨勢作出調整，以及就該等解釋取得證據。我們以我們的行業知識及外部市場分析獨立評估該等因素的相關程度及支持可變現淨值估計的證據，並認為其屬合理。我們進一步運用抽樣測試，以估計售價及銷量與抽樣產品於年結日後的銷售數據作比較，並得出可變現淨值評估中的估計售價及銷量屬合理範圍。

Based on the work performed, we considered that the inventory provision provided was in line with the Group's policy and was supportable by historical market trends, customer demands, technology development as well as management's expectations for future sales and inventory management plans.

基於我們已執行的工作，我們認為所計提的存貨撥備符合貴集團的政策，並由過往市場趨勢、客戶需求、科技發展以及管理層對未來銷售的預期及存貨管理計劃所支持。

Key Audit Matter
關鍵審計事項

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

Valuation of unlisted equity investments
非上市股權投資之估值

Refer to Note 3.1, Note 4.1(b) and Note 16 to the consolidated financial statements.

請參閱綜合財務報表附註3.1、附註4.1(b)及附註16。

As at 31 December 2017, the Group has unlisted equity investments of HK\$56,947,000 measured at fair value, using market information and significant unobservable inputs.

於二零一七年十二月三十一日，利用市場資料及重要不可觀察輸入數據，貴集團擁有的非上市股權投資按公允價值計量為56,947,000港元。

The Group has engaged external appraisers to assess the fair values of unlisted equity investments. The appraised value is based on valuation models. Because of the limited comparable transactions in the market, it is challenging to validate the appraisal values and therefore inherent risks in the appraised values remain.

貴集團已聘用外部評估師評估非上市股權投資之公允價值。評估價值乃以估值模型為基準。由於市場上可比較的交易有限，核實評估價值甚為困難，因此評估價值存在固有風險。

We understood and tested the operating effectiveness of related controls to determine that appropriate oversight from directors had been exercised within the valuations process.

我們了解並測試相關監控措施的營運成效，以釐定董事是否已於評估過程中給出適宜見解。

As the valuation of the unlisted equity investments required significant estimates and reliance on external valuations, we assessed the objectivities, independences and expertise of the external appraisers.

由於非上市股權投資之估值需要重大估算及依賴外部估值，我們已評定外部評估師的客觀性、獨立性及專業性。

In addition, we also assessed both the methodologies and assumptions used by management in the calculation of the year end fair values by the following procedures:

此外，我們亦評定管理層計算年末公允價值所用的方法及假設，程序如下：

Key Audit Matter
關鍵審計事項

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

Valuation of unlisted equity investments (*Continued*)
非上市股權投資之估值(續)

We focused on this area because the valuation of investments in unlisted equity investments is highly dependent on estimates of volatility rates which are not observable in the market.

由於非上市股權投資的估值十分倚賴波動率的估計，而波動率是市場上不可觀察的，故我們集中關注此領域。

- Evaluated the methodologies and assumptions in particular volatility rates used with the valuation models by comparing the assumptions used against appropriate benchmarks and investigated significant differences, challenging the appropriateness of the pricing multiples available from comparable companies and assessing sensitivities to assumptions.
- 評估估值模型使用之方法及假設，尤其是波動率，方法為將所使用的假設與適當指標比較及調查重大差異，對可比較公司的定價倍數是否恰當提出質疑及評估假設的敏感度。
- Tested the data integrity for the valuation models.
- 對估值模型的數據完整程序進行測試。
- Used our valuation expert to perform independent assessments.
- 利用我們的估值專家進行獨立評估。

Based on the work performed, we considered the assumptions used above all fell within an acceptable range.

基於已執行的工作，我們認為上述全部使用的假設均屬於可接受範圍。

OTHER INFORMATION

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

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

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

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

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

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

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

其他信息

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

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

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

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

董事及治理層就綜合財務報表須承擔的責任

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

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

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

治理層負責監督貴集團的財務報告過程。

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

核數師就審計綜合財務報表承擔的責任

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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.

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

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

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

- 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.
- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 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.
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。

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

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.

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

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 this independent auditor's report is Cheng Lap Yam.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 22 March 2018

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

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

出具本獨立核數師報告的審計項目合夥人是鄭立欽。

羅兵咸永道會計師事務所
執業會計師

香港，二零一八年三月二十二日

Consolidated Statement of Comprehensive Income

綜合全面收益表

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

		Note	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		附註		
Revenue	收入	5, 6	371,518	1,149,998
Cost of sales	銷售成本	8	(425,311)	(1,037,263)
Gross (loss)/profit	(毛損) / 毛利		(53,793)	112,735
Other (losses)/gains, net	其他(虧損) / 收益淨額	7	(47)	47,067
Distribution and selling expenses	分銷及銷售開支	8	(11,939)	(16,636)
General and administrative expenses	一般及行政開支	8	(28,973)	(37,729)
Research and development expenses	研究及開發開支	8	(2,565)	(6,559)
Operating (loss)/profit	經營(虧損) / 利潤		(97,317)	98,878
Finance income	財務收入		169	417
Finance costs	財務費用		(603)	(1,765)
Finance costs, net	財務費用淨額	10	(434)	(1,348)
(Loss)/profit before income tax	除所得稅前(虧損) / 利潤		(97,751)	97,530
Income tax expense	所得稅費用	11	(578)	(9,195)
(Loss)/profit for the year	年度(虧損) / 利潤		(98,329)	88,335
Other comprehensive income:	其他全面收益:			
<i>Items that may be reclassified subsequently to income statement</i>	<i>隨後可重新分類至收益表之項目</i>			
Change in value of available-for-sale financial assets	可供出售金融資產之價值變動		22,670	570
Currency translation differences	外幣折算差額		573	(476)
Total comprehensive (loss)/income for the year	年度全面(虧損) / 收益總額		(75,086)	88,429

Consolidated Statement of Comprehensive Income

綜合全面收益表

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

	Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
(Loss)/profit for the year attributable to:			
Equity holders of the Company	年度(虧損)/利潤歸屬於： 本公司權益持有人	(98,329)	90,729
Non-controlling interests	非控股權益	—	(2,394)
		(98,329)	88,335
Total comprehensive (loss)/income for the year attributable to:	年度全面(虧損)/收益總額歸屬於：		
Equity holders of the Company	本公司權益持有人	(75,086)	90,823
Non-controlling interests	非控股權益	—	(2,394)
		(75,086)	88,429
Basic and diluted (loss)/earnings per share	每股基本及攤薄(虧損)/盈利	HK (6.63) cents (6.63)港仙	HK 6.12 cents 6.12港仙
	12		

The notes on pages 101 to 183 are an integral part of these consolidated financial statements.

第101至183頁的附註為此等綜合財務報表的組成部分。

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2017
於二零一七年十二月三十一日

		Note	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Assets	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	3,005	3,193
Intangible assets	無形資產	15	3,122	3,122
Available-for-sale financial assets	可供出售金融資產	16	56,947	31,671
			63,074	37,986
Current assets	流動資產			
Inventories	存貨	17	77,333	167,523
Trade and other receivables	應收賬款及其他應收款	18	48,973	97,785
Restricted bank deposits	受限制銀行存款	19	20,948	24,702
Cash and cash equivalents	現金及現金等價物	19	88,025	174,126
			235,279	464,136
Total assets	資產總額		298,353	502,122
Equity and liabilities	權益及負債			
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益			
Share capital	股本	20	14,837	14,837
Reserves	儲備		147,641	124,398
Retained earnings	留存收益		97,558	210,724
Total equity	權益總額		260,036	349,959

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2017
於二零一七年十二月三十一日

	Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Liabilities			
Non-current liabilities			
Deferred income tax liabilities	22	69	137
		69	137
Current liabilities			
Trade and other payables	21	35,492	149,371
Current income tax liabilities		2,756	2,655
		38,248	152,026
Total liabilities		38,317	152,163
Total equity and liabilities		298,353	502,122

The notes on pages 101 to 183 are an integral part of these consolidated financial statements.

第101至183頁的附註為此等綜合財務報表的組成部分。

The consolidated financial statements on pages 93 to 183 were approved by the Board of Directors on 22 March 2018 and were signed on its behalf.

第93至183頁的綜合財務報表已於二零一八年三月二十二日由董事會批准，並代表董事會簽署。

Cheng Wai Tak
鄭偉德
Director
董事

Tse Ka Wing
謝家榮
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to equity holders of the Company 本公司權益持有人應佔權益							
		Share capital	Share premium	Other reserves*	Merger reserve	Revaluation reserve	Exchange reserve	Retained earnings	Total equity
		股本	股份溢價	其他儲備*	合併儲備	重估儲備	匯兌儲備	留存收益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1 January 2017	二零一七年一月一日結餘	14,837	465,738	67,349	(415,675)	7,716	(730)	210,724	349,959
Comprehensive loss	全面虧損								
Loss for the year	年度虧損	—	—	—	—	—	—	(98,329)	(98,329)
Other comprehensive income	其他全面收益								
Change in value of available-for-sale financial assets	可供出售金融資產之價值變動	—	—	—	—	22,670	—	—	22,670
Currency translation differences	外幣折算差額	—	—	—	—	—	573	—	573
Total other comprehensive income	其他全面收益總額	—	—	—	—	22,670	573	—	23,243
Total comprehensive loss	全面虧損總額	—	—	—	—	22,670	573	(98,329)	(75,086)
Dividend relating to 2016	二零一六年股息	—	—	—	—	—	—	(14,837)	(14,837)
Balance at 31 December 2017	二零一七年十二月三十一日結餘	14,837	465,738	67,349	(415,675)	30,386	(157)	97,558	260,036

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to equity holders of the Company 本公司權益持有人應佔權益							Non-controlling interests		Total equity
Note		Share capital	Share premium	Other reserves*	Merger reserve	Revaluation reserve	Exchange reserve	Retained earnings	Total		
附註		股本	股份溢價	其他儲備*	合併儲備	重估儲備	匯兌儲備	留存收益	總計	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1 January 2016	二零一六年一月一日 結餘	14,837	465,738	67,349	(415,675)	7,091	(2,272)	127,413	264,481	15,248	279,729
Comprehensive income	全面收益										
Profit for the year	年度利潤	—	—	—	—	—	—	90,729	90,729	(2,394)	88,335
Other comprehensive income	其他全面收益										
Change in value of available-for-sale financial assets	可供出售金融資產之價值變動	—	—	—	—	570	—	—	570	—	570
Currency translation differences	外幣折算差額	—	—	—	—	—	(476)	—	(476)	—	(476)
Total other comprehensive income	其他全面收益總額	—	—	—	—	570	(476)	—	94	—	94
Total comprehensive income	全面收益總額	—	—	—	—	570	(476)	90,729	90,823	(2,394)	88,429
Disposal of subsidiaries	出售附屬公司	27	—	—	—	55	2,018	—	2,073	(12,854)	(10,781)
Dividend relating to 2015	二零一五年股息	—	—	—	—	—	—	(7,418)	(7,418)	—	(7,418)
		—	—	—	—	55	2,018	(7,418)	(5,345)	(12,854)	(18,199)
Balance at 31 December 2016	二零一六年十二月三十一日結餘	14,837	465,738	67,349	(415,675)	7,716	(730)	210,724	349,959	—	349,959

* Other reserves include: (1) the difference between the share capital issued by the Company for acquisition of the subsidiaries pursuant to a reorganisation for the listing of the Company and the aggregate capital of the subsidiaries being acquired at the time of the reorganisation; and (2) the amount of the loan waived by the controlling shareholder upon completion of a common control combination.

* 其他儲備包括：(1)根據本公司上市進行的重組，本公司就收購附屬公司已發行的股本及於重組時被收購的附屬公司之總資本的差額；及(2)完成共同控制合併時控股股東豁免之貸款金額。

The notes on pages 101 to 183 are an integral part of these consolidated financial statements.

第101至183頁的附註為此等綜合財務報表的組成部分。

Consolidated Statement of Cash Flows

綜合現金流量表

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

	Note	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cash flows from operating activities			
Cash (used in)/generated from operations	24	(81,576)	63,267
Income tax paid		(545)	(6,481)
Interest paid		(603)	(1,765)
Net cash (used in)/generated from operating activities		(82,724)	55,021
Cash flows from investing activities			
Receipt of compensation from Mr. Cheng	7(a)	11,238	—
Proceeds from disposal of subsidiaries	27	—	41,777
Purchases of property, plant and equipment	14	(1,575)	(1,810)
Purchases of available-for-sale financial assets	16	(2,606)	—
Decrease in fixed deposits with original maturity date more than three months		—	4,178
Interest received		169	417
Net cash generated from investing activities		7,226	44,562
Cash flows from financing activities			
Proceeds from bank borrowings		—	15,600
Repayments of bank borrowings		—	(46,800)
Repayment of promissory note		—	(10,000)
Decrease/(increase) in restricted bank deposits		3,754	(4,386)
Dividends paid		(14,837)	(7,418)
Net cash used in financing activities		(11,083)	(53,004)

Consolidated Statement of Cash Flows

綜合現金流量表

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

	Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少) / 增加淨額	(86,581)	46,579
Cash and cash equivalents at beginning of year	年初現金及現金等價物	174,126	127,953
Exchange gain/(losses) on cash and cash equivalents	現金及現金等價物匯兌收益/(虧損)	480	(406)
Cash and cash equivalents at end of year	年末現金及現金等價物	88,025	174,126

The notes on pages 101 to 183 are an integral part of these consolidated financial statements.

第101至183頁的附註為此等綜合財務報表的組成部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

1 GENERAL INFORMATION

Perfect Optronics Limited (the “Company”) was incorporated in the Cayman Islands on 13 June 2013, as an exempted company with limited liability under the Companies Law (as Revised) of the Cayman Islands. The Company’s immediate and ultimate holding company is Winful Enterprises Limited, a company incorporated in the British Virgin Islands (the “BVI”), and ultimately controlled by Mr. Cheng Wai Tak (“Mr. Cheng”). The address of its registered office is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited.

The Company is an investment holding company and its subsidiaries (together “the Group”) are principally engaged in the trading and processing of display panels, development and sales of optics products and trading of related electronic components.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The consolidated financial statements have been prepared under the historical cost convention, except for available-for-sale financial assets which have been measured at fair value.

1 一般資料

圓美光電有限公司(「本公司」)於二零一三年六月十三日根據開曼群島公司法(修訂本)在開曼群島註冊成立為一間獲豁免有限公司。本公司的直接及最終控股公司為Winful Enterprises Limited，其為一家於英屬處女群島(「英屬處女群島」)註冊成立的公司及由鄭偉德先生(「鄭先生」)最終控制。其註冊辦事處位於Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands。本公司股份於香港聯合交易所有限公司GEM上市。

本公司為一間投資控股公司，而其附屬公司(統稱「本集團」)主要經營顯示面板之貿易及加工、光學產品之開發及銷售以及相關電子部件之貿易。

除另有指明外，此等財務報表乃以港元(「港元」)呈列。

2 主要會計政策概要

編製此等綜合財務報表而採用的主要會計政策載列如下。除另有註明外，此等政策在所有年度貫徹適用。

2.1 編製基準

本公司的綜合財務報表已按照香港會計師公會(「香港會計師公會」)頒佈的所有適用的香港財務報告準則(「香港財務報告準則」)編製。綜合財務報表已根據歷史成本法編製，惟以公允價值計量的可供出售金融資產除外。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

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

Changes in accounting policy and disclosures

New standards and amendments to standards adopted by the Group:

The following new standards and amendments to standards are mandatory for accounting periods beginning on or after 1 January 2017. The adoption of these new standards and amendments to standards does not have any significant impact to the results and financial position of the Group:

Hong Kong Accounting Standard ("HKAS") 7 Amendment	Statement of Cash Flows
HKAS 12 Amendment	Income Taxes
HKFRS 12 Amendment	Disclosure of Interest in Other Entities

2 主要會計政策概要(續)

2.1 編製基準(續)

編製符合香港財務報告準則的財務報表需要使用若干關鍵會計估計。這亦需要管理層在應用本集團的會計政策過程中行使其判斷。涉及高度的判斷或高度複雜性的範疇，或涉及對財務報表作出重大假設和估計的範疇，在附註4中披露。

會計政策變動及披露

本集團採納之新訂及經修訂準則：

以下新訂及經修訂準則，由二零一七年一月一日或之後開始之會計期間強制生效。採納該等新訂及經修訂準則對本集團之業績及財務狀況並無重大影響：

香港會計準則(「香港會計準則」)第7號(修訂本)	現金流量表
香港會計準則第12號(修訂本)	所得稅
香港財務報告準則第12號(修訂本)	披露於其他實體之權益

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

New standards and amendments to standards not yet adopted:

The following are new standards and amendments to standards which have been issued but are not effective and have not been early adopted. The Group plans to adopt these new standards and amendments to standards when they become effective:

2 主要會計政策概要(續)

2.1 編製基準(續)

會計政策變動及披露(續)

尚未採納之新準則及準則修訂：

下列新訂準則及準則之修訂本已經頒佈但尚未生效，且未獲提早採納。本集團擬於其生效時採納此等新訂準則及準則之修訂本：

		Effective for accounting periods beginning on or after 自以下日期或之後 開始之會計期間生效
HKFRS 9 香港財務報告準則第9號	Financial Instruments 金融工具	1 January 2018 二零一八年一月一日
HKFRS 15 香港財務報告準則第15號	Revenue from Contracts with Customers and the related Amendments 客戶合約收入及相關修訂本	1 January 2018 二零一八年一月一日
HKFRS 16 香港財務報告準則第16號	Leases 租賃	1 January 2019 二零一九年一月一日
HKFRS 17 香港財務報告準則第17號	Insurance Contracts 保險合約	1 January 2021 二零二一年一月一日
HK(IFRIC)-Int 22 香港(國際財務報告詮釋 委員會)－詮釋第22號	Foreign Currency Transactions and Advance Consideration 外匯交易及預付代價	1 January 2018 二零一八年一月一日
HK(IFRIC)-Int 23 香港(國際財務報告詮釋 委員會)－詮釋第23號	Uncertainty over Income Tax Treatments 所得稅處理方式的不確定因素	1 January 2019 二零一九年一月一日
Amendments to HKFRS 2 香港財務報告準則第2號 (修訂本)	Classification and Measurement of Share- Based Payment Transactions 股份支付交易的分類及計量	1 January 2018 二零一八年一月一日
Amendments to HKFRS 4 香港財務報告準則第4號 (修訂本)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts 應用香港財務報告準則第9號金融工具與 香港財務報告準則第4號保險合約	1 January 2018 二零一八年一月一日

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

New standards and amendments to standards not yet adopted: (Continued)

2 主要會計政策概要(續)

2.1 編製基準(續)

會計政策變動及披露(續)

尚未採納之新準則及準則修訂： (續)

		Effective for accounting periods beginning on or after 自以下日期或之後 開始之會計期間生效
Amendments to HKFRS 9 香港財務報告準則第9號 (修訂本)	Prepayment Features with Negative Compensation 具負補償之提前還款特性	1 January 2019 二零一九年一月一日
Amendments to HKFRS 10 and HKAS 28 香港財務報告準則第10號及 香港會計準則第28號 (修訂本)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 投資者與其聯營公司或合營企業之間資產 出售或注資	To be determined 待定
Amendments to HKAS 28 香港會計準則第28號 (修訂本)	Long-term Interests in Associates and Joint Ventures 於聯營公司及合營企業的長期權益	1 January 2019 二零一九年一月一日
Amendments to HKAS 28 香港會計準則第28號 (修訂本)	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle 作為香港財務報告準則於二零一四年至 二零一六年週期的年度改進的一部份	1 January 2018 二零一八年一月一日
Amendments to HKAS 40 香港會計準則第40號 (修訂本)	Transfers of Investment Property 轉讓投資物業	1 January 2018 二零一八年一月一日
Amendments to HKFRSs 香港財務報告準則(修訂本)	Annual Improvements to HKFRSs 2015-2017 Cycle 香港財務報告準則於二零一五年至二零 一七年週期的年度改進	1 January 2019 二零一九年一月一日

The Group is in the process of assessing the potential impact of these standards, and amendments which were in issue but not yet effective. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except as discussed below. The actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied.

本集團正評估該等已頒佈但尚未生效之準則及修訂的潛在影響。除下文論述者外，概無有關準則對本集團綜合財務報表有重大影響。由於目前已完成的評估乃以本集團當前可獲取的資料為基礎，首次採納該等準則的實際影響可能與完成評估當日的結果不同，並可能於首次應用該等準則前識別進一步的影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

HKFRS 15, 'Revenue from contracts with customers'

Nature of change

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

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

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

Impact

Management is currently assessing the effects of applying the new standard on the Group's consolidated financial statements and does not expect a significant impact on the recognition of revenue.

Date of adoption by the Group

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

2 主要會計政策概要(續)

2.1 編製基準(續)

會計政策變動及披露(續)

香港財務報告準則第15號，「客戶合約收入」

變動性質

香港會計師公會已為確認收入頒佈一項新準則。該準則將取代香港會計準則第18號所涵蓋有關貨品及服務合約及香港會計準則第11號所涵蓋有關建造合約及相關文獻的規定。

新訂準則乃基於貨品或服務的控制權轉移予客戶時確認收入的原則。

該準則允許採納完整追溯調整法或經修訂追溯調整法。

影響

管理層現時評估採納新準則對本集團綜合財務報表的影響及並不預期會對收入確認有重大影響。

本集團採納日期

於二零一八年一月一日或之後開始的財政年度強制採用。本集團擬使用經修訂的追溯法採納準則，這表示採納的累積影響將於截至二零一八年一月一日的留存收益中確認，而比較數字將不會重列。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

HKFRS 9, 'Financial instruments'

Nature of change

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

Impact

The Group has reviewed its financial assets and liabilities and is expecting the following impact from the adoption of the new standard on 1 January 2018:

- an equity instrument currently classified as available-for-sale ("AFS") for which a fair value through other comprehensive income ("FVOCI") election is available and hence there will be no change to the accounting for this asset, and
- an equity instrument currently classified as AFS will be reclassified as fair value through profit or loss ("FVTPL").

The Group does not expect the new guidance to have a significant impact on the classification and measurement of the AFS elected to be FVOCI. However, gains or losses realised on the sale of financial assets at FVOCI will no longer be transferred to profit or loss on sale, but instead reclassified below the line from the FVOCI reserve to retained earnings.

With respect to the Group's financial assets currently classified as AFS that will be reclassified as FVTPL, the Group plans to recognise any fair value changes in profit or loss as they arise.

2 主要會計政策概要(續)

2.1 編製基準(續)

會計政策變動及披露(續)

香港財務報告準則第9號「金融工具」

變動的性質

香港財務報告準則第9號闡述金融資產及財務負債的分類、計量及終止確認，引入對沖會計新規則及金融資產的新減值模式。

影響

本集團已評估其金融資產與負債並預期於二零一八年一月一日採納新準則將產生下列影響：

- 目前分類為可供出售(「可供出售」)的權益工具，可選擇按公允價值計入其他全面收益(「按公允價值計入其他全面收益」)，因此該資產的會計處理將無任何變動；及
- 目前分類為可供出售的權益工具將重新分類為按公允價值計入損益的權益工具(「按公允價值計入損益」)。

本集團並不預期新指引對選定為按公允價值計入其他全面收益的可供出售項目的分類及計量構成重大影響。然而，出售按公允價值計入其他全面收益的金融資產所變現的收益或虧損將不再轉撥至出售的損益，而是將線下項目自按公允價值計入其他全面收益儲備重新分類至留存收益。

就本集團目前分類為可供出售但將重新分類為按公允價值計入損益的金融資產而言，倘出現任何公允價值變動，本集團計劃於損益確認有關變動。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

HKFRS 9, 'Financial Instruments' (Continued)

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

The new impairment model requires the recognition of impairment provisions based on expected credit losses ("ECL") rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under HKFRS 15 'Revenue from Contracts with Customers', lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments undertaken to date, the Group expects it may result in earlier recognition of credit losses.

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

Date of adoption by the Group

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

2 主要會計政策概要(續)

2.1 編製基準(續)

會計政策變動及披露(續)

香港財務報告準則第9號「金融工具」(續)

由於新準則僅影響指被指定為按公允價值計入損益的財務負債的會計處理，而本集團並無任何該等負債，因此，本集團財務負債的會計處理將不受影響。終止確認的規則引自香港會計準則第39號「金融工具」：確認及計量，並無變動。

新減值模型規定以預期信用虧損，而非香港會計準則第39號項下僅以已產生信用虧損確認減值撥備。該規定適用於按攤銷成本分類的金融資產、按公允價值計入其他全面收益的債務工具、香港財務報告準則第15號「客戶合約的收入」下的合約資產、應收租金、貸款承擔及若干財務擔保合約。根據迄今進行的評估，本集團預期其可能導致提早確認信貸虧損。

新訂準則亦引入延伸的披露規定及呈列方式變動。該等規定及變動預期將改變本集團有關其金融工具披露的性質及程度(特別是於採納新訂準則的年度)。

本集團採納日期

於二零一八年一月一日或其後開始的財政年度強制採納。在該準則容許的實際情況下，本集團將於二零一八年一月一日起追溯應用有關新準則。二零一七年的比較數字則不予重列。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

HKFRS 16, 'Leases'

Nature of change

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

The accounting for lessors will not significantly change.

Impact

The standard will affect primarily the accounting for the Group's operating leases. The Group is still assessing the impact and the Group has not yet determined to what extent The Group's operating lease commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

2 主要會計政策概要(續)

2.1 編製基準(續)

會計政策變動及披露(續)

香港財務報告準則第16號「租賃」

變動的性質

香港財務報告準則第16號於二零一六年一月頒佈。將導致絕大部分租賃於資產負債表內確認，因經營租賃與融資租賃之間的區別被移除。根據新訂準則，資產(使用租賃項目的權利)及支付租金的財務負債須予確認入賬。豁免僅適用於短期及低價值租賃。

出租人的會計處理將不會有重大變動。

影響

該準則將主要影響本集團經營租賃之入賬。本集團仍在評估其影響，且本集團尚未釐定本集團的經營租賃承擔在甚麼程度上將導致確認供未來付款之一項資產及負債及此舉如何影響本集團之溢利及現金流量分類。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

HKFRS 16, 'Leases' (Continued)

Date of adoption by the Group

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

2.2 Subsidiaries

2.2.1 Consolidation

(a) Business combinations

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

2 主要會計政策概要(續)

2.1 編製基準(續)

會計政策變動及披露(續)

香港財務報告準則第16號「租賃」(續)

本集團採納日期

新準則由二零一九年一月一日或之後開始之財政年度強制生效。於目前階段，本集團不擬於該準則生效日期前予以採納。本集團擬應用簡化過渡方法及將不會重列首次採納前以前年度之比較數字。

2.2 附屬公司

2.2.1 綜合賬目

(a) 業務合併

附屬公司乃指本集團對其有控制權的實體(包括結構性實體)。若本集團具有承擔或享有參與有關實體所得之可變回報的風險或權利，並能透過其在該實體的權力影響該等回報，即本集團對該實體具有控制權。附屬公司由控制權轉至本集團之日起綜合計算，控制權終止之日停止綜合計算。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(a) Business combinations (Continued)

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

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRSs.

Acquisition-related costs are expensed as incurred.

2 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 綜合賬目(續)

(a) 業務合併(續)

除本公司上市進行的重組及共同控制下的業務合併以外，本集團採用收購法為業務合併入賬。收購附屬公司的轉讓代價為已轉讓資產、被收購方原擁有人所承擔負債及本集團發行的股本權益的公允價值。所轉讓代價包括因或然代價安排而產生的任何資產或負債的公允價值。於業務合併中收購的可識別資產及承擔的負債及或然負債初步按於收購日期的公允價值計量。

本集團按個別收購基準確認被收購方的任何非控股權益。屬於現時擁有權權益，且在清盤情況下按比例分配給持有人應佔實體淨資產的被收購方的非控股權益，按公允價值或現時擁有權權益於該被收購方可資識別淨資產已確定金額的應佔比例計量。非控股權益的所有其他部分按其收購日期的公允價值計量，除非香港財務報告準則對計量基準另有規定。

收購相關成本於產生時列為開支。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(a) Business combinations (Continued)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in consolidated income statement.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in consolidated income statement or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

2 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 綜合賬目(續)

(a) 業務合併(續)

倘業務合併分階段完成，收購方過往於被收購方所持股權於收購日期之賬面值，重新計量至收購日期公允價值；該項重新計量所產生任何收益或虧損，於綜合收益表中確認。

本集團將轉讓的任何或然代價，按收購日期的公允價值確認。被視作資產或負債的或然代價公允價值的其後變動，根據香港會計準則第39號於綜合收益表中確認或列作其他全面收益之變動。分類為權益的或然代價不予以重新計量，其後結算於權益入賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(a) Business combinations (Continued)

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

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 綜合賬目(續)

(a) 業務合併(續)

所轉讓代價、被收購方的任何非控股權益金額及任何先前於被收購方的股本權益於收購日期的公允價值超逾所收購可識別資產淨值的公允價值，其差額以商譽列賬。如在議價購入的情況下，所轉讓代價、已確認非控股權益與先前所持權益計量的總和低於所收購附屬公司資產淨值的公允價值，其差額則直接在綜合收益表中確認。

集團內公司之間的交易、結餘及未實現交易收益予以對銷。未變現虧損亦予以對銷，除非交易提供已轉移資產的減值證據。在必須情況下，附屬公司所呈報金額已作調整，以符合本集團的會計政策。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.2 Separate financial statements

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

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

2.3 Segment reporting

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

2 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.2 獨立財務報表

於附屬公司之投資按成本扣除減值入賬。成本亦包括投資之直接歸屬成本。附屬公司之業績在本公司賬目內按已收及應收股息入賬。

倘自附屬公司收取之股息超過宣派股息期間該附屬公司之綜合收益總額，或倘在獨立財務報表之投資賬面值超出綜合財務報表所示被投資公司之資產淨值(包括商譽)之賬面值，則須於收取該等投資之股息時對該等附屬公司之投資進行減值測試。

2.3 分部報告

經營分部的呈報方式與向首席經營決策者呈報內部報告的方式一致。首席經營決策者負責分配資源和評核各經營分部的表現，並確定為作策略性決定的董事。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement within "other (losses)/gains, net".

Changes in the fair value of debt securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in consolidated income statement, and other changes in carrying amount are recognised in other comprehensive income.

2 主要會計政策概要(續)

2.4 外幣折算

(a) 功能及列報貨幣

本集團每個實體的財務資料所列項目均以該實體經營所在的主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以港元(「港元」)列報，港元為本公司的功能貨幣及本集團的列報貨幣。

(b) 交易及結餘

外幣交易採用交易當日或項目重新計量的估值日期的匯率折算為功能貨幣。由結算有關交易產生及將外幣計值的貨幣資產和負債以年終匯率折算產生的匯兌收益和損失在綜合收益表中「其他(虧損)/收益淨額」內確認。

分類為可供出售之外幣計值債務證券之公允價值變動，按證券攤銷成本變動與證券賬面值其他變動所產生的折算差異進行分析。與攤銷成本相關之折算差異於綜合收益表確認，而賬面值之其他變動則於其他全面收益確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation (Continued)

(b) Transactions and balances (Continued)

Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

(c) Group companies

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

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

2 主要會計政策概要(續)

2.4 外幣折算(續)

(b) 交易及結餘(續)

非貨幣金融資產(例如分類為可供出售之股權)之折算差異計入其他全面收益。

(c) 集團公司

所有集團實體(全部均非採用高通脹經濟體系的貨幣)的功能貨幣倘有別於列報貨幣,其業績及財務狀況須按如下方式折算為列報貨幣:

- (i) 每份列報的財務狀況表內的資產和負債按該財務狀況表日期的收市匯率折算;
- (ii) 每份收益表內的收益和費用按平均匯率折算(除非此平均匯率並不代表交易日期匯率的累計影響的合理約數;在此情況下,收支項目於交易日期折算);及
- (iii) 所有由此產生的外幣折算差異在其他全面收益中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation (Continued)

(c) Group companies (Continued)

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

(d) Disposal of foreign operation

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

2 主要會計政策概要(續)

2.4 外幣折算(續)

(c) 集團公司(續)

收購境外實體時產生的商譽及公允價值調整乃作為該境外實體的資產及負債處理，並按收市匯率換算。所產生的外幣折算差異在其他全面收益中確認。

(d) 出售外國業務

於出售外國業務(即出售本集團於外國業務之全部權益，或涉及失去擁有外國業務之附屬公司控制權、涉及失去擁有外國業務之合營企業共同控制權，或涉及失去擁有外國業務之聯營公司的控制權)時，公司擁有人應佔就該業務於權益內累計之外幣換算差額全部重新分類至綜合收益表。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment

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

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

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Leasehold improvements	Over the shorter of the term of the leases or 5 years
Moulds and machinery	2-10 years
Furniture and office equipment	3-5 years
Motor vehicles	4-5 years

2 主要會計政策概要(續)

2.5 物業、廠房及設備

物業、廠房及設備乃以歷史成本減累計折舊及累計減值虧損後列賬。歷史成本包括與收購該等項目直接應佔的開支。

後續成本只有在很可能為本集團帶來與該項目有關的未來經濟利益，而該項目的成本能可靠計量時，才包括在資產的賬面值或確認為一項單獨資產(按適用)。被替代部分的賬面值會被取消確認。所有其他維修保養費用在產生的財政期間內於綜合收益表列為開支。

物業、廠房及設備的折舊採用以下的估計可使用年期將其成本按直線法分攤至剩餘價值計算：

租賃樓宇裝修	租期或5年，取較短者
模具及機器	2至10年
傢俱及辦公室設備	3至5年
汽車	4至5年

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment (Continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated income statement within "other (losses)/gains, net".

2.6 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

2 主要會計政策概要(續)

2.5 物業、廠房及設備(續)

資產的剩餘價值及可使用年期在每個報告期末進行檢討，及在適當時調整。

若資產的賬面值高於其估計可收回價值，其賬面值即時撇減至可收回金額(附註2.7)。

出售的收益和損失按所得款與賬面值的差額釐定，並在綜合收益表中「其他(虧損)/收益淨額」內確認。

2.6 無形資產

(a) 商譽

商譽產生自收購附屬公司，並相當於所轉讓對價、被收購方的非控股權益金額以及享有的被收購方過往的權益在收購日的公允價值，超過本集團獲得的被收購方的可識別淨資產公允價值的數額。

就減值測試而言，在業務合併中購入的商譽會分配至每個現金產出單元(「現金產出單元」)或現金產出單元組(預期可從合併中獲取協同利益)。商譽被分配的每個單元或單元組指在主體內商譽被監控作內部管理用途的最底層次。商譽在經營分部層次進行監控。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Intangible assets (Continued)

(a) Goodwill (Continued)

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Patents

Separately acquired patents are shown at historical cost. Patents acquired in a business combination are recognised at fair value at the acquisition date. Patents have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of patents over their estimated useful lives of 7 years.

(c) Club memberships

Club memberships with indefinite useful life are stated at cost less any impairment losses.

2 主要會計政策概要(續)

2.6 無形資產(續)

(a) 商譽(續)

對商譽的減值檢討每年進行，或如事件或情況轉變顯示可能存在減值，則更頻密地檢討。包含商譽的現金產出單元的賬面值與可收回數額(使用價值與公允價值減處置成本較高者)比較。任何減值須即時確認及不得在之後期間撥回。

(b) 專利

分開購入的專利按歷史成本列賬。在業務合併中購入的專利按購買日的公允價值列賬。專利均有限定的可使用年期，並按成本減累計攤銷列賬。攤銷利用直線法將專利的成本分攤至其估計可使用年期七年計算。

(c) 會所會籍

無期限的會所會籍乃按成本值減任何減值虧損列賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 Financial assets

2.8.1 Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

2 主要會計政策概要(續)

2.7 非金融資產減值

可使用年期為無期限的無形資產不作攤銷，並會每年評估有否出現減值。當出現若干事件或情況有所改變而導致未必能收回賬面值時，會評估須攤銷或折舊的資產，以確定有否出現減值。當資產賬面值超過可收回金額，則有關差額確認為減值虧損，而可收回金額指資產公允價值減銷售成本與使用價值兩者的較高者。就評估減值而言，資產按獨立可識別現金流量(現金產出單元)的最低水平歸類。已減值之非金融資產(商譽除外)於各報告日檢討是否可能撥回減值。

2.8 金融資產

2.8.1 分類

本集團將金融資產分為以下類別：貸款及應收款和可供出售金融資產。分類取決於收購金融資產的目的。管理層於初步確認時釐定金融資產分類。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

2.8.1 Classification (Continued)

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables", "restricted bank deposits", and "cash and cash equivalents" in the consolidated statement of financial position.

(b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2 主要會計政策概要(續)

2.8 金融資產(續)

2.8.1 分類(續)

(a) 貸款及應收款

貸款及應收款為於活躍市場並無報價的固定或可予釐定付款的非衍生金融資產。彼等計入流動資產，惟於報告期後超過12個月結付或預期結付的款項除外。此等貸款及應收款被列為非流動資產。本集團的貸款及應收款包括綜合財務狀況表內的「應收賬款及其他應收款」、「受限制銀行存款」及「現金及現金等價物」。

(b) 可供出售金融資產

可供出售金融資產為被指定作此類別或並無分類為任何其他類別的非衍生工具。除非投資到期或管理層有意在報告期末後12個月內處置該投資，否則此等資產列在非流動資產內。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

2.8.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated income statement as “gains and losses from investment securities”.

Dividends on available-for-sale equity instruments are recognised in the consolidated income statement as part of other income when the Group’s right to receive payments is established.

2 主要會計政策概要(續)

2.8 金融資產(續)

2.8.2 確認和計量

常規購買及出售的金融資產在交易日確認 – 交易日指本集團承諾購買或出售該資產之日。對於以公允價值計量但其變動並非計入損益的所有金融資產，其投資初始按其公允價值加交易成本確認。當從投資收取現金流量的權利已到期或已轉讓，而本集團已實質上將所有權的所有風險和報酬轉讓時，金融資產即終止確認。可供出售金融資產其後按公允價值列賬。貸款及應收款項其後利用實際利率法按攤銷成本列賬。

分類為可供出售的貨幣性及非貨幣性證券的公允價值變動在其他全面收益中確認。

當分類為可供出售的證券售出或減值時，在權益中確認的累計公允價值調整列入綜合收益表內作為「投資證券的收益和虧損」。

可供出售權益工具的股息是在本集團收取有關款項的權利確定時，在綜合收益表內確認為部分其他收益。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Offsetting financial instruments

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

2.10 Impairment of financial assets

(a) *Assets carried at amortised cost*

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

2 主要會計政策概要(續)

2.9 抵銷金融工具

金融資產及負債於擁有法定可強制執行權利抵銷已確認金額及於擬按淨值基準結算或同時變現資產及結算負債時予以抵銷；有關淨額則於綜合財務狀況表內列報。法定可強制執行權利不以未來事件為條件，且在日常業務過程中及發生違約、無力償債或該公司或對方破產的情況下須可強制執行。

2.10 金融資產減值

(a) *按攤銷成本列賬的資產*

本集團於各報告期末評估有否客觀證據證明一項金融資產或一組金融資產已減值。當有客觀證據顯示於初步確認資產後曾發生一宗或多宗導致減值的事件(「虧損事件」)，而該宗或該等虧損事件對該項金融資產或該組金融資產的估計未來現金流量構成能可靠地估計的影響，則該項金融資產或該組金融資產已減值及產生減值虧損。減值的證據可能包括以下指標：

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Impairment of financial assets (Continued)

(a) Assets carried at amortised cost (Continued)

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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

2 主要會計政策概要(續)

2.10 金融資產減值(續)

(a) 按攤銷成本列賬的資產(續)

債務人或一組債務人正處於重大財政困難，違約或拖欠利息或本金付款，彼等有可能將進入破產程序或進行其他財務重組，以及當有可觀察數據顯示，估計未來現金流量有可計量的減少，例如欠款變動或與違約相關的經濟狀況。

就貸款及應收款類別而言，虧損金額乃按資產賬面值與按金融資產原實際利率貼現的估計未來現金流量現值(不包括尚未產生的未來信貸虧損)間的差額計量。資產賬面值會予以削減，而虧損金額會於綜合收益表中確認。如貸款存在浮動利率，則計量任何減值虧損的貼現率乃根據合約釐定的現行實際利率。在實際運作上，本集團可能採用可觀察的市場價格根據工具的公允價值計量減值。

若在較後期間，減值虧損的金額減少，而該減少是可客觀地與確認減值後發生的事件有關連(例如債務人信貸評級改善)，則之前確認的減值虧損的撥回會於綜合收益表中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Impairment of financial assets (Continued)

(b) Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt investment, if any such evidence exists the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in consolidated income statement — is removed from equity and recognised in consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in consolidated income statement, the impairment loss is reversed through the consolidated income statement.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in consolidated income statement — is removed from equity and recognised in consolidated income statement. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

2 主要會計政策概要(續)

2.10 金融資產減值(續)

(b) 可供出售資產

本集團在每個報告期末評估是否有客觀證據證明某一金融資產或某一金融資產組已經減值。

就債務投資而言，倘有累計虧損之任何證券存在 — 按收購成本與即期公允價值之差額，減先前於綜合收益表確認之財務資產減值虧損計量 — 則從權益中剔除及於綜合收益表確認。倘在其後期間，債務工具之公允價值分類為可供出售增幅，而該增幅可客觀地與減值虧損於綜合收益表確認後發生之事件相關，則減值虧損經綜合收益表撥回。

對於權益投資，證券公允價值的大幅度或長期跌至低於其成本值，亦是證券已經減值的證據。若存在此等證據，累計虧損 — 按購買成本與當時公允價值的差額，減該金融資產之前在綜合收益表確認的任何減值虧損計算 — 自權益中移除並在綜合收益表中記賬。在綜合收益表中就權益工具確認的減值虧損，不得透過綜合收益表轉回。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials and other direct costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.12 Trade and other receivables

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

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. See Note 2.8.2 for further information about the Group's accounting for trade and other receivables and Note 2.10 for a description of the Group's impairment policies.

2.13 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2 主要會計政策概要(續)

2.11 存貨

存貨乃按成本及可變現淨值兩者之較低者列賬。成本乃按加權平均法釐定。製成品及在製品的成本包括原料及其他直接成本。可變現淨值為於日常業務過程中的估計售價減適用之可變銷售開支。

2.12 應收賬款及其他應收款

應收賬款為在日常業務運作中出售貨品或提供服務而應收的客戶款項。倘應收賬款及其他應收款預計將在一年或一年以內收回(或如屬較長時間,則以一般營運業務週期為準),則分類為流動資產。否則,則呈列於非流動資產。

應收賬款及其他應收款初步按公允價值確認,其後以實際利率法按已攤銷成本減減值撥備計算。有關本集團就應收賬款及其他應收款的會計處理,請參閱附註2.8.2,而有關本集團的減值政策描述,請參閱附註2.10。

2.13 現金及現金等價物

在綜合現金流量表中,現金及現金等價物包括手頭現金、銀行通知存款及流動性高且原有到期日在三個月或之內之其他短期投資。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Share capital

Ordinary shares are classified as equity.

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

2.15 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

2.16 Borrowings

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

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

2 主要會計政策概要(續)

2.14 股本

普通股分類為權益。

與發行新股份或購股權直接有關的增量成本，均列入權益作為所得款項的減少(扣除稅項)。

2.15 應付賬款及其他應付款

應付賬款乃日常業務過程中向供應商購買商品或服務之付款責任。倘應付賬款及其他應付款在一年或一年以內到期(或如屬較長時間，則以一般營運業務週期為準)，則分類為流動負債。否則，應付賬款及其他應付款則在非流動負債中呈列。

應付賬款及其他應付款初步以公允價值確認，其後利用實際利息法按攤銷成本計量。

2.16 借貸

借貸初步按公允價值並扣除產生的交易成本確認。借貸其後按攤銷成本列賬；所得款(扣除交易成本)與贖回價值的任何差額利用實際利息法於借貸期間內在綜合收益表確認。

倘很有可能提取部分或全部融資，則會將設立貸款融資時支付的費用確認為貸款交易成本。在此情況下，該項費用會遞延入賬直至貸款提取為止。如沒有證據證明部分或全部融資將很有可能被提取，則該項費用資本化作為流動資金服務的預付款項，並按有關融資期間攤銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Borrowings (Continued)

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.17 Borrowing costs

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

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 consolidated income statement in the period in which they are incurred.

2.18 Current and deferred income tax

The tax expenses for the period comprise current and deferred income tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

2 主要會計政策概要(續)

2.16 借貸(續)

除非本集團有無條件權利將負債的結算遞延至報告期末後最少12個月，否則借貸分類為流動負債。

2.17 借款成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間處理以作其預定用途或銷售的資產)的一般及特定借款成本，加入該等資產的成本內，直至資產大致上備妥供其預定用途或銷售為止。

就特定借貸，因有待合資格資產的支出而臨時投資賺取的投資收入，應自合資格資本化的借款成本中扣除。

所有其他借款成本在產生期內的綜合收益表中確認。

2.18 當期及遞延所得稅

本期的稅項費用包括當期及遞延所得稅。稅項於綜合收益表中確認，但與在其他綜合收益中或直接在權益中確認的項目有關者則除外。在該情況下，稅項亦分別在其他綜合收益或直接在權益中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Current and deferred income tax (Continued)

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

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

2 主要會計政策概要(續)

2.18 當期及遞延所得稅(續)

(a) 當期所得稅

當期所得稅費用根據本集團經營及產生應課稅收入的國家於財務狀況表日已頒佈或實質上已頒佈的稅務法例計算。管理層就適用稅務法例解釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

(b) 遞延所得稅

內在差異

遞延所得稅利用負債法確認資產和負債的稅基與資產和負債在綜合財務報表的賬面值的差額而產生的暫時性差異。然而，倘遞延稅負債產生自商譽的初始確認，則不會確認遞延稅負債，倘遞延所得稅來自在交易(不包括業務合併)中對資產或負債的初始確認，而在交易時不影響會計損益或應課稅利潤或損失，則不作記賬。遞延所得稅採用在財務狀況表日已頒佈或實質上已頒佈，並在有關的遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用的稅率(及法例)而釐定。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Inside basis differences (Continued)

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

Outside basis differences

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

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

2 主要會計政策概要(續)

2.18 當期及遞延所得稅(續)

(b) 遞延所得稅(續)

內在差異(續)

遞延所得稅資產僅於日後很可能有應課稅利潤以抵銷暫時性差異的情況下才確認。

外在差異

遞延所得稅負債就投資於附屬公司產生的暫時性差異而撥備，但假若本集團可以控制暫時性差異的轉回時間，而暫時性差異在可預見將來很可能不會轉回的遞延所得稅負債則除外。

遞延所得稅資產僅於暫時差異將於未來逆轉，並有充足可用的應課稅利潤抵銷可用作抵銷暫時差額時，方於投資於附屬公司所產生的可抵扣暫時差異予以確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Current and deferred income tax (Continued)

(c) Offsetting

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

2.19 Employee benefits

(a) Pension obligations

The Group pays contributions to defined contribution plans in Hong Kong. The schemes are generally funded through payments to separate trustee-administered funds, determined by periodic calculations.

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

The Group pays contributions to administered pension plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2 主要會計政策概要(續)

2.18 當期及遞延所得稅(續)

(c) 抵銷

當有法定可執行權力將當期所得稅資產與當期所得稅負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅實體或不同應課稅實體但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

2.19 僱員福利

(a) 退休金責任

本集團向香港的定額供款計劃供款。有關計劃資金一般來自對獨立受託管理基金的付款，有關付款按定期進行的計算釐定。

定額供款計劃為一項退休金計劃，本集團根據該計劃向獨立實體進行固定供款。倘該基金並無足夠資產支付所有僱員就於本期間及過往期間提供的僱員服務所得的福利，本集團並無作出進一步供款的法定或推定責任。

本集團以強制性、合約性或自願性方式向管理之退休金計劃供款。供款支付後，本集團再無額外付款責任。供款到期時，則確認為僱員福利開支。預付供款在確認可作現金退款或削減未來供款時，方會予以確認列為資產。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Employee benefits (Continued)

(a) Pension obligations (Continued)

The Group also contributes on a monthly basis to defined contribution retirement benefit plans organised by relevant municipal and provincial governments in the People's Republic of China (the "PRC"). The municipal and provincial governments undertake to assume the retirement benefit obligations payable to all existing and future retired employees for post-retirement benefits beyond the contributions made. The assets of these plans are held separately from those of the Group in independently administered funds managed by the PRC government. Contributions to these plans are expensed as incurred.

(b) Bonus plans

The expected cost of bonus payments wholly due within 12 months after the balance sheet date are recognised as a liability where the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

2 主要會計政策概要(續)

2.19 僱員福利(續)

(a) 退休金責任(續)

根據由中華人民共和國(「中國」)有關省市政府組織之定額供款退休福利計劃，本集團亦按月向該計劃作出供款。該等省市政府承諾會承擔退休福利義務，向現有及日後之全部退休僱員發放超逾所作供款之退休後福利。該等計劃之資產以獨立管理基金之形式與本集團之資產分開持有，並由中國政府進行管理。該等計劃之供款按產生額列為支出。

(b) 獎金計劃

當本集團因為僱員已提供的服務而產生現有法律或推定責任，而責任金額能可靠估計時，則在資產負債表日後12個月內結欠的獎金預計成本確認為負債入賬。

(c) 僱員應享假期

僱員享有的年假於歸屬於僱員時確認。已就僱員至財務狀況表日提供服務所享年假的估計負債作出撥備。

僱員享有的病假及產假直至放假時確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provision for an onerous contract is recognised when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfil the contract.

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.21 Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

2 主要會計政策概要(續)

2.20 撥備

當本集團因過往事件而須負上現時的法律或推定責任，很可能需要消耗資源以履行責任，及有關金額能可靠估計時，會確認撥備。未來營運虧損不予確認撥備。當承擔合約下責任的不可避免成本超過預期將予收到的經濟利益時，將確認虧損性合約撥備。合約下不可避免成本反映了取消合約的最低成本淨額，其為達成合約成本及未能達成合約所產生賠償或懲罰之間的較低值。

如有多項類似責任，於釐定其需流出資源以結清責任的可能性時，會整體考慮該責任類別。即使在同一責任類別所包含的任何一個項目相關的資源流出的可能性極低，仍須確認撥備。

撥備乃按預期需用作清償責任開支以稅前比率計算的現值衡量，其反映當時市場對金錢的時間值及該責任的特定風險評估。因時間的流逝而增加的撥備確認為利息開支。

2.21 或然資產

或然資產為過往事件可能產生的資產，其是否存在僅可由發生或不發生一項或多項未完成由本集團控制的未來事件所確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Contingent assets (Continued)

Contingent assets are not recognised in the consolidated financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the consolidated financial statements of the period in which the change occurs.

2.22 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities as described below.

(a) Sales of goods

Sales of goods are recognised when a group entity has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

(b) Interest income

Interest income is recognised using the effective interest method.

2 主要會計政策概要(續)

2.21 或然資產(續)

或然資產並不於綜合財務報表確認。或然資產於可能流入經濟利益時披露。倘幾乎肯定會有經濟利益流入，資產及相關收入於發生變動期間之綜合財務報表確認。

2.22 收入確認

收入按已收或應收代價的公允價值計量，並代表所提供貨品的應收金額，經扣除折扣、退貨及增值稅後列示。倘收入金額能可靠計量、未來很有可能經濟利益流入該實體，而本集團各項業務均符合下述特定條件時，本集團則確認收入。

(a) 產品銷售

產品銷售乃於集團實體已交付產品予客戶，而客戶接受產品及相關應收款的收回可合理保證時進行確認。

(b) 利息收入

利息收入以實際利息法確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Lease (as the lessee)

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

2.24 Dividend distribution

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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

(a) Market risk

(i) Foreign exchange risk

The Group is primarily exposed to foreign exchange risk arising from United States dollars ("USD"), Renminbi ("RMB") and New Taiwan dollars ("TWD").

2 主要會計政策概要(續)

2.23 租賃(作為承租方)

資產擁有權的大部分風險及回報由出租方保留的租賃乃分類為經營租賃。根據經營租賃作出的付款在扣除自出租方收取的任何優惠後，於租賃期內以直線法在綜合收益表中扣除。

2.24 股息分配

分配予本公司股東的股息於股息獲集團公司各自的股東或董事(如適用)批准期間於本集團及本公司的財務報表中確認為負債。

3 財務風險管理

3.1 財務風險因素

本集團的業務承受各種財務風險：市場風險(包括外匯風險及現金流量及公允價值利率風險)、信貸風險、流動資金風險及價格風險。本集團整體的風險管理計劃針對難以預測的金融市場，並尋求儘量降低對本集團財務業績所構成的潛在不利影響。風險管理由本集團高層管理人員執行。

(a) 市場風險

(i) 外匯風險外匯風險

本集團主要承受美元(「美元」)、人民幣(「人民幣」)及新台幣(「新台幣」)的外匯風險。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

Foreign exchange risk arises when future commercial transactions, recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. Management periodically reviews assets and liabilities held in currencies other than the entity's functional currency to ensure that net exposure is kept at an acceptable level. The Group does not enter into any arrangement to hedge its foreign exchange rate risk.

The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency rates. In the opinion of the directors, HK\$ are reasonably stable against the USD under the Linked Exchange Rate System, and accordingly, no sensitivity analysis with respect to the USD against HK\$ is performed.

The directors of the Company are of the opinion that the impact on exchange differences for RMB and TWD is immaterial as at 31 December 2017 and 31 December 2016 due to the low volume of transactions and minimal amount of balances, and accordingly no sensitivity analysis is performed.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(i) 外匯風險外匯風險 (續)

外匯風險來自並非以實體功能貨幣計值的未來商業交易以及已確認資產及負債。管理層定期審視並非以實體功能貨幣持有的資產及負債，確保風險承擔保持於可接受水平。本集團並無訂立任何安排對沖其外匯風險。

本集團密切監外幣匯率變動，管理其外匯風險。董事認為，在聯繫匯率制度下，港元兌美元維持於合理穩定水平，據此，概無就美元兌港元作出敏感度分析。

本公司董事認為由於交易量低及結餘極少，故於二零一七年十二月三十一日及二零一六年十二月三十一日，由對人民幣及新台幣產生的匯率差異屬微不足道，據此並無進行敏感度測試。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from bank deposits, bank balances and bank borrowings.

The Group has no bank borrowings as at 31 December 2017 and 31 December 2016.

Bank deposits and bank balances held at variable rates expose the Group to cash flow interest rate risk.

Other than bank deposits, bank balances and bank borrowings, the Group does not have significant interest-bearing assets or liabilities. The Group's exposure to interest rate risk associated with the effects of fluctuations in the prevailing levels of the market interest rates on its cash flows is not deemed to be substantial in the view of management based on the nature of the assets and liabilities.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(ii) 現金流量及公允價值利率風險

本集團之利率風險來自銀行存款、銀行結餘及銀行借款。

於二零一七年十二月三十一日及二零一六年十二月三十一日，本集團概無任何銀行借貸。

浮息銀行存款及銀行結餘使本集團面對現金流量利率風險。

除銀行存款、銀行結餘及銀行借款外，本集團並無重大計息資產或負債。管理層認為，根據資產及負債的性質，本集團所承受與其現金流量的市場利率在現行水平下波動的影響有關的利率風險被視為並不重大。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Price risk

Equity price risk is the risk that the fair values of equity securities decreased as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from available-for-sale equity investments (Note 16) as at 31 December 2017.

At 31 December 2017, if the fair values of the equity investment classified as available-for-sale financial assets had been 10% higher/lower, with all other variables held constant, the Group's equity would have been HK\$5,695,000 higher/lower (2016: HK\$3,167,000), respectively.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(iii) 價格風險

股權價格風險指導致股本指數水平及個別證券價值變動導致之股本證券公允價值減少風險。於二零一七年十二月三十一日，本集團因可供出售股權投資(附註16)而面對來自股本價格風險。

於二零一七年十二月三十一日，倘分類為可供出售財務資產之股權投資公允價值增加／減少10%，而所有其他可變因素不變，本集團之權益將分別增加／減少5,695,000港元(二零一六年：3,167,000港元)。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk is managed on a group basis. Credit risk arises from trade and other receivables, restricted bank deposits, fixed deposits with original maturity date more than three months and bank balances. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets. The credit risk is monitored on an ongoing basis with reference to the financial position of the debtors, past experience and other factors.

The Group has policies in place to ensure that the sales of products are made to customers with appropriate credit histories and the Group performs regular credit evaluations of its major customers.

The majority of the Group's trade receivables is due for maturity within 90 days and largely comprises amounts receivable from business customers. Management does not expect any significant losses from non-performance by these counterparties.

About 80% (2016: 36%) and 91% (2016: 77%) of total trade receivables as at 31 December 2017 were due from the Group's largest customer and the three largest customers respectively. No significant collectability issues have been identified in the past.

Restricted bank deposits, fixed deposits with original maturity date more than three months and bank balances are deposited in reputable banks. Management does not expect any losses from non-performance by these banks.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險

信貸風險按集團基準管理。信貸風險源自分類為應收賬款及其他應收款、受限制銀行存款、原到期日超過三個月之定期存款，以及銀行結餘。該等結餘的賬面值為本集團就有關金融資產承擔的最大信貸風險。信貸風險按持續基準監察，並會參考債務人的財政狀況、過往經驗及其他因素。

本集團實施相關政策，確保其產品銷售乃向具有合適信貸記錄的客戶作出，本集團亦會對其主要客戶進行定期信貸評估。

本集團大部分應收賬款的到期日為90日之內，並且大多數為應收業務客戶的款項。管理層預期不會因此等對手方不履行付款責任而產生任何重大虧損。

於二零一七年十二月三十一日，應收賬款總額分別約80%（二零一六年：36%）及91%（二零一六年：77%）為應收本集團最大客戶及三大客戶的款項。過往並無發現有重大收款問題。

受限制銀行存款、原到期日超過三個月的定期存款及銀行存款均存於具信譽的銀行，銀行結餘存放於具信譽的銀行。管理層預期不會因此等銀行不履行付款責任而產生任何虧損。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to settle the payables of the Group.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the date of the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險

審慎的流動資金風險管理包括確保持有足夠現金及有價證券、有充足的已承諾信貸融資，及有能力償還本集團的應付款。

下表列示本集團的金融負債根據由財務狀況表日至合約到期日的剩餘期間按照相關到期組別進行的分析。在表內披露的金額為合約未貼現的現金流量。

		Less than 1 year 於一年 HK\$'000 千港元	Between 1 to 5 years 一至五年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2017	於二零一七年 十二月三十一日			
Trade payable	應付賬款	14,077	—	14,077
Other payables	其他應付款	4,619	—	4,619
		18,696	—	18,696
At 31 December 2016	於二零一六年 十二月三十一日			
Trade payable	應付賬款	85,553	—	85,553
Bills payable	應付票據	33,415	—	33,415
Other payables	其他應付款	8,260	—	8,260
		127,228	—	127,228

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital management

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

The Group monitors capital on the basis of the debt-to-asset ratio. The ratio is calculated as total debt divided by total assets. Total debt is calculated as interest-bearing borrowings. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and sell assets to reduce debt.

During the year, the Group's strategy, which remained unchanged from prior year, was to maintain a net cash position. As at 31 December 2017 and 31 December 2016, the Group has a net cash position and the aggregate balances of unrestricted bank deposits, and cash and cash equivalents exceeded the total interest-bearing debt by HK\$88,025,000 (2016: HK\$174,126,000).

3 財務風險管理 (續)

3.2 資本管理

本集團管理資金的目標是保障本集團持續經營的能力，以為股東帶來回報，同時兼顧其他利益相關者的利益，並維持最佳的資本結構以減低資金成本。

本集團根據負債資產比率監察資本。該比率按負債總額除以資產總額計算。負債總額按計息借貸計算。為了維持或調整資本結構，本集團可能會調整支付予股東的股息金額、向股東發還資金、發行新股或出售資產以減低債務。

於本年度，本集團之策略與去年相比並無變動，即保持淨現金狀況。於二零一七年十二月三十一日及二零一六年十二月三十一日，本集團為淨現金狀況，即不受限制銀行存款及現金及現金等價物之總結餘超過總計息債務，差額為88,025,000港元(二零一六年：174,126,000港元)。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation

Financial instruments carried at fair value are analysed by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs) (level 3).

The carrying amounts of the Group's financial assets, including cash and cash equivalents, restricted bank deposits, and trade, bills and other receivables; and the Group's financial liabilities, including trade, bills and other payables approximate their fair values due to their short maturities.

The nominal values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

3 財務風險管理 (續)

3.3 公允價值估計

按公允價值入賬的金融工具按估值方法分析。不同層級界定如下：

- 相同資產或負債在活躍市場的報價(未經調整)(第1層)。
- 除了第1級所包括的報價外，該資產和負債的可觀察的其他輸入，可為直接(即例如價格)或間接(即源自價格)(第2層)。
- 資產和負債並非依據可觀察市場數據的輸入(即非可觀察輸入)(第3層)。

本集團金融資產之公允價值，包括現金及現金等價物、受限制銀行存款金、應收賬款、應收票據及其他應收款；以及本集團之金融負債，包括應付賬款、應付票據及其他應付款，由於其到期時間較短，其賬面值與公允價值相若。

就到期日少於一年之金融資產及負債而言，面值減任何估計信貸調整乃假設與其公允價值相若。就披露目的而言，金融負債之公允價值乃按本集團就類似金融工具可獲得之現行市場利率將未來合約現金流量折現估計。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

The following table presents the carrying value of financial instruments measured at fair value at the balance sheet across the three levels.

		Fair value measurement as at 31 December 2017 於二零一七年十二月三十一日之 公允價值計量			
		Level 1 第1層	Level 2 第2層	Level 3 第3層	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Recurring fair value measurements	經常性公允價值 計量				
Assets:	資產：				
Available-for-sale financial assets:	可供出售金融 資產：				
— Unlisted equity investments	— 非上市股權 投資	—	—	56,947	56,947

		Fair value measurement as at 31 December 2016 於二零一六年十二月三十一日之 公允價值計量			
		Level 1 第1層	Level 2 第2層	Level 3 第3層	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Recurring fair value measurements	經常性公允價值 計量				
Asset:	資產：				
Available-for-sale financial asset:	可供出售金融 資產：				
— Unlisted equity investment	— 非上市股權 投資	—	—	31,671	31,671

There were no transfers between levels 1, 2 and 3 during the year (2016: Nil).

下表列報三個級別於資產負債表按公允價值計量之金融工具賬面值。

年內第1層、第2層與第3層之間並無轉撥(二零一六年：無)。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

Financial instruments in level 3

The following table presents the changes in level 3 instruments for the year ended 31 December 2017:

		Unlisted equity investments 非上市股權投資	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	31,671	31,101
Additions	增加	2,606	—
Change in value recognised in other comprehensive income	於其他全面收益確認之價值變動	22,670	570
At 31 December	於十二月三十一日	56,947	31,671
Change in unrealised gains for the year included in other comprehensive income at the end of the year	於年末計入其他全面收益之未變現收益之變動	22,670	570

The Group's unlisted available-for-sale equity investments consist of (i) preferred shares; and (ii) ordinary shares issued by private entities. The fair value of the preferred shares held is derived by using option-pricing methods to allocate the equity value of the entity, which is implied from the issue prices of recent transactions and justified by comparable company valuation multiples approach. The fair value of the ordinary shares held is derived by using generally accepted pricing model, which included some assumptions that are not supportable by observable market rates. In determining the fair value, certain unobservable inputs were used.

3 財務風險管理 (續)

3.3 公允價值估計 (續)

第3層的金屬工具

下表呈報截至二零一七年十二月三十一日止年度第3層工具之變動：

		Unlisted equity investments 非上市股權投資	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	31,671	31,101
Additions	增加	2,606	—
Change in value recognised in other comprehensive income	於其他全面收益確認之價值變動	22,670	570
At 31 December	於十二月三十一日	56,947	31,671
Change in unrealised gains for the year included in other comprehensive income at the end of the year	於年末計入其他全面收益之未變現收益之變動	22,670	570

本集團非上市可供出售股權投資包括私營企業發行之(i)優先股；及(ii)普通股。所持有之優先股之公允價值乃使用期權定價法分配企業之股權價值得出，而企業之股權價值則由近期交易發行價之引申價值並以可比較公司估值倍數法作為支持。所持有普通股的公允價值使用一般接受之定價模式釐定，其中包括未有可觀察市場數據支撐的若干假設。於釐定公允價值時，使用了若干不可觀察輸入數據。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

Financial instruments in level 3 (Continued)

Below is a summary of significant unobservable inputs to the valuation of the unlisted available-for-sale equity investments, together with quantitative sensitivity analysis:

Unlisted available-for-sale equity investments	Valuation technique and key inputs	Significant unobservable input	Value	Sensitivity of fair value to the input
非上市可供出售股權投資	估值技術及主要輸入數據	重大不可觀察輸入數據	價值	輸入數據之公允價值敏感度
(i) Preferred shares issued by a private entity	Market comparable companies and equity value allocation with option-pricing method that is estimated based on recent transaction prices, volatility rate, risk-free interest rate, and dividend yield	Volatility	39.92% (2016: 40.87%)	10% increase/(decrease) in the volatility would result in increase/(decrease) (2016: (decrease)/increase) in fair value by approximately HK\$27,000/(HK\$20,000)(2016: (HK\$187,000)/HK\$144,000).
(i) 一間私營企業發行之優先股	市場可比較公司及股權價值分配連同期權定價法之估計基礎為近期交易價格、波幅、無風險利率及股息回報	波幅	39.92% (二零一六年： 40.87%)	波幅增加/(減少)10%，將令公允價值增加/(減少)(二零一六年：(減少)/增加)約27,000港元/(20,000港元)(二零一六年：(187,000港元)/144,000港元)。

3 財務風險管理 (續)

3.3 公允價值估計 (續)

第3層的金融工具 (續)

下文列載非上市可供出售股權投資估值之重大不可觀察輸入數據，連同定量敏感度分析：

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

Financial instruments in level 3 (Continued)

Unlisted available-for-sale equity investments	Valuation technique and key inputs	Significant unobservable input 重大不可觀察輸入數據	Sensitivity of fair value to Value the input 輸入數據之公允價值 價值 敏感度
(ii) Ordinary shares issued by a private entity	Discounted cash flow method	Weighted average cost of capital ("WACC")	12.91% 10% increase/(decrease) in WACC would result in (decrease)/increase in fair value by approximately (HK\$286,000)/HK\$364,000
(ii) 一間私營企業發行之普通股	貼現現金流方法	加權平均資本成本(「加權平均資本成本」)	12.91% 加權平均資本成本增加/(減少)10%，將令公允價值(減少)/增加約(286,000港元)/364,000港元
		Discount for lack of marketability	25% 10% increase/(decrease) in discount would result in (decrease)/increase in fair value by approximately (HK\$78,000)/HK\$182,000
		就缺乏市場流通性作出折讓	25% 折讓增加/(減少)10%，將令公允價值(減少)/增加約(78,000港元)/182,000港元

3 財務風險管理(續)

3.3 公允價值估計(續)

第3層的金融工具(續)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) *Net realisable value of inventories*

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of changes in consumer preferences and competitor actions in response to severe industry cycles. Management reassesses these estimations by each date of the statement of financial position to ensure inventories are shown at the lower of cost and net realisable value.

4 關鍵會計估計及判斷

本集團會持續評核估計及判斷，有關評核乃基於過往經驗及其他因素作出，包括根據情況認為合理的未來事件預期。

4.1 關鍵會計估計及假設

本集團對未來情況作出估計及假設。所得的會計估計顧名思義甚少與實際結果一致。具有相當風險導致須於下個財政年度內對資產及負債賬面值作出重大調整的估計及假設闡述如下。

(a) *存貨的可變現淨值*

存貨的可變現淨值為於日常業務過程中的估計售價減估計銷售開支。該等估計乃根據銷售類似產品的目前市況及過往經驗作出，其可能因消費者喜好變化及競爭對手應對嚴峻行業週期的行動而出現大幅變動。管理層會於每個財務狀況表日重新評估此等估計，以確保存貨以成本與可變現淨值兩者之間的較低者列示。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(b) Fair value of financial instruments

The fair value of financial instruments traded in active markets (such as trading and available-for-sale financial assets securities) is based on quoted market prices at the end of each reporting period.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period.

(c) Income taxes

The Group is subject to income taxes in the jurisdiction in which the Group operates. There are transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

4 關鍵會計估計及判斷(續)

4.1 關鍵會計估計及假設(續)

(b) 金融工具的公允價值

在活躍市場買賣的金融工具(如買賣及可供出售金融資產證券)的公允價值根據每個呈報期末的市場報價列賬。

沒有在活躍市場買賣的金融工具的公允價值利用估值技術釐定。本集團利用判斷選取多種方法，並主要根據每個報告期末當時的市場情況作出假設。

(c) 所得稅

本集團須於其營運之司法管轄區繳納所得稅。所涉及的交易及計算均難以對最終稅務作出明確釐定。本集團根據對估計有否額外稅項到期，確認預計稅項審計問題的負債。倘該等事項的最終稅項結果有別於最初記錄的金額，該等差異將影響作出有關釐定期間的當期及遞延所得稅資產及負債。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(d) Impairment of trade receivables

The Group makes provision for impairment of trade receivables based on an estimate of the recoverability of these receivables. Provisions are applied to trade receivables, where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment of trade receivables requires the use of estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables and the provision for impairment losses in the period in which such estimate has been changed.

5 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the directors of the Company. The directors review the Group's internal reporting in order to assess performance and allocate resources and determine the operating segments based on these reports.

The directors determine that the Group has two reportable operating segments as follows:

- (a) Display products segment; and
- (b) Optics products segment

The directors assess the performance of the operating segments based on a measure of revenue and results of each segment and do not assess the performance based on segment assets and liabilities.

4 關鍵會計估計及判斷(續)

4.1 關鍵會計估計及假設(續)

(d) 應收賬款的減值

本集團根據應收賬款的估計可收回程度就此等應收賬款計提減值撥備。一旦事件發生或情況改變顯示可能未能收回餘款時，則會就應收賬款計提撥備。識別應收賬款減值需要作出估計。當預期金額與原定估計有分別時，該差異將會影響該估計出現變動期間內應收款的賬面值及減值虧損撥備。

5 分部資料

首席經營決策者確定為本公司的董事。董事審閱本集團的內部報告以評估表現及分配資源，並根據該等報告釐定經營分部。

董事釐定本集團擁有如下兩個可報告經營分部：

- (a) 顯示產品分部；及
- (b) 光學產品分部

董事基於各分部的收入及業績的計量評估經營分部的表現，而非基於分部資產及負債評估表現。

5 SEGMENT INFORMATION (Continued) 5 分部資料(續)

(a) The segment information provided to the directors for the reportable segments for the year ended 31 December 2017 is as follows:

(a) 以下是提供予董事截至二零一七年十二月三十一日止年度可報告分部的資料：

		Display products 顯示產品		Optics products 光學產品		Total 總計	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Segment revenue (all from external customers)	分部收入 (全部來自外部 客戶)	354,739	1,123,950	16,779	26,048	371,518	1,149,998
Segment results	分部業績	(57,886)	95,335	1,528	58,560	(56,358)	153,895
Unallocated operating costs	未分配經營成本					(40,959)	(55,017)
Finance costs, net	財務費用淨額					(434)	(1,348)
(Loss)/profit before income tax	除所得稅前(虧損) ／利潤					(97,751)	97,530
Other segment information:	其他分部資料：						
Gain on disposal of subsidiaries	出售附屬公司 收益	—	—	—	26,481	—	26,481
Gain on Profit Guarantee	溢利保證收益	—	—	—	21,238	—	21,238

5 SEGMENT INFORMATION (Continued) 5 分部資料(續)

(b) The Group's revenues from its major products for the years ended 31 December 2017 are as follows:

(b) 截至二零一七年十二月三十一日止年度，本集團來自其主要產品之收入載列如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Thin film transistor liquid crystal display ("TFT-LCD") panels and modules	薄膜電晶體液晶顯示 (「TFT-LCD」) 面板及 模組	330,304	1,051,095
Optics products	光學產品	16,779	26,048
Driver integrated circuits	驅動器集成電路	11,400	58,032
Polarisers	偏光板	5,896	7,871
Others	其他	7,139	6,952
		371,518	1,149,998

(c) Segment revenue by customers' geographical location

(c) 按客戶地理位置劃分的分部收入

During the year ended 31 December 2017, most of the Group revenues were derived in Hong Kong, where the Group's products were delivered by the Group to its customers.

截至二零一七年十二月三十一日止年度，本集團大部分收入均來自香港，本集團亦於香港向客戶交付產品。

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Hong Kong	香港	358,378	1,132,080
The PRC	中國	11,522	17,424
Taiwan	台灣	1,618	494
		371,518	1,149,998

5 SEGMENT INFORMATION (Continued) 5 分部資料(續)

(d) Revenues from major customers who have individually contributed 10% or more of the total revenue of the Group are disclosed as follows:

(d) 來自主要客戶(各佔本集團總收入10%或以上)的收入披露如下:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Customer A	客戶A	113,243	112,459
Customer B	客戶B	41,185	192,748
Customer C	客戶C	38,992	—
		193,420	305,207

The above three customers are included in the display products segment.

上述三名客戶計入顯示產品分部內。

(e) An analysis of the Group's non-current segment assets (other than available-for-sale financial assets) by location of assets is as follows:

(e) 按資產位置, 本集團之非流動分部資產(不包括可供出售金融資產)分析如下:

		Hong Kong 香港 HK\$'000 千港元	The PRC 中國 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 December 2017: 於二零一七年十二月三十一日:				
Non-current assets 非流動資產				
Property, plant and equipment 物業、廠房及設備		1,438	1,567	3,005
Intangible assets 無形資產		2,000	1,122	3,122
		3,438	2,689	6,127
As at 31 December 2016: 於二零一六年十二月三十一日:				
Non-current assets 非流動資產				
Property, plant and equipment 物業、廠房及設備		2,123	1,070	3,193
Intangible assets 無形資產		2,000	1,122	3,122
		4,123	2,192	6,315

6 REVENUE

Revenue represents the sales of display panels, optics products and related electronic components to external parties.

6 收入

收入指銷售顯示面板、光學產品及相關電子部件予外界人士所得收入。

7 OTHER (LOSSES)/GAINS, NET

7 其他(虧損)/收益淨額

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Gain on disposal of subsidiaries (Note 27)	出售附屬公司收益 (附註27)	—	26,481
Gain on Profit Guarantee (Note (a))	溢利保證收益(附註(a))	—	21,238
Net exchange loss	匯兌虧損淨值	(156)	(769)
Others	其他	109	117
		(47)	47,067

Note (a):

On 22 January 2015, Rightone Resources Limited ("Rightone"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the "Agreement") to acquire the entire equity interest in Perfect Shiny Technology Limited ("Perfect Shiny") (the "Acquisition") from Mr. Cheng, a director and controlling shareholder of the Company. Pursuant to the Agreement, the consideration of the Acquisition was HK\$323,000,000, of which HK\$20,000,000 was satisfied by the issuance of a promissory note in favour of Mr. Cheng in the same amount; HK\$10,000,000 was settled by cash to Mr. Cheng upon completion of the Acquisition; and the rest was satisfied by the allotment and issue by the Company of 163,687,151 new shares (the "Consideration Shares") to the nominee of Mr. Cheng. Pursuant to the Agreement, Mr. Cheng warranted and guaranteed to Rightone that the sum of the audited consolidated profit attributable to the equity holders of Perfect Shiny for the two financial years ending 31 December 2016 would be not less than HK\$34,000,000 ("Profit Guarantee"). Mr. Cheng agreed to pay to the Group the amount that corresponded to the amount of any shortfall from HK\$34,000,000 multiplied by 9.513 (being the implied multiple derived from the valuation of Perfect Shiny Group at HK\$323,442,000 as at 31 December 2014 performed by an independent valuer divided by the guaranteed profit in the amount of HK\$34,000,000 under the Profit Guarantee). The liability may be settled in cash, or, if agreed by the Group and Mr. Cheng and subject to regulatory compliance, by the buy-back by the Company of certain number of the Consideration Shares. However, the maximum liability of Mr. Cheng in respect of the non-fulfillment of the Profit Guarantee shall not exceed HK\$323,000,000.

附註(a):

Rightone Resources Limited (「Rightone」)(本公司之全資附屬公司)於二零一五年一月二十二日訂立買賣協議(「該協議」),以向鄭先生(本公司之董事及控股股東)收購圓尚科技有限公司(「圓尚」)全部股權(「收購事項」)。根據該協議,收購事項之代價為323,000,000港元,其中20,000,000港元透過向鄭先生發行同額之承兌票據支付;10,000,000港元於收購事項完成後以現金支付予鄭先生;以及餘下代價由本公司向鄭先生之提名人配發及發行163,687,151股新股份(「代價股份」)支付。根據該協議,鄭先生向Rightone保證及擔保,於截至二零一六年十二月三十一日止兩個財政年度,圓尚權益持有人應佔經審核綜合利潤金額之總和,將不少於34,000,000港元(「溢利保證」)。鄭先生同意向本集團支付金額等於不足34,000,000港元的差額乘以9.513(即從獨立估值師作出之圓尚集團於二零一四年十二月三十一日之估值323,442,000港元除以溢利保證下之保證利潤34,000,000港元所得之隱含倍數)的款項。該責任可用現金結付,或倘本集團與鄭先生協定且須遵守監管規定,可由本公司購回若干數目之代價股份以結付。然而,鄭先生就溢利保證未獲達成之最大責任,不會超過323,000,000港元。

7 OTHER (LOSSES)/GAINS, NET (Continued)

Note (a): (Continued)

The sum of the audited consolidated profit attributable to the equity holders of Perfect Shiny for the two financial years ended 31 December 2016 according to its audited consolidated financial statements was approximately HK\$31,767,000. Since the shortfall of the Profit Guarantee was approximately HK\$2,233,000, a gain of approximately HK\$21,238,000, being the compensation payable by Mr. Cheng, was recognised in the consolidated income statement of the Group for the year ended 31 December 2016. Part of the compensation receivable was settled against the outstanding amount payable to Mr. Cheng under the promissory note of HK\$10,000,000. The remaining compensation receivable from Mr. Cheng of approximately HK\$11,238,000 was settled in cash on 22 March 2017.

8 EXPENSES BY NATURE

Expenses included cost of sales, distribution and selling expenses, general and administrative expenses and research and development expenses are analysed as follows:

7 其他(虧損)/收益淨額(續)

附註(a): (續)

截至二零一六年十二月三十一日止兩個財政年度，圓尚權益持有人應佔經審核綜合利潤金額根據其經審核綜合財務報表約為31,767,000港元。由於溢利保證之差額約2,233,000港元，故已就截至二零一六年十二月三十一日止年度於本集團綜合收益表確認收益約21,238,000港元(即鄭先生應付之補償)。部分應收補償款項以應向鄭先生支付承兌票據下之餘額10,000,000港元抵銷。餘下應收鄭先生之補償款項約11,238,000港元於二零一七年三月二十二日以現金結付。

8 按性質劃分的費用

計入銷售成本、分銷及銷售開支、一般及行政開支及研究及開發開支的費用分析如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cost of inventories sold	銷售存貨成本	360,744	935,418
Processing and sub-contracting expenses	加工及外包費用	9,030	72,518
Transportation expenses	運輸費用	1,078	6,615
Provision for onerous contract (Note 21(b))	虧損性合約撥備 (附註21(b))	10,530	—
Provision for obsolete inventories (Note 17)	陳舊存貨撥備 (附註17)	37,609	14,390
Auditor's remuneration	核數師酬金		
— Audit services	— 審計服務	1,700	1,680
— Non-audit services	— 非審計服務	96	452
Employee benefit expenses (Note 9)	僱員福利開支(附註9)	25,198	34,356
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,856	2,173
Amortisation of intangible assets	無形資產攤銷	—	471
Operating lease rentals in respect of buildings	樓宇經營租賃租金	7,334	7,584

9 EMPLOYEE BENEFIT EXPENSES

9 僱員福利開支

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Short-term employee benefits (<i>Note</i>) 短期僱員福利 (<i>附註</i>)	23,782	32,721
Post-employment benefits — defined contribution plans 僱員退休福利 — 定額供款計劃	1,416	1,635
Total employee benefit expenses, including directors' remuneration 僱員福利開支總額， 包括董事酬金	25,198	34,356

Note: Short-term employee benefits represent salary, wages, bonus paid to employees, staff quarter expense and insurance premium for staff insurance schemes.

附註： 短期僱員福利指支付僱員的薪金、工資及花紅、員工宿舍費用以及員工保險計劃的保險金。

(a) Post-employment benefits — defined contribution plans

No forfeited contributions for the Group is available to reduce the contribution payment in the future years. Contributions to schemes vest immediately.

(a) 僱員退休福利 — 定額供款計劃

本集團概無被沒收的供款用以削減未來年度的供款。對計劃的供款立刻歸屬。

9 EMPLOYEE BENEFIT EXPENSES
(Continued)

(b) Five highest paid individuals

The five individuals whose remuneration were the highest in the Group for the year include three directors (2016: three) whose remuneration are reflected in the analysis shown in Note 30. The emoluments payable to the remaining two (2016: two) individuals during the year are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Basic salaries, staff quarter expenses, other allowances and benefits in kind	基本工資、員工宿舍開支、其他津貼及實物福利	2,136	2,759
Discretionary bonus	酌情花紅	—	197
Contribution to pension scheme	退休計劃供款	24	36
		2,160	2,992

The number of highest paid non-director individuals whose remunerations for the year fell within the following bands:

		2017 二零一七年	2016 二零一六年
Emolument bands:	酬金範圍：		
HK\$nil to HK\$1,000,000	零港元至1,000,000港元	1	—
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	—	1
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	1

For the year ended 31 December 2017, no remuneration (2016: Nil) was paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office, and no arrangement under which a director or the five highest paid individuals waived or agreed to waive any of the remuneration.

9 僱員福利開支(續)

(b) 五名最高薪人士

年內本集團五名最高薪酬人士包括三名董事(二零一六年：三名)，其薪酬反映於附註30所載的分析當中。年內應付餘下兩名(二零一六年：兩名)人士之酬金如下：

本年度薪酬介乎以下範圍的非董事最高薪酬人士的人數如下：

截至二零一七年十二月三十一日止年度，本集團未向董事或五名最高薪酬人士支付任何薪酬，作為其加入本集團的獎勵或離職賠償，亦無任何董事或五名最高薪酬人士放棄或同意放棄薪酬的安排(二零一六年：無)。

10 FINANCE COSTS, NET

10 財務費用淨額

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Finance income	財務收入		
Interest income on pledged bank deposits	已抵押銀行存款利息收入	145	194
Interest income on bank deposits	銀行存款利息收入	24	223
		169	417
Finance costs	財務費用		
Interest expense on:	以下各項應佔利息開支：		
Bank borrowings	銀行借貸	—	(156)
Factoring charges	保理費用	(603)	(1,609)
		(603)	(1,765)
Finance costs, net	財務費用淨額	(434)	(1,348)

11 INCOME TAX EXPENSE

11 所得稅費用

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit during the year arising in or derived from Hong Kong. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

香港利得稅乃就於年內在香港產生或源自香港的估計應課稅利潤按稅率16.5% (二零一六年：16.5%) 的計提撥備。其他地區之應課稅利潤的稅項乃根據本集團於其營運國家／司法管轄區的現行稅率計算。

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current income tax:	當期所得稅：		
Current income tax on profits for the year	年度利潤之當期所得稅	533	9,331
Adjustments in respect of prior years	對過往年度的調整	113	(44)
Total current income tax	當期所得稅總額	646	9,287
Deferred income tax — Origination and reversal of temporary differences (Note 22)	遞延所得稅 — 產生及撥回暫時差異(附註22)	(68)	(92)
Income tax expense	所得稅費用	578	9,195

11 INCOME TAX EXPENSE (Continued)

11 所得稅費用(續)

The income tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the tax rate applicable to the Group as follows:

本集團就除所得稅前(虧損)/利潤應繳的所得稅與使用本集團利潤所適用的稅率而產生的理論金額有所差異，具體如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
(Loss)/profit before income tax	除所得稅前(虧損)/利潤	(97,751)	97,530
Tax calculated at Hong Kong tax rate of 16.5% (2016: 16.5%)	按香港稅率16.5%計算的稅項(二零一六年：16.5%)	(16,128)	16,092
Tax effects of:	以下各項的稅務影響：		
– Different taxation rate in other jurisdictions	– 其他司法管轄區不同稅率	(151)	(40)
– Income not subject to tax	– 毋須繳稅的收入	(1)	(7,875)
– Expenses not deductible for tax purposes	– 不可作扣稅用途的費用	286	375
– Utilisation of previously unrecognised tax losses	– 使用先前並無確認的稅項虧損	—	(253)
– Tax losses for which no deferred income tax asset was recognised	– 並無確認遞延所得稅資產的稅項虧損	16,459	940
Adjustment in respect of prior years	對過往年度的調整	113	(44)
Income tax expense	所得稅費用	578	9,195
Effective tax rate	實際稅率	-0.6%	9.4%

12 (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share for the year is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

12 每股(虧損)/盈利

年內的每股基本(虧損)/盈利乃按本公司權益持有人應佔(虧損)/利潤除於年內的已發行普通股之加權平均數計算。

		2017 二零一七年	2016 二零一六年
(Loss)/profit attributable to equity holders of the Company (HK\$'000)	本公司權益持有人應佔 (虧損)/利潤(千港元)	(98,329)	90,729
Weighted average number of ordinary shares in issue (thousands)	已發行普通股之加權 平均數(千股)	1,483,687	1,483,687
Basic and diluted (loss)/earnings per share (HK cents per share)	每股基本及攤薄(虧損)/ 盈利(每股港仙)	(6.63)	6.12

For the purpose of determining the diluted (loss)/earnings per share amount, no adjustment has been made to the basic (loss)/earnings per share amount for the years ended 31 December 2017 and 2016 as the Group had no potentially dilutive ordinary shares in issue during these years.

就釐定每股攤薄(虧損)/盈利而言，由於本集團於截至二零一七年及二零一六年十二月三十一日止年度並無任何已發行潛在攤薄普通股，故並無就該等年度呈列的每股基本(虧損)/盈利作出調整。

13 SUBSIDIARIES

The following is a list of subsidiaries at 31 December 2017:

13 附屬公司

於二零一七年十二月三十一日的附屬公司載列如下：

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/paid up capital	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares held by the Group (%)
名稱	註冊成立／成立地點及法律實體類別	主要業務及經營地點	已發行股份／實繳股本詳情	本公司直接持有之普通股比例 (%)	本集團持有之普通股比例 (%)
Rightone	BVI, limited liability company	Investment holding	10,000 ordinary shares at no par value	100%	100%
Rightone	英屬處女群島有限公司	投資控股	10,000股無面值普通股		
Shinwa Technology Limited	BVI, limited liability company	Holding of patents	1 ordinary share at no par value	—	100%
新華科技有限公司	英屬處女群島有限公司	持有專利	1股無面值普通股		
Sinosky Resources Limited	BVI, limited liability company	Investment holding	1 ordinary share at no par value	—	100%
Sinosky Resources Limited	英屬處女群島有限公司	投資控股	1股無面值普通股		
Dexing Investment Limited	BVI, limited liability company	Investment holding	1 ordinary share at no par value	—	100%
Dexing Investment Limited	英屬處女群島有限公司	投資控股	1股無面值普通股		
Yuan Tai Investment Limited	Samoa, limited liability company	Investment holding	100 ordinary shares of USD1 each	—	100%
圓台投資有限公司	薩摩亞有限公司	投資控股	100股每股面值1美元普通股		
Perfect Display Limited	Hong Kong, limited liability company	Trading of display panels and related electronic components in Hong Kong	38,000,000 ordinary shares	—	100%
圓美顯示有限公司	香港有限公司	於香港銷售顯示面板及相關電子部件	38,000,000股普通股		
Perfect Sky Technology Limited	Hong Kong, limited liability company	Electronic product application development in Hong Kong	1 ordinary share	—	100%
圓天科技有限公司	香港有限公司	於香港進行電子產品應用開發	1股普通股		

13 SUBSIDIARIES (Continued)

13 附屬公司 (續)

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/paid up capital	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares held by the Group (%)
名稱	註冊成立／成立地點及法律實體類別	主要業務及經營地點	已發行股份／實繳股本詳情	本公司直接持有之普通股比例 (%)	本集團持有之普通股比例 (%)
Dexing Technology Development Limited 德昇科技發展有限公司	Hong Kong, limited liability company 香港有限公司	Investment holding 投資控股	1 ordinary share 1股普通股	—	100%
Dexing Materials Technology (Dongguan) Company Limited 德昇材料科技(東莞)有限公司	The PRC, limited liability company 中國有限公司	Not yet commenced business 未開展業務	USD50,000 50,000美元	—	100%
Yuan Mei Xin Technology (Shenzhen) Company Limited 圓美鑫科技(深圳)有限公司	The PRC, limited liability company 中國有限公司	Wholesaling, import and export of display panels and related electronic components and provision of technical support and related services in the PRC 於中國從事顯示面板及相關電子部件的批發、進口及出口，以及提供技術支援及相關服務	USD1,000,000 1,000,000美元	—	100%
Yuan Tian Technology (Shenzhen) Company Limited 圓天科技(深圳)有限公司	The PRC, limited liability company 中國有限公司	Research and development, provision of technical support and related services in the PRC 於中國研發及提供技術支援及相關服務	USD100,000 100,000美元	—	100%
Yuan Tai Electronics Company Limited 圓台電子股份有限公司	Taiwan, limited liability company 台灣有限公司	Not yet commenced business 未開展業務	500,000 ordinary shares of TWD10 each 500,000股每股面值新台幣10元的普通股	—	100%

13 SUBSIDIARIES (Continued)

13 附屬公司(續)

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/paid up capital	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares held by the Group (%)
名稱	註冊成立/成立地點及法律實體類別	主要業務及經營地點	已發行股份/實繳股本詳情	本公司直接持有之普通股比例 (%)	本集團持有之普通股比例 (%)
Perfect Shiny	Samoa, limited liability company	Investment holding and design and development of applied optics-related products in Hong Kong	500,000 ordinary shares of USD1 each	—	100%
圓尚	薩摩亞有限公司	投資控股及在香港設計及開發應用光學產品	500,000股每股面值1美元之普通股		
Perfect Shiny Technology (HK) Limited	Hong Kong, limited liability company	Design, development and sales of applied optics-related products in Hong Kong	1 ordinary share	—	100%
圓尚科技(香港)有限公司	香港有限公司	在香港設計、開發及銷售應用光學產品	1股普通股		
Perfect Shiny Technology (Shenzhen) Limited	The PRC, limited liability company	Sales, research and development of optics-related products in the PRC	RMB1,000,000	—	100%
圓尚科技(深圳)有限公司	中國有限公司	於中國銷售及研發光學相關產品	人民幣1,000,000元		
Skyteam Resources Limited	BVI, limited liability company	Investment holding	1 ordinary share at no par value	—	100%
Skyteam Resources Limited	英屬處女群島有限公司	投資控股	1股無面值普通股		
Naruto Technology Limited	Hong Kong, limited liability company	Not yet commenced business	10,000,000 ordinary shares	—	100%
鳴門科技有限公司	香港有限公司	未開展業務	10,000,000股普通股		

14 PROPERTY, PLANT AND EQUIPMENT 14 物業、廠房及設備

		Leasehold improvements	Moulds and machinery	Furniture and office equipment	Motor vehicles	Total
		租賃樓宇裝修	模具及機器	傢俱及 辦公室設備	汽車	總計
		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
At 1 January 2016	於二零一六年一月一日					
Cost	成本	1,445	2,318	1,526	3,996	9,285
Accumulated depreciation	累計折舊	(1,142)	(736)	(1,067)	(1,556)	(4,501)
Net book amount	賬面淨值	303	1,582	459	2,440	4,784
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度					
Opening net book amount	年初賬面淨值	303	1,582	459	2,440	4,784
Currency translation differences	外幣折算差額	(4)	(23)	(22)	(21)	(70)
Additions	增加	—	957	161	692	1,810
Disposal of subsidiaries (Note 27)	出售附屬公司(附註27)	—	(1,158)	—	—	(1,158)
Depreciation charge	折舊支出	(151)	(821)	(313)	(888)	(2,173)
Closing net book amount	年末賬面淨值	148	537	285	2,223	3,193
At 31 December 2016	於二零一六年十二月三十一日					
Cost	成本	1,433	537	1,581	4,639	8,190
Accumulated depreciation	累計折舊	(1,285)	—	(1,296)	(2,416)	(4,997)
Net book amount	賬面淨值	148	537	285	2,223	3,193
Year ended 31 December 2017	截至二零一七年十二月三十一日止年度					
Opening net book amount	年初賬面淨值	148	537	285	2,223	3,193
Currency translation differences	外幣折算差額	4	65	16	8	93
Additions	增加	99	1,353	123	—	1,575
Depreciation charge	折舊支出	(100)	(741)	(210)	(805)	(1,856)
Closing net book amount	年末賬面淨值	151	1,214	214	1,426	3,005
At 31 December 2017	於二零一七年十二月三十一日					
Cost	成本	1,549	1,987	1,781	4,688	10,005
Accumulated depreciation	累計折舊	(1,398)	(773)	(1,567)	(3,262)	(7,000)
Net book amount	賬面淨值	151	1,214	214	1,426	3,005

15 INTANGIBLE ASSETS

15 無形資產

		Goodwill 商譽 HK\$'000 千港元	Patents 專利 HK\$'000 千港元	Club memberships 會所會籍 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日				
Cost	成本	6,519	3,597	3,122	13,238
Accumulated amortisation	累計攤銷	—	(686)	—	(686)
Net book amount	賬面淨值	6,519	2,911	3,122	12,552
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度				
Opening net book amount	年初賬面淨值	6,519	2,911	3,122	12,552
Disposal of subsidiaries (Note 27)	出售附屬公司(附註27)	(6,519)	(2,440)	—	(8,959)
Amortisation charge	攤銷費用	—	(471)	—	(471)
Closing net book amount	年末賬面淨值	—	—	3,122	3,122
At 31 December 2016	於二零一六年十二月三十一日				
Cost	成本	—	—	3,122	3,122
Accumulated amortisation	累計攤銷	—	—	—	—
Net book amount	賬面淨值	—	—	3,122	3,122
Year ended 31 December 2017	截至二零一七年十二月三十一日止年度				
Opening net book amount	年初賬面淨值	—	—	3,122	3,122
Amortisation charge	攤銷費用	—	—	—	—
Closing net book amount	年末賬面淨值	—	—	3,122	3,122
At 31 December 2017	於二零一七年十二月三十一日				
Cost	成本	—	—	3,122	3,122
Accumulated amortisation	累計攤銷	—	—	—	—
Net book amount	賬面淨值	—	—	3,122	3,122

Amortisation of approximately HK\$471,000 for the year ended 31 December 2016 was included in "Research and development expenses".

截至二零一六年十二月三十一日止年度攤銷費用約471,000港元計入「研究及開發開支」內。

16 AVAILABLE-FOR-SALE FINANCIAL ASSETS

16 可供出售金融資產

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	31,671	32,285
Additions	增加	2,606	—
Disposal of subsidiaries (Note 27)	出售附屬公司(附註27)	—	(1,184)
Net gains transferred to equity	轉移至權益的收益淨額	22,670	570
At 31 December	於十二月三十一日	56,947	31,671

Available-for-sale financial assets include the following:

可供出售金融資產包括下列各項：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Unlisted equity investments denominated in USD (Note (a))	按美元計值非上市股權 投資(附註(a))	54,269	31,671
Unlisted equity investments denominated in TWD (Note (b))	按新台幣計值非上市股權 投資(附註(b))	2,678	—
		56,947	31,671

16 AVAILABLE-FOR-SALE FINANCIAL ASSETS (Continued)

Notes:

- (a) The balance comprised the holding of certain preferred shares in Mobvoi Inc. ("Mobvoi"), a private company principally engaged in the business of developing and providing voice search systems on mobile, smart wearable and other devices. There have been no addition to or disposal of such private equity investment since the Group acquired it in January 2015. The most recent issue by Mobvoi of new preferred shares to a new investor took place in late March 2017 and the Group's shareholding in Mobvoi was diluted to approximately 1.53% (on a fully diluted basis and as converted basis). The financial results of Mobvoi are not included in and have no impact on the Group's consolidated income statement. The change in fair value of the Group's investment in Mobvoi is recognised in other comprehensive income of the Group. No dividend has been received by the Group from Mobvoi since the Group made its investment. The fair value of this unlisted equity investment was assessed based on comparable transaction method and equity value allocation with option-pricing method performed by an independent valuer. The fair value is within level 3 of the fair value hierarchy (Note 3.3).
- (b) In May 2017, the Group subscribed for certain ordinary shares issued by a private company principally engaged in the research and development, manufacturing and sale of separator which is a key component in lithium battery at approximately HK\$2,606,000, representing an approximately 3.33% shareholding of such company.

The fair value of the unlisted equity investment was assessed based on discounted cash flow method performed by an independent valuer. The fair value is within level 3 of the fair value hierarchy (Note 3.3).

16 可供出售金融資產(續)

附註：

- (a) 有關結餘包括Mobvoi Inc. (「Mobvoi」) 若干優先股的股權，Mobvoi為主要從事開發及提供手機、智能佩戴式設備及其他設備之語音搜索系統業務的私人公司。自於二零一五年一月本集團收購有關私募股權投資後，本集團概無增加或出售有關私募股權投資。Mobvoi最近期向一名新投資者發行新優先股於二零一七年三月底進行，而本集團於Mobvoi的股權攤薄至約1.53% (按全面攤薄及已轉換基準)。Mobvoi的財務業績並無計入本集團綜合收益表，故對其並無任何影響。本集團於Mobvoi的投資公允價值變動於本集團其他全面收益內確認。自本集團作出相關投資起，本集團並無從Mobvoi收到任何股息。此非上市股權投資的公允價值，乃根據獨立估值師以比較交易法及期權定價模式作出股權價值分配法評估得出。公允價值屬公允價值層級第3層內(附註3.3)。
- (b) 於二零一七年五月，本集團認購一間私人公司發行的若干普通股；該私人公司主要從事研發、製造及銷售隔離膜(為鋰電池的主要部分)，金額約為2,606,000港元，佔有關公司的股權約3.33%。

此等非上市股權投資的公允價值根據獨立估值師進行的貼現現金流方法評估。公允價值屬公允價值層級的第三層(附註3.3)。

17 INVENTORIES

17 存貨

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Work in progress	在製品	6,170	66,764
Finished goods	完成品	132,249	124,209
Less: Provision for obsolete inventories	減：陳舊存貨撥備	(61,086)	(23,450)
		77,333	167,523

The cost of inventories recognised as expense and included in “cost of sales” amounted to HK\$360,744,000 (2016: HK\$935,418,000) for the year (Note 8).

本年度確認為開支並計入「銷售成本」的存貨成本為360,744,000港元(二零一六年：935,418,000港元)(附註8)。

The Group charged to the consolidated income statement an amount of HK\$37,609,000 (2016: HK\$14,390,000) in respect of the net amount of the provision for obsolete inventories, loss on obsolete inventories and write-down of inventories to their net realisable value for the year. These amounts have been included in “cost of sales” in the consolidated income statement.

本集團就年內有關陳舊存貨撥備淨額、陳舊存貨虧損及撇減存貨至其可變現淨值而扣除綜合收益表的金額為37,609,000港元(二零一六年：14,390,000港元)。此等款項已計入綜合收益表內的「銷售成本」項下。

18 TRADE AND OTHER RECEIVABLES

18 應收賬款及其他應收款

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade receivables (Note (a))	應收賬款(附註(a))	44,411	47,696
Bills receivables (Note (a))	應收票據(附註(a))	446	32,956
Receivable from Mr. Cheng (Note 28(c)(iii))	應收鄭先生款項(附註28(c)(ii))	44,857	80,652
Prepayments, deposits and other receivables	預付款、按金及其他應收款	—	11,238
		4,116	5,895
		48,973	97,785

18 TRADE AND OTHER RECEIVABLES (Continued)

Notes:

- (a) The Group generally grants credit periods of 30 to 120 days. The ageing analysis of trade and bills receivables based on invoice date is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0-30 days	0-30天	42,601	41,777
31-60 days	31-60天	1,559	29,091
61-90 days	61-90天	697	7,138
91-180 days	91-180天	—	2,646
		44,857	80,652

- (b) As at 31 December 2017, the Group's trade receivables of HK\$990,000 (2016: HK\$3,957,000) were past due but not impaired. These trade receivables relate to a number of independent customers for whom there is no significant financial difficulty and based on past experience, the overdue amounts can be recovered.

The ageing analysis of trade receivables that were past due but not impaired is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Amounts past due	逾期款項		
1-30 days	1-30天	990	906
31-60 days	31-60天	—	1,862
61-90 days	61-90天	—	700
91-120 days	91-120天	—	489
		990	3,957

附註：

- (a) 本集團一般授出30至120天的信貸期。根據發票日期計算的應收賬款及票據的賬齡分析如下：

- (b) 於二零一七年十二月三十一日，本集團已逾期但未減值的應收賬款為990,000港元(二零一六年：3,957,000港元)。該等應收賬款與多名無重大財政困難的獨立客戶有關，根據過往經驗，該等逾期款項可收回。

已逾期但未減值的應收賬款的賬齡分析如下：

18 TRADE AND OTHER RECEIVABLES
(Continued)

Notes: (Continued)

- (c) The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
HK\$	港元	1,180	12,342
USD	美元	45,022	82,978
RMB	人民幣	2,767	2,378
TWD	新台幣	4	87
		48,973	97,785

- (d) The fair values of trade and other receivables approximate their carrying amounts.

18 應收賬款及其他應收款(續)

附註：(續)

- (c) 本集團應收賬款及其他應收款之賬面值按以下貨幣計值：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
HK\$	港元	1,180	12,342
USD	美元	45,022	82,978
RMB	人民幣	2,767	2,378
TWD	新台幣	4	87
		48,973	97,785

- (d) 應收賬款及其他應收款之公允價值與其賬面值相若。

19 CASH AND CASH EQUIVALENTS AND
RESTRICTED BANK DEPOSITS

Note: During the year, the Group's banking facilities, including borrowings, trade finance and other general banking facilities were secured by:

- (i) bank deposits of HK\$20,948,000 as at 31 December 2017 (2016: HK\$24,702,000);
- (ii) corporate guarantees provided by the Company; and
- (iii) cross guarantees among subsidiaries of the Company.

In addition to the above, the Group has agreed to comply with certain loan covenants imposed by the banks.

19 現金及現金等價物及受限制銀行存款

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Total bank deposits, bank balances and cash	銀行存款、銀行結餘及現金總額	108,973	198,828
Less: Restricted bank deposits included in current assets (Note)	減：計入流動資產的受限制銀行存款(附註)	(20,948)	(24,702)
Cash and cash equivalents	現金及現金等價物	88,025	174,126

附註：年內，本集團銀行融資(包括借款、貿易融資及其他一般銀行融資)由以下各項抵押：

- (i) 於二零一七年十二月三十一日銀行存款20,948,000港元(二零一六年：24,702,000港元)；
- (ii) 本公司提供之公司擔保；及
- (iii) 本公司附屬公司之間之交叉保證。

除上文所述者外，本集團已同意遵守銀行的若干貸款契諾。

19 CASH AND CASH EQUIVALENTS AND
RESTRICTED BANK DEPOSITS
(Continued)

Significant restrictions

Cash and short-term deposits of HK\$3,170,000 (2016: HK\$5,656,000) are held in the PRC and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

The carrying amounts of the Group's total bank deposits, bank balances and cash are denominated in the following currencies:

19 現金及現金等價物及受限制銀行存款(續)

重大限制

現金及短期存款3,170,000港元(二零一六年: 5,656,000港元)存放在中國,受當地的外匯管制所規管。此等外匯管制限制將資金匯出國境(透過正常股息則除外)。

本集團銀行存款、銀行結餘及現金之賬面值以下列貨幣計值:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
HK\$	港元	15,424	55,135
USD	美元	89,761	137,819
RMB	人民幣	2,913	4,847
TWD	新台幣	875	1,027
		108,973	198,828

20 SHARE CAPITAL

20 股本

		31 December 2017 and 31 December 2016 二零一七年十二月三十一日及 二零一六年十二月三十一日	
		Number of shares 股份數目 (thousands) (千股)	Amount 金額 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.01 each	每股普通股0.01港元	5,000,000	50,000
		Number of shares 股份數目	Ordinary shares of HK\$0.01 each 每股普通股 0.01港元 HK\$'000 千港元
Issued and fully paid:	已發行及繳足：		
At 1 January 2016, 31 December 2016, 1 January 2017 and 31 December 2017	於二零一六年一月一日、 二零一六年十二月 三十一日、二零一七年 一月一日及二零一七年 十二月三十一日	1,483,687,151	14,837

There were no movements in the Company's share capital during the year (2016: Nil).

年內，本公司股本概無任何變動(二零一六年：無)。

21 TRADE AND OTHER PAYABLES

21 應付賬款及其他應付款

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade payables (Note (a))	應付賬款(附註(a))	14,077	85,553
Bills payables (Note (a))	應付票據(附註(a))	—	33,415
		14,077	118,968
Deposits received from customers	收取客戶按金	6,206	22,089
Accruals and other payables	應計款項及其他應付款	4,679	8,314
Provision for onerous contract (Note (b))	虧損性合約撥備 (附註(b))	10,530	—
		35,492	149,371

Notes:

- (a) The ageing analysis of trade and bills payables based on invoice date is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0-30 days	0-30天	13,504	98,283
31-60 days	31-60天	319	17,416
61-90 days	61-90天	—	3,269
91-180 days	91-180天	254	—
		14,077	118,968

The carrying amounts of trade and other payables approximate their fair values.

- (b) As at 31 December 2017, the Group recognised a provision of HK\$10,530,000 (2016: Nil) for onerous contract in relation to certain non-cancellable purchase orders for inventories.

附註：

- (a) 根據發票日期計算的應付賬款及應付票據的賬齡分析如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0-30 days	0-30天	13,504	98,283
31-60 days	31-60天	319	17,416
61-90 days	61-90天	—	3,269
91-180 days	91-180天	254	—
		14,077	118,968

應付賬款及其他應付款之賬面值與其公允價值相若。

- (b) 於二零一七年十二月三十一日，本集團就若干不可註銷存貨採購訂單的虧損性合約確認撥備10,530,000港元(二零一六年：無)。

22 DEFERRED INCOME TAX LIABILITIES 22 遞延所得稅負債

The analysis of deferred income tax liabilities is as follows:

遞延所得稅負債的分析如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Deferred income tax liabilities:	遞延所得稅負債：		
— to be settled after more than 12 months	— 將於12個月後支付	(1)	(69)
— to be settled within 12 months	— 將於12個月內支付	(68)	(68)
		(69)	(137)

The movements in deferred income tax liabilities in respect of accelerated tax depreciation during the year are as follows:

與於年內的加速稅項折舊有關的遞延所得稅負債變動如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Beginning of the year	年初	(137)	(644)
Disposal of subsidiaries (Note 27)	出售附屬公司(附註27)	—	415
Credited to consolidated income statement (Note 11)	計入綜合收益表(附註11)	68	92
End of the year	年末	(69)	(137)

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. As at 31 December 2017, the Group did not recognise deferred tax assets of HK\$16,705,000 (2016: HK\$250,000) in respect of tax losses of certain PRC subsidiaries of HK\$1,421,000 (2016: HK\$562,000), which will be expired in five years, and tax loss of a Hong Kong subsidiary of HK\$99,091,000 (2016: HK\$665,000) which will not expire under current tax legislation.

遞延所得稅資產乃就稅項虧損結轉而確認，惟限於相關稅項利益可因未來應課稅利潤變現屬可能者。於二零一七年十二月三十一日，本集團並無確認遞延稅項資產16,705,000港元(二零一六年：250,000港元)，涉及若干中國附屬公司的稅項虧損1,421,000港元(二零一六年：562,000港元)(將於五年後失效)，以及一間香港附屬公司的稅項虧損99,091,000港元(二零一六年：665,000港元)(根據目前稅法不會失效)。

23 DIVIDENDS

The Board does not declare any dividends for the year ended 31 December 2017.

Final dividend of HK1.0 cent per ordinary share, approximately HK\$14,837,000 for the year ended 31 December 2016 was paid in June 2017.

23 股息

董事會並無宣派截至二零一七年十二月三十一日止年度的任何股息。

於二零一七年六月派付截至二零一六年十二月三十一日止年度末期股息每股普通股1.0港仙(約14,837,000港元)。

24 CASH (USED IN)/GENERATED FROM OPERATIONS 24 經營(所用)/產生的現金

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
(Loss)/profit before income tax	除所得稅前(虧損)/利潤	(97,751)	97,530
Adjustments for:	就以下各項調整:		
– Gain on disposal of subsidiaries (Note 27)	– 出售附屬公司收益 (附註27)	–	(26,481)
– Gain on Profit Guarantee (Note 7)	– 溢利保證收益(附註7)	–	(21,238)
– Depreciation of property, plant and equipment (Note 14)	– 物業、廠房及設備折舊 (附註14)	1,856	2,173
– Provision for obsolete inventories	– 陳舊存貨撥備	37,609	14,390
– Provision for onerous contract	– 虧損性合約撥備	10,530	–
– Amortisation of intangible assets (Note 15)	– 無形資產攤銷 (附註15)	–	471
– Finance income	– 財務收入	(169)	(417)
– Finance costs	– 財務費用	603	1,765
Operating (loss)/profit before changes in working capital	營運資金變動前經營 (虧損)/利潤	(47,322)	68,193
Changes in working capital	營運資金變動		
– Inventories	– 存貨	52,581	(106,554)
– Trade and other receivables	– 應收賬款及其他應收款	37,574	115,793
– Trade and other payables	– 應付賬款及其他應付款	(124,409)	(14,165)
Cash (used in)/generated from operations	經營(所用)/產生的現金	(81,576)	63,267

Non-cash transactions

During the year ended 31 December 2016, the promissory note payable to Mr. Cheng of HK\$10,000,000 was offset against the gain on Profit Guarantee (Note 28(c)(i)).

非現金交易

於截至二零一六年十二月三十一日止年度，應付予鄭先生之承兌票據10,000,000港元已抵銷溢利保證收益(附註28(c)(i))。

25 COMMITMENTS

Operating lease commitments — Group companies as lessee

The Group acts as lessee under operating leases. The Group had future minimum lease payments under non-cancellable operating leases of buildings as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
No later than 1 year	1年內	7,000	6,036
Later than 1 year and no later than 5 years	1年後及5年內	5,693	1,962
		12,693	7,998

These leases typically run for an initial period of one to four years.

26 CONTINGENT LIABILITIES

As at 31 December 2017, the Group has no material contingent liabilities (2016: Nil).

25 承擔

經營租賃承擔 — 集團公司為承租方

本集團為經營租賃的承租方。根據樓宇的不可撤銷經營租賃，本集團的未來支付最低租金載列如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
No later than 1 year	1年內	7,000	6,036
Later than 1 year and no later than 5 years	1年後及5年內	5,693	1,962
		12,693	7,998

該等租賃的初始租期一般為一至四年。

26 或然負債

於二零一七年十二月三十一日，本集團並無重大或然負債(二零一六年：無)。

27 DISPOSAL OF SUBSIDIARIES

On 22 December 2016, Perfect Shiny, a subsidiary of the Group, completed the disposal of its entire equity interest in Morning Beauty Developments Limited (the “Disposal”), a wholly owned subsidiary of the Company, to an independent third party, for a cash consideration of HK\$48,000,000. The principal business activity of Morning Beauty Developments Limited is investment holding and it directly owned approximately 50.14% of the equity interest in Shinyoptics Corporation as of the date of the Disposal.

27 出售附屬公司

於二零一六年十二月二十二日，本集團之附屬公司圓尚以48,000,000港元之現金代價完成出售所持有之晨美發展有限公司（本公司之全資附屬公司）全部已發行股份股權予一名獨立第三方（「出售事項」）。晨美發展有限公司之主要業務活動為投資控股及其於出售事項日期直接擁有尚立光電股份有限公司約50.14%股權。

		HK\$'000 千港元
Net assets disposed of:	已出售資產淨值：	
Property, plant and equipment	物業、廠房及設備	1,158
Intangible assets	無形資產	8,959
Available-for-sale financial assets	可供出售金融資產	1,184
Inventories	存貨	1,752
Trade and other receivables	應收賬款及其他應收款	755
Fixed deposits with original maturity date more than three months	原到期日超過三個月之定期存款	13,577
Cash and cash equivalents	現金及現金等價物	6,223
Trade and other payables	應付賬款及其他應付款	(893)
Deferred income tax liabilities	遞延所得稅負債	(415)
Non-controlling interests	非控股權益	(12,854)
		19,446
Revaluation reserve	重估儲備	55
Exchange reserve	匯兌儲備	2,018
		21,519
Gain on disposal of subsidiaries (Note 7)	出售附屬公司收益(附註7)	26,481
		48,000

27 DISPOSAL OF SUBSIDIARIES (Continued)

An analysis of the net cash inflow in respect of the disposal of subsidiaries is as follows:

		HK\$'000 千港元
Cash consideration	現金代價	48,000
Cash and cash equivalents disposed of	已出售現金及現金等價物	(6,223)
Net cash inflow in respect of disposal of subsidiaries	出售附屬公司的現金流入淨額	41,777

27 出售附屬公司(續)

出售附屬公司的現金流入淨額分析如下：

28 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

Save as disclosed elsewhere in these financial statements, the Group had the following transactions with related parties during the year.

- (a) The directors of the Company are of the view that the following company that had transaction with the Group is a related party:

Name	Relationship with the Group
Earn Master Limited	A related company wholly owned by the spouse of Mr. Cheng

28 關連方交易

倘一方可直接或間接控制另一方或可對另一方作出財政及營運決策發揮重大影響，則雙方均被視為關連方。雙方受共同控制或共同重大影響者亦屬關連方。

除此等財務報表其他部分披露者外，本集團於本年度有以下與關連方進行之交易。

- (a) 本公司董事認為，以下公司為與本集團進行交易的關連方：

名稱	與本集團的關係
Earn Master Limited	由鄭先生的配偶全資擁有的關聯公司

28 RELATED PARTY TRANSACTIONS
(Continued)

28 關連方交易(續)

(b) Transaction with a related party

(b) 與關連方的交易

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Rental expense paid to Earn Master Limited	支付Earn Master Limited的租金開支	—	544

In the opinion of the directors, the transaction was determined at mutually agreed price and term.

董事認為，該等交易乃按雙方協定的價格及條款釐訂。

(c) Balances with related parties

(c) 與關連方的結餘

(i) Note payable

(i) 應付票據

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Promissory note payable to Mr. Cheng	應付鄭先生 承兌票據	—	10,000
Offset against the compensation receivable arising from the Profit Guarantee	抵銷溢利保證產生 之應收補償款項	—	(10,000)
		—	—

Pursuant to the Agreement, a promissory note in favour of Mr. Cheng in the amount of HK\$20,000,000 was issued as part of the consideration of the Acquisition (Note 7(a)). The promissory note was unsecured, interest-free and repayable in two equal portions in the amount of HK\$10,000,000 each on 30 April 2016 and 30 April 2017, respectively.

根據該協議，以鄭先生為受益人之總額為20,000,000港元之承兌票據作為收購事項之代價一部分已獲發行(附註7(a))。該承兌票據為無抵押、免息及須分別於二零一六年四月三十日及二零一七年四月三十日以兩筆等額款項10,000,000港元償還。

28 RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties (Continued)

(i) Note payable (Continued)

As at 31 December 2016, the remaining promissory note was offset against the compensation receivable arising from the Profit Guarantee. Further details of the Profit Guarantee are set out in Note 7(a) to the consolidated financial statements.

(ii) Receivable from Mr. Cheng

The amount represented the outstanding balance of the Profit Guarantee compensation due from Mr. Cheng, a director and controlling shareholder of the Company (Note 7(a)). Such balance was fully settled on 22 March 2017.

(d) Key management compensation

Key management includes directors and senior management. The compensation paid or payable to key management for employee services is shown below:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	7,632	9,164
Post-employment benefits — defined contribution plans	僱員退休福利 — 定額供款計劃	54	54
		7,686	9,218

28 關連方交易 (續)

(c) 與關連方的結餘 (續)

(i) 應付票據 (續)

於二零一六年十二月三十一日，餘下承兌票據由溢利保證產生之應收補償款項中抵銷。溢利保證之進一步詳情列載於綜合財務報表附註7(a)。

(ii) 應收鄭先生款項

該款項代表應收本公司之董事及控股股東鄭先生之溢利保證補償之未付結餘(附註7(a))。有關結餘於二零一七年三月二十二日悉數結付。

(d) 主要管理人員薪酬

主要管理人員包括董事及高級管理層。就僱員的服務已付或應付主要管理人員的薪酬如下：

29 STATEMENT OF FINANCIAL POSITION AND RESERVES
MOVEMENT OF THE COMPANY

29 本公司的財務狀況表及儲備變動

(a) Statement of financial position of the Company

(a) 本公司的財務狀況表

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	Note 附註		
Assets	資產		
Non-current assets	非流動資產		
Investments in subsidiaries	對附屬公司的投資	525,657	525,657
Intangible assets	無形資產	—	3,122
		525,657	528,779
Current assets	流動資產		
Other receivables	其他應收款	238	158
Amounts due from subsidiaries	應收附屬公司款項	101,223	113,159
Cash and cash equivalents	現金及現金等價物	5,053	5,229
		106,514	118,546
Total assets	資產總額	632,171	647,325
Equity and liabilities	權益及負債		
Equity attributable to equity holder of the Company	本公司權益持有人應佔權益		
Share capital	股本	14,837	14,837
Reserves	儲備	(b) 616,235	631,392
Total equity	權益總額	631,072	646,229
Liabilities	負債		
Current liabilities	流動負債		
Other payables	其他應付款	1,099	1,096
Total liabilities	負債總額	1,099	1,096
Total equity and liabilities	權益及負債總額	632,171	647,325

The statement of financial position of the Company was approved by the Board of Directors on 22 March 2018 and was signed on its behalf.

本公司的財務狀況表已於二零一八年三月二十二日由董事會批准，並代表董事會簽署。

Cheng Wai Tak
鄭偉德
Director
董事

Tse Ka Wing
謝家榮
Director
董事

29 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY
(Continued)

29 本公司的財務狀況表及儲備變動(續)

(b) Reserves movement of the Company

(b) 本公司的儲備變動

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元 (Note) (附註)	Retained earnings 留存收益 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	465,738	136,082	15,570	617,390
Profit for the year	年度利潤	—	—	21,420	21,420
Dividends paid relating to 2015	二零一五年之已付股息	—	—	(7,418)	(7,418)
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及 二零一七年一月一日	465,738	136,082	29,572	631,392
Loss for the year	年度虧損	—	—	(320)	(320)
Dividends paid relating to 2016	支付二零一六年之股息	—	—	(14,837)	(14,837)
At 31 December 2017	於二零一七年十二月三十一日	465,738	136,082	14,415	616,235

Note: Contributed surplus of the Company represents the difference between the excess of the nominal value of the Company's shares issued and the aggregate net asset value of the subsidiaries acquired pursuant to a reorganisation for the listing of the Company.

附註：本公司之繳入盈餘代表本公司已發行股份面值與根據為本公司上市而進行之重組而收購之附屬公司之資產淨值總計之超出差額。

30 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive is set out below:

		Salaries, allowances and benefits in kind	Discretionary bonuses	Employer's contribution to a retirement benefit scheme	Total
	Fees				
	袍金	薪金、津貼及實物福利	酌情花紅	僱主對退休福利計劃供款	總計
	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
For the year ended 31 December 2017	截至二零一七年十二月三十一日止年度				
<i>Executive directors:</i>	<i>執行董事：</i>				
Mr. Cheng Wai Tak ("Mr. Cheng") (Chief Executive)	鄭偉德先生(「鄭先生」) (行政總裁)	—	5,196	18	5,214
Mr. Liu Ka Wing	廖嘉榮先生	—	636	18	654
Mr. Tse Ka Wing	謝家榮先生	—	1,440	18	1,458
<i>Independent non-executive directors:</i>	<i>獨立非執行董事：</i>				
Mr. Wong Yik Chung John	黃翼忠先生	120	—	—	120
Mr. Wong Chi Chiu	黃智超先生	120	—	—	120
Mr. Li Shui Yan	李瑞恩先生	120	—	—	120
		360	7,272	54	7,686
For the year ended 31 December 2016	截至二零一六年十二月三十一日止年度				
<i>Executive directors:</i>	<i>執行董事：</i>				
Mr. Cheng Wai Tak (Chief Executive)	鄭偉德先生(行政總裁)	—	5,159	1,050	6,227
Mr. Liu Ka Wing	廖嘉榮先生	—	636	159	813
Mr. Tse Ka Wing	謝家榮先生	—	1,440	360	1,818
<i>Independent non-executive directors:</i>	<i>獨立非執行董事：</i>				
Mr. Wong Yik Chung John	黃翼忠先生	120	—	—	120
Mr. Wong Chi Chiu	黃智超先生	120	—	—	120
Mr. Li Shui Yan	李瑞恩先生	120	—	—	120
		360	7,235	1,569	9,218

No directors waived or agreed to waive any emoluments during the year (2016: Nil).

30 董事之福利及權益

(a) 董事及行政總裁之酬金

各董事及行政總裁之薪酬如下：

		Salaries, allowances and benefits in kind	Discretionary bonuses	Employer's contribution to a retirement benefit scheme	Total
	Fees				
	袍金	薪金、津貼及實物福利	酌情花紅	僱主對退休福利計劃供款	總計
	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
For the year ended 31 December 2017	截至二零一七年十二月三十一日止年度				
<i>Executive directors:</i>	<i>執行董事：</i>				
Mr. Cheng Wai Tak ("Mr. Cheng") (Chief Executive)	鄭偉德先生(「鄭先生」) (行政總裁)	—	5,196	18	5,214
Mr. Liu Ka Wing	廖嘉榮先生	—	636	18	654
Mr. Tse Ka Wing	謝家榮先生	—	1,440	18	1,458
<i>Independent non-executive directors:</i>	<i>獨立非執行董事：</i>				
Mr. Wong Yik Chung John	黃翼忠先生	120	—	—	120
Mr. Wong Chi Chiu	黃智超先生	120	—	—	120
Mr. Li Shui Yan	李瑞恩先生	120	—	—	120
		360	7,272	54	7,686
For the year ended 31 December 2016	截至二零一六年十二月三十一日止年度				
<i>Executive directors:</i>	<i>執行董事：</i>				
Mr. Cheng Wai Tak (Chief Executive)	鄭偉德先生(行政總裁)	—	5,159	1,050	6,227
Mr. Liu Ka Wing	廖嘉榮先生	—	636	159	813
Mr. Tse Ka Wing	謝家榮先生	—	1,440	360	1,818
<i>Independent non-executive directors:</i>	<i>獨立非執行董事：</i>				
Mr. Wong Yik Chung John	黃翼忠先生	120	—	—	120
Mr. Wong Chi Chiu	黃智超先生	120	—	—	120
Mr. Li Shui Yan	李瑞恩先生	120	—	—	120
		360	7,235	1,569	9,218

概無董事於年內放棄或同意放棄任何酬金(二零一六年：無)。

30 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(b) Directors' retirement benefits and termination benefits

None of the directors of the Company received or will receive any retirement benefits or termination benefits for the year ended 31 December 2017 (2016: Nil).

(c) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2017, the Company does not pay consideration to third parties for making available directors' service (2016: Nil).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

As at 31 December 2017, there are no loans, quasi-loans and other dealing arrangements in favour of directors, controlled bodies corporate by and controlled entities with such directors (2016: Nil).

(e) Directors' material interests in transactions, arrangements or contracts

Save for disclosed elsewhere in these financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

30 董事之福利及權益 (續)

(b) 董事退休福利及終止僱傭福利

於截至二零一七年十二月三十一日止年度，概無本公司董事收取或將收取任何退休福利或終止僱傭福利(二零一六年：無)。

(c) 就提供董事服務向第三方提供之代價

於截至二零一七年十二月三十一日止年度，本公司並無就提供董事服務支付代價予第三方(二零一六年：無)。

(d) 有關以董事、受董事控制之法團及與董事的關聯實體為受益人之貸款、準貸款及其他交易之資料

於二零一七年十二月三十一日，概無有利於董事、受董事控制之法團及與該等董事的關聯實體為受益人之貸款、準貸款及其他交易安排(二零一六年：無)。

(e) 董事於交易、安排或合約的重大權益

於年末或年內任何時間，除該等財務報表其他地方所披露者外，概無關於本集團業務之重大交易、安排及合約以本公司為一名訂約方及本公司董事擁有重大權益(不論直接或間接)。

Financial Summary

財務摘要

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below.

本集團於過去五個財政年度的業績及資產、負債以及非控股權益概要(摘錄自已刊發經審核財務報表)列載如下:

		For the year ended 31 December 截至十二月三十一日止年度				
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Results	業績					
Revenue	收入	371,518	1,149,998	1,274,174	1,299,495	1,669,556
(Loss)/profit for the year attributable to:	年度(虧損)/利潤					
Equity holders of the Company	歸屬於本公司權益持有人	(98,329)	90,729	27,732	26,148	71,099
Non-controlling interests	非控股權益	—	(2,394)	(2,290)	(975)	—
		(98,329)	88,335	25,442	25,173	71,099
		As at 31 December 於十二月三十一日				
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Assets, liabilities and non-controlling interests	資產、負債及非控股權益					
Total assets	資產總額	298,353	502,122	496,002	423,296	387,252
Total liabilities	負債總額	(38,317)	(152,163)	(216,273)	(166,159)	(244,651)
Non-controlling interests	非控股權益	—	—	(15,248)	(18,326)	—
		260,036	349,959	264,481	238,811	142,601



Perfect Optronics Limited
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