

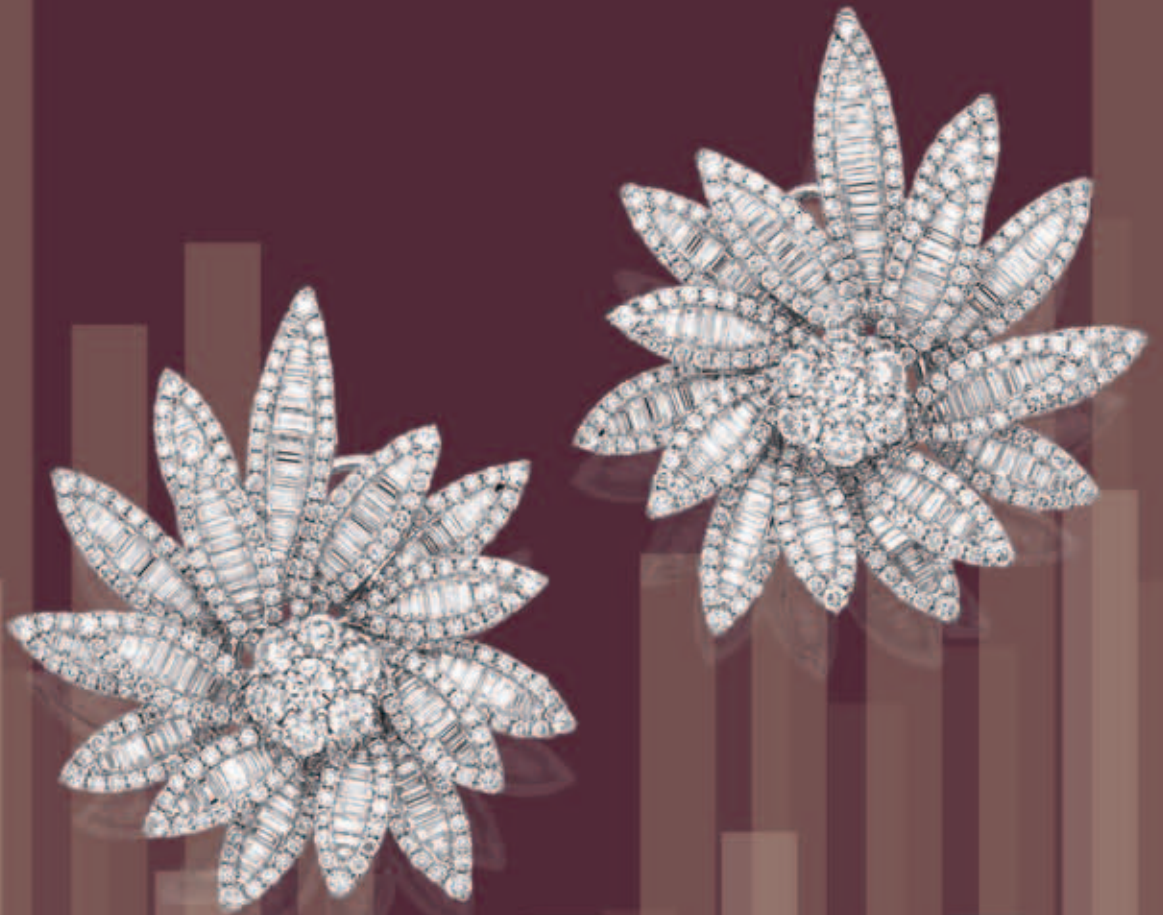


PERFECT GROUP INTERNATIONAL HOLDINGS LIMITED  
保發集團國際控股有限公司

(Incorporated in 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 : 03326

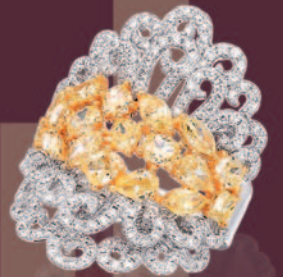
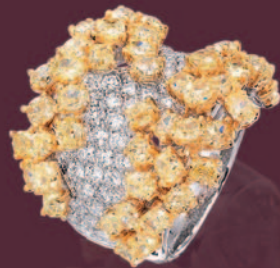


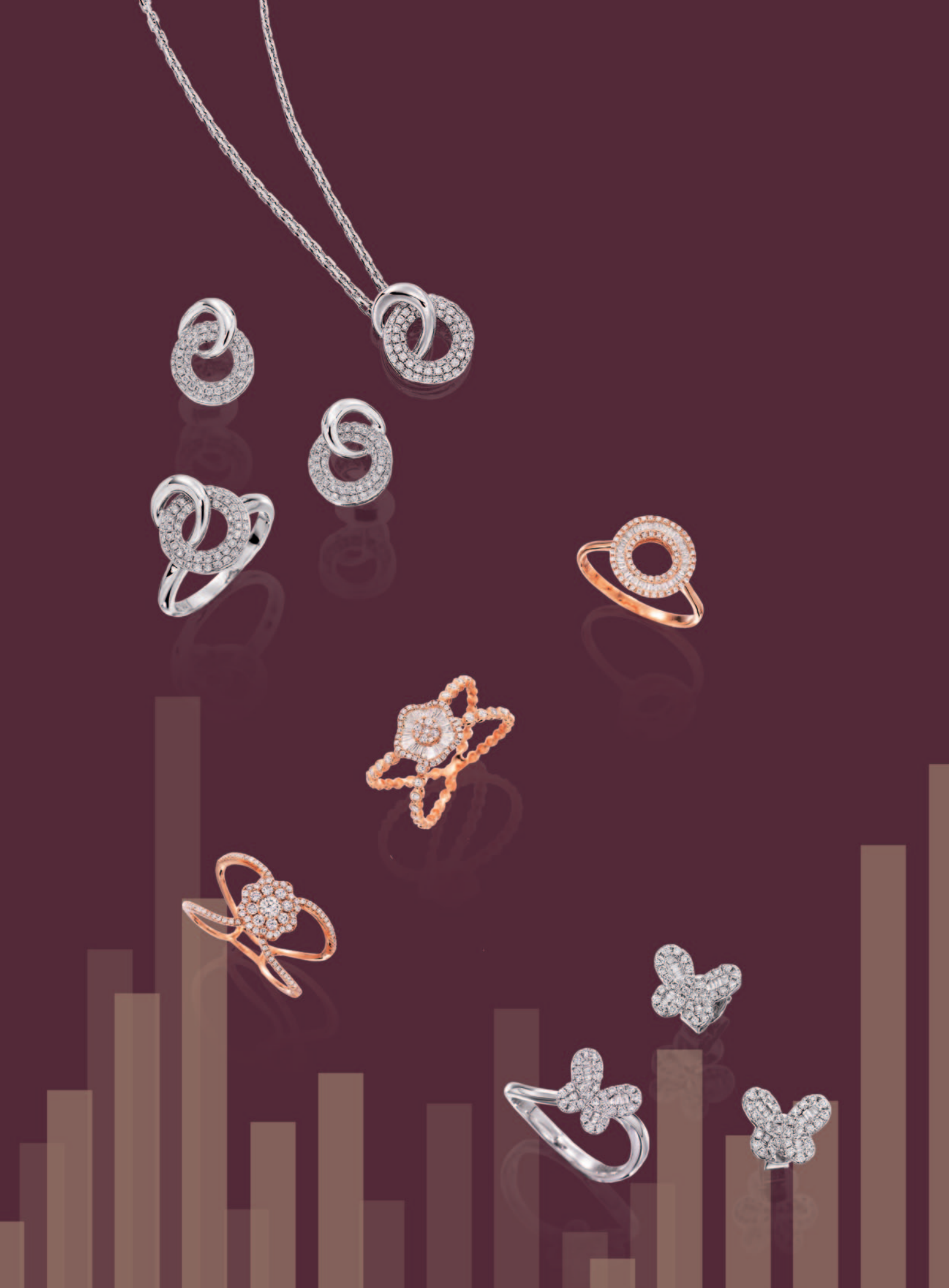
Annual Report 2016 年度報告



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Perfect Jewellery*





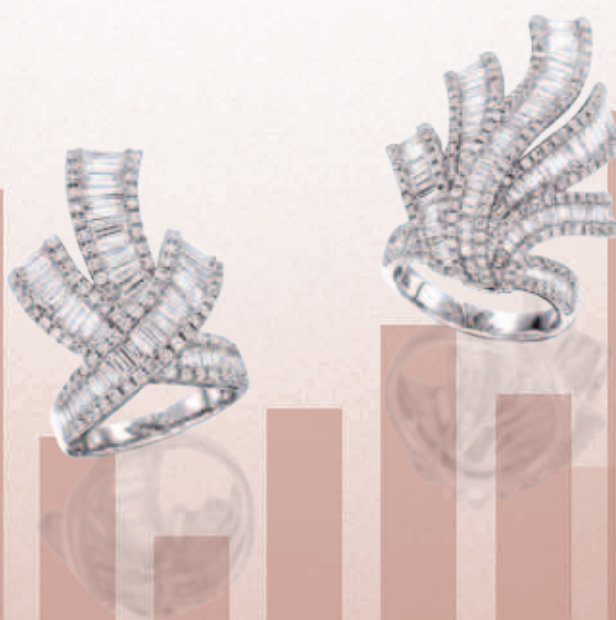
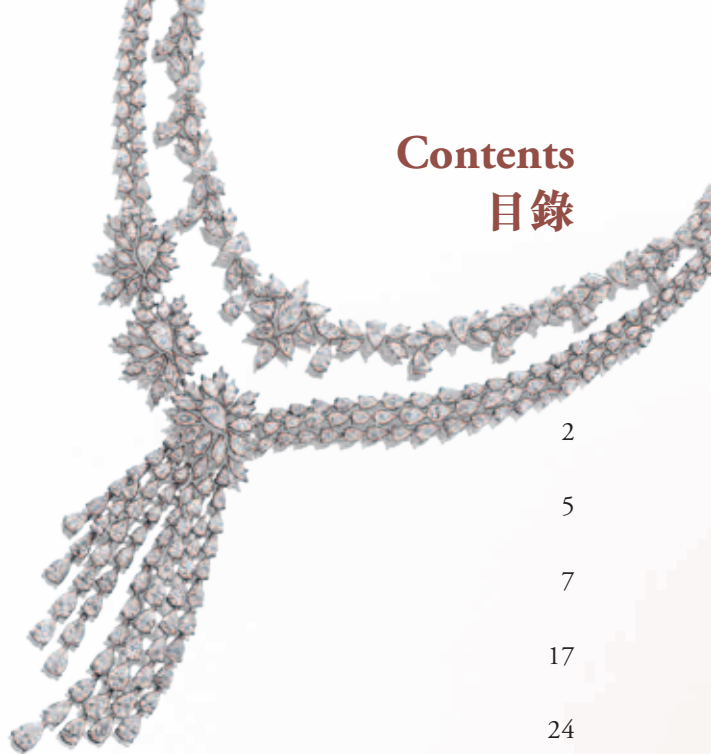


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## Corporate Information 公司資料

### Executive Directors

Mr. Kan Kin Kwong (*Chairman and Chief Executive officer*)  
Ms. Shek Mei Chun  
Mr. Chung Chi Keung

### Non-executive Director

Mr. Chu Kin Wang Peleus (resigned on 1 March 2017)  
Mr. He Dingding (appointed on 1 March 2017)

### Independent Non-executive Directors

Mr. Fan Chor Ho  
Mr. Li Cheuk Wai  
Mr. Wong Wai Keung Frederick

### Audit Committee

Mr. Wong Wai Keung Frederick (*Chairman*)  
Mr. Chu Kin Wang Peleus (resigned on 1 March 2017)  
Mr. He Dingding (appointed on 1 March 2017)  
Mr. Li Cheuk Wai

### Remuneration Committee

Mr. Li Cheuk Wai (*Chairman*)  
Mr. Chung Chi Keung  
Mr. Wong Wai Keung Frederick

### Nomination Committee

Mr. Kan Kin Kwong (*Chairman*)  
Mr. Fan Chor Ho  
Mr. Li Cheuk Wai

### Risk Management Committee

Mr. Kan Kin Kwong (*Chairman*)  
Ms. Shek Mei Chun  
Mr. Li Cheuk Wai

### Company Secretary

Mr. Tam Pei Qiang (resigned on 7 February 2017)  
Mr. Tam Chun Wa (appointed on 7 February 2017)

### 執行董事

簡健光先生 (*主席兼行政總裁*)  
石美珍女士  
鍾志強先生

### 非執行董事

朱健宏先生 (於2017年3月1日辭任)  
賀丁丁先生 (於2017年3月1日獲委任)

### 獨立非執行董事

范佐浩先生  
李卓威先生  
黃煒強先生

### 審核委員會

黃煒強先生 (*主席*)  
朱健宏先生 (於2017年3月1日辭任)  
賀丁丁先生 (於2017年3月1日獲委任)  
李卓威先生

### 薪酬委員會

李卓威先生 (*主席*)  
鍾志強先生  
黃煒強先生

### 提名委員會

簡健光先生 (*主席*)  
范佐浩先生  
李卓威先生

### 風險管理委員會

簡健光先生 (*主席*)  
石美珍女士  
李卓威先生

### 公司秘書

譚沛強先生 (於2017年2月7日辭任)  
譚鎮華先生 (於2017年2月7日獲委任)

## Corporate Information 公司資料

### Auditor

Deloitte Touche Tohmatsu  
35/F, One Pacific Place  
88 Queensway  
Hong Kong

### Compliance Adviser

GF Capital (Hong Kong) Limited  
29th-30th Floors, Li Po Chun Chambers  
189 Des Voeux Road Central  
Hong Kong

### Legal Advisers

#### As to Hong Kong Law

Loeb & Loeb LLP  
21st Floor, CCB Tower  
3 Connaught Road Central  
Hong Kong

#### As to Cayman Islands Law

Conyers Dill & Pearman  
2901, One Exchange Square,  
8 Connaught Place, Central,  
Hong Kong

### Principal Bankers

The Bank of East Asia, Limited  
Millennium City 5 BEA Tower  
418 Kwun Tong Road  
Hong Kong

OCBC Wing Hang Bank Limited  
104 Ma Tau Wai Road  
Hunghom  
Hong Kong

Standard Chartered Bank (Hong Kong) Limited  
Standard Chartered Tower  
388 Kwun Tong Road  
Hong Kong

### 核數師

德勤•關黃陳方會計師行  
香港  
金鐘道88號  
太古廣場一座35樓

### 合規顧問

廣發融資(香港)有限公司  
香港  
德輔道中189號  
李寶椿大廈29-30樓

### 法律顧問

#### 有關香港法律

Loeb & Loeb LLP  
香港  
干諾道中3號  
中國建設銀行大廈21樓

#### 有關開曼群島法律

Conyers Dill & Pearman  
香港  
中環康樂廣場8號  
交易廣場一座2901室

### 主要往來銀行

東亞銀行有限公司  
香港  
觀塘道418號  
創紀之城五期東亞銀行中心

華僑永亨銀行有限公司  
香港  
紅磡  
馬頭圍道104號

渣打銀行(香港)有限公司  
香港  
觀塘道388號  
渣打中心



## Corporate Information 公司資料

### Principal Share Registrar and Transfer Office in the Cayman Islands

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681, Grand Cayman KY1-1111  
Cayman Islands

### Hong Kong Branch Share Registrar

Union Registrars Limited  
Suites 3301-04, 33/F.  
Two Chinachem Exchange Square  
338 King's Road  
North Point, Hong Kong

### Registered Office

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

### Place of Business in Hong Kong and Headquarter

26th Floor,  
YHC Tower  
No. 1 Sheung Yuet Road  
Kowloon  
Hong Kong

### Company's Website Address

[www.hkperjew.com.hk](http://www.hkperjew.com.hk)

### Stock Code

3326

### 開曼群島股份過戶登記總處

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681, Grand Cayman KY1-1111  
Cayman Islands

### 香港股份過戶登記分處

聯合證券登記有限公司  
香港北角  
英皇道338號  
華懋交易廣場2期  
33樓3301至04室

### 註冊辦事處

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

### 香港營業地點及總部

香港  
九龍  
常悅道1號  
恩浩國際中心  
26樓

### 公司網址

[www.hkperjew.com.hk](http://www.hkperjew.com.hk)

### 股份代號

3326

## Chairman's Statement 主席報告

Dear Shareholders,

On behalf of the board (the “Board”) of Directors (the “Director”) of Perfect Group International Holdings Limited (the “Company”), it is my pleasure to present to you the annual report of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2016.

### Business Outlook and Future Prospects

As a result of the weak global market sentiment for high-end fine jewelry products, which had affected the performance of 2015 and 2016, 2016 continued to be a challenging year for the Group. On the other hand, the Board of Directors expects that there will be a continued demand for luxury goods including high-end fine jewellery in the PRC resulting from its steady GDP growth rate and growth in purchasing power.

In view of the aforesaid, the Board has resolved to re-allocate approximately HK\$44.34 million out of the unutilised net proceeds originally intended for expanding the Middle East and European high-end markets and upgrading the existing production facilities and hiring and training additional labour to establishing the headquarter in the PRC and developing the PRC market. The Board is of the view that such re-allocation of unutilised net proceeds is in line with the Group's business strategy on diversification of customer base in order to reduce geographical and seasonality risks.

致各股東：

本人謹代表保發集團國際控股有限公司（「本公司」）董事會（「董事會」）之董事（「董事」）欣然向閣下提呈本公司及其附屬公司（統稱「本集團」）截至2016年12月31日止年度之年報。

### 業務展望及未來前景

由於高端優質珠寶產品全球市場氣氛疲弱，影響本集團2015及2016年的業務表現，因此2016年對本集團而言繼續是充滿挑戰的一年。另一方面，董事會預期隨著中國國內生產總值增長穩定及購買力提升，中國對奢侈品（包括高端優質珠寶）的需求將會持續。

鑑於前文所述，董事會議決從原先計劃擬用於擴充中東及歐洲高端市場、升級現有生產設施以及聘用及培訓額外員工的未動用所得款項淨額中，重新分配約44,340,000港元用作於中國成立總部及開發中國市場。董事會認為，重新分配未動用所得款項淨額乃配合本集團多元化客戶群，以減低地域及季節性風險的業務策略。

## Chairman's Statement 主席報告

In February 2017, as part of the relocation process to establish a headquarter in the PRC and to respond to the impending expiry of the lease agreement of the processing factory in Dongguan City, Guangdong Province in 2018, and also in order to leverage the presence of a large number of local small and medium enterprises on the jewelry industry chain in Lunjiao Shilong Industrial Zone, Shunde District, Foshan City, Guangdong Province, the PRC, the Group, with an establishment of a joint venture, acquired the land use right of approximately 100,370 metres of land in Lunjiao Shilong Industrial Zone, at a consideration of approximately RMB105.3 million. It is expected that the Group, after completion of the development, will relocate the processing factory to and establish the headquarter of the Group in the Lunjiao Shilong Industrial Zone which will provide the Group with a more perpetual location and platform for its future business development in the PRC. It is intended that approximately 264,000 square meters of the land will be allocated for the Group's use as its factory plants and approximately 36,000 square meters of the land will be used as ancillary facilities such as dormitories and canteens.

### Appreciation

On behalf of the Board, I would like to express my gratitude to our shareholders, business partners and consumers for their great support, and I also want to appreciate all employees of the Group for their hard work and contributions in the past year. I hope we achieve a better future through the joint effort.

**Kan Kin Kwong**  
Chairman

Hong Kong, 20 March 2017

於2017年2月，為作為於中國成立總部的其中一項搬遷程序、處理廣東省東莞市加工廠房的租賃協議即將於2018年屆滿及利用中國廣東省佛山市順德區倫教世龍工業區珠寶產業鏈的大量地方中小企業，本集團成立一家合營公司收購倫教世龍工業區一幅約100,370米土地之土地使用權，代價約為人民幣105,300,000元。本集團預期於完成發展後，將搬遷加工廠房及於倫教世龍工業區成立本集團的總部，為本集團提供更永久的地方及作為未來於中國業務發展的平台。本集團擬將約264,000平方米的土地劃撥作為其工廠廠房，及約36,000平方米的土地將用作為配套設施，例如宿舍及飯堂。

### 致謝

本人謹代表董事會，向各股東、業務夥伴及消費者一直以來的鼎力支持致以衷心感謝，同時對本集團全體僱員於上年度的努力不懈及全力貢獻深表謝意。希望我們通過共同努力再創輝煌佳績。

主席  
簡健光

香港，2017年3月20日

## Management Discussion and Analysis

### 管理層討論及分析

The Group is one of the top fine jewellery manufacturers and wholesalers with approximately 30 years of history in Hong Kong. The Group is primarily engaged in designing, manufacturing and sales of high-end fine jewellery (primarily mounted with diamonds). The Group positions its products to target the high-end segment of the fine jewellery market by average wholesale price.

The Group operates two offices, situated in Hong Kong and Dubai respectively. The Hong Kong office bridges the design, production and sales teams with the customers worldwide whilst the Dubai office serves as the marketing and logistic hub in the Middle East and its vicinity. The production operations are exclusively carried out at a processing factory in Dongguan (“Perfect Factory”) under the processing agreement. As at the date of this report, Perfect Factory is controlled by Perfect Group International Holdings (HK) Limited (“Perfect Group HK”), a wholly-owned subsidiary of the Company. Under the processing agreement, Perfect factory deploys raw materials, accessories, machinery equipment and packaging materials owned and imported by the Group to produce fine jewellery products for the Group exclusively whilst the Group closely participates in the operation and management of Perfect Factory and effectively controls its decision making process.

## FINANCIAL REVIEW

### Revenue

The Group’s revenue for the year ended 31 December 2016 was approximately HK\$322.4 million (2015: HK\$458.3 million), representing a decrease of approximately HK\$135.9 million or 29.7% over the corresponding year of 2015. The decrease in the Group’s revenue was primarily due to the continuing weak global market sentiment and the consequential decrease in demand for the Group’s high-end fine jewelry products.

本集團為香港頂尖優質珠寶製造商及批發商之一，擁有約30年歷史。本集團的主要業務是設計、製造及出售主要鑲嵌鑽石的高端優質珠寶。本集團的產品定位為面向按平均批發價計算屬高端的優質珠寶市場。

本集團分別在香港及迪拜設有共兩個辦事處。香港辦事處連接我們的設計、製造及銷售團隊與世界各地的客戶，而迪拜辦事處則作為於中東及鄰近地區的營銷及物流樞紐。生產工作全部根據加工協議由位於東莞的加工廠房（「保發工廠」）進行。於本報告日期，保發工廠由本公司之全資附屬公司保發集團國際控股（香港）有限公司（「保發集團香港」）控制。根據加工安排，保發工廠調配有本集團擁有或進口的原材料、配件、機器、設備及包裝物料，為本集團獨家製造優質珠寶產品，而本集團深入參與保發工廠的運作及管理，有效控制其決策程序。

### 財務回顧

#### 收益

截至2016年12月31日止年度，本集團之收益約為322,400,000港元（2015年：458,300,000港元），較2015年同期減少約135,900,000港元或29.7%。本集團收益減少主要由於全球市場氣氛持續疲弱，因此對本集團之高端優質珠寶產品之需求減少。

## Management Discussion and Analysis 管理層討論及分析

The sales of each product types were all affected by the weak global market demand. The sales of ring and earrings, which accounted for 32.8% and 28.6% respectively of the sales for the year, have dropped from approximately HK\$171.0 million and approximately HK\$128.5 million respectively to HK\$105.7 million and HK\$92.1 million for the year ended 31 December 2015 and 2016 respectively, which represented a drop of approximately 38.2% and approximately 28.4% respectively. The other products, pendant and bangle, which formed 11.0% and 10.3% of the revenue for the year, also dropped from approximately HK\$51.8 million and HK\$42.9 million to approximately HK\$35.6 million and HK\$33.2 million respectively, which represented a drop of 31.2% and 22.5% respectively.

The sales to Hong Kong drop from approximately HK\$203.5 million to HK\$187.6 million, representing a decrease of 7.8%. The revenue to Dubai and others has significantly dropped from approximately HK\$254.8 million to HK\$134.8 million, representing a decrease of 47.1%. The management considers that this may be due to the drop in demand in high end jewellery in line with the decrease in income of this region.

### Gross profit and gross profit margin

The gross profit dropped from approximately HK\$132.1 million to approximately HK\$88.9 million which was in line with the drop in revenue. Despite the drop in gross profit, gross profit margin was maintained at similar level for the year ended 31 December 2016 of 27.6% (2015:28.8%) mainly due to more stringent cost control on production.

### Other income

Other income of approximately HK\$1.4 million increased from approximately HK\$0.6 million mainly due to the increase of scraps sales and interest income during the year.

各類產品的銷售均受到環球市場需求疲弱所影響。截至2015年及2016年12月31日止年度，戒指及耳環的銷售額（佔本年度銷售額32.8%及28.6%）分別由約171,000,000港元下跌至105,700,000港元及由約128,500,000港元下跌至92,100,000港元，跌幅約38.2%及約28.4%，而其他產品、吊墜及手鏈（分別佔本年度收益的11.0%及10.3%）亦分別由約51,800,000港元下跌至約35,600,000港元及由約42,900,000港元下跌至33,200,000港元，跌幅分別為31.2%及22.5%。

來自香港的銷售額由約203,500,000港元減少至187,600,000港元，跌幅為7.8%。來自迪拜及其他地區的收益由約254,800,000港元顯著減少至134,800,000港元，跌幅為47.1%，管理層認為可能由於該地區的收入減少令市場對高端珠寶之需求下跌。

### 毛利及毛利率

由於收益減少，毛利由約132,100,000港元減少至約88,900,000港元。儘管毛利下跌，截至2016年12月31日止年度的毛利率維持於27.6%相若水平（2015年：28.8%），主要由於對生產進行更嚴格成本控制的成果。

### 其他收入

其他收入由約600,000港元增加至約1,400,000港元，主要由於年內廢料之銷售額及利息收入增加所致。



## Management Discussion and Analysis 管理層討論及分析

### Other gains and losses

Other gains and losses included the allowance for doubtful debts of approximately HK\$2.0 million (2015: nil) against long outstanding accounts receivables in line with the Group's accounting policy.

### Operating expenses

The selling and distribution costs of approximately HK\$13.6 million (2015: HK\$14.2 million), maintained at similar level as 2015. These costs did not decrease in line with the decrease in turnover as the cost of exhibition expenses and regular overseas business trip expenses, which contributed to a significant portion of the cost, were mostly fixed in nature.

The general and administrative and other expenses decreased from approximately HK\$51.0 million for the year ended 31 December 2015 to approximately HK\$34.8 million for the year ended 31 December 2016. This was mainly due to the decrease in the initial public offering expenses in 2016 compared with approximately HK\$16.8 million spent in 2015 and the reduction of depreciation for the amount of approximately HK\$2.1 million following the distribution of land and building on initial public offering process which was partially offset by the increase in rent for the lease on operation.

### Profit for the year

As a result of the above factors and the reduction in taxation charges, profit for the year was approximately HK\$34.7 million (2015: HK\$56.5 million), representing a decrease of approximately 38.5%.

### 其他收益及虧損

其他收益及虧損包括根據本集團的會計政策對長期應收賬項作出的呆賬撥備約2,000,000港元(2015年：無)。

### 經營開支

銷售及分銷成本約13,600,000港元(2015年：14,200,000港元)，維持於2015年的相若水平。該等成本不能因營業額減少而削減，因為佔成本重大部份的展覽開支及定期海外差旅開支成本大部份屬固定性質。

一般及行政及其他開支由截至2015年12月31日止年度約51,000,000港元減少至截至2016年12月31日止年度約34,800,000港元，主要由於2016的首次公開發售開支較2015年約16,800,000港元減少以及首次公開發售過程中分派土地及樓宇後的折舊減少約2,100,000港元所致，部份由業務營運租賃的租金增加所抵銷。

### 年內溢利

鑑於上述因素及稅項減少，年內溢利約為34,700,000港元(2015年：56,500,000港元)，減少約38.5%。



## Management Discussion and Analysis

### 管理層討論及分析

#### Financial position

There is no significant addition of plant and equipment during the year. However, the Group has paid a refundable deposit of RMB25 million (equivalents to approximately HK\$28.3 million) for the formation of a joint venture and acquisition of land use right, the balance of which was still outstanding as at 31 December 2016. Following successful bidding of the land through the joint venture on 15 February 2017, the deposit will be used as settlement of part of the RMB105,390,000 consideration for the land investment to the project. Further details on the formation of joint venture and acquisition of lands could be found in the circular dated 7 February 2017 and announcement dated 15 February 2017.

Inventory of approximately HK\$169.2 million has been maintained at a similar level as last year amounted to approximately HK\$179.1 million.

As a consequence of the decrease in turnover and purchases, the trade receivables and trade payables decreased accordingly. Trade receivables decreased from approximately HK\$116 million as at 31 December 2015 to approximately HK\$74.4 million as at 31 December 2016 and trade payables decreased from approximately HK\$12.1 million to approximately HK\$6.3 million, representing a decrease of 35.9% and 48.3% respectively.

Other borrowing included a loan obtained in September 2016 to finance the refundable deposit for acquisition of lands. The deposit was refunded and other borrowing was settled in March 2017.

To facilitate the financing of the operation of the Group, the Group has also entered into certain banking facilities in the form of trust receipt loans, which, as at 31 December, 2016, has an outstanding balance of approximately HK\$2.4 million (2015: nil).

#### 財務狀況

年內並無重大購置廠房及設備。然而，本集團已就成立合營公司及收購土地使用權支付可退還按金人民幣25,000,000元（相當於約28,300,000港元），於2016年12月31日，有關餘額仍未償付。於2017年2月15日透過合營公司成功投得土地後，有關按金將用作支付項目土地投資的部分代價人民幣105,390,000元。有關成立合營公司及收購土地的進一步詳情可參閱日期為2017年2月7日的通函及日期為2017年2月15日的公佈。

存貨維持於約169,200,000港元，與去年約179,100,000港元相若。

由於營業額及購買減少，貿易應收款項及貿易應付款項相應減少。貿易應收款項由2015年12月31日約116,000,000港元減少至2016年12月31日約74,400,000港元，而貿易應付款項由約12,100,000港元減少至約6,300,000港元，分別減少35.9%及48.3%。

其他借貸包括於2016年9月取得的貸款，為收購土地的可退還按金提供資金。有關按金已退還及其他借貸已於2017年3月償付。

為方便本集團取得營運資金，本集團亦訂立若干以信託收據貸款形式的銀行融資，於2016年12月31日，銀行融資的未動用結餘約為2,400,000港元（2015年：無）。

## Management Discussion and Analysis 管理層討論及分析

### Liquidity and financial resources

As at 31 December 2016, the Group had current assets of approximately HK\$479,138,000 (2015: HK\$347,058,000) which comprised bank balances and cash of approximately HK\$202,567,000 (2015: HK\$41,209,000). As at 31 December 2016, the current liabilities amounted to approximately HK\$72,715,000 (2015: HK\$338,977,000). Accordingly, the current ratio, being the ratio of current assets to current liabilities, was approximately 6.6 as at 31 December 2016 (2015: 1.0).

The financial resources for the operation of the Group were mainly derived from the net cash inflows of approximately HK\$83.6 million (2015: HK\$81.7 million) from operating activities. Taking into consideration the existing financial resources of the Group, the Directors believe that the Group has adequate working capital to support its operations and development requirements.

### Gearing ratio

The gearing ratio of the Group, calculated as net debt (including accruals and other payables, amount due to a related company, bank loans and other borrowing) divided by the total equity, was approximately 13.4% (2015: 2,179.8%). The significant decrease in gearing ratio was mainly due to a debts of HK\$282,103,000 which represented the consideration of the business transfer from Hong Kong Perfect Jewellery Company Limited to Perfect Group International Holdings (HK) Limited (the "Perfect (HK)") recorded as amount due to a related company as at 31 December 2015 has been capitalized. Such debts had not been settled by Perfect (HK) as at 31 December 2015 but has been capitalised after 31 December 2015 and prior to the Listing on 4 January 2016.

However, based on the calculated total borrowings (including bank loans and other borrowing) divided by the total equity, the gearing ratio was approximately 7.4% (2015: Nil).

### 流動資金及財務資源

於2016年12月31日，本集團有流動資產約479,138,000港元（2015年：347,058,000港元），包括銀行結餘及現金約202,567,000港元（2015年：41,209,000港元）。於2016年12月31日，流動負債約為72,715,000港元（2015年：338,977,000港元）。因此，於2016年12月31日，流動比率（即流動資產與流動負債的比率）約為6.6（2015年：1.0）。

本集團業務營運的財務資源主要來自經營活動的現金流入淨額約83,600,000港元（2015年：81,700,000港元）。考慮到本集團的現有財務資源，董事相信本集團應擁有充裕營運開支以敷其營運及發展需求。

### 資本負債比率

本集團的資本負債比率約為13.4%（2015年：2,179.8%），按債務淨額（包括應計款項及其他應付款項、應付關連公司款項、銀行貸款及其他借貸）除以權益總額計算。資本負債比率顯著減少主要由於作為保發珠寶有限公司轉讓業務予保發集團國際控股（香港）有限公司（「保發香港」）之代價產生債務282,103,000港元已撥作資本，有關款項於2015年12月31日列作應付關連公司款項。於2015年12月31日，保發香港尚未償付有關債務，惟於2015年12月31日後及2016年1月4日上市前已撥作資本。

然而，根據借貸總額（包括銀行貸款及其他借貸）除以權益總額計算，資本負債比率約為7.4%（2015年：無）。



## Management Discussion and Analysis 管理層討論及分析

### Foreign exchange exposure

During the year, certain group entities have foreign currency denominated sales and purchases; and monetary assets and liabilities which expose the Group to foreign currency risks on the currencies of HKD, USD, RMB, and AED. The sales are primarily made in USD while the expenses, including purchase of raw materials are mainly in USD and HKD with immaterial portion of cost, primarily being staff cost and factory overheads, in RMB.

Despite the expenses are mainly settled in HKD and USD and substantial portion of the sales and expenses are made in either USD or HKD, with HKD and AED being pegged with the USD, the impact of fluctuation of USD to the operational and financial performance would be immaterial, hence the Group's exposure to currency risk is not significant.

### Principal risks and uncertainties

The Group's financial condition, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those known to the Group or which may not be material now but could turn out to be material in the future.

#### *Business and Financial Risks*

- (i) The profitability and financial position may be materially and adversely affected if any of our major customers ceases their business relationship with us;
- (ii) The business and financial position may be materially and adversely affected if there is a global economic downturn, in particular, in the Middle East market; and
- (iii) We are susceptible to material and adverse change in the Hong Kong tax laws or unfavourable interpretation regarding apportionment claim of profits in cross-border processing business.

### 外匯風險

年內，若干集團實體以外幣進行買賣，貨幣資產及負債令本集團面臨有關港元、美元、人民幣及阿聯酋迪拉姆貨幣的外匯風險。銷售主要以美元進行，而開支(包括原材料採購額)主要以美元及港元支付，而極少部分的成本(主要為員工成本及工廠經常性開支)以人民幣支付。

儘管開支主要以港元及美元結算以及大部分的銷售及開支以美元或港元進行，由於港元及阿聯酋迪拉姆與美元掛鈎，美元的波幅對經營及財務表現的影響並不重大，故本集團面臨的貨幣風險並不重大。

### 主要風險及不穩定因素

本集團之財務狀況、經營業績、業務及展望可能受多種風險及不穩定因素所影響。下文為本集團所識別之主要風險及不穩定因素。除本集團已知或現時並不重大但可能在未來變得重大之其他風險及不穩定因素外，可能有其他風險及不穩定因素。

#### *業務及財務風險*

- (i) 倘任何主要客戶終止與我們的業務關係，盈利能力及財務狀況可能遭受重大不利影響；
- (ii) 倘全球經濟，尤其是中東市場衰退，業務及財務狀況或會受到重大不利影響；及
- (iii) 我們易受香港稅法重大不利變動或對跨境加工業務溢利分配申報的不利詮釋的影響。

## Management Discussion and Analysis 管理層討論及分析

### Operational Risks

The reliance on Perfect Factory for production of products under the Processing Agreement renders the operation vulnerable to any disruption or cessation of operation of Perfect Factory for whatever reason, including the breakdown of essential machinery or equipment, labour disputes, inclement weather and natural disasters and other factors that are beyond the control of the Group, and also non-compliance of the applicable laws and regulations by Perfect Factory.

### **Charge on Assets**

There was no charge in the Group's assets as at 31 December 2016 (2015: Nil).

### **Capital commitments**

The Group had no material capital commitments as at 31 December 2016 (2015: Nil).

### **Material acquisitions and disposals of subsidiaries and affiliated companies**

Save as disclosure in the section Subsequent event, during the year ended 31 December 2016, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

### 營運風險

依賴保發工廠根據加工協議製造產品，令營運易受保發工廠因任何原因（包括基本機械或設備之損壞、勞資糾紛、惡劣天氣及自然災害以及超出本集團所能控制之其他因素者）而出現的營運干擾或中斷所影響，亦易受保發工廠違反適用法例及法規所拖累。

### **資產抵押**

於2016年12月31日，本集團並無資產抵押（2015年：無）。

### **資本承擔**

於2016年12月31日，本集團並無重大資本承擔（2015年：無）。

### **重大收購及出售附屬公司及聯屬公司**

除其後事項一節所披露者外，截至2016年12月31日止年度，本集團並無任何重大收購及出售附屬公司及聯屬公司。



## Management Discussion and Analysis 管理層討論及分析

### Employee and remuneration policy

As at 31 December 2016, the Group had approximately 234 employees (2015: 296 employees) in Hong Kong and Mainland China. The total salaries and related costs for the year ended 31 December 2016 amounted to approximately HK\$40.4 million (2015: HK\$42.0 million).

The Group offered competitive remuneration package as an incentive to staff to improve the work performance. The Company has share option scheme in place as a means to encourage and reward the eligible employees' (including the Directors of the Company) contributions to the Group's performance and business development based on their individual performance. During the year, no options have been granted. The employees' remuneration, promotion and salary are assessed by reference to their work performance, working experiences, professional qualifications and the prevailing market practice.

### Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2016 (2015: Nil).

### Subsequent event

On 15 February 2017, the Company has through the joint venture won the bidding for the land use right for the consideration of approximately RMB105.3 million for the purpose of establishing the headquarter in the PRC and developing the PRC market. Further details of the transaction could be found in the announcement dated 13 January 2017 and the circular dated 7 February 2017.

### 僱員及薪酬政策

於2016年12月31日，本集團於香港及中國內地合共約有234名僱員（2015年：296名僱員）。截至2016年12月31日止年度，薪金及相關成本總額約為40,400,000港元（2015年：42,000,000港元）。

本集團提供具競爭力的薪酬待遇，以鼓勵員工提升工作表現。本公司現有一個購股權計劃，以根據個人表現鼓勵及獎賞合資格僱員（包括本公司董事）對本集團表現及業務發展作出之貢獻。年內，並無授出任何購股權。僱員之薪酬、晉升及薪金乃基於其工作表現、工作經驗、專業資格及當前市場慣例而評估。

### 或然負債

於2016年12月31日，本集團概無任何重大或然負債（2015年：無）。

### 其後事項

於2017年2月15日，本公司透過合營公司成功投得土地使用權，代價約為人民幣105,300,000元，用作於中國成立總部及發展中國市場。有關交易的進一步詳情可參閱日期為2017年1月13日的公佈及日期為2017年2月7日的通函。



## Management Discussion and Analysis 管理層討論及分析

### Use of proceeds from the global offering

As at 31 December 2016, the Company had utilised approximately HK\$12.10 million of net proceeds from the Listing. On 28 November 2016, the Board resolved to change the proposed use of the net proceeds from the Listing, and details of the original allocation of the net proceeds, the revised allocation of the net proceeds, and the utilisation of the net proceeds as at 31 December 2016 are set out below:

### 全球發售的所得款項用途

於2016年12月31日，本公司已動用上市之所得款項淨額約12,100,000港元。於2016年11月28日，董事會議決更改上市之所得款項淨額之建議用途，有關所得款項淨額之原先計劃分配、所得款項淨額之經修訂分配及於2016年12月31日所得款項淨額之動用情況載列如下：

Uses	用途	Original allocation	Revised allocation	Utilisation	Remaining
				as at 31 December 2016	balance after revised allocation
		原先計劃 分配	經修訂 分配	於2016年 12月31日 之動用情況	經修訂分配後 之餘額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Expanding the Middle East and European high-end markets	擴充中東及歐洲高端市場	28,700	7,700	6,008	1,692
Upgrading the existing production facilities and hiring and training additional labour	升級現有生產設施以及聘用及培訓額外員工	25,179	1,839	1,839	–
Brand development	品牌發展	16,837	16,837	1,539	15,298
Enhancing the CRM system	提升客戶關係管理系統	3,597	3,597	494	3,103
Additional working capital and other general corporate purposes	額外營運資金及其他一般企業用途	2,220	2,220	2,220	–
Establishing the headquarter in the PRC and developing the PRC market	於中國成立總部及開發中國市場	–	44,340	–	44,340
<b>Total</b>	<b>總計</b>	<b>76,533</b>	<b>76,533</b>	<b>12,100</b>	<b>64,433</b>

## Management Discussion and Analysis 管理層討論及分析

The business objectives, future plans and planned use of proceeds as stated in the prospectus dated 22 December 2015 (the “Prospectus”) were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus. The uses of proceeds were applied in accordance with the actual development of the market. As of the date of this report, the Directors are not aware of material change to the planned use of the proceeds from the plan as stated in the announcement dated 28 November 2016. The Directors will constantly evaluate the Group’s business objective and will change or modify plans against the changing market condition to ascertain the business growth of the Group.

All the unutilised balances have been placed in licensed banks in Hong Kong.

本集團日期為2015年12月22日的招股章程（「招股章程」）所載的業務目標、未來計劃及所得款用途乃基於本集團於編製招股章程時對未來市況的最佳估計及假設而得出。所得款項已根據實際市場發展情況獲動用。於本報告日期，董事並不知悉日期為2016年11月28日的公告所載計劃的所得款項擬定用途有任何重大變動。董事將不斷評估本集團的業務目標，並將就市況變化變更或修訂計劃，確保本集團的業務增長。

所有尚未動用的結餘已存放於香港的持牌銀行。



## Biographical Details of Directors and Senior Management 董事及高級管理人員履歷詳情

### Executive Directors

**Mr. Kan Kin Kwong**, aged 57, was appointed as the Director in June 2015 and was appointed as the chairman of the Board and the chief executive officer, and designated as the executive Director in August 2015. Mr. Kan is the founder of the Group and was appointed as a director of HK Perfect in October 1986. Mr. Kan is also the director of Perfect (BVI) and Perfect Group HK, the wholly-owned subsidiaries. Mr. Kan is mainly responsible for managing the overall operations of the Group and planning our business development and strategies, in particular, overseeing the business activities of the Group, supervising the operations and resources allocation of the Group and driving the Group to attain performance targets.

Mr. Kan has over 30 years of experience in the fine jewellery industry. Currently, Mr. Kan is the first honorary president of the Hong Kong Gemstone Manufacturers' Association, the 18th honorary president of the Hong Kong Jade Association, the vice president of the Hong Kong Gold and Silver Ornament Workers & Merchants General Union.

**Ms. Shek Mei Chun**, aged 52, the wife of Mr. Kan, was appointed as the executive Director in August 2015. Mrs. Kan was appointed as a director of HK Perfect in March 1990. Mrs. Kan is mainly responsible for managing the sales operations of the Group, in particular, overseeing the sales activities of the Group, leading the sales team to attain sales targets and devising sales plans based on the varying demands and customer behaviour in different markets.

Ms. Shek has over 25 years of experience in the fine jewellery industry and completed form five at Mu Kuang High School in July 1982.

### 執行董事

**簡健光先生**，57歲，於2015年6月獲委任為董事，並於2015年8月獲委任為董事會主席兼行政總裁，並獲選定為執行董事。簡先生為本集團的創辦人，於1986年10月獲委任為保發珠寶的董事。簡先生亦為全資附屬公司保發（英屬處女群島）及保發集團香港的董事。簡先生主要負責管理本集團整體業務以及制定業務發展及策略，尤其是，監管本集團業務活動、監察本集團營運及資源配置以及帶領本集團實現經營目標。

簡先生於優質珠寶業擁有逾30年經驗。簡先生目前為香港寶石廠商會第一榮譽會長、香港玉器商會第十八屆名譽會長及香港金銀首飾工商總會副會長。

**石美珍女士**，52歲，簡先生之妻子，於2015年8月獲委任為執行董事。簡太太於1990年3月獲委任保發珠寶的董事。簡太太主要負責管理本集團銷售業務，尤其是，監管本集團銷售活動，帶領銷售團隊實現銷售目標並根據不同市場的不同需求及客戶活動制定銷售計劃。

石女士於優質珠寶業擁有逾25年經驗及於1982年7月在慕光英文書院完成中五課程。

## Biographical Details of Directors and Senior Management 董事及高級管理人員履歷詳情

**Mr. Chung Chi Keung**, aged 55, was appointed as the executive Director in August 2015. Mr. Chung joined HK Perfect as an accountant in March 1990. Mr. Chung was appointed as a director of HK Perfect in November 2006.

Mr. Chung was awarded a higher stage certificate for proficiency in accounting and a certificate of proficiency in cost accounting, both issued by the London Chamber of Commerce and Industry in 1982 and 1985 respectively. Mr. Chung also passed the intermediate examination of the Association of Accounting Technicians in December 1991. Mr. Chung has over 30 years of experience in the accounting industry.

### Non-executive Director

**Mr. He Dingding**, aged 40, was appointed as the non-executive Director in March 2017. Mr. He is mainly responsible for providing independent advice and participating in meetings of our Board in connection with matters requiring Directors' consideration and/or approval. Mr. He has more than 12 years of extensive experience in capital markets, corporate finance, investment and finance through working in investment banks and advisory firms in Singapore and Hong Kong since 2005. Mr. He was the independent non-executive director with China Kangda Food Company Limited, a company listed on the mainboard of both Hong Kong Stock Exchange and Singapore Stock Exchange between 2012 and 2015. Mr. He graduated from Nanyang Technological University with a bachelor's degree in civil engineering. Mr. He was awarded the CFA Charter by the CFA Institute in September 2006.

**鍾志強先生**，55歲，於2015年8月獲委任為執行董事。鍾先生於1990年3月加盟保發珠寶擔任會計師。鍾先生於2006年11月獲委任為保發珠寶董事。

鍾先生分別於1982年及1985年獲得倫敦工商商會高等程度會計學專業證書及成本會計學專業證書。鍾先生亦於1991年12月通過會計技術員協會中等程度考試。鍾先生於會計專業擁有逾30年經驗。

### 非執行董事

**賀丁丁先生**，40歲，於2017年3月獲委任為非執行董事。賀先生主要負責提供獨立意見及參與需要董事考慮及／批准事宜的董事會會議。賀先生自2005年起透過於新加坡及香港之投資銀行及顧問公司工作而於資本市場、企業融資、投資及融資方面積逾12年之豐富經驗。賀先生於2012年至2015年期間為中國康大食品有限公司之獨立非執行董事，該公司於香港聯交所主板及新加坡證券交易所上市。賀先生畢業於南洋理工大學，獲頒土木工程學士學位。賀先生亦於2006年9月獲特許財務分析師協會頒發之特許財務分析師資格。

## Biographical Details of Directors and Senior Management 董事及高級管理人員履歷詳情

### Independent non-executive Directors

**Mr. Fan Chor Ho**, aged 74, was appointed as the independent non-executive Director in December 2015.

Mr. Fan began his securities brokerage business in 1970 and founded Paul Fan Securities Limited, a company engaging in securities brokerage, in 1987. Mr. Fan was the chairman of Paul Fan Securities Limited until 2012. Mr. Fan served the Stock Exchange as a member of the compensation committee from 1988 to 1992 and as a council member from 1990 to 1993. From 1993 to 1997 and from 2001 to 2007, Mr. Fan was a member of the advisory committee to the SFC. From April 2000 to April 2003, Mr. Fan was a non-executive director of Hong Kong Exchanges and Clearing Limited. Mr. Fan held various positions on government boards and committees, including the chairman of the Chinese Medicine Council of Hong Kong from September 2005 to September 2011. Mr. Fan has been an independent non-executive director of Hong Kong International Construction Investment Management Group Co., Limited, a company listed on the Stock Exchange stock code: 687), since August 1993 and is currently the chairman of the audit committee, a member of remuneration committee and a member of the nomination committee of such company. Mr. Fan was awarded the Badge of Honour in 1991, made a Justice of the Peace in 1993, awarded the Bronze Bauhinia Star in 2005 and awarded the Silver Bauhinia Star in 2011.

**Mr. Li Cheuk Wai**, aged 45, was appointed as the independent non-executive Director in December 2015.

Mr. Li received a bachelor's degree in social science from the Chinese University of Hong Kong May 1995 and a bachelor's degree in laws from the University of London in August 2000. Mr. Li obtained the postgraduate certificate in laws issued by the University of Hong Kong in June 2001. Mr. Li was admitted a solicitor of the High Court of Hong Kong in September 2003.

### 獨立非執行董事

**范佐浩先生**，74歲，於2015年12月獲委任為獨立非執行董事。

范先生於1970年開始其證券經紀業務並於1987年創辦好利發證券有限公司，其為一家從事證券經紀的公司。直至2012年，范先生擔任好利發證券有限公司之主席。范先生於1988年至1992年擔任聯交所薪酬委員會成員及於1990年至1993年擔任理事。於1993年至1997年以及於2001年至2007年，范先生曾任證監會諮詢委員。於2000年4月至2003年4月，范先生曾任香港交易及結算所有限公司非執行董事。范先生曾於多個政府小組及委員會擔任多項公職，包括於2005年9月至2011年9月擔任香港中醫藥管理委員會主席。范先生自1993年8月起為聯交所上市公司香港國際建設投資管理集團有限公司（股份代號：687）的獨立非執行董事，且現時為該公司的審核委員會主席、薪酬委員會成員及提名委員會成員。范先生於1991年獲頒榮譽獎章，於1993年獲委任為太平紳士，於2005年獲頒銅紫荊星章，並於2011年獲頒銀紫荊星章。

**李卓威先生**，45歲，於2015年12月獲委任為獨立非執行董事。

李先生於1995年5月獲得香港中文大學社會科學學士學位，並於2000年8月獲得倫敦大學法學士學位。李先生於2001年6月獲得香港大學法律專業文憑。李先生於2003年9月獲認為香港高等法院事務律師。



## Biographical Details of Directors and Senior Management 董事及高級管理人員履歷詳情

From June 2014 to November 2014, Mr. Li was an independent non-executive director of China Financial Leasing Group Limited, a company listed on the Stock Exchange (stock code: 2312).

Currently, Mr. Li is the senior partner of Li & Lai, a firm of solicitors in Hong Kong.

**Mr. Wong Wai Keung Frederick**, aged 61, was appointed as the independent non-executive Director in December 2015.

Mr. Wong received a master's degree in electronic commerce from Edith Cowan University in Western Australia in February 2002. Mr. Wong has been a fellow of the Hong Kong Institute of Certified Public Accountants since June 1991 and a fellow of the Institute of Chartered Accountants in England and Wales since December 1993.

Mr. Wong has over 30 years of experience in accounting, finance, audit, tax and corporate finance with an international certified public accountant firm and listed companies in the United Kingdom, New Zealand, Hong Kong and Thailand. From April 1996 to March 1999, Mr. Wong was an executive director of Hwa Kay Thai Holdings Limited (currently known as China Solar Energy Holdings Limited), a company listed on the Stock Exchange (stock code: 155). From January 2001 to January 2011, Mr. Wong was the chief financial officer and company secretary of CIGYangtze Ports PLC, a company listed on the Stock Exchange (stock code: 8233), and has been an independent non-executive director and a member of the audit committee, remuneration committee and nomination committee of such company since April 2014 and the chairman of the nomination committee of such company since October 2015. Mr. Wong had been the chief financial officer of APAC Resources Limited (stock code: 1104), a company listed on the Stock Exchange, since January 2011 and also acted as the company secretary of the company between April 2011 and December 2011 and since February 2013 until he resigned from such positions in July 2016 and served as a consultant to the company between August 2016 to October 2016.

於2014年6月至2014年11月，李先生為聯交所上市公司中國金融租賃集團有限公司（股份代號：2312）的獨立非執行董事。

李先生目前為香港律師行李賴律師事務所的高級合夥人。

**黃煒強先生**，61歲，於2015年12月獲委任為獨立非執行董事。

黃先生於2002年2月獲得西澳伊迪斯科文大學電子商貿碩士學位。黃先生自1991年6月起為香港會計師公會資深會員及自1993年12月起為英格蘭及威爾斯特許會計師公會資深會員。

黃先生曾於國際註冊會計師行及英國、新西蘭、香港及泰國的上市公司累積逾30年的會計、財務、審核、稅務及公司財務經驗。自1996年4月至1999年3月，黃先生擔任華基泰集團有限公司（現稱中國源暢光電能源控股有限公司）（聯交所上市公司，股份代號：155）的執行董事。自2001年1月至2011年1月，黃先生為中國基建港口有限公司（聯交所上市公司，股份代號：8233）的首席財務官及公司秘書，自2014年4月起為該公司的獨立非執行董事、審核委員會、薪酬委員會及提名委員會成員，並自2015年10月起為該公司的提名委員會主席。黃先生自2011年1月起曾擔任亞太資源有限公司（聯交所上市公司，股份代號：1104）的首席財務官，並於2011年4月至2011年12月期間及自2013年2月至彼於2016年7月辭去該等職務前擔任該公司的公司秘書，並於2016年8月至2016年10月期間擔任該公司顧問。

## Biographical Details of Directors and Senior Management 董事及高級管理人員履歷詳情

### Senior Management Personnel

Other than the Directors, the senior management team together with the executive Directors, are responsible for the day-to-day management of the Group. The following table sets forth certain information in respect of our senior management personnel:

### 高級管理人員

除董事外，高級管理團隊與執行董事分擔本集團的日常管理責任。下表載列有關高級管理人員的若干資料：

Name	Age	Date of joining HK Perfect/the Group 加盟保發珠寶/ 本集團的日期	Present Position	Date of appointment as senior management personnel 獲委任為高級管理人員的日期	Key role and responsibility
姓名	年齡		目前職位		主要責任及職責
Mr. Chan Wai Hung 陳偉雄先生	33	4 May 2006 (as a sales executive of HK Perfect) 2006年5月4日(作為保發珠寶的銷售主任)	Business development director 業務發展總監	4 January 2010 2010年1月4日	Responsible for business development and operations in Dubai and its vicinity 發展及營運迪拜及附近地區的業務
Ms. Kong Pui Fun Pansy 江佩芬女士	49	8 October 2007 (as a human resources and administrative manager of HK Perfect) 2007年10月8日(作為保發珠寶的人力資源及行政經理)	Human resources and administrative director 人力資源及行政總監	1 July 2011 2011年7月1日	Responsible for human resources and administrative matters 人力資源及行政事宜
Mr. Tam Chun Wa 譚鎮華先生	53	7 February 2017 2017年2月7日	Chief financial officer and company secretary 首席財務官兼公司秘書	7 February 2017 2017年2月7日	Responsible for financial reporting and compliance 財務申報及合規職責

## Biographical Details of Directors and Senior Management 董事及高級管理人員履歷詳情

**Mr. Chan Wai Hung**, aged 33, was appointed as the business development director of the Group in January 2010. Mr. W.H. Chan joined HK Perfect as a sales executive in May 2006. Mr. W.H. Chan is mainly responsible for business development and operations in Dubai and its vicinity, in particular, overseeing the operations of HKP LLC (prior to its dissolution) and Perfect (UAE), devising sales plans for the Dubai market for approval by the Directors, maintaining and enhancing business relationships with the customers from Dubai and its vicinity, and exploring new business opportunity in Dubai and its vicinity for the purpose of strengthening the market share in such regions. Mr. W.H. Chan is the son of Mr. W.S. Chan, the sole shareholder of Classic Sapphire which hold 7.5% of the issued share capital of the Company.

**Ms. Kong Pui Fun Pansy**, aged 49, was appointed as the human resources and administrative director of the Group in July 2011. Ms. Kong joined HK Perfect as a human resources and administrative manager in October 2007. Ms. Kong is mainly responsible for human resources and administrative matters.

Ms. Kong was awarded a diploma in business administration by the Hong Kong Shue Yan University (formerly known as Hong Kong Shue Yan College) in July 1991, and received a bachelor's degree in business administration from the Open University of Hong Kong in December 2002.

Ms. Kong has more than 20 years of experience in human resources and administrative work.

**陳偉雄先生**，33歲，於2010年1月獲委任為本集團的業務發展總監。陳偉雄先生於2006年5月加盟保發珠寶，擔任銷售主任。陳偉雄先生主要負責發展迪拜及附近地區的業務及營運，尤其是，監管HKP LLC(解散前)及業務活動、監察保發(阿聯酋)、制定迪拜市場銷售計劃供董事批准、維持及加強迪拜及其附近地區客戶之間的業務關係及探索迪拜新商機以加強於該等地區的市場份額。陳偉雄先生為持有本公司7.5%已發行股本的Classic Sapphire唯一股東陳永森先生的兒子。

**江佩芬女士**，49歲，於2011年7月獲委任為本集團的人力資源及行政總監。江女士於2007年10月加盟保發珠寶，擔任人力資源及行政經理。江女士主要負責人力資源及管理事宜。

江女士於1991年7月獲得香港樹仁大學(前稱香港樹仁學院)工商管理證書，並於2002年12月獲得香港公開大學工商管理學士學位。

江女士於人力資源及行政方面擁有逾20年經驗。



## Biographical Details of Directors and Senior Management 董事及高級管理人員履歷詳情

**Mr. Tam Chun Wa**, aged 53, has been appointed as the chief financial officer, the company secretary and the authorised representative of the Company, all with effect from 7 February 2017. Mr. Tam is mainly responsible for financial reporting and compliance. Mr. Tam Chun Wa, holds a master degree of business administration from University of Sydney and is also a member of Hong Kong Institute of Certified Public Accountants, CPA (Australia) and Institute of Singapore Chartered Accountants. Mr. Tam has more than 20 years of experience in the areas of auditing, accounting, tax, investment banking and company secretarial works. Mr. Tam is an independent non-executive Director of Green Energy Group Limited, being a company listed on the Stock Exchange with stock code 979.

譚鎮華先生，53歲，於2017年2月7日獲委任為本公司之首席財務官、公司秘書及授權代表。譚先生主要負責財務申報及合規事宜。譚鎮華先生持有悉尼大學工商管理碩士學位，亦為香港會計師公會、澳洲會計師公會及新加坡特許會計師公會之會員。譚先生在審核、會計、稅務、投資銀行及公司秘書工作領域擁有逾20年經驗。譚先生為綠色能源科技集團有限公司之獨立非執行董事，該公司於聯交所上市，股份代號979。

## Report of the Directors

### 董事會報告

The Directors are pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2016 to all Shareholders.

#### Principal activities

The principal activity of the Company is investment holding and those of the principal subsidiaries of the Company are set out in note 33 to the consolidated financial statements.

#### Results and appropriations

The financial performance of the Group for the year ended 31 December 2016 and the financial position of the Group as at 31 December 2016 are set out in the consolidated financial statements on pages 70.

#### Final dividend

The Group has on 29 July 2016 declared an interim dividend of HK\$0.03 per share. The Directors recommend the payment for final dividend of HK\$0.03 per share for the year ended 31 December 2016.

#### Closure of Register of Members

The annual general meeting of the Company will be held on Monday, 12 June 2017.

To ascertain shareholders' eligibility to attend and vote at the annual general meeting to be held on Monday, 12 June 2017, the register of members of the Company will be closed from Wednesday, 7 June 2017 to Monday, 12 June 2017, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify to attend and vote at the annual general meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on Tuesday, 6 June 2017.

董事欣然提呈年度報告連同本集團截至2016年12月31日止年度的經審核綜合財務報表。

#### 主要業務

本公司之主要業務為投資控股，本公司主要附屬公司之主要業務載於綜合財務報表附註33。

#### 業績及分配

本集團截至2016年12月31日止年度的財務表現及本集團截至2016年12月31日的財務狀況載於第70頁之綜合財務報表。

#### 末期股息

本集團於2016年7月29日宣派中期股息每股0.03港元。董事建議派付截至2016年12月31日止年度的末期股息每股0.03港元。

#### 暫停辦理股份過戶登記手續

本公司將於2017年6月12日（星期一）舉行股東週年大會。

為確定股東有權出席於2017年6月12日（星期一）舉行之股東週年大會及於會上投票，本公司將於2017年6月7日（星期三）至2017年6月12日（星期一）（首尾兩天包括在內）暫停辦理股份過戶登記手續，期間將不會辦理任何股份過戶登記手續。為符合資格有權出席股東週年大會及於會上投票，所有股份過戶文件連同有關股票必須於2017年6月6日（星期二）下午四時正前送達本公司之香港股份過戶登記分處聯合證券登記有限公司，地址為香港北角英皇道338號華懋交易廣場2期33樓3301-04室，辦理過戶登記手續。

## Report of the Directors 董事會報告

In order to establish the identity of the shareholders who are entitled to the proposed final dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, no later than 4:00 p.m. on Tuesday, 27 June 2017. The register of members of the Company will be closed from Wednesday, 28 June 2017 to Friday, 30 June 2017, both days inclusive, during which period no transfer of shares will be registered. Subject to the approval by the shareholders of the proposed final dividend at the annual general meeting to be held on Monday, 12 June 2017, the final dividend will be paid on or around Wednesday, 19 July 2017 to the shareholders whose names appear on the register of members of the Company on Friday, 30 June 2017.

### Business review

Schedule 5 of the Companies Ordinance requires companies to include a business review in the directors' report. Specifically, the Companies Ordinance requires a business review to cover a number of areas which are also approved by the board of directors and included in this report as follows:

1. A fair review of the Group's business  
Page 7 to Page 11 of this report
2. Principal risks and uncertainties facing the Group  
Pages 12 and 13 of this report
3. Important events after the reporting date affecting the Group  
Page 14 of this report
4. Indication of likely development of the Group  
Pages 5 and 6 of this report

為釐定有權收取建議末期股息之股東身份，所有正式填妥之過戶表格連同有關股票，須於2017年6月27日(星期二)下午四時正前交回本公司的香港股份過戶登記分處聯合證券登記有限公司，地址為香港北角英皇道338號華懋交易廣場2期33樓3301-04室。本公司將於2017年6月28日(星期三)至2017年6月30日(星期五)(首尾兩天包括在內)暫停辦理股份過戶登記手續，期間將不會辦理任何股份過戶登記。待股東於本公司將於2017年6月12日(星期一)舉行的股東週年大會上批准建議末期股息後，末期股息將於2017年7月19日(星期三)或前後支付予於2017年6月30日(星期五)名列本公司股東名冊的股東。

### 業務回顧

公司條例附表5要求公司於董事會報告中載入業務回顧。尤其是，公司條例要求業務回顧須覆蓋若干領域並須經董事會批准，且須載入本報告如下：

1. 本集團業務之中肯審視  
本年報第7至11頁
2. 本集團所面臨的主要風險及不穩定因素  
本年報第12及13頁
3. 報告日期後影響本集團之重要事件  
本年報第14頁
4. 揭示本集團之潛在發展  
本年報第5至6頁

## Report of the Directors 董事會報告

### Segment Information

The executive Directors of the Company, being the chief operating decision maker, regularly review revenue analysis by products, including rings, earrings, pendants, bangles, necklaces and bracelets, and by location of delivery to customers. The executive Directors considered the operating activities of manufacturing and sales of jewellery products as a single operating segment. The operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to HKFRSs, and is regularly reviewed by the executive Directors. The executive Directors review the overall results, assets and liabilities of the Group as a whole to make decisions about resources allocation. Accordingly, no analysis of this single operating segment is presented.

### Five-year financial summary

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on page 148 of this report. This summary does not form part of the consolidated financial statements.

### Share capital

Details of movements in share capital of the Company during the year are set out in note 26 to the consolidated financial statements.

### Reserves

Details of movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 73 to page 75 and in note 35 to the consolidated financial statements, respectively.

### Distributable reserves

As at 31 December 2016, the Company had a reserve of approximately HK\$399,163,000 (2015: deficit of approximately HK\$16,728,000) in its distributable reserves, calculated under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

### 分部資料

本公司執行董事為主要經營決策者，定期按產品（包括戒指、耳環、吊墜、手鏈、項鏈及手鐲）及按向客戶交付地點審閱收益分析。執行董事認為製造及銷售珠寶產品的經營活動為單一經營分部。經營分部已按根據符合香港財務報告準則的會計政策編製的內部管理報告識別，並由執行董事定期審閱。執行董事審閱本集團的整體業績、資產及負債，以作出有關資源分配的決定。因此，並無呈列該單一經營分部的分析。

### 五年財務概要

本集團於過去五個財政年度的業績、資產及負債概要載於本報告第148頁。有關概要並不構成綜合財務報表的部份。

### 股本

本公司股本於年內的變動詳情載於綜合財務報表附註26。

### 儲備

本集團及本公司儲備於年內的變動詳情分別載於本年報第73至75頁的綜合權益變動表及綜合財務報表附註35。

### 可供分派儲備

於2016年12月31日，根據開曼群島法例第22章公司法（1961年第三號法例，經綜合及修訂）計算，本公司之可供分派儲備有儲備約399,163,000港元（2015年：虧損約16,728,000港元）。

## Report of the Directors 董事會報告

### Major customers and suppliers

Sales attributable to the Group's largest customer and the five largest customers accounted for approximately 6.7% and 25.0% of the Group's total revenue for the year, respectively. The purchases made by the Group from its largest supplier and the five largest suppliers accounted for approximately 70.6% and 96.5% of the Group's total purchases for the year, respectively.

To the best knowledge of the Directors, neither the Directors, their close associates, nor any shareholders who owned more than five percent of the Company's issued share capital, had any beneficial interest in any of the Group's five largest customers or suppliers during the year.

### Subsidiaries

The details of the subsidiaries of the Company are set out in note 33 to the consolidated financial statements.

### Property, plant and equipment

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

### Directors and directors' services contracts

The Directors who hold office during the year and up to the date of this report are:

#### Executive Directors

Mr. Kan Kin Kwong (*Chairman*)  
Ms. Shek Mei Chun  
Mr. Chung Chi Keung

#### Non-executive Director

Mr. Chu Kin Wang Peleus  
(resigned on 1 March 2017)  
Mr. He Dingding (appointed on 1 March 2017)

#### Independent non-executive Directors

Mr. Fan Chor Ho  
Mr. Li Cheuk Wai  
Mr. Wong Wai Keung Frederick

### 主要客戶及供應商

源自本集團最大客戶及五大客戶之銷售額分別佔本集團年內總收入約6.7%及25.0%。本集團向其最大供應商及五大供應商之採購額分別佔本集團年內採購總額約70.6%及96.5%。

就董事所知，年內，董事及其緊密聯繫人或任何擁有本公司已發行股本5%以上權益的股東均無於本集團五大客戶或供應商中擁有任何實益權益。

### 附屬公司

有關本公司附屬公司的詳情載於綜合財務報表附註33。

### 物業、廠房及設備

有關年內物業、廠房及設備變動的詳情載於綜合財務報表附註15。

### 董事及董事服務合約

年內及截至本報告日期之在職董事如下：

#### 執行董事

簡健光先生 (主席)  
石美珍女士  
鍾志強先生

#### 非執行董事

朱健宏先生 (於2017年3月1日辭任)  
賀丁丁先生 (於2017年3月1日獲委任)

#### 獨立非執行董事

范佐浩先生  
李卓威先生  
黃煒強先生



## Report of the Directors 董事會報告

Each of the executive Directors has entered into a services contract with the Company for a term of three years commencing from 4 January 2016, which may be terminated by, not less than three months' notice in writing served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of the Directors as set forth in the articles of association of the Company (the "Articles of Association").

Each of the non-executive Directors and the independent non-executive Directors has signed a letter of appointment or a service agreement with the Company for an initial term of three years commencing from 4 January 2016 or the date of appointment, subject to retirement by rotation and re-election at annual general meeting set forth in the Articles of Association and until terminated by not less than three months' notice in writing served by either party on the other.

No Director has a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

The Company has received annual confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Rules Governing the listing of securities on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") and all of them are considered to be independent.

In accordance with the Articles of Association, one-third of the existing Directors shall retire from office, at the forthcoming annual general meeting. Mr. Kan Kin Kwong, Ms. Shek Mei Chun and Mr. He Dingding will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

### Permitted indemnity provisions

At no time during the year ended December 31 2016 and up to the date of this report, there was or is, any permitted indemnity provision being in force for the benefit of any of the Directors and Supervisors (whether made by the Company or otherwise) or an associated company (if made by the Company).

各執行董事已與本公司訂立服務合約，自2016年1月4日起計為期三年，可由任一方發給另一方發出不少於三個月的書面通知予以終止，惟須遵守當中所載終止條文及本公司組織章程細則（「組織章程細則」）所載有關董事輪席退任的條文。

各非執行董事及獨立非執行董事已與本公司簽署委任函或服務協議，初步任期自2016年1月4日或獲委任日起計為三年，並須根據組織章程細則所載於股東週年大會上輪席退任及膺選連任，直至其中一方向另一方發出不少於三個月的書面通知予以終止。

董事並無與本公司或其任何附屬公司訂立不可於一年內不支付補償（法定補償除外）而終止之服務合約。

根據香港聯合交易所有限公司（「聯交所」）主板證券上市規則（「上市規則」）第3.13條，本公司已獲各獨立非執行董事發出年度獨立確認書，而彼等全體均屬獨立。

根據組織章程細則，三分之一之現任董事須於應屆股東週年大會退任。簡健光先生、石美珍女士及賀丁丁先生將於應屆股東週年大會上退任，惟符合資格並願意膺選連任。

### 獲准許的彌償條文

截至2016年12月31日止年度內及直至本報告日期止任何時間，均未曾經或現有生效的任何獲准許的彌償條文惠及董事及監事（不論是否由本公司或其他訂立）或其聯繫公司的任何董事及監事（如由本公司訂立）。

## Report of the Directors 董事會報告

Appropriate insurance covers on directors' liabilities have been in force to protect the Directors and officers of the Group from their risk exposure from the business of the Group.

### Directors' interest in contracts

Save as disclosed in the section headed – “Continuing connected transactions” of this report, no contract of significance to which the Company or its holding company or any of its subsidiaries was a party and in which a Director had a material interest subsisted at the year ended 31 December 2016 or at any time during the year.

### Continuing connected transactions

On 5 August 2015, Perfect Group HK entered into a tenancy agreement (the “Hong Kong Tenancy Agreement”) with HK Perfect, pursuant to which Perfect Group HK agreed to lease premises from HK Perfect for a term of three years commencing on 5 August 2015 for the purpose of the Group's offices in Hong Kong. The transactions contemplated under the Hong Kong Tenancy Agreement are subject to reporting and announcement requirements but exempt from circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

涵蓋董事責任的合適保險已經生效，以保障本集團董事及高級人員免受因本集團業務所產生的風險影響。

### 董事之合約權益

除本報告「持續關連交易」一節所披露者外，本公司或其控股公司或其任何附屬公司並無訂立董事擁有重大權益且在截至2016年12月31日止年度或年內任何時間持續有效之重要合約。

### 持續關連交易

於2015年8月5日，保發集團香港與保發珠寶訂立租賃協議（「香港租賃協議」），據此，保發集團香港同意向保發珠寶租用處所，由2015年8月5日起為期三年，作為本集團於香港之辦事處。根據香港租賃協議擬進行之交易須根據上市規則第14A章有關申報及公佈之規定，惟獲豁免遵守通函及股東批准之規定。

	Aggregate amount for the financial year ended 31 December 2016 截至2016年12月31日止 財政年度之總金額	Annual Cap amount the financial year ended 31 December 2016 截至2016年12月31日止 財政年度之年度上限金額
Lease of premises from Hong Kong Perfect Jewellery Company Limited (Note)	HK\$3,480,000	HK\$3,480,000
向保發珠寶有限公司租用處所(附註)	3,480,000港元	3,480,000港元
<p>Note: Hong Kong Perfect Jewellery Company Limited is a company incorporated in Hong Kong. It is an associate of Mr. Kan Kin Kwong, a controlling shareholder, an executive Director, and a connected person of the Company under the Listing Rules.</p>		
<p>附註：保發珠寶有限公司乃一家於香港註冊成立之公司，根據上市規則為本公司控股股東、執行董事兼關連人士簡健光先生之聯營公司。</p>		

## Report of the Directors 董事會報告

The independent non-executive Directors of the Company had reviewed the above continuing connected transactions and confirmed that the transactions have been entered into:

- (1) in the ordinary and usual course of business of the Company;
- (2) either on normal commercial terms or, if there are no sufficient comparable transactions to judge whether they are on normal commercial terms or not, on terms no less favorable than those available to or from independent third parties; and
- (3) in accordance with the relevant agreements governing the transactions and on terms that are fair and reasonable and in interests of the Group as a whole.

According to Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules". The auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules.

### Biographies of directors and senior management

The biographical details of the Directors and senior management of the Group are disclosed in the section headed "Biographical Details of Directors and Senior Management" on pages 17 to 23 of this report.

### Controlling shareholders' interest in contracts

Save as disclosed in the section headed – "Continuing connected transactions" of this report, there was no contract of significance to which the Company or its holding company or any of its subsidiaries was a party and in which any of the controlling shareholder (as defined in the Listing Rules) had a material interest subsisted at the end of the year or at any time during the year.

本公司獨立非執行董事已審閱上述持續關連交易，並確認該等交易：

- (1) 在本公司日常及一般業務中進行；
- (2) 按照一般商業條款進行，如無同類交易以判斷是否屬於一般商業條款，則有關條款不遜於本公司與獨立第三方交易之條款；及
- (3) 按照監管有關交易之協議進行，而有關條款符合本集團之整體利益，屬公平合理。

根據上市規則第14A.56條，本公司核數師已獲聘根據香港會計師公會頒佈的香港核證工作準則第3000號「審核或審閱歷史財務資料以外的核證工作」及參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」就本集團的持續關連交易作出報告。核數師已根據上市規則第14A.56條發出無保留意見函件，該函件載有核數師對有關本集團在上文所披露的持續關連交易的發現及結論。

### 董事及高級管理人員之履歷

本集團董事及高級管理人員之履歷詳情於本報告第17至23頁「董事及高級管理人員履歷詳情」一節披露。

### 控股股東之合約權益

除本報告「持續關連交易」一節所披露者外，本公司或其控股公司或任何其附屬公司並無訂立任何控股股東（定義見上市規則）於其中擁有重大權益且於年末及年內任何時間持續有效之重要合約。

## Report of the Directors 董事會報告

### Non-competition undertaking by controlling shareholders

Each of the controlling shareholders has made an annual declaration in respect of their compliance with the terms of non-competition undertaking.

Details of the non-competition undertaking are set out in the section headed “Relationship with Controlling Shareholders” of the Company dated 22 December 2015 (the “Prospectus”).

### Non-competition undertaking by executive directors

The non-competition undertakings in respect of the executive Directors have become effective from the Listing Date.

Each of the executive Directors has made an annual declaration in respect of their compliance with the terms of non-competition undertaking from the Listing Date to the date of this report.

The independent non-executive Directors had reviewed and confirmed that the executive Directors have complied with the non-competition undertaking and the non-competition undertaking for the period set forth in the paragraph above has been enforced by the Company in accordance with its terms.

Details of the non-competition undertaking are set out in the section headed “Relationship with Controlling Shareholders” of the Prospectus.

### Share option scheme

Particulars of the Company’s share option scheme are set out in note 30 to the consolidated financial statements.

### 控股股東之不競爭承諾

各控股股東已就其遵守不競爭承諾條款作出年度聲明。

不競爭承諾詳情載於本公司日期為2015年12月22日的招股章程（「招股章程」）「與控股股東的關係」一節。

### 執行董事之不競爭承諾

有關執行董事之不競爭承諾已於上市日期起生效。

各執行董事已就其自上市日期起至本報告日期止遵守不競爭承諾條款作出年度聲明。

獨立非執行董事已審閱及確認執行董事已遵守不競爭承諾及本公司於上文段落所載之期間已根據其條款執行不競爭承諾。

不競爭承諾詳情載於招股章程「與控股股東的關係」一節。

### 購股權計劃

本公司購股權計劃之詳情載於綜合財務報表附註30。

## Report of the Directors 董事會報告

### Disclosure of interests

#### Interests of Directors and chief executive officers

As of the date of this report, the Directors and the chief executive officer of the Company had the following interests in the shares, underlying shares and debentures of the Company, its associated corporations (within the meaning of the Securities and Future Ordinance (“SFO”)) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

Ordinary shares of HK\$0.01 each of the Company

### 權益披露

#### 董事及主要行政人員的權益

於本報告日期，本公司董事及主要行政人員於本公司、其相聯法團（定義見證券及期貨條例（「證券及期貨條例」））之股份、相關股份及債券中擁有下列記錄於本公司根據證券及期貨條例第352條所存置的登記冊，或根據上市公司董事進行證券交易的標準守則須通知本公司及聯交所的權益。

本公司每股面值0.01港元的普通股份

Name of Director/ chief executive officers	Capacity/nature of interest	Number of shares	Approximately percentage of shareholdings in the Company 佔本公司股權的 概約百分比
董事／主要行政人員姓名	身份／權益性質	股份數目	
Mr. Kan Kin Kwong (“Mr. Kan”) (note 1) 簡健光先生（「簡先生」）（附註1）	Interest of a controlled corporation 受控制法團權益	262,113,000 shares (long position) 262,113,000股（好倉）	58.25%
Mr. Chung Chi Keung (“Mr. Chung”) (note 2) 鍾志強先生（「鍾先生」）（附註2）	Interest of a controlled corporation 受控制法團權益	10,125,000 shares (long position) 10,125,000股（好倉）	2.25%

Notes:

- Among these 262,113,000 shares, 243,000,000 shares are registered in the name of Immaculate Diamonds Limited, and the remaining 19,113,000 shares are registered in the name of King Jewel Limited, the entire issued capital of both Immaculate Diamonds Limited and King Jewel Limited are owned by Mr. Kan. Under the SFO, Mr. Kan is deemed to be interested in all the shares registered in the name of Immaculate Diamonds Limited and King Jewel Limited.
- These shares are registered in the name of Classic Emerald Holdings Limited, the entire issued capital of which is owned by Mr. Chung. Under the SFO, Mr. Chung is deemed to be interested in all the shares registered in the name of Classic Emerald Holdings Limited.

附註：

- 該等262,113,000股股份當中，243,000,000股以Immaculate Diamonds Limited的名義登記，餘下19,113,000股以King Jewel Limited的名義登記，Immaculate Diamonds Limited及King Jewel Limited的全部已發行股本由簡先生擁有。根據證券及期貨條例，簡先生被視為於Immaculate Diamonds Limited及King Jewel Limited名義登記的所有股份中擁有權益。
- 該等股份以Classic Emerald Holdings Limited的名義登記，該公司的全部已發行股本由鍾先生擁有。根據證券及期貨條例，鍾先生被視為於Classic Emerald Holdings Limited名義登記的所有股份中擁有權益。

## Report of the Directors 董事會報告

Save as disclosed above, none of the Directors, nor their associates had any interests or short positions in any shares, underlying shares of the Company or any of its associated corporations as recorded in the register required to be kept under section 336 of the SFO.

### Substantial shareholders

As to the date of this report, the following persons or corporations, other than the Directors or chief executive of the Company disclosed above, had interests or short positions in the shares and underlying shares of the Company as recorded in the register of the substantial shareholders maintained by the Company pursuant to Section 336 of the SFO:

Ordinary shares of HK\$0.01 each of the Company

除上文所披露者外，根據證券及期貨條例第336條所存置的登記冊所記錄，並無董事及彼等的聯繫人士於本公司或其相聯法團的任何股份或相關股份中擁有任何權益或淡倉。

### 主要股東

於本報告日期，按照本公司根據證券及期貨條例第336條所存置的登記冊所記錄，下列人士或公司（上文披露的本公司董事或主要行政人員除外）於本公司之股份及相關股份中擁有權益或淡倉：

本公司每股面值0.01港元的普通股份

Name of shareholder 股東姓名／名稱	Capacity/nature of interest 身份／權益性質	Number of shares 股份數目	Approximately percentage of shareholdings in the Company 佔本公司股權的 概約百分比
Immaculate Diamonds Limited (note 1) Immaculate Diamonds Limited (附註1)	Beneficial owner 實益擁有人	243,000,000 shares (long position) 243,000,000股(好倉)	54.00%
Chan Wing Sum 陳永森先生	Interest of a controller corporation 受控制法團權益	33,750,000 shares (long position) 33,750,000股(好倉)	7.50%
Classic Sapphire Holdings Limited (note 2) Classic Sapphire Holdings Limited (附註2)	Beneficial owner 實益擁有人	33,750,000 shares (long position) 33,750,000股(好倉)	7.50%
Luo Jacky 羅惠源先生	Interest of a controller corporation 受控制法團權益	33,750,000 shares (long position) 33,750,000股(好倉)	7.50%
Classic Amber Holdings Limited (note 3) Classic Amber Holdings Limited (附註3)	Beneficial owner 實益擁有人	33,750,000 shares (long position) 33,750,000股(好倉)	7.50%

## Report of the Directors

### 董事會報告

#### Notes:

1. The entire issued capital of this company is owned by Mr. Kan.
2. This entire issued capital of this company is owned by Mr. Chan Wing Sum.
3. This entire issued capital of this company is owned by Mr. Luo Jacky.

Save as disclosed above, the Company has not been notified by any persons or corporations, other than the Directors or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as of the date of this report.

#### Emolument Policy

The Group's employees are selected, remunerated and promoted based on their merit, qualifications and competence.

The Company adopted the model set out in Code Provision B.1.2(c)(ii) of Appendix 14 to the Listing Rules as its remuneration model for determining the emoluments of the Directors. This model stipulates that the remuneration committee of the Company shall make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. The remuneration committee of the Company would take into consideration, among other things, the duties and responsibilities of the Directors and senior management and prevailing market conditions when determining their remuneration.

The Company has adopted a share option scheme to provide incentives to eligible persons, including Directors and employees of the Group.

#### 附註：

1. 該公司之全部已發行股本由簡先生擁有。
2. 該公司之全部已發行股本由陳永森先生擁有。
3. 該公司之全部已發行股本由羅惠源先生擁有。

除上文所披露者外，於本報告日期，本公司並無獲任何人士或公司（不包括本公司的董事或最高行政人員）知會，按照本公司根據證券及期貨條例第336條所存置的登記冊所記錄其於本公司的股份或相關股份中擁有權益或淡倉。

#### 薪酬政策

本集團的僱員乃按其學歷、資格及能力挑選、支薪及晉升。

本公司已採納上市規則附錄十四所載之守則條文第B.1.2(c)(ii)條之模式作為薪酬模式，以釐定董事之薪酬待遇。該模式規定本公司之薪酬委員會須就個別執行董事及高級管理人員之薪酬待遇向董事會提出建議。當釐定董事及高級管理人員之薪酬時，本公司薪酬委員會會按（其中包括）彼等之職務、職責及現行市況作出考慮。

本公司已採納一項購股權計劃，旨在獎勵合資格人士，包括本集團董事及僱員。

## Report of the Directors 董事會報告

### Related Party Transactions

Particulars of the Company's Related Party Transactions are set out in note 31 to the consolidated financial statements.

The related party transactions also constitute continuing connected transaction of the Company under Chapter 14A of the Listing Rules and the Company has complied with the relevant requirements of Chapter 14A of the Listing Rules in relation to these transactions. Other than the transaction disclosed in the section headed "Continuing Connected Transactions" above, each of these related party transactions constitutes a fully exempt connected transaction as defined under the Listing Rules.

### Pre-emptive rights

There are no provisions for pre-emptive rights under the Company's memorandum and articles of association or the Laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders of the Company.

### Purchase, sale or redemption of listing securities

Neither the Company nor any subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2016.

### 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 sufficient public float.

### Corporate governance report

Details of the Group's corporate governance practices can be found in the Corporate Governance Report set out on pages 37 to 53 in this report.

### 關聯方交易

有關本公司關聯方交易之詳情載於綜合財務表附註31。

根據上市規則第14A章，關連方交易亦構成本公司之持續關連交易，本公司已就該等交易遵守上市規則第14A章之相關規定。除上文「持續關連交易」一節所披露之交易外，該等關聯方交易各自構成上市規則所界定之全面豁免關連交易。

### 優先購買權

本公司之組織章程大綱或開曼群法例並無有關優先購買權之條文，規定本公司須按比例向本公司之現有股東發售新股。

### 購買、出售或贖回上市證券

截至2016年12月31日止年度內，本公司及其任何附屬公司概無購買、出售或贖回本公司的任何上市證券。

### 足夠公眾持股量

根據本公司可取得之公開資料及據董事所知悉，本公司一直維持足夠公眾持股量。

### 企業管治報告

有關本集團企業管治常規的詳情，請參閱本報告第37至53頁所載企業管治報告。



## Report of the Directors 董事會報告

### Auditor

The consolidated financial statements for the year ended 31 December 2016 have been audited by Deloitte Touche Tohmatsu, who will retire and, being eligible, offer themselves for re-appointment at the forth coming annual general meeting of the Company.

### Review of Results by Audit Committee

The Group's final results for the year ended 31 December 2016 have been reviewed by the audit committee of the Company.

On behalf of the Board

**Kan Kin Kwong**

*Chairman*

Hong Kong, 20 March 2017

### 核數師

德勤•關黃陳方會計師行已審閱截至2016年12月31日止年度的綜合財務報表。德勤•關黃陳方會計師行將告退，並符合資格於本公司的應屆股東週年大會上獲續聘。

### 審核委員會審閱業績

本集團截至2016年12月31日止年度之末期業績已經由本公司審核委員會審閱。

代表董事會

*主席*

**簡健光**

香港，2017年3月20日



# Corporate Governance Report

## 企業管治報告

The Company strives to attain and maintain a high standard of corporate governance as it believes that effective corporate governance practices are fundamental to enhancing shareholders' value and safeguarding interests of shareholders and other stakeholders. Accordingly, the Board attributes a high priority to identifying and implementing appropriate corporate governance practices to ensure transparency, accountability and effective internal controls.

### Code on corporate governance practices

The Company has adopted the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules. Up the date of this report, the Company has complied with the code provision under the CG Code, except for the deviation from code provision A.2.1 of the CG Code as explained below. The Company will continue to enhance its corporate governance practices appropriate to the operation and growth of the business of the Group.

According to code provision A.2.1 of the CG Code, the role of the chairman and the chief executive officer of the Company should be separate and should not be performed by the same individual. The role of the chief executive officer is performed by Mr. Kan Kin Kwong ("Mr. Kan"), who is also the chairman of the Company. Mr. Kan as the founder of the Group has extensive experience and knowledge in the business of the Group. The Board believes that vesting the roles of both chairman of the Company and chief executive officer of the Company in the same person, namely Mr. Kan, has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group.

本公司致力達致及維持高水平的企業管治，因為本公司相信，有效的企業管治常規對於提高股東的價值及保障股東及其他持份者的權益至為關鍵。因此，董事會極為注重訂定及執行適當的企業管治常規，確保具有透明度、問責性及有效的內部監控。

### 企業管治常規守則

本公司已採納上市規則附錄14所載之企業管治守則（「企業管治守則」）。截至本報告日期，除下文所述有關偏離企業管治守則的守則條文第A.2.1條外，本公司一直遵守企業管治守則的守則條文。本公司將繼續加強其企業管治常規，以配合本集團之業務營運及發展。

根據企業管治守則的守則條文第A.2.1條，本公司主席與行政總裁的職責應有區分，並不應由同一人兼任。行政總裁的職責由簡健光先生（「簡先生」）履行，而彼亦為本公司主席。簡先生為本集團創辦人，於本集團業務方面擁有豐富經驗。董事會相信，由同一人（即簡先生）兼任本公司主席及本公司行政總裁的角色，可確保本集團內部領導貫徹一致，使本集團的整體策略規劃更有效及更具效率。

## Corporate Governance Report 企業管治報告

### Directors' Securities Transactions

The Company adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the code of conduct for Directors in their dealings in the securities of the Company.

Having made specific enquiry of all Directors, the Company is satisfied that the Directors have complied with the Model Code.

### Board of Directors

The Board is responsible for formulating business strategies and monitoring the performance of the business of the Group. Other than the daily operational decisions which are delegated to the management of the Group, most of the decisions are taken by the Board. All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The Board constituted by seven members, including three executive Directors, one non-executive Director and three independent non-executive Directors.

The composition of the Board is as follows:

#### Executive Directors

Mr. Kan Kin Kwong (*Chairman*)  
Mr. Chung Chi Keung  
Ms. Shek Mei Chun

#### Non-executive Director

Mr. Chu Kin Wang Peleus (resigned on 1 March 2017)  
Mr. He Dingding (appointed on 1 March 2017)

### 董事之證券交易

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則(「標準守則」)，作為董事進行本公司證券交易的操守準則。

經向全體董事作出具體查詢後，本公司信納各董事已遵守標準守則的規定。

### 董事會

董事會負責制定業務策略及監控本集團之業務表現。除本集團管理層獲授權就日常業務作出決策外，大部份決策乃由董事會決定。所有董事(包括獨立非執行董事)具備廣泛而寶貴之業務經驗、知識及專業精神，有助董事會有效及高效地履行其職責。

董事會由七人構成，包括三名執行董事、一名非執行董事及三名獨立非執行董事。

董事會構成如下：

#### 執行董事

簡健光先生 (*主席*)  
鍾志強先生  
石美珍女士

#### 非執行董事

朱健宏先生 (於2017年3月1日辭任)  
賀丁丁先生 (於2017年3月1日獲委任)

## Corporate Governance Report 企業管治報告

### Independent non-executive Directors

Mr. Fan Chor Ho  
Mr. Li Cheuk Wai  
Mr. Wong Wai Keung Frederick

Biographical details of each Director and relationship between board members are set out on page 17 to page 23 of this report.

Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines. One of the independent non-executive Directors possesses the appropriate professional accounting qualifications and financial management expertise.

### 獨立非執行董事

范佐浩先生  
李卓威先生  
黃煒強先生

各董事之履歷及董事會成員之間的關係載於本報告第17至23頁。

各獨立非執行董事已根據上市規則第3.13條之規定提交確認其符合獨立性之年度確認書。本公司認為所有獨立非執行董事皆符合載於上市規則第3.13條之獨立性指引，且根據該指引條文屬獨立人士。其中一名獨立非執行董事擁有適當專業會計資格及財務管理專長。

## Corporate Governance Report

### 企業管治報告

		Attended/Eligible to Attend 出席／符合資格出席					
		Remuneration		Audit	Nomination	Risk	
		General	Board	committee	committee	committee	management
		meetings	meetings	meetings	meetings	meetings	meeting
				薪酬委	審核委	提名委	風險
		股東大會	董事會會議	員會會議	員會會議	員會會議	管理會議
<b>Executive Directors</b>	<b>執行董事</b>						
Mr. Kan Kin Kwong	簡健光先生	1/1	6/6	0/0	0/0	1/1	1/1
Mr. Chung Chi Keung	鍾志強先生	1/1	6/6	1/1	0/0	0/0	0/0
Ms. Shek Mei Chun	石美珍女士	1/1	6/6	0/0	0/0	0/0	1/1
<b>Non-executive Directors</b>	<b>非執行董事</b>						
Mr. Chu Kin Wang Peleus <sup>(note 1)</sup>	朱健宏先生 <sup>(附註1)</sup>	1/1	6/6	0/0	2/2	0/0	0/0
Mr. He Dingding <sup>(note 2)</sup>	賀丁丁先生 <sup>(附註2)</sup>	0/0	0/0	0/0	0/0	0/0	0/0
<b>Independent non-executive Directors</b>	<b>獨立非執行董事</b>						
Mr. Fan Chor Ho	范佐浩先生	1/1	6/6	0/0	0/0	1/1	0/0
Mr. Li Cheuk Wai	李卓威先生	1/1	6/6	1/1	2/2	1/1	1/1
Mr. Wong Wai Keung Frederick	黃煒強先生	1/1	6/6	1/1	2/2	0/0	0/0

Every Director is entitled to have access to Board papers and related materials, and the advice and services of the company secretary of the Company (the “Company Secretary”), and has the liberty to seek independent professional advice at the Company’s expense if so reasonably required. Directors will be continuously updated on the major development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices.

Notes:

Note 1: resigned on 1 March 2017

Note 2: appointed on 1 March 2017

每位董事均有權查閱董事會文件及相關資料，並可獲本公司之公司秘書（「公司秘書」）提供意見及服務，及可在合理的情況下尋求獨立專業意見，費用由本公司承擔。董事將獲持續知會有關上市規則及其他適用監管規定之重大發展，以確保本公司遵守及維持良好的企業管治常規。

附註：

附註1：於2017年3月1日辭任

附註2：於2017年3月1日獲委任

## Corporate Governance Report 企業管治報告

### Board Committees

The Board has established four committees, namely the audit committee (the “Audit Committee”), the nomination committee (the “Nomination Committee”), the remuneration committee (the “Remuneration Committee”) and the risk management committee (the “Risk Management Committee”). The table below provides the membership information of these committees on which certain Board members served:

### 董事委員會

董事會下設有四個委員會，分別為審核委員會（「審核委員會」）、提名委員會（「提名委員會」）、薪酬委員會（「薪酬委員會」）及風險管理委員會（「風險管理委員會」）。下表提供若干董事會成員在該等委員會中所擔任的職位：

Directors 董事		Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會	Risk Management Committee 風險管理委員會
Mr. Kan Kin Kwong	簡健光先生	–	C	–	C
Mr. Chung Chi Keung	鍾志強先生	–	–	M	–
Ms. Shek Mei Chun	石美珍女士	–	–	–	M
Mr. Chu Kin Wang Peleus <sup>(note 1)</sup>	朱健宏先生 <sup>(附註1)</sup>	M	–	–	–
Mr. He Dingding <sup>(note 2)</sup>	賀丁丁先生 <sup>(附註2)</sup>	M	–	–	–
Mr. Fan Chor Ho	范佐浩先生	–	M	–	–
Mr. Li Cheuk Wai	李卓威先生	M	M	C	M
Mr. Wong Wai Keung Frederick	黃煒強先生	C	–	M	–

Notes:

C – Chairman of the relevant Committee

M – Member of the relevant Committee

(note 1) resigned on 1 March 2017

(note 2) appointed on 1 March 2017

附註：

C – 有關委員會主席

M – 有關委員會成員

(附註1) 於2017年3月1日辭任

(附註2) 於2017年3月1日獲委任

## Corporate Governance Report 企業管治報告

### Audit committee

The Audit Committee was established with written terms of reference in compliance with Rule 3.21 and Rule 3.22 of the Listing Rules. The written terms of reference of the Audit Committee have been modelled off the Code Provisions. Its terms of reference are available on the websites of the Company and the Stock Exchange.

The Audit Committee comprises one non-executive Director, namely Mr. Chu Kin Wang Peleus (resigned on 1 March 2017), Mr. He Dingding (appointed on 1 March 2017) and two independent non-executive Directors, namely Mr. Li Cheuk Wai and Mr. Wong Wai Keung Frederick. Mr. Wong Wai Keung Frederick is the chairman of the Audit Committee.

The primary duties of the Audit Committee include:

- Consider the appointment, reappointment and removal of the external auditor, the audit fee and terms of engagements, and any questions of resignation or dismissal of that auditor;
- Review the financial statements and provide material advice in respect of financial reporting of the Group; and
- Oversight of internal control procedures and risk management of the Group.

Meetings of the Audit Committee shall be held no less than two times a year. Two meetings of the Audit Committee were held during the review year.

### 審核委員會

本公司已成立審核委員會，並根據上市規則第3.21及3.22條以書面釐定其職權範圍。審核委員會之書面職權範圍已參照守則條文而制訂。其職權範圍可於本公司及聯交所網站取得。

審核委員會由一名非執行董事朱健宏先生（於2017年3月1日辭任）及賀丁丁先生（於2017年3月1日獲委任）及兩名獨立非執行董事李卓威先生及黃煒強先生組成。黃煒強先生為審核委員會主席。

審核委員會的主要職責包括：

- 考慮委任、續聘及罷免外聘核數師、核數費用及委聘條款、以及辭退或罷免該核數師的事宜；
- 審閱財務報表及對本集團財務報告提供重大意見；及
- 監察本集團內部監控程序及風險管理。

審核委員會每年須舉行不少於兩次會議。審核委員會於回顧年度舉行了兩次會議。



## Corporate Governance Report 企業管治報告

### Nomination committee

The Nomination Committee was established with written terms of reference with effect from 14 December 2015 and comprises one executive Director, namely Mr. Kan Kin Kwong and two independent non-executive Directors, namely Mr. Fan Chor Ho and Mr. Li Cheuk Wai. Mr. Kan Kin Kwong is the chairman of the Nomination Committee.

The duties of the Nomination Committee shall be:

- Review the structure, size and composition (including the gender, age, cultural background, education background, skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- Identify individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- Assess the independency of independent non-executive Directors;
- Make recommendations to the Board on the appointment or re-appointment of directors and succession planning for Directors, in particular the chairman and the chief executive; and
- Review the board diversity policy as appropriate and to review the measurable objectives under the board diversity policy and the progress of the attainment of the objectives, so as to ensure effective implementation; and make disclosure of its review results in the corporate governance report.

Meetings of the Nomination Committee shall be held no less than once a year. One meeting of the Nomination Committee was held during the review year.

### 提名委員會

提名委員會經已成立並制定職權範圍，自2015年12月14日起生效，由一名執行董事簡健光先生及兩名獨立非執行董事范佐浩先生及李卓威先生組成。簡健光先生為提名委員會主席。

提名委員會的職責為：

- 至少每年檢討董事會的架構、人數及組成（包括性別、年齡、文化背景、教育程度、技能、知識及經驗等方面），並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議；
- 物色具備合適資格可擔任董事會成員的人士，並挑選提名出任董事的有關人士或就此向董事會提供意見；
- 評核獨立非執行董事的獨立性；
- 就董事委任或重新委任以及董事（尤其是主席及行政總裁）繼任計劃向董事會提出建議；及
- 在適當情況下檢討董事會成員多元化政策，及檢討董事會成員多元化政策下的可計量目標和達標進度，確保行之有效；並於企業管治報告內披露其檢討結果。

提名委員會每年須舉行不少於一次會議。提名委員會於回顧年度舉行了一次會議。



## Corporate Governance Report 企業管治報告

### Board Diversity Policy

The Company has adopted a board diversity policy (the “Diversity Policy”) which embraces the benefits of having a diverse Board to enhance the quality of its performance. Pursuant to the Diversity Policy, the Company would try to seek board candidates with Company’s business model and specific needs, including (but not limited to) gender, regional and industry experience, skills, knowledge and educational background.

The Board will review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

### 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」），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，本公司將根據本公司之業務模式及特定需要物色董事會候選人，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。



## Corporate Governance Report 企業管治報告

### Remuneration committee

The Remuneration Committee was established on 14 December 2015 and comprises one executive Director, namely Mr. Chung Chi Keung and two independent non-executive Directors, namely Mr. Li Cheuk Wai and Mr. Wong Wai Keung Frederick. Mr. Li Cheuk Wai is the chairman of the Remuneration Committee.

The duties of the Remuneration Committee shall be:

- Make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- Review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- Make recommendations to the Board on the remuneration packages of individual executive Directors and senior management;
- Make recommendations to the Board on the remuneration of non-executive Directors;
- Consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- Review and approve the compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- Review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
- Ensure that no Director or any of his/her associates (as defined under the Listing Rules) is involved in deciding his/her own remuneration.

### 薪酬委員會

薪酬委員會已於2015年12月14日成立，由一名執行董事鍾志強先生及兩名獨立非執行董事李卓威先生及黃煒強先生組成。李卓威先生為薪酬委員會主席。

薪酬委員會的職責為：

- 就本公司為全體董事及高級管理人員制訂的薪酬政策及架構，以及就制訂薪酬政策而設立正式而透明的程序，向董事會提出建議；
- 參照董事會的企業方針及目標，檢討及批准管理層的薪酬建議；
- 就個別執行董事及高級管理人員的薪酬待遇向董事會提出建議；
- 就非執行董事的薪酬向董事會提出建議；
- 考慮同類公司所支付的薪金、須投入的時間及責任以及本集團內其他職位的僱用條件；
- 檢討及批准支付執行董事及高級管理人員因喪失或終止職務或委任的賠償，以確保有關賠償符合相關合約條款且屬公平及不超額；
- 檢討及批准因行為不當而解僱或罷免董事所涉及的補償安排，以確保有關安排乃符合有關合約條款，以及應屬合理及適當；及
- 確保概無董事或其任何聯繫人（定義見上市規則）參與釐定彼本身的薪酬。

## Corporate Governance Report 企業管治報告

Meetings of the Remuneration Committee shall be held not less than once a year. One meeting of the Remuneration Committee was held during the review year.

Pursuant to code provision B.1.5 of CG Code, the remuneration of members of senior management by band for the year ended 31 December 2016 is set out below:

薪酬委員會每年須舉行不少於一次會議。薪酬委員會於回顧年度舉行了一次會議。

根據企業管治守則第B.1.5條，截至2016年12月31日止年度，高級管理層成員按薪酬範圍劃分之薪酬載列如下：

Remuneration Band 薪酬範圍		No. of Individuals 人數
Nil – HK\$1,000,000	0至1,000,000港元	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	2
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	–
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	–
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	–
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	–
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	1

### Risk management committee

The Risk Management Committee was established on 14 December 2015 and comprises two executive Directors, namely Mr. Kan Kin Kwong and Ms. Shek Mei Chun and one independent Non-executive Directors, namely Mr. Li Cheuk Wai. Mr. Kan Kin Kwong is the chairman of the Risk Management Committee.

The duties of the Risk Management Committee shall be monitoring the Company's exposure to sanctions law risks and its implementation of the related internal control procedures, and shall include:

- Reviewing and approving all relevant business transaction documentation from suppliers or customers or potential customers from any country that is subject to sanctions (the “Relevant Counterparty”);
- Reviewing the information (such as identity and nature of business) relating to the Relevant Counterparty to the contract along with the draft business transaction documentation;

### 風險管理委員會

風險管理委員會已於2015年12月14日成立，由兩名執行董事簡健光先生及石美珍女士以及一名獨立非執行董事李卓威先生組成。簡健光先生為風險管理委員會主席。

風險管理委員會的職責為監控本公司面對的制裁法律風險及執行相關內部控制程序，且須包括：

- 檢討及批准來自任何受制裁國家的供應商或客戶或潛在客戶（「有關對手方」）的所有相關業務交易文件；
- 審閱與合約的有關對手方有關的資料（如身份及業務性質等）連同業務交易文件草擬稿；

## Corporate Governance Report 企業管治報告

- Checking the Relevant Counterparty against the various lists of restricted parties and countries maintained by the United States of America, the European Union, the United Nations and Australia, including, without limitation, any government, individual or entity that is the subject of any United States Department of Treasury's Office of Foreign Assets Control-administered sanctions which lists are publicly available, and determining whether the Relevant Counterparty is, or is owned or controlled by, a person located in any country that is subject to sanctions or a sanctioned person;
  - Reviewing on a semi-annual basis internal control policies and procedures with respect to sanctions law matters; and
  - If any potential sanctions risk is identified, or if the Committee considers necessary, retaining external international legal counsel with necessary expertise and experience in sanctions law matters for recommendations and advice.
- 將有關對手方與由美國、歐盟、聯合國及澳洲所存置的各類受限制人士及國家名單(包括但不限於任何受美國財政部海外資產管制辦公室制裁的政府、個人或實體(名單已予公開))進行核對,並確定有關對手方是否為位於受制裁國家的人士或受制裁人士,或由此類人士所擁有或控制;
  - 每半年度檢討內部監控政策及有關制裁法事宜的程序;及
  - 倘識別任何潛在制裁風險,或委員會認為有需要時,聘請具備有關制裁法律事宜的專業知識及經驗的外部國際法律顧問,以提供建議和意見。

Meetings of the Risk Management Committee shall be held no less than once a year. One meeting of the Risk Management Committee was held during the review year.

風險管理委員會每年須舉行不少於一次會議。風險管理委員會於回顧年度舉行了一次會議。



## Corporate Governance Report 企業管治報告

### Continuous professional development

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. During the year, the Group has provided training materials for all the Directors to keep them abreast of the latest development of legal, regulatory and corporate governance. The Group, together with its compliance adviser, continuously updates the Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

### Company secretary

Mr. Tam Chun Wa, aged 53, has been appointed as the chief financial officer, the company secretary and the authorised representative of the Company, all with effect from 7 February 2017. Mr. Tam Chun Wa, holds a master degree of business administration from University of Sydney and is also a member of Hong Kong Institute of Certified Public Accountants, CPA (Australia) and Institute of Singapore Chartered Accountants. He has fulfilled the 15 hours of relevant professional training requirement under the Rule 3.29 of the Listing Rules for the year ended 31 December 2016.

### 持續專業發展

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。於年內，本集團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。本集團及其合規顧問持續更新董事有關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。

### 公司秘書

譚鎮華先生，53歲，於2017年2月7日獲委任為本公司之首席財務官、公司秘書及授權代表。譚鎮華先生持有悉尼大學工商管理碩士學位，亦為香港會計師公會、澳洲會計師公會及新加坡特許會計師公會之會員。截至2016年12月31日止年度，彼已履行上市規則第3.29條所規定有關15小時相關專業培訓的規定。



## Corporate Governance Report 企業管治報告

### Accountability and Audit

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group for the year ended 31 December 2016. The Directors aim to present a clear and understandable assessment of the Group's financial position and prospects. The Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern, the Board therefore continues to adopt the going concern approach in preparing the consolidated financial statements of the Group. The Board acknowledges its responsibility to present a balanced, clear and understandable assessment in the Company's annual and interim reports, inside information announcements and other financial disclosures required by the Listing Rules, and reports to the regulators.

The responsibilities of the external auditor with respect to the financial reporting are set out in the Independent Auditor's Report of this report.

### Disclosure of Long Term Basis for Generating or Preserving Business Value

A discussion and analysis of the Group's corporate strategy and long term business model is set out in the Chairman's Statement and the Management Discussion and Analysis of this report.

### Risk Management and Internal Controls

The Board is responsible for the maintenance of a stable and effective risk management and internal control systems for the Group and also responsible for reviewing their effectiveness. The Board, with the assistance from the Audit Committee, conducted annual review on the effectiveness of the Group's risk management and internal control systems as required by the Code Provisions, covering financial, operational and compliance controls and risk management functions, and including reviews on the adequacy of resources, staff qualifications and experience, training programs and budget of the Group's accounting, internal audit and financial report function for the Period and considered they were effective and adequate.

### 問責性及審核

董事確認，彼等有責任編製本集團截至2016年12月31日止年度的綜合財務報表。董事致力發表對本集團之財務狀況及前景的清晰及易於理解的評估。董事會並無發現任何有關重大不確定因素之事件或情況，而該等事件或情況會對本集團的持續經營能力造成重大疑慮，因此，董事會繼續採納持續經營基準編製本集團的綜合財務報表。董事會確認，其有責任在本公司年度及中期報告、內幕消息公佈及上市規則規定的其他財務披露資料，以及向監管機關提呈的報告中發表持平、清晰及易於理解的評估。

外聘核數師在財務申報方面的責任載列於本報告之「獨立核數師報告」。

### 披露創造或保留業務價值的長遠基準

本集團的企業策略及長遠業務模式的討論及分析載列於本報告之「主席報告」及「管理層討論及分析」內。

### 風險管理及內部監控

董事會負責維持本集團穩定和有效的風險管理及內部監控制度，亦負責審閱有關制度的成效。董事會在審核委員會協助下根據守則條文所規定對本集團於本期間的風險管理及內部監控制度的成效進行年度檢討，檢討涵蓋本集團財務、營運及合規監控以及風險管理職能，並包括本集團於會計、內部審計及財務匯報職能方面的資源是否充足、員工資歷、經驗、培訓課程及預算，並認為有關制度有效和足夠。

## Corporate Governance Report 企業管治報告

### Conflicts of Interest Declaration

The Group adopted conflict of interest declaration policy as one of the important internal control procedures. Employees are required to provide annual declaration of conflict of interest, and strictly comply with the policy to ensure that the Group and its customers, business partners, shareholders, employees and business community of the transactions and dealings are in line with the highest standards of business conduct and ethics.

### Whistleblowing Policy

The Group established a whistleblowing policy for employees under confidentiality to file complaint and report any suspected misconduct, fraud and irregularities, in an orderly manner. A designated director is assigned for receiving, reviewing complaint and report, to investigate, to draw conclusion and to make appropriate recommendations for improvement, and inform the relevant departments senior management to implement corrective action.

The review covers all material controls, including financial, operational and compliance controls and risk management functions. During the year ended 31 December 2016, the Board engaged GDT CPA Limited, an independent firm of certified public accountants, to conduct an independent review of the systems of internal control of the Group. Weakness and inadequacies identified during such review together with recommendations for improvement thereon, had been accepted and implemented in full by the Company and reviewed by the Audit Committee. Based on this, the Company is of the view that the internal control system in place for the year ended 31 December 2016 is sufficient to safeguard the interests of the shareholders and the Group's assets.

### 利益衝突申報

本集團設立利益衝突申報政策，為集團內部監控程序的重要部份。僱員需每年書面確認利益衝突申報書，並嚴格遵守利益衝突政策以確保本集團與顧客、業務夥伴、股東、僱員及商業社群之交易與往還均符合最高的商業行為及道德標準。

### 舉報政策

本集團設立舉報政策讓員工在保密情況下依據程序提出申訴及舉報任何懷疑不當行為、舞弊及違規情況。指定董事獲指派接收、審核申訴和舉報，調查及結案提出相應的改善建議，並通知有關部門的高級管理人員實行糾正行動。

檢討範圍涵蓋所有主要監控，包括財務、運作及合規監控，以及風險管理功能。截至2016年12月31日止年度，董事會委聘獨立執業會計師嘉信會計師事務所有限公司對本集團之內部監控系統進行獨立審閱。本公司已全面接納並實施於有關審閱過程中發現之漏洞及不足之處以及改善建議，並已由審核委員會審閱。就此而言，本公司認為，截至2016年12月31日止年度，現存內部監控系統足以妥善保障股東的利益及本集團的資產。

## Corporate Governance Report 企業管治報告

### Auditor's remuneration

During the year ended 31 December 2016, the Group had engaged external auditor, Deloitte Touche Tohmatsu, to provide the following services:

		Service Fee 服務費 HK\$'000 千港元
Audit services	核數服務	1,615,000
Tax advisory	稅務顧問	85,000
Interim review services	中期審閱服務	350,000

### 核數師酬金

於截至2016年12月31日止年度，本集團曾委任外聘核數師德勤•關黃陳方會計師行提供下列服務：

### Investor relations and communication with shareholders

The Board recognizes the importance of good communication with the shareholders. The Company believes that maintaining a high level of transparency is the key to enhance investor relations.

The Company has established several communication channels, including (a) the annual and extraordinary general meetings which provide a forum for shareholders to communicate directly with the Board; (b) printed corporate documents mailing to Shareholders; (c) announcement disseminating the latest activities of the Group on the web-sites of the Company and the Stock Exchange; (d) the Company's web-site providing an electronic means of communication.

### 投資者關係及與股東通訊

董事會深知與股東保持良好溝通的重要性。本公司相信維持高透明度乃為提升投資者關係的關鍵所在。

本公司已建立若干溝通渠道，包括(a)股東週年大會及股東特別大會，為股東提供直接與董事會交流之平台；(b)寄發予股東之公司印副本文件；(c)於本公司及聯交所網站以宣佈本集團之最新業務動向之公佈；及(d)本公司網站以提供電子溝通。



## Corporate Governance Report 企業管治報告

### Annual General Meeting

The Board and senior management are well aware of their important tasks of acting on behalf of the interests of all the Shareholders and raising the Shareholders' returns. The Board considers that AGM is an important opportunity for direct communication with the Shareholders. Code A.6.7 of the Code Provisions require that independent non-executive directors and non-executive directors should attend general meetings and develop a balanced understanding of the views of the Shareholders. The Board encourages all the Shareholders to participate in the AGM where the members of the Board and external auditors will be present and communicate with the Shareholders.

### Shareholders' Rights

#### How Shareholder Can Convene an Extraordinary General Meeting

In accordance with Article 58 of the Articles of Association, the Board may whenever it thinks fit call an extraordinary general meeting. Any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up share capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (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.

### 股東週年大會

董事會及高級管理人員深明彼等肩負代表全體股東利益及提高股東回報之重任。董事會視股東週年大會為與股東直接溝通的重要機會。守則條文第A.6.7條規定獨立非執行董事及非執行董事應出席股東大會，對公司股東的意見有公正的了解。董事會鼓勵全體股東參與股東週年大會，董事會成員及外聘核數師將會出席大會並回答股東問題。

### 股東權利

#### 股東召開股東特別大會的方法

根據組織章程細則第58條，董事會可於其認為適當時召開股東特別大會。於存放請求書當日持有附帶權利可於該公司股東大會上投票之該公司繳足股本不少於十分之一之任何一名或多名股東，有權隨時向董事會或公司秘書發出請求書，要求董事會就處理請求書中指明之任何事務召開股東特別大會；該股東特別大會須於存放請求書後兩(2)個月內舉行。倘董事會於存放請求書後二十一(21)日內未召開該大會，則請求人可自行召開大會，請求人因董事會未召開大會而產生之所有合理開支將由該公司補償予請求人。

## Corporate Governance Report 企業管治報告

### Procedures by which Enquiries may be Put to the Board

Shareholders may, at any time, direct enquiries to the Board. Such enquiries can be addressed to the Company Secretary in writing by mail to the Company's registered office in the Cayman Islands at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands or its principal place of business in Hong Kong and headquarters at 26th Floor, YHC Tower, No. 1 Sheung Yuet Road, Kowloon, Hong Kong.

### Procedures for Putting Forward Proposals at Shareholders' Meeting

There are no provisions in the Articles of Association or the Companies Law of the Cayman Islands for Shareholders to put forward new resolutions at general meetings. Shareholders who wish to put forward a new resolution may request the Company to convene a general meeting in accordance with the procedures set out in the above paragraph heading "How Shareholder Can Convene an Extraordinary General Meeting".

### Procedures for Shareholders to Propose a Person for Election as a Director

If a shareholder wishes to nominate a person to stand for election as a Director at a general meeting, the relevant documents must be validly served on the Company's registered office in the Cayman Islands or the place of business in Hong Kong and headquarters within the requisite period of time. The full details of the procedures for Shareholders to propose a person for election as a Director were posted on 31 December 2015 on the web-site of the Company at <http://www.hkperjew.com.hk>.

### Significant Changes in Constitutional Documents

As of the date of this report, there were no changes made to the constitutional documents of the Company.

### 向董事會作出提問的程序

股東可隨時向董事會直接作出書面提問，該等提問可郵寄至本公司於開曼群島的註冊辦事處，地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands，或其於香港的主要營業地點，地址為香港九龍常悅道1號恩浩國際中心26樓，註明收件人為公司秘書。

### 在股東大會提出建議的程序

組織章程細則或開曼群島公司法並無有關在股東大會上提呈新決議案之條文。擬提呈新決議案之股東可要求本公司根據上段「股東召開股東特別大會的方法」所載程序召開股東大會。

### 股東提名人選參選董事的程序

倘股東意欲於股東大會提名人士參選董事，相關文件必須於所需時間期間內有效送達本公司於開曼群島之註冊處或香港之營業地點或總部。關於股東建議人士參選董事之全部詳情已於2015年12月31日刊登於本公司之網站 <http://www.hkperjew.com.hk>。

### 組織章程文件的重大變動

於本報告日期，本公司的組織章程文件概無任何更改。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Scope of Report

This report is the first Environmental, Social and Governance (the “ESG”) Report published by Perfect Group International Holdings Limited, which is prepared in accordance with the Environmental, Social and Governance Reporting Guide in Appendix 27 of the Listing Rules on the Main Board of The Stock Exchange of Hong Kong Limited and the actual situation of the Company. This report aims to improve the stakeholders’ understanding of the Company’s environmental and social performance as well as the sustainable development strategy of the Company.

This ESG report covers the Group’s overall performance for the Group’s operation in Hong Kong and Dubai and factory operation in PRC.

### Reporting Period

The report covered from 1 January 2016 to 31 December 2016.

### The Group’s Commitment on Environmental and Social Responsibility

As an enterprise with social and public responsibilities, the Group is committed to the sustainable development of the environment and society. The Group strictly follows the laws, regulations and standards related to the safety, environment and occupational hygiene and health as imposed by the PRC and the jurisdiction where the Group’s business operations are located.

### 報告範圍

本報告為保發集團國際控股有限公司第一份環境、社會及管治（「環境、社會及管治」）報告，乃遵守香港聯合交易所有限公司主板上市規則附錄27《環境、社會及管治報告指引》及根據本公司實際情況而編製。本報告的目的是提升持份者對本公司的環境及社會表現的認識，以及對本公司可持續發展戰略的了解。

本環境、社會及管治報告涵蓋本集團於香港及迪拜的業務營運及於中國的廠房營運的整體表現。

### 報告期間

本報告涵蓋2016年1月1日至2016年12月31日。

### 本集團之環境及社會責任工作

作為一間具有社會及公共責任感的企業，本集團致力推動環境及社會可持續發展。本集團嚴格遵守中國及本集團業務經營所在司法權區推行的安全、環境及職業衛生及健康相關法律、法規及標準。

## Environmental, Social and Governance Report 環境、社會及管治報告

### COMMUNICATION WITH STAKEHOLDERS AND FEEDBACK

The Group stresses great importance on internal and external communication and keeps abreast of the internal and external information trends on a timely basis to enable the Company's policies and management models to match with its internal demand, industry and regional industry development. In respect of the Company's sustainable development governance, we communicate with stakeholders to review our own environmental and social performance and identify those topics that need to be highlighted or improved. We will continually improve and perfect the content and form of the ESG Report in the future. You are welcome to contact the Company at any time if you have any doubt or advice on this report. The contact information is as follows:

**Perfect Group International Holdings Limited**  
26/F., YHC Tower,  
1 Sheung Yuet Road,  
Kowloon Bay,  
Hong Kong

### Environmental Protection

The Group is committed to promoting an environmentally conscious work place and aims and places significant emphasis on minimizing our environmental impact and to create a more sustainable future for future generations.

### Emissions

The Company attaches great importance in controlling resources utilization, conserves resources from source as far as possible and achieves resources reuse at the same time, including energy, water and other raw materials.

Our production operations are exclusively carried out at the Perfect Factory, a processing factory in Dongguan under the Processing Agreement, is subject to certain PRC environmental laws and regulations. The primary waste generated from our production processes is waste water.

### 持份者溝通及意見回饋

本集團注重內外溝通工作，及時了解內外信息動向，使本公司政策及管理模式與企業內部需要、行業及地區產業發展相匹配。在本公司可持續發展管治方面，我們通過與持份者的溝通，審視自身的環境及社會表現，識別需企業重點留意或改善的議題。我們將在日後持續改進和完善環境、社會及管治報告的內容和形式。如對本報告有任何疑問或建議，歡迎隨時聯絡本公司。聯絡方式如下：

**保發集團國際控股有限公司**  
香港  
九龍灣  
常悅道1號  
恩浩國際中心26樓

### 環境保護

本集團致力推動工作場所的環保意識，務求並著重強調盡量減少對環境的影響，為下一代創造可持續發展的未來。

### 排放

本公司緊抓資源使用控制，盡可能從源頭節約資源，同時實現資源重用，包括能源、水及其他原材料。

我們的生產工作全部根據加工協議由位於東莞的加工廠房保發工廠進行，須遵守若干中國環境法例及規例。我們在生產過程中產生的主要廢棄物為廢水。

## Environmental, Social and Governance Report 環境、社會及管治報告

Our factory has obtained the relevant Drainage Permit issued by local government.

The Group has adopted various policies and put in place effective internal guidance and arrangements in order for compliance of the relevant PRC environmental laws, including:

- Wastewater segregation collection system is established in the production sites to adopt segregated treatment measures for various wastewaters. Waste water treatment sites are set up inside the plants to ensure the standard drainage of waste water after being treatment.
- Production plant has been equipped with proper drainage facilities and appointed environmental technology company to collect the drainage; enter into a waste water treatment agreement with a qualified water treatment company which is responsible for collecting the wastewater produced in Perfect Factory's production process.
- Inspect the drainage facilities regularly.

We incurred approximately HK\$20,000 for the year (2015: HK\$7,000) as cost of compliance with the applicable PRC environmental rules and regulations. The Perfect Factory has been compliant with all relevant PRC environmental related laws and regulations in all material respects during this period. We expect our cost of compliance with applicable environmental rules and regulations for the 2017 year to remain at a relatively comparable level as that for the past few years.

During the year 2016, there was no incidence of non-compliance with the environmental laws and regulations that have a significant impact on the Group.

我們的廠房已取得地方政府發出的相關排污許可證。

本集團已採取多項政策及有效的內部指引及安排以確保遵守相關中國環保法規，包括：

- 廠區設置污水分流收集系統，對各類污水採取分流分治的處理措施。廠區設置污水處理站對污水進行處理後達標排放。
- 生產廠房設置合適的排水設施，並委任環保科技公司收集污水；與一家合資格廢水處理公司訂立廢水處理協議，該公司負責收集保發工廠生產過程中產生的廢水。
- 定期檢查排水設施。

於本年度，我們就遵守適用中國環保規則及法規產生成本約20,000港元（2015年：7,000港元）。保發工廠於此期間在所有重大方面一直遵守所有有關中國環保相關法例及法規的規定。我們預期於2017年遵守適用環保規則及法規的成本將與過去數年的相關成本保持相若水平。

於2016年度，本集團並無違反環保法例及法規且對本集團造成重大影響的事宜。



## Environmental, Social and Governance Report 環境、社會及管治報告

### Use of Resources

The Group relies on energy for production process and business operation. Purchased electricity is a major source of energy consumption.

The Group has adopted various policies in order to reduce energy consumption:

- Our head office in Hong Kong and the production plant in PRC have installed LED lighting systems;
- Security guards are arranged to check our offices and switch off electric appliances such as lights, air-conditioners, printers and water dispensers during non-office hours;
- Meanwhile, the Group maintains monthly records of electricity consumption and also regularly reviews the relevant usage to enhance energy efficiency management.

### The Environment and Natural Resources

The Group is fully aware of the environmental impact of the product environmental performance of the Company on the entire industry. The Group strives to incorporate environmental factors in the product design and development stage for preventive purpose, conducts an environmental impact assessment on product life cycle, understand in full the nature and extent of product impact at every stage on environmental intervention, so as to identify the opportunities for preventing pollution on products, puts more efforts in reducing the negative impact of product on environment on product design.

In order to save natural resources, our head office and production plant posts the lists of environmentally friendly working guide and reminders to encourage colleagues to save resources. In additions, the Group maintains records of water and paper consumption and also reviews the relevant usage regularly to formulate resources saving policies.

### 資源使用

本集團在生產過程及業務營運中使用能源，我們的能源消耗主要來自外購電力。

本集團已採取多項政策以減少能源消耗：

- 我們位於香港的總部及中國的廠房均已安裝LED照明裝置；
- 安排保安於非辦公時間檢查辦公室和關掉電燈、空調、打印機及飲水機等電器；
- 本集團亦會記錄每月電力用量並定期進行檢討，從而優化能源管理效益。

### 環境及天然資源

本集團十分關注公司產品的環境表現對整個行業的環境影響。本集團致力將環境因素預防性地融入產品的設計及開發階段、對產品生命週期進行環境影響評估。全面了解產品在各階段對環境干預的性質和影響的程度，從而確定對產品進行污染預防的機會，致力透過產品設計將產品對環境的負面影響減至最低。

本集團為節省天然資源，總部及生產廠房張貼環保工作指引和提示標識，以鼓勵同事節省資源。此外，本集團會記錄水和紙張等資源用量，並定期作出檢討，以制訂資源節約政策。

## Environmental, Social and Governance Report 環境、社會及管治報告

### Social Responsibility

#### Employment and Labour Practices and Labour Standards

The Group regularly reviews the direction of human resources on operation to ensure that which could comply with the local regulations. The Group formulates appraisal system to assess the performance of staff on an annual interval. The Group strictly complies with the laws and regulations of employment and labour practices in local governments to provide staff with remuneration and benefits, including paid annual leave, medical insurance and retirement benefit planning, and discretionary bonus scheme is also in place to reward the employees with outstanding performance.

The Group has stringent recruitment to prevent child or forced labour.

#### People Development and Training

We believe that our employees are the most valuable resources and their loyalty is a key element to the Group's success. We aim to foster a friendly and safe environment of respect, trust and communication with emphasis placed on staff satisfaction and team work.

The Group is committed to maintaining high standards of business ethics of staff. Training programmes on anti-corruption and anti-money laundering is provided for senior management and sales department staff annually to refresh their understanding.

The Group encourages our employees in the relevant departments to participate in open competitions, including jewellery design competitions held in the industry to broaden their horizon and raise their professionalism.

### 社會責任

#### 僱傭及勞工常規以及勞工標準

本集團定期檢討業務的人力資源管理方針，確保符合本地法規。本集團制定績勤考核機制以每年為員工的表現作評估。本集團嚴格遵守本地政府的僱傭及勞工常規，為員工提供薪酬和福利，包括有薪年假、醫療保險及退休福利計劃等，以及按僱員表現發放之酌情花紅計劃。

本集團嚴禁招聘童工或強制勞工。

#### 人才發展與培訓

我們相信僱員是最珍貴的資源，僱員的忠誠是本集團取得成功的關鍵。我們旨在營造一個互相尊重、信任和溝通的友善安全環境，重視員工的滿足感及團隊合作。

本集團注重員工維持高度商業道德。本集團每年為高級管理層及銷售部員工提供有關反貪污及反洗錢培訓計劃，讓員工溫故知新。

本集團鼓勵相關部門的僱員參加公開比賽如業界舉辦的首飾設計比賽，以擴闊眼界和提升專業水平。



## Environmental, Social and Governance Report 環境、社會及管治報告

We encourage, support and fund opportunities for further job and personal development through attendance of external training courses and seminars; and further education as well as on-the-job training. In particular, certain key production processes of our products, such as stone matching, stone setting, filing and quality control are highly technical and require high precision, hence experiences and enhanced skills. Quality control and inspection on raw materials such as diamonds and stone matching, which involves selecting suitable diamonds in terms of size, colour, clarity and cut for specific design and product, can only be performed by experienced labour who has built up considerable knowledge and experience, as these processes are highly manual and skill-orientated. To maintain the quality of our production, we provide continuous hands-on training to our production staff in various areas including stone matching, stone setting, quality control and raw material inspection.

Furthermore, we believe that a sales team with more comprehensive understanding of the jewellery industry can improve sales performance. Hence, we require some of our key sales team members to receive training at the Perfect Factory to acquire knowledge on the production processes of our products.

On the reward and retention front, we strive to retain skilled labours and competent and experienced personnels, and inject new talents to our Group. To retain morale and loyalty, we have reviewed and increased the salary of our skilled labour and senior management personnel for the three consecutive years. In order to maintain our competitiveness in the fine jewellery industry, we also attract new talents and retain existing staff with proven performance by rewarding them with discretionary bonus.

During the year ended 31 December 2016, the Group did not involve any material labor disputes with employees which had a material adverse effect on the Group's operation or financial condition.

我們鼓勵、支持及資助員工透過出席外部培訓課程及研討會、進修及在職培訓以提升事業及個人發展。具體而言，我們產品的若干主要生產流程，例如配石、鑲石、執模及品質控制均涉及高技術及需要極高精確度，因此對經驗及技能的要求亦較高。由於對鑽石等原材料進行品質控制及檢查，以及選擇大小、顏色、淨度及切割方面適合特定設計及產品的鑽石進行配石工序均極度依賴人手及技術，因此只有已累積豐富知識及經驗的熟練員工方可進行該等工序。為維持生產品質，我們持續向生產員工提供多方面的實際培訓，包括配石、鑲石、品質控制及原材料檢查培訓。

此外，我們相信全面了解珠寶業的銷售團隊可提高銷售表現，因此我們要求部分主要銷售團隊成員於保發工廠接受培訓，以掌握我們產品生產流程的知識。

就招聘及花紅制度方面，我們致力挽留熟練員工及具才能且經驗豐富的人員，同時為本集團引進新人才。為提升士氣及忠誠度，我們連續3年檢討及提高熟練員工及高級管理人員的薪酬。為維持我們於優質珠寶業的競爭力，我們亦招攬新人才，並以酌情花紅方式獎勵及挽留表現良好的現有員工。

截至2016年12月31日止年度，本集團與僱員並無涉及對本集團經營或財務狀有重大不利影響的勞資糾紛。



## Environmental, Social and Governance Report 環境、社會及管治報告

### Health and Safety

The Group is committed to avoid industrial accidents for our employees and those who work in our workplace. Our factory production development staff is exposed to risks when using tools. Comprehensive safety measures are in place to improve the safety in our workplace:

- Provide working safety training material and safety production workflow rules to staff in the production plant;
- Production staff are equipped with protective equipment in workplace;
- Post work safety guideline in work place in order to enhance the staff acknowledgement and understanding of the dangerous of the workplace and safety workflow;
- Implemented internal policies and rules to maintain effective health and safety control, including safe production work requirements, safe production fire control and management rules, electricity safety management rules, dangerous chemicals management rules, work safety and health management rules, emergency management rules, and accidents reporting rules; and
- Annually inspects the electrical installations and fire protection systems.

During the year 2016, there was no significant industrial incidence causing death and injuries on the Group.

### Supply Chain Management

Purchasing Department of the Group assesses the potential clients. Only qualified suppliers which must pass the Group's assessment procedures can be transacted with us. The Group regularly reviews the status of supply and establishes the responding policies.

### 健康與安全

本集團致力防止僱員及在我們的工作場所工作的員工發生工業意外。廠房生產開發部的員工在操作工具時會面對工傷風險，有見及此，本集團已制定全面的安全措施以改善我們工作場所的安全：

- 為生產廠房的員工提供安全培訓教材及安全生產操作規程；
- 在工作場所為生產員工提供安全保護裝備；
- 在工作場所張貼工作安全指引以加強員工對工作場所危險及安全程序的認識及了解；
- 實施內部政策及規則以維持有效的健康及安全控制，包括安全生產工作規定、安全生產防火控制及管理規則、電力安全管理規則、危險化學品管理規則、工作安全及健康管理規則、應急管理規則及事故報告規則；及
- 每年檢查電力裝置及消防系統。

於2016年度，本集團並無發生任何引致傷亡的重大工業事故。

### 供應鏈管理

本集團的採購部會對新客戶進行評估。只有通過本集團審批程序的合資格供應商方可進行交易。本集團定期檢視供應狀況，並制定對應政策。



## Environmental, Social and Governance Report 環境、社會及管治報告

### Product Responsibility

The Group is committed to quality control and quality assurance.

The Group puts emphasis on quality of products. All products are inspected before sold to customers, only qualified products which pass our tests can be sold to customers. In the year 2016, we have passed third-party inspections by Hong Kong Gemstone Manufacturers' Association. During the year 2016, there was no material recall of products in relation to health and safety issues.

### Anti-corruption

The Group has a comprehensive measure with reporting mechanism to prevent corruption particularly on the procurement aspect. Also, employees shall be terminated if he/she accepted kickbacks, involved in bribery, or any malpractice that would cause the Group significant loss.

We set stringent requirements to uphold our standards on ethical and equitable business practices. All our employees are required to comply with policies and regulations related but not limited to code of conduct, business ethics, conflicts of interests, anti-corruption, anti-discrimination and privacy data handling. Our sales department applies strictly sales approval procedures and guidelines to assess the background of the new client, in order to govern the sale transactions.

### 產品責任

本集團十分注重質量控制及質量保證。

本集團重視產品質量。所有貨品於銷售予客戶前均經過檢測，檢測合格才銷售予客戶。於2016年度，我們已通過香港珠寶石廠商會的第三方抽檢。於2016年度，並無發生因健康和 safety 事宜而需大規模回收產品的情況。

### 反貪污

本集團具有全面的措施及申報機制以避免貪污行為，尤其是採購方面。此外，倘僱員收取回扣、牽涉賄賂，或作出任何可能令本集團承擔重大損失的不當行為，其將被終止僱用。

本集團訂立嚴格標準，持守道德及公平的營商原則。全體員工均須遵守有關（其中包括）操守守則、商業道德、利益衝突、反貪污、反歧視及私隱處理的政策及規例。銷售部須嚴格執行審批流程及指引以評估新客戶的背景，以監管銷售交易。



## Environmental, Social and Governance Report 環境、社會及管治報告

### Community Investment

Over the years, the Group has focused on the community activities and strongly encourage our staff to participate in various volunteer works. During the year, the Group adopted a policy to provide assistance to the staff when they were participating community services. These assistances include relocation of workload, giving priority on leave application and providing financial support upon their request from staff etc to encourage them to participate these volunteer activities.

### 社區投資

於過往年度，本集團關注社區活動，並大力鼓勵員工參與各種義工活動。於年內本集團採納政策於員工參與社區服務時提供協助，包括重新調撥工作量、優先批准休假申請及於員工要求時提供財務支援等，以鼓勵員工參與義工活動。



# Independent Auditor's Report 獨立核數師報告

# Deloitte.

# 德勤

To the Shareholders of  
**Perfect Group International Holdings Limited**  
(Incorporated in the Cayman Islands with limited liability)

致保發集團國際控股有限公司列位股東

(於開曼群島註冊成立之有限公司)

## Opinion

We have audited the consolidated financial statements of Perfect Group International Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as “the Group”) set out on pages 70 to 147, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## 意見

吾等已審核載於第70頁至147頁之保發集團國際控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此等財務報表包括於2016年12月31日之綜合財務狀況表，與截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表的附註(包括重大會計政策概要)。

吾等認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映貴集團於2016年12月31日的綜合財務狀況以及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

## 意見的基準

吾等已根據香港會計師公會頒佈的香港審核準則(「香港審核準則」)進行審核。吾等在該等準則下的責任已於本報告「核數師就審核綜合財務報表須承擔的責任」一節中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「守則」)，吾等獨立於貴集團，並已根據守則履行其他道德責任。吾等相信，吾等所獲得的審核憑證能充足及適當地為吾等的審核意見提供基礎。

## Independent Auditor's Report 獨立核數師報告

### Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
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#### Valuation of trade receivables

We identified valuation of trade receivables as a key audit matter as the recoverability of trade receivables is estimated by management with reference to the customers' credit history, settlement patterns, subsequent settlements and aging analysis of the trade receivables.

The Group's trade receivables as at 31 December 2016 amounted to HK\$72,395,000.

Please refer to note 17 to the consolidated financial statements for details.

Our procedures in relation to valuation of trade receivables included:

- Obtaining an understanding of the Group's provision policy on trade receivables and evaluating management's key controls for the preparation of aging analysis of trade receivables and determination of credit limits, credit approvals and other monitoring procedures for recovering overdue debts;
- Testing the aging analysis of trade receivables, on a sample basis, to supporting documents including sales invoices;
- Testing the subsequent settlement of trade receivables, on a sample basis, to supporting documents including bank-in slips and remittance advices; and
- Discussing with management and assessing the reasonableness and recoverability of overdue trade receivables without/with insignificant subsequent settlement during the year or subsequent to the end of the reporting period, as identified by management, with reference to customers' credit history, settlement patterns, subsequent settlements and aging analysis of trade receivables.

### 關鍵審核事項

關鍵審核事項為根據吾等的專業判斷，認為對本期綜合財務報表的審核最為重要的事項。該等事項於吾等審核整體綜合財務報表及出具意見時處理，而吾等不會對該等事項提供獨立的意見。

#### 關鍵審核事項

吾等於審核中處理關鍵審核事項的方法

#### 貿易應收款項的估值

吾等將貿易應收款項之估值確定為關鍵審核事項，原因為貿易應收款項的可收回性乃由管理層參考客戶的信貸記錄、償付方式、其後結算情況及貿易應收款項的賬齡分析作出估計。

貴集團於2016年12月31日的貿易應收款項為72,395,000港元。

詳情請參閱綜合財務報表附註17。

吾等就貿易應收款項的估值執行的程序包括：

- 了解 貴集團有關貿易應收款項的撥備政策及評估管理層於編製貿易應收款項的賬齡分析及釐定信貸限額、信貸審批及就收回逾期債項的其他監控程序作出的主要控制；
- 就支持文件(包括銷售發票)按抽樣基準測試貿易應收款項的賬齡分析；
- 就支持文件(包括銀行單據及匯款通知書)按抽樣基準測試貿易應收款項的其後結算；及
- 參考客戶的信貸記錄、償付方式、其後結算情況及貿易應收款項的賬齡分析，與管理層討論及評估管理層所識別於年內或報告期末後並無/極微其後結算的逾期貿易應收款項的合理性及可收回性。

## Independent Auditor's Report 獨立核數師報告

### Key Audit Matters – continued

Key audit matter	How our audit addressed the key audit matter
<p><i>Valuation of inventories</i></p> <p>We identified valuation of inventories as a key audit matter as the Group had significant amount of finished goods which are fine jewellery products as at the end of the reporting period. These finished goods may be subject to impairment due to fluctuation in selling prices. In determining the allowance to be made to finished goods, management considers the current market conditions, estimated selling prices, movements and subsequent transaction prices of the finished goods.</p> <p>The Group's inventories as at 31 December 2016 amounted to HK\$169,221,000.</p> <p>Please refer to note 16 to the consolidated financial statements for details.</p>	<p>Our procedures in relation to management's valuation of inventories included:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the Group's provision policy on inventory and evaluating management's process for determining the impairment of finished goods;</li> <li>• Testing the subsequent sales of finished goods, on a sample basis, to supporting documents including invoices and payments slips;</li> <li>• Obtaining independent valuation of individual fine jewellery products in significant amounts; evaluating the independent external valuer's competence, capabilities and objectivity; and the reasonableness of key assumptions adopted in the valuation model;</li> <li>• Discussing with management and evaluating the impairment assessment by management on finished goods without/with insignificant subsequent sales after the reporting period; and</li> <li>• Assessing the reasonableness of the estimation of the net realisable value of finished goods with reference to the current market conditions, estimated selling prices, movements and subsequent transaction prices of finished goods.</li> </ul>

### 關鍵審核事項 – 續

關鍵審核事項	吾等於審核中處理關鍵審核事項的方法
<p><i>存貨估值</i></p> <p>吾等將存貨估值確定為關鍵審核事項，原因為 貴集團於報告期末有大量製成品（為優質珠寶產品）。該等製成品可能因售價波動而減值。於釐定就製成品作出撥備時，管理層會考慮現行市況、估計售價、變動及其後交易價。</p> <p>貴集團於2016年12月31日的存貨為169,221,000港元。</p> <p>詳情請參閱綜合財務報表附註16。</p>	<p>吾等就存貨估值執行的程序包括：</p> <ul style="list-style-type: none"> <li>• 了解 貴集團有關存貨的撥備政策及評估管理層於釐定製成品減值的程序；</li> <li>• 就支持文件（包括發票及付款單）按抽樣基準測試製成品的其後銷售情況；</li> <li>• 取得個別大量優質珠寶產品的獨立估值；評估獨立外部估值師的資格、能力及客觀性；及於估值模型中所採用主要假設的合理性；</li> <li>• 與管理層討論及評估管理層就於報告期後並無/極微其後銷售的製成品的減值評估；及</li> <li>• 參考現行市況、製成品的估計售價、變動及其後交易價評估製成品可變現淨值估計的合理性。</li> </ul>

## Independent Auditor's Report 獨立核數師報告

### Other Information

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

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

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

### Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

### 其他資料

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

吾等對綜合財務報表的意見並不涵蓋其他資料，吾等亦不對該等其他資料發表任何形式的保證結論。

就吾等對綜合財務報表的審核，吾等的責任乃細閱其他資料，在此過程中考慮其他資料與綜合財務報表或吾等在審核過程中所知悉的情況是否存在重大抵觸或看似存在重大錯誤陳述。基於吾等已執行的工作，倘吾等認為其他資料存在重大錯誤陳述，吾等需要報告該事實。吾等就此並無任何事項須報告。

### 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編製真實而公平的綜合財務報表，並對董事認為為使綜合財務報表的編製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。

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

治理層須負責監督貴集團的財務報告過程。

## Independent Auditor's Report 獨立核數師報告

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

### 核數師就審核綜合財務報表須承擔的責任

吾等的目標乃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，並出具包括吾等意見的核數師報告，並按照協定的委聘條款僅向閣下（作為整體）報告，除此之外本報告別無其他目的。吾等概不就本報告的內容對任何其他人士負責或承擔責任。合理保證為高水平的保證，但不能保證按照香港審核準則進行的審核總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期其單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

作為根據香港審核準則進行審核其中一環，吾等運用專業判斷，保持專業懷疑態度。吾等亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及獲取充足及適當的審核憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕於內部控制之上，因此未能發現因欺詐而導致出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。
- 了解與審核相關的內部控制，以設計於有關情況下屬適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。



## Independent Auditor's Report 獨立核數師報告

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements – continued

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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.

### 核數師就審核綜合財務報表須承擔的責任－續

- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。
- 對董事採用持續經營會計基礎的適當性作出結論，並根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。倘吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則修訂吾等的意見。吾等的結論乃基於直至核數師報告日止所取得的審核憑證。然而，未來事項或情況可能導致 貴集團不能持續經營業務。
- 評估綜合財務報表的整體列報方式、結構及內容(包括披露事項)以及綜合財務報表是否公平反映相關交易及事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足適當的審核憑證，以便對綜合財務報表發表意見。吾等負責 貴集團審核的方向、監督及執行。吾等為審核意見承擔全部責任。

吾等與治理層溝通審核的計劃範圍及時間以及重大審核發現等，其中包括吾等在審核中識別出內部控制的任何重大不足之處。

## Independent Auditor's Report 獨立核數師報告

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements – continued

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

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

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

### 核數師就審核綜合財務報表須承擔的責任－續

吾等亦向治理層提交聲明，表明吾等已符合有關獨立性的相關專業道德要求，並與彼等溝通可能合理被認為會影響吾等獨立性的所有關係及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，吾等確定該等對本期間綜合財務報表的審核最為重要的事項，因而構成關鍵審核事項。吾等在核數師報告中闡釋該等事項，除非法律或規例不允許公開披露該等事項，或在極端罕見的情況下，合理預期倘於吾等之報告中註明某事項造成的負面後果超過產生的公眾利益，則吾等決定不應在報告中註明該事項。

出具獨立核數師報告的審核項目合夥人為曾志偉。

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
20 March 2017

**德勤•關黃陳方會計師行**  
執業會計師  
香港  
2017年3月20日

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

### 綜合損益及其他全面收益表

For the Year ended 31 December 2016

截至2016年12月31日止年度

		NOTES	2016	2015
		附註	2016年	2015年
			HK\$'000	HK\$'000
			千港元	千港元
Revenue	收益	6	322,423	458,306
Cost of goods sold	已售貨品成本		(233,479)	(326,229)
Gross profit	毛利		88,944	132,077
Other income	其他收入	7	1,438	577
Other gains and losses	其他收益及虧損	8	(2,051)	(2)
Selling and distribution costs	銷售及分銷成本		(13,631)	(14,184)
General and administrative and other expenses	一般及行政及其他開支		(34,791)	(51,014)
Finance costs	財務費用	9	(440)	(1,458)
Profit before taxation	除稅前溢利	10	39,469	65,996
Taxation	稅項	12	(4,770)	(9,536)
Profit for the year	年內溢利		34,699	56,460
Other comprehensive income (expense) for the year	年內其他全面收益 (開支)			
Item that will not be reclassified subsequently to profit or loss:	其後將不會重新分類至損益的項目：			
Surplus on revaluation of land and buildings	土地及樓宇重估盈餘		-	8,347
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益的項目：			
Exchange differences arising on translation of foreign operations	換算海外業務時產生的匯兌差額		-	25
Exchange differences released upon disposal of foreign operations	出售海外業務時解除匯兌差額		-	(61)
Other comprehensive income for the year	年內其他全面收益		-	8,311
Total comprehensive income for the year	年內全面收益總額		34,699	64,771
Earnings per share – Basic	每股盈利 – 基本	14	7.7 HK cents港仙	16.7 HK cents港仙

# Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 December 2016  
於2016年12月31日

		NOTES 附註	2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	6,076	5,801
Rental deposits	租金按金		752	752
Deferred tax assets	遞延稅項資產	25	688	977
			7,516	7,530
Current assets	流動資產			
Inventories	存貨	16	169,221	179,129
Trade and other receivables	貿易及其他應收款項	17	75,731	126,720
Deposits	按金	18	31,619	–
Bank balances and cash	銀行結餘及現金	19	202,567	41,209
			479,138	347,058
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	20	31,069	49,878
Taxation payable	應繳稅項		11,031	6,996
Bank loans	銀行貸款	21	2,365	–
Other borrowing	其他借貸	22	28,250	–
Amount due to a related company	應付關連公司款項	23	–	282,103
			72,715	338,977
Net current assets	流動資產淨值		406,423	8,081
Total assets less current liabilities	資產總值減流動負債		413,939	15,611
Non-current liability	非流動負債			
Provision for long service payments	長期服務金撥備	24	999	936
Net assets	資產淨值		412,940	14,675

## Consolidated Statement of Financial Position 綜合財務狀況表

At 31 December 2016

於2016年12月31日

		NOTE	2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
		附註		
Share capital and reserves	股本及儲備			
Share capital	股本	26	4,500	–
Reserves	儲備		408,440	14,675
Total equity	權益總額		412,940	14,675

The consolidated financial statements on pages 70 to 147 were approved and authorised for issue by the Board of Directors on 20 March 2017 and are signed on its behalf by:

第70頁至第147頁之綜合財務報表經由董事會於2017年3月20日批准及授權刊發，並由下列董事代表簽署：

**Kan Kin Kwong**  
簡健光  
DIRECTOR  
董事

**Chung Chi Keung**  
鍾志強  
DIRECTOR  
董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the Year ended 31 December 2016  
截至2016年12月31日止年度

		Share	Share	Special	Property	Exchange	Retained	Total
		capital	premium	reserve	revaluation	reserve	profits	
		股本	股份溢價	特別儲備	物業重估儲備	匯兌儲備	保留溢利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(Note)				
				(附註)				
At 1 January 2015	於2015年1月1日	-	-	34,126	32,021	36	295,104	361,287
Profit for the year	年內溢利	-	-	-	-	-	56,460	56,460
Surplus on revaluation of land and buildings	重估土地及樓宇的盈餘	-	-	-	8,347	-	-	8,347
Exchange difference arising on translation of foreign operations	兌換海外業務產生的匯兌差額	-	-	-	-	25	-	25
Release upon disposal of foreign operations	出售海外業務時解除	-	-	-	-	(61)	-	(61)
Total comprehensive income (expense) for the year	年內全面收入(開支)總額	-	-	-	8,347	(36)	56,460	64,771
Movement of the business other than the fine jewellery business ("Non-Jewellery Business")	優質珠寶業務以外業務(「非珠寶業務」)的變動	-	-	31,115	-	-	-	31,115
Release upon disposal of land and buildings	出售土地及樓宇時解除	-	-	-	(24,735)	-	24,735	-
Arising from the Business Transfer (note 2)	業務轉讓所產生(附註2)	-	-	(348,405)	(15,633)	-	18,538	(345,500)
Issue of shares	發行股份	1	1	-	-	-	-	2
Repurchase of shares	購回股份	(1)	1	-	-	-	-	-
Dividends (note 13)	股息(附註13)	-	-	-	-	-	(97,000)	(97,000)
At 31 December 2015	於2015年12月31日	-	2	(283,164)	-	-	297,837	14,675
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	-	-	-	34,699	34,699
Issue of shares	發行股份	1,125	103,500	-	-	-	-	104,625
Loan capitalisation (note 23)	貸款資本化(附註23)	-	-	282,103	-	-	-	282,103
Capitalisation issue of shares	資本化發行股份	3,375	-	(3,375)	-	-	-	-
Share issue expenses	股份發行開支	-	(9,662)	-	-	-	-	(9,662)
Dividends (note 13)	股息(附註13)	-	-	-	-	-	(13,500)	(13,500)
At 31 December 2016	於2016年12月31日	4,500	93,840	(4,436)	-	-	319,036	412,940

## Consolidated Statement of Changes in Equity 綜合權益變動表

For the Year ended 31 December 2016

截至2016年12月31日止年度

Note:

Hong Kong Perfect Jewellery Company Limited (“HK Perfect”) and its subsidiaries, the Company’s fellow subsidiaries, carried out the fine jewellery business (the “Jewellery Business”) prior to the Business Transfer (defined in note 2). Prior to the Group Reorganisation (defined in note 2), HK Perfect also had some Non-Jewellery Business which did not form part of the Group, and hence the financial position and operating results of the Group does not include those directly attributable to the Non-Jewellery Business. However, since historically and throughout the period prior to the Business Transfer (defined in note 2), several bank accounts were maintained by HK Perfect and certain of its subsidiaries for both the Jewellery Business and Non-Jewellery Business, which are inseparable, the Group’s movements of cash flows as well as changes in equity have inevitably included those related to the Non-Jewellery Business regardless the date of the Business Transfer, when the Jewellery Business was formally transferred to the Group and it became a group of distinct and separate legal entities apart from HK Perfect. Therefore,

- i. in the consolidated statement of cash flows of the Group for the year ended 31 December 2015, any fund flows resulted in the increase and decrease of the bank accounts as a result of transactions relating to the Non-Jewellery Business, even though not related to the Group’s Jewellery Business, were reflected as deemed financing cash flows of the Group with the controlling shareholder, Mr. Kan Kin Kwong (the “Controlling Shareholder”), and included in the Group’s consolidated statement of cash flows for the period up to the date of Business Transfer.

附註：

本公司之同系附屬公司保發珠寶有限公司（「保發珠寶」）及其附屬公司於業務轉讓（定義見附註2）前經營優質珠寶業務（「珠寶業務」）。於集團重組（定義見附註2）前，保發珠寶亦經營並非本集團一部分的若干非珠寶業務，因此本集團的財務狀況及經營業績並無包括非珠寶業務直接應佔者。然而，由於保發珠寶及若干附屬公司以往及於業務轉讓（定義見附註2）前期間就珠寶業務及非珠寶業務開設多個不可分開處理的銀行賬戶，因此直至珠寶業務於業務轉讓日期正式轉讓予本集團並成為保發珠寶以外一組獨立分開法律實體前，本集團的現金流量變動及權益變動難免包括屬非珠寶業務者，故此，

- i. 就本集團截至2015年12月31日止年度的綜合現金流量表而言，因非珠寶業務相關交易產生的任何資金流，導致銀行賬戶結餘增加及減少，即使與本集團的珠寶業務無關，仍會反映為視作本集團與控股股東簡健光先生（「控股股東」）的融資現金流量，並計入本集團於業務轉讓前期間的綜合現金流量表。



## Consolidated Statement of Changes in Equity 綜合權益變動表

For the Year ended 31 December 2016  
截至2016年12月31日止年度

- |   |   |
|---|---|
| <p>ii. in the consolidated statement of changes in equity of the Group for the year ended 31 December 2015, due to the fact that both the Jewellery Business and Non-Jewellery Business were under the common control of the Controlling Shareholder,</p> <p>(a) any corresponding increase in resources of the Group as a result of transactions mentioned in (i) above was credited to special reserve and recognised as deemed contributions from the Controlling Shareholder; and</p> <p>(b) any corresponding decrease in resources as a result of transactions mentioned in (i) above was debited to special reserve and recognised as deemed distributions to the Controlling Shareholder.</p> | <p>ii. 就本集團截至2015年12月31日止年度的綜合權益變動表而言，由於珠寶業務及非珠寶業務均由控股股東共同控制：</p> <p>(a) 因上述(i)交易導致本集團資源任何相應的增幅計入特別儲備，並確認為控股股東視作注資；及</p> <p>(b) 因上述(i)交易導致本集團資源任何相應的跌幅自特別儲備扣除，並確認為控股股東視作分派。</p> |
|---|---|

On 5 August 2015, all the rights and obligations, assets and liabilities related specifically to the Jewellery Business carried out by HK Perfect and its subsidiaries as at the date of the Business Transfer were formally transferred by HK Perfect to a subsidiary of the Company, Perfect Group International Holdings (HK) Limited, for a cash consideration of approximately HK\$282,103,000, which was capitalised upon completion of the Group Reorganisation on 4 January 2016. Those assets not related to the Jewellery Business, including land and buildings and motor vehicles amounting to HK\$150,510,000 and bank loans amounting to HK\$84,208,000, were retained by HK Perfect and included in the movement of the special reserve during the year ended 31 December 2015 as deemed distribution.

於2015年8月5日，保發珠寶向本公司附屬公司保發集團國際控股(香港)有限公司正式轉讓所有只與保發珠寶及其附屬公司於業務轉讓日期進行的珠寶業務有關的權利及責任、資產及負債，現金代價約為282,103,000港元，有關款項已於2016年1月4日完成集團重組後撥作資本。該等資產與珠寶業務並不相關，包括土地及樓宇及汽車150,510,000港元以及銀行貸款84,208,000港元，並由保發珠寶保留及計入截至2015年12月31日止年度期間之特別儲備變動列為視作分派。





## Consolidated Statement of Cash Flows

### 綜合現金流量表

For the Year ended 31 December 2016

截至2016年12月31日止年度

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Operating activities	經營活動		
Profit before taxation	除稅前溢利	39,469	65,996
Adjustments for:	就以下項目作出調整：		
Depreciation on property, plant and equipment	物業、廠房及設備折舊	2,378	4,429
Allowance for doubtful debts	呆賬撥備	1,980	-
Interest income	利息收入	(367)	(2)
Interest expenses	利息開支	440	1,458
(Gain) loss on disposal of property, plant and equipment	出售物業、廠房及設備的(收益)虧損	(41)	2
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	43,859	71,883
Decrease in inventories	存貨減少	9,908	24,638
Decrease (increase) in trade and other receivables	貿易及其他應收款項減少(增加)	49,009	(18,697)
(Decrease) increase in trade and other payables and provision	貿易及其他應付款項以及撥備(減少)增加	(18,746)	10,260
Cash generated from operations	經營所得現金	84,030	88,084
Tax paid	已付稅項	(446)	(6,388)
Net cash generated from operating activities	經營活動所得現金淨額	83,584	81,696
Investing activities	投資活動		
Deposit paid for acquisition of an equity investment	購買股本投資的已付按金	(3,369)	-
Purchase of property, plant and equipment	購置物業、廠房及設備	(2,661)	(1,039)
Interest received	已收利息	367	2
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的所得款項	49	74
Proceeds from disposal of assets classified as held for sale	出售分類為持作銷售的資產的所得款項	-	25,510
Net cash (used in) from investing activities	投資活動(所用)所得現金淨額	(5,614)	24,547

## Consolidated Statement of Cash Flows

### 綜合現金流量表

For the Year ended 31 December 2016  
截至2016年12月31日止年度

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Financing activities	融資活動		
Proceeds from issue of shares	股份發行所得款項	104,625	2
New bank loans raised	新增銀行貸款	2,365	-
Dividends paid	已付股息	(13,500)	(97,000)
Share issue expenses paid	已付股份發行開支	(9,662)	-
Interest paid	已付利息	(440)	(1,458)
Repayment of bank loans	償還銀行貸款	-	(25,061)
Cash outflows to the Non-Jewellery Business	非珠寶業務的現金流出	-	(10,000)
Cash inflows from the Non-Jewellery Business	非珠寶業務的現金流入	-	41,115
Net cash from (used in) financing activities	融資活動所得(所用) 現金淨額	83,388	(92,402)
Net increase in cash and cash equivalents	現金及現金等值物增加淨額	161,358	13,841
Cash and cash equivalents at beginning of the year	年初的現金及現金等值物	41,209	27,343
Effect of foreign exchange rate changes	外匯匯率變動影響	-	25
Cash and cash equivalents at the end of the year	年末的現金及現金等值物	202,567	41,209

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the Year ended 31 December 2016

截至2016年12月31日止年度

### 1. GENERAL

Perfect Group International Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 16 June 2015 and its shares were listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 4 January 2016. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business of the Company is at 26/F, YHC Tower, 1 Sheung Yuet Road, Kowloon Bay, Hong Kong. The Company’s immediate and ultimate holding company is Immaculate Diamonds Limited, a company incorporated in the British Virgin Islands (“BVI”) which is controlled by the Controlling Shareholder.

The Company is an investment holding company. The principal activities of the subsidiaries of the Company are designing, manufacturing and exporting of fine jewellery. Particulars of the subsidiaries of the Company are set out in note 33.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is different from the functional currency of the Company, United States dollars (“US\$”). The reason for selecting HK\$ as its presentation currency is because the shareholders of the Company are located in Hong Kong.

### 1. 一般資料

保發集團國際控股有限公司（「本公司」）於2015年6月16日在開曼群島註冊成立，其股份於2016年1月4日在香港聯合交易所有限公司（「聯交所」）上市。本公司的註冊辦事處為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。本公司的主要營業地點是香港九龍灣常悅道1號恩浩國際中心26樓。本公司的直接最終控股公司為一間在英屬處女群島（「英屬處女群島」）註冊成立的公司 Immaculate Diamonds Limited，該公司由控股股東控制。

本公司為一間投資控股公司。本公司附屬公司的主要業務為設計、製造及出口優質珠寶。有關本公司附屬公司的詳情載於附註33。

綜合財務報表以港元（「港元」）呈列，與本公司的功能貨幣美元（「美元」）不同。選擇港元作為其呈列貨幣的原因為本公司股東位於香港。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016  
截至2016年12月31日止年度

### 2. GROUP REORGANISATION AND BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

In preparation for the listing of the Company's shares on the Stock Exchange (the "Listing"), the Company and its subsidiaries (the "Group") and HK Perfect underwent a group reorganisation (the "Group Reorganisation") which mainly involved interspersing shell entities and transferring the Jewellery Business from HK Perfect, which was also under the common control of the Controlling Shareholder. On 26 June 2015, Perfect Group International Holdings (HK) Limited ("Perfect Group HK") entered into a business transfer agreement with HK Perfect, pursuant to which HK Perfect ceased the Jewellery Business and transferred formally to the Group all the operation, assets and liabilities related specifically to the Jewellery Business (the "Business Transfer"). However, certain assets and liabilities of HK Perfect that were not related specifically to the Jewellery Business were not be transferred to the Group and were retained by HK Perfect after the Group Reorganisation. Major steps of the Group Reorganisation included the following:

- Step 1: On 9 June 2015, Perfect Group International Holdings Limited ("Perfect (BVI)") was incorporated with an issued and fully paid share capital of US\$10,000 and controlled by the Controlling Shareholder.
- Step 2: On 16 June 2015, the Company was incorporated with an issued and fully paid share capital of US\$100 and controlled by the Controlling Shareholder.
- Step 3: On 23 June 2015, Perfect (BVI) incorporated Perfect Group HK in Hong Kong for the purpose of carrying on the Jewellery Business and holding the subsidiaries of the Group. Perfect Group HK allotted and issued 10,000,000 shares at HK\$10,000,000, credited as fully paid, to Perfect (BVI) as the initial subscriber.

### 2. 集團重組及綜合財務報表的呈列基準

為籌備本公司股份在聯交所上市(「上市」)，本公司及其附屬公司(「本集團」)及保發珠寶進行集團重組(「集團重組」)，主要涉及散置空殼實體及自保發珠寶(亦是受到控股股東共同控制)轉讓珠寶業務。於2015年6月26日，保發集團國際控股(香港)有限公司(「保發集團香港」)與保發珠寶訂立業務轉讓協議，據此，保發珠寶不再進行珠寶業務，並向本集團正式轉讓所有與珠寶業務特別有關的業務經營、資產及負債(「業務轉讓」)。然而，保發珠寶若干與珠寶業務無特別關聯的資產及負債不會轉讓至本集團，並於集團重組後由保發珠寶保留。集團重組的主要步驟包括以下各項：

- 第一步：2015年6月9日，保發集團國際控股有限公司(「保發(英屬處女群島)」)以10,000美元已發行繳足股本註冊成立，並由控股股東控制。
- 第二步：2015年6月16日，本公司以100美元已發行繳足股本註冊成立，並由控股股東控制。
- 第三步：2015年6月23日，保發(英屬處女群島)在香港註冊成立保發集團香港，以進行珠寶業務及持有本集團的附屬公司。保發集團香港向保發(英屬處女群島)配發及發行10,000,000港元的10,000,000股列作繳足股份，作為初步認購人。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016

截至2016年12月31日止年度

### 2. GROUP REORGANISATION AND BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS – continued

Step 4: On 5 August 2015, all the rights and obligations, assets and liabilities related specifically to the Jewellery Business carried out by HK Perfect as at the date of the Business Transfer were formally transferred by HK Perfect to Perfect Group HK for a cash consideration of approximately HK\$282,103,000, which was capitalised upon completion of the Group Reorganisation on 4 January 2016. Those assets not related to the Jewellery Business, including land and buildings and motor vehicles amounted to HK\$150,510,000 and bank loans amounting to HK\$84,208,000, were retained by HK Perfect.

Step 5: Hong Kong Perfect Jewellery Corp. (“HK Perfect (US)”), Kension Jewelry Co., Ltd. (“Kension”) and HKP Jewellery Trading LLC (“HKP (Dubai)”) were deregistered/dissolved on 25 August 2015, 4 September 2015 and 6 September 2015 respectively.

Step 6: On 14 December 2015, the shareholders, including the Controlling Shareholder, of Perfect (BVI) have transferred the entire issued share capital of Perfect (BVI) to the Company, satisfied by the Company by way of allotment and issue of 100 shares to the shareholders.

Step 7: On 4 January 2016, global offering of the Company’s shares was completed and the Company’s shares were listed on the Stock Exchange.

### 2. 集團重組及綜合財務報表的呈列基準－續

第四步：2015年8月5日，保發珠寶向保發集團香港正式轉讓所有只與保發珠寶於業務轉讓日期進行的珠寶業務有關的權利及責任、資產及負債，現金代價約282,103,000港元，並已於2016年1月4日完成集團重組後資本化。該等資產與珠寶業務並不相關，包括土地及樓宇及汽車150,510,000港元以及銀行貸款84,208,000港元，並由保發珠寶保留。

第五步：Hong Kong Perfect Jewellery Corp. (「保發珠寶(美國)」)及Kension Jewelry Co., Ltd. (「Kension」)及HKP Jewellery Trading LLC (「HKP(迪拜)」)分別於2015年8月25日、2015年9月4日及2015年9月6日撤銷註冊／解散。

第六步：於2015年12月14日，保發(英屬處女群島)的股東(包括控股股東)已向本公司轉讓保發(英屬處女群島)的全部已發行股本，將由本公司以配發及發行100股股份予股東的方式償付。

第七步：於2016年1月4日，已完成本公司股份全球發售及本公司股份於聯交所上市。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016  
截至2016年12月31日止年度

### 2. GROUP REORGANISATION AND BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS – continued

Pursuant to the Group Reorganisation described above, the Company became the holding company of the companies now comprising the Group on 14 December 2015. The Jewellery Business has been under the common control of the Controlling Shareholder throughout the years and before and after the Group Reorganisation. As a result, the Group resulting from the Group Reorganisation is regarded as a continuing entity. Accordingly, the consolidated financial statements have been prepared on the basis as if the Company had always been the holding company of the Group and the Group had always been operating the Jewellery Business, using the principles of merger accounting under Accounting Guideline 5 Merger Accounting for Common Control Combinations.

The consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years include the results, changes in equity and cash flows of the Jewellery Business as if the Company had always been the holding company of the Group, and the Jewellery Business had always been operated by the Group and the current group structure had been in existence throughout the years, or since the respective date of incorporation, where this is a shorter period.

### 2. 集團重組及綜合財務報表的呈列基準 – 續

根據上述的集團重組，本公司於2015年12月14日成為現組成本集團的公司的控股公司。珠寶業務於該等年度及本集團重組前後由控股股東共同控制。因此，經過集團重組組成的本集團被視為持續經營實體。故此，綜合財務報表已採用合併會計原則根據會計指引第5號共同控制下合併的合併會計法編製，猶如本公司一直為本集團的控股公司及本集團一直經營珠寶業務。

該等年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表包括珠寶業務的業績、權益變動及現金流量，猶如於該等年度期間或自彼等各自成立日期起（以較短期間為準），本公司一直為本集團控股公司，珠寶業務一直由本集團經營及現時集團架構一直存在。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016

截至2016年12月31日止年度

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

#### Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

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

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

### 3. 採用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則的修訂

#### 本年度強制生效的香港財務報告準則的修訂

本集團已於本年度應用下列由香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則的修訂：

香港財務報告準則第11號的修訂	收購聯營業務權益的會計處理
香港會計準則第1號的修訂	披露計劃
香港會計準則第16號及香港會計準則第38號的修訂	釐清折舊及攤銷的可接受方法
香港會計準則第16號及香港會計準則第41號的修訂	農業：生產性植物
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號的修訂	投資實體：應用綜合入賬例外情況
香港財務報告準則的修訂	對香港財務報告準則2012年至2014年週期的年度改進

於本年度應用香港財務報告準則的修訂並無對本年度及過往年度的本集團財務表現及狀況及／或該等綜合財務報表所載的披露造成重大影響。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016  
截至2016年12月31日止年度

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

#### New and amendments to HKFRSs issued but not yet effective

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

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

### 3. 採用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則的修訂－續

#### 已頒佈但尚未生效的新訂香港財務報告準則及香港財務報告準則的修訂

本集團並無提早採用下列已頒佈但尚未生效的新訂香港財務報告準則及香港財務報告準則的修訂：

香港財務報告準則第9號	財務工具 <sup>1</sup>
香港財務報告準則第15號	與客戶合約的收益及相關修訂 <sup>1</sup>
香港財務報告準則第16號	租賃 <sup>2</sup>
香港財務報告準則第2號的修訂	以股份支付交易的分類及計量 <sup>1</sup>
香港財務報告準則第4號的修訂	與香港財務報告準則第4號保險合約一併應用香港財務報告準則第9號財務工具 <sup>1</sup>
香港財務報告準則第10號及香港會計準則第28號的修訂	投資者與其聯營公司或合營企業之間的資產銷售或注資 <sup>3</sup>
香港會計準則第7號的修訂	披露計劃 <sup>4</sup>
香港會計準則第12號的修訂	就未變現虧損確認遞延稅項資產 <sup>4</sup>
香港財務報告準則的修訂	對香港財務報告準則2014年至2016年週期的年度改進 <sup>5</sup>



## Notes to the Consolidated Financial Statements 綜合財務報表附註

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

#### New and amendments to HKFRSs issued but not yet effective – continued

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

#### HKFRS 9 “Financial instruments”

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

### 3. 採用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則的修訂－續

#### 已頒佈但尚未生效的新訂香港財務報告準則及香港財務報告準則的修訂－續

- <sup>1</sup> 於2018年1月1日或之後開始的年度期間生效。
- <sup>2</sup> 於2019年1月1日或之後開始的年度期間生效。
- <sup>3</sup> 於將予釐定的日期或之後開始的年度期間生效。
- <sup>4</sup> 於2017年1月1日或之後開始的年度期間生效。
- <sup>4</sup> 於2017年1月1日或2018年1月1日（如適用）或之後開始的年度期間生效。

#### 香港財務報告準則第9號「財務工具」

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



## Notes to the Consolidated Financial Statements 綜合財務報表附註

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

#### HKFRS 9 “Financial instruments” – continued

Key requirements of HKFRS 9 relevant to the Group are described as follows:

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group’s financial instruments and risk management policies as at 31 December 2016, application of HKFRS 9 in the future may have an impact on the measurement of the Group’s financial assets. The expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised cost.

### 3. 採用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則的修訂－續

#### 香港財務報告準則第9號「財務工具」－續

香港財務報告準則第9號與本集團相關的主要規定載述如下：

- 就財務資產的減值而言，香港財務報告準則第9號要求按預期信貸虧損模式計算，有別於香港會計準則第39號按已產生信貸虧損模式計算。預期信貸虧損模式要求實體於各報告日將預期信貸虧損及該等預期信貸虧損變動入賬，以反映信貸風險自初始確認以來的變動。換言之，毋須再待發生信貸事件即可確認信貸虧損。

根據本集團於2016年12月31日的財務工具及風險管理政策，日後應用香港財務報告準則第9號可能會對本集團財務資產的計量造成影響。預期信貸虧損模式可能導致本集團按攤銷成本計量的財務資產尚未產生的信貸虧損提前撥備。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

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

#### HKFRS 15 “Revenue from contracts with customers”

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

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

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price

### 3. 採用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則的修訂－續

#### 香港財務報告準則第15號「與客戶合約的收益」

香港財務報告準則第15號已獲頒佈，其制定單一全面模式供實體用於客戶合約所產生的收益入賬。香港財務報告準則第15號生效後將會取代現行的收益確認指引，包括香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋。

香港財務報告準則第15號的核心原則為實體所確認描述向客戶轉讓承諾貨品或服務的收益金額，應為能反映該實體預期就交換該等貨品或服務有權獲得的代價。具體而言，該準則引入確認收益的五個步驟：

- 第一步：識別與客戶訂立的合約
- 第二步：識別合約的履約責任
- 第三步：釐定交易價格

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

#### HKFRS 15 “Revenue from contracts with customers” – continued

- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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

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

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

### 3. 採用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則的修訂－續

#### 香港財務報告準則第15號「與客戶合約的收益」－續

- 第四步：按合約內的履約責任分配交易價格
- 第五步：當實體完成履約責任時（或按此）確認收益

根據香港財務報告準則第15號，實體於完成履約責任時（或按此）確認收益，即該特定履約責任的相關商品或服務的「控制權」已轉移予客戶。香港財務報告準則第15號已就特別情況的處理方法加入更明確的指引。此外，香港財務報告準則第15號規定更詳盡的披露。

於2016年，香港會計師公會頒佈有關香港財務報告準則第15號識別履約責任、委托人與代理的考量及許可證申請指引之澄清。

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

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

#### HKFRS 16 “Leases”

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

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

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

### 3. 採用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則的修訂－續

#### 香港財務報告準則第16號「租賃」

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

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

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

## Notes to the Consolidated Financial Statements 綜合財務報表附註

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

#### HKFRS 16 “Leases” – continued

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

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

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2016, the Group has non-cancellable operating lease commitments of HK\$10,886,000 as disclosed in note 32. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of financial effect until the directors of the Company complete a detailed review.

The directors of the Company anticipate that the application of other new and amendments to HKFRSs will have no material impact on the results and the consolidated financial position of the Group.

### 3. 採用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則的修訂－續

#### 香港財務報告準則第16號「租賃」－續

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

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

此外，香港財務報告準則第16號亦要求較廣泛的披露。

於2016年12月31日，本集團有不可撤銷的經營租賃承擔10,886,000港元，如附註32所披露。初步評估表明，該等安排符合香港財務報告準則第16號下的租賃定義，因此，本集團將就所有該等租賃確認為使用權資產及相應負債，除非在應用香港財務報告準則第16號後其符合低價值或短期租賃。此外，如上述所示，應用新的規定或會導致計量、呈列及披露變化。然而，在本公司董事完成詳細審閱之前，未能對財務影響作出合理估計。

本公司董事預期應用其他新訂香港財務報告準則及香港財務報告準則的修訂將不會對本集團的業績及綜合財務狀況造成重大影響。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

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### 4. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

### 4. 重要會計政策

綜合財務報表乃根據香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表載有聯交所證券上市規則（「上市規則」）及香港公司條例所規定的適用披露事項。

綜合財務報表於各報告期末使用歷史成本法編製。歷史成本一般基於換取貨品或服務的代價的公平值釐定。

公平值為市場參與者於計量日期在有序交易中出售資產可能收取或轉讓負債可能支付的價格，不論該價格是否直接觀察可得或使用另一種估值方法估計。如市場參與者於計量日期為該等資產或負債定價時會考慮其特徵，則本集團於估計資產或負債的公平值時亦會考慮該等資產或負債的特徵。在綜合財務報表中計量及／或披露的公平值均在此基礎上予以確定，惟香港財務報告準則第2號「以股份支付款項」範圍內以股份支付款項的交易、香港會計準則第17號「租賃」範圍內的租賃交易以及與公平值類似但並非公平值的計量（例如，香港會計準則第2號「存貨」中的可變現淨值或香港會計準則第36號「資產減值」中的使用價值）除外。

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### 4. SIGNIFICANT ACCOUNTING POLICIES – continued

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

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

The principal accounting policies adopted are set out below.

#### Basis of consolidation

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

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

### 4. 重要會計政策－續

此外，就財務報告而言，公平值計量根據公平值計量的輸入數據可觀察程度及輸入數據對公平值計量的整體重要性分類為第1級、第2級及第3級，載述如下：

- 第1級輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場的報價（未經調整）；
- 第2級輸入數據是就資產或負債直接或間接地可觀察的輸入數據（第1級內包括的報價除外）；及
- 第3級輸入數據是資產或負債的非可觀察輸入數據。

採納的主要會計政策載列如下。

#### 綜合基準

綜合財務報表包括本公司及本公司及其附屬公司所控制實體的財務報表。本公司於下列情況下獲得控制權：

- 可對投資對象行使權力；
- 參與投資對象之業務而可或有權獲得可變回報；及
- 有能力藉對投資對象行使其權力而影響其回報。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016

截至2016年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES – continued

#### Basis of consolidation – continued

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

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

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

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

#### Business combination under common control

The consolidated financial statements incorporate the financial statement items of the entities or businesses in which the common control occurs as if they had been consolidated from the date when the entities first came under the control of the controlling party.

The net assets of the entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control consolidation, to the extent of the continuation of the controlling party's interest.

### 4. 重要會計政策－續

#### 綜合基準－續

倘事實或情形表明上文所列的三項因素中的一項或以上出現變動，本集團將重新評估其是否控制投資對象。

綜合附屬公司始於本公司取得附屬公司的控制權，終於本公司失去附屬公司控制權。

倘有必要，附屬公司的財務報表將予調整，以令其會計政策與本集團會計政策一致。

本集團成員公司之間與交易有關的所有集團間資產、負債、股權、收入、開支及現金流量於綜合時悉數抵銷。

#### 共同控制下的業務合併

綜合財務報表包括發生共同控制的實體或業務的財務報表項目，猶如該等項目自該等實體或業務首次受有關控制方控制當日起已綜合處理。

實體或業務的資產淨值按控制方的現有賬面值綜合處理。在控制方權益維持不變的期間，並無就共同控制綜合時產生的商譽或收購方應佔收購對象可識別資產、負債及或然負債公平淨值超出成本的差額確認任何金額。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016  
截至2016年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES – continued

#### Business combination under common control – continued

The consolidated statements of profit or loss and other comprehensive income includes the results of each of the entities or businesses from the earliest date presented or since the date when the entities first came under the common control consolidation, where there is a shorter period.

The comparable amounts in the consolidated financial statements are presented as if the businesses had been combined at the end of the previous reporting period or when they first came under common controls, whichever is shorter.

#### Revenue recognition

Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business and net of discounts and returns.

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

Sales of goods are recognised when goods are delivered and title has passed.

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

### 4. 重要會計政策－續

#### 共同控制下的業務合併－續

綜合損益及其他全面收益表包括各合併實體或業務由所呈報的最早日期起或自實體或業務首次受共同控制綜合處理當日以來的較短期間的業績。

綜合財務報表的比較金額按猶如業務於上一個報告期末或首次被共同控制時(以較短者為準)已合併之基準呈列。

#### 收益確認

收益按已收或應收代價的公平值計量，相等於日常業務過程中出售貨品應收金額並扣除折扣及退貨。

當收入數額能可靠地計量，而未來經濟利益可能流入本集團，且符合以下本集團各業務的特定準則時，則會確認收入。

貨品銷售於交付貨品及轉移擁有權時確認。

利息收入按時間基準進行累計，並參考未償付本金額及實際適用利率(為透過財務資產的預期年期將估計未來現金收入準確貼現至該項資產初始確認賬面淨值的利率)計算。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016  
截至2016年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES – continued

#### Property, plant and equipment

Property, plant and equipment, other than land and buildings, held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost or fair value to their residual values over their estimated useful lives.

The estimated useful lives, residual values and depreciation method are reviewed at the end of the year, with the effect of any changes in estimate accounted for on a prospective basis.

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

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

### 4. 重要會計政策－續

#### 物業、廠房及設備

持作生產或供應貨品或服務或用於管理目的的物業、廠房及設備(土地及樓宇除外)，按成本值減其後的累積折舊及累積減值虧損(如有)於綜合財務狀況表內列賬。

物業、廠房及設備採用直線法計算折舊，以於其估計可使用年期內將其成本或公平值折舊至剩餘價值。

年末會對估計可使用年期、剩餘價值及折舊方法進行檢討，以反映估計如有任何變化的預期影響。

於物業、廠房及設備項目出售後或當預計不會因持續使用資產而產生未來經濟效益時，該項物業、廠房及設備解除確認。因出售或棄用而任何物業、廠房及設備項目而確認的任何收益或虧損按該項資產的出售所得款項與賬面值的差額計算，並於損益內確認。

#### 借貸成本

直接因收購、建造或生產合資格資產(即必須經歷一段頗長時間才可用作擬定用途或予以出售的資產)而產生的借貸成本，會加入該等資產的成本，直至該等資產大致上已可作其擬定用途或予以出售。由暫時性投資於特定借貸中等待於合資格資產的支出所賺取的投資收入，會在符合資本化的借貸成本中扣除。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016  
截至2016年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES – continued

#### Borrowing costs – continued

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

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress mainly comprises raw materials and direct labour. Net realisable value is the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

#### Provisions

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

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

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

### 4. 重要會計政策－續

#### 借貸成本－續

所有其他借貸成本均於其產生期間於損益內確認。

#### 存貨

存貨按成本與可變現淨值兩者中較低者入賬，成本以先入先出法計算。製成品及在製品的成本主要包括原材料及直接勞工。可變現淨值按存貨估計售價減所有估計完成成本及銷售必需成本計算。

#### 撥備

倘本集團須就已發生事件承擔現時責任（法定或推定），而本集團很可能將須履行責任，以及可就有關責任的金額作出可靠估算，則確認撥備。

確認為撥備的金額為於年末須履行現時責任的代價的最佳估算，當中計及有關責任的風險及不明確因素。倘採用估計用於履行現時責任的現金流量計算撥備，則其賬面值為該等現金流量的現值（金錢的時間值影響重大）。

當結算撥備所需的部分或全部經濟利益預期可自第三方收回時，倘實質上確定將可獲償付及應收款項金額可作可靠計量時，則確認應收款項為資產。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016  
截至2016年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES – continued

#### Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

#### Financial assets

The Group's financial assets are mainly loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

#### *Effective interest method*

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

Interest income is recognised on an effective interest basis for debt instruments.

### 4. 重要會計政策－續

#### 財務工具

財務資產及財務負債於本集團成為該工具合約條文的訂約方時，於綜合財務狀況表內確認。財務資產及財務負債初步以公平值計量。收購或發行財務資產及財務負債直接應佔的交易成本(除透過損益表按公平值計量的財務資產或財務負債外)於初始確認時加入財務資產或財務負債的公平值，或從財務資產或財務負債的公平值扣除(如適用)。

#### 財務資產

本集團的財務資產主要為貸款及應收款項，分類視乎財務資產的性質及用途而定，並於初始確認時釐定。

#### *實際利息法*

實際利息法是計算債務工具攤銷成本及按有關期間攤分利息收入的方法。實際利率按財務資產預計年期，或(如適用)較短期間精確折現未來現金收入(包括所有構成實際利率、交易成本及其他溢價或折讓的已付或已收費用)至初始確認時的賬面淨值的比率。

就債務工具而言，利息收入按實際利息基準確認。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016  
截至2016年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES – continued

#### Financial instruments – continued

##### Financial assets – continued

##### *Loans and receivables*

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

#### Impairment of financial assets

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

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

### 4. 重要會計政策－續

#### 財務工具－續

##### 實際利息法－續

##### *貸款及應收款項*

貸款及應收款項指於活躍市場並無報價但具有固定或可釐定付款的非衍生財務資產。於初始確認後，貸款及應收款項（包括貿易及其他應收款項、按金以及銀行結餘及現金）於扣除任何減值後以實際利息法按攤銷成本計量（請參閱下文財務資產減值的會計政策）。

#### 財務資產減值

本集團在各年末評估財務資產有否任何減值跡象。倘有客觀證據顯示財務資產的估計未來現金流量受到一項或多項於初始確認財務資產後發生的事件影響，則財務資產被視作減值。

減值的客觀證據可包括：

- 發行方或對約方出現重大財務困難；或
- 違反合約，如欠付或拖欠利息或本金；或
- 借款方破產或財務重組極可能發生。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016

截至2016年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES – continued

#### Financial instruments – continued

##### Impairment of financial assets – continued

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

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

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

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

### 4. 重要會計政策－續

#### 財務工具－續

##### 財務資產減值－續

應收款項組合的減值客觀憑證可包括本集團過往收回款項的經驗、組合內超過平均信貸期的延遲付款數目增加、與未付應收款項相關的全國或地方經濟狀況的可觀察變動。

就按攤銷成本列賬的財務資產而言，確認的減值虧損金額為資產賬面值與按財務資產原本實際利率折現的估計未來現金流量現值之間的差額。

財務資產的賬面值就所有財務資產直接按減值虧損減少，惟貿易應收款項除外。貿易應收款項的賬面值經撥備賬減少，撥備賬的賬面值變動於損益內確認。當一項貿易應收款項被視為不可收回時，則會在撥備賬內作出撇銷，先前撇銷的款項如在其後收回，則會計入損益內。

倘於往後期間，減值虧損金額減少，而該減幅可客觀地與確認減值虧損後發生的事件相聯，則先前確認的減值虧損透過損益賬撥回，惟該資產於撥回減值虧損當日的賬面值不得超過在並無確認減值的情況下應有的攤銷成本。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016  
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### 4. SIGNIFICANT ACCOUNTING POLICIES – continued

#### Financial instruments – continued

##### Financial liabilities and equity instruments

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

##### *Equity instruments*

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

##### *Effective interest method*

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

Interest expense is recognised on an effective interest basis.

### 4. 重要會計政策－續

#### 財務工具－續

##### 財務負債及股權工具

債務及集團實體發行的股權工具根據已訂立的合約安排內容以及財務負債及股權工具的定義分類為財務負債或股權。

##### *股權工具*

股權工具為證明本集團資產剩餘權益（經扣除其所有負債）的任何合約。集團實體發行的股權工具按已收所得款項於扣除直接發行成本後確認。

##### *實際利率法*

實際利息法是計算財務負債攤銷成本及按有關期間攤分利息開支的方法。實際利率按財務負債預計年期，或（如適用）較短期間精確折現估計未來現金付款（包括所有構成實際利率、交易成本及其他溢價或折讓的已付或已收費用）至初始確認時的賬面淨值的比率。

利息開支按實際利率基準確認。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016

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### 4. SIGNIFICANT ACCOUNTING POLICIES – continued

#### Financial instruments – continued

#### Financial liabilities and equity instruments – continued

##### *Financial liabilities*

Financial liabilities including trade and other payables, bank loans, other borrowing and amount due to a related party are subsequently measured at amortised cost, using the effective interest method.

##### Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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

### 4. 重要會計政策－續

#### 財務工具－續

#### 財務負債及股權工具－續

##### *財務負債*

財務負債包括貿易及其他應付款項、銀行貸款、其他借貸及應付關連方款項，之後採用實際利息法按攤銷成本計算。

##### 取消確認

倘自資產收取現金流量的合約權利已屆滿，或本集團已轉讓財務資產及有關財務資產擁有權的絕大部分風險及回報予另一實體，則取消確認財務資產。

於取消確認財務資產時，資產賬面值與已收及應收代價的總和之間的差額於損益內確認。

當及只有於本集團的責任獲解除、註銷或屆滿時，本集團方會取消確認財務負債。取消確認的財務負債的賬面值與已付及應付代價之間的差額於損益內確認。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016  
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### 4. SIGNIFICANT ACCOUNTING POLICIES – continued

#### Impairment

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

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

### 4. 重要會計政策－續

#### 減值

於年末，本集團均會對有形資產的賬面值進行審查，以確定是否有跡象顯示該等資產已發生減值虧損。倘出現該等跡象，則須估計資產的可收回金額，以釐定減值虧損（如有）的程度。倘估計個別資產的可收回金額屬不可能，則本集團估計該資產所屬現金產生單位的可收回金額。倘可識別合理且貫徹的分攤基準，則亦會攤分企業資產至個別現金產生單位，或以其他方式攤分至可識別合理且貫徹分攤基準的最小現金產生單位組別中。

可收回金額為公平值減出售成本與使用價值兩者之間的較高者。於評估使用價值時，估計未來現金流量使用除稅前折現率折現至其現值，以反映現時市場對金錢時間值的評估及該資產（其估計未來現金流量未予調整）特有的風險。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016  
截至2016年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES – continued

#### Impairment – continued

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

### 4. 重要會計政策－續

#### 減值－續

當資產(或現金產生單位)之可收回金額估計低於其賬面值時,資產(或現金產生單位)之賬面值調低至其可收回金額。於分配減值虧損時,減值虧損先予以分配,以減少任何商譽(倘適用)之賬面值,其後根據單位內各項資產之賬面值按比例分配至其它資產。一項資產之賬面值不會減至低於其公平值減出售成本(倘可計量)、其使用價值(倘可釐定)及零之間之最高者。原已另行分配至該資產之減值虧損金額按比例分配至單位內其他資產。減值虧損即時於損益內確認。

倘減值虧損隨後撥回,則該資產(或現金產生單位)的賬面值會增加至其可收回金額的重新估值;但增加後的賬面值不得超過該資產(或現金產生單位)於過往年度如無確認減值虧損時應確定的賬面值。減值虧損撥回即時於損益內確認,除非相關資產根據另一項準則按重估金額計值,在此情況下,減值虧損撥回則根據該項準則被視為重估增加。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016  
截至2016年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES – continued

#### Taxation

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

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

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

### 4. 重要會計政策－續

#### 稅項

所得稅開支指當期應付稅項及遞延稅項的總和。

當期應付稅項基於年內應課稅盈利計算。由於應課稅盈利撇除其他年度應課稅或可扣減的收入及開支項目和永遠不應課稅或不可扣減的項目，因此與綜合損益及其他全面收益表所報的「除稅前溢利」不同。本集團的當期稅項按各年末已制定或實質上已制定的稅率計算。

遞延稅項以資產及負債於綜合財務報表的眼面值與計算應課稅盈利所使用的相應稅基之間的差額確認。所有應課稅暫時性差額一般均確認為遞延稅項負債，而所有應課稅暫時性差額一般限於在有應課稅盈利可供對銷可扣減暫時性差額時才會確認為遞延稅項資產。因商譽或在不會對應課稅盈利或會計盈利構成影響的交易中初次確認（業務合併除外）的其他資產或負債所產生的暫時性差額，有關遞延稅項資產及負債則不予確認。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016  
截至2016年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES – continued

#### Taxation – continued

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

### 4. 重要會計政策－續

#### 稅項－續

遞延稅項負債就有關於附屬公司的投資的應課稅暫時差額予以確認，惟本集團在可控制暫時差額的撥回以及暫時差額於可預見將來不可能撥回的情況下除外。因與該等投資相關的可扣稅暫時差額而產生的遞延稅項資產僅會於可能有足夠可動用的應課稅溢利用以抵扣暫時差額利益且預期於可預見將來撥回的情況下，方會予以確認。

遞延稅項資產的賬面值於各年末審閱，並減少至不再可能有足夠應課稅盈利足以收回全部或部份資產。

遞延稅項資產及負債按償還負債或變現資產時按期內預計適用的稅率計算，而上述償還或變現按報告期末已制定或實際上已制定的稅率（及稅法）計算。遞延稅項負債及資產的計算反映本集團預期於各報告期末收回或結算其資產及負債的賬面值後隨之而來的稅務後果。

當期及遞延稅項於損益賬中確認，惟倘其有關事項在其他全面收益或直接在股本權益中被確認，則當期及遞延稅項亦會於其他全面收益或直接於權益中分別確認。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016  
截至2016年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES – continued

#### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of the entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

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

### 4. 重要會計政策－續

#### 外幣

在編製每個獨立集團實體的財務報表時，以實體功能貨幣以外的貨幣（外幣）結算的交易以各自的功能貨幣（即實體經營所在主要經濟環境的貨幣）按交易當日的匯率記錄。於年末，以外幣結算的貨幣項目按當日的匯率換算。按歷史成本以外幣計量的非貨幣項目不作重新換算。

交收貨幣項目及換算貨幣項目產生的匯兌差額於產生期間在損益表內確認。

就呈列綜合財務報表而言，本集團海外經營業務的資產及負債按各報告期末的適用匯率換算為本集團的呈列貨幣（即港元），而收入及開支項目則按該年度的平均匯率進行換算，除非匯率於期內大幅波動，在該情況下，則採用交易日的適用匯率。所產生匯兌差額（如有）於其他全面收益中確認，並於股本部份在匯兌儲備項下累積入賬。該等匯兌差額在出售海外經營業務的期間內於損益中確認。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016  
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### 4. SIGNIFICANT ACCOUNTING POLICIES – continued

#### Leasing

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

Operating lease payments are recognised as an expense on a straight-line basis over the term.

#### Retirement benefits costs

Payments to defined contribution retirement benefits schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

#### Short-term and other long-term employee benefits

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

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

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

### 4. 重要會計政策—續

#### 租賃

當租約條款將所涉及擁有權的絕大部份風險及回報轉讓予承租人時，租約分類為融資租約。所有其他租約均分類為經營租約。

經營租賃付款按相關租賃年期以直線法確認為開支。

#### 退休福利成本

向界定供款退休福利計劃作出的供款於僱員提供服務而獲享有關供款時確認為開支。

#### 短期及其他長期僱員福利

短期僱員福利於僱員提供服務時就預計將支付福利的未貼現金額確認。所有短期僱員福利確認為開支，除非另一項香港財務報告準則要求或允許將有關福利納入資產成本，則作別論。

在扣除已經支付的任何金額後，對僱員應得的福利（例如工資及薪金、年假及病假）確認負債。

就其他長期僱員福利確認的負債按本集團就僱員截至報告期所提供服務預期將支付的估計未來現金流出的現值計量。由服務成本、利息及重新計量產生的負債賬面值的任何變動於損益確認，惟另一項香港財務報告準則規定或允許將其計入資產成本的情況則除外。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016  
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### 5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities, are described below.

### 5. 估計不明朗因素的主要來源

於應用附註4所述的本集團會計政策時，本公司董事須就未能從其他來源得知的資產與負債賬面值作出判斷、估計及假設。估計及相關假設根據過往經驗及其他被認為相關的因素作出，實際結果可能與此等估計不同。

本集團會持續檢討此等估計及相關假設。當對會計估計作出修訂時，倘有關修訂僅影響作出估計修訂的期間，則於當期確認有關修訂，而倘有關修訂影響作出修訂的期間及未來期間，則於當期及未來期間確認有關修訂。

於報告期末有重大可能使資產及負債賬面值須作重大調整的有關未來的主要假設及其他不明朗因素估計主要來源詳述如下。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016

截至2016年12月31日止年度

### 5. KEY SOURCES OF ESTIMATION UNCERTAINTY – continued

#### Valuation of trade receivables

The Group makes allowance for doubtful debts based on an assessment on the recoverability of trade receivables. In determining whether an allowance for doubtful debts is required, the Group takes into consideration of the customers' credit history, settlement patterns, subsequent settlements and aging analysis of the trade receivables. Where the expectation of the recoverability of trade receivables is different from the original estimate, such difference will impact the carrying value of trade receivables and allowance for doubtful debts in the period in which such estimate has changed. As at 31 December 2016, the carrying amount of trade receivables is HK\$72,395,000 (net of allowance for doubtful debts of HK\$1,980,000) (2015: carrying amount of HK\$116,051,000 (net of allowance for doubtful debts of nil)).

#### Valuation of inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value of inventories is based on estimated selling prices less any estimation costs to be incurred to completion and disposal. These estimates are based on the current market conditions, estimated selling prices, movements and subsequent transaction prices of the finished goods. It could change significantly as a result of changes in these factors. The Group will reassess the estimation at the end of each year. As at 31 December 2016, the carrying amount of inventories is HK\$169,221,000 (2015: HK\$179,129,000).

### 5. 估計不明朗因素的主要來源－續

#### 貿易應收款項估值

本集團依據對貿易應收款項可收回性的評估計提呆賬撥備。於釐定是否須作出呆賬撥備時，本集團會考慮客戶的信貸記錄、償付方式、其後結算情況及貿易應收款項的賬齡分析。倘對貿易應收款項可收回性的預期與最初估計不同，則該等差異將會對該估計發生變化的期間的貿易應收款項賬面值及呆賬撥備產生影響。於2016年12月31日，貿易應收款項的賬面值為72,395,000港元（扣除呆賬撥備1,980,000港元）（2015年：賬面值為116,051,000港元（扣除呆賬撥備零港元））。

#### 存貨估值

存貨按成本與可變現淨值的較低者列賬。存貨的可變現淨值根據估計售價減完成及出售會產生的估計成本計算，該等估計數字根據市場現況、製成品的估計售價、變動及其後交易價得出，或會因該等因素變化而有重大變動，本集團會於各年末重新評估有關估計。於2016年12月31日，存貨的賬面值為169,221,000港元（2015年：179,129,000港元）。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the Year ended 31 December 2016  
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## 6. REVENUE AND SEGMENT INFORMATION

Revenue represents amounts received and receivable for the sales of fine jewellery products and net of discounts and returns during both years.

The executive directors of the Company, being the chief operating decision maker, regularly review revenue analysis by product types, including ring, earrings, pendant, bangle, necklace and bracelet, and by location of delivery to customers. The executive directors of the Company considered the operating activities of manufacturing and sales of jewellery products as a single operating segment. The operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to HKFRSs, and is regularly reviewed by the executive directors of the Company. The executive directors of the Company review the overall results, assets and liabilities of the Group as a whole to make decisions about resources allocation. Accordingly, no analysis of this single operating segment is presented.

### Entity-wide information

An analysis of the Group's revenue by product types is as follows:

## 6. 收益及分部資料

收益指於兩個年度銷售優質珠寶產品的已收及應收金額並扣除折扣及回扣。

本公司執行董事為主要經營決策者，定期按產品類別（包括戒指、耳環、吊墜、手鏈、項鍊及手鐲）及按向客戶交付地點審閱收益分析。本公司執行董事認為製造及銷售珠寶產品的經營活動為單一經營分部。經營分部已按根據符合香港財務報告準則的會計政策編製的內部管理報告識別，並由本公司執行董事定期審閱。本公司執行董事審閱本集團的整體業績、資產及負債，以作出有關資源分配的決定。因此，並無呈列該單一經營分部的分析。

### 實體的整體資料

本集團收益按產品類別劃分的分析如下：

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Sales of	以下項目的銷售額		
– Ring	– 戒指	105,728	170,982
– Earrings	– 耳環	92,063	128,548
– Pendant	– 吊墜	35,597	51,764
– Bangle	– 手鏈	33,211	42,853
– Necklace	– 項鍊	25,899	29,581
– Bracelet	– 手鐲	29,925	34,578
		<b>322,423</b>	458,306

## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016

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### 6. REVENUE AND SEGMENT INFORMATION – continued

#### Entity-wide information – continued

Revenue from external customers, based on location of delivery to customers is as follows:

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Revenue	收益		
– Hong Kong	– 香港	187,629	203,476
– Dubai and others	– 迪拜及其他	134,794	254,830
		<b>322,423</b>	458,306

No individual customer contributes revenue which accounted for more than 10% of the Group's total revenue during both years.

An analysis of the Group's non-current assets (other than deferred tax assets) by their physical geographical location is as follows:

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Hong Kong	香港	3,730	4,474
Mainland China	中國大陸	2,721	1,591
Dubai	迪拜	377	488
		<b>6,828</b>	6,553

### 6. 收益及分部資料 – 續

#### 實體的整體資料 – 續

來自外界客戶的收益按向客戶交付地點劃分如下：

於兩個年度，概無個別客戶帶來收益佔本集團總收益10%以上。

本集團非流動資產（遞延稅項資產除外）按其實際地理位置劃分的分析如下：

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the Year ended 31 December 2016  
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#### 7. OTHER INCOME

#### 7. 其他收入

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Scrap sales	廢棄物銷售	945	542
Interest income	利息收入	367	2
Others	其他	126	33
		<b>1,438</b>	<b>577</b>

#### 8. OTHER GAINS AND LOSSES

#### 8. 其他收益及虧損

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Gain (loss) on disposal of property, plant and equipment	出售物業、廠房及設備的收益(虧損)	41	(2)
Allowances for doubtful debts	呆賬撥備	(1,980)	–
Net foreign exchange loss	匯兌虧損淨額	(112)	–
		<b>(2,051)</b>	<b>(2)</b>

#### 9. FINANCE COSTS

#### 9. 財務費用

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Interest on other borrowing	其他借款利息	436	–
Interest on bank loans	銀行貸款利息	4	1,458
		<b>440</b>	<b>1,458</b>

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the Year ended 31 December 2016

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#### 10. PROFIT BEFORE TAXATION

#### 10. 除稅前溢利

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Profit before taxation has been arrived at after charging:	除稅前溢利於扣除下列各項後得出：		
Depreciation	折舊		
– cost of goods sold	– 已售貨品成本	952	695
– general and administrative and other expenses	– 一般及行政及其他開支	1,426	3,734
Total depreciation	折舊總額	2,378	4,429
Directors' remuneration (note 11)	董事酬金(附註11)		
– fees	– 袍金	859	–
– salaries and other benefits	– 薪金及其他福利	6,473	1,711
– performance-based bonus	– 績效花紅	–	3,435
– retirement benefit scheme contributions	– 退休福利計劃供款	60	54
Other staff's salaries and other benefits	其他員工薪金及其他福利	7,392	5,200
Other staff's retirement benefits scheme contributions	其他員工的退休福利計劃供款	29,716	32,606
Total staff costs	員工成本總額	3,331	4,190
Auditor's remuneration	核數師酬金	40,439	41,996
Cost of inventories recognised as expenses (included in cost of goods sold)	已確認為開支的存貨成本(計入已售貨品成本)	1,700	1,800
Listing expenses (included in general and administrative and other expenses)	上市開支(計入一般及行政及其他開支)	233,479	326,229
Operating lease rentals in respect of rented premises	有關出租物業的經營租賃租金	1,588	16,815
		6,254	4,097

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the Year ended 31 December 2016  
截至2016年12月31日止年度

#### 11. DIRECTORS' REMUNERATION

The executive directors of the Company were appointed during the year ended 31 December 2015. Details of the emoluments paid or payable to the directors and the Chief Executive of the Company during both years are as follows:

#### 11. 董事酬金

本公司於截至2015年12月31日止年度委任執行董事。於兩個年度已付或應付本公司董事及主要行政人員的薪酬詳情載列如下：

	Fees	Salaries and other benefits	Performance-based bonus	Retirement benefits scheme contributions	Total
	袍金	薪金及其他福利	績效花紅	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 2016 截至2016年12月31日止年度

<b>Executive directors:</b>	<b>執行董事：</b>					
Mr. Kan Kin Kwong	簡健光先生	-	3,482	-	20	3,502
Ms. Shek Mei Chun	石美珍女士	-	1,498	-	20	1,518
Mr. Chung Chi Keung	鍾志強先生	-	1,493	-	20	1,513
<b>Non-executive director:</b>	<b>非執行董事：</b>					
Mr. Chu Kin Wang Peleus (resigned on 1 March 2017)	朱健宏先生 (於2017年3月1日辭任)	286	-	-	-	286
<b>Independent non-executive directors:</b>	<b>獨立非執行董事：</b>					
Mr. Fan Chor Ho	范佐浩先生	191	-	-	-	191
Mr. Li Cheuk Wai	李卓威先生	191	-	-	-	191
Mr. Wong Wai Keung Frederick	黃煒強先生	191	-	-	-	191
		859	6,473	-	60	7,392

## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016

截至2016年12月31日止年度

### 11. DIRECTORS' REMUNERATION – continued

### 11. 董事酬金 – 續

	Fees	Salaries and other benefits	Performance-based bonus	Retirement benefits scheme contributions	Total
	袍金	薪金及其他福利	績效花紅	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 2015 截至2015年12月31日止年度

**Executive directors:****執行董事：**

Mr. Kan Kin Kwong (appointed on 16 June 2015)	簡健光先生 (於2015年6月16日獲委任)	-	813	1,969	18	2,800
Ms. Shek Mei Chun (appointed on 19 August 2015)	石美珍女士 (於2015年8月19日獲委任)	-	472	710	18	1,200
Mr. Chung Chi Keung (appointed on 19 August 2015)	鍾志強先生 (於2015年8月19日獲委任)	-	426	756	18	1,200

**Non-executive director:****非執行董事：**

Mr. Chu Kin Wang Peleus (appointed on 19 August 2015)	朱健宏先生 (於2015年8月19日獲委任)	-	-	-	-	-
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**Independent non-executive directors:****獨立非執行董事：**

Mr. Fan Chor Ho (appointed on 14 December 2015)	范佐浩先生 (於2015年12月14日獲委任)	-	-	-	-	-
Mr. Li Cheuk Wai (appointed on 14 December 2015)	李卓威先生 (於2015年12月14日獲委任)	-	-	-	-	-
Mr. Wong Wai Keung Frederick (appointed on 14 December 2015)	黃煒強先生 (於2015年12月14日獲委任)	-	-	-	-	-

- 1,711 3,435 54 5,200

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the Year ended 31 December 2016  
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## 11. DIRECTORS' REMUNERATION – continued

Notes:

- (i) The performance-based bonus is discretionary based on the Group's financial results and directors' performance as decided by the management of the Group.
- (ii) Mr. Kan Kin Kwong is also Chief Executive Officer of the Company and his emoluments disclosed above includes those for services rendered by him as Chief Executive Officer.
- (iii) The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The emoluments of the non-executive directors and independent non-executive directors shown above were mainly for their services as directors of the Company.

### Five highest paid individuals

The five highest paid individuals included 3 (2015: 3) directors of the Company for the year ended 31 December 2016. Details of whose emoluments are included above. The emoluments of the remaining highest paid individuals during both years were as follows:

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Employees	僱員		
– salaries and other benefits	– 薪金及其他福利	1,444	1,377
– performance-based bonus	– 績效花紅	85	147
– retirement benefits scheme contributions	– 退休福利計劃供款	36	36
		<b>1,565</b>	<b>1,560</b>

## 11. 董事酬金 – 續

附註：

- (i) 績效花紅由本集團管理層按本集團財務業績及董事的表現酌情決定。
- (ii) 簡健光先生兼任本公司行政總裁，上述其薪酬披露包括其作為行政總裁提供服務所得的酬金。
- (iii) 上文所示執行董事的酬金主要為彼等就本公司及本集團管理事務提供服務。上文所示非執行董事及獨立非執行董事酬金主要為彼等作為本公司董事提供服務。

### 五位最高薪人士

截至2016年12月31日止年度，五位最高薪人士包括三位董事（2015年：三位）。彼等之薪酬詳情載於上文。於兩個年度期間，其餘最高薪人士的薪酬如下：



## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016

截至2016年12月31日止年度

### 11. DIRECTORS' REMUNERATION – continued

#### Five highest paid individuals – continued

Their emoluments were within the following bands:

		2016 2016年 Number of employees 僱員人數	2015 2015年 Number of employees 僱員人數
Nil to HK\$1,000,000	零至1,000,000港元	2	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	–	1
		2	2

During both years, no emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors have waived any emoluments during both years.

### 11. 董事酬金 – 續

#### 五位最高薪人士 – 續

介乎以下範圍的薪酬：

於兩個年度期間，本集團概無向本公司董事或五位最高薪人士（包括董事及僱員）支付薪酬作為加入本集團或加入本集團後的獎勵或離職賠償。於兩個年度期間，概無董事放棄收取任何薪酬。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the Year ended 31 December 2016  
截至2016年12月31日止年度

## 12. TAXATION

## 12. 稅項

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
The taxation charge (credit) comprises:	稅項支出(抵免)包括：		
Hong Kong Profits Tax	香港利得稅		
– Current year	– 本年度	4,028	6,598
– Overprovision in prior years	– 過往年度超額撥備	–	(1,464)
PRC Enterprise Income Tax (“EIT”)	中國企業所得稅 (「企業所得稅」)		
– Current year	– 本年度	453	463
Overseas tax	海外稅項		
– Current year	– 本年度	–	2,506
		4,481	8,103
Deferred tax charge (note 25)	遞延稅項支出(附註25)	289	1,433
		4,770	9,536

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

於兩個年度，香港利得稅按估計應課稅溢利的16.5%計算。

The Group is engaged in manufacturing of fine jewellery products through a processing factory in the Mainland China under contract processing arrangement which is effective from 23 April 2008 to 7 April 2018. Accordingly, under such 50:50 onshore/offshore arrangement between the Group and the processing factory, certain profits of the Group are not taxable under Hong Kong Profits Tax during both years. In addition, the processing factory of the Group is subject to PRC EIT at a rate of 25% on the deemed profit generated in Mainland China. Also, the Group was subject to certain overseas tax for the sales made in overseas.

本集團根據於2008年4月23日至2018年4月7日期間生效的合約加工安排，透過在中國大陸的加工廠從事製造優質珠寶產品，因此，根據本集團與加工廠之間50：50的在岸／離岸安排，本集團於兩個年度的若干溢利毋須繳納香港利得稅。此外，本集團的加工廠須就於中國大陸產生的設定溢利按稅率25%繳納中國企業所得稅。本集團亦須就向海外作出的銷售繳納若干海外稅項。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the Year ended 31 December 2016

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#### 12. TAXATION – continued

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

#### 12. 稅項 – 續

年內稅項支出可與綜合損益及其他全面收益表內的除稅前溢利對賬如下：

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Profit before taxation	除稅前溢利	39,469	65,996
Tax at the applicable income tax rate at 16.5%	按適用利得稅率16.5%繳納的稅項	6,512	10,889
Tax effect of expenses not deductible for tax purposes	不可扣稅開支的稅務影響	1,831	3,741
Tax effect of income not taxable for tax purposes	毋須課稅收入的稅務影響	(67)	(1)
Effect of profit under 50:50 arrangement	50 : 50安排下的溢利影響	(3,959)	(6,598)
EIT and overseas tax	企業所得稅及海外稅項	453	2,969
Overprovision in prior years	過往年度超額撥備	-	(1,464)
Taxation charge for the year	年內稅項支出	4,770	9,536

## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2016  
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### 13. DIVIDEND

The directors of the Company resolved to declare an interim dividend of HK\$0.03 per share, totalling HK\$13,500,000 for the six months ended 30 June 2016 and was paid on 15 September 2016 to the shareholders of the Company whose names appear on the register of members of the Company on 31 August 2016.

For the year ended 31 December 2015, a subsidiary of the Company distributed interim dividends of HK\$97,000,000 to their then shareholders prior to the Group Reorganisation.

The directors of the Company recommend a final dividend of HK\$0.03 per share, totaling HK\$13,500,000 for the year ended 31 December 2016 payable on or around Wednesday, 19 July 2017 to the shareholders of the Company whose names appear on the register of members of the Company on Friday, 30 June 2017.

### 14. EARNINGS PER SHARE

The calculation of the basic earnings per share for the year is based on the consolidated profits for the year of HK\$34,699,000 (2015: HK\$56,460,000) and on the weighted average number of ordinary shares 450,000,000 (2015: 337,500,000) shares.

No diluted earnings per share is presented as there were no potential ordinary shares during both years.

### 13. 股息

本公司董事議決宣派截至2016年6月30日止六個月之中期股息每股0.03港元，合共13,500,000港元，並已於2016年9月15日派付予於2016年8月31日名列本公司股東名冊之本公司股東。

截至2015年12月31日止年度，本公司的附屬公司向其當時在集團重組前的股東派發中期股息97,000,000港元。

本公司董事建議派付截至2016年12月31日止年度之末期股息每股0.03港元，合共13,500,000港元，並將於2017年7月19日（星期三）或前後派付予於2017年6月30日（星期五）名列本公司股東名冊之本公司股東。

### 14. 每股盈利

本年度的每股基本盈利乃根據年內綜合溢利34,699,000港元（2015年：56,460,000港元）及加權平均普通股450,000,000股（2015年：337,500,000股）計算。

由於兩個年度並無潛在普通股，故並無呈列每股攤薄盈利。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the Year ended 31 December 2016

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## 15. PROPERTY, PLANT AND EQUIPMENT

## 15. 物業、廠房及設備

		Land and buildings 土地及 樓宇 HK\$'000 千港元	Plant and machinery 廠房及 機械 HK\$'000 千港元	Furniture and fixtures 傢俱及 裝置 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Moulds 模具 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 December 2015	截至2015年12月31日 止年度						
<b>At 1 January 2015</b>	<b>於2015年1月1日</b>						
Cost or valuation	成本或估值	143,173	4,677	14,151	4,737	1,212	167,950
Accumulated depreciation	累計折舊	-	(3,597)	(8,983)	(2,838)	(1,102)	(16,520)
<b>Net book amount</b>	<b>賬面淨值</b>	<b>143,173</b>	<b>1,080</b>	<b>5,168</b>	<b>1,899</b>	<b>110</b>	<b>151,430</b>
At 1 January 2015	於2015年1月1日	143,173	1,080	5,168	1,899	110	151,430
Additions	添置	25	256	742	-	16	1,039
Disposals/write-off	出售/撇銷	-	-	(5)	(71)	-	(76)
Adjustment on revaluation	重估調整	8,347	-	-	-	-	8,347
Depreciation	折舊	(2,130)	(383)	(1,394)	(456)	(66)	(4,429)
Distributions	分派	(149,415)	-	-	(1,095)	-	(150,510)
<b>At 31 December 2015</b>	<b>於2015年12月31日</b>	<b>-</b>	<b>953</b>	<b>4,511</b>	<b>277</b>	<b>60</b>	<b>5,801</b>
<b>At 31 December 2015</b>	<b>於2015年12月31日</b>						
Cost	成本	-	4,933	14,811	1,946	1,228	22,918
Accumulated depreciation	累計折舊	-	(3,980)	(10,300)	(1,669)	(1,168)	(17,117)
<b>At 31 December 2015</b>	<b>於2015年12月31日</b>	<b>-</b>	<b>953</b>	<b>4,511</b>	<b>277</b>	<b>60</b>	<b>5,801</b>
<b>Representing:</b>	<b>代表:</b>						
Cost	成本	-	953	4,511	277	60	5,801

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

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#### 15. PROPERTY, PLANT AND EQUIPMENT – continued

#### 15. 物業、廠房及設備 – 續

		Plant and machinery 廠房及機械 HK\$'000 千港元	Furniture and fixtures 傢俱及裝置 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Moulds 模具 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 December 2016	截至2016年12月31日止年度					
<b>At 1 January 2016</b>	<b>於2016年1月1日</b>					
Cost	成本	4,933	14,811	1,946	1,228	22,918
Accumulated depreciation	累計折舊	(3,980)	(10,300)	(1,669)	(1,168)	(17,117)
Net book amount	賬面淨值	953	4,511	277	60	5,801
At 1 January 2016	於2016年1月1日	953	4,511	277	60	5,801
Additions	添置	99	1,650	902	10	2,661
Disposals	出售	–	(8)	–	–	(8)
Depreciation	折舊	(399)	(1,683)	(249)	(47)	(2,378)
At 31 December 2016	於2016年12月31日	653	4,470	930	23	6,076
<b>At 31 December 2016</b>	<b>於2016年12月31日</b>					
Cost	成本	5,032	16,448	2,848	1,238	25,566
Accumulated depreciation	累計折舊	(4,379)	(11,978)	(1,918)	(1,215)	(19,490)
At 31 December 2016	於2016年12月31日	653	4,470	930	23	6,076
<b>Representing:</b>	<b>代表:</b>					
Cost	成本	653	4,470	930	23	6,076

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

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#### 15. PROPERTY, PLANT AND EQUIPMENT – continued

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

Land and buildings	40 years or the unexpired lease term, whichever is the shorter
Plant and machinery	20% per annum
Furniture and fixtures	20% per annum
Motor vehicles	20% per annum
Moulds	30% per annum

#### 15. 物業、廠房及設備－續

物業、廠房及設備的折舊採用直線法計算，以於其估計使用年期攤分其成本或公平值至剩餘價值如下：

土地及樓宇	40年或未屆滿租賃年期（以較短者為準）
廠房及機械	每年20%
傢俱及裝置	每年20%
汽車	每年20%
模具	每年30%

#### 16. INVENTORIES

#### 16. 存貨

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Raw materials	原材料	44,172	51,666
Work in progress	在製品	5,790	8,103
Finished goods	製成品	119,259	119,360
		<b>169,221</b>	179,129

#### 17. TRADE AND OTHER RECEIVABLES

#### 17. 貿易及其他應收款項

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Trade receivables	貿易應收款項	74,375	116,051
Less: Allowance for doubtful debts	減：呆賬撥備	(1,980)	–
		<b>72,395</b>	116,051
Other receivables, prepayments and deposits	其他應收款項、預付款項及訂金	3,336	10,669
		<b>75,731</b>	126,720

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### 綜合財務報表附註

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#### 17. TRADE AND OTHER RECEIVABLES – continued

The following is an analysis of trade receivable by age, presented based on the invoice date, which approximates the respective revenue recognition dates:

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
0–30 days	0至30日	15,817	23,351
31–60 days	31至60日	13,350	17,236
61–180 days	61至180日	27,376	53,330
181–365 days	181至365日	7,896	21,614
Over 1 year	一年以上	7,956	520
		<b>72,395</b>	<b>116,051</b>

The Group allows a credit period of up to 120 days to its customers. A longer credit period may be granted to large or long-established customers with good payment history.

Before accepting any new customers, the Group has an internal credit control system to assess the potential customers' credit quality and the board of directors has delegated the management to be responsible for the determination of credit limits and credit approvals for customers. Limits attributed to customers are reviewed periodically. Approximately 31% (2015: 28%) of the trade receivables as at 31 December 2016 are neither past due nor impaired and they were assessed to be of good credit rating attributable under the credit control system used by the Group.

The Group's management takes into consideration of customers' credit history, settlement patterns, subsequent settlements and aging analysis of trade receivables in determining the recoverability of the overdue trade receivables. The directors of the Company considered that the concentration of credit risk is limited due to customer base being large and unrelated.

#### 17. 貿易及其他應收款項－續

下列為貿易應收款項按賬齡劃分的分析，根據與各自收益確認日期相若的發票日期呈列：

本集團向客戶批准的信貸期最多為120日，大型或歷史悠久且付款記錄良好的客戶可獲較長的信貸期。

接受任何新客戶前，本集團設有內部信貸控制系統，以評估潛在客戶的信貸質素，董事會亦已指派管理層負責釐定客戶的信貸限額及信貸批核，並且定期檢討客戶獲批的限額。於2016年12月31日的貿易應收款項中，約31%（2015年：28%）並無逾期或減值，因此在本集團所用的信貸控制系統下獲評估為良好信貸級別。

本集團管理層於釐定逾期貿易應收款項的可收回性時，會考慮客戶的信貸記錄、償付方式、其後結算情況及貿易應收款項的賬齡分析。本公司董事認為，由於客戶群龐大及互不相關，故集中信貸風險有限。



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#### 17. TRADE AND OTHER RECEIVABLES – continued

As at 31 December 2016, trade receivables of HK\$49,498,000 (2015: HK\$83,689,000) are past due but not impaired. Such receivables relate to a number of customers of which substantial subsequent settlements were made. The Group does not hold any collateral as security over these balances. The ageing analysis of these trade receivables is as follows:

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Overdue by:	逾期：		
1–30 days	1至30日	15,672	20,282
31–60 days	31至60日	9,540	22,424
61–180 days	61至180日	13,809	35,069
181–365 days	181至365日	3,324	5,394
Over 1 year	一年以上	7,153	520
		<b>49,498</b>	<b>83,689</b>

Movement in the allowance for doubtful debts of trade receivables is as follows:

貿易應收款項的呆賬撥備變動如下：

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
At beginning of the year	於年初	–	–
Impairment loss recognised	已確認減值虧損	1,980	–
At end of the year	於年末	<b>1,980</b>	–

#### 17. 貿易及其他應收款項－續

於2016年12月31日的貿易應收款項中，49,498,000港元（2015年：83,689,000港元）已逾期但並無減值，該等應收款項與多名客戶有關，彼等已於其後償付大部份應收款項。本集團並無持有任何抵押品作為該等結餘的抵押。該等貿易應收款項的賬齡分析如下：

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## 18. DEPOSITS

## 18. 按金

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Deposit for acquisition of land use right (Note a)	收購土地使用權之按金 (附註a)	28,250	—
Deposit paid for acquisition of an equity investment (Note b)	收購股本投資之已付按金 (附註b)	3,369	—
		<b>31,619</b>	—

Notes:

- (a) The amount represented a refundable deposit amounting of RMB25,000,000 (equivalent to HK\$28,250,000) paid by the shareholder of Jiangmen City Yingtuo Real Estate Planning Co., Ltd (“Potential Joint Venturer”) on behalf of the Group for jointly bidding of land use right of a land located at east of Foshan 1st Ring Road South Extension and south of Lunjiao Dachong River, Lunjiao Shilong Industrial Zone, Shunde District, Foshan, Guangdong Province, the PRC (the “Land”). On 13 January 2017, the Group entered into an agreement with the Potential Joint Venturer for the formation of a joint venture which 70% interest would be held by the Group and 30% interest held by the Potential Joint Venturer.

On 15 February 2017, the Group and the Potential Joint Venturer won the bidding for the land use right of the Land for the consideration of RMB105,390,000 (equivalent to HK\$118,416,000) at the closing of the online listing-for-sale held by the Shunde Public Resources Trading Centre, and the deposit was refunded to the shareholder of the Potential Joint Venturer from Shunde Public Resources Trading Centre.

- (b) The amount represented a refundable deposit paid for acquisition of 5% equity interest in a private company incorporated in the PRC for a jewellery complex project, with a consideration of RMB2,850,000 (equivalent to HK\$3,369,000).

附註：

- (a) 有關款項指江門市盈拓地產策劃有限公司之股東（「潛在合營夥伴」）代表本集團共同競投位於中國廣東省佛山市順德區倫教世龍工業區佛山一環南延線以東、倫教大涌以南地塊（「該地塊」）之土地使用權之已付可退回按金人民幣25,000,000元（相當於28,250,000港元）。於2017年1月13日，本集團與潛在合營夥伴訂立協議以成立合營公司，當中本集團持有70%權益及潛在合營夥伴持有30%權益。

於2017年2月15日，本集團與潛在合營夥伴於順德公共資源交易中心舉行的網上掛牌出讓截止時成功投得該地塊之土地使用權，代價為人民幣105,390,000元（相當於118,416,000港元），而順德公共資源交易中心已向潛在合營夥伴的股東退回有關按金。

- (b) 有關款項指就一項珠寶綜合項目收購一間於中國註冊成立之私人公司之5%股權之已付可退回按金，代價為人民幣2,850,000元（相當於3,369,000港元）。

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#### 19. BANK BALANCES AND CASH

Included in bank balances and cash are the following amounts denominated in currency other than functional currency of the relevant group entities:

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
HK\$	港元	63,718	2,223
Dirham	迪拉姆	7,504	3,986
		<b>71,222</b>	<b>6,209</b>

Bank balances and short-term bank deposits which carry interests at prevailing market rates ranged from 0.01% to 1.2% per annum (2015: 0.01%) as at 31 December 2016.

#### 19. 銀行結餘及現金

以下以有關集團實體功能貨幣以外的貨幣計值的金額計入銀行結餘及現金：

於2016年12月31日的銀行結餘及短期銀行存款乃按當時市場上的年利率0.01%至1.2% (2015年：0.01%) 計息。

#### 20. TRADE AND OTHER PAYABLES

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Trade payables	貿易應付款項	6,257	12,099
Accruals and other payables	應計款項及其他應付款項	24,812	37,779
		<b>31,069</b>	<b>49,878</b>

#### 20. 貿易及其他應付款項



## Notes to the Consolidated Financial Statements 綜合財務報表附註

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### 20. TRADE AND OTHER PAYABLES – continued

The following is an aged analysis of trade payables presented based on invoice date at the end of each year:

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
0–60 days	0至60日	6,257	11,251
61–90 days	61至90日	–	775
91–120 days	91至120日	–	73
		<b>6,257</b>	<b>12,099</b>

### 20. 貿易及其他應付款項 – 續

於各年末按發票日期呈列的貿易應付款項的賬齡分析如下：

### 21. BANK LOANS

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Trust receipts loans	信託收據貸款	2,365	–

### 21. 銀行貸款

Bank loans denominated in United States Dollars with repayable on demand clause are classified under current liability on the consolidated statement of financial position. The Group's bank loans are payable within one year based on the scheduled repayment dates set out in the loan agreement.

The Group's bank loans are unsecured and carry annual interest at LIBOR plus 2.5%.

訂有須按要求還款條款的美元銀行貸款在綜合財務狀況表分類為流動負債。本集團之銀行貸款須按貸款協議所預定還款日期於一年內償還。

本集團之銀行貸款為無抵押及按倫敦銀行同業拆息加年利率2.5厘計息。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

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### 22. OTHER BORROWING

The amount represented an unsecured and unguaranteed loan from the shareholder of the Potential Joint Venturer amounting to RMB25,000,000 (equivalent to HK\$28,250,000) utilised by the Group as deposit for jointly bidding of the land use right of the Land. The amount was settled on 7 March 2017 upon the refund of deposit from Shunde Public Resources Trading Centre to the shareholder of Potential Joint Venturer. The other borrowing carry interest at 6% per annum. Please refer to note 18 for details.

### 23. AMOUNT DUE TO A RELATED COMPANY

Perfect Group HK entered into a business transfer agreement with HK Perfect on 26 June 2015. On 5 August 2015, all the rights and obligations, assets and liabilities related specifically to the Jewellery Business carried out by HK Perfect were transferred to the Group for a cash consideration of approximately HK\$282,103,000, and such amount was unsecured, interest-free and not to demand for repayment on such amount until 31 December 2016. Perfect Group HK and HK Perfect agreed that such amount would be capitalised prior to the Listing on 4 January 2016 by way of loan capitalisation. Accordingly, by way of a deed of loan assignment dated 14 December 2015 executed by HK Perfect, the aforesaid allottees and Perfect Group HK, the amount due to HK Perfect was assigned to the Controlling Shareholder and subsequently capitalised by allotting and issuing 100 shares of the Company to the Controlling Shareholder before the Listing.

### 22. 其他借貸

有關款項指潛在合營夥伴之股東提供之無抵押及無保證貸款人民幣25,000,000元(相當於28,250,000港元)，由本集團用於共同競投該地塊之土地使用權之按金。有關款項已於順德公共資源交易中心退回按金予潛在合營夥伴的股東後於2017年3月7日償付。其他借貸按年利率6%計息。有關詳情請參閱附註18。

### 23. 應付關連公司款項

保發集團香港與保發珠寶於2015年6月26日訂立業務轉讓協議。於2015年8月5日，保發珠寶向本集團轉讓所有只與保發珠寶進行的珠寶業務有關的權利及責任、資產及負債，現金代價約為282,103,000港元，有關款項為無抵押、免息及不會按要求償還，直至2016年12月31日為止。保發集團香港與保發珠寶已協議有關款項將於2016年1月4日上市前透過貸款資本化撥作資本。因此，保發珠寶(上述承配人)與保發集團香港簽訂日期為2015年12月14日的貸款轉讓契據，結欠保發珠寶的款項已轉移予控股股東，並於其後在上市前透過向控股股東配發及發行100股本公司股份之方式撥作資本。

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#### 24. PROVISION FOR LONG SERVICE PAYMENTS

The provision for long service payments is determined with reference to the employees' remuneration and their years of services.

#### 24. 長期服務金撥備

長期服務金撥備參考僱員酬金及彼等的服務年期釐定。

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
At 1 January	於1月1日	936	961
Provision (reversal of provision) for the year	年內撥備 (撥備撥回)	63	(25)
At 31 December	於12月31日	999	936

#### 25. DEFERRED TAX ASSETS

The movements in deferred tax assets (liabilities) during the year are as follows:

#### 25. 遞延稅項資產

於年內，遞延稅項資產 (負債) 的變動如下：

		Provision for social security funds 社會保障 基金撥備 HK\$'000 千港元	Accelerated tax depreciation/ accounting depreciation 加速 稅項折舊/ 會計折舊 HK\$'000 千港元	Revaluation of land and buildings 土地及 樓宇重估 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2015	於2015年1月1日	1,196	1,214	(2,905)	(495)
Credit (charge) to profit or loss	計入損益 (自損益扣除)	138	(1,571)	-	(1,433)
Arising from the Business Transfer	業務轉讓所產生	-	-	2,905	2,905
At 31 December 2015	於2015年12月31日	1,334	(357)	-	977
Charge to profit or loss	自損益扣除	-	(289)	-	(289)
At 31 December 2016	於2016年12月31日	1,334	(646)	-	688

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### 25. DEFERRED TAX ASSETS – continued

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset.

### 26. SHARE CAPITAL

The Company was incorporated and registered as an exempted company in the Cayman Islands on 16 June 2015 with an issued share capital of US\$100 divided into 100 shares of a nominal value of US\$1 each. Upon incorporation of the Company, 100 shares of US\$1 each was issued at US\$100. On 14 September 2015, the Company repurchased all the existing shares for an aggregate price of US\$100, following which all the existing shares were cancelled and the authorised but unissued share capital of the Company was diminished by the cancellation of all unissued shares of nominal value of US\$1 each in the share capital of the Company, and the authorised share capital of the Company became HK\$10,000,000 divided into 1,000,000,000 shares of nominal value of HK\$0.01 each. As at 31 December 2015, the Company had 200 issued and fully paid ordinary shares of HK\$0.01 each, amounted to HK\$2.

On 4 January 2016, as part of the Group Reorganisation, pursuant to the listing of the shares of the Company on the Stock Exchange, 100 shares, 337,499,700 shares and 112,500,000 shares of the Company were issued to the then existing shareholders as a result of the loan capitalisation, capitalisation issue and the global offering respectively. The Company completed its global offering and its shares were listed on the Stock Exchange on 4 January 2016.

As at 31 December 2016, the Company has 450,000,000 (31 December 2015: 200) issued and fully paid ordinary shares of HK\$0.01 each. All shares issued rank pari passu with the then existing in issue in all respects.

### 25. 遞延稅項資產－續

就於綜合財務狀況表呈列而言，若干遞延稅項資產及負債已抵銷。

### 26. 股本

本公司於2015年6月16日在開曼群島註冊成立及登記為獲豁免公司，已發行股本為100美元，分為100股每股面值1美元的股份。本公司註冊成立時，100股每股面值1美元的股份已按100美元發行。於2015年9月14日，本公司按總價格100美元購回所有現有股份，並於其後註銷所有現有股份。本公司透過註銷本公司股本中每股面值1美元的全部未發行股份削減其法定但未發行股本，而本公司的法定股本為10,000,000港元，分為1,000,000,000股每股面值0.01港元的股份。於2015年12月31日，本公司有200股每股面值0.01港元的已發行及繳足普通股，合共為2港元。

於2016年1月4日，除集團重組外，根據本公司股份於聯交所上市，因進行貸款資本化、資本化發行及全球發售而分別發行100股、337,499,700股及112,500,000股本公司股份予當時的現有股東。本公司已於2016年1月4日完成全球發售及其股份已於聯交所上市。

於2016年12月31日，本公司有450,000,000股(2015年12月31日：200股)每股面值0.01港元之已發行及繳足普通股份。所有已發行股份於所有方面均與當時現有已發行股份享有同等權益。

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## 27. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to owners through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged over the years.

The capital structure of the Group consists of equity attributable to owners of the Group, comprising share capital, share premium, retained profits and other reserves as disclosed in the consolidated financial statements.

The management of the Group reviews the capital structure regularly. The Group considers the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through the payment of dividends, new share issues as well as the raising of bank borrowings.

## 28. FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets and financial liabilities are disclosed in note 4.

### Categories of financial instruments

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
<b>Financial assets</b>	<b>財務資產</b>		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等值物)	<b>306,855</b>	157,497
<b>Financial liabilities</b>	<b>財務負債</b>		
Amortised cost	已攤銷成本	<b>61,684</b>	331,981

## 27. 資本風險管理

本集團管理其資本以確保本集團將可繼續持續經營，並同時透過優化債務及權益平衡，為擁有人帶來最大回報。本集團的整體策略於該等年度維持不變。

本集團的資本架構由本集團擁有人應佔股權組成，包括綜合財務報表所披露的股本、股份溢價、保留溢利及其他儲備。

本集團管理層會定期檢討資本架構。本集團會考慮資本成本及各類資本的相關風險，並將透過派付股息、發行新股及籌集銀行貸款，以平衡其總體資本架構。

## 28. 財務工具

就各類財務資產及財務負債採用的重大會計政策及方法(包括確認標準、計量基準及確認收入和開支的基準)詳情，於附註4內披露。

### 財務工具類別



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### 28. FINANCIAL INSTRUMENTS – continued

#### Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, deposits, bank balances and cash, trade and other payables, bank loans, other borrowing and amount due to a related company. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### Currency risk

The Group has limited currency exposure as at majority of the revenue were denominated in functional currency of the relevant group entities. The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting date are as follows:

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
<b>Assets</b>	<b>資產</b>		
Hong Kong Dollar ("HK\$")	港元(「港元」)	63,718	2,223
Renminbi ("RMB")	人民幣(「人民幣」)	32,291	528
United Arab Emirates Dirham ("Dirham")	阿聯酋迪拉姆(「迪拉姆」)	7,504	3,986
<b>Liabilities</b>	<b>負債</b>		
HK\$	港元	2,571	223
RMB	人民幣	28,250	–

### 28. 財務工具－續

#### 財務風險管理目標及政策

本集團的主要財務工具包括貿易及其他應收款項、按金、銀行結餘及現金、貿易及其他應付款項、銀行借貸、其他借款及應付關連公司款項。該等財務工具的詳情於各相關附註內披露。有關該等財務工具的風險包括市場風險(包括貨幣風險及利率風險)、信貸風險及流動資金風險。有關如何減低該等風險的政策載於下文。管理層管理及監察該等風險，以確保及時及有效實施適當措施。

#### 貨幣風險

由於本集團大部份收益以相關集團實體的功能貨幣計值，因此本集團所面對的貨幣風險有限。於報告期末，本集團以外幣計值的貨幣資產及負債的賬面值載列如下：

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For the Year ended 31 December 2016  
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### 28. FINANCIAL INSTRUMENTS – continued

#### Financial risk management objectives and policies – continued

##### Currency risk – continued

The Group mainly exposes to foreign currency of RMB, HK\$ and Dirham, which are arising from relevant group entities' foreign currency denominated monetary assets and liabilities for the Group's operating activities. HK\$ and Dirham, however, are pegged to the functional currency of respective group entities (i.e. US\$), hence the Group's exposure to currency risk is not significant and no sensitivity analysis has been presented. No sensitivity analysis for the currency risk of RMB is prepared as the directors of the Company consider the net impact of such foreign currency risk is insignificant.

##### Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate other borrowing (see note 22 for details) and cash flow interest rate risk through the impact of rate changes on interest bearing financial assets and liabilities, mainly interest-bearing bank balances and bank borrowings at variable interest rates. The Group currently does not have an interest rate hedging policy. However, the management will consider hedging significant interest rate risk should the need arise.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation on London Interbank Offered Rate ("LIBOR") arising from the Group's United States dollar denominated borrowings.

### 28. 財務工具－續

#### 財務風險管理目標及政策－續

##### 貨幣風險－續

本集團的經營活動所用相關集團實體以外幣計值的貨幣資產與負債令本集團主要面臨人民幣、港元及迪拉姆的貨幣風險。然而，港元及迪拉姆與各集團實體的功能貨幣(即美元)掛鈎，本集團面臨的貨幣風險並不重大，故並無呈列敏感度分析。由於本公司董事認為人民幣的貨幣風險並不重大，因此並無編製有關貨幣風險的敏感度分析。

##### 利率風險

本集團因定息其他借貸(詳情見附註22)而承受公平值利率風險及計息財務資產及負債(主要為按浮動利率計息的銀行結餘及銀行借款)利率變動的影響而承受現金流量利率風險。本集團目前並無利率對沖政策，然而，管理層會於有需要時考慮對沖重大利率風險。

本集團的現金流動利率風險主要集中於本集團因借款以美元計值而面對的倫敦銀行同業拆息(「倫敦銀行同業拆息」)波動。

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### 28. FINANCIAL INSTRUMENTS – continued

#### Financial risk management objectives and policies – continued

##### Interest rate risk – continued

##### *Sensitivity analysis*

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the year. The analysis is prepared assuming the financial instruments outstanding at the end of the year were outstanding for the whole year. A 100 basis points increase or decrease in interest rates on bank loans and a 10 basis points increase or decrease in interest rate on bank balance are used which represents management's assessment of the reasonably possible change in interest rates.

If interest rates on interest bearing bank balances had been 10 basis points and interest rates on interest bearing bank loans had been 100 basis points higher/lower and all of other variables were held constant, the profit for the year ended 31 December 2016 would approximately increase/decrease by HK\$176,000 (2015: increase/decrease by HK\$40,000).

### 28. 財務工具－續

#### 財務風險管理目標及政策－續

##### 利率風險－續

##### *敏感度分析*

以下敏感度分析根據年末非衍生工具的利率風險釐定。分析是假設年末尚未清償的財務工具於整年均尚未清償而編製，分別採用銀行貸款利率及銀行結餘利率100個基點及10個基點的升幅或跌幅，以代表管理層對利率合理可能變動的評估。

倘計息銀行結餘及計息銀行貸款的利率分別上升／下跌10個基點及100個基點，而所有其他變數維持不變，則截至2016年12月31日止年度的溢利將增加／減少176,000港元（2015年：增加／減少40,000港元）。

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### 28. FINANCIAL INSTRUMENTS – continued

#### Financial risk management objectives and policies – continued

##### Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations at the end of each year in relation to each class of recognised financial assets is the carrying amount of those assets stated in the consolidated statements of financial position. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Given the long-term relationships with its customers and the financial position of these customers, management considers that the credit risk associated with balances due from wholesale customers is low. In addition, the management considers the customers' credit history, settlement patterns, subsequent settlements and aging analysis of trade receivables in determining the allowance for doubtful debts and ensures that adequate allowance for doubtful debts are made for irrecoverable amount. In this regard, the directors of the Group consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk in trade receivables, with exposure spread over a number of counterparties.

The credit risk on bank balances is minimal as such amounts are placed in banks with good reputation.

### 28. 財務工具－續

#### 財務風險管理目標及政策－續

##### 信貸風險

倘對約方未能於各年末履行彼等的責任，則本集團就各類已確認財務資產的最大信貸風險為該等列於綜合財務狀況表內的資產的賬面值。為了盡量減低信貸風險，本集團管理層已授權管理團隊，負責釐定信貸限額、信貸批核及其他監察程序，確保採取跟進行動以追討逾期債項。鑑於本集團與客戶長久以來的關係及該等客戶的財務狀況，管理層認為有關應收批發客戶的結餘的信貸風險很低。此外，管理層考慮客戶的信貸記錄、償付方式、其後結算情況及貿易應收款項的賬齡分析釐定呆賬撥備，並確保已就不可收回款額作出足夠呆賬撥備。就此，本集團董事認為可大幅減低本集團的信貸風險。

本集團於貿易應收款項並無重大集中信貸風險，有關風險分佈多名對約方。

由於銀行結餘存放於信譽良好的銀行，因此銀行結餘的信貸風險極低。

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### 28. FINANCIAL INSTRUMENTS – continued

#### Financial risk management objectives and policies – continued

##### Liquidity risk

The management of the Group has built a liquidity risk management framework for managing the Group's short and medium-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining banking facilities and by continuously monitoring forecasted and actual cash flows and the maturity profiles of its financial liabilities.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up to reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

### 28. 財務工具－續

#### 財務風險管理目標及政策－續

##### 流動資金風險

本集團管理層已建立流動資金風險管理框架，以管理本集團的中短期資金及流動資金管理需求。本集團透過取得銀行融資及持續監察預測及實際現金流量和其財務負債的到期概況，以管理流動資金風險。

下表詳列本集團就其財務負債的尚餘合約期限。下表根據本集團可被要求還款的最早日期擬定，以反映財務負債的未貼現現金流量。下表同時包括利息及本金現金流量。

		Weighted average interest rate	On demand or less than 1 year 須按要求 或少於 一年內償還	Total undiscounted cash flows 未貼現現金 流量總額	Carrying amount 賬面值
		%	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>Financial liabilities</b>	<b>財務負債</b>				
At 31 December 2016	於2016年12月31日				
Trade and other payables	貿易及其他應付款項	–	31,069	31,069	31,069
Bank loans	銀行貸款	1.08%	2,365	2,365	2,365
Other borrowing	其他借貸	6%	28,250	28,250	28,250
			61,684	61,684	61,684
At 31 December 2015	於2015年12月31日				
Trade and other payables	貿易及其他應付款項	–	49,878	49,878	49,878
Amount due to a related company	應付關連公司款項	–	282,103	282,103	282,103
			331,981	331,981	331,981

## Notes to the Consolidated Financial Statements 綜合財務報表附註

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### 28. FINANCIAL INSTRUMENTS – continued

#### Financial risk management objectives and policies – continued

##### Liquidity risk – continued

Note: Bank loans with a repayment on demand clause are included in the “on demand or less than 1 year” time band in the above maturity analysis. As at 31 December 2016, the aggregate carrying amounts of these bank loans amounted to HK\$2,365,000. Taking into account the Group’s financial position, the directors of the Company do not believe that it is probable that the borrower and the bank will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank loans will be repaid within one year after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the undiscounted cash outflow amounted to HK\$2,389,000 (2015: nil) at 31 December 2016.

#### Fair value measurements of financial instruments

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

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

### 28. 財務工具－續

#### 財務風險管理目標及政策－續

##### 流動資金風險－續

附註：於以上到期日分析內，凡訂有須按要求還款條款的銀行貸款計入「須按要求或少於一年內償還」的時間範圍內。於2016年12月31日，該等銀行貸款賬面總額為2,365,000港元。計及本集團的財務狀況，本公司董事並不相信借款人及銀行可能會行使其酌情權以要求即時還款。本公司董事相信，該等銀行貸款將按照貸款協議所載的預定還款日期於報告期末後一年內償還。當時，於2016年12月31日的未貼現現金流出額為2,389,000港元（2015年：無）。

#### 財務工具的公平值計量

財務資產及財務負債的公平值根據普遍採納的定價模式按已貼現現金流量分析釐定。

本公司董事認為，按攤銷成本記錄於綜合財務報表內的財務資產及負債賬面值與彼等於各報告期末的公平值相若。

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### 29. RETIREMENT BENEFITS SCHEME

#### Defined contribution scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance. Under the MPF Scheme, the employees are required to contribute 5% of their monthly salaries or up to a maximum of HK\$1,500 and they can choose to make additional contributions. The employer’s monthly contributions are calculated at 5% of the employee’s monthly salaries or up to a maximum of HK\$1,500 (the “mandatory contributions”). The employees are entitled to 100% of the employer’s mandatory contributions upon their retirement at the age of 65, death or total incapacity.

The employees of the Group’s factory in Mainland China are members of a state-managed retirement benefit plan operated by the government of Mainland China. The Group are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

### 30. SHARE-BASED PAYMENT

Pursuant to written resolutions passed on 14 December 2015, the Company adopted a share option scheme (the “Share Option Scheme”). The Share Option Scheme was valid for a period of 10 years commencing on 14 December 2015.

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group.

### 29. 退休福利計劃

#### 界定供款計劃

本集團根據香港強制性公積金計劃條例運作界定供款的強制性公積金退休福利計劃（「強積金計劃」）。根據強積金計劃，僱員須作出相等於其月薪5%或最多1,500港元的供款，彼等亦可選擇作出額外供款。僱員的每月供款按僱員月薪的5%計算或最多1,500港元（「強制性供款」）。僱員可於65歲退休、身故或完全喪失工作能力時獲得100%的僱主強制性供款。

本集團中國大陸工廠的僱員參加由中國大陸政府運作的國家管理退休福利計劃，本集團須按薪金成本的特定百分比向退休福利計劃作出供款，以為福利提供資金，本集團有關退休福利計劃的唯一責任為作出指定供款。

### 30. 以股份支付款項

根據本公司於2015年12月14日通過的書面決議案，本公司已採納購股權計劃（「購股權計劃」）。購股權計劃由2015年12月14日起計有效10年。

購股權計劃之目的是令本集團可以向特選之參與者授予股份，以鼓勵或報答其對本集團所作之貢獻。

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### 30. SHARE-BASED PAYMENT – continued

Under the Share Option Scheme, the Directors of the Company may, at its discretion, grant options to subscribe for shares in the Company to eligible participants (“Eligible Participants”) who contribute to the long-term growth and profitability of the Company. Eligible Participants include (i) any employee (whether full-time or part-time including any executive director but excluding any non-executive director) of the Company, any of its subsidiaries or any entity (“Invested Entity”) in which any member of the Group holds an equity interest; (ii) any non-executive directors (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity; (iii) any supplier of goods or services to any member of the Group or any Invested Entity; (iv) any customer of any member of the Group or any Invested Entity; (v) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; (vii) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and (viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under this scheme and any other share option schemes adopted by the Group shall not exceed 30% of the share capital of the Company in issue from time to time.

### 30. 以股份支付款項－續

根據購股權計劃，本公司董事有權決定向為本公司之長遠發展和盈利能力作出貢獻之合資格參與者（「合資格參與者」）授予可認購本公司股份之購股權。合資格者包括：(i)本公司、其任何附屬公司或由本集團任何成員公司持有股份權益之任何實體（「投資實體」）之任何僱員（無論全職或兼職，包括任何執行董事，惟不包括非執行董事）；(ii)本公司、其任何附屬公司或任何投資實體之任何非執行董事（包括獨立非執行董事）；(iii)本集團任何成員公司或任何投資實體之任何貨物或服務供應商；(iv)本集團任何成員公司或任何投資實體之任何顧客；(v)為本集團任何成員公司或任何投資實體提供研究、開發或其他技術支援之任何個人或實體；(vi)本集團任何成員公司或任何投資實體之任何股東，或持有由本集團任何成員公司或任何投資實體所發行之任何證券之任何人士；(vii)任何向本集團任何成員公司或任何投資實體任何業務範圍或業務發展作出建議人士（專業人士或其他）或顧問；及(viii)透過合資、業務伙伴或其他商業安排而對本集團之發展和增長作出貢獻或可能作出貢獻之任何其他參與者組別或類別。

因根據此計劃及本集團所採納之任何其他購股權計劃已授出但未行使之所有購股權獲行使而可能發行之股份最高數目，不得超過本公司不時已發行股本之30%。



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### 30. SHARE-BASED PAYMENT – continued

The total number of shares which may be allotted and issued upon exercise of all options to be granted under this scheme and any other share option of the Group must not in aggregate exceed 10% of the shares in issue as at the date of passing of the relevant resolution adopting this scheme.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5,000,000, within any twelve-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors of the Company, save that such period shall not be more than ten years from the date of the offer of the share options, subject to the provisions for early termination as set out in the Share Option Scheme. Unless otherwise determined by the Directors at their absolute discretion, there is no requirement of a minimum period for which an option must be held before an option can be exercised. In addition, there is no performance target which must be achieved before any of the options can be exercised.

### 30. 以股份支付款項－續

因根據此計劃及本集團其他購股權計劃將予授出之購股權獲行使而可配發及發行之股份總數合共不得超過通過採納此計劃之有關決議案當日已發行股份總數之10%。

授予本公司董事、行政總裁或主要股東，或彼等任何聯繫人士之購股權，須在事前獲得獨立非執行董事批准。此外，在任何十二個月內授予本公司主要股東或獨立非執行董事、或彼等任何聯繫人士之購股權，在任何時候若超過公司已發行股份之0.1%，或其總值（以授出當日之本公司股價計算）超過5,000,000港元，須事前於股東大會上獲股東通過。

授出購股權之要約可於要約日起21日內，由承授人以合計1港元之名義代價接納。所授出購股權之行使期由本公司董事決定，惟自授出購股權日期起計，不應超過十年，並受到購股權計劃中提前終止條款規定所限制。除非由董事全權酌情決定，否則購股權並無規定最少須持有至某個特定時限始可行使，此外，亦無規定須達致某個表現目標始可行使。

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### 30. SHARE-BASED PAYMENT – continued

The exercise price of the share options is determinable by the directors of the Company, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five business days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer.

No option was granted, exercised, cancelled or lapsed under the Share Option Scheme since its effective date on 14 December 2015 and there was no outstanding share option as at 31 December 2016.

No share-based payment expense was recognised for the year ended 31 December 2016 in relation to share options granted by the Company.

The total number of shares available for issue under the Share Option Scheme as at the date of this report is 45,000,000 which represented 10% of the Company's share in issue as at that date.

### 30. 以股份支付款項－續

購股權之行使價由本公司董事決定，惟不能低於以下之最高價：(i)在購股權要約日期本公司股份在聯交所之收市價；(ii)在購股權要約日期前五個營業日內本公司股份在聯交所之平均收市價；及(iii)在購股權要約日期本公司股份之面值。

自購股權計劃於2016年12月14日生效日期起並無3購股權根據購股權計劃獲授出、行使、註銷或失效，於2016年12月31日並無尚未行使的購股權。

截至2015年12月31日止年度，並無就本公司授出的購股權確認以股份支付款項的開支。

於本報告日期，根據購股權計劃可供發行之股份總數為45,000,000股，佔本公司於該日期之已發行股份10%。

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### 31. RELATED PARTY TRANSACTIONS

The Group had the following transactions with related parties during the years:

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Rental expenses paid to entities under controlled by a director of the Company	向由本公司一名董事控制的實體支付租金開支	4,464	1,450

Key management personnel include directors of the Company and other senior management of the Group. The remuneration paid or payable during the years are as follows:

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Short-term benefits	短期福利	9,891	7,772
Post-employment benefits	離職後福利	131	127
		<b>10,022</b>	7,899

The remuneration of key management personnel is determined by the management of the Company having regard to the performance of individuals and market trends.

### 31. 關連方交易

本集團於年內與關連方進行以下交易：

主要管理人員包括本公司的董事及本集團的其他高級管理層。於年內已付或應付薪酬如下：

主要管理人員薪酬由本公司管理層參考個人表現及市場趨勢釐定。

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### 32. OPERATING LEASE COMMITMENTS

The Group had future aggregate minimum lease payables under non-cancellable operating leases in respect of office premises, factory buildings and motor vehicles as follows:

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	7,316	6,284
After one year but within five years	一年後但五年內	3,570	9,386
		<b>10,886</b>	15,670

Operating lease commitments as at 31 December 2016 included commitment to entities controlled by a director of the Company amounted to HK\$7,211,000 (2015: HK\$9,401,000).

Operating lease payments represent rentals payable by the Group for certain office premises, factory buildings and motor vehicles. Leases are negotiated for terms of one to five years.

### 32. 經營租賃承擔

本集團根據不可註銷經營租約就辦公室、廠房大廈及汽車的未來最低應付租賃款項總額如下：

於2016年12月31日的經營租約承擔包括向由本公司一名董事控制的實體的承擔7,211,000港元(2015年：9,401,000港元)。

經營租賃款項指本集團就若干辦公室物業、工廠大廈及汽車而應付的租金，經磋商租約年期為一至五年。

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### 33. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the Company's subsidiaries, all of which are limited liability companies, at 31 December 2016 and 31 December 2015 are as follows:

### 33. 本公司附屬公司的詳情

於2016年12月31日及2015年12月31日，本公司的附屬公司（均為有限公司）詳情載列如下：

Name of subsidiary 附屬公司名	Place of incorporation/ registration/ operations 註冊成立/ 註冊/經營地點	Issued and fully paid share capital/registered and paid-up capital 已發行及繳足股本/ 註冊及繳足股本		Proportion of nominal value of issued capital/ registered capital held by the Company 本公司所持已發行股本/ 註冊股本面值比例				Principal activities 主要業務
		2016	2015	Directly		Indirectly		
		2016年	2015年	直接	間接	直接	間接	
				2016 2016年	2015 2015年	2016 2016年	2015 2015年	
Perfect Group International Holdings (HK) Limited 保發集團國際控股(香港)有限公司	Hong Kong 香港	Ordinary shares HK\$10,000,000 普通股 10,000,000港元	Ordinary shares HK\$10,000,000 普通股 10,000,000港元	-	-	100	100	Designing, manufacturing and exporting of fine jewellery 設計、製造及出口優質珠寶
Perfect Group China Holding (HK) Limited	Hong Kong 香港	Ordinary shares HK\$10,000 普通股 10,000港元	-	-	-	100	-	Not yet commence business 尚未開展業務
Perfect Group China Investment (HK) Limited	Hong Kong 香港	Ordinary shares HK\$10,000 普通股 10,000港元	-	-	-	100	-	Not yet commence business 尚未開展業務
Perfect Group International Holdings Limited 保發集團國際控股有限公司	BVI 英屬處女群島	Ordinary shares US\$10,000 普通股 10,000美元	Ordinary shares US\$10,000 普通股 10,000美元	100	100	-	-	Investment holding 投資控股
Perfect Group China Holding Limited	BVI 英屬處女群島	Ordinary shares US\$10,000 普通股 10,000美元	-	-	-	100	-	Investment holding 投資控股
Perfect Group China Investment Limited	BVI 英屬處女群島	Ordinary shares US\$10,000 普通股 10,000美元	-	-	-	100	-	Investment holding 投資控股
Hong Kong Perfect Jewellery DMCC	Dubai 迪拜	Ordinary shares AED50,000 普通股50,000 阿聯酋迪拉姆	Ordinary shares AED50,000 普通股50,000 阿聯酋迪拉姆	-	-	100	100	Logistics and marketing activities 物流及市場推廣活動

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### 34. MAJOR NON-CASH TRANSACTIONS

During the year, as mentioned in note 18, the deposit for the jointly bidding of land use right of the Land amounting of RMB25,000,000 (equivalent to HK\$28,250,000) was paid by the shareholder of the Potential Joint Venturer to Shunde Public Resources Trading Centre on behalf of the Group.

For the year ended 31 December 2015, as mentioned in note 23, a business transferred agreement was signed on 26 June 2015 and such Business Transfer was completed on 5 August 2015. Those assets not related to the Jewellery Business, including land and buildings and motor vehicles amounted to HK\$150,510,000, and bank loan amounting to HK\$84,208,000, were retained by HK Perfect.

### 34. 重大非現金交易

年內，誠如附註18所述，潛在合營夥伴的股東已代表本集團就共同競投該地塊之土地使用權向順德公共資源交易中心支付按金人民幣25,000,000元（相當於28,250,000港元）。

截至2015年12月31日止年度，誠如附註23所述，已於2015年6月26日訂立業務轉讓協議，而有關業務轉讓已於2015年8月5日完成。該等資產與珠寶業務並不相關，包括土地及樓宇及汽車150,510,000港元以及銀行貸款84,208,000港元，並由保發珠寶保留。

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### 35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

### 35. 本公司財務狀況表

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Non-current asset	非流動資產		
Investment in a subsidiary	於附屬公司的投資	282,259	78
Current assets	流動資產		
Other receivables and prepayments	其他應收款項及預付款項	241	5,597
Amounts due from subsidiaries	應收附屬公司款項	64,415	-
Bank balances	銀行結餘	62,256	8
		126,912	5,605
Current liabilities	流動負債		
Accruals and other payables	應計費用及其他應付款項	5,352	7,305
Amounts due to subsidiaries	應付附屬公司款項	156	15,106
		5,508	22,411
Net current assets (liabilities)	流動資產(負債)淨額	121,404	(16,806)
Total assets less current liabilities	資產總值減流動負債	403,663	(16,728)
Share capital and reserves	股本及儲備		
Share capital	股本	4,500	-
Reserves	儲備	399,163	(16,728)
		403,663	(16,728)

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### 35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY – continued

### 35. 本公司財務狀況表 – 續

#### Movement in the Company's reserves

#### 本公司之儲備變動

		Share premium	Special reserve	Accumulated profit (losses)	Total
		股份溢價	特別儲備	累計溢利 (虧損)	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	(16,806)	(16,806)
Arising from the Group Reorganisation	集團重組所產生	2	76	-	78
At 31 December 2015	於2015年12月31日	2	76	(16,806)	(16,728)
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	-	56,825	56,825
Loan capitalisation (note 23)	貸款資本化(附註23)	-	282,103	-	282,103
Issue of shares	發行股份	103,500	-	-	103,500
Share issue expenses	股份發行開支	(9,662)	-	-	(9,662)
Capitalisation issue of shares	資本化發行股份	-	(3,375)	-	(3,375)
Dividend (note 13)	股息(附註13)	-	-	(13,500)	(13,500)
At 31 December 2016	於2016年12月31日	93,840	278,804	26,519	399,163



## Financial Summary

### 財務概要

The following is a summary of the published results and assets and liabilities of the Group for the last five financial years. The financial information for the years ended 31 December 2012, 2013 and 2014 are extracted from the prospectus of the Company dated 22 December 2015.

下表載列本集團於過往五個財政年度已刊發業績以及資產及負債概要。截至2012年、2013年及2014年的財務資料乃摘錄自本公司日期為2015年12月22日的招股章程。

		For the years ended 31 December 截至12月31日止年度				
		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元	2014 2014年 HK\$'000 千港元	2013 2013年 HK\$'000 千港元	2012 2012年 HK\$'000 千港元
Revenue	收益	<b>322,423</b>	458,306	516,154	536,293	542,831
Gross profit	毛利	<b>88,944</b>	132,077	150,505	160,958	125,280
Profit for the year	年內溢利	<b>34,699</b>	56,460	90,439	107,049	80,980

		As at 31 December 於12月31日				
		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元	2014 2014年 HK\$'000 千港元	2013 2013年 HK\$'000 千港元	2012 2012年 HK\$'000 千港元
Total assets	資產總值	<b>486,654</b>	354,588	553,822	430,232	306,142
Total liabilities	負債總額	<b>73,714</b>	339,913	192,535	79,287	106,128
Net assets	資產淨值	<b>412,940</b>	14,675	361,287	350,945	200,014

